

# Winning Back Vehicle Owners:

The Service Experience  
Is the Product

by Sean Reyes  
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For about a century, franchised dealerships enjoyed a built-in advantage in service. They sold the vehicle, knew its history, employed factory-trained technicians, used only factory parts, and had direct access to the manufacturer. For many vehicle owners, returning to the dealership for service was simply what you did.

That assumption is disappearing.

Today's vehicle owner has more choices, more information and considerably less patience. Independent repair shops, national chains, tire retailers, mobile technicians and direct-to-consumer automakers have all changed the definition of service convenience. At the same time, consumers can research a repair, compare prices, read reviews and even use artificial intelligence to decide where to take their vehicle before ever speaking with a service advisor.

The result is an uncomfortable reality for dealership leadership. A customer can love the vehicle they bought from you and still have no reason to service it with you. That is the retention problem fixed-operations leaders need to solve.

## **The Customer Is Not Abandoning Dealers. Dealers Are Losing the Experience.**

The numbers tell an interesting story. Cox Automotive's 2025 Service Industry Study found that dealerships' share of national service visits has fallen from 33% in 2018 to 29%, a 12% decline in dealership service visits over the period. Yet average dealership service and parts revenue reached approximately \$9.23 million in 2025, up 33% in eight years. Meanwhile, more than 300,000 automotive repair businesses now operate in the U.S.

That creates an important paradox that I wrote about in last month's blog. Dealers are making more money in fixed operations while losing share of the service market. And the competition isn't necessarily winning because it has better technicians. It's winning because it is often easier to do business with. In more recent years, some franchise dealerships have turned to

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mobile servicing, valet service, more loaner car availability, and a full range of amenities intended to win that business back.

J.D. Power's 2026 U.S. Customer Service Index found that dealership service satisfaction improved three points, but dealers continue to face significant competition from aftermarket providers focused on speed and convenience and from direct-to-consumer brands offering mobile and valet service. On average, mass-market customers spend 1.61 hours waiting for maintenance at a dealership, while 62% of comparable aftermarket service visits take less than an hour. The aftermarket has figured out something important: Customers don't want to service their cars. They want their cars serviced with as little disruption to their lives as possible. Dealers need to figure it out, too.

### Convenience Is Not a Luxury Anymore

Consider the customer's perspective. They have a job. Kids. Meetings. Errands. School. Traffic. A commute. A phone that never stops. Then the dealership says: "We can get you in Thursday at 9:40 in the morning." The independent shop says: "Drop it off tomorrow morning. We'll text you when it's ready."

The independent shop may not have factory-trained technicians or access to the manufacturer's complete technical ecosystem. But it has solved a problem the dealership hasn't: It made the customer's life easier. That's why convenience needs to become an operating strategy, not a marketing slogan.

Dealerships should aggressively evaluate:

- After-hours or early morning vehicle drop-off
- Pickup and delivery
- Mobile service
- Valet service
- Rideshare integration
- Express maintenance
- Online scheduling
- Real-time text updates
- Digital approvals
- Digital multipoint inspections
- More liberal vehicle loaner policies
- Upfront estimates, where appropriate
- Extended service hours
- Faster check-in and checkout

Cox found that 55% of consumers consider the ability to compare service

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costs online very important. The same study found that 45% of vehicle owners were dissatisfied with their dealership service experience, with unexpected costs and poor communication among the primary frustrations. Interestingly, average dealership repair spending was \$261 compared with \$275 at general repair shops. That's a remarkable finding.

The dealership may not actually be more expensive. It may simply do a worse job of explaining the value.

### Dealers Have Advantages. Start Acting Like It.

The answer isn't for dealerships to become independent repair shops. It is to take the best things about the aftermarket and combine them with advantages the aftermarket cannot easily duplicate.

J.D. Power's 2025 Aftermarket Service Index found that dealership customers expressed greater trust in dealerships' use of technology to make service more efficient than customers of aftermarket providers. Dealerships also held an advantage in customer trust for complex vehicle repairs. That's ammunition. Factory-trained technicians matter. OEM diagnostic equipment matters. Technical service information matters. Recall and campaign expertise matters. Vehicle history matters. Warranty knowledge matters. OEM parts matter. Access to factory engineering information matters.

