

Car Servicing and Repairs

Research into trade and consumer interest in a national 'Good Garage' scheme



Car Servicing and Repairs: Research into trade and consumer interest in a national 'Good Garage' scheme

This survey was commissioned by the Consumer and Competition Directorate, DTI following the Report of the Task Force on Car Servicing and Repair, published as the consultation document "Jacking up standards in car servicing" (URN 01/1171) in September 2001. One of the recommended action points in the Action Plan published in the Report was to develop the idea for a national, voluntary and self-financing "Good Garage" scheme by carrying out independent research on the likely take-up and attractiveness of such a scheme.

NOP Automotive was contracted to design, carry out and report on the project.

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1.0 Objectives

The overall objective of the survey was to evaluate the viability of a 'Good Garage' scheme, as described in the Report of the Task Force on Car Servicing and Repair, by determining any deterrents to joining the scheme, and both by qualifying and quantifying the potential interest and take up both with garage owners and consumers.

More specifically:

- i) Evidence of whether traders would join the scheme
- ii) What factors may attract/deter traders from joining the scheme
- iii) Traders' perceptions of the costs and benefits of joining such a scheme
- iv) Traders' support/willingness to comply with the proposed minimum standards of customer service
- v) Consumer evidence on the potential influence of a 'Good Garage' scheme on the choice of a garage for servicing and repair work
- vi) Consumer evidence on what would be attractive in such a scheme

1.1 The 'Good Garage' scheme

Essentially, a 'Good Garage' scheme as proposed by the Task Force would be voluntary and would operate by the commitment of participating traders to abide by a set of minimum service standards. The scheme would be run by an independent supervisory body and be self-financing through membership fees. To ensure compliance and thus provide the guarantee required to customers, members would be regularly inspected and would agree to be subject to random mystery shopping. In return, traders would be entitled to display the scheme logo, and would be supported by other marketing and guidance from trading standards departments.

The Task Force Report identified the following criteria as essential for the 'Good Garage' scheme to be effective:

- Agreed minimum standards
- Independent supervision
- Effective compliance
- Mass take-up of the scheme by all types of business within the sector: trade associations, dealers, independent and small businesses

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- Effective marketing
 - Reasonable cost
 - Need for compatibility with codes of practice, local schemes, regimes such as MOT testing

2.0 Conclusions and summary

The following conclusions and summary follow the objectives given in section 1.0.

The conclusions and summary are based on the following:

- 301 quantitative CATI (Computer Assisted Telephone Interviewing) interviews and 15 qualitative depth interviews with traders across a range of outlet types
- The quantitative traders sample is representative in terms of approximate relative numbers of types of garage and of the UK by region
- 501 quantitative CATI (Computer Assisted Telephone Interviewing) interviews and 4 qualitative focus groups with consumers
- The quantitative consumers sample is nationally representative of the UK in terms of region, age and sex

2.1 Conclusions

Objective 1: Evidence of whether traders would join the scheme

1. Despite the fact that 80% of traders perceive a need for a 'Good Garage' scheme, only one third are definitely interested in joining.

- Lack of interest may be only partly attributed to cost considerations
- Many traders are already in associations and see few real benefits from this membership and doubt the benefit of belonging to another scheme
- Many already subscribe to codes of practice that are at least as stringent as the conditions of the 'Good Garage' scheme, and therefore do not class themselves as needing regulation
- Whilst many traders cannot see the benefit of the scheme, other traders are put off by high costs, extra paperwork and hassle of being a member of the scheme

The scheme therefore needs to include defined and clear benefits to convert latent interest into active membership: such benefits are discussed under objective 2 below.

2. The scheme could have wider appeal.

- A further 25% of garages are possibly interested in joining
- Attraction of these additional traders into joining the scheme will also depend on demonstration of tangible benefits that can be derived from such membership

3. Where there is trader interest in the scheme, key targets are clearly identified in the research. Garage types expressing most interest in this scheme are:

- National independent chains and national fast fit outlets, who tend to have lower levels of customer loyalty than franchised dealers or small businesses, but who have the resources to cover any fees
- Furthermore, these two groups expressed the highest levels of interest in the scheme throughout the survey

Least interested are the solo traders and regional fast fit outlets, who tend to be smaller and therefore may not have the resources to cover any fees

4. There is an underlying perceived need, however, for a scheme such as the 'Good Garage' scheme.

- For traders, this would help improve the industry's image, which is tarnished by the presence of bad operators and the publicity that such outlets attract in the media
- The scheme would increase consumer confidence and may, thus, provide participating traders with a possible competitor advantage
- The majority of traders believe that setting up of the 'Good Garage' scheme should continue.

5. The dichotomy between the requirement that the traders express for a scheme of this type, compared to their hesitance to join such a scheme, suggests that the scheme is useful in theory, but is less attractive in practice.

- It is important to realise that traders who may believe that they are operating below acceptable standards are unlikely to have agreed to be interviewed.
- Therefore, traders as a whole believe there is a need for the scheme to regulate the industry, but individual garages do not class themselves as needing regulating

Objective 2: What factors may attract/deter traders from joining the scheme

6. The reasons for not wanting to join the scheme do not relate to the scheme's features (such as the minimum standards), rather that the scheme is perceived to have no direct benefit to garage owners, coupled with the quoted costs.

7. In terms of deterrents to traders joining the scheme, over half of traders cannot think of any further features that they would like to see the scheme offer.

- In essence therefore, this bears out the finding that it is not the scheme itself which puts traders off joining, but the assessment that the traders interviewed have no need for it, whilst it is still useful for the industry as a whole
- There is nothing in the scheme that is a tangible deterrent to joining the 'Good Garage' scheme, it is rather that traders perceive no benefit to themselves

8. As discussed under objective 1, traders will only be interested in joining the scheme if there are clear benefits for their garage.

- Traders want to see a return for their investment in the scheme
- The scheme must attract new customers and/or increased revenue
- Other returns could come in the form of marketing support, a clear logo, business advice and conciliation / arbitration support

9. Although there are clear similarities between the key scheme features for traders and consumers, there is a gap between the traders' views of customer priorities and the actual views of consumers themselves.

The key features of the scheme vary for trader and consumer.

- The prime focus for traders is on customer relations
- The main concern for consumers however, is on getting the work done 'right first time'

10. These differences should be reflected in the way that the scheme is designed and communicated.

- Traders show a degree of complacency in believing that they know what customers want in terms of minimum standards
- This is borne out by the finding that those who do have existing minimum standards, believe that they stick to them or that they already deliver on the minimum standards

Objective 3: Traders' perceptions of the costs and benefits of joining such a scheme

11. The Task Force suggested membership fees ranging from £300 to £1,400 depending on the size of the business

- This is in excess of what traders think the scheme should cost
- The cost of the scheme, quoted spontaneously by traders, should be £188 per year on average
- Traders quote an average cost of £314 for an annual fee that is high, but still justifiable
- £520 was quoted by traders on average as a cost that is over-priced, unjustifiable and inappropriate for the scheme and the benefits it offers
- Even the franchised dealers, who benefit from manufacturer backing and who may have to pay up to £1,400, consider £756 to be unjustifiably expensive for a year's membership

12. Despite the fact that proposed fees far exceed expected cost, nearly half of traders perceive the proposed costs as reasonable.

- Translated into average costs per car serviced or repaired, the actual cost is 11p - 23p per vehicle, depending on the size of garage

Some of this cost may be recoverable from customers, provided that the scheme demonstrates clear benefits to both traders and customers.

Objective 4: Trader's support/willingness to comply with the proposed minimum standards of customer service

13. The minimum standards themselves are not a great impediment to traders joining the scheme and all would be at least fairly likely to comply with all the minimum standards.

14. Seven out of ten traders have an existing code of practice.

- Some are more stringent than the minimum standards proposed in the 'Good Garage' scheme: for example, this includes manufacturers' own schemes 1
- This is borne out by the finding that only one in ten traders say they would need to make changes to their garages to comply with the minimum standards proposed

Objective 5: Consumer evidence on the potential influence of a 'Good Garage' scheme on the choice of a garage for servicing and repair work

15. There is an underlying desire for a scheme such as the 'Good Garage' scheme.

- Consumers would also benefit from increased confidence and the scheme would provide them with a basis for choosing a garage
- The majority of consumers believe that the compliance measures described by the task Force are stringent enough to regulate the scheme

16. There is also a relative inertia in the consumer market, which reflects a fear of the unknown.

- Consumers are clearly seeking peace of mind and tend to stay with the garage they know
- Consumers have no other clear foundation for confidently choosing a garage that they have not used before: the 'Good Garage' scheme would provide consumers with an indication of which garages to use and trust. This is a key selling point for consumers

17. Consumer groups most likely to be interested in the scheme include:

- Those moving to a new area looking for a new garage
- Those dissatisfied with their current garage
- Those looking for work to be done other than a scheduled service
- Owners whose car is out of warranty or about to come out of warranty: this is a key time to attract consumers away from the franchised dealers, who consistently scored lower in all measures of satisfaction
- The actual extent of consumer choice between outlets is likely to be more widespread than that seen in this survey, and extends beyond simple car servicing

Objective 6: Consumer evidence on what would be attractive in such a scheme

18. Consumers require peace of mind when using a garage: customers do not want to feel as though they are being 'ripped off'.

- The most appealing minimum standard of the scheme for consumers is that garages request permission for additional work and that the garage only takes on work that they are competent to undertake
- Consumers require clear costs outlined to them at the start of the work

The actual costs themselves are not a key issue to customers as long as these costs match the initial quote and the work is completed correctly first time.

19. Quality is also an important issue.

- The main benefit of the scheme for consumers are the guaranteed minimum standards of work: this would provide the peace of mind that consumers are looking for

Overall conclusion

20. Based on the findings of this research, the success of the scheme is not guaranteed, although there does seem to be a latent demand for it from both sides (traders and consumers).

21. Publicity would be vital to the success of any scheme, so this needs to be carefully developed and tested with consumers and traders. NOP Automotive recommend conducting advertising tests with consumers and traders prior to commencing national communication for the scheme.

2.2 Summary

2.2.1 Traders

Objective 1: Evidence of whether traders would join the scheme

1. 37% are aware of the 'Good Garage' scheme, 80% see a need for the scheme

(section 5.4.1) and a further 80% think that setting up of the scheme should continue (section 5.4.9).

- This is particularly true of national independent chains and family businesses
- Those with no code of practice or without membership of a trade/business association are less likely to see the need for the 'Good Garage' scheme

2. Traders are asked how interested they are at three points in the interview.

- Initial interest (section 5.4.1)
- Interest before costs (section 5.4.6)
- Interest after costs (section 5.4.9)

Initially, 64% of traders are interested in the scheme.

- National independent chains and family businesses are more interested than average
- Solo traders and regional fast fit outlets are less interested than average

Before discussing costs, 42% are interested in joining and 27% might join (69% overall).

- National independent chains and regional independent chains are more interested in joining at this stage
- Family businesses and solo traders and regional fast fit outlets are less interested in joining the scheme

After discussing costs, 34% are interested in joining and 24% might join (58% overall).

- National independent chains and national fast fit outlets are more likely to state that they would join the scheme
- Solo traders and regional fast fit outlets are less likely to join the scheme

There is a clear trend shown by comparing interest at these three points in the interview.

- Interest in the scheme drops after the discussion of costs
- Those who are members of trade associations and those with a code of practice are more likely to be interested in the scheme
- Those without trade association membership or a code of practice are less likely to be interested

3. Reasons for not joining the scheme include (section 5.4.9).

- Nearly one third of respondents (30%) cannot see the benefit of joining it

- Over one quarter of respondents (28%) are put off by the cost
- A significant proportion (15%) state that the decision is not theirs to make and would be taken by their boss or head office
- 10% would need more information about the scheme before committing to it
- 8% state that they are already members of another scheme/ association or the RMI

Objective 2: What factors may attract/deter traders from joining the scheme

4. A key expectation is that the scheme would have a positive effect on the industry's image (section 5.4.1).

- This is especially true of national independent chains

5. As a result of the scheme, over one half of garages expect to be able to attract new customers (section 5.4.2).

- This is particularly true for national independent chains

6. The key benefits to garages are as follows (section 5.4.2).

- 28% believe that their garage would have an improved profile
- 23% think that the scheme would protect customers
- 22% say the scheme would be appealing to customers
- However, 26% cannot mention any benefits
- National independent garages are most likely to be able to mention any benefits

The key benefits to customers, as perceived by traders, are as follows (section 5.4.2).

- 26% state that customers would have peace of mind
- 21% mention guaranteed minimum standards

This reflects the perceived benefits mentioned by consumers (section 6.4.5).

- Minimum standards (34%)
- Indication of which garages to trust/use (34%)
- Peace of mind (28%)

7. Over one half of traders cannot mention any potential disadvantages (section 5.4.4).

- Cost of fees is a concern for just over one in five traders, and is a particular concern for smaller businesses such as family or solo traders
- Garages were also concerned over extra paperwork

Objective 3: Traders' perceptions of the costs and benefits of joining such a scheme

8. The ideal cost of the scheme, i.e. the cost that traders think the scheme should cost, is £188 per year (section 5.4.7).

- This cost is higher for franchised dealers (£236) and for large family businesses (£211)
- The ideal cost is lower for solo traders (£146)

9. The proposed costs of the scheme are somewhat higher than expectations; however, nearly one half perceives that the proposed costs are reasonable (section 5.4.7).

- Larger businesses, such as national independent chains, national fast fit outlets and larger family businesses are more likely to find these costs reasonable
- Smaller businesses, such as solo traders, regional fast fit outlets, as well as franchised dealers (who may be put off by being at the top of the scale) are less likely to find these costs reasonable

10. In return for their annual fee, traders would like to see the following features (section 5.4.7).

- Market support and guidance (37%)
- Logo (20%)
- Advice (18%)
- Arbitration/conciliation support (17%)

Objective 4: Trader's support/willingness to comply with the proposed minimum standards of customer service

11. The three most appealing minimum standards for traders are as follows (section 5.4.3).

- Permission to be sought for additional work
- To deal with customers fairly and courteously
- To only take on work that the business is competent to undertake

12. Nearly nine out of ten traders say they would not need to make changes to the way they work to comply with the minimum standards (section 5.4.5).

- Smaller businesses would be more affected: two in ten family businesses or solo traders would have to make changes to comply with the minimum standards

13. Six out of ten traders cannot think of any further features that they would like to see the scheme offer (section 5.4.5).

- In terms of management of the scheme, 8% would like publicity and regarding core scheme features, 4% would like to see a database of good and bad garages: this is echoed by 3% of consumers

Trade association members

14. The majority (60%) believe that the garage trade has a poor reputation with consumers. This is especially true of national independent chains and garages in Yorkshire, West Midlands and London (section 5.3.3).

- The key reason for this bad reputation is perceived to be the presence of 'bad operators' and the way that the media, through programs such as 'Garages from Hell', tend to publicise these operators
- Such operators are perceived as likely to stay in business because of consumers' lack of knowledge of bad practice

15. Less than half of garages belong to any trade association (section 5.3.2).

- There are few perceived business benefits to be derived from such membership

However, 70% have an existing code of practice (section 5.3.2).

- This may be car manufacturer or head office originated or may be based on past experience or may take more rigid forms, such as BSI
- Amongst those most likely to be interested in the scheme, proportions with existing codes of practice are higher

16. Generally, the following types of garages are more likely to be a member of trade or business associations or have a code of practice.

- National independent chains
- Franchised dealers
- National fast fit outlets

The following types of garage are less likely to be a member of a trade association or to have a code or practice.

- Family businesses or solo traders
- Regional fast fit outlets

2.2.2 Consumers

Objective 5: Consumer evidence on the potential influence of a 'Good Garage' scheme on the choice of a garage for servicing and repair work

17. Few consumers (only 6%) were aware of the proposed 'Good Garage' scheme (section 6.4.1).

18. Following an explanation of the scheme, nearly nine out of ten respondents (88%) believe there to be a need for such a scheme (section 6.4.1).

- The scheme addresses a number of their concerns/ fears and nothing like it exists at present
- This reflects the finding from the interviews among garage managers that current trade associations do little to address the issues that would be addressed by the 'Good Garage' scheme

19. Over half (57%) of consumers claim that the scheme would affect their choice of garage (section 6.4.10).

- This is particularly true of consumers who have experienced problems with their current garage
- It is a finding that needs to be considered alongside the finding that 89% of consumers intend to stay with the garage used last time for their next service (section 6.4.3)

20. The findings repeatedly suggest that 'peace of mind' issues outweigh 'cost considerations' in the choice of a garage.

21. From the consumer viewpoint, the responsibility for publicity and administration of the scheme needs to rest with an independent body (section 6.4.11).

- This implies a clearly independent supervisory body and publicity by an unbiased source such as local authority trading standards departments

Objective 6: Consumer evidence on what would be attractive in such a scheme

22. Perceived benefits that the scheme could bring to consumers are as follows (section 6.4.5).

- Guaranteed minimum standards (34%)
- Indications of garages to trust / use (34%)
- Peace of mind (28%)
- Fixed prices (21%)

Clearly the main benefits relate more to 'peace of mind' and the avoidance of 'cowboy' operators than to reducing prices.

23. Against these possible benefits there are virtually no perceived disadvantages, apart from a small minority (10%) who are concerned about increased prices (section 6.4.7).

24. The implications for the relative emphasis in promoting the 'Good Garage' scheme to garages on the one hand and consumers on the other become even more apparent in a comparison of more specific features of the scheme (section 6.4.6).

- The table below shows the top five minimum standards, ranked in order of appeal each for traders and consumers

Top five features (Traders) Garage perception of motorist priorities	Top five features (Consumers) Actual motorist priorities
<ol style="list-style-type: none">1. Permission for additional work2. Deal with customers fairly and courteously3. Work they are competent to undertake4. Clear explanation of costs5. Effective training strategy	<ol style="list-style-type: none">1. Permission for additional work2. Work they are competent to undertake3. Clear explanation of costs4. Accurate quotes5. Prior agreement on work

Secondary information: Consumers

25. The vast majority (98%) of motorists who have had their car serviced or repaired have a 'usual' garage. This 'usual' garage is chosen on the basis of the following factors (section 6.3.3).

- Location / convenience – in relation to home or work (41%)
- Recommendation / familiarity (34%)
- Cost (16%)

26. Thus, cost is clearly not the main factor in choosing a garage; choice is based more on what is convenient or a desire for peace of mind.

- Having a usual garage may also reflect an absence of a means of identifying what constitutes a 'Good Garage'

27. Most motorists are basically satisfied with their current garages. Mean scores out of five on a range of factors are consistently high. The top five factors are as follows (section 6.3.3).

- Friendliness / courtesy of staff (4.62 out of five)
- Quality of parts used (4.59)
- Trustworthiness (4.57)
- Quality of work (4.52)
- Staff knowledge / competence (4.51)
- Even reasonable costs scores an average 4.13 out of 5
- For all of the above, apart from quality of parts used, franchised dealers score consistently lower than independent chains / fast fits or family / sole traders

28. There is a high degree of inertia in choosing garages for servicing; 89% of motorists expect to use their 'usual' garage for their next service. Reasons given are as follows (section 6.3.3).

- Location/convenience (27%)
- Reliability/honesty/trust (22%)
- Familiarity (21%)
- Good service (20%)
- Quality of work (18%)
- Cost (14%)

This again shows that peace of mind or convenience are relatively more important than cost in outlet selection.

29. Respondents were asked to rate key areas of the scheme first in terms of importance and then in terms of their assessment of the performance of their current garage on those features (section 6.4.2/6.4.3/6.4.4).

- This shows gaps between importance and performance
- The table below shows average scores out of five for importance and performance, ranked in order of importance
- This gap is lowest for the area perceived by garages to be most important to customers, namely customer relations
- Clearly there are some 'gaps' between garage perceptions of motorist service priorities and actual motorist priorities

	Importance score	Performance score	Gap
Quality of work	4.93	4.51	-0.42
Clear accurate price	4.75	4.35	-0.40
Good customer relations	4.64	4.50	-0.14
Code of good practice	4.61	4.39	-0.22

30. In total market terms:

- Only 11% of motorists expect to change garages
- 2% would change due to a move
- 2% would change for warranty reasons
- 2% would change to find somewhere cheaper

31. Against this almost total apparent inertia, 25% of motorists have experienced problems when having a car serviced or repaired (section 6.3.3).

- The main complaint is that work carried out was substandard or of poor or shoddy quality
- 7% of those with a complaint (or 2% overall) had their car returned in a dangerous condition

Secondary information: publicity and communication

32. The importance of the right publicity is paramount: it would raise the image of the industry and encourage consumers to use 'Good Garage' scheme members (section 5.4.8).

- The 'Good Garage' scheme's profile with traders would be enhanced by a positive consumer response
- Traders need to be convinced of the value of the 'Good Garage' scheme in order to take it up
- Traders must have full details of the scheme in the form of a full information pack
- Existing trade or business associations have no relevance to customers
- For consumers, backing by a known, trustworthy body, such as local authority trading standards or DTI would add credibility and confidence

3.0 Background

3.1 Previous studies

The Task Force on Car Servicing and Repair was created following the publication of an Office of Fair Trading (OFT) report in August 2000 which stated that consumers have little confidence that they will be provided with a fair and efficient service when using a garage for servicing or other work. This statement is quantified by the fact that complaints of this nature to local authority trading standards departments have more than doubled to over 27,000 per year since the first OFT report on the sector in 1985. However, this does not take into account those customers who are unaware that work was inadequate or where they have been overcharged for work not strictly necessary.

The Task Force on Car Servicing and Repair therefore looked at ways in which consumers could be less exposed to potential detriment when using a garage for servicing or repairs. A national 'Good Garage' scheme, in effect a voluntary 'good trader' scheme, was proposed as one of the recommendations. The object of the scheme would be to provide a mechanism for ensuring consistent acceptable levels of service and hence a fair deal for the customer.

The findings of the Task Force on Car Servicing and Repair (published in the consultation document, 'Jacking up standards in car servicing', September 2001), were inconclusive in terms of the most effective solution to the problems identified by the OFT.

To this end, the NOP Automotive were commissioned by DTI to conduct an independent study to examine the viability of a national 'Good Garage' scheme.

4.0 Research method and sample

The research objectives, as detailed in section 1.0, show that there are two core areas of interest, in terms of the research participants:

- The opinions of traders
- The opinions of consumers

Both of these groups were treated separately.

We conducted qualitative and quantitative research with each of these types of respondents.

4.1 Traders

In order to ensure a representative sample of the types and sizes of garages in the UK,

the research covered the following types of servicing garages:

- Franchised dealers
- Independent chains, both national and regional
- Family businesses and solo traders, both large (5+ employees) and small (<5 employees)
- Fast fit outlets

We conducted fifteen 40-minute face-to-face depth interviews amongst garage owners or service/repair managers with the following distribution which very broadly reflect the numbers of business by type in the sector.

The fieldwork was completed between December 2001 and January 2002 in Manchester, Bristol and London. Respondents were street recruited by NOP Field

Franchised dealers	Independent garage chains		Family business/ Solo traders		Fast-fit outlets
	National	Regional	5+ employees	<5 employees	
3	2	2	2	3	3

Interviewing Services.

Quantitative

The findings from the qualitative stage were beneficial in setting up the quantitative questionnaire, and in adding further detail to the qualitative findings.

NOP Automotive conducted CATI (Computer Assisted Telephone Interviewing) interviews with garage owners or service/repair managers between 10/01/02 and 28/01/02. Sample was provided from NOP Automotive data files of garage owners and service/repair managers. These were managers of individual outlets or garages which, in some cases, were part of larger chains and therefore subject to head office decisions. We did not interview these head offices.

Respondents were informed that this survey was being conducted on behalf of the DTI. This was to encourage participation of respondents who would not ordinarily take part in anonymous market research and to reassure participants that they were not contributing to research by their competitors. It is acknowledged that this information may have influenced responses to some of the questions, however, it is

considered that this possibility would have been diminished by the fact that respondents were assured that under Market Research Society guidelines their participation would not be attributable. The benefits in terms of representation were considered to out-weigh the risk of bias.

All garage owners or service/repair managers were eligible for interview, subject to quota controls:

- Quotas were set on type of garage to eliminate any bias that may occur by only interviewing one type of garage
- Regional quotas were also set to ensure that the sample was representative of the UK population

A total of 301 interviews were completed with the following distribution which reflect the approximate ratio of business type in the sector in order that a representative cross section of views could be achieved:

Franchised dealers	Independent garage chains		Family business/ Solo traders		Fast-fit outlets
	National	Regional	5+employees	<5 employees	
45	42	48	57	58	51

4.2 Consumers

Qualitative

This consisted of four 90-minute focus groups with consumers. Previous experience shows that male and female consumers have different criteria, expectations and experiences concerning servicing and repairs. Therefore, we conducted equal numbers of single sex groups with the following criteria:

- Private owners of mass market vehicles (i.e. no specialist or kit cars)
- Vehicles purchased between 1993 and 1998 (i.e. out of manufacturer warranty, but less than ten years old) so that their choice of garage was not influenced by the terms of a manufacturers' warranty
- All were responsible for the service or repair of their vehicle

-
- All had had the car serviced or repaired within the last twelve months at a franchised dealer, independent garage chain or family business/solo trader

The fieldwork was completed in Manchester and Bristol during December 2001. One male and one female group was conducted in both of these cities. Respondents were street recruited by NOP Field Interviewing Services.

Quantitative

The findings from the qualitative stage were beneficial in setting up the quantitative questionnaire and in adding further detail to the quantitative findings.

NOP Automotive conducted 501 CATI (Computer Assisted Telephone Interviewing) interviews using Random Digit Dialling (RDD) with consumers between 11/01/02 and 30/01/02. RDD randomly dials numbers using known area codes and then a random combination of numbers. This ensures that even ex-directory respondents are reached.

Respondents had to meet the following criteria to be eligible for interview:

- Car(s) in household
- Private car or company car if respondent pays in full or in part for servicing and repairs
- Respondent to be responsible for the servicing and repair of a qualifying car in the household. This could mean, for example, choosing the garage, booking the car into the garage or paying for the work
- Whilst all respondents are responsible for the servicing and repair of a car in the household, we did not limit this to those who have had a car serviced yet. For example, we included new drivers with their first car who have not had it serviced yet. Their views on the 'Good Garage' scheme are still valid since they will be responsible for servicing decisions in the future

Quotas were enforced to ensure that the sample is UK representative, in terms of age, sex and region, of motorists. The sample was also broadly representative in terms of age of car. For this phase of the research owners of cars still under manufacturers' warranty were included to provide a full cross-section of consumers' views.

5.0 Traders survey

5.1 Qualitative overview

All garages developed their service and procedures internally. Although these procedures varied in detail depending on the size of the garage all were happy with what they had in place. Most garages were members of Trade Associations but these were seen to have little or no impact on current service and repair practices.

All welcomed the 'Good Garage' scheme's objectives of raising standards and removing cowboys and was seen as long overdue.

The standards were seen as an acceptable minimum and 'basic' good business practice. Most had already achieved the standards as a matter of course and some had exceeded it through their certification processes.

Independent supervision was the preferred option, as it provided greater freedom and focus, over Government and trade supervision. A key requirement of membership was that the body contained representation from all the affected parties i.e. trade, government, trade associations and consumers.

Compliance procedures were seen by this sample to lack teeth. This was perceived as a major weakness in the scheme's worth and ability to meet the stated objectives. To address this, many suggested a mandatory not voluntary scheme along the lines of the MOT model to ensure that standards were consistently adhered to across the UK.

Generating consumer awareness was essential to the scheme's success as this gave it value in the eyes of the consumer and provided a positive PR profile for the garage. All highlighted the need for a long-term communication strategy to change perceptions, executed via a number of channels/media and funded by the supervisory body.

Although the cost structure was fair, few would be prepared to pay as the scheme was not perceived to add value, improve existing processes or generate additional revenue for established garages.

5.2 Quantitative main findings

The following sections (5.3 and 5.4) show the main findings for the traders quantitative survey.

Significant or interesting findings are boxed in blue.

Where applicable, subsections end with a qualitative note to show the similarities or otherwise, of the quantitative findings with the qualitative findings. It is important to note, however, in the case of any discrepancies between qualitative and quantitative, that **the quantitative is more statistically robust**, due to the large sample size, than the qualitative. The qualitative is not intended as a comparison, but serves to give 'live' examples of issues that apply to traders and consumers, in more depth.

All quantitative charts are based on the total sample size of 301, unless stated otherwise. Only significant differences ($\pm 5\%$ from overall percentage) are shown; for example differences between types of garage, region, location etc.

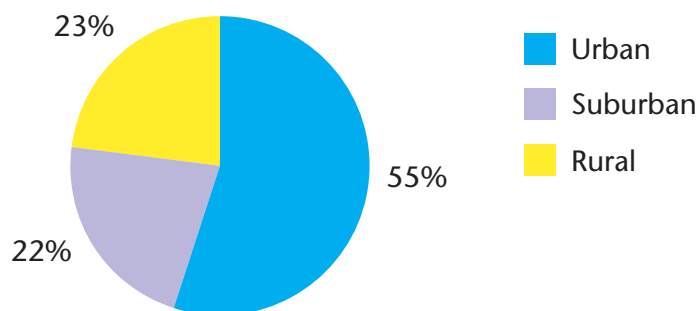
Absolute values are shown as well as percentages for smaller proportions of respondents.

