**Automotive Service Market 2022**

**Record Vehicle Prices Driving Service Work**

With new and used vehicles in very limited supply and at record-setting prices, it’s unsurprising the average age of vehicles on American roads continues to increase and causes owners to schedule service work to keep those vehicles operating.

According to 2022 data from S&P Global Mobility, the average age for all light vehicles was 12.2 years and almost two months older than 2021. Passenger cars had the oldest average age at 13.1 years and light trucks at 11.6 years.

Data from franchised dealerships using Cox Automotive’s Xtime service software, revealed its May 2022 Repair Order Volume Index decreased 1.6% YOY to 86.9; however, the Repair Order Revenue Index increased to 126.8, indicating more revenue from fewer orders.

**Average Franchised Dealer’s Service and Parts Operation Profile, 2021**

|  |  |  |  |
| --- | --- | --- | --- |
| Metric | Data | Metric | Data |
| Total service and parts sales | $7.53 M | Parts sales/service labor sale | $1.59 |
| Total repair orders written | 16,257 | Number of technicians | 15 |
| Total service and parts sales/customer repair order | $394 | Total parts inventory | $458,443 |
| Total services and parts sales/warranty repair order  | $402 | Average customer mechanical labor rate | $139 |

National Automobile Dealers Association, January 2022 (color represents an increase, decrease or unchanged from 2020

**On the Road Again**

As more Americans have returned to their “normal” activities, they are driving more. According to a March 2022 survey from Morning Consult, 31% of vehicle owners had taken a road trip of 300 or more miles during the past month.

Interestingly, Gen Xers and Baby Boomers were the generations taking the most road trips of 300 or more miles at 39% and 43%, respectively, compared to 25% of Gen Zers and 25% of Millennials.

Millennials may not have taken more road trips of 300 miles or more, but 13% took three or more road trips during the past month, compared to 6% of Gen Zers, 4% of Gen Xers and 3% of Baby Boomers.

**Total Vehicle Miles Traveled on US Highways**

**and Roads, September 2021–February 2022**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Month | Total | YOY Change | 2YOY Change | Month | Total | YOY Change | 2YOY Change |
| September 2021 | 278 B | +7.8% | +3.3% | December 2021 | 268 B | +11.2% | -1.5% |
| October 2021 | 286 B | +7.1% | +1.1% | January 2022 | 241 B | +4.3% | -7.7% |
| November 2021 | 268 B | +12.6% | +2.3% | February 2022 | 236 B | +10.8% | -2.9% |

US Department of Transportation, April 2022

**Adaptable Independent Repair Shops Succeed**

Independent repair shops have had to face new challenges each year from the start of the pandemic. First, during 2020, they had to keep their staff and customers safe and then labor shortages and during 2022, supply-chain issues caused parts shortages.

According to a February 2022 survey of 500 independent repair shops from IMR, 35.8% were experiencing parts shortages, 31.8% attracting previous customers and providing incentives, 29.4% finding affordable parts and 27.0% receiving parts on time.

It was generally the larger shops (4–7 bays and 8+ bays) that had the most problems with parts shortages at 41.9% and 50.0%, respectively, compared to just 8.8% of shops with 1–3 bays. Their biggest challenge was finding qualified technicians at 29.4%.

**Top Five Long-Term Industry Trends Independent**

**Repair Shops Think Will Affect Them, February 2022**

|  |  |
| --- | --- |
| Trend | Percent |
| Increasing HEV/EV VIO\* | 48.6% |
| Higher/Increasing parts and tool costs | 31.8% |
| Finding and retaining qualified/responsible technicians | 13.4% |
| Able to compete with larger shops/dealerships | 12.8% |
| OEMs withholding diagnostic information | 12.4% |

 IMR/AutomotiveResearch.com \*hybrid and electric vehicles

**Understanding the Service Customer**

The Morning Consult survey cited on page 2 showed 43% of adult vehicle owners said they chose to have their vehicle serviced at a dealership because of its “certified mechanics and technicians.” A close second was “familiarity/comfort with the dealership” at 42%.

Cox Automotive’s 2021 Service Industry Study generated similar results: “They know my vehicle” at 55%, “prior experience” at 46%, “location” at 41% and “they know me” at 33%.

In the Morning Consult survey, “price” at 67% was the overwhelming reason adults didn’t have their vehicle serviced at a dealership. “Trusted others more” was second at 27%, followed by “location” at 24% and “turnaround time” at 16%.

**Share of Where Vehicle Owners Had Their Vehicles Serviced, 2021**

|  |  |  |  |
| --- | --- | --- | --- |
| Type | Percent | Type | Percent |
| #1: Dealerships | 34% | #6: Specialist | 4% |
| #2: General repair/service station | 26% | #7: Body shop | 3% |
| #3: Quick lube | 11% | #8: Mobile service | 3% |
| #4: Tire store/repair chain | 11% | #9: Other | 2% |
| #5: Retail | 6% |  |  |

National Automobile Dealers Association, January 2022

**In Search of Service**

According to Digital Air Strike’s 2021 Automotive Customer Experience Trends Study, two-thirds (67%) of respondents said they only used online searches to choose a dealership for service on their vehicles, compared to 46% in the 2020 survey.

