

Lightstone

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Aftermarket Absorption Ratio (SA Average)

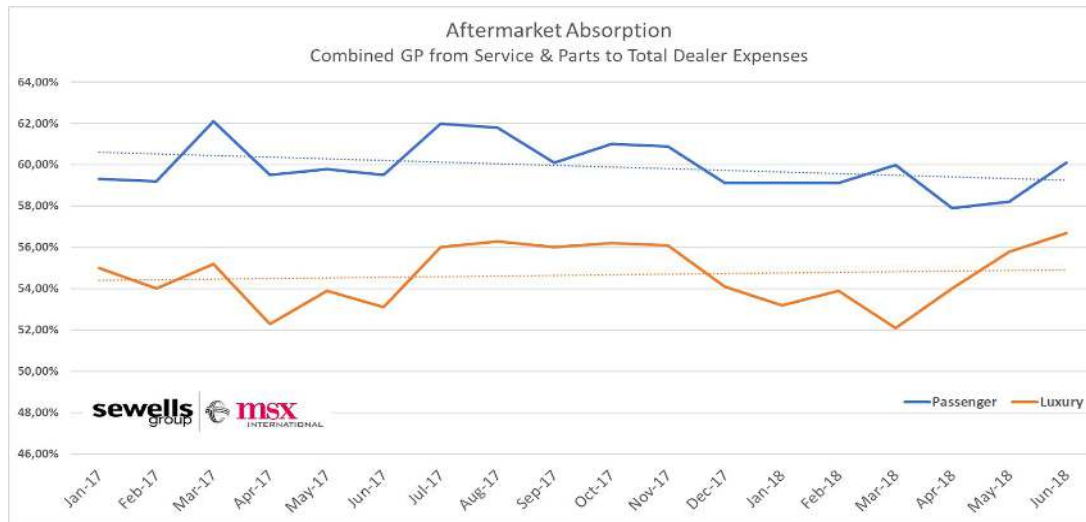
Combined GP from Service & Parts cover:

59% of dealer expenses for volume brands,

57% of dealer expenses for luxury vehicles.

1.

Aftermarket absorption for volume brands is declining; driven mainly by rising costs.



2.

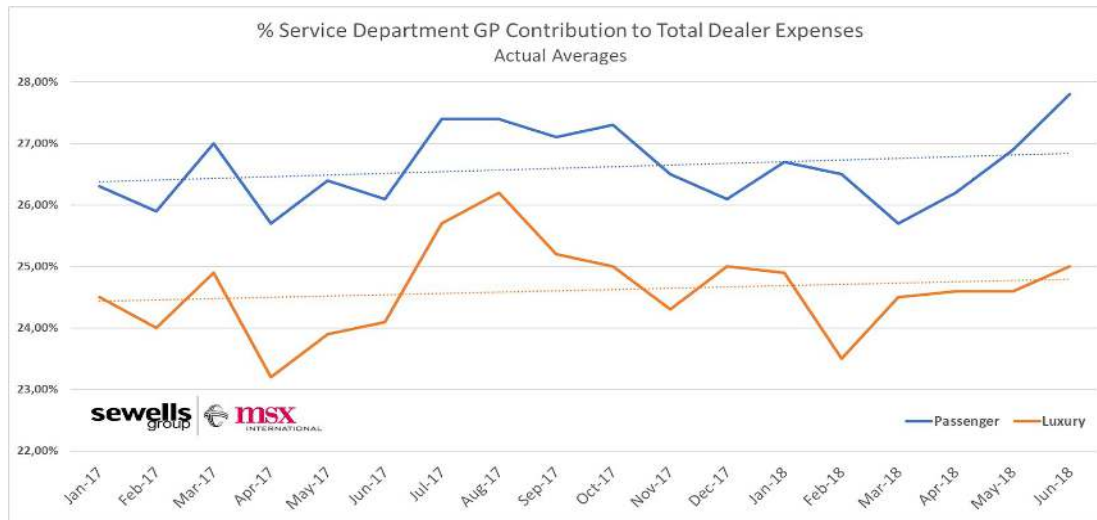
This has been relatively consistent over time and is consistent irrespective of area or dealer size.

Service Department only

% Contribution to total Dealer expenses (SA Average)

28% of dealer expenses for volume brands,

25% of dealer expenses for luxury vehicles.



1.