5.3 Garage profile

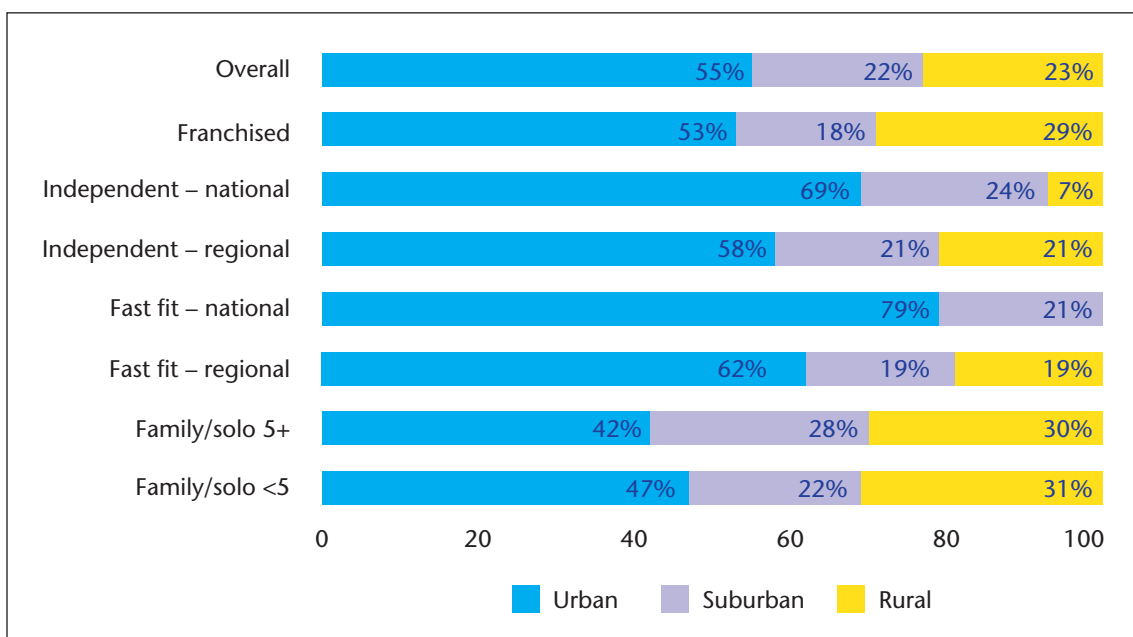
5.3.1 Location, type and size of garage

Garage location

Over one half of the garage owners or service/repair managers interviewed owned or managed garages located in an urban region, such as a town or city centre.



This distribution varies across type of garage.



- National chains (independent or fast fit) are far less likely to be based in rural areas and most likely to be situated in urban areas
- Smaller businesses (family or solo traders) and dealer franchises are far more frequently found in rural areas

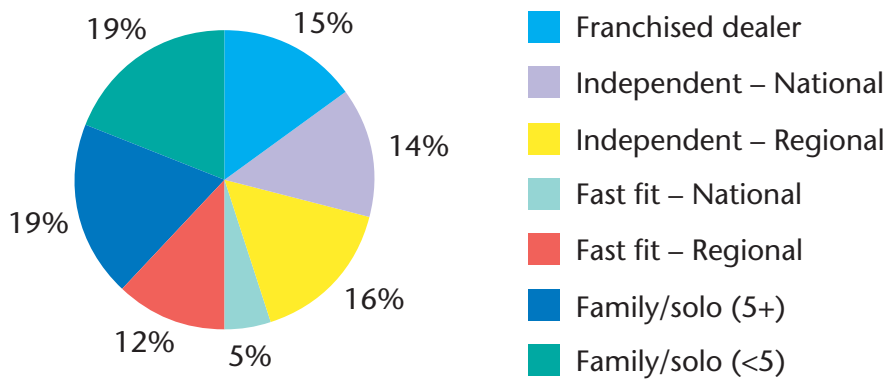
The garages surveyed are spread across the following regions.



- This distribution is representative of the UK population

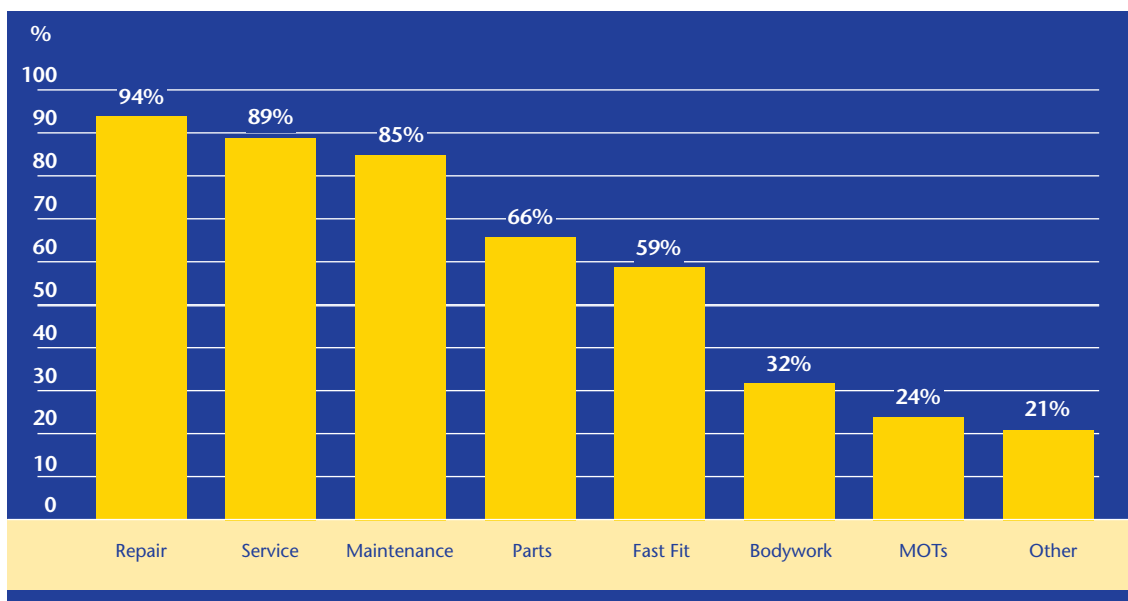
Garage type

The garage owners or service/repair managers interviewed were split across the following types of garage.



- 15% of the sample were franchised dealers
- 30% were independent chains
- 17% were fast fit chains
- 38% were family business or solo traders

All respondents were asked what types of work they carry out at their garage.



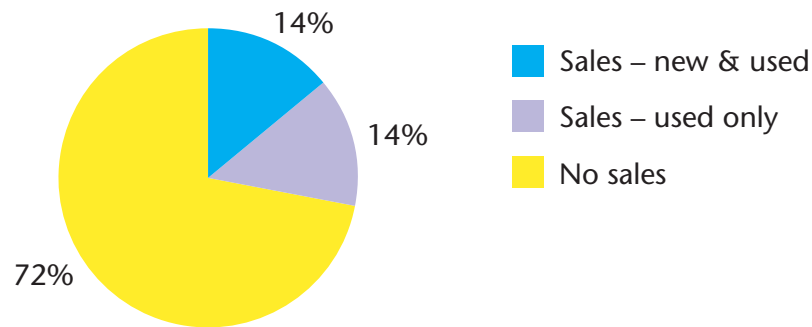
Other mentions include:

- Tyres (4% / 12 respondents)
- Road side recovery (2% / 7 respondents)
- Selling fuel (2% / 6 respondents)
- Shop/convenience store, sell cars, rent cars, exhausts, valeting, welding, air conditioning fit/repair, motorcycle repairs (all 1% each / 3 respondents)

Clearly the work that a garage carries out is dependent on the type of garage.

- 100% of franchised dealers carry out service work, 98% carry out repair work and 93% carry out maintenance. 84% also sell parts.
- 86% of national independent chains carry out repair work and a further 86% carry out maintenance work. These types of garage are slightly less likely to do servicing work (71%), which is left to the national franchised dealers
- 96% of regional independent garage chains carry out repair work and 92% carry out servicing work
- Family businesses and solo traders mostly carry out service and repair work in their garages. They are also more likely than average to have other amenities on site, such as selling fuel, running a shop or providing roadside recovery

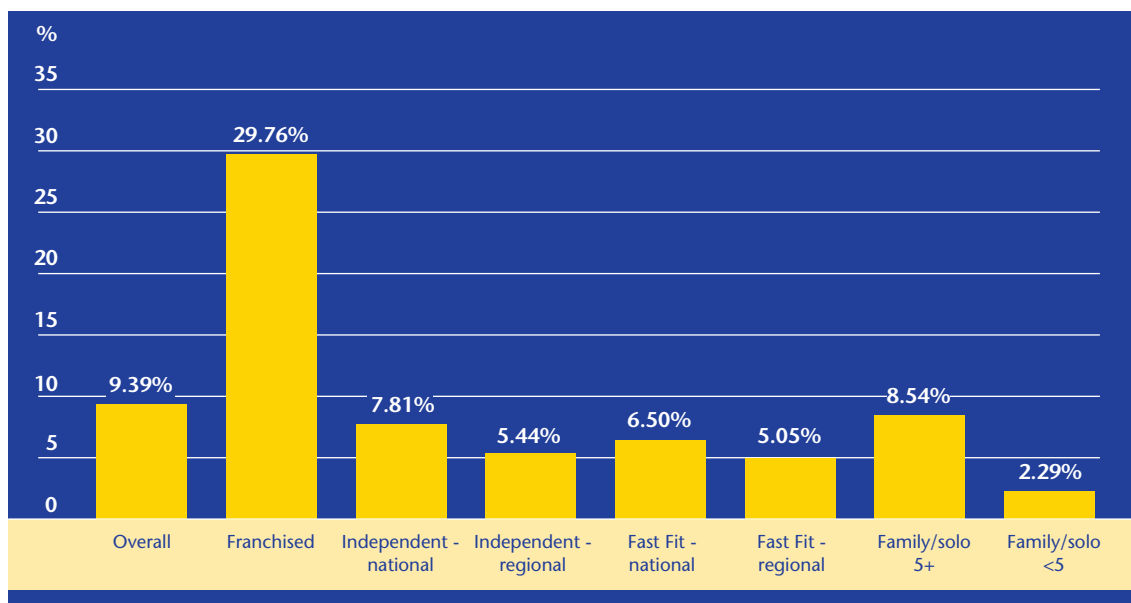
All garage owners or service/repair managers are asked if they also sell cars at their garage.



- Just over one quarter (28%) of garages surveyed also sell cars at their garage: of these one half sell new and used cars and one half sell used cars only.
- No garages sell solely new cars
- All garage types sell some cars
- Franchised dealers are most likely to sell cars on the workshop premises (69%)
- All the franchised dealers sell a combination of new and used cars

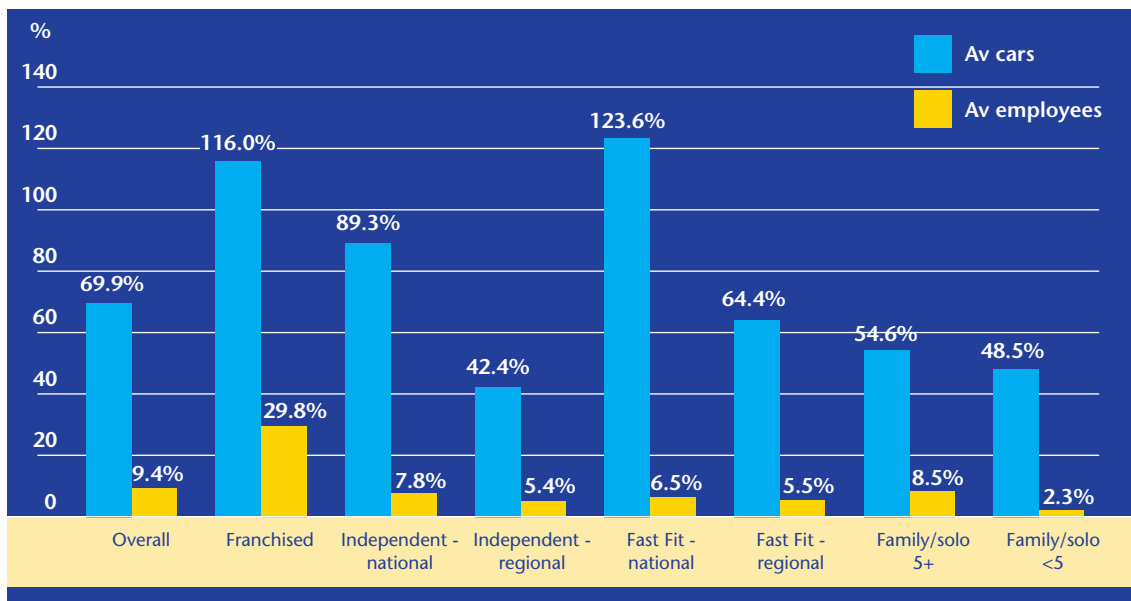
Garage size

Across all the garages interviewed, the average number of employees on each site is 9.39. This varies across the type of garage: the chart below shows the average number of employees across each garage type.



- The franchised dealers surveyed have by far the largest number of employees working at their garages
- This will include sales staff as well as parts staff, that other smaller garages will not have

The average garage surveyed works on nearly 70 cars per week. This is dependent on the type and size of garage: the chart below shows the average number of cars coming in to each type of garage for all types of work per week.

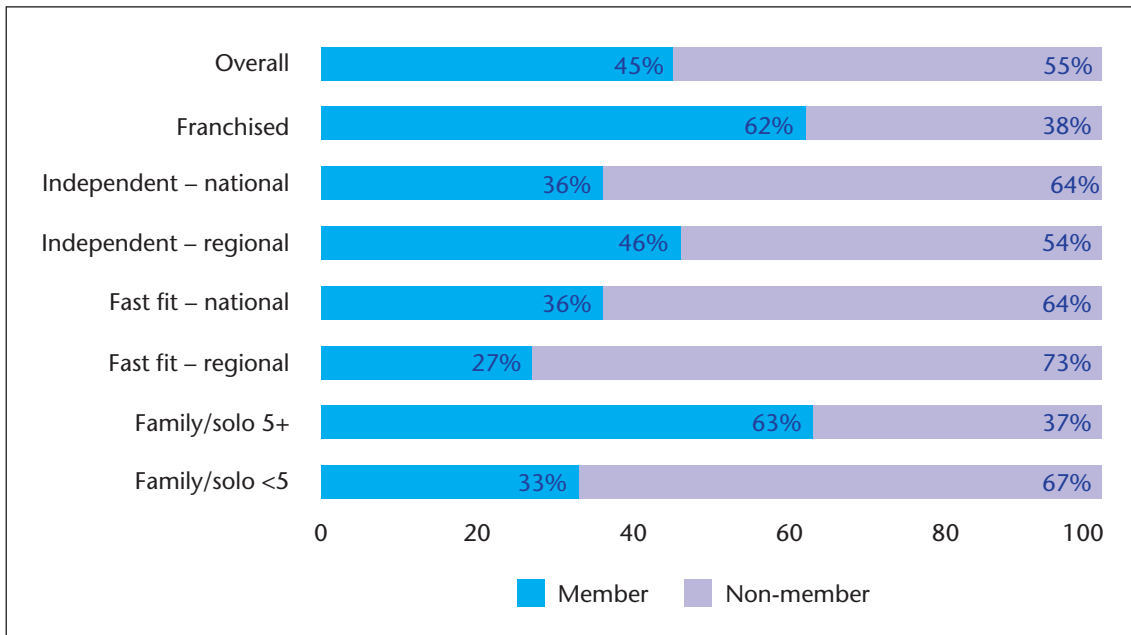


- Whilst the franchised dealers had well over the average number of employees (30 compared to 9 overall), the fast fit garages (with on average six employees) have the highest turnover of cars coming in to the garage per week
- These findings are in keeping with the term 'fast fit' where customers have basic, fast turnaround, work done (e.g. tyres replaced), while they wait and without needing an appointment
- The high employee count at franchised dealers, coupled with the lower count of cars coming into the garage for all types of work, can be explained by their sales and parts staff, which fast fit garages and other, smaller businesses, will not require

5.3.2 Trade associations and codes of practice

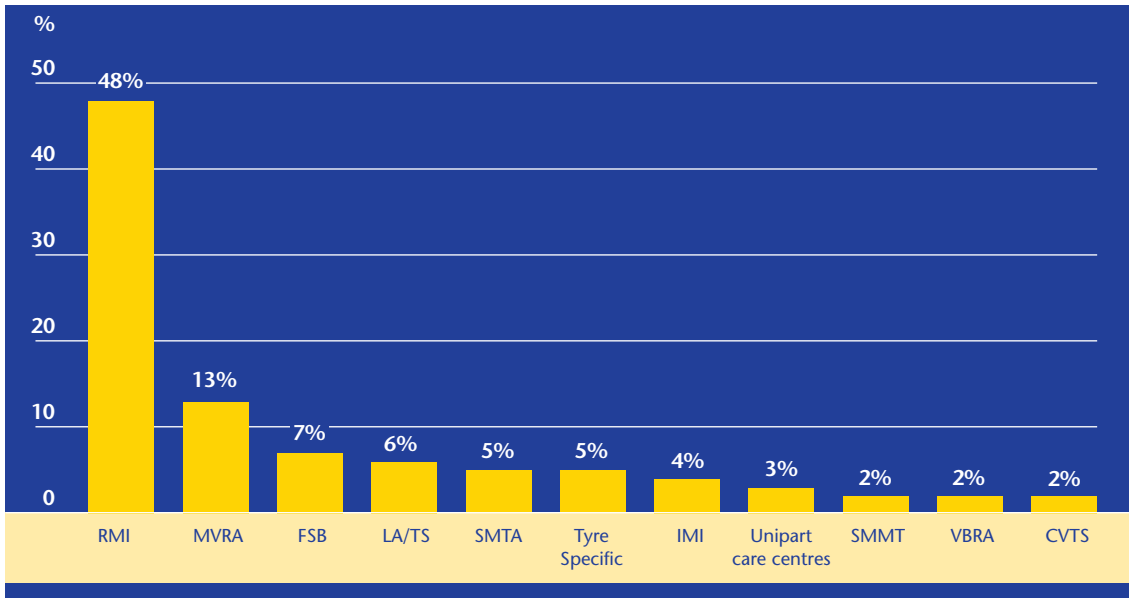
Membership of trade or business associations

Less than half of respondents (45%) are already members of any trade or business associations.



- The chart shows that fast fit outlets are far less likely to be a member of trade or business associations than other types of garage
- Fast fit outlets have a high turnover of trade and possible low customer loyalty
- Franchised dealers and the larger family businesses are more likely to be a member of trade or business associations
- Franchised dealers are also bound by the manufacturer's own standards

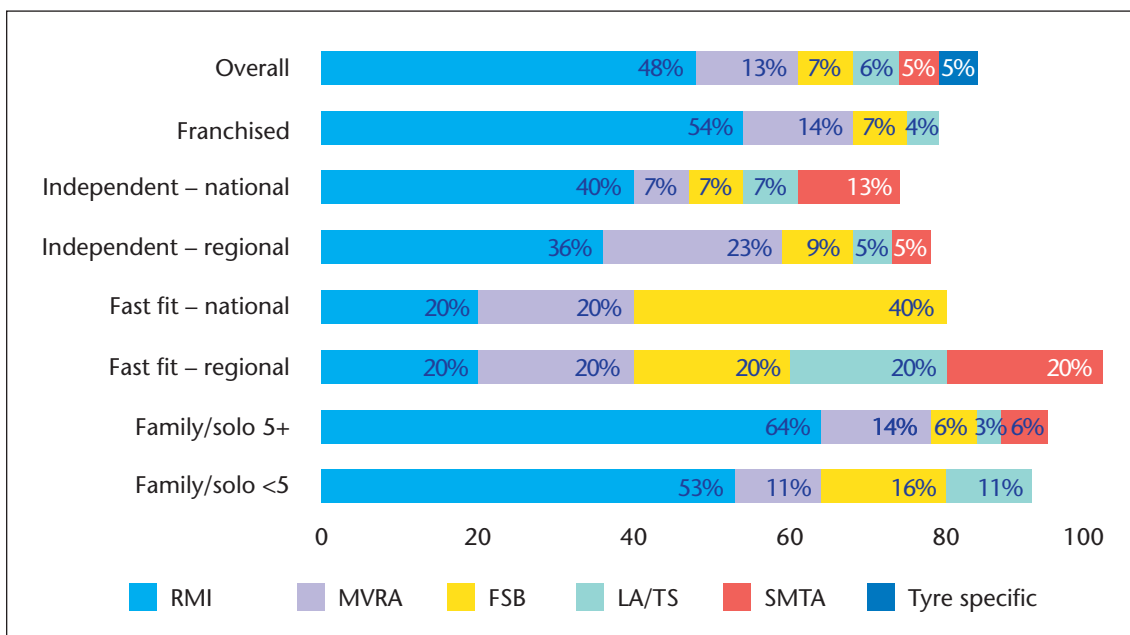
All those who are members of a trade or business association (45%) are asked which association they are a member of.



Explanation of acronyms:

- RMI – Retail Motor Industry Federation
- MVRA – Motor Vehicle Repairers Association
- FSB – Federation of Small Businesses
- LA/TS – Local authority / Trading Standards
- SMTA – Scottish Motor Trade Association
- IMI – Institute of Motor Industries
- SMMT – Society of Motor Manufacturers and Traders
- VBRA – Vehicle Builders and Repairers Association
- CVTS – Confederation of Vehicle Testing Stations

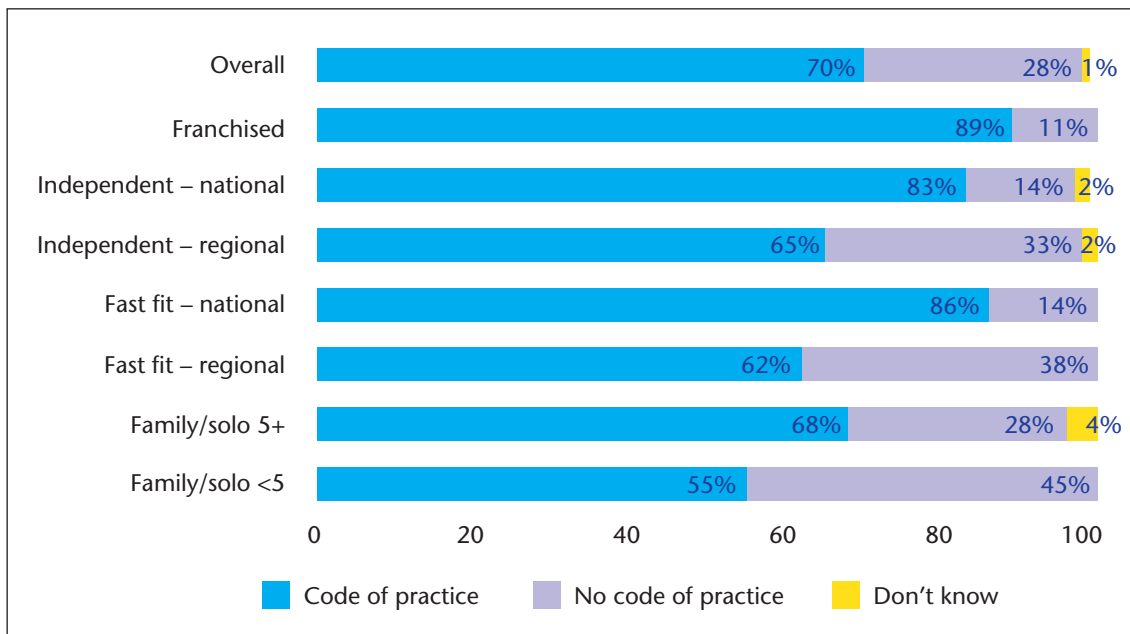
The chart below shows the different trade or business associations that different garage types are members of. (Caution: small sample sizes, particularly for fast fit centres where less than average (45%) are trade or business association members. Only trade or business associations with at least 5% of the total sample are included.)



- The RMI, the most popular trade or business association overall, has more members from franchised dealers and family/solo traders than average
- Fast fit centres are far more likely than average to be members of tyre specific trade associations or Local authority trading standards schemes and far less likely to be members of RMI
- Regional and smaller garages are more likely to be members of Federation of Small Businesses

Existing codes of practice

Despite the fact that less than one half (45%) of garages surveyed do not belong to a trade association, seven out of ten garages (70%) have codes of practice for service and repair.



Although many garages are not members of a trade or business association, they may be subject to other codes of practice, for example from their head office or the manufacturer.

- Franchised dealers, national independent and national fast fit outlets are more likely than regional or smaller businesses to have their own codes of practice

All who have a code of practice (70%) are asked if they follow this code.

- Of these, all (100%) state that they follow their codes of practice: this is true across all types of garage

Qualitative note

Although many joined Trade Associations as a matter of course, few of the qualitative sample claimed to have had any meaningful contact with them, which in turn resulted in a poor awareness of any repair and service procedures laid down by the association.

"I can't remember receiving anything from them"

Few, if any, in these groups, adopted the associations' code of practice, as smaller garages, i.e. family/solo traders, were happy to rely on procedures based on past experience or expertise. Larger garages, i.e. franchised dealers and National/Regional chains, had to conform to procedures developed by head office/manufacturers or as a part of the BSI certification process.

"I've done it the same way for 15 years, I'm not going to change now"

"We have head office procedures"

The overall view expressed by the groups was that membership of trade associations provided limited business benefit because they did not adopt procedures or use membership as a marketing/PR tool.

5.3.3 Servicing and repair industry reputation

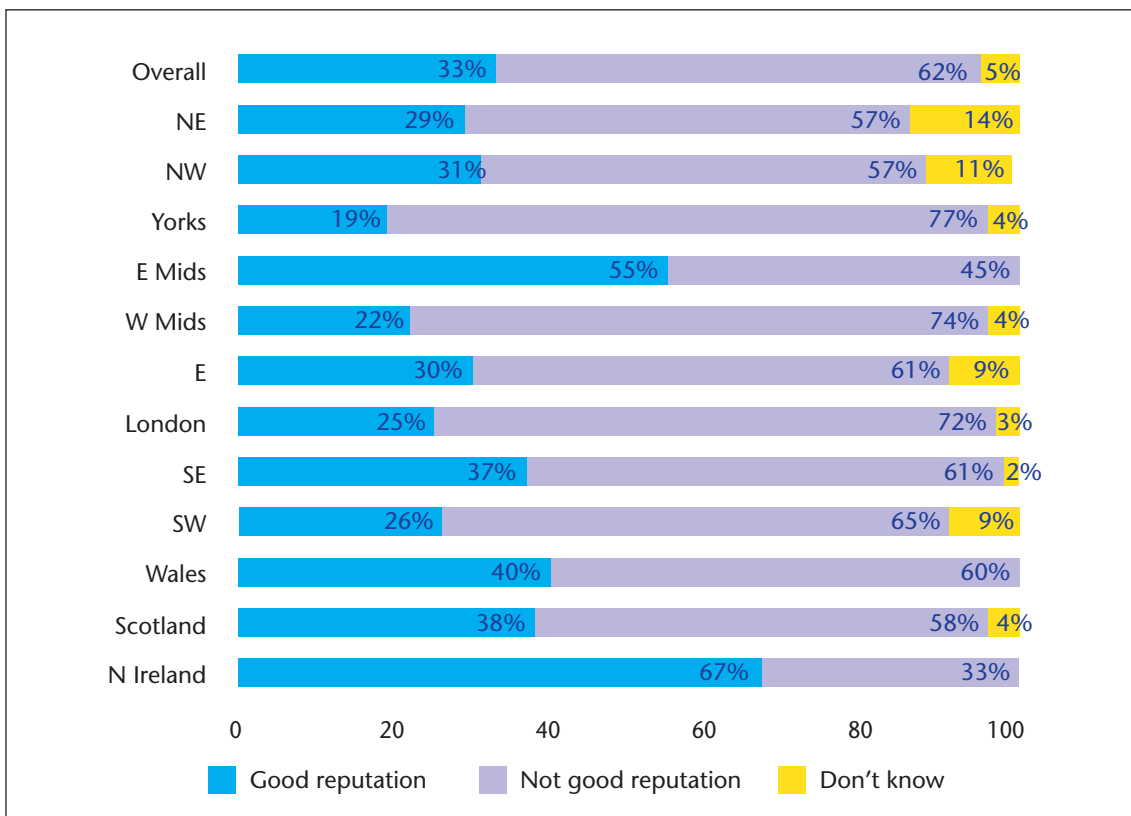
All respondents were asked about the servicing and repair industry reputation.

- Only one third (33%) state that the industry has a good reputation with customers

These findings, do not vary across the type of garage surveyed, with one exception.

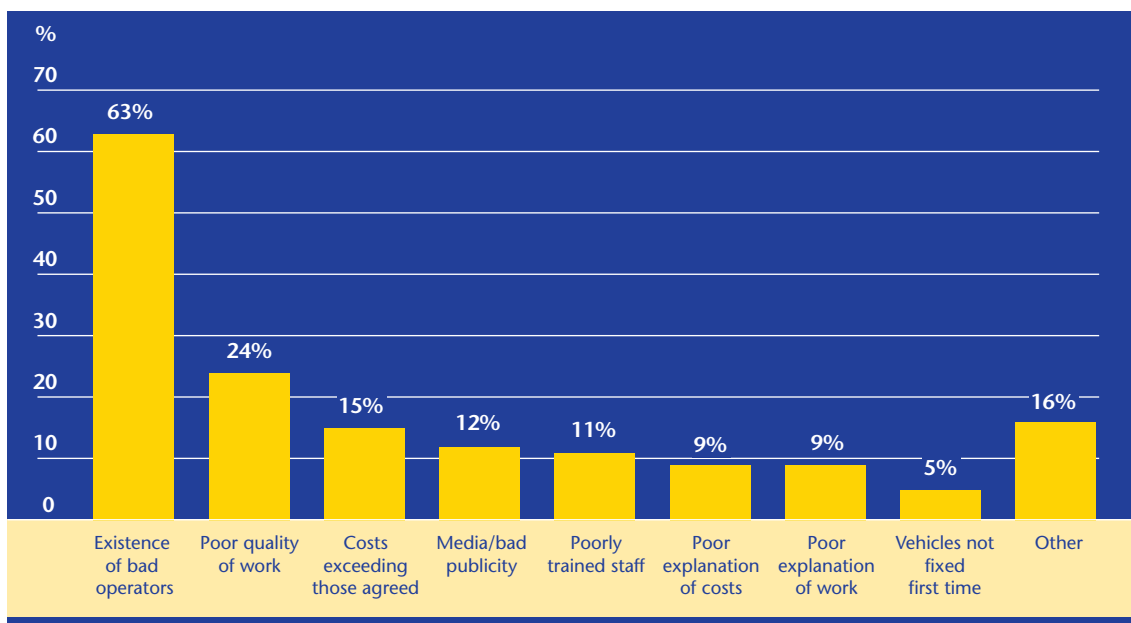
- Only national independent chains are far less likely to think that the industry has a good reputation with customers (21% compared to 33%)

This does vary across the region where the garage is located, as shown on the chart below.



- Regions such as Northern Ireland (67%), East Midlands (55%) and Wales (40%) are more likely than average to think that the motor servicing and repair industry has a good reputation
- Regions such as Yorkshire and Humberside (77%), West Midlands (74%) and London (72%) are more likely than average to think that the motor servicing and repair industry does not have a good reputation
- An explanation for this could be that these types of regions are more densely populated, metropolitan centres, where there is less loyalty to a particular garage than in more sparsely populated, countrified regions

The reasons given by garage owners or service/repair managers for this bad reputation is shown below.



