



ADVENT RESOURCES

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IN THE NEWS

Data from
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Customer Satisfaction

Automotive service customers are enjoying increased satisfaction with the quality of vehicle service, according to the J.D. Power 2017 U.S. Customer Service Index (CSI) Study.SM

The study measures customer satisfaction with automotive service at a franchised dealer or independent service facility for maintenance or repair work among owners and lessees of 1- to 5-year-old vehicles.

"The quality of work—doing the job right the first time—can noticeably affect customer satisfaction and loyalty, but it shouldn't be viewed in a vacuum," said Chris Sutton, vice president, U.S. automotive retail practice at J.D. Power. "Proactive communication with the customer, especially while the car is being serviced, is one element that has a direct influence on loyalty."

Among the study's key findings is that text messages may be a more effective way of keeping in touch with customers. According to the study, 55% of customers whose service providers contact them by phone say they "definitely will" return for paid service. Among those who receive text message updates, 67% "definitely will" return. Among Gen Y customers (those born 1977-1994), 41% cite a preference for text messaging, as do 25% of Gen X customers (born 1965-1976), 25% of Boomers (born 1946-1964), and 10% of Pre-Boomers (born 1945 or earlier). These numbers represent increases of between 3% and 6% in all generational categories since 2015.

"It's not surprising to see the preference for receiving updates through text messages continue to rise, but only 3% of customers indicate they receive text message updates," Sutton said. "Correcting that disconnect by adding more text message capability should be a priority with a service operation."

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WELCOME

Advent extends a warm welcome to **Bravo Chrysler Dodge Jeep Ram Alhambra** dealership. The newest addition to our client roster serves the sprawling greater Los Angeles area from its prime location in the western San Gabriel Valley city of Alhambra in Southern California.

This outstanding new member offers an extensive selection of new and pre-owned Chrysler, Dodge, Jeep and Ram cars, trucks, hybrids, and SUVs. Experienced staff matches customers to cars within a budget and the finance department takes the stress out of transactions by working with their lenders to find the best possible deal for customers. Advent is delighted to welcome **Bravo Chrysler Dodge Jeep Ram Alhambra** to our client family.

What Happened to "Charging" into the Future?

By Chris Malott

Electric vehicles of any kind have faced an uphill battle for acceptance for some time. The Honda Insight debuted in 1999 as the first, true mass market hybrid in the States and was discontinued in 2006. It re-debuted in 2008, and was discontinued again in 2014. Why? Lack of interest and poor sales. Most consumers are only familiar with one hybrid vehicle, the Prius. Kudos, Toyota.

Even as more hybrid models came to market, customers still largely uttered a collective, "Meh." "Why wouldn't you want to get better fuel economy and save money?" consumers were asked. The answer was economics.

Who wants to spend thousands more up front to save money at the pump? It would take approximately seven years of ownership to make the car purchase economically viable.

In 2011, 48% of vehicle shoppers told J.D. Power that they would not consider a hybrid vehicle, with most indicating that this was due to price. But hybrid prices have come down in recent years as battery prices have lowered, so interest should be higher today, right? Nope. The percentage has gone up. Today, 73% of respondents indicate they would not consider a hybrid.

Price premiums for these models still exist, and they are daunting. Sure, hybrids are "green" and contribute to reducing our dependence on foreign oil, but consumers believe the "green" in their wallets is more important.

Let's not ignore the fact that the internal combustion engine is more efficient than ever. One could spend \$18,500 for a base Toyota Corolla which gets 31 miles per gallon (mpg) or about \$25,000 to step into a base Toyota Prius with 52 mpg. It's hard for many to justify that price differential. At 12,000 miles a year and \$3 a gallon, it would take more than 12 years to recoup that difference.

How about full battery electric vehicles? In 2011, 26% of shoppers said they would consider an electric vehicle. At the time, the only electric vehicle in town was the Nissan Leaf, which had a range of about 100 miles before it needed to plug in. Why didn't people consider an EV then? You guessed it, price.

Now consumers have so many electric vehicle options, the most noticeable of which is Tesla. Nearly every major manufacturer offers a more affordable option, so interest is higher now, right? Not quite. Just 13% of shoppers consider an electric vehicle.

What's the deal? Is it still price? Actually, that is among the least-mentioned reasons. Today it's the dreaded "range anxiety" alongside a perceived lack of charging stations.

The average consumer does not see any changes in the charging infrastructure. That's meant literally. They don't see the infrastructure. More than half (60%) of

What is
range
anxiety?

respondents claim they never notice charging stations, either in their area or when they are traveling. Just 10% notice them once a day or more. Even in California, availability of charge points is the top concern around electric vehicle ownership. California, the heartland of “green”, and consumers still don’t see the stations. For context, the U.S. Department of Energy estimates 15,993 public electric charging stations in the entire U.S., and nearly 25% of these (3,805) are in California. But few drivers seem to notice them.

