



Professional

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**FRANCHISED WORKSHOPS GAIN MARKET SHARE;
INDEPENDENTS STILL DOMINATE OVERALL**

- Franchised workshops marginally increased their market share of own marque servicing, MOT and repair work
- The independent sector still hold significantly larger market share than franchised dealerships
- Honda boasts highest customer retention for servicing, with Vauxhall suffering worst loyalty

The franchised workshop sector has grown its market share of service, repair and MOT work by almost one percentage point since 2006. The new Castrol Professional Car Service & Repair Trend Tracker 2008 report indicates that 24.2 per cent of motorists visit their franchised dealer for servicing, MOT or repair work. The 2008 share compares to 23.3 per cent two years ago and means the sector is benefitting from an increase of £195 million in revenue.

The non-franchised sector – made up of independent garages, fast-fit centres, and autocentres – still retains the dominant share of the market, conducting 53.3 per cent of service, MOT and repair work.

“As the motor trade sinks deeper into the doldrums, the fact that the franchised sector is retaining more of the available work might appear to offer a glimmer of hope for dealers,” comments Trend Tracker analyst Chris Oakham. “However, it would be wrong to attribute much of this to efforts dealers are making. It is primarily down to the increase in three-year warranties and the expansion of the number of cars under four years old, which together virtually guarantee business for dealers.”

“We forecast that the independent sector will soon retake this share, and gain more, as these newer cars age, as reduced retail sales result in reduced in-warranty servicing for dealerships, and as the credit crunch results in more motorists seeking lower-cost options for vehicle maintenance.”

“The franchised sector remains fragile to competition from the independent sector because it has failed to innovate with its offers to the motorist. The threat is strongest from the large fast-fit and autocentre chains, who benefit from economies of scale while avoiding the overheads incurred by manufacturer franchisees. The franchised sector must provide a better service, with better-skilled staff, and must make the most of their unique selling points. While they can’t compete on cost, they must find ways to compete on value.”

The newly released Castrol Professional Car Service & Repair Trend Tracker 2008 report reveals that some manufacturers’ franchisees retain a far greater proportion of service, MOT and repair work than those of other brands.

Owners of Honda cars are most loyal to their marque’s dealer network, with 37.9 per cent taking their vehicles to a Honda dealership for maintenance work, while Citroën and ‘Other German’ (BMW, Mercedes-Benz and Audi) owners also rank as highly loyal. Vauxhall dealers received the least loyalty from owners of their brand, with just 17.5 per cent of Vauxhall drivers visiting a Vauxhall dealer for their car’s service, repairs or MOT.

Brand loyalty rankings (percentage of vehicle owners visiting a same-marque franchised dealership for service, repair and MOT work)

Honda	37.9
Citroën	34.2
‘Other German’	33.3 <i>(BMW, Audi, Mercedes-Benz)</i>
Volvo	30.2
Toyota	27.6
Volkswagen	26.6
Renault	26.1
Peugeot	24.6
Franchised workshop average	24.2
Nissan	22.7
‘Other Japanese’	22.4 <i>(excludes Honda, Toyota, Nissan)</i>
Ford	22.4
Fiat	21.5
Vauxhall	17.5

(Source: Synovate)

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Notes for Editors

About Castrol Professional Car Service & Repair Trend Tracker 2008

The Castrol Professional Car Service & Repair Trend Tracker 2008 report is published by the UK automotive research firm Trend Tracker Ltd at £1,250 + VAT (£1,468.75), including 188 pages and over 200 tables and charts. It can be ordered online from www.trendtracker.co.uk. Designed to provide service and repair and parts suppliers and investors with all the UK market information they need for strategic decision-making, it updates in a single volume three previously separate longstanding report series from the company: The Castrol Business Services Car Servicing Trend Tracker, the Castrol Business Services Car Maintenance & Repair Trend Tracker (both based on Synovate consumer research surveys), and the biennial mfi UK Car Service & Repair Market studies based on b2b research.

The new report covers comprehensively long-term trends in the market, data on the shares of suppliers analysed by vehicle make and age, and forecasts for market value and volume and supplier structures. For more information, please contact Toby Procter, Director, Trend Tracker, on 0870 421 4353.