- Clearly, the most frequently mentioned reason for the motor service and repair industry not having a good reputation is caused by the existence of bad operators
- Other factors contributing to this image are the poor quality of work and costs unexpectedly exceeding agreed or estimated costs
- The media also has a role to play: 12% state that the media gives the industry bad publicity that is blown out of proportion

Other mentions include:

- Lack of regulation/ licensing (3% / 6 respondents)
- Customers get ripped off/ taken advantage of/ overcharged (3% / 6 respondents)
- Customer ignorance/ naivety/ don't know about cars (2% / 4 respondents)
- Poor communication (2% / 3 respondents)
- Lack of clear customer complaints procedure (1% / 2 respondents)

Qualitative note

The reputation of the industry was seen by the qualitative groups to be tarnished by the existence of the 'Cowboy'. These bad operators mislead and overcharge for poor quality work and are not interested in developing a long-term relationship with the customer. The unsuspecting consumer's trust gets broken resulting in paranoia that tars all garages with the same brush.

"Garages from hell' [TV programme] didn't help"

"Customers have told me the garage said they needed a part changed when I looked at it, it didn't"

All the garages in the groups had seen or known cowboy operators and regrettably acknowledged that they will always be around because of the consumer's lack of knowledge and/or the desire to get the cheapest possible price.

5.4 'Good garage' scheme

5.4.1 Awareness and initial attitudes

Awareness of the scheme

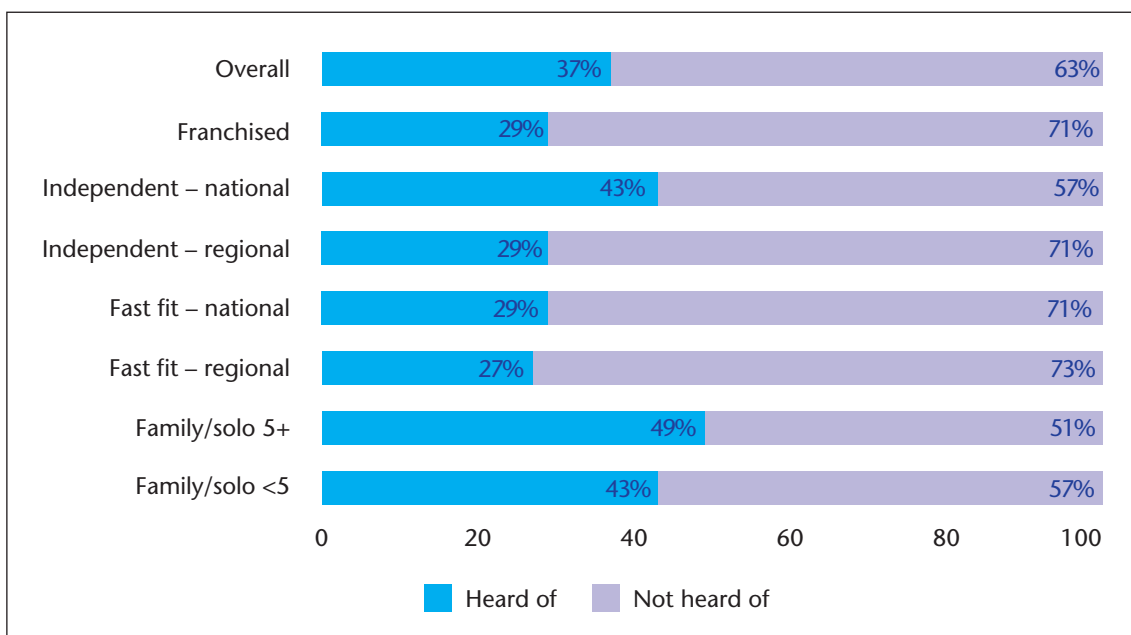
All respondents were given the following preliminary explanation about the scheme:

It has been proposed that a national 'Good Garage' scheme be introduced. Essentially, the 'Good Garage' scheme will be voluntary and would operate by demonstrating the commitment of participating traders to abide by a set of minimum standards of customer service. The scheme would be run by an independent supervisory body and be self-financing through membership fees. To ensure compliance and thus provide the guarantee required to customers, members would be regularly inspected and would agree to be subject to random mystery shopping. In return, traders would be entitled to display the scheme logo, and would be supported by other marketing and guidance from the supervisory body. It is envisaged that a scheme would carry the approval of central Government and local authority trading standards departments.

After this introduction, all respondents were asked if they had heard of such a scheme.

- Over one third (37.2%) had heard of the scheme

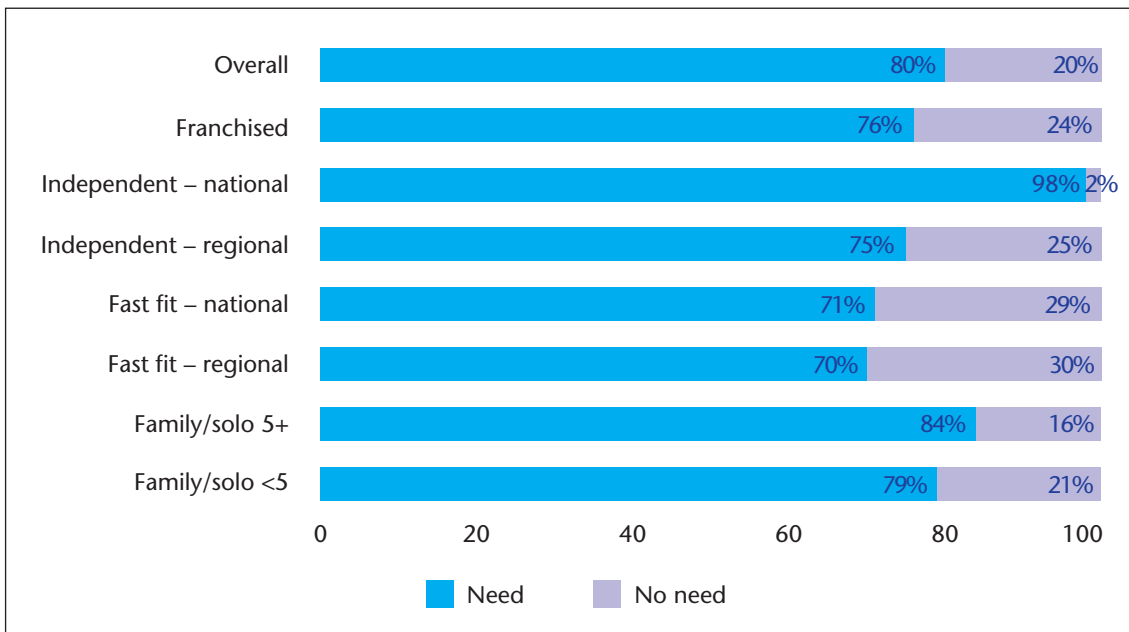
This was mainly the following types of garage.



Need for the scheme

All respondents were then asked if they think there is a need for such a scheme.

- Overall, eight out of ten garage owners or service/repair managers believe that there is a need for the proposed 'Good Garage' scheme
- This ties in with the findings that overall, two thirds of garage owners or service/repair managers do not believe that the service and repair industry has a good reputation with customers
- The scheme is therefore welcomed as a method of improving the reputation of the industry

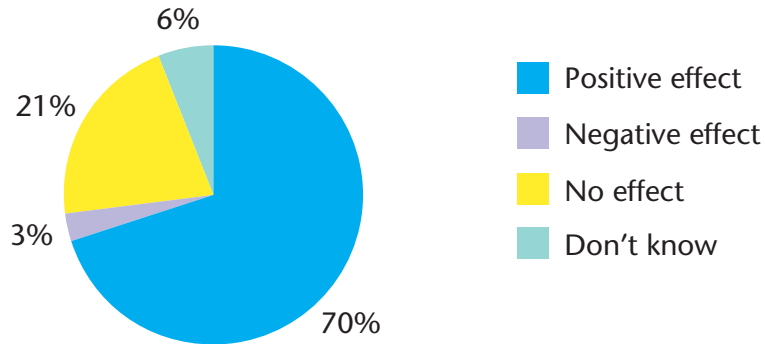


- National independent chains were the only garage type to have a significantly different opinion of the servicing and repair industry (see section 5.3.3)
- Similarly here, National independent chains are far more likely to believe that the 'Good Garage' scheme is needed
- Regional fast fit outlets are least likely to think the scheme is needed.
- There was no difference in opinion between those garages that are already a member of trade or business associations and those who are not.

In terms of a code of practice, those without a current code of practice are less likely (75%) to see the need for the 'Good Garage' scheme.

Effect of the scheme

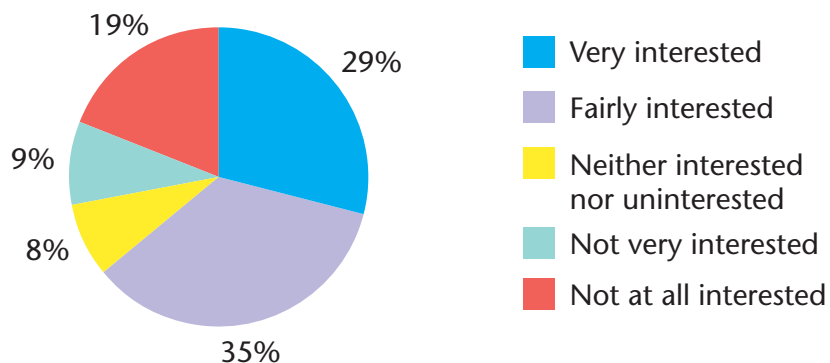
Nearly seven out of ten garage owners or service/repair managers think that the scheme will have a positive effect on customers' perceptions of the motor repair industry.



- Following the trend we have seen so far, national independent dealers are far more likely to state that the scheme will have a positive effect on customer perceptions (88%)
- This ties in with the findings that national independent dealers are more likely to think that the industry has a bad reputation and more likely than other garage types to see a need for the scheme

Initial interest in the scheme

Based on what they have heard so far (see text above), all respondents are asked how interested they would be in such a scheme. The following scale was used: ***Very interested, Fairly interested, Neither interested nor uninterested, Not very interested, Not at all interested.***

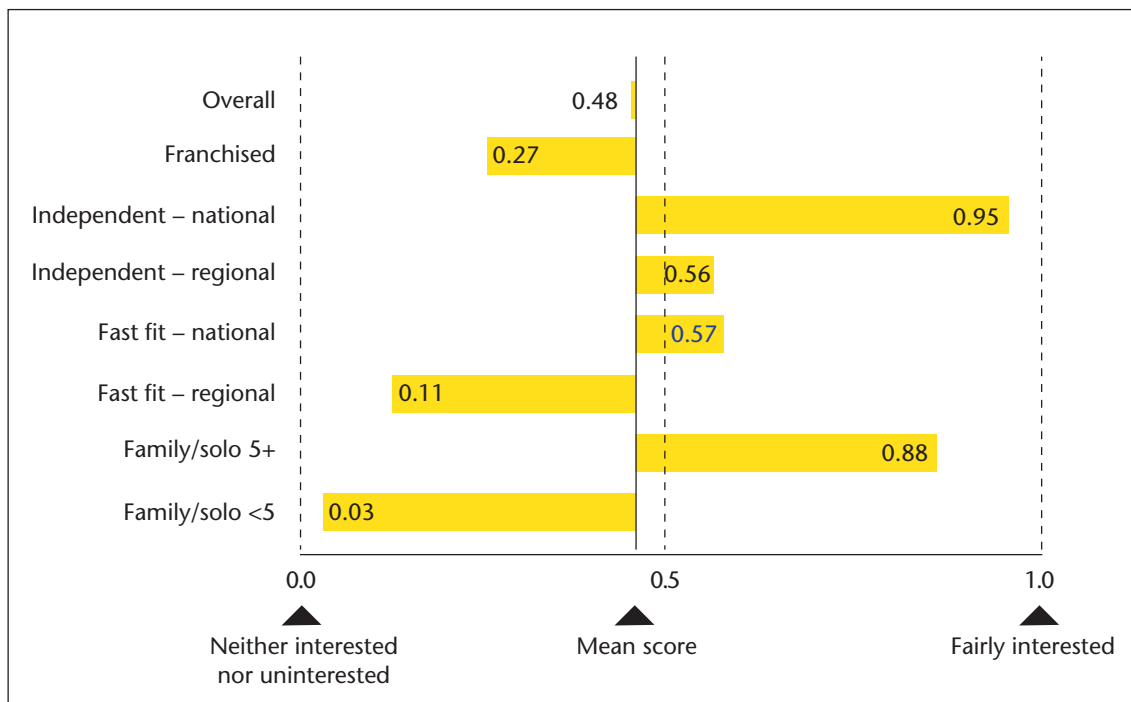


- Nearly three-quarters (64%) are interested in the 'Good Garage' scheme at this stage of the interview

For the purposes of analysis, a score is given to each response, where *Very interested* is equal to +2, *Fairly interested* to +1, *Neither interested nor uninterested* to 0, *Not very interested* to -1, and *Not at all interested* to -2. This enables us to calculate mean scores: in effect we have converted a semantic scale into a numerical one.

- The overall mean score is 0.48, i.e. lying between the *Fairly interested* (+1) and *Neither interested nor uninterested* (0) ratings

The chart below compares mean scores for each type of garage.



- The chart shows the mean score for all garages of 0.48 – all other garage types can be compared against this figure

Bars to the right of the axis show types of garages where mean scores are above average.

- National independent and larger family businesses are more likely than average to be interested in the 'Good Garage' scheme
- Again, there is a higher average level of interest for national independent chains, following the pattern that we have seen so far

Bars to the left of the axis show types of garages where means scores are below average.

- Franchised dealers, regional fast fit outlets and smaller family businesses or solo traders are less likely than average to be interested in the 'Good Garage' scheme

Nevertheless, all mean scores are positive (over 0) showing that all respondents across all types of garages have a positive interest in the scheme.

There is a difference in mean scores when comparing garages that are members of a trade or business association, and those who are not.

- Member of trade or business association – mean score = 0.84
- Not member – mean score = 0.18
- (Overall mean score = 0.48)

Garages that are members are therefore more likely to be initially interested in the scheme.

There is a similar pattern for garages that have an existing code of practice.

- Code of practice – mean score = 0.62
- No code of practice – mean score = 0.09

It seems therefore, that garages with no membership or code of practice do not see the benefit of the 'Good Garage' scheme.

- This could be because they are worried that they will not qualify
- They may not want to pay the fees
- They could be happy with business as it is

Qualitative note

There was poor awareness of the scheme among members of the qualitative groups but all welcomed its goal i.e. cleaning up the industry, raising standards and removing the cowboys. The overall feeling was of that a scheme of this nature was long overdue.

"Good idea, Its about time we got rid of the cowboys"

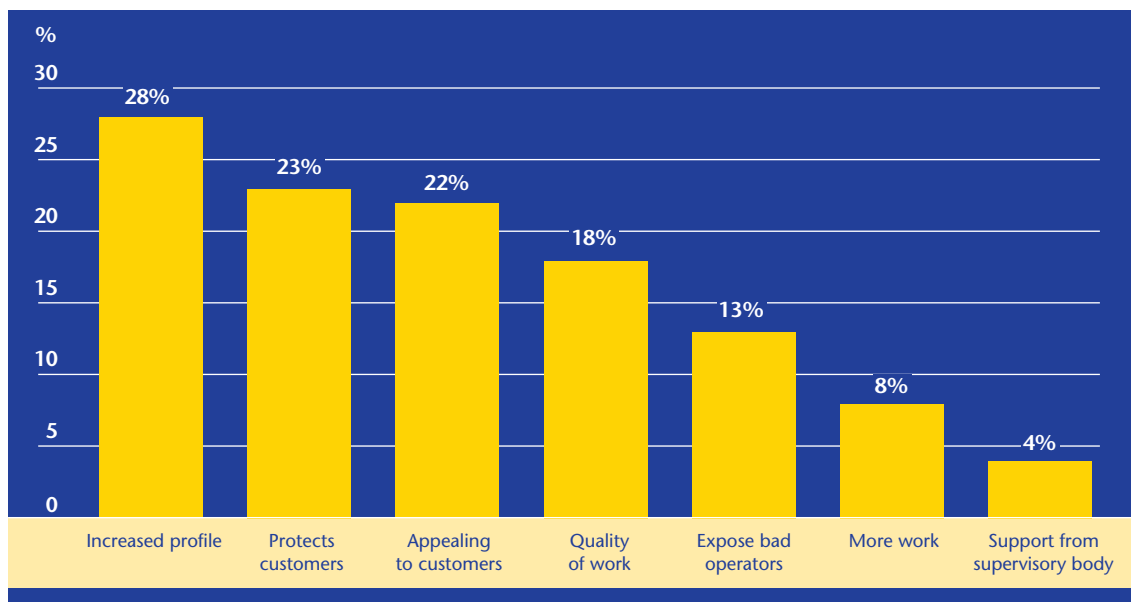
"Yes, there is nothing like this at the moment"

Although there was interest/appeal on an industry level there were concerns that needed to be addressed before adoption by the individual garage. The compliance procedures needed to be able to enforce change; it has to have worth in the eyes of the consumer, and membership needs to be converted into a 'real' business benefit, i.e. the bottom line.

5.4.2 Perceived benefits

Benefits for garages

All respondents are asked spontaneously for any perceived advantages for traders taking part in this scheme. The most frequently mentioned answers are shown below.



- The main perceived advantage is the increased profile that garages will have by participating in a nationally recognised and approved scheme
- Over one quarter (26%) of garage owners or service/repair managers cannot think of any advantages
- This rises to 38% for regional fast fit outlets, but drops to 17% for national independent chains
- National independent chains therefore are more likely to see the benefit of the scheme and regional fast fit outlets are less likely to see any advantages
- This tends to underline the importance of good communication and publicity both to garages and consumers (see section 5.4.8)

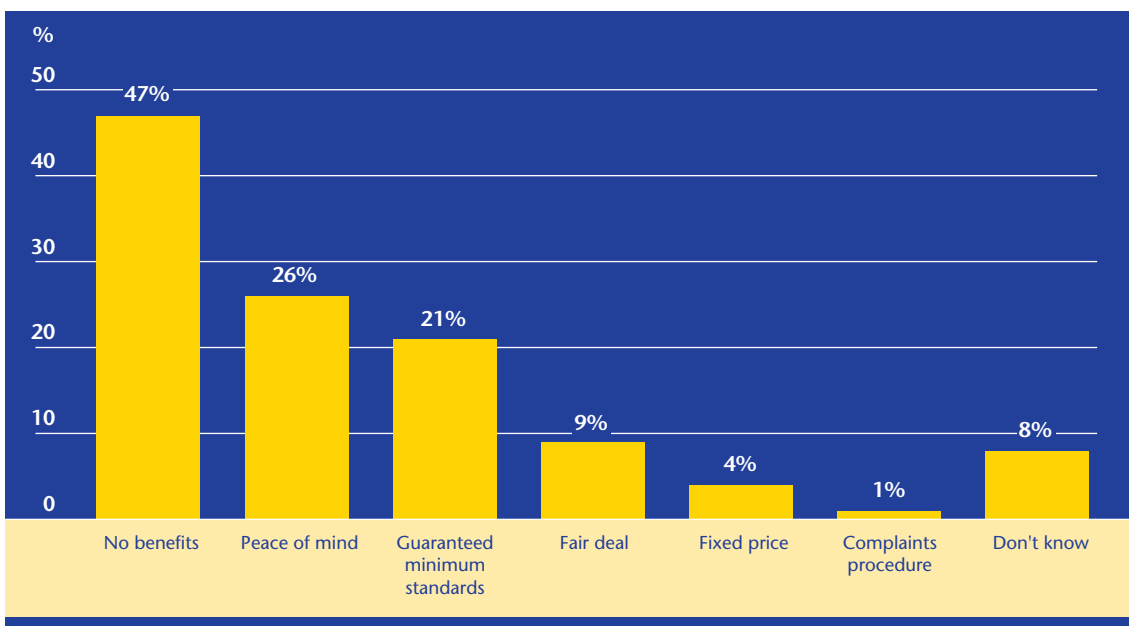
Other mentions include:

- Increased profit for garages in the scheme (3% / 9 respondents)
- Gives an edge against competition (3% / 8 respondents)
- Raise standards/ uniform good standards (3% / 8 respondents)
- Customer satisfaction (1% / 4 respondents)
- Able to charge higher prices (1% / 2 respondents)

Garage owners or service/repair managers with little interest in the scheme (28% overall stating they are not very or not at all interested) are twice as likely not to be able to mention any perceived advantages to being a member of the scheme (52% compared to 26% overall).

Benefits for customers

All respondents were asked how they think their customers would benefit if they joined the scheme.



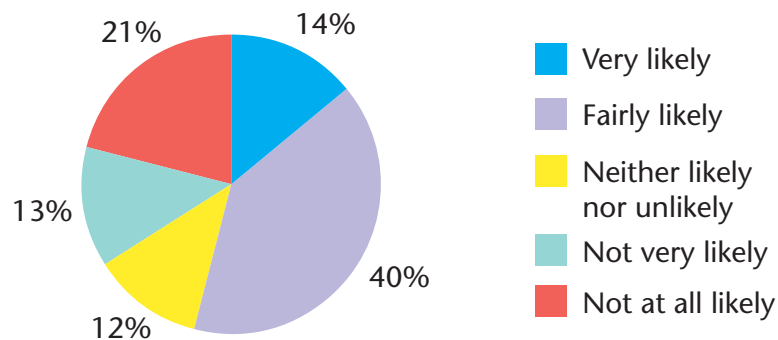
- Whilst one quarter of garage owners or service/repair managers cannot think of any benefits for their own garages, one half cannot think of any benefits for their customers. This may be because they believe they already deliver performance to at least the minimum standards participation in the scheme would impose.

Whilst the majority of garage types follow the overall pattern, again the national independent chains are more likely to be able to think of benefits to customers.

- 88% of national independent service/repair managers surveyed can think of an advantage (compares to 53% overall)
- Similarly, they are more likely to think of the benefits given
- This might stem from the national independent garages believing that there is more of a need for the scheme, coupled with their poor perception of the current industry

Effect of the scheme

All respondents are asked how likely they would be to attract new customers by joining the scheme, using a scale of *Very likely*, *Fairly likely*, *Neither likely nor unlikely*, *Not very likely*, *Not at all likely*.

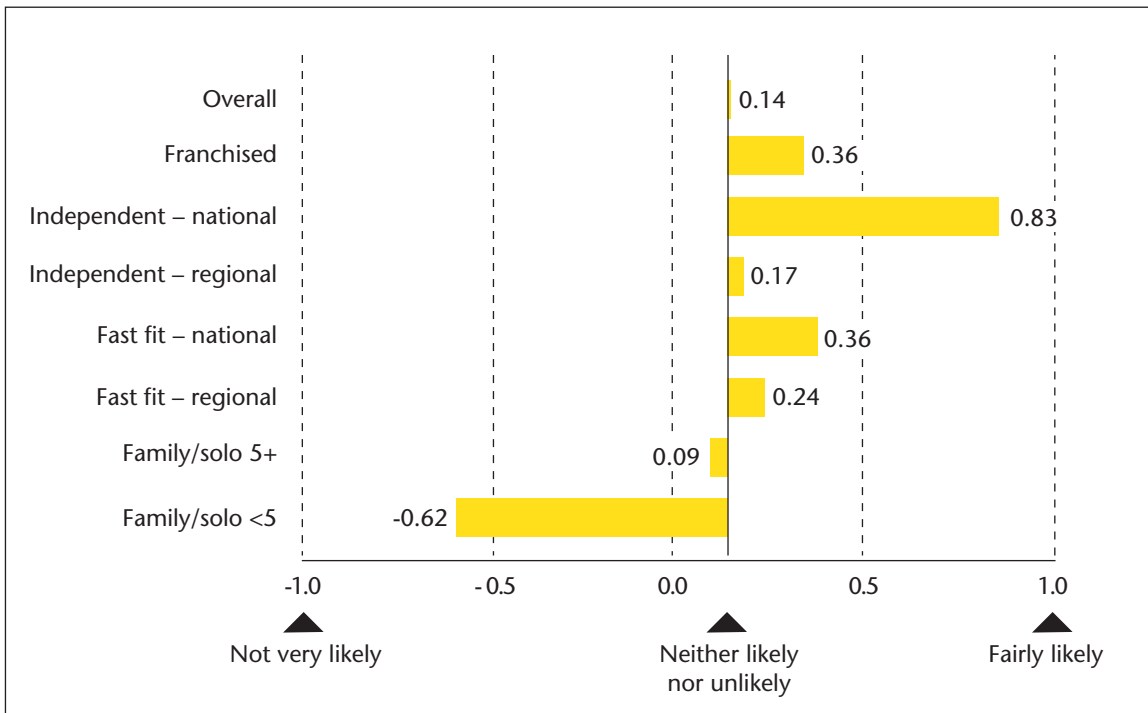


- Over one half (54%) believe that they are very or fairly likely to attract new customers if they join the 'Good Garage' scheme
- This ties in with the finding that over one half (53%) could name customer benefits if they joined the scheme

For the purposes of analysis, a score is given to each response, where *Very likely* is equal to +2, *Fairly likely* to +1, *Neither likely nor unlikely* to 0, *Not very likely* to -1, and *Not at all likely* to -2. This enables us to calculate mean scores, by converting a semantic scale into a numerical scale.

- The overall mean score is 0.14, i.e. lying between the *Fairly likely* (+1) and *Neither likely nor unlikely* (0) ratings

The chart below compares mean scores for each type of garage.



- The chart shows the mean score for all garages of 0.14 – all other garage types can be compared against this figure

Bars to the right of the axis show types of garages where mean scores are above average.

- Independent national chains, franchised dealers and national fast fit outlets are more likely than average to believe that they will attract new customers by being members of the scheme

Bars to the left of the axis show types of garages where mean scores are below average.

- Family business or solo traders with fewer than five employees are the only garage type who are significantly less likely than average to think they will attract new customers by being member of the scheme
- This is replicated to a lesser extent with the larger family businesses

An explanation for this can be that smaller business rely on repeat trade and have built-up relationships with their customers who provide regular and adequate trade. This is not necessarily so for the larger outlets which have may have lower customer loyalty and depend more on attracting new trade.

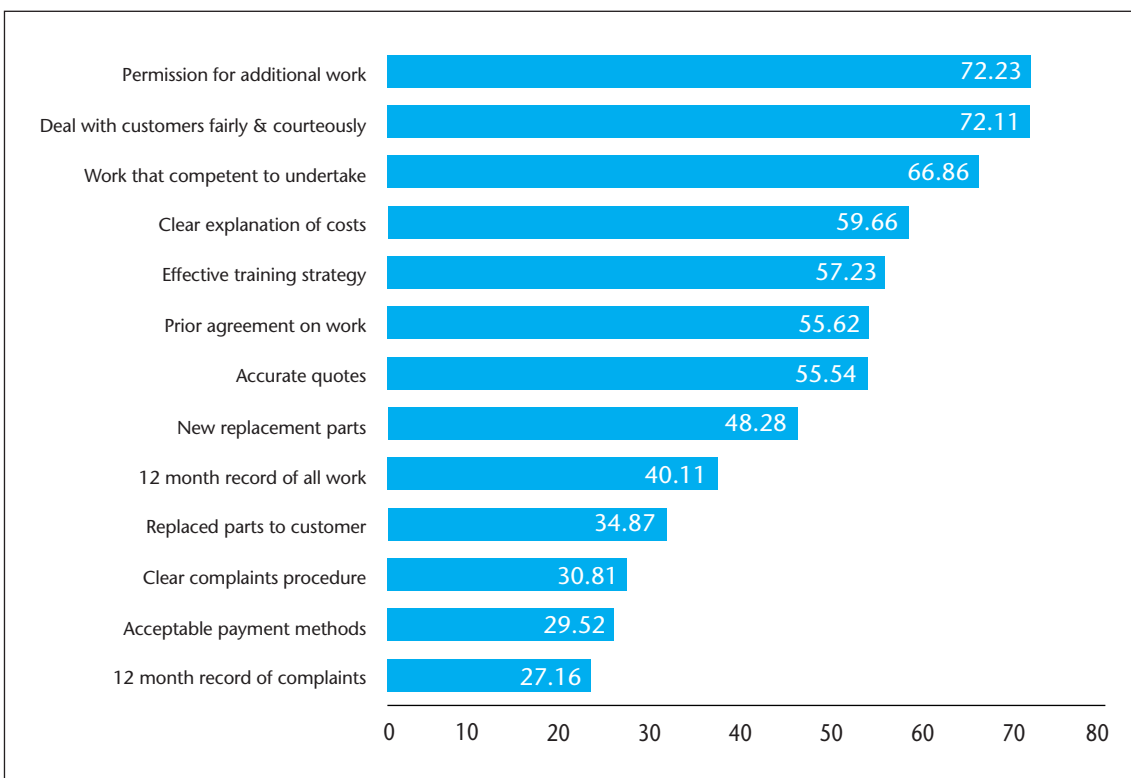
5.4.3 Minimum standards

Appeal of minimum standards

Using a statistical technique, called scalar conjoint analysis, respondents are asked to rate varying selections of the minimum standards that make up the scheme.

Respondents are given two alternative minimum standards and asked which is the more appealing of the two. The results are then analysed by NOP Statistics to rank the twenty minimum standards in order of appeal to respondents.