So clearly something is amiss. What happened to those grandiose plans? Is the infrastructure here and we just can’t see it? To combat range anxiety from a different angle, nearly two-thirds of buyers claim that they would require their electric vehicle to have a range of at least 300 miles before needing a charge (many requiring much more than that) in order to consider the purchase.

For those of us keeping score, the market currently offers only four full electric vehicles that claim a range of more than 100 miles, three more than 200, and one more than 300. So that will be a collective “thanks, but no thanks.”

What about Tesla? Their vehicles are sleek and sexy, and the driving range of the brand’s models seems to be growing. The hope is the new Model 3 will be a game changer when it comes out later this year as an affordable, effective electric vehicle. Shouldn’t innovation at that level create greater confidence for range-anxiety stricken buyers? Maybe, but 35% indicate that Tesla has not at all changed their perception of electric vehicle capabilities. In fact, the brand can be a bit polarizing. When typing “Tesla” into a Google search bar, the oh-so-helpful predictions include such listings as “Tesla Model 3,” “Tesla Fire” and “Tesla Workplace Conditions.” It can derail research at work, that’s for sure.

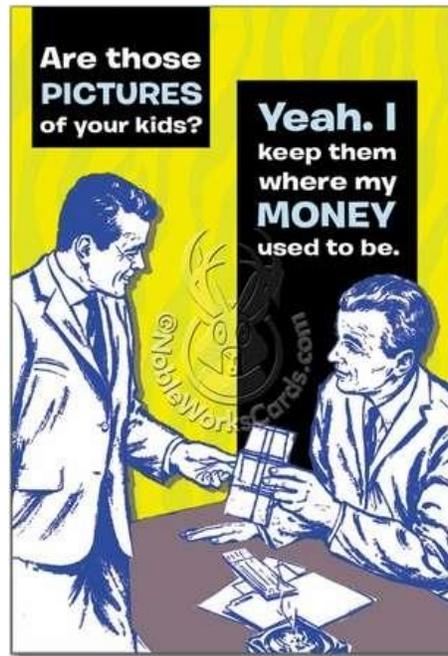
So with all this seeming lack of interest, why do manufacturers even build these things? The simple answer is they have to. New regulations were enacted in 2011 requiring the auto industry to substantially increase fuel economy by model year 2025. Car companies need their fuel economy numbers to go up. Even though electric cars are not selling, the fact that they are for sale enables manufacturers to maintain a larger average fuel economy

across their model lineup, thereby meeting government regulations.

Sergio Marchionne, head of Fiat Chrysler Automobiles, wasn’t kidding when he famously said of the electrified Fiat 500e, “I hope you don’t buy it because every time I sell one, it costs me \$14,000.” That’s rough economics.

The potential now exists for the federal government to roll back the fuel economy numbers. It might ease the pressure manufacturers feel right now, but what does it mean for the long term? Will it slow technology growth and the development of a national charging station infrastructure? As countries like China amp up their development and production, will U.S. development fall behind? Through it all, the focus still needs to be on building a vehicle that customers want and are willing to pay for. If manufacturers lose sight of that, they’re just wasting their energy.

Chris Malott is manager of global automotive consulting at J.D. Power. J.D. Power Mobility Disruptors, © 2017 J.D. Power. All Rights Reserved. 🌴



What We Do For Love

On a brutally hot day I walked past a miniature golf course and saw a dad following three small children from hole to hole. “Who’s winning?” I shouted.

“I am,” said one kid. “Me,” said another. “No, me,” yelled the third.

Sweat dripping down his face, the dad gasped, “Their mother is.” 🌴

Unshakeable Dad

My uncle was driving to a hockey game with his two sons when their car hit a low-flying duck. After absorbing the shock of what just happened, Uncle Mike broke the silence with, “Well, there’s a bird that didn’t live up to his name.” 🌴

Dad with a Plan

In the frozen-foods department of our local grocery store, I saw a man shopping with his son. As I walked by, he checked something off his list, then whispered conspiratorially to his son, “You know, if we really mess this up, we’ll never have to do it again.” 🌴

Uncompromising Dad

After my second year in med school, I moved back home. One night I was up late studying for my clinical exam. Because my father woke me every morning at seven, I put a note on my door: “DO NOT DISTURB. Studying until 3 a.m.”

Dad, a doctor himself, showed no sympathy. He left a note attached to mine: “The hotel management hopes you’re enjoying your stay. We’d like to remind you that checkout was at noon — approximately six years ago.” 🌴

Understanding Dad

“Does anyone in this room need to be dismissed from jury duty?” my father, a judge, asked the prospective jurors. A nervous young man stood up. “I’d like to be dismissed,” he said. “My wife is about to conceive.”

Slightly taken aback, Dad responded, “I believe, sir, you mean ‘deliver.’ But either way, I agree. You should be there.” The man was dismissed. 🌴