But these advantages are meaningless if the customer experiences the dealership as slow, expensive, confusing or indifferent. Or worse yet, if the dealership isn't repairing the recall because parts aren't in stock or the recall never caught. What does it say to a vehicle owner when they pick up their vehicle and the check engine light has not been cleared?

The service department has to translate technical superiority into incomparable consistency, customer value and streamlined convenience. Instead of saying, "We have factory-trained technicians," explain what that means for the customer. Instead of saying, "We use OEM parts," explain why that matters. Instead of sending a 15-line inspection report, show the customer a photograph of the worn component. Instead of telling someone their brakes are at 3 millimeters, show them what 3 millimeters looks like. Instead of calling after the vehicle has been sitting for six hours, send a text when the technician begins diagnosis.

J.D. Power found that communication is among the most influential components of dealer service satisfaction. In its 2025 study, four of the 10 most influential KPIs were communication-related, including keeping customers informed, focusing on customer needs, immediately greeting customers

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and following up after service. That's not complicated technology. That's operational discipline and it may be the reason why dealerships are turning towards more automated AI solutions.

### Win the First Five Minutes

Service departments spend enormous amounts of energy trying to sell more work. They should spend more energy making customers feel that they made the right decision by coming there. The first five minutes matter. The advisor should know the customer's name. The advisor should know why the vehicle is there. The customer should understand what will happen next. The expected completion time should be clear. The communication preference should be established.

And if something changes, the customer should hear about it before having to call. It sounds basic. It is. And yet J.D. Power found that immediate greeting of customers occurs only about half the time. A dealership cannot create loyalty while making customers wonder whether anyone knows they arrived.

### When Things Go Wrong

Eventually, something will go wrong. The repair takes longer than expected. A part doesn't arrive. The vehicle needs more work. The original diagnosis changes. The customer sees a larger bill than anticipated. The vehicle isn't fixed correctly. The customer becomes angry. This is where great service departments separate themselves from average ones.

J.D. Power's 2025 CSI study found that 12% of repairs were not completed correctly on the first visit. The two most common reasons were that the work performed did not correct the problem and necessary parts were unavailable. Among customers whose repair wasn't completed correctly the first time, only half said they returned or planned to return to the dealership.

That's a devastating retention statistic. A mistake doesn't necessarily destroy the relationship. How the dealership handles the mistake often determines whether it does. The advisor's first responsibility is not to win an argument. It is to lower the temperature.

### Five Rules for Diffusing an Angry Customer

1. Let the customer finish: Don't interrupt with an explanation. The customer isn't necessarily asking for agreement. They want to know someone actually heard the problem.

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2. Acknowledge the inconvenience before explaining the policy: “You’re right to be frustrated. We told you the vehicle would be ready today, and it isn’t.” That sentence can accomplish more than five minutes of corporate explanation.
3. Separate the emotion from the facts: A customer can be legitimately angry without being correct about every detail. Don’t challenge the customer’s entire story. Identify what is true, what isn’t and what can be done next.
4. Give the customer a path forward: Angry customers want control restored. Tell them exactly what happens next, who is responsible and when they will receive an update.
5. Close the loop personally: Don’t assume the problem disappeared because the customer picked up the car. Call them. Ask whether the vehicle is operating properly. That final contact can turn a negative experience into evidence that the dealership cared enough to fix it.

### But What About the Customer Who Wants a Discount?

There is another issue dealerships increasingly need to confront. Some consumers have learned that complaining can produce concessions. A customer may be genuinely dissatisfied. Another may simply believe that dissatisfaction is the opening move in a negotiation. Those situations cannot be treated identically.

The dealership should never establish a system where the loudest customer automatically gets the best price. That creates three problems. First, it trains customers to complain. Second, it punishes reasonable customers who don’t complain. Third, it teaches employees that the easiest way to resolve conflict is to give money away.