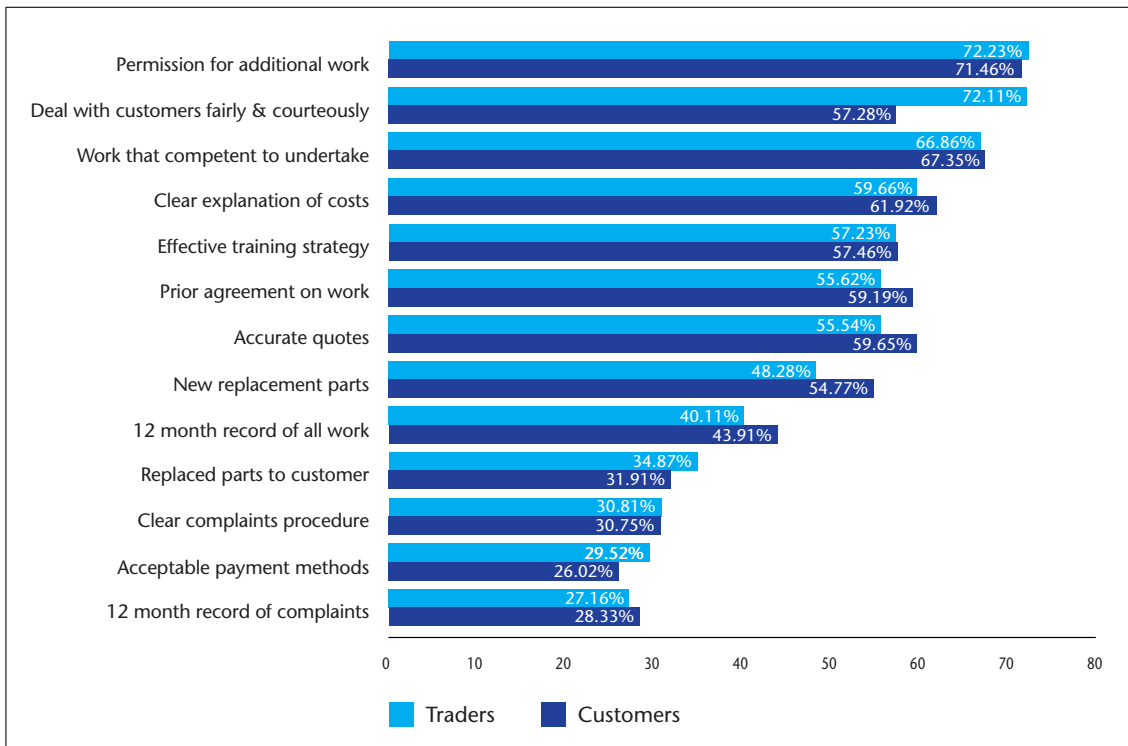
The chart below shows a score out of 100 for the appeal of each statement.



- The most appealing minimum standards for traders are to seek customer permission for any additional work before it is carried out and to deal with customers fairly and courteously
- The least appealing minimum standard for traders is to keep a 12 month record of all complaints

Comparison of appeal of minimum standards for traders and consumers

The minimum standards can be compared for traders and consumers as shown on the chart below.



The chart above is ranked in order of appeal for traders (blue bars)

- Traders and customers both rank 'permission sought for any additional work before it is carried out' first

What is interesting is that whilst the majority of the ratings are relatively equal, there is one that stands out

- 'Dealing with customers fairly and courteously' is of high appeal for traders (ranked 2nd), but much less so for customers
- It seems therefore, that traders are aware of the importance of customer loyalty and that by dealing with them fairly and courteously, they perceive that they will be loyal
- For customers however, who rank this feature 7th out of 13 (i.e. mid-way), this is far less important, preferring up-front costs and technical competence (see section 6.4.6)

Standards that appeal more to traders than to customers are as follows (differences in brackets).

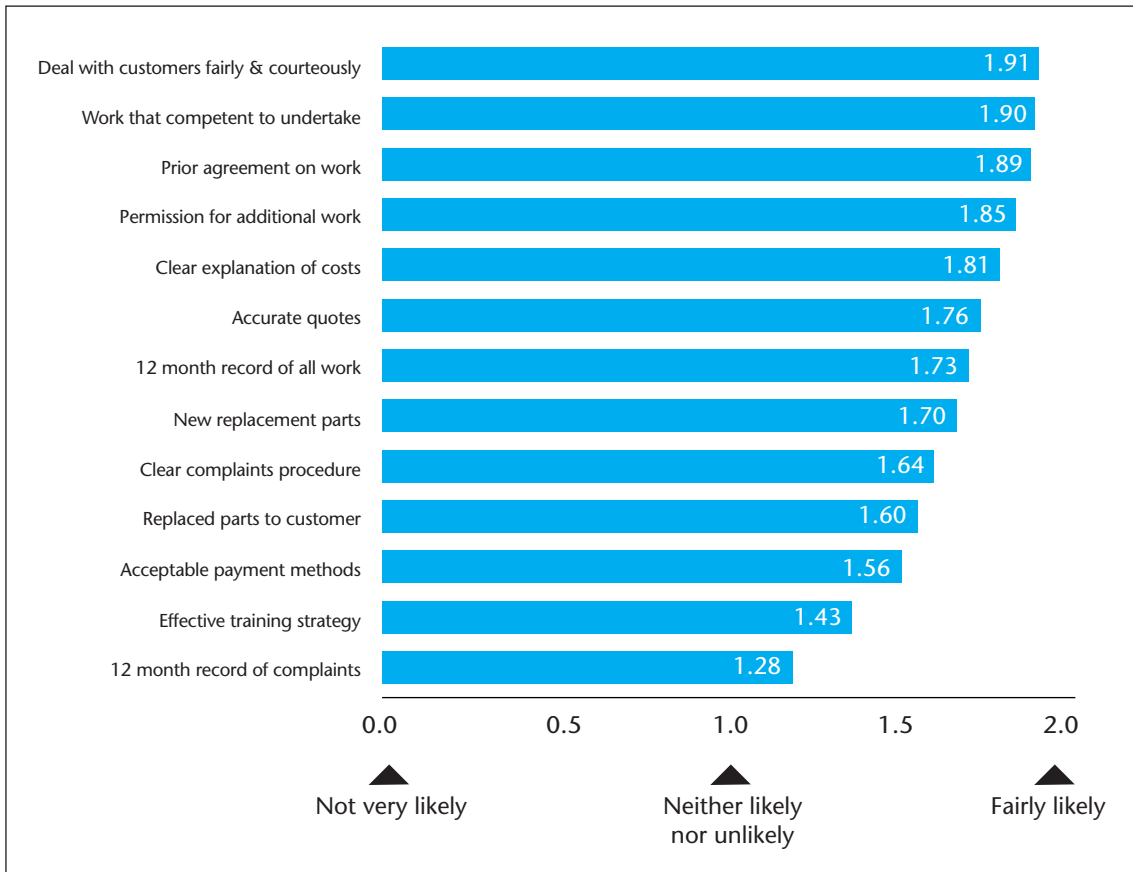
- To deal with customers fairly and courteously (14.83)
- Clear prior notification of acceptable payment methods (3.50)
- Availability of replaced parts for return to customer (2.96)
- Customer permission sought to any addition work before it is carried out (0.77)
- Clear complaints procedure (0.06)

Compliance with minimum standards

Respondents were also asked to rate how likely they would be to comply with a random set of five of the proposed minimum standards, using a scale of Very likely, Fairly likely, Neither likely nor unlikely, Not very likely or Not at all likely. The following minimum standards were rated on this scale (number of respondents rating this standard in brackets):

- To deal with customers fairly and courteously (134)
- Clear complaints procedure (114)
- Prior agreement on work to be done (101)
- To have an effective training strategy for employees (114)
- To only take on work for which the business is competent to undertake (108)
- New replacement parts used unless otherwise requested by the customer (122)
- Clear explanation of the costs of work undertaken (115)
- Where possible, to provide accurate quotes for costs of servicing or repair (109)
- Customer permission sought to any additional work before it is carried out (120)
- Clear prior notification of acceptable payment methods (108)
- Availability of replaced parts for return to customer (117)
- A 12 month record of all servicing/repairs undertaken (to allow for effective inspection) (128)
- A 12 month record of all customer complaints (to allow for effective inspection) (115)

The chart below shows mean scores for the above minimum standards, where **Very likely** = +2, **Fairly likely** = +1, **Neither likely nor unlikely** = 0, **Not very likely** = -1 or **Not at all likely** = -2.



- Garage owners or service/repair managers are most likely to comply with treating customers fairly and courtesy rather than keeping a 12 month record of complaints

- All mean scores over a score of 1: i.e. garage owners or service/repair managers are fairly or very likely to comply with all the minimum standards

Qualitative note

The minimum standards were seen by the qualitative groups as 'basic' good business practice. All interviewed had already achieved the majority as a matter of course with larger garages claiming to exceed the standards via head office procedures, BSI certification and customer satisfaction procedures.

"We do more than this already"

"Any decent garage would be doing this already, it's good business practice isn't it?"

Many suggested higher level standards as a means of differentiation and mandatory minimum standards to ensure compliance via some form of licence mechanism.

"You could have stars like the restaurants"

"It should be like the MOT, if you fail you lose your licence"

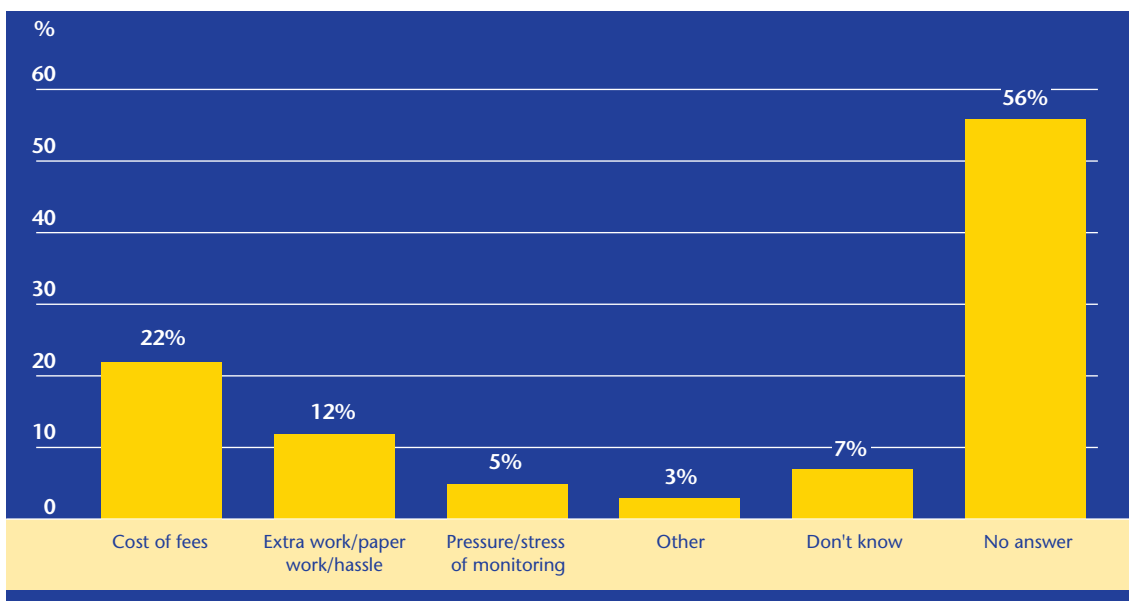
Overall it was seen as an acceptable/achievable minimum that would be easily achieved and which would help remove some cowboys.

"There are some cowboys who couldn't do this"

5.4.4 Perceived disadvantages

Disadvantages

All respondents are asked for any perceived disadvantages to their garage if they joined the scheme.



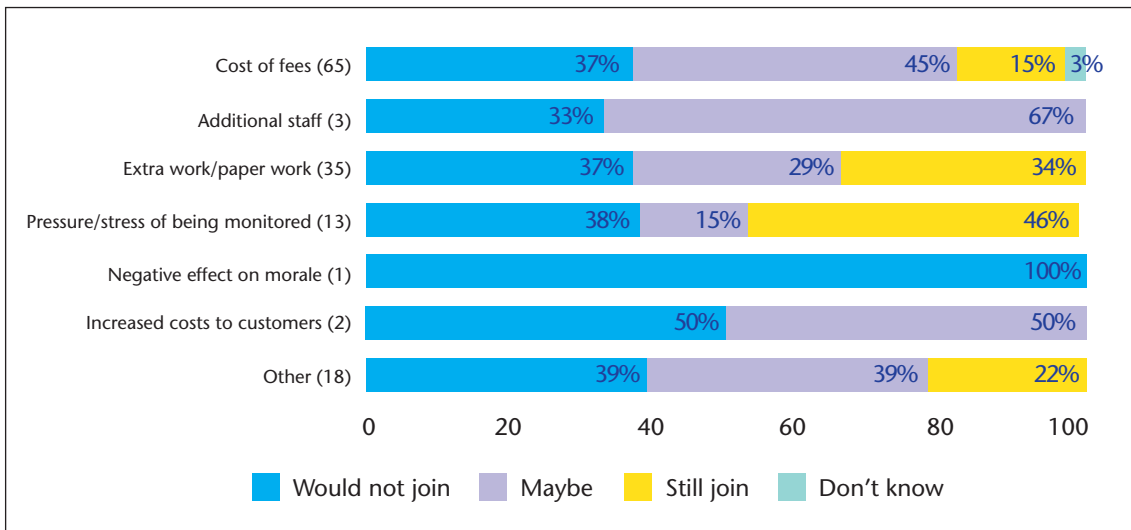
- The chart above shows that the potential cost of fees was perceived as the main disadvantage to the scheme
- Cost of fees was an issue for family businesses or solo traders, but much less so for the national fast fit outlets and the national independent chains
- Nevertheless, nearly two thirds overall (63%) could not think of any disadvantages to the scheme

Other mentions include:

- Need for additional staff (1% / 3 respondents) – this was mentioned by the smaller, regional garages
- Already have a scheme/ too many schemes/ schemes will clash (1% / 3 respondents) – this was given by the franchised dealers
- Facilities/ time/money needed for training staff (1% / 3 respondents)
- Increased costs to customers (1% / 2 respondents)
- Negative effect on staff morale (<1% / 1 respondent)

All those who gave a disadvantage (44% overall) were asked if this disadvantage would be a big enough drawback to mean that they would not join the scheme.

The chart below shows the answers for each of the disadvantages above (please note, the sample sizes vary (shown in brackets to the right of each disadvantage) and some have small bases).



- The bases are too small to allow any differentiation between garage type

5.4.5 Scheme features

Additional scheme features requested

All garage owners are asked what else they would like to see the 'Good Garage' scheme offer. Answers were given spontaneously, i.e. unprompted by the interviewer, and written down word for word by the interviewer. Frequently occurring answers were then grouped together to give a figure mentioning.

- 11% (34 respondents) state that there is nothing else that they would like to see the scheme offer, 28% (84 respondents) gave no answer and 21% (64 respondents) didn't know

- Significantly, 60% of garage owners or service/repair managers could not give a spontaneous answer

The remaining answers have been grouped into areas, and absolute values, as well as percentages, are given.

Core scheme features:

- 4% (12 respondents) say that there should be a directory or database provided of good and bad garages
- 3% (9 respondents) mention that training courses and support for training should be provided
- 2% (7 respondents) think that the scheme should get rid of cowboy operators
- 2% (7 respondents) mention that staff should be licensed so that only trained or qualified staff work on cars
- 2% (7 respondents) believe that there should be a helpline, particularly for technical support
- 2% (6 respondents) say that the scheme must have high standards to ensure good quality
- 2% (6 respondents) say that the scheme must give a fair deal for the customer and fair value for money
- 2% (6 respondents) think that financial services should be provided for garages
- 1% (3 respondents) think that the scheme should be free, and not paid for
- 1% (3 respondents) would like to see legal advice for members

Operation/management of the scheme:

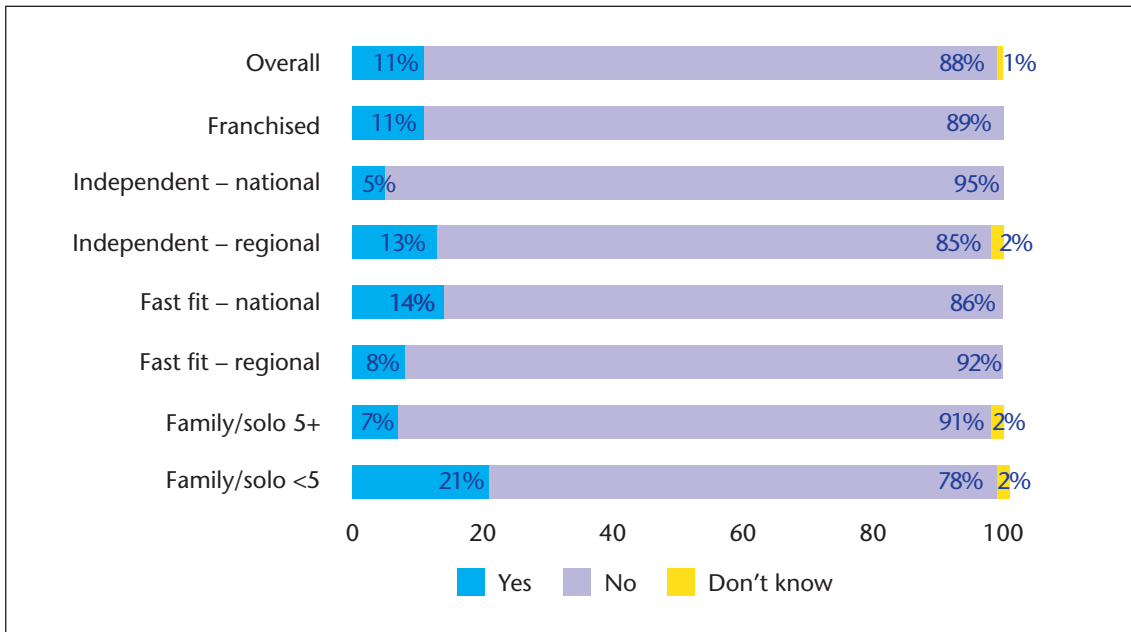
- 8% (24 respondents) say that there should be advertising for the scheme and potential members to raise customer awareness
- 2% (6 respondents) state that the scheme should be mandatory rather than voluntary since all garages need to be licensed or regulated
- 2% (7 respondents) believe there should be more checks on members, with follow-up visits and close monitoring
- 2% (5 respondents) state there should be punishment for non-compliance and incentives for good garages
- 2% (6 respondents) mentioned creating local groups of garage owners and customers to help with arbitration for disputes
- 2% (6 respondents) state that the scheme needs the backing of a professional body or well known institution

Necessary changes if joining the scheme

All garage owners or service/repair managers are asked if they would have to make any changes to the way their garage operates in order to meet the minimum standards laid out by the scheme.

- Just over one in ten (11%) said yes
- 88% said no

This varies across type of garage.



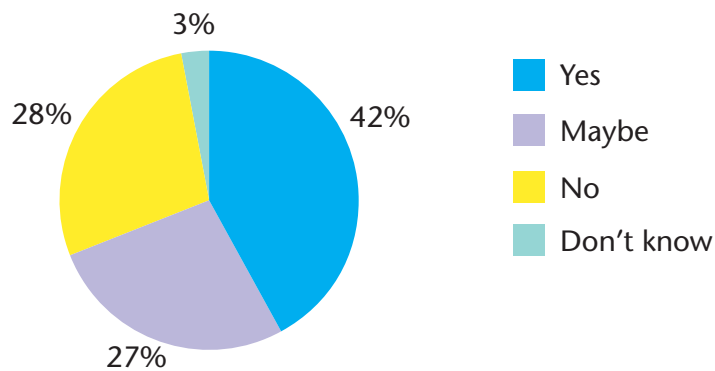
- Family businesses or solo traders (<5 employees) are more likely to have to make changes to the way that they work
- Independent national chains are least likely to have to make changes

All those who state that they would have to make changes to comply with the minimum standards (11% overall – caution small sample) are asked what these changes would be.

- 24% of these would have to make administrative changes, or would probably need to buy a computer
- 21% would need to provide more training for staff
- 18% would have to set up a complaints procedure or book

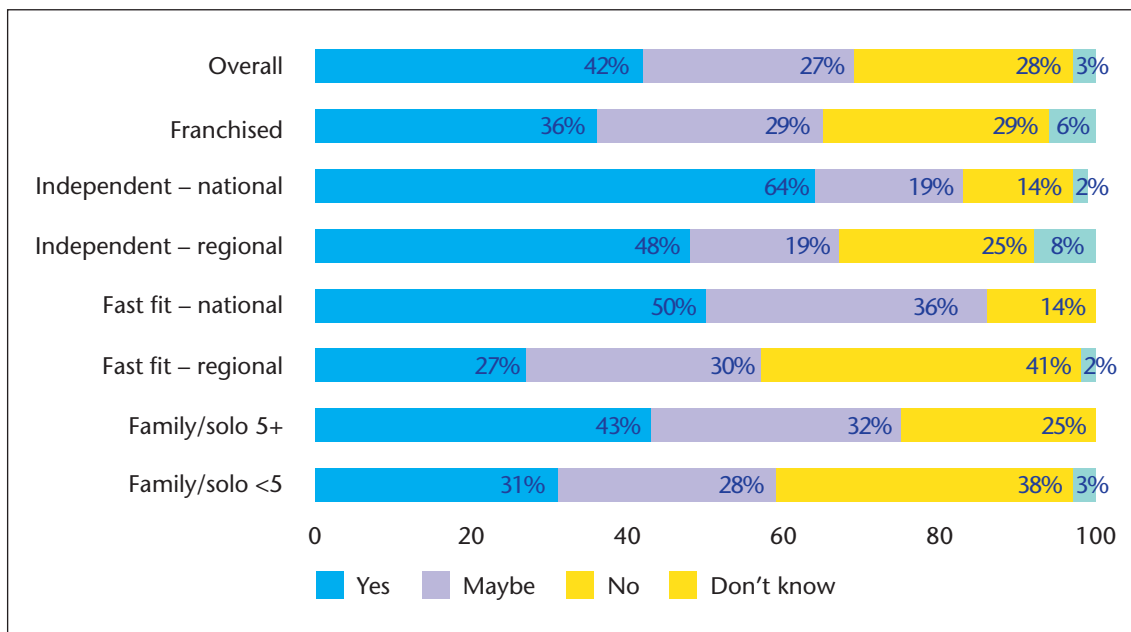
5.4.6 Interest (before discussion of costs)

At this point in the interview, i.e. after having heard about the scheme in detail, considered potential advantages and disadvantages and assessed the minimum standards, but without mentioning costs, all respondents are asked if they are interested in joining.



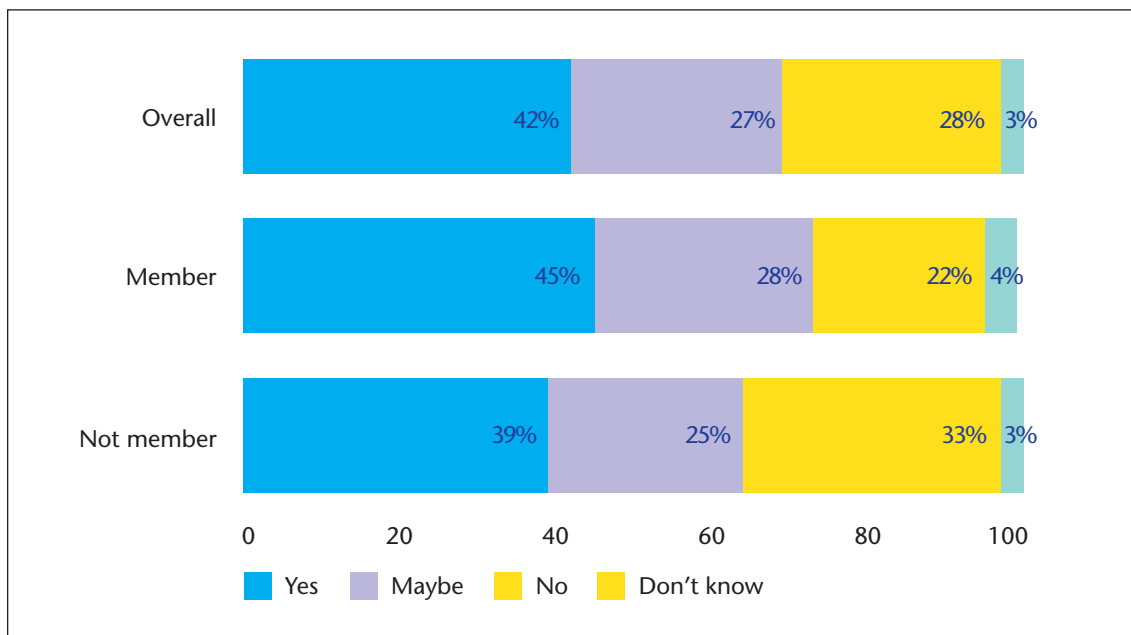
- Over two thirds of respondents (68%) state they would or might be interested in joining
- Just over one quarter (28%) would not be interested in joining

The chart below shows this across type of garage.



- Reaffirmed that the national independent chains are most likely to join the scheme
- The regional fast fit outlets are least likely to want to join the scheme, this may be because the nature of their service means that they are most likely to have lower customer loyalty
- The fast fit outlets are also less likely to be a member of a trade or business association, which has a bearing on a garage's propensity to join the scheme (see below)
- Conversely, national fast fit outlets have only a small proportion who state that they would not join the scheme

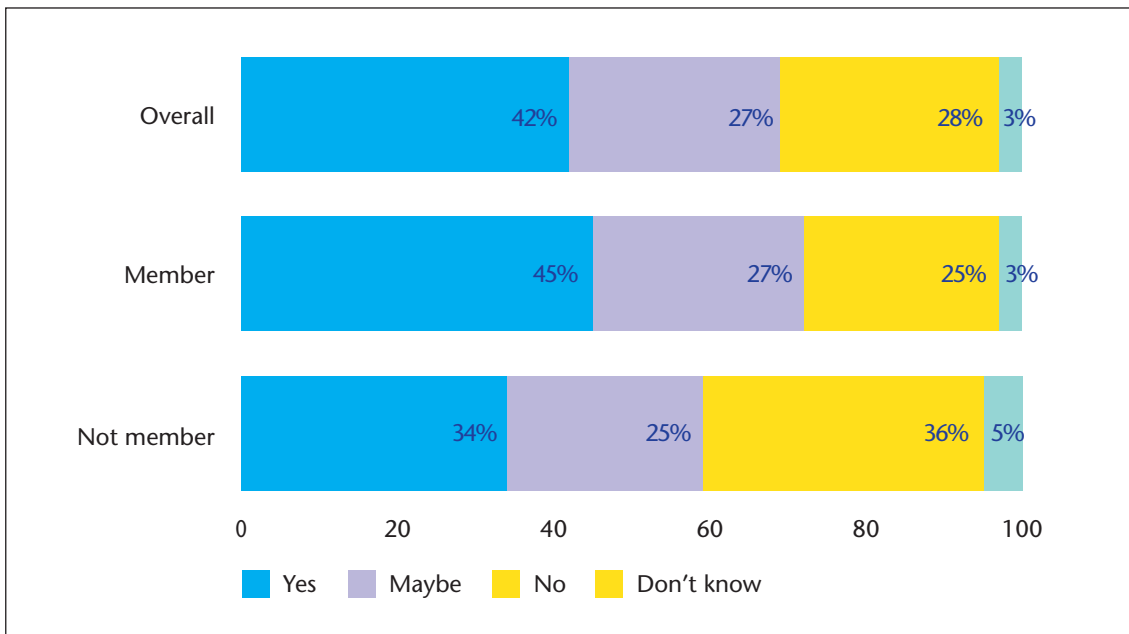
There is a difference between those who are members of trade associations and those who are not.



- The main difference shown is that garages which are not currently members of a trade or business association are less likely to say that they will join the scheme

- The sample sizes for each individual trade or business association are too small to be statistically reliable

A similar pattern is seen for garages that have an existing code of practice (70% overall).



5.4.7 Costs

Cost estimates

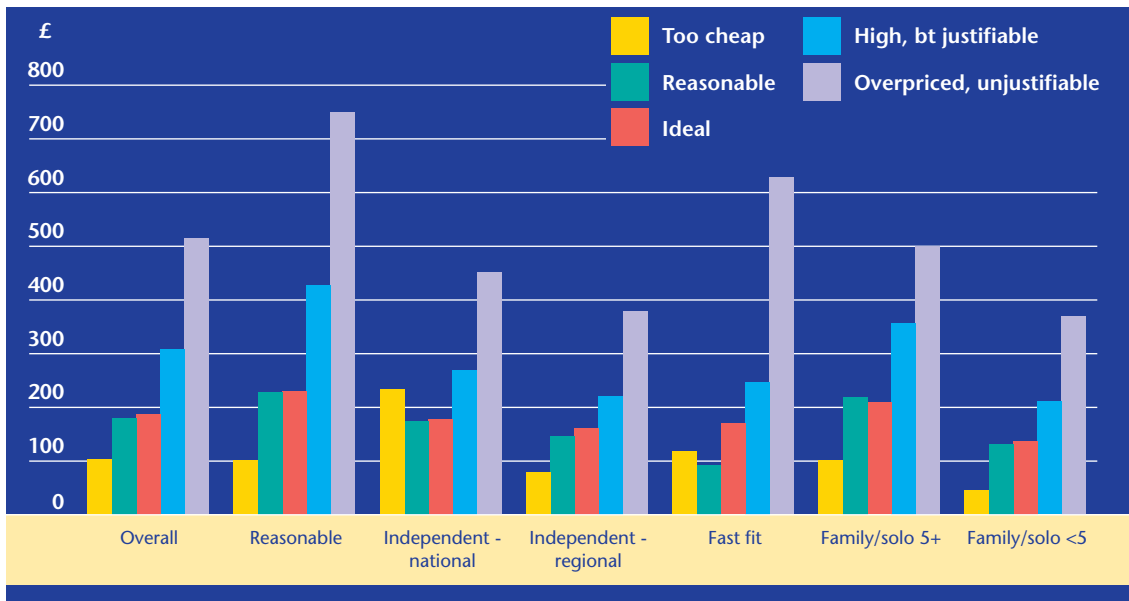
A brief explanation of the pricing system for the 'Good Garage' scheme is read out.

The scheme would be run by an independent supervisory body and be self-financing through membership fees. The fees would cover, among other things, marketing of the scheme, policing of the scheme, including random mystery shopping and regular inspections, and access to conciliation and arbitration in cases of dispute.

All respondents were then asked to estimate costs for a year's membership which reflects their view of the following:

- Reasonable cost
- High, but still justifiable, cost
- Overpriced, i.e. completely inappropriate and unjustifiable cost
- Too cheap, i.e. the scheme cannot be that good
- What should the scheme cost (Ideal cost)

The chart below shows the average costs given.



The costs given below are round to the nearest whole number.