Volume brands service departments GP % showing steady improvement during 2018.

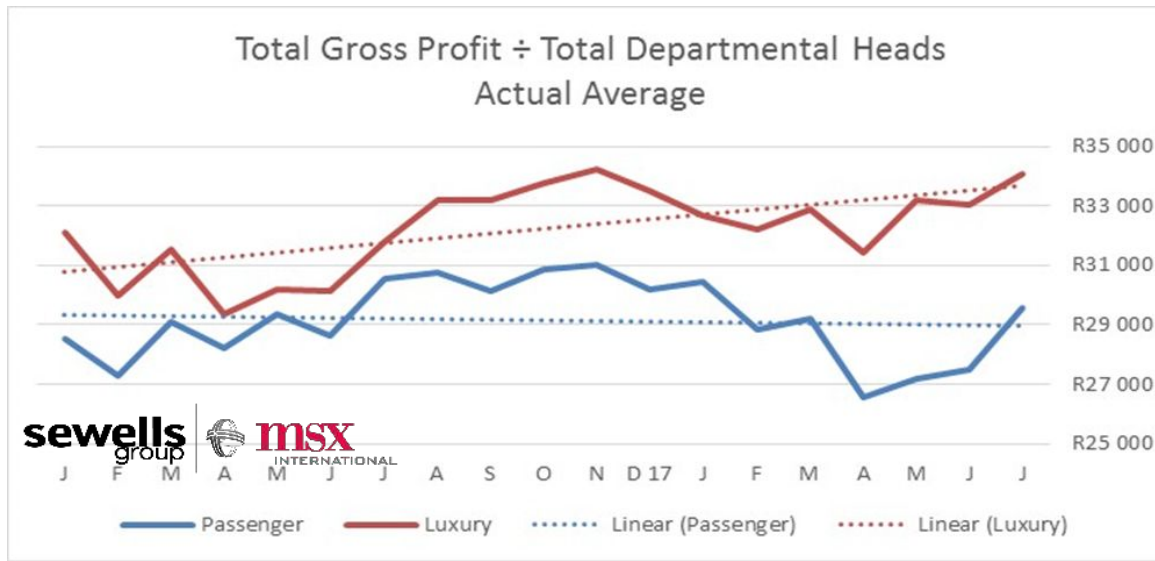
2.

Luxury brands show a marginal gain in contribution over time.

Total Dealer Gross Profit (Per head)

R29,700 Per head for volume brands,

R34,000 Per head for luxury vehicles.



1.

Steady decline in volume segment most likely through a combination of declining gross margin *and* a rise in head count.

2.

The luxury segment shows a steady improvement in productivity.

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So how do South African customers perceive their vehicle service experience?



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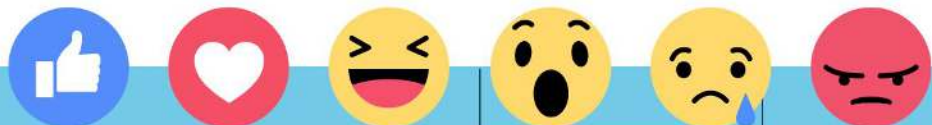
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Vehicle Service: Factors Contributing to "Likely to Recommend" Dealer



Vehicle Service: Factors Contributing to "Likely to Recommend" Dealer



Contact after the service to determine your satisfaction

0.74

Work completed correctly the first time

Get it right!

3.30

Confidence in [Dealer] to resolve queries and problems

3.80

Providing advice that you can trust

2.90

Being prepared in advance for service visit

2.60

0 1.0 2.0 3.0 4.0

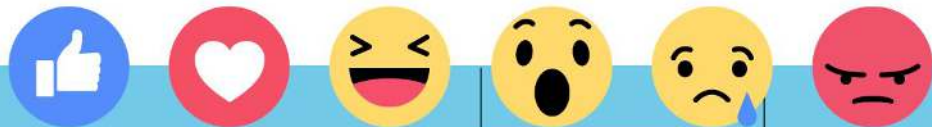


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Build trust and confidence

3.80

Providing advice that you can trust

2.90

Being prepared in advance for service visit

Efficient and Professional

2.60



So how is your Service Experience?

- Do you get it “Fixed Right First Time”?
- How will you hold on to the service business in the face of the increasing threat to the traditionally ‘captive’ market?
- Price – Does your value and service attract non-franchise business?