Instead, leadership should establish a service-recovery framework. Not every problem deserves a discount. Some deserve an apology. Some deserve better communication. Some deserve expedited treatment. Some deserve a complimentary service. Some deserve management involvement. And legitimate errors may absolutely warrant financial compensation.

The key is consistency. A customer shouldn’t receive \$100 off because they became angry while another customer receives nothing because they calmly explained the exact same problem. Empathy should be unlimited. Discounts should not be. That’s an important distinction for service managers.

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### Stop Measuring Satisfaction as the Finish Line

Customer satisfaction is useful, but retention is the real objective. Cox Automotive's 2025 Fixed Ops and Ownership Study found that trust was the No. 1 reason consumers gave for returning to the dealership where they purchased their vehicle. Twenty-two percent selected trust, ahead of the deal they received on the vehicle at 12%, knowledge of service history at 11%, location at 8% and general friendliness at 8%.

Even more important, the value of service loyalty extends beyond the service lane. Among consumers who had returned to the dealership for service during the previous 12 months, 74% said they were likely to repurchase from that dealership. Among those who had not returned for service, only 44% said they were likely to repurchase. Cox also found that 88% said their service experience affects their likelihood of returning to the dealership for a future vehicle purchase.

That's the lifetime-value argument. A retained service customer isn't just another repair order. That customer can generate revenue ranging from future customer-pay labor to parts revenue, maintenance revenue to future vehicle purchases. In the least, these customers are a huge resource for social validation and referrals.

The service lane is therefore not merely a profit center. It is one of the dealership's most important customer-retention engines.

### The New Service Experience Playbook

Fixed-operations leaders should consider five strategic priorities.

1. Make convenience measurable: Track appointment availability, time-to-first-contact, check-in time, repair cycle time and pickup time. If convenience is important, measure it.
2. Communicate before customers have to ask: Text updates should not merely say, "Your vehicle is still being worked on." Tell customers what happened, what the technician found and what comes next.
3. Make recommendations visual: Use photos, videos and clear explanations. The goal isn't to create fear. It's to create understanding.
4. Make service recovery consistent: Create guidelines for when advisors can resolve problems themselves and when a manager should become involved. Give employees authority to solve reasonable problems without requiring a manager's approval for every minor issue.
5. Connect service to the entire ownership relationship: The customer's service history should inform the next sales interaction. The

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sales department should know when a customer is approaching a major repair decision. The service department should know when a customer may be nearing a trade cycle. The dealership should operate as one relationship—not two departments fighting over the customer.

### Opportunity Is Hiding in Plain Sight

The industry doesn't have a shortage of reasons for consumers to service their vehicles at dealerships. It has a shortage of reasons that feel compelling to consumers. The factory relationship is valuable. Factory-trained technicians are valuable. OEM parts are valuable. Technical expertise is valuable. Vehicle history is valuable. Warranty and recall expertise is valuable. But consumers don't wake up in the morning thinking, "I really hope I can find a factory-trained technician today." They think, "I need my car fixed. I don't have time for this. And I don't want to get ripped off."

That's the job. Give them confidence, convenience, transparency, communication, and when something goes wrong, give them a human being who takes ownership of the problem. The dealerships that win the next generation of service customers won't necessarily be the ones with the biggest waiting rooms or the most aggressive discounts.

They will be the ones that understand a simple truth: the customer isn't buying a repair. They're buying the feeling that their vehicle and time are in good hands. And when a dealership consistently delivers that feeling, service retention stops being something the dealership has to chase. It becomes something customers choose.



Sean Reyes oversees all marketing efforts at Armatus Dealer Uplift as Chief Marketing Officer. Sean's experience spans more than 35 years of business development and strategic marketing experience, having developed go-to-market products and solutions for the automotive, healthcare, insurance, finance and technology industries. Sean has extensive network in automotive, having served as one of the original team that founded Recall Masters. He spent more than 10 years advocating for vehicle safety and supporting dealer warranty reimbursement related to recall repairs.