- The ideal price, the cost that traders think the scheme should cost, is £188 on average for a year's membership (red bars)
- The ideal price for franchised dealers is £236
- The ideal price for national independent garages is £178
- The ideal price for regional independent garages is £164
- The ideal price for fast fit garages is £169
- The ideal price for family/solo traders with five or more employees is £211
- The ideal price for family/solo traders with fewer than five employees is £146

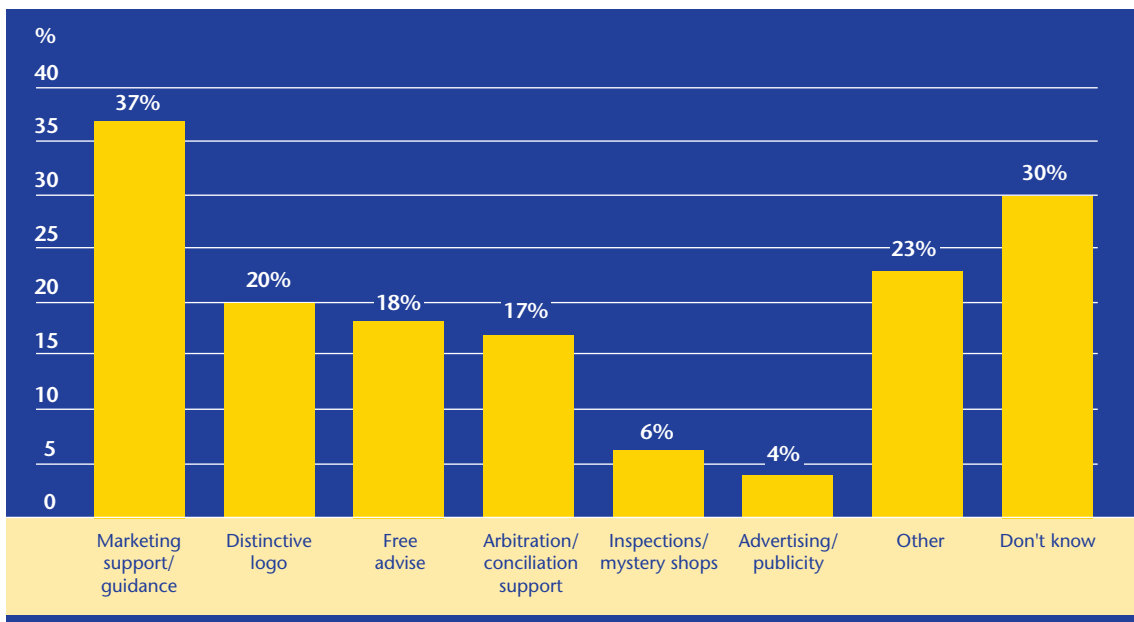
The number of employees in the garage is a good indication of the size of the garage. The number of cars that come in to the garage on a weekly basis, is a less reliable indication. Some garages in our sample are fast fit outlets which have a high turnover of smaller (i.e. cheaper) jobs than other garages that employ fewer staff and have a low turnover of larger (i.e. more expensive) jobs.

Therefore, the ideal cost of the scheme increases with the number of employees.

- 1 employee - £119
- 2-4 employees - £151
- 5+ employees - £221
- (The average number of employees is 9)

What the cost should include

All respondents were asked what they think should be included in the scheme at this price.



- The most frequently mentioned benefit from paying to be a member of the scheme is marketing support and guidance: this is mentioned by over one third of garage owners or service/repair managers

Other mentions include:

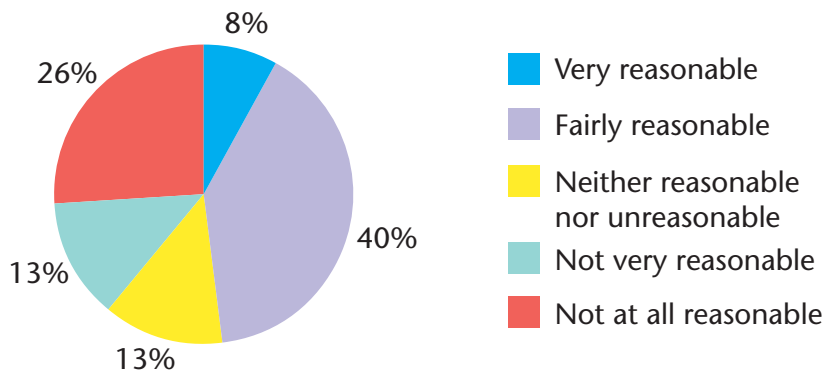
- Extra business/ more customers/ more turnover (3% / 8 respondents)
- Better standards/ better quality/ happy customers (3% / 8 respondents)
- Registration/ certificate to show approved status (2% / 7 respondents)
- Respect/ good name/ good image (2% / 6 respondents)
- Back-up/ support from the scheme/ backing body (2% / 6 respondents)

- Information/ newsletter/ tell us what's going on (2% / 6 respondents)
- Written reports/rating system/show how we are doing compared to others (2% / 5 respondents)

Reaction to actual costs

Respondents were then given more information regarding possible membership fees.

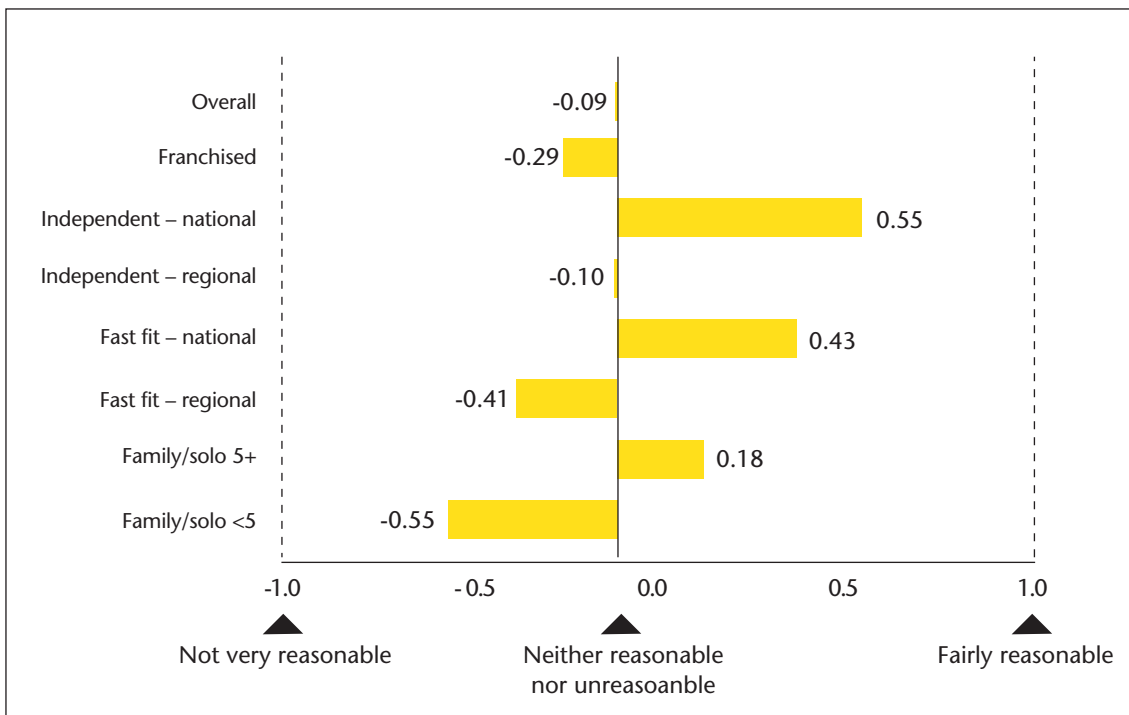
To give some idea of costs, fees might be paid on a sliding scale according to the size of business. Total annual costs of between £200 - £450 for the smaller businesses, to £1,100 - £1,400 for the largest have been estimated. Bearing in mind the size of your business and estimating what you might pay, how reasonable do you think this is?



Again, for the purposes of analysis, a score is given to each response, where **Very reasonable** is equal to +2, **Fairly reasonable** to +1, **Neither reasonable nor unreasonable** to 0, **Not very reasonable** to -1, and **Not at all reasonable** to -2. This enables us to calculate mean scores.

- The overall mean score is -0.09, i.e. lying between the Neither reasonable nor unreasonable (0) and Not very reasonable (-1) ratings

The chart below compares mean scores for each type of garage.



- The chart shows the mean score for all garages of -0.09 – all other garage types can be compared against this figure

Bars to the right of the axis show types of garages where mean scores are above average.

- National independent chains, national fast fit outlets and larger family businesses are more likely than average to think the costs are reasonable

Bars to the left of the axis show types of garages where mean scores are below average.

- Small family businesses or solo traders, regional fast fit outlets and franchised dealers are less likely than average to think the costs are reasonable

However, all mean scores lie between the Not very reasonable and Fairly reasonable ratings

- No garage rates the potential costs as Not at all reasonable overall

Looking at the size of garage (based on the number of employees), the larger the garage, the more reasonable the costs seem.

- Garages with one employee have a mean score of -1.09 (lying between Not very reasonable and Not at all reasonable)
- Garages with 2-4 employees have a mean score of 0.02
- Garages with 5+ employees have a mean score of 0.06

Comparing the average number of cars that come into the garage per week with the estimated costs, the annual fees do not seem extortionate.

	LARGE (e.g. franchised dealer)	SMALL (e.g. family business or solo trader)	OVERALL (all types)
Cars per week	116	52	70
Cars per year	6032	2704	3640
Annual fee (estimate)	£1,400	£300	£775
Cost per car	£0.23	£0.11	£0.21

Qualitative note

Although the cost structure was thought by those in the groups to be fair or reasonable, few from that sample would be prepared to pay for membership; the reasons being that for larger garages, adopting a scheme through a national chain could be prohibitively expensive and smaller garages would have to sacrifice a limited or non-existent marketing budget. Many also pay subscriptions to alternative associations.

"We have a large number of garages, it could work out very expensive"

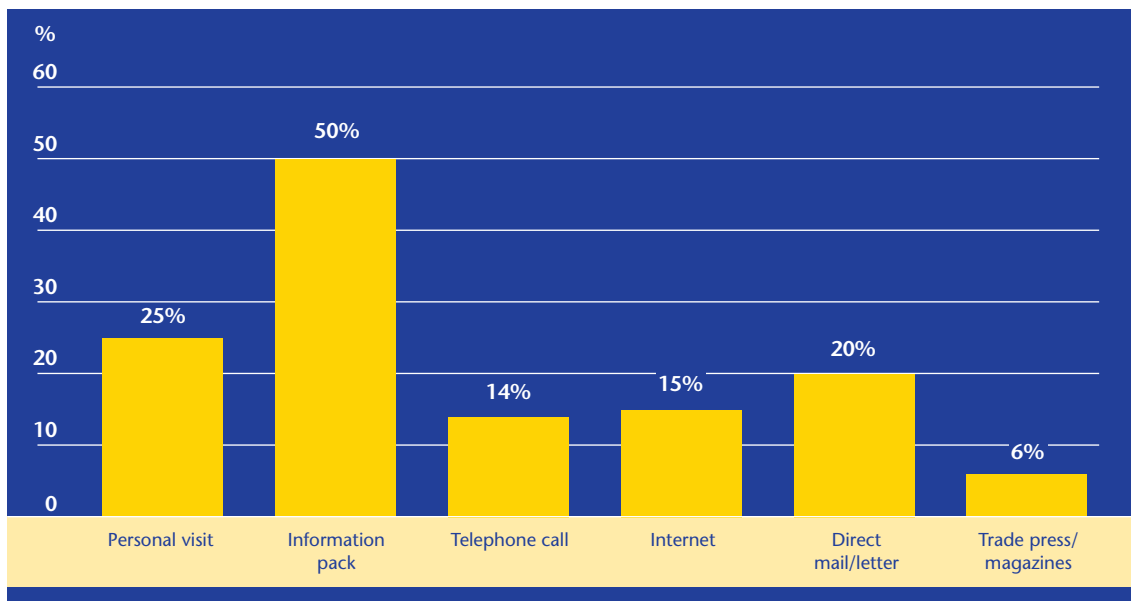
"I not going to pay for this and the RMI"

Some garages commented that they may be unable to recoup costs via existing customers, as they would be unable to charge a premium for something they already deliver as standard and didn't need to attract new customers via the scheme as their order books were already overflowing.

5.4.8 Communication and publicity

Communication to garages

All respondents were asked how they would like to see information on the 'Good Garage' scheme communicated to their garages.



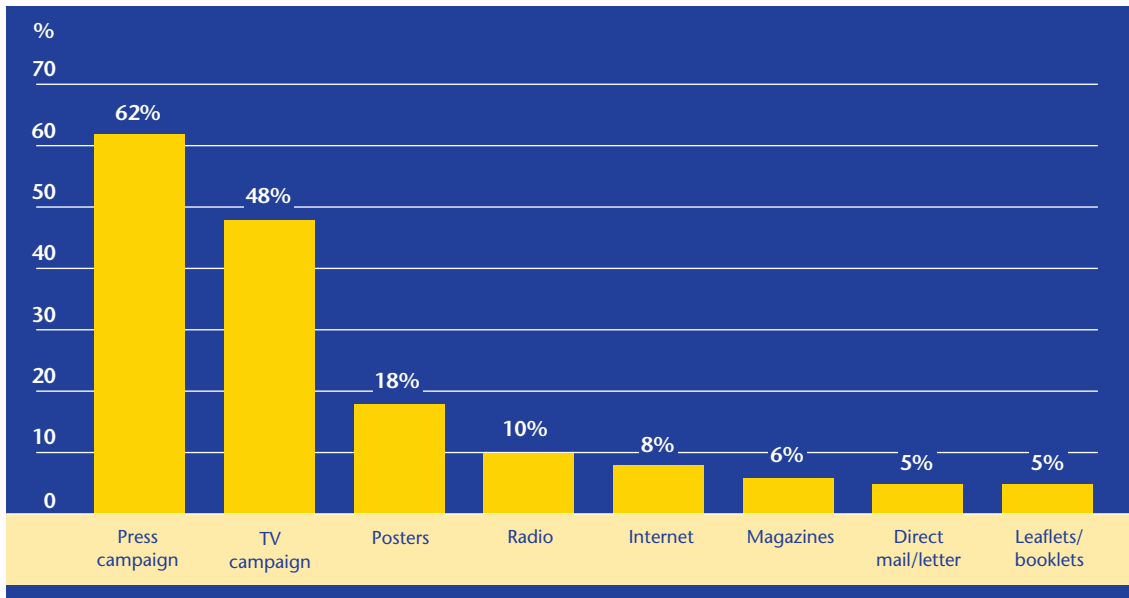
- The most popular method of communication to garages is an information pack

Other mentions include:

- Newsletter (3% / 8 respondents)
- National press/ newspapers (3% / 8 respondents)
- TV (3% / 8 respondents)
- Seminars/ meetings/ presentations (3% / 8 respondents)
- Advertising/ ads on TV (2% / 6 respondents)
- Motor trade association (2% / 6 respondents)
- Fax (2% / 7 respondents)
- Email (1% / 4 respondents)
- Flyers/ leaflets (1% / 4 respondents)
- General media (1% / 4 respondents)
- Radio (1% / 3 respondents)
- Posters/ billboards (1% / 3 respondents)

Communication to customers

All respondents were also asked how the scheme should be communicated or publicised to customers.



Other mentions include:

- General advertising/ general media (5% / 16 respondents)
- Trade press/ car magazines (4% / 11 respondents)
- Personal contact/ visits (1% / 4 respondents)
- Yellow pages (1% / 3 respondents)
- Handouts at garages (1% / 3 respondents)

Qualitative note

Members of the groups expected to be informed about the scheme via a combination of information packs and personal visits. More importantly, all garages highlighted the need for and importance of a sustained communication strategy to inform consumers, as this was an essential factor in increasing the scheme's worth and making it an expected standard.

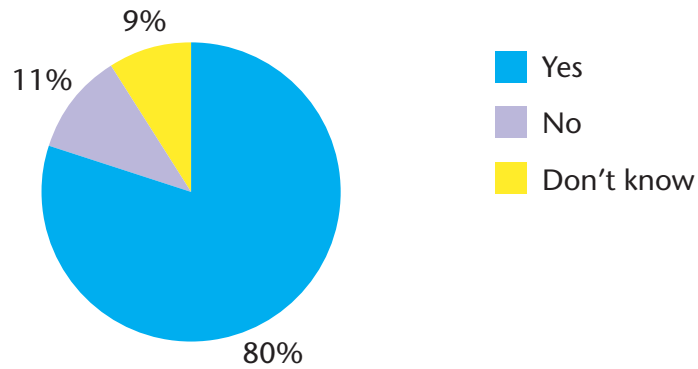
"If consumers know about it then they are more likely to ask about it"

It was suggested that communication shouldn't only be from just the supervisory body but combined with other relevant parties i.e. DTI, motoring organisations and garages to create 'one voice' to create impact and executed via a number of media i.e. advertising, information pack, posters, handbooks, DVLC/MOT reminders etc. to generate effect.

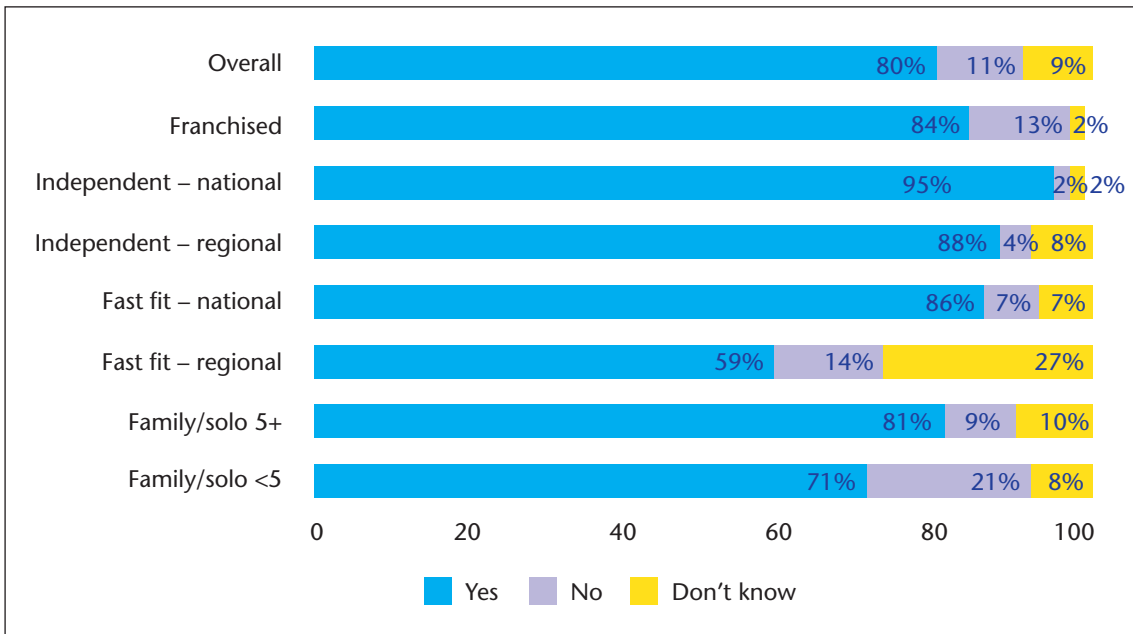
"If it has 'consumer worth' then we can use it in marketing"

5.4.9 Interest (after discussion of costs)

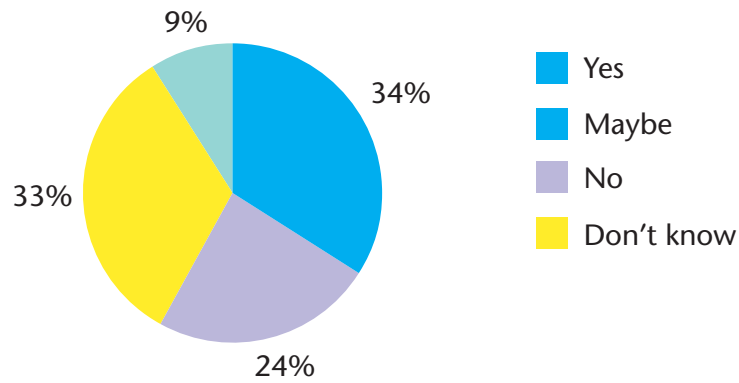
All garage owners and service/repair managers were asked if they think that work on setting up the scheme should continue.



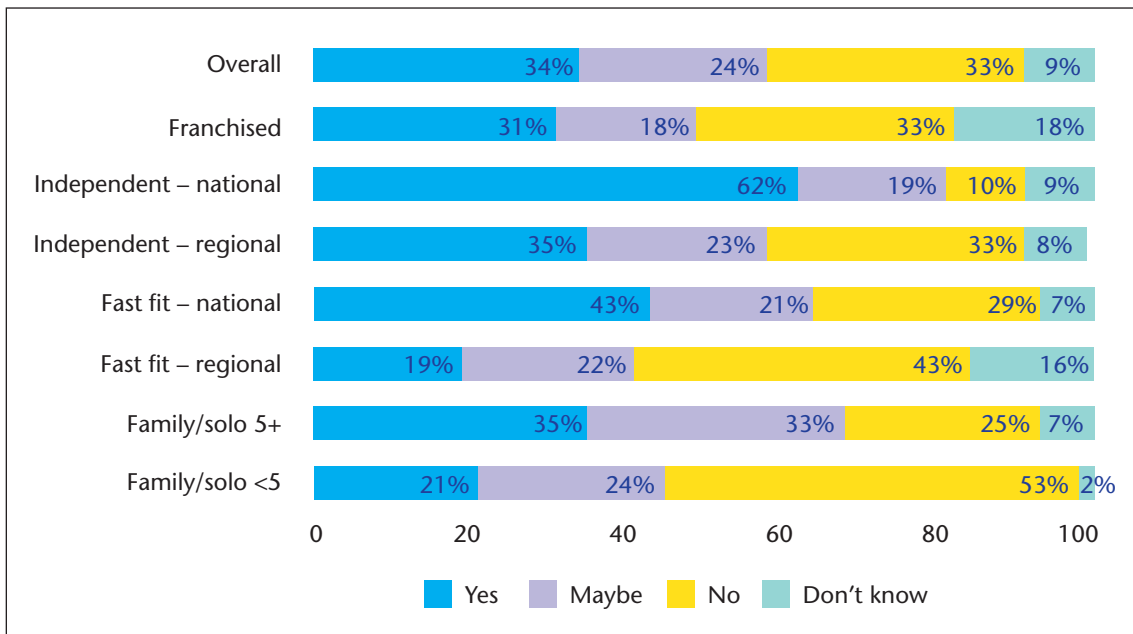
This varies across garage type as shown below.



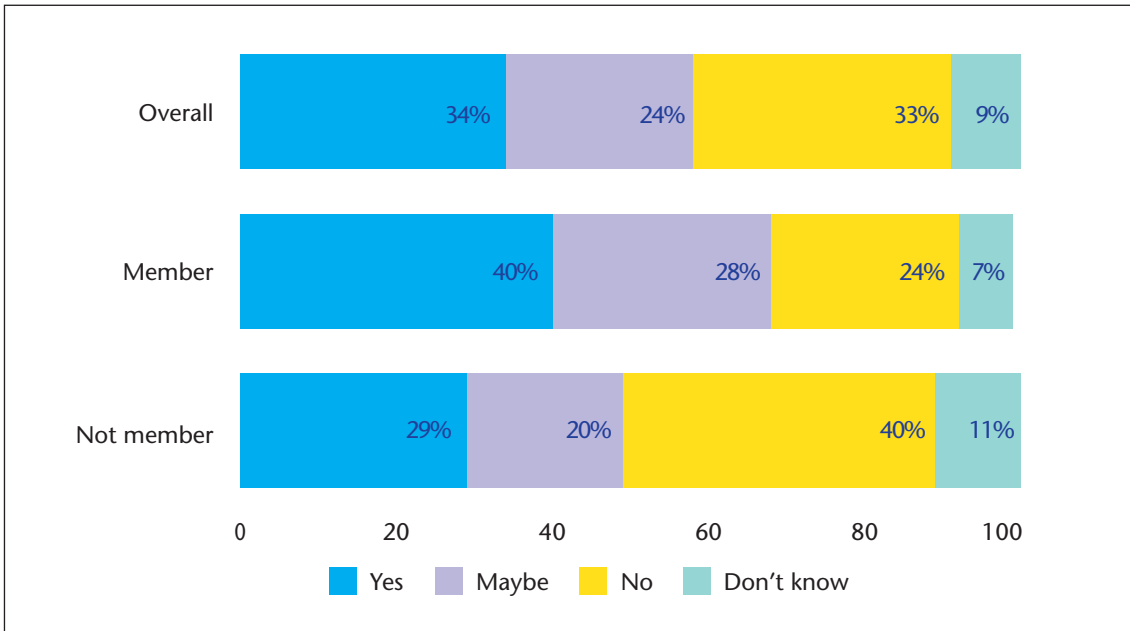
All garage owners and service/repair managers were asked if they would join the scheme. They are asked to take into account all that they have heard so far about the scheme, including the costs for a year's membership.



This varies across the type of garage, as shown below.

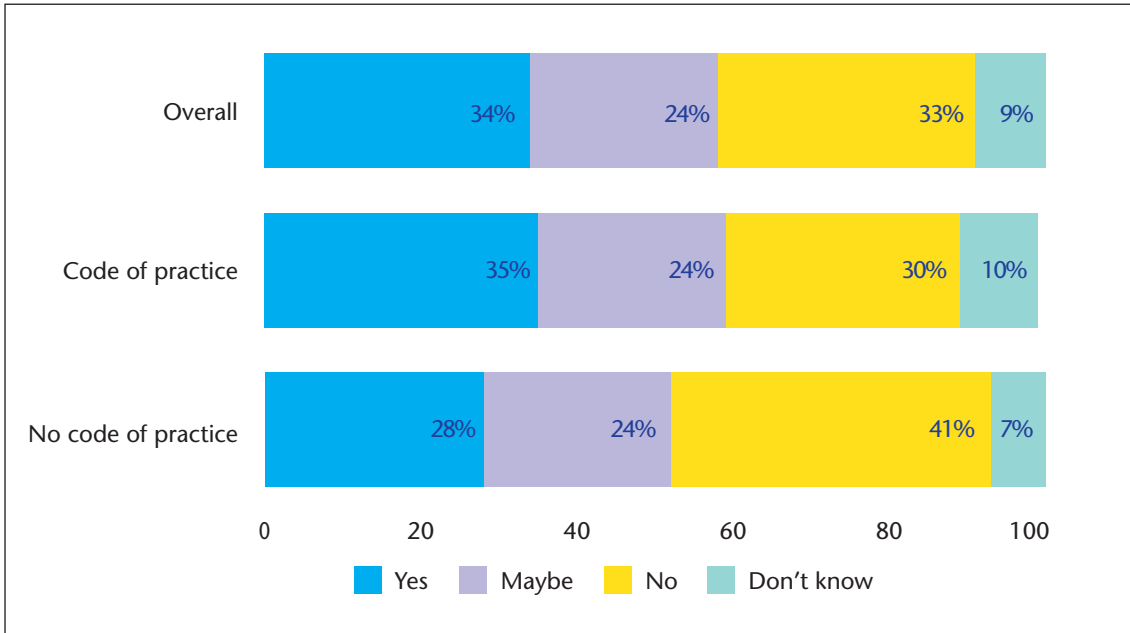


There is a slight variation across whether the garages are currently members of a trade or business association.

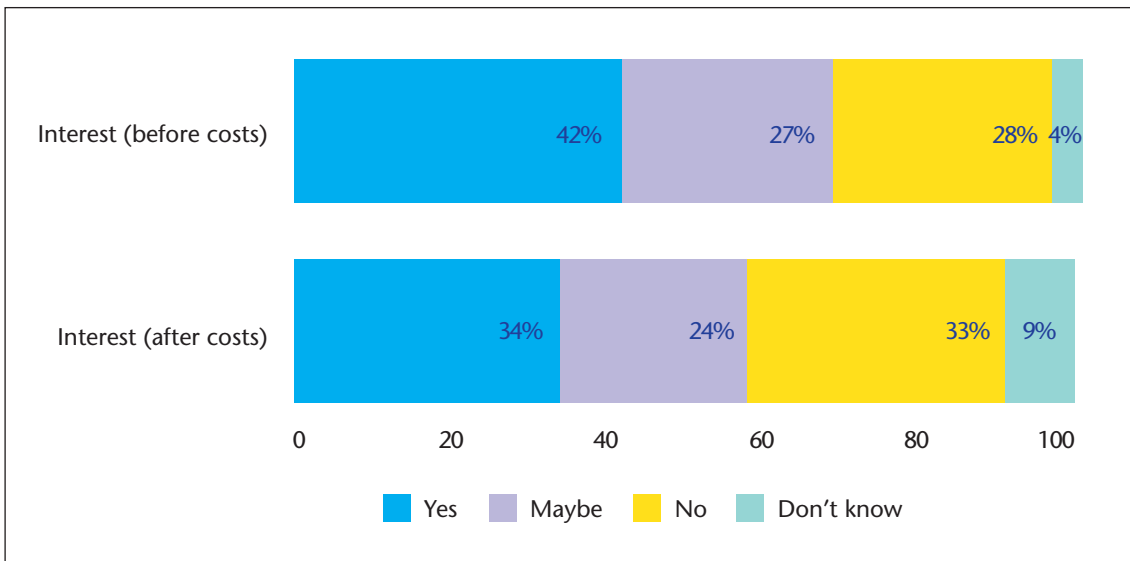


- Those who are not currently members of a trade or business association (55% overall) are less likely to want to join the 'Good Garage' scheme
- However, 60% of those who are not currently members are still interested and may be persuaded to join – only 40% emphatically state that they would not join
- The sample sizes for each individual trade or business association are too small to be statistically reliable

A similar pattern is seen for garages that have an existing code of practice (70% overall).



Comparison of interest, before and after costs

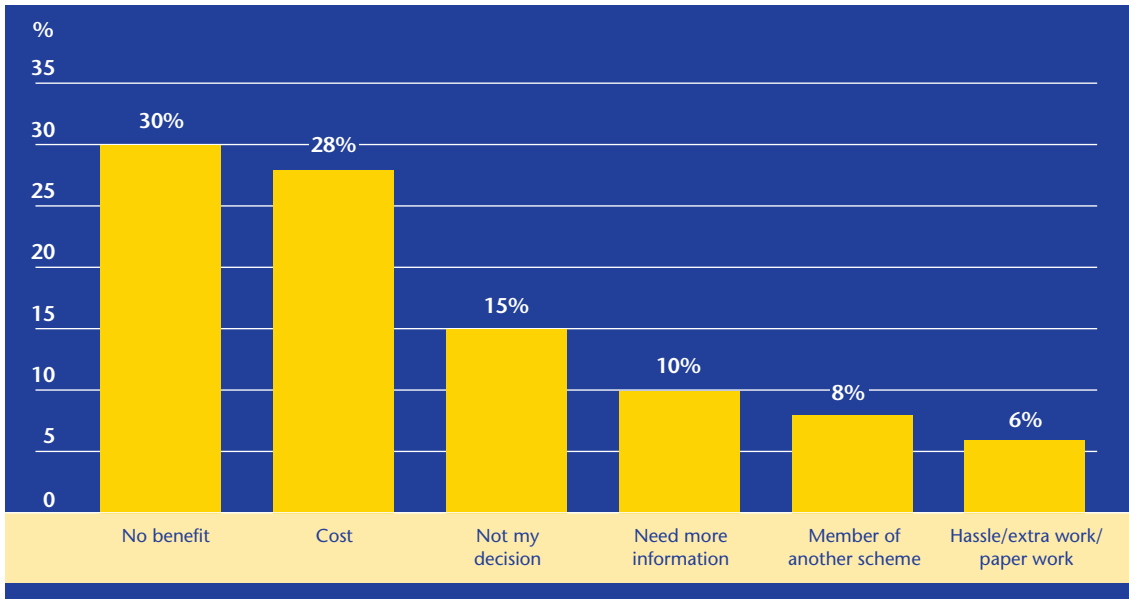


Interest in the 'Good Garage' scheme after costs can be compared with the question on interest asked to respondents before discussing potential costs (see section 5.3.5).

