

News from Trend Tracker

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For immediate release

Five-year warranty to benefit Toyota dealer workshops

Automotive retail sector research company Trend Tracker has analysed the potential effects of Toyota's recent introduction of a five-year new car warranty and concluded that Toyota dealers will realise benefits in the workshop as well as the showroom.

Trend Tracker has records of servicing retention by make of car going back to 1994. This period includes the general move by vehicle manufacturers from a one-year new car warranty to three years back in 1998. Trend Tracker analysed the servicing retention benefits realised by franchised dealers from this improvement in warranty terms and applied the same logic to Toyota. The analysis demonstrated that Toyota dealers can expect a minimum of seven per cent more service department business once the effects of the five-year warranty work through.

Trend Tracker's lead aftermarket analyst, Chris Oakham, said: "Of course it will take five years for every Toyota up to five years old to be covered by the manufacturer's warranty. Once this point is reached, Toyota dealers will see the full benefits of increased retention of workshop business.

"Clearly, by extending a new-car warranty to five years, there is loss of retail business to the warranty account. However, wear and tear replacements - and routine servicing - will still be paid for by motorists, and Toyota dealers will increase their share of this lucrative work as a result of the five-year warranty."

Toyota service departments could also see a more immediate benefit if new car buyers find the five-year warranty attractive enough to boost Toyota's new car sales. This will increase the number of Toyotas under four years old, the age group that Trend Tracker's historic data shows to be the core market for dealers' workshops.

ENDS

Notes for editors

Trend Tracker Limited has recently published the latest edition of its long-running series of studies on the retail market for car servicing, maintenance and repair - *The Car Service and Repair Trend Tracker Update 2010*. The combines in one volume an update of data from three long-established Trend Tracker reports first published in 1994. Central to the research is consumer survey data from up to 18,000 different motorists, gathered during a rolling 18-month period and going back to the early 90s, as well as extensive B2B research. Details of the report can be downloaded from www.trendtracker.co.uk.

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