Unsurprisingly, Google is where these vehicle-service customers searched the most at 60%, followed by Kelley Blue Book, Cars.com and CarGurus at 17% each, Autotrader at 13%, Facebook and Edmunds at 6% each and Yelp at 4%.

Dealerships aren’t doing a very good job at taking advantage of online reviews. A majority (71%) of survey respondents said the dealership where their vehicle was serviced did not ask them to write a review, but 58% said review sites were helpful.

**Adults 18+ Who Are High-Mileage Drivers and Their Heavy**

**Exposure to Major Media, by Generation and Indices, 2021**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Media | Gen Z | Millennials | Gen X | Baby Boomers | Silent Generation |
| Radio | 97 | 106 | 108 | 81 | 56 |
| TV | 103 | 91 | 98 | 111 | 145 |
| Newspaper | 105 | 115 | 94 | 65 | 102 |
| Outdoor | 100 | 100 | 100 | 100 | 100 |
| Direct mail | 95 | 108 | 103 | 83 | 112 |
| Internet | 105 | 108 | 102 | 82 | 47 |
| Social media | 173 | 119 | 71 | 46 | 29 |

 Based on The Media Audit’s 49-Market 20201Aggregate Survey

 (See page 4 for heavy exposure to media times)

**Challenges for Body Shops**

Dealerships with body shops would like them to generate more revenue, but according to the NADA, total 2021 body shop sales at franchised dealerships decreased 4.3% from 2020 and fewer dealerships had body shops at 35.7%, compared to 37.3% during 2020.

Truck dealerships’ body shops performed better as a revenue stream. The average body shop sale was $329.39 during 2021, a negligible decrease from $329.63 for 2020.

An April/May 2022 DealerRater survey reveals the reason dealerships aren’t generating as much revenue from their body shops. The survey found most customers (16%) chose a body shop based on their insurance company’s recommendation.

**How Customers Decided on a Body Shop, April/May 2022**

|  |  |  |  |
| --- | --- | --- | --- |
| Source | Overall | Mass-Market | Luxury |
| Dealership where vehicle purchased | 20% | 20% | 23% |
| Insurance company recommendation | 16% | 16% | 13% |
| Word-of-mouth | 8% | 8% | 7% |
| Internet search | 6% | 6% | 5% |
| Other | 50% | 50% | 52% |

 *Automotive News* (DealerRater), June 2022

**More Valuable Insights**

The J.D. Power 2022 U.S. Customer Service Index StudySM (conducted July–December 2021) reveals several interesting trends in the customer-dealership relationship when having a vehicle serviced.

* Supply-chain issues for parts and lack of qualified technicians and more consumers wanting to keep their vehicles on the road because of the high prices for new and used vehicles have increased the time customers must wait for a service appointment. For owners of premium and mass-market vehicles, the wait times were 4.5 and 4.3 days, respectively, which are almost 24 hours more than reported in the 2021 study.
* Communication with the service department via various digital devices and channels is increasing in popularity. 42% of survey respondents prefer text messages, 27% scheduling appointments online and 7% via a mobile app.
* Valet and mobile service appointments received a higher customer satisfaction score than taking the vehicle to a dealership, at 866 and 847, respectively.

**Top 10 Brands by Their Customer Service**

**Satisfaction Index Score, July–December 2021**

|  |  |  |  |
| --- | --- | --- | --- |
| Premium Brands | Score | Mass-Market Brands | Score |
| #1: Lexus | 897 | #1: MINI | 873 |
| #2: Cadillac | 880 | #2: Buick | 872 |
| #3: Porsche | 879 | #3: Mazda | 856 |
| #4: Acura | 871 | #4: Mitsubishi | 854 |
| #5: BMW | 866 | #5: GMC | 853 |
| Segment average | 866 | #6: Chevrolet | 852 |
| #6: Audi | 865 | #7: Subaru | 852 |
| #7: Infiniti | 862 | #8: Nissan | 849 |
| #8: Jaguar | 858 | #9: Toyota | 848 |
| #9: Lincoln | 854 | Segment average | 844 |
| #10: Volvo | 854 | #10: Dodge | 840 |

 J.D. Power, March 2022

**The Media Audit: Heavy Exposure to Media, 2021**

|  |  |
| --- | --- |
| Media | Time |
| Radio | 180+ minutes during an average day |
| TV | 300+ minutes during an average day |
| Newspaper | 60+ minutes during an average day |
| Outdoor | 200+ miles during an average week |
| Direct mail | 75+ read weekly |
| Internet | 180+ minutes during a typical day |
| Social media | 180+ minutes during a typical day |

*Sources:* BusinessWire Website, 6/22; Cox Automotive Website, 6/22; National Automobile Dealers Association Website, 6/22; Morning Consult Website, 6/22; US Department of Transportation Website, 6/22; IMR/AutomotiveResearch.com Website, 6/22; *Automotive News* Website, 6/22; The Media Audit Website, 6/22; J.D. Power Website, 6/22.

*Updated*: June 2022

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**Local Market and Station Information**