- The chart above shows that interest in the scheme has dropped slightly since respondents were made aware of costs

Reasons for not wanting to join

All those who do not say that they would join the scheme, i.e. those saying Maybe, No or Don't know at 'Interest after costs' (66.1% of the total sample) are asked the reason why.



- Nearly one third of respondents (30%) who are undecided about joining the scheme cannot see the benefit of joining it
- Over one quarter of respondents (28%) are put off by the cost
- A significant proportion (15%) state that the decision is not theirs to make and would be taken by their boss or head office
- 10% would need more information about the scheme before committing to it
- 8% state that they are already members of another scheme/ association or the RMI

Other mentions include:

- Question the value of the scheme/ it's just voluntary/ one of many/ won't work (4% / 8 respondents)
- Need to consult partner/ others (3% / 5 respondents)
- I'm selling up soon/ retiring (3% / 5 respondents)
- I do a good job/ have my own rules/ do all this anyway (3% / 5 respondents)
- Pressure/ stress of being monitored (2% / 3 respondents)
- Business is too small/ only me (2% / 3 respondents)
- Negative effect on staff morale (1% / 2 respondents)
- Don't know (3% / 5 respondents)

Qualitative note

Most in the groups thought the scheme was a good idea but there were concerns about cost and additional paperwork/admin and head office sign-off.

"It's moving in the right direction"

"It's a head office decision as they would have to pay"

Overall it would only be considered if it could add value or improve existing service and repair processes, bring in new business or increase the value of existing customers. At present there was a perception that the scheme would find it difficult to deliver on any of these points.

"It sounds a good idea but it's got to be worth something for my business"

6.0 Consumers survey

6.1 Qualitative overview

Choosing a new garage generates anxiety amongst consumers. This is based on a combination of factors, such as lack of technical knowledge, previous poor experiences and the fear of 'garages from hell' stories.

The spontaneous reaction to the 'Good Garage' scheme was very positive as it was seen as a differentiator, provided reassurance and aided the selection process.

All the standards were well received. They addressed all the key areas and were a means to provide reassurance and protection.

Independent administration and policing was preferred over Government and Trade supervisory bodies, as they were perceived to be unbiased. Additional endorsements from industry partners e.g. DTI, AA, were suggested to add credibility and confidence.

The compliance procedures were seen to lack authority and failed to penalise garages sufficiently to change 'bad' practice.

Few would pay a premium to their existing garage if they became scheme members, as they already receive the majority of standards for free.

All thought the scheme should go ahead as it was seen as different.

All want the 'Good Garage' scheme to make service and repair a commodity purchase, but to do this it needs the compliance procedure to be tough enough to protect fully and further endorsements to avoid it being classed as one of many.

6.2 Quantitative main findings

The following sections (6.3 and 6.4) show the main findings for the consumers quantitative survey.

Significant or interesting findings are boxed in blue.

Where applicable, subsections end with a qualitative note, to show the similarities or otherwise of the quantitative findings with the qualitative findings. It is important to note, however, in the case of any discrepancies between qualitative and quantitative, that the **quantitative is more statistically robust**, due to the large sample size, than the qualitative. The qualitative research is not intended as a comparison tool, but serves to give 'live' examples of issues that apply to traders and consumers, in more depth.

All quantitative charts are based on the total sample size of 501, unless stated otherwise. Only significant differences ($\pm 5\%$ from overall percentage) are shown; for example differences between types of garage, region, location etc.

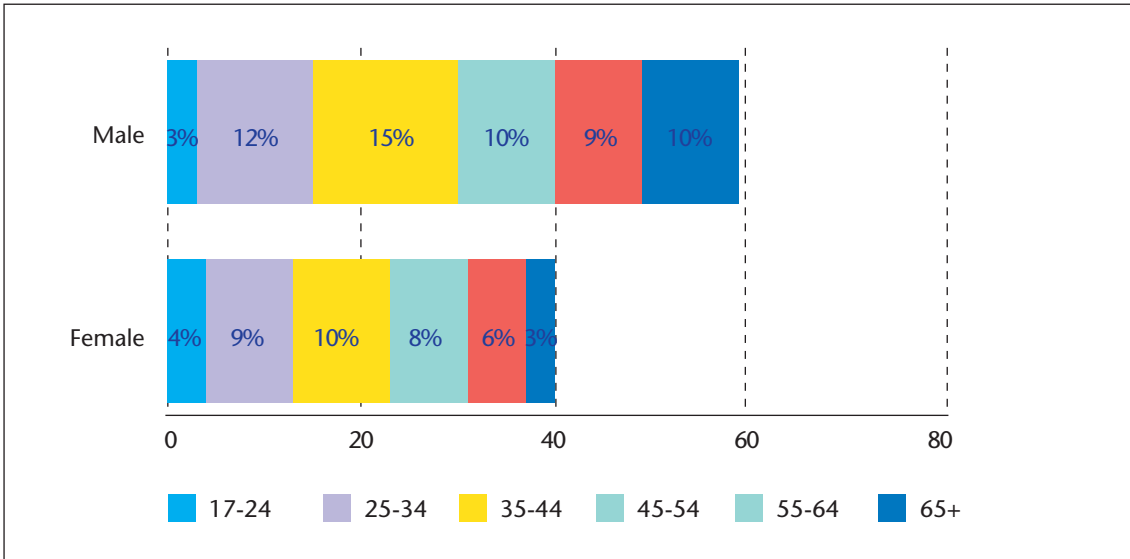
Absolute values are shown as well as percentages for smaller proportions of respondents.

6.3 Consumer profile

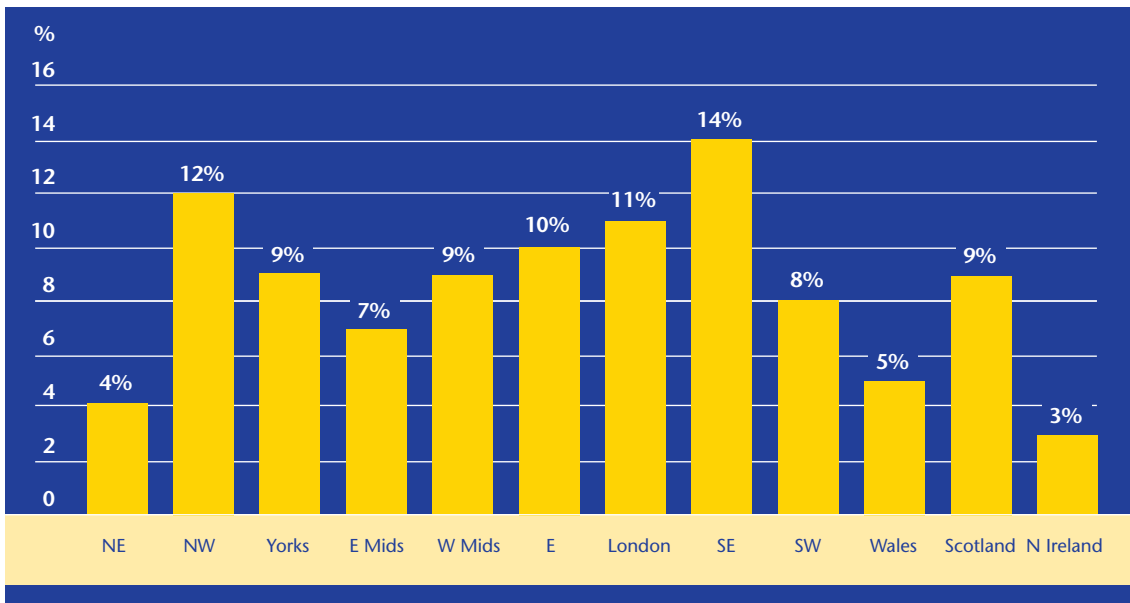
6.3.1 Respondent demographics

The respondents interviewed are representative of principal drivers and have the following distribution.

- 60% are male and 40% female
- The average age of respondents is 45 years, although most respondents fall into the 35-44 age group

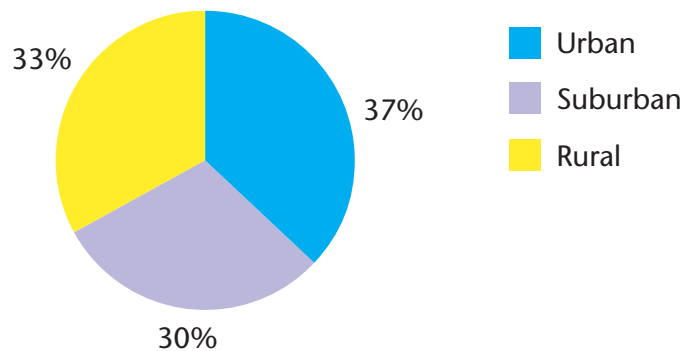


The respondents were split across the UK as follows:



- This distribution is representative of the UK population of principal drivers

The split between urban, suburban and rural regions is relatively equal.

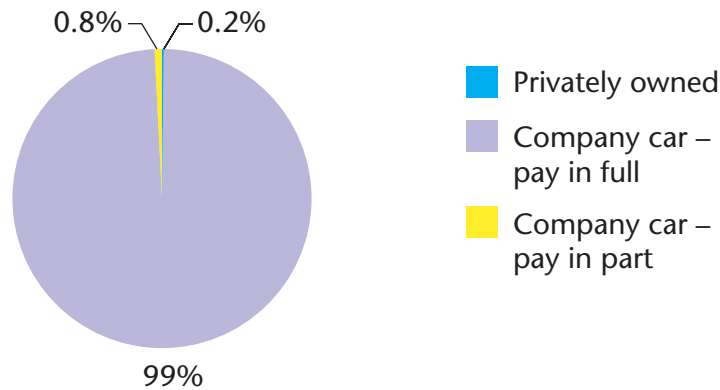


6.3.2 Car profile

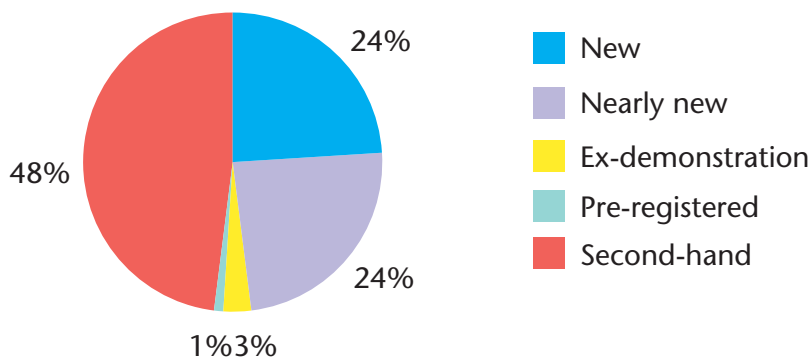
All respondents interviewed have a car in the household for which they are responsible for servicing decisions; for example, this could mean choosing the garage, booking the car into the garage or paying for the work.

- Nearly all (94%) respondents are also principal drivers of this car, i.e. the person who drives the car the most

Whilst almost all respondents (99%) had privately owned cars, there were a few company cars. However, for all of these, the respondent paid either in full or in part for the servicing and repair of their company car.



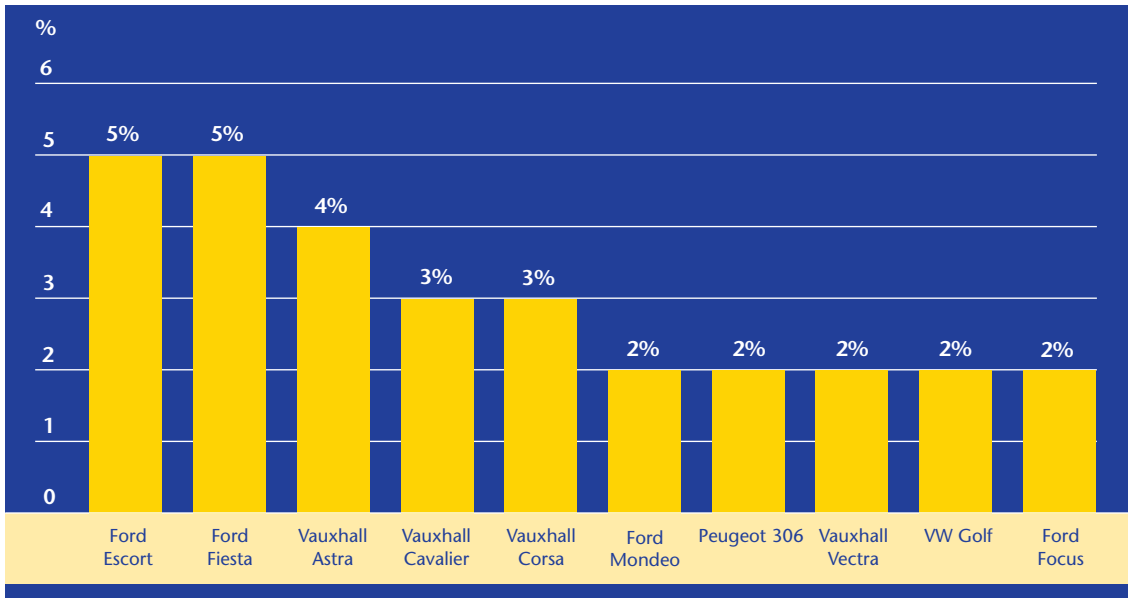
- Nearly one half of cars were bought second hand and one quarter bought new



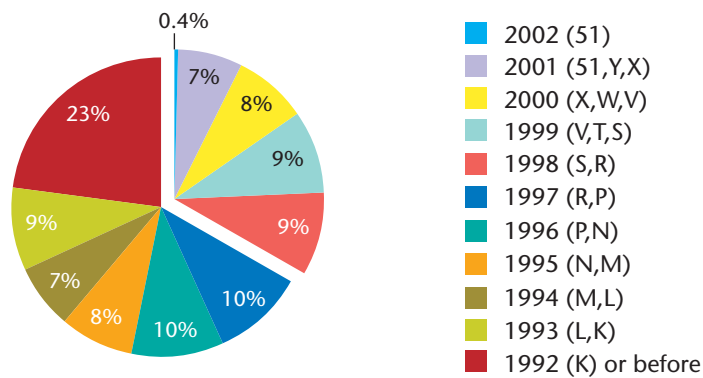
- This is broadly in line with known statistics for principal drivers

All respondents are asked what make and model their car is.

- The top ten models of car owned are as follows



All respondents were asked how old their car is.



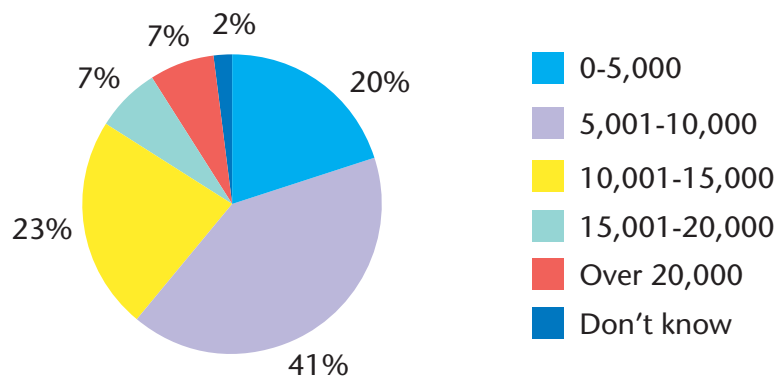
- The 'exploded' parts of the pie chart above show the cars that are likely to be still under warranty (33%)

- A significant proportion of cars (23%) are ten years or older

All respondents with a car of three years or younger (33%) are asked if their car is still under warranty.

- 64% of these state that the car is still under warranty
- This equates to 20% of the total sample
- Of those who bought a car in 2002 or 2001 (7% overall), 97% of these state that the car is still under warranty.
- This equates to 7% overall

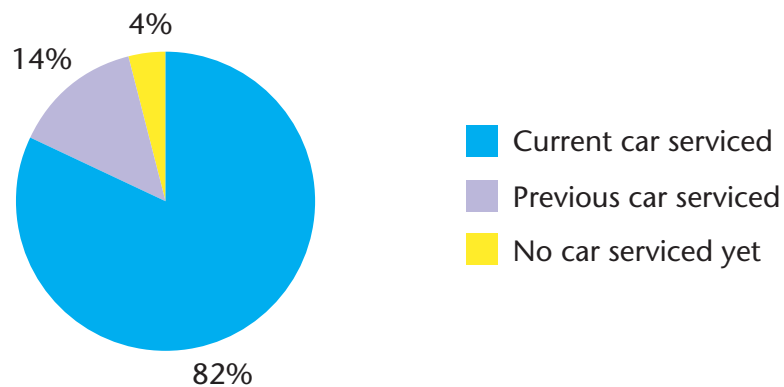
All respondents are asked to estimate their annual mileage in their car.



- Four out of ten respondents (41%) state that their annual mileage is between 5,001 to 10,000 miles

6.3.3 Servicing history

Whilst all respondents are responsible for the servicing and repair of their car, some haven't had their current car serviced yet.



- 14% have not had their current car serviced yet, but did have a previous car serviced
- Only 4% of respondents have not been responsible for the servicing of a car yet: i.e. these could be new drivers with their first car who have not had it serviced yet
- Their views on the 'Good Garage' scheme are still valid since they will be responsible for servicing decisions in the future

The remainder of this section (6.2.3) relates to all who have had their current or previous car serviced. This equates to 96% overall or 482 respondents.

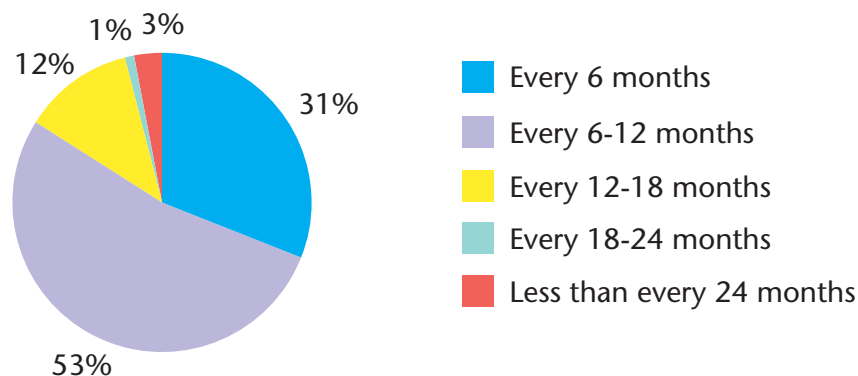
DIY servicing

All these respondents are asked if they carry out any servicing or repairs needed on their car themselves.

- Three out of ten respondents (30%) who have had a car serviced (96% overall) state that they do some servicing and maintenance themselves
- The remainder (70%) have all their servicing and repair on their car carried out at a garage

Frequency of servicing

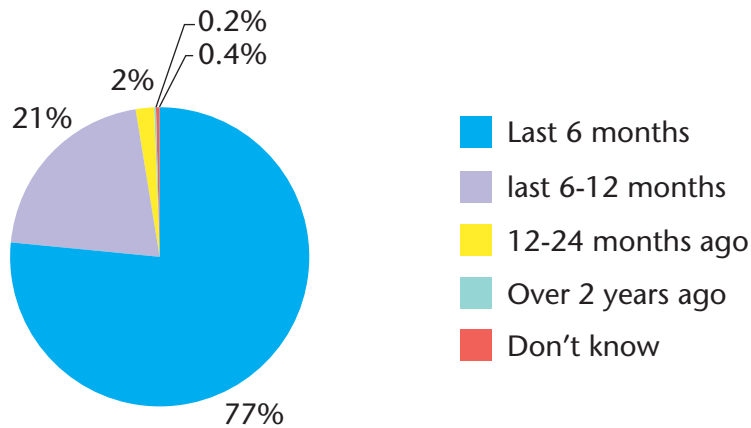
All respondents who have had a car serviced (96%) were asked how often they take their car to a garage for servicing and repair work.



- The majority of respondents have their car serviced at least every six to twelve months
- Whilst newer cars do have longer servicing intervals, the fact that one third have their car serviced every six months can be explained by the large number of older, and therefore less reliable, cars in the survey

Last service

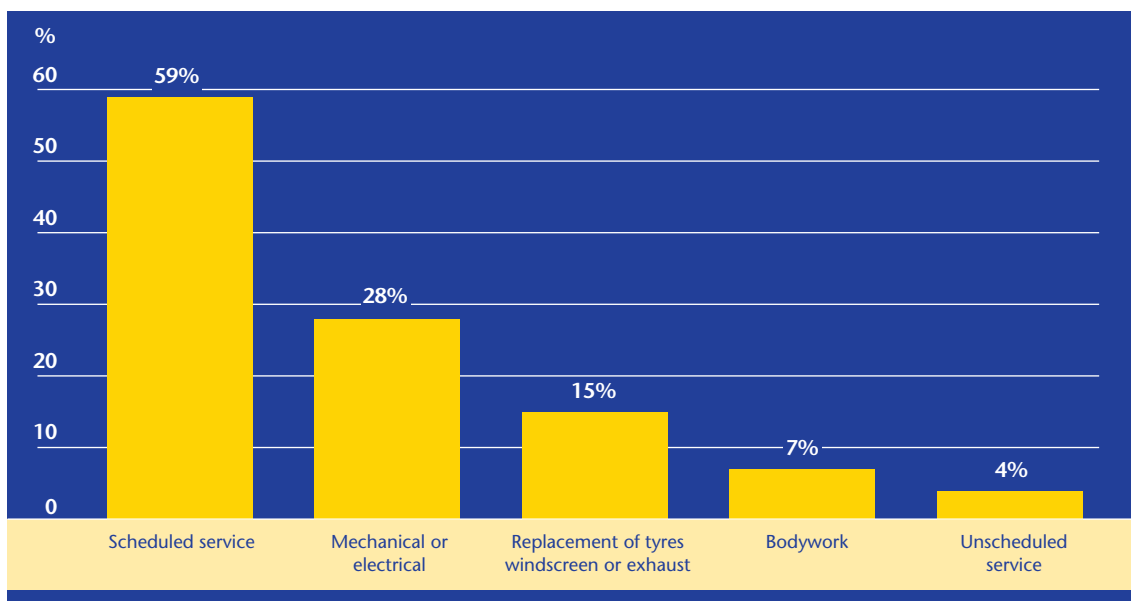
Respondents were asked when they last had their car serviced or repaired.



- The majority (77%) have had their car serviced in the last six months

Type of service

All who have had their car serviced were asked what type of work they had done on their car the last time it was in the garage.



- For six out of ten respondents, the last work they had done on their car was a scheduled service, defined as a routine service at a certain mileage or date interval
- This ties in with the finding that the majority have their car serviced every six to twelve months, and that their last service was in the past six months

The type of work that was last carried out often relates to the type of garage they last visited.

- Scheduled servicing is more likely to be carried out at a franchised dealer
- Mechanical or electrical repair is more likely to be carried out at a family or solo trader

Similarly, the type of work that was last carried out often relates to the age of the car they own.

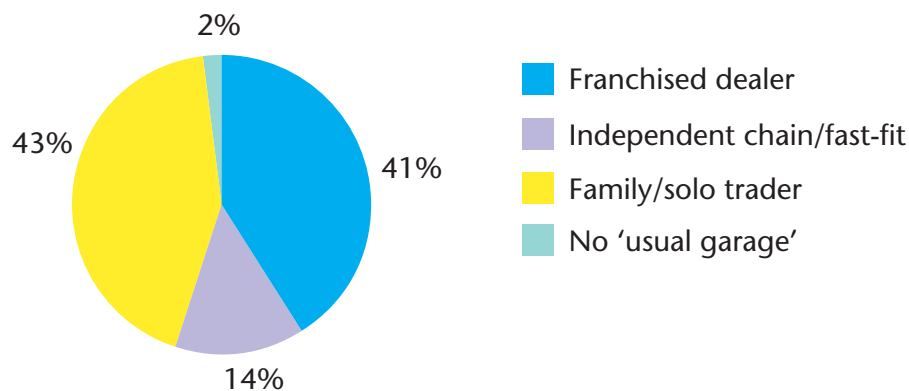
- Scheduled services are more common for owners with cars registered in 2002 or 2001
- The older the car, the more likely the last visit to the garage was for a mechanical or electrical repair

Other mentions include:

- No work (1% / 6 respondents)
- MOT (1% / 5 respondents)
- Part service/ oil change/ points etc (1% / 4 respondents)
- Don't know (<1%/ 2 respondents)

Place of service

Respondents who have had a car serviced are asked where they generally get their car serviced or repaired.

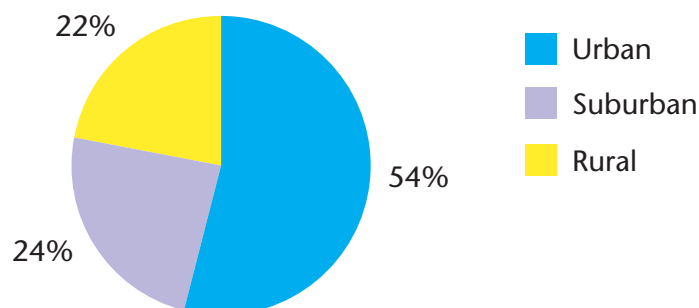


- The vast majority (98%) of respondents who have had their car serviced do have a 'usual' garage
- This is most likely to be a franchised dealer or a family business/solo trader
- Indeed, the main reason for choice of garage is location or convenience or that the garage was recommended or simply that it is the one they always go to

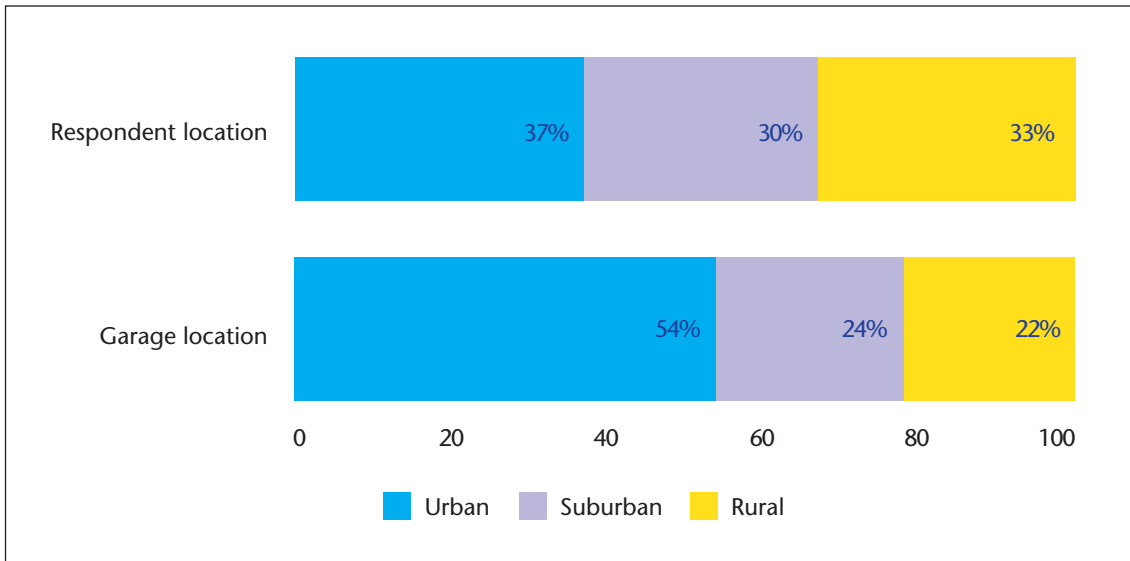
Those who do not have a 'usual' garage (2% / 15 respondents) were asked where they last had their car serviced or repaired.

- 1 went to a franchised dealer
- 4 went to an independent servicing or repair chain, including fast fit outlets
- 4 went to a family business/solo trader
- 2 went to a local garage
- 4 don't know

The majority of garages visited by respondents on their last service are located in an urban region, such as a town or city centre.



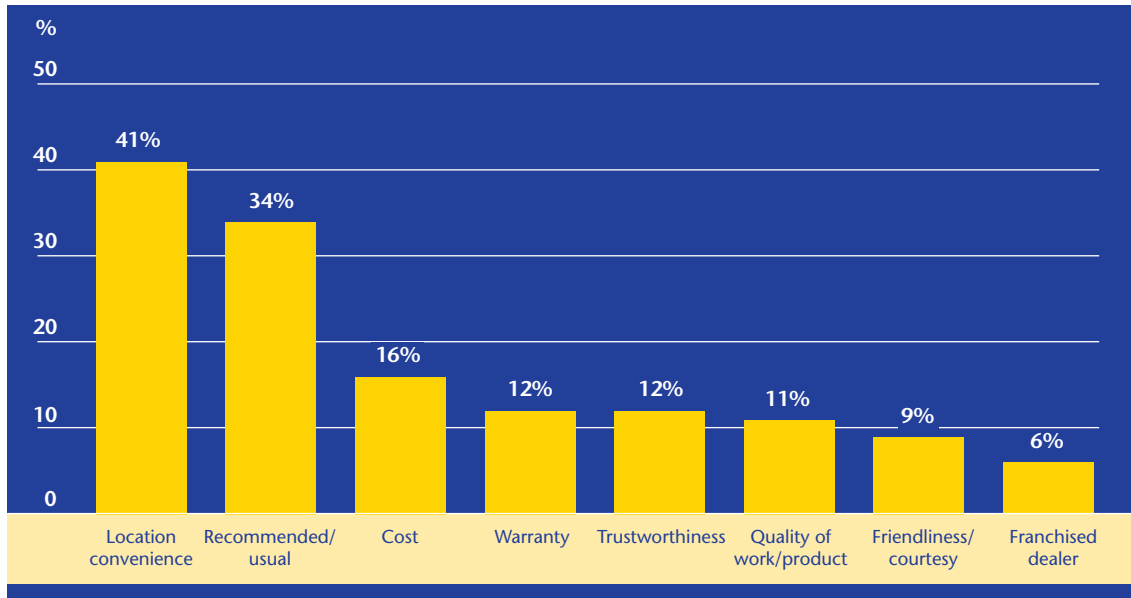
There is a slight discrepancy between the location of respondent and the location of their garage, as shown on the chart below.



