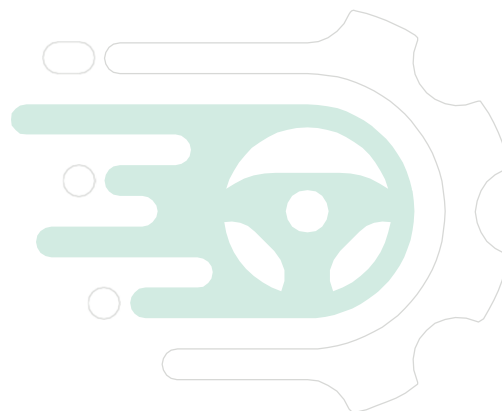


The 2022 Deloitte Dealership Benchmarks

In a time of great change, we are delighted to present the 2022 Deloitte Dealership Benchmarks for the Australian car market.



The starting point for these benchmarks is the data uploaded to the eProfitFocus system by more than 1,100 dealers in the Australian market in the 12 months leading up to the benchmark period. The actual results of the top 30% of dealers in each key department (new, used, parts, service and finance & insurance), as well as the top performers overall, are taken as the reference point for these benchmarks.

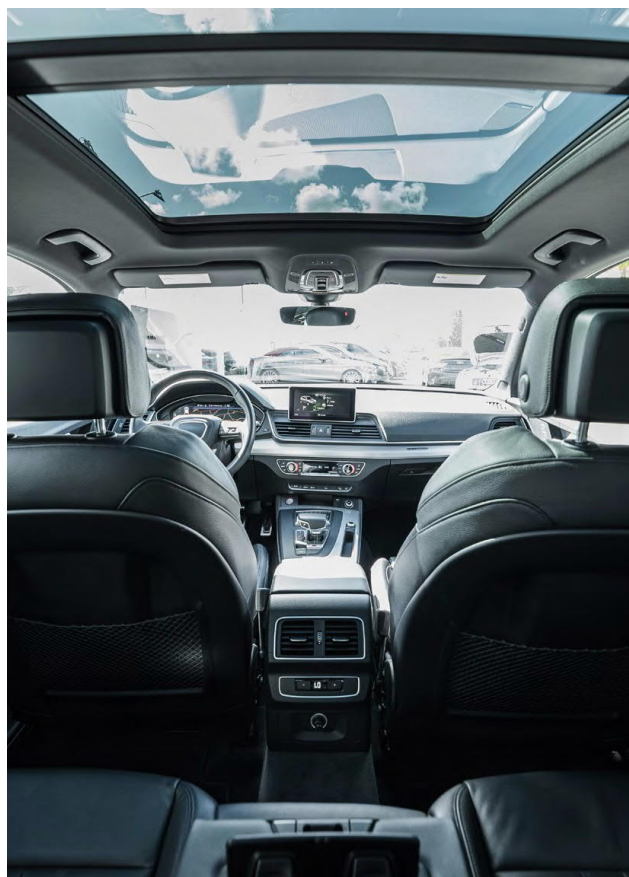
This ensures that the benchmarks are always tied to actual levels of performance that are achievable in the prevailing market. This raw data is then reviewed in the light of current industry circumstances and long-held best practices, to derive a set of benchmarks that can be used as a guide to building a sustainable, long-term business.

This year, we once again needed to account for the impact of COVID-19 on the market—especially the lockdowns that hit late in the year. In essence, we normalized the performance during lockdown by looking back at the eProfitFocus database to understand how Q3 generally sits in comparison to the rest of the year and using that insight to bring Q3 2021 in line with the rest of 2021.

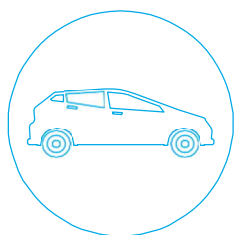
The benchmarks are split into three categories: the Volume Market, the Prestige Market and the Luxury Market. This segmentation reflects the different business models that dealers operate in their quest to earn a profit. While the business models in each segment are intrinsically impacted by the brands that dealers carry, the benchmarks are not a commentary on the positioning or esteem of those brands.

In this booklet, you will also find Customer Retention Management (CRM) guidelines. Focusing on the various elements of CRM is vital for dealerships seeking to improve the satisfaction and retention of their customers.

We are always happy to discuss any aspect of these benchmarks, so please feel free to contact a member of the Deloitte team using the details provided at the back of this booklet or at www.eprofitfocus.com

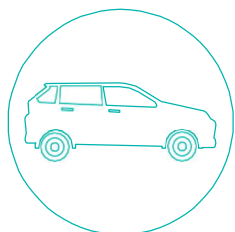


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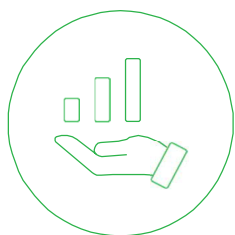
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Volume market





Volume Market benchmarks