- Whilst just over one third (37%) of respondents live in an urban region, more than half (54%) have their car serviced in an urban location
- Similarly, one third of respondents (33%) live in a rural region, but do not get their car serviced in a rural region (22%)
- There is some degree of travel involved therefore in servicing or repairing a car, despite the finding that location and convenience is the top reason for choosing a garage
- This can be explained by respondents who like to drop their car off for servicing on the way to and from work
- The second reason for choice of garage is that it is the usual one that they always go to, meaning that even if a customer moves locally, they may well remain with the same garage

Reason for choice of garage

Respondents are also asked why they chose that particular garage.



- Four out of ten respondents state that the reason they used this garage for their last service was due to its location and convenience or that there is no other garage nearby
- Loyalty, familiarity and trust is also important: one third of respondents chose their garage because it was recommended to them or that they have always gone there
- Indeed, 98% of customers do have a 'usual' garage which they always visit
- Cost, although the third most frequent reason given, is significantly less important than the first two
- This shows that peace of mind is more important than the lowest price: owners are willing to spend a little more to guarantee quality

Other mentions include:

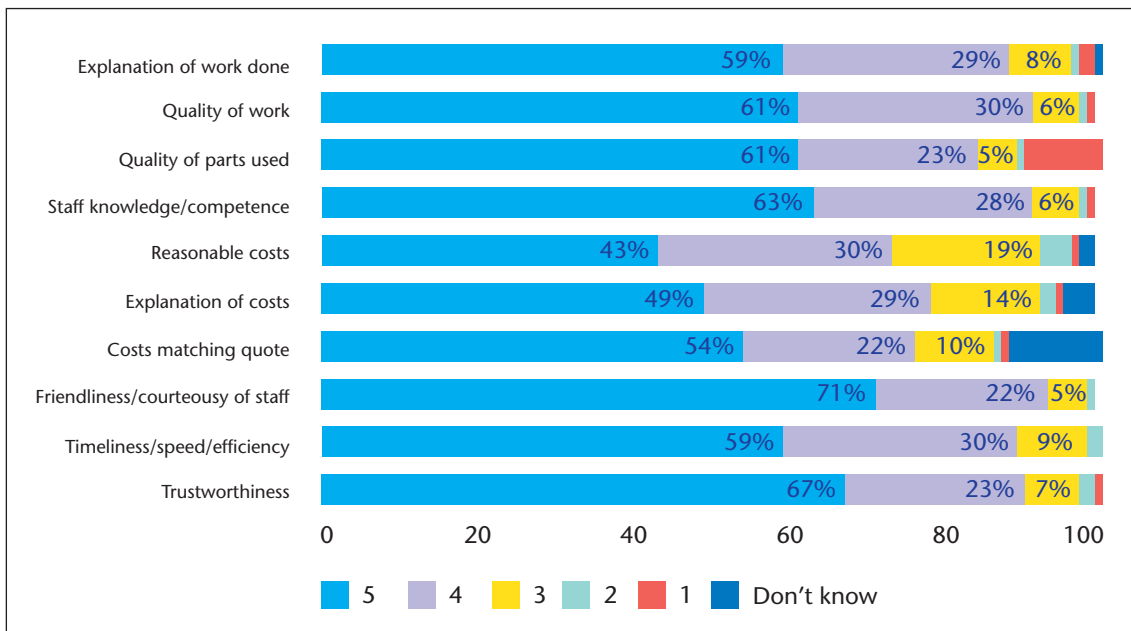
- I bought the car from them (5% / 22 respondents)
- Friend/ relation owns it/ works there (4% / 17 respondents)
- Timeliness/ speed/ efficiency (3% / 15 respondents)
- They specialise in my make of car (1% / 6 respondents)
- I own it/ work there (1% / 4 respondents)
- Communication/ listening skills (1% / 3 respondents)
- They pick up the car/ have a loan car (1% / 3 respondents)

- They know my car/ service history with them (1% / 3 respondents)
- Clarity of paperwork/ invoicing (<1% / 2 respondents)

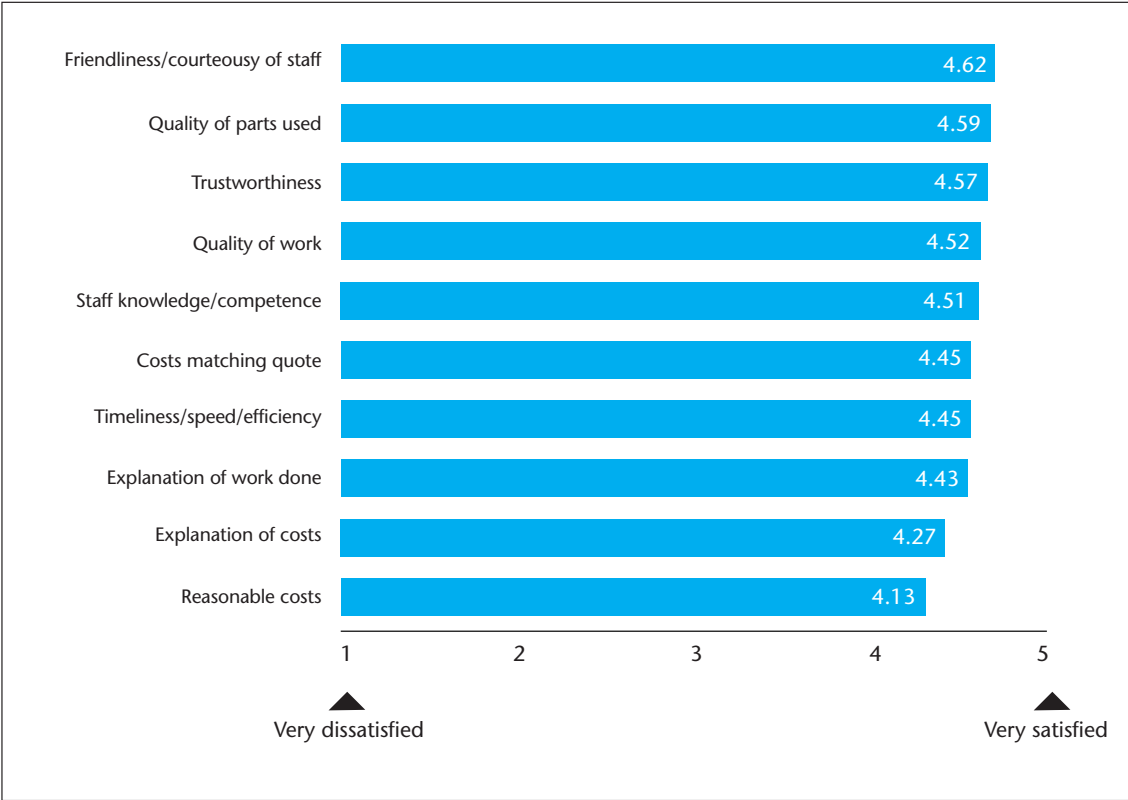
Satisfaction with garage

The respondents who have had a car serviced before (96%), are asked to rate their garage on the following factors using a scale of 1 to 5, where 5 is very satisfied and 1 is very dissatisfied:

- Explanation of work done
- Quality of work
- Quality of parts used
- Staff competence and knowledge
- Reasonable costs
- Explanation of costs
- Costs matching quote
- Friendliness/ courtesy of staff
- Timeliness/ speed/ efficiency
- Trustworthiness

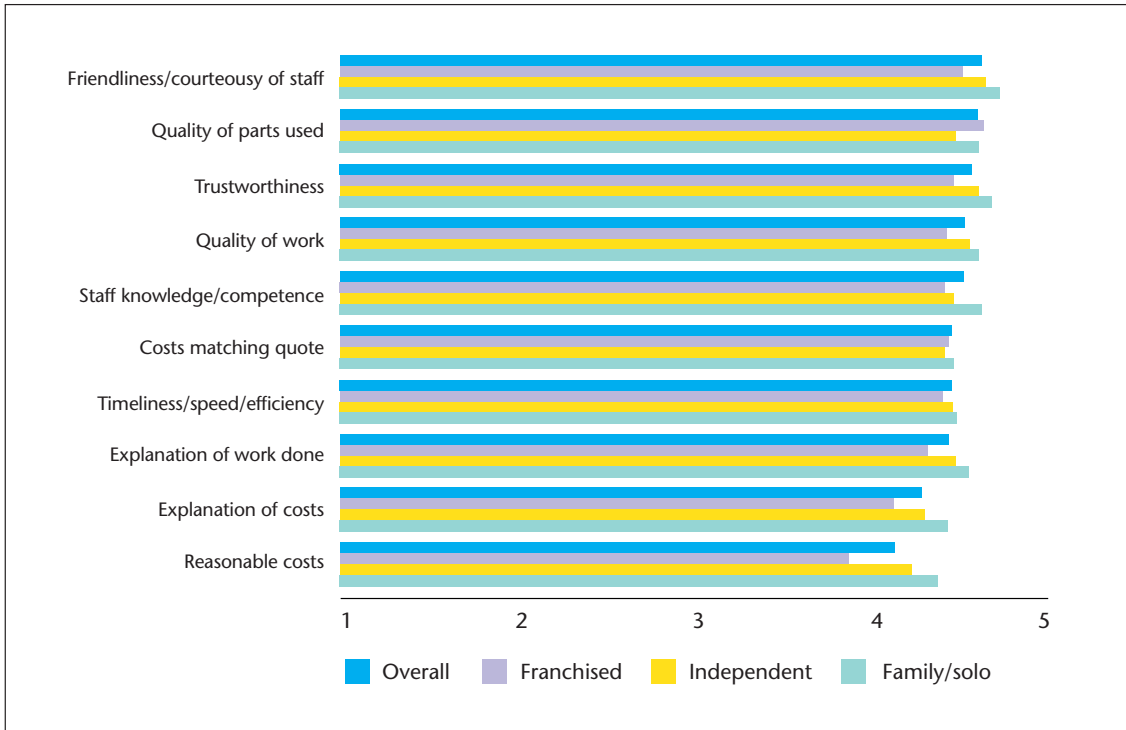


Using the same scale of 1 to 5, mean scores can be generated for each factor. These are shown in the chart below.



- All mean scores are high, lying between four and five out of five
- Friendliness/ courtesy of staff scores highest (4.62)
- Reasonable costs scores lowest (4.13)

There are differing levels of satisfaction according to the type of garage that the respondent visited.



- Surprisingly, the manufacturer backed dealerships (green bars) have the lowest levels of satisfaction and score consistently lower than average and compared to their non-franchised counterparts (although scores are still high)
- Franchised dealers only score higher than average on the quality of parts used
- It is in fact the family businesses and solo traders who score higher on each factor
- Independent chains also score above average for six out of ten factors

The stark pattern to these scores may be for the following reasons.

- Family businesses and solo traders, as well as independent chains, lacking any official manufacturer backing, may be more motivated to keep customer loyalty by providing an all-round quality service
- Franchised dealers, with official manufacturer backing, may be confident of return trade for two reasons: warranty requirements (20% of the sample have cars still under warranty) and they are already trusted due to the fact they are franchised

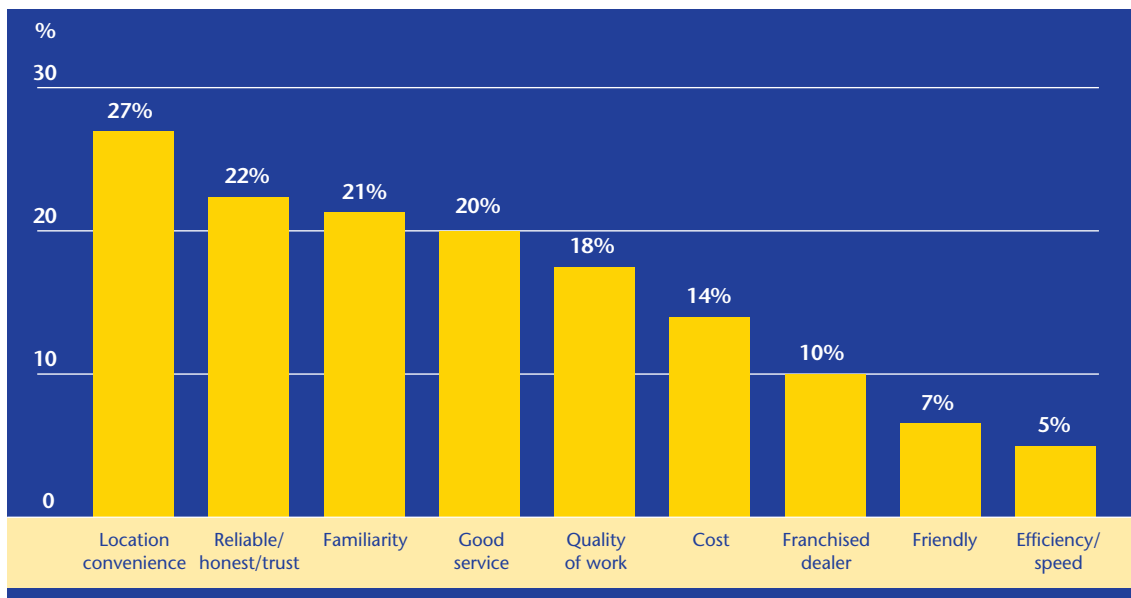
These findings are confirmed by the qualitative survey: see qualitative note at the end of this section.

Next service

All respondents who have had a car serviced or repaired before are asked whether they intend to use the same garage as before for their next service or repair.

- Nearly nine out of ten (89%) say yes
- This figure is logical given the high overall levels of satisfaction
- Nearly one in ten (9%) say no
- The remainder (2%) do not know at this stage if they will use the same garage

All respondents who state that they will use the same garage for their next service or repair (89% / 430 respondents) are asked why.



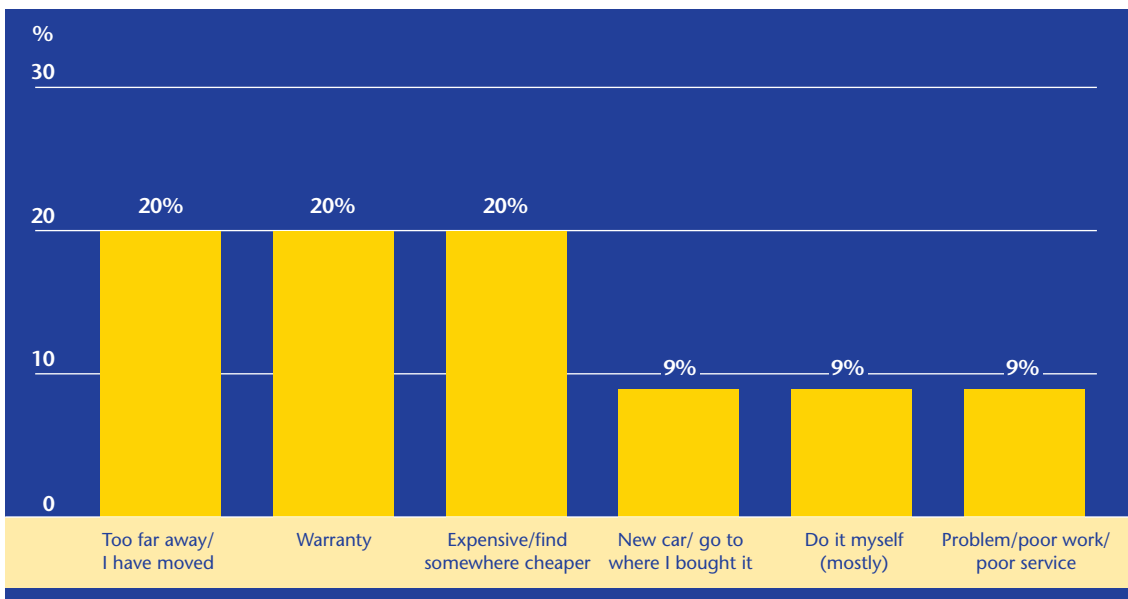
- Again, the top five answers given show that convenience, trust, familiarity, and quality, resulting in peace of mind are most important than the cost

Other mentions, less than 5%, include:

- He's a friend/ relation (4% / 19 respondents)
- Warranty requirement (4% / 17 respondents)
- They know the car (3% / 15 respondents)
- Bought the car from them (3% / 14 respondents)
- Provide pick up service/courtesy car (2% / 10 respondents)

- Good reputation (2% / 10 respondents)
- Explain what they've done/itemise bills/you know what you're paying for (2% / 9 respondents)
- They give me a discount/special deal (2% / 7 respondents)
- Give realistic quotes/tell you how much and how long (2% / 7 respondents)
- Carry spares/quality spares (1% / 4 respondents)
- For service records/keep service records (1% / 4 respondents)
- My garage/I own it/work there (1% / 4 respondents)
- Availability/ easy to get work done (1% / 4 respondents)

All respondents who state that they will not use the same garage again for their next service or repair (9% / 44 respondents – caution, small sample size) are asked why.

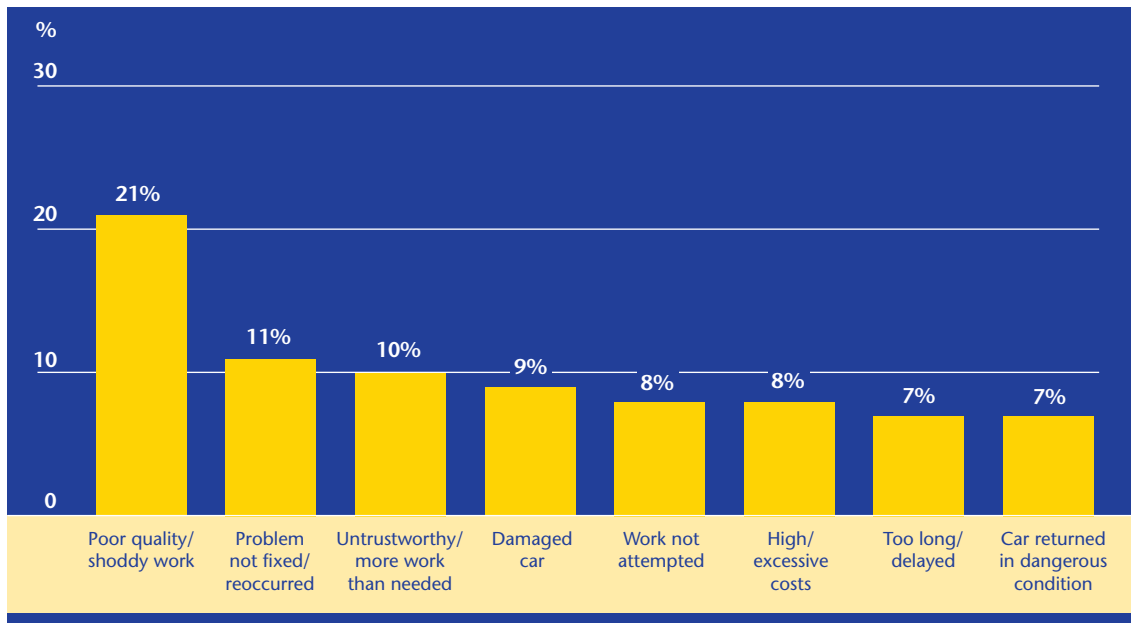


Problems

All respondents who have had a car serviced or repaired are asked if they have experienced any problems when having a car serviced or repaired.

- The majority (75%) say no
- One quarter (25%) say yes

The following experiences are recounted by those who have had problems (25% / 119 respondents).



- The main complaint is that the work carried out was substandard or of poor or shoddy quality
- For over one in ten respondents, the problem was not fixed or reoccurred
- One in ten respondents complain that the garage wanted to do more work than was really needed and that they didn't believe the garage
- Perhaps most worrying is that 7% state that the car was returned in a dangerous condition and that the brakes failed or a wheel fell off

Other mentions include:

- Bill was higher than their estimate/kept going up/didn't explain (6% / 7 respondents)
- They could not find the fault/no diagnosis (5% / 6 respondents)
- Bad attitude/ not interested/don't care about customers (4% / 5 respondents)
- Spare parts not in stock/slow delivery/wrong parts ordered (4% / 5 respondents)
- Argument over warranty/insurance (3% / 4 respondents)
- Work not completed properly on pick up, but they fixed it/apologised (3% / 3 respondents)
- Poor communication/didn't listen/didn't explain (3% / 3 respondents)
- Unreliable/can't trust them (3% / 3 respondents)

Qualitative note

Although most in the groups had horror stories to tell about service and repair, most were happy with their current garage and would continue to use them for the foreseeable future. For those with out of warranty or older vehicles, Family or Solo traders were the preferred option due to high levels of customer service and value for money.

"It's cheaper" – family/solo traders

"Your custom is more valuable to them" – family/solo traders

"They listen to me" - family/solo traders

Although location played an important part in garage selection, word of mouth was a key factor in the process. The benefit of word of mouth was that it was easier to base a decision on the experiences of those that are trusted than evaluate a garage with little or no technical expertise.

It was unanimously felt that good garages were hard to find, so once found all wanted to develop a long-term relationship which will only be broken if a serious mistake was made in terms of quality of work and/or cost.

"I just bring it to my man road the corner – I trust him"

"I've been using him for years, now all the family use him"

Overall consumers did not want to worry about service and repair and being able to develop a relationship with their garage made the process stress/hassle free.

6.4 'Good garage' scheme

6.4.1 Awareness and initial attitudes

All respondents are given the following preliminary explanation about the scheme:

The DTI is looking at the viability of setting up a voluntary scheme for garages in order to set minimum service standards in the industry. The scheme would be self-financed through membership fees and garages opting to take part would be able to display the scheme's logo in their garage.

After this introduction, respondents are asked if they have heard of such a scheme.

- Only a small minority of respondents (6%) have heard of the scheme
- The remainder (94%) have not heard of it

Respondents are then told a little more about the scheme as follows:

This 'good garage scheme', would monitor and supervise garages in order to make sure they were conforming to the minimum service standards. The proposed standards focus on three main areas of **good practice**; firstly, **good customer relations**, covering explanation and agreement of the work to be done, clearing with the customer additional work which might exceed quoted or estimated costs and having in place a clear complaints procedure. Secondly, **quality of work**, ensuring that proper training is given to staff in the areas of all work undertaken and that replacement parts should be new unless the customer agrees otherwise. Thirdly, **accurate price quotations and estimates** should be given where possible providing an explanation of all costs.

After hearing this information, all respondents are asked whether there is a need for such a scheme.

- Overall, nearly nine out of ten respondents (88%) believe that there is a need for the proposed 'Good Garage' scheme
- 9% say there is no need and 3% don't know if such a scheme is needed

Respondents who state that there is no need for a 'Good Garage' scheme (9% / 46 respondents – caution, small sample) are asked why.

- 46% (21 respondents) are happy or satisfied with the way things are and have no problem with their garage
- 15% (7 respondents) believe that the scheme would be an unnecessary intervention, a waste of time and money and unneeded bureaucracy
- 9% (4 respondents) state that bad garages would find a way around the scheme and that the fact that it's voluntary would not stop the cowboys
- 7% (3 respondents) say that such schemes cost a lot of money which would put up prices
- 7% (3 respondents) state that they would rather do the work themselves and not use garages at all

Qualitative note

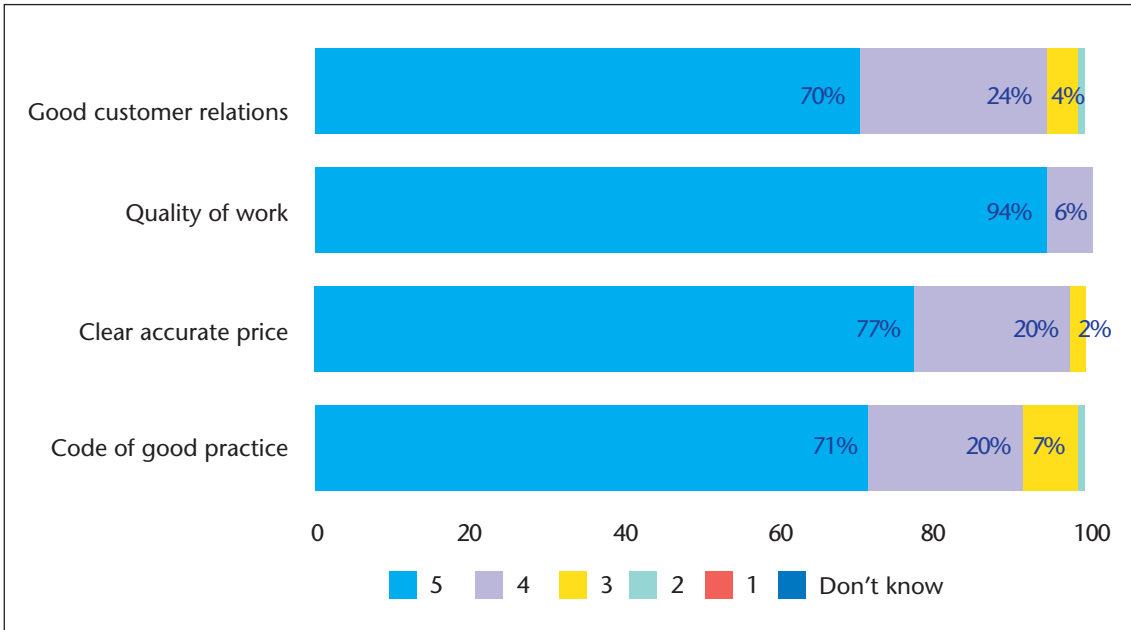
The consumer focus groups reacted very positively to the 'Good Garage' scheme in that it addressed a number of concerns/fears, that there was a clear need and there was nothing like it at present. Although a good idea in principle, credibility was an issue as it failed to reassure them that the scheme's intentions would be upheld and they would be adequately protected due to 'weak' compliance procedures being manipulated by unscrupulous cowboys.

6.4.2 Importance of features of the 'Good Garage' scheme

Respondents are then asked to rate the importance of the key areas of the scheme, as described to them in the preceding paragraph:

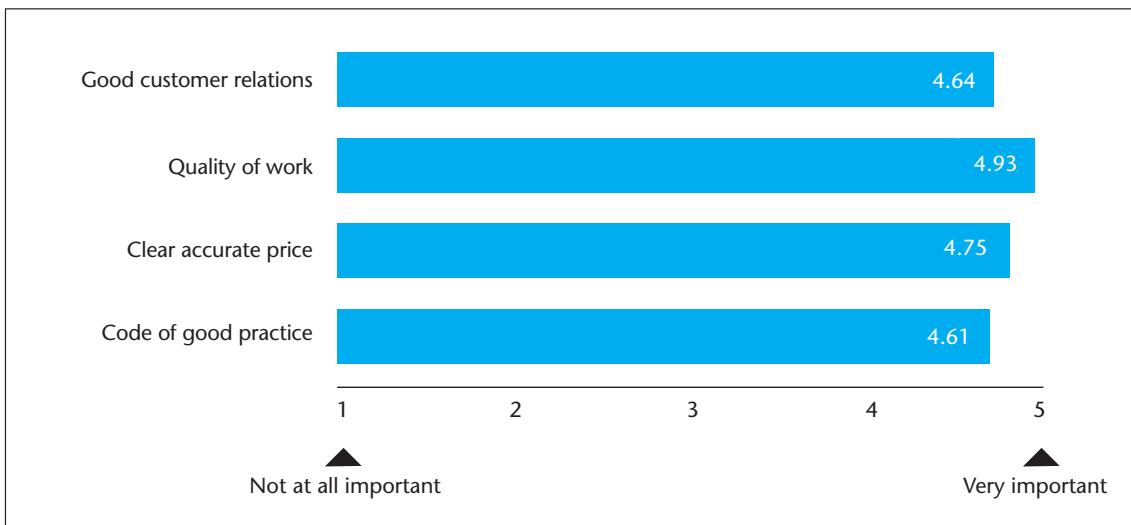
- Good customer relations
- Quality of work
- Clear accurate price
- Code of good practice

The above factors are rated using a scale of 1 to 5, where 5 is very important and 1 is not at all important.



- Whilst all of the above features are very important (a minimum of seven out of ten respondents score each factor as five out of five for importance), quality of work is the most important feature
- All respondents (100%) give a score of four or five out of five for importance of quality of work

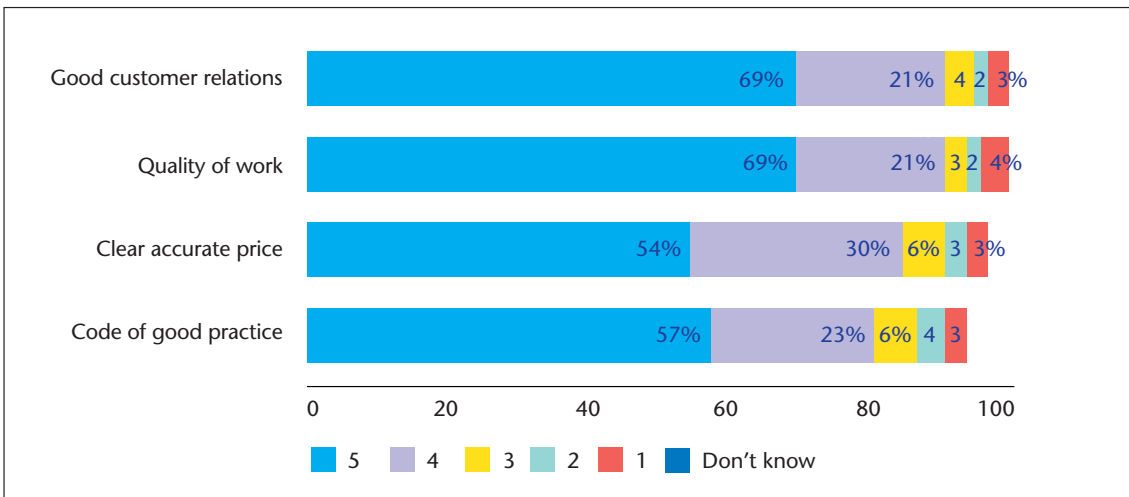
Using the same scale of 1 to 5, mean scores are calculated for each of the 'Good Garage' scheme's key elements. These are shown in the chart below.



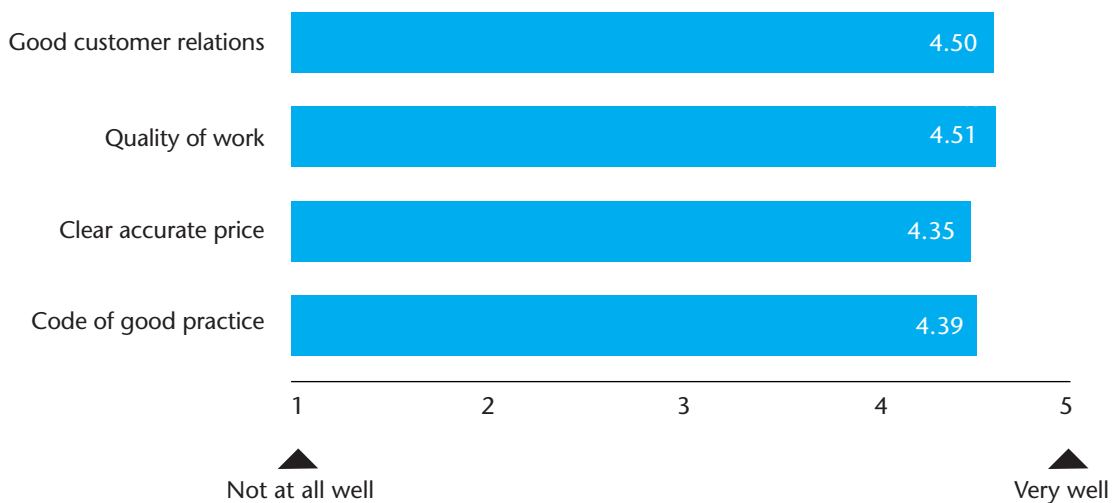
- All mean scores are high, lying between four and five out of five
- Quality of work scores highest (4.93)
- Code of good practice scores lowest (4.61)

6.4.3 Performance of current garage against the 'Good Garage' scheme

The same four factors are then used as measures to assess the respondents' current garage. A scale of 1 to 5 is used, where 5 is very well and 1 is not at all well.



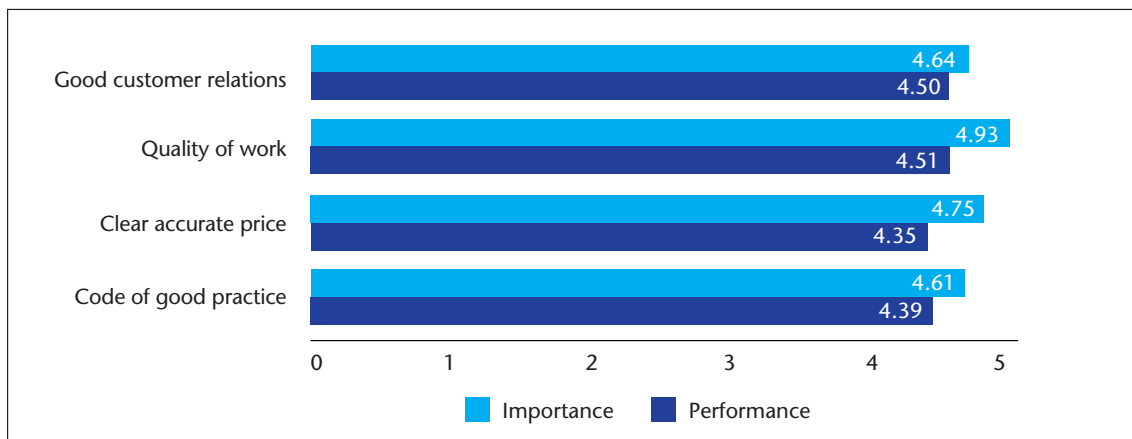
Using the same scale of 1 to 5, mean scores are calculated for each of the 'Good Garage' scheme's key elements. These are shown in the chart below.



- Whilst all mean scores are high, lying between four and five out of five, they are lower than those for importance of the scheme's key elements

6.4.4 Importance v performance

These two mean scores, for importance and performance, can be compared to see how the garage is performing in relation to what each respondent deems important features.

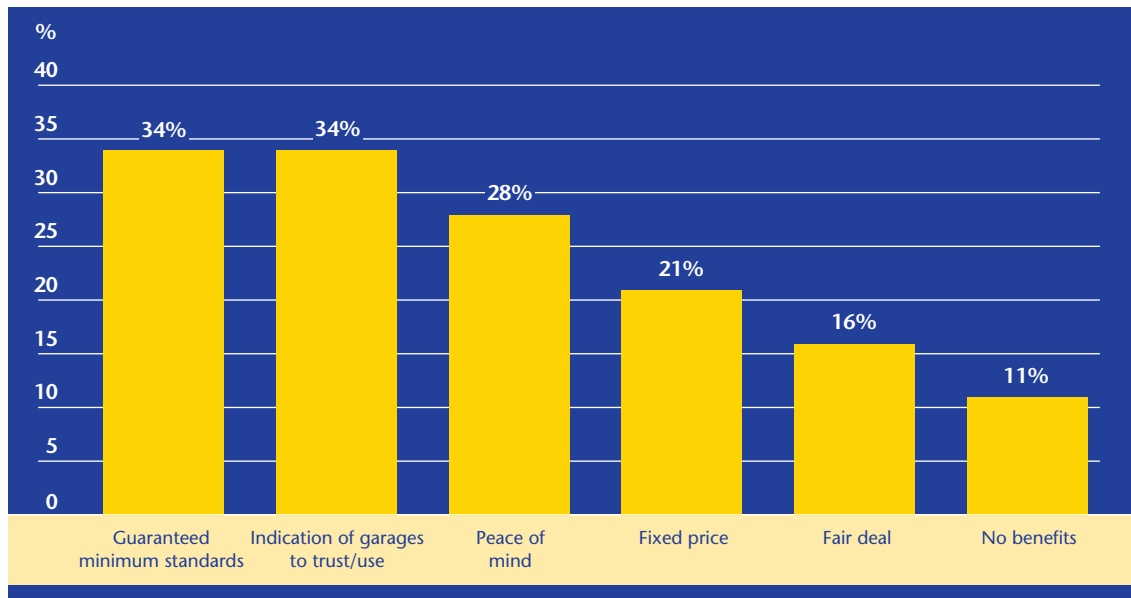


The chart above shows any discrepancies between what customers want and what they are getting.

- Quality of work scores very highly for importance, but lower for performance: clearly, garages are not meeting customer expectations fully for this feature
- Similarly, clear accurate price is important to customers, but an area where garages need to improve
- In terms of a code of good practice, which is least important for customers, garages are meeting customer's expectations (scores are close together)
- Similarly, the scores for good customer relations are close, showing that here too, garages are performing to customer expectations

6.4.5 Perceived benefits

All were asked unprompted to name any improvements that the 'Good Garage' scheme would bring about that would benefit customers.



- One of the two main benefits of the 'Good Garage' scheme, as perceived by one third of respondents (34%), is that it will give an indication of which garages to trust or to use
- The guaranteed minimum standards are beneficial to a further third of respondents (34%)
- 28% of respondents will benefit from peace of mind when using a garage
- Yet again, we see that trust, quality and peace of mind is uppermost in customers' minds
- Similarly, the fixed cost is ranked as less important, but can contribute to the customers' peace of mind by ensuring that they are not being ripped off

Other mentions include:

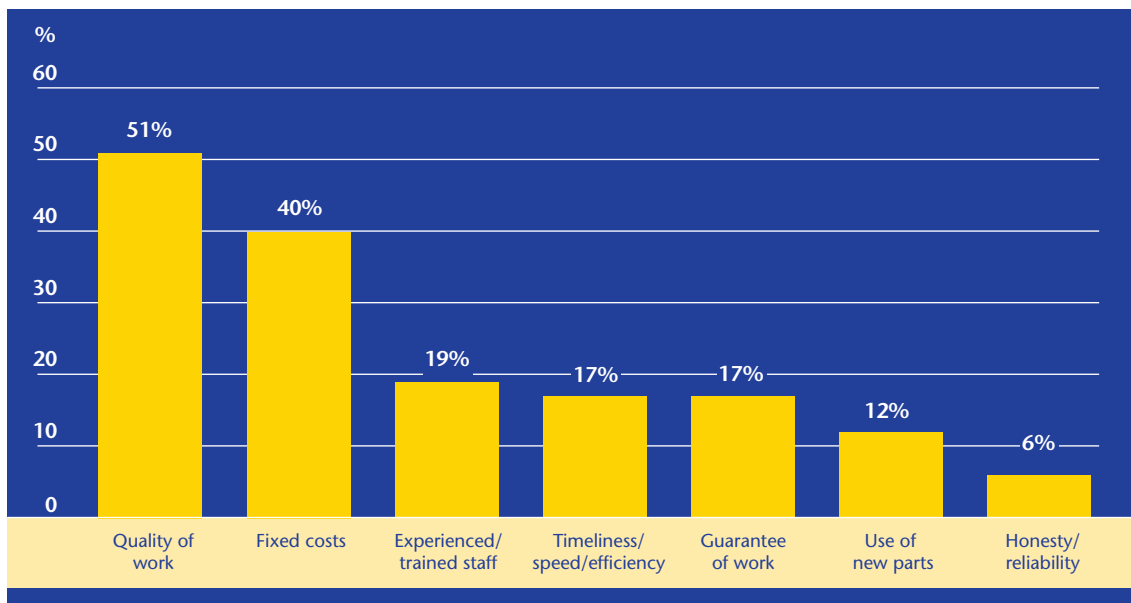
- Proper complaints procedure (2% / 10 respondents)
- More confidence (2% / 9 respondents)
- Improve service/better relationship/friendly (1% / 7 respondents)
- Will benefit the industry/improve image/standing of garages (1% / 5 respondents)

- Makes things clear/you know what to expect (1% / 5 respondents)
- Clear explanation of costs/ work (1% / 5 respondents)
- Control prices/can compare prices (1% / 4 respondents)
- Reliability (1% / 4 respondents)
- Get rid of dodgy practices/cowboys/bad garages (1% 4 respondents)
- Improved safety/safer cars (1% / 4 respondents)
- New parts (1% / 3 respondents)

6.4.6 Minimum standards

All respondents are asked to name spontaneously any minimum standards that they would like to see in place, based on their own experiences.

- Quality of work is mentioned by over one half (51%) of respondents



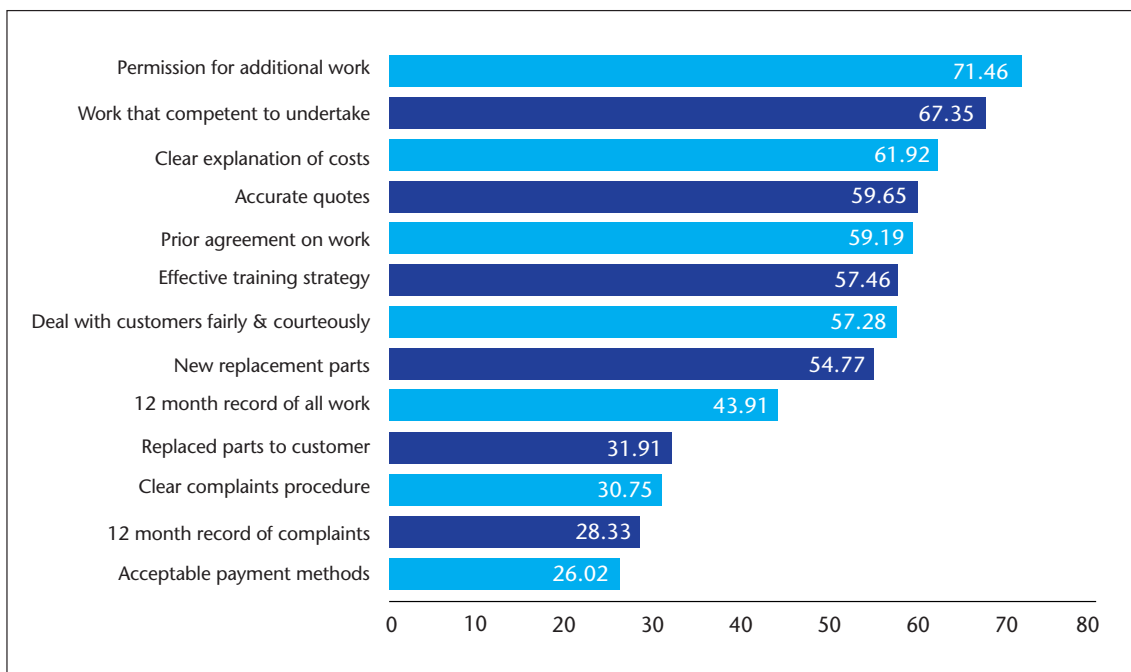
- Four out of ten customers (40%) are also keen to see fixed pricing
- Whilst cost is not an issue or main reason for choosing a garage, once a garage is chosen, customers like to have fixed costs
- This gives peace of mind by ensuring that they are not being ripped off

Other mentions include:

- Good customer service/pleasant, friendly treatment (5% / 27 respondents)
- Should be clear about/agree what they will do/do it all and nothing extra (4% / 20 respondents)
- Good prices/value for money (2% / 8 respondents)
- Communicate with customers/phone to agree any extra work or delays (2% / 8 respondents)
- Safety standards (1% / 6 respondents)
- Explanation of work done and parts used (1% / 6 respondents)
- Use good quality/ reliable parts (1% / 5 respondents)
- Car should come back clean/no greasy finger marks (1% / 5 respondents)
- Provide clear paperwork (1% / 4 respondents)
- Proper complaints procedure/independent settlement (1% / 3 respondents)

Using a statistical technique, called scalar conjoint analysis, respondents are asked to rate a varying selection of the twenty minimum standards that make up the scheme. Respondents are given two alternative minimum standards and asked which is the more appealing of the two. The results are then analysed by NOP Statistics to rank the twenty minimum standards in order of appeal to respondents.

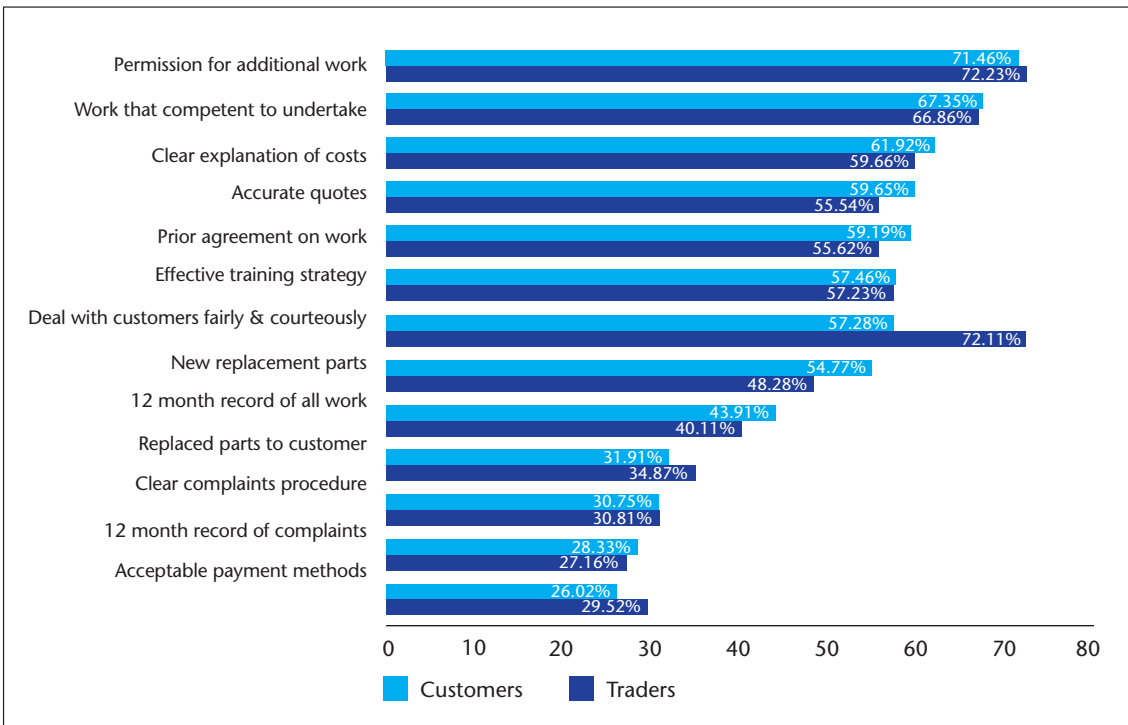
The chart below shows a score out of 100 for the appeal of each statement.



- The most appealing minimum standards for consumers are that the garage seek permission for additional work and only to take on work that they are competent to undertake
- The least appealing minimum standards for consumers are to give clear prior notification of acceptable payment methods

Comparison of appeal of minimum standards for traders and consumers

The minimum standards can be compared for traders and consumers as shown on the chart below.



The chart above is ranked in order of appeal for customers (blue bars)

- Traders and consumers both rank 'permission sought for any additional work before it is carried out' first

What is interesting is that whilst the majority of the ratings are relatively equal, there is one that stands out.

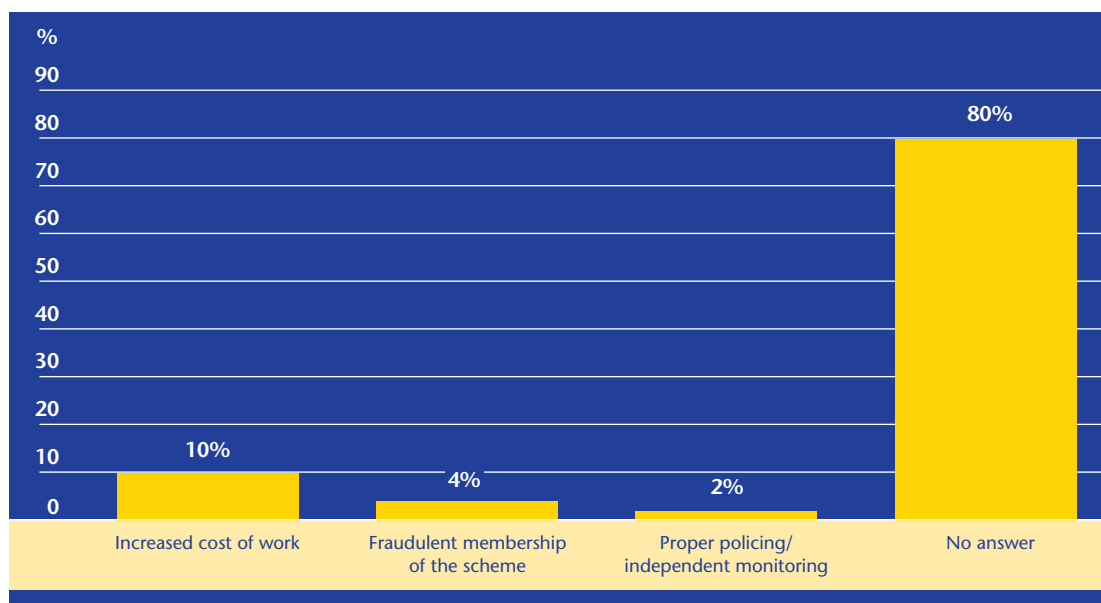
- 'Dealing with customers fairly and courteously' is of high appeal for traders, but less so for customers
- Consumers rank this feature only 7th out of 13 (i.e. mid-way) showing that they prefer up-front costs and mechanical competence, rather than traders being courteous to them
- Customer loyalty therefore is gained not by being courteous, but by being honest and doing a good job

Standards that appeal more to customers than to traders are as follows (differences in brackets):

- New replacement parts used unless otherwise requested by the customer (6.49)
- Where possible, to provide accurate quotes for costs of servicing and repair (4.11)
- A 12 month record of all servicing/repairs undertaken (to allow for effective inspection) (3.80)
- Prior agreement on work to be done (3.57)
- Clear explanation of the costs of work undertaken (2.26)
- A 12 month record of all customer complaints (to allow for effective inspection) (1.17)
- To only take on work for which the business is competent to undertake (0.49)
- To have an effective training strategy for employees (0.23)

6.4.7 Perceived disadvantages

All respondents are asked if from a customer viewpoint they can see any potential disadvantages to the scheme.



- Eight out of ten respondents cannot think of any disadvantages that the scheme may bring to them
- Again, whilst cost is not a main concern, a small proportion would be worried that costs may go up, possibly resulting in them being forced to look elsewhere for repairs and servicing
- As we have seen throughout the consumers survey findings, location, familiarity and peace of mind are the top priorities

Other mentions include:

- Small garages may not be able to afford to join/ may lose business because of it (1% / 6 respondents)
- Don't believe it would be properly monitored/ independently monitored/ won't work (1% / 5 respondents)
- May have an adverse effect/ drop to minimum standards (1% / 3 respondents)
- Lead to too much admin/ paperwork (1% / 3 respondents)

6.4.8 Scheme features

Additional scheme features requested

All respondents are asked if there is anything else that they would like to see the scheme offer.

- 58% (291 respondents) have no suggestions
- 5% (24 respondents) would like to see lower, more competitive and fair prices
- 4% (18 respondents) would like to have independent monitoring of standards to ensure standards are being met uniformly
- 3% (17 respondents) would like to see a fair deal for customers, including women
- 3% (15 respondents) would like to see providing a courtesy car or pick-up service as a minimum standard
- 3% (13 respondents) would like to see a directory or website detailing all the garages in the scheme
- 2% (12 respondents) would like to have a rating scheme for each garage with levels or grades of accreditation
- 2% (10 respondents) would like to ensure speedy work by sticking to deadlines
- 2% (10 respondents) believe that traders should provide evidence of training
- 2% (9 respondents) would like to 'name and shame' bad garages with a view to closing them down
- 2% (9 respondents) would like to see prices standardised

6.4.9 Enforcement of scheme

An explanation of how the scheme will be enforced is given to all respondents:

The scheme would be run by an independent supervisory body and be self-financing through membership fees for garage owners. To ensure compliance and thus provide a guarantee for customers, garage members would be regularly inspected and would agree to be subject to random mystery shopping.

All respondents are asked if they think that these measures would ensure that the minimum standards are met in all garages taking part in the scheme.

- Nearly nine out of ten respondents (89%) state that these procedures would guard against fraudulent membership of the scheme
- 8% state that these measures would not enforce the scheme and 3% don't know if the measures would be enough

Qualitative note

Those in the qualitative groups felt that independent administration and policing was appropriate, as the supervisory body would have relevant experience, be free, fair and unbiased and have focussed dedicated staff.

"Independence says fairness"

Additional endorsements by organisations such as the DTI and Automotive Associations e.g. AA RAC would add additional credibility and confidence, as it would combine an air of legitimacy with trust and familiarity.

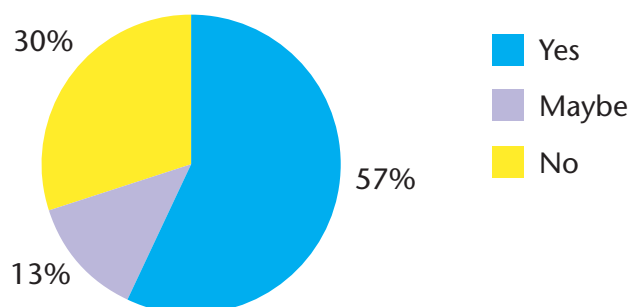
The compliance procedures were seen to lack the authority and teeth as expulsion was seen as a deterrent as the garage could continue trading. All wanted a procedure that directly affected the garage's business if repeat offences were committed e.g. fines suspension, name and shame etc.

"You've got to hit them in the pocket"

"These guys are clever, you've got to stop them trading again"

6.4.10 Interest

All respondents are asked whether the 'Good Garage' scheme would affect their choice of garage.



- Just over half of respondents state that the scheme would effect their choice of garage
- That this figure is not higher may be indicative of the fact that on the whole respondents are happy with the garage they currently use and like the familiarity of using the same garage time and again
- Those who have experienced problems with servicing or repairing are more likely to say that the scheme would affect their choice of garage

Qualitative note

All in the groups thought the scheme should go ahead as many felt there was nothing like it was at present and could be part of the selection process as awareness of the scheme grows.

Few in the groups would be prepared to pay a premium to their existing garage for scheme membership, as most feel that they currently receive the standards without having to pay.

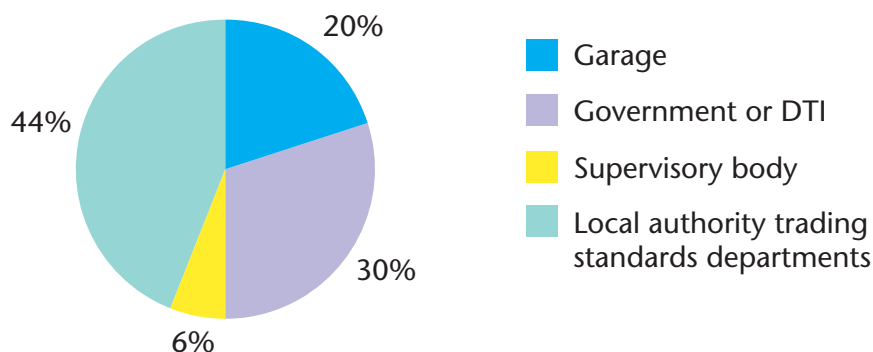
"Why should I pay for something I have already get for free!"

Bearing this in mind, an additional premium would be acceptable when having to choose if word of mouth or recommendation wasn't available.

"If I was new to the area then I would pay to get a good one"

6.4.11 Communication and publicity

All respondents are asked who they think should communicate or publicise information about the 'Good Garage' scheme.

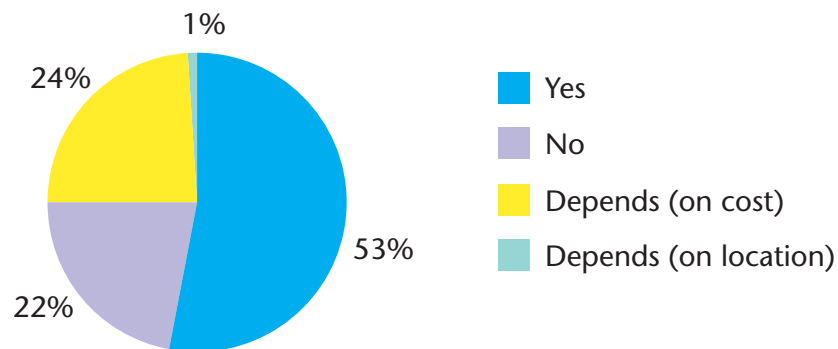


- Nearly half think that the local authority trading standards departments should publicise the scheme
- This would be unbiased and lend credence to the 'Good Garage' scheme
- Similarly, one third would like to see the scheme publicised by the government or DTI

6.4.12 Costs

The way that the scheme would be funded is explained to respondents.

Garage owners would pay an annual fee to be a member of this scheme. The costs may be passed on to the customer. Would you be prepared to pay more at a garage that was a member of this scheme?

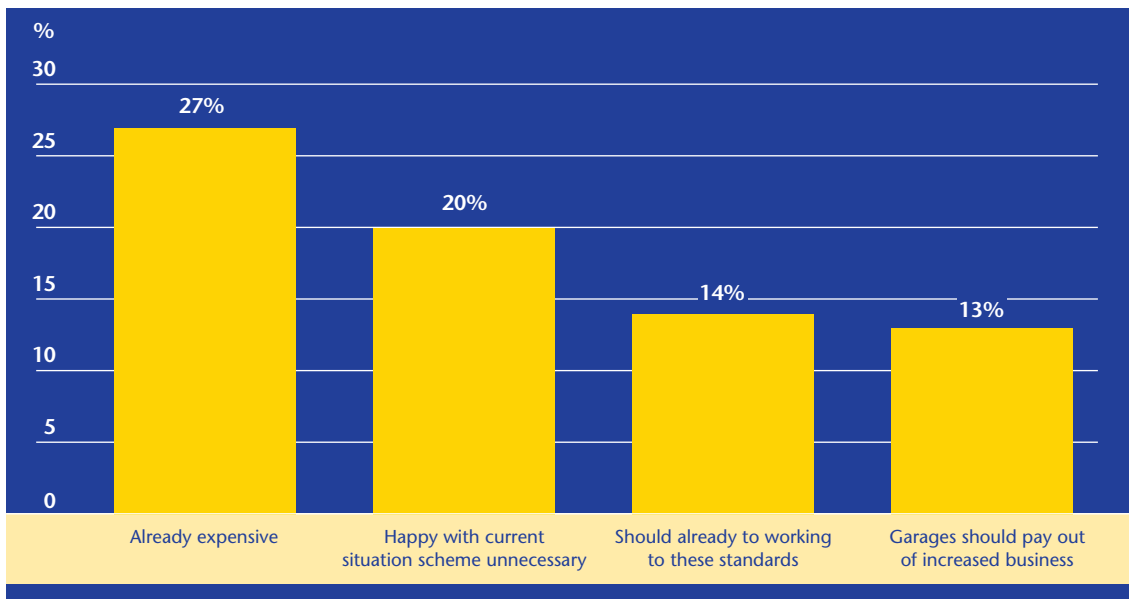


- Over one half (53%) would be prepared to pay more
- Again, we have further proof that the cost of service or repairs is not key: peace of mind and familiarity is more important
- A further quarter (24%) would pay more depending on how much more that was

Those who stated that they would be prepared to pay more or that it depends on the cost (77% / 382 respondents) were asked how much more they would be prepared to pay. The amount these consumers say they would be prepared to pay exceeded the amount calculated in the following table.

	LARGE (e.g. franchised dealer)	SMALL (e.g. family business or solo trader)	OVERALL (all types)
Cars per week	116	52	70
Cars per year	6032	2704	3640
Annual fee (estimate)	£1,400	£300	£775
Cost per car	£0.23	£0.11	£0.21

All those who are not prepared to pay any more (22% / 112 respondents) were asked why.



The reasons for one quarter stating that the reason they would not pay more is two-fold.

- Consumers are already prepared to pay for peace of mind (findings have shown that cost is not the most important factor)
- Consumers are happy with the service and repair that they currently have

- 7% (8 respondents) don't see why they should pay
- 7% (8 respondents) have no faith in the scheme and do not see that it would help
- 4% (5 respondents) could not afford it and that the cost would be too much and that they always look for the cheapest garage
- 3% (3 respondents) gave no answer
- 1% (1 respondent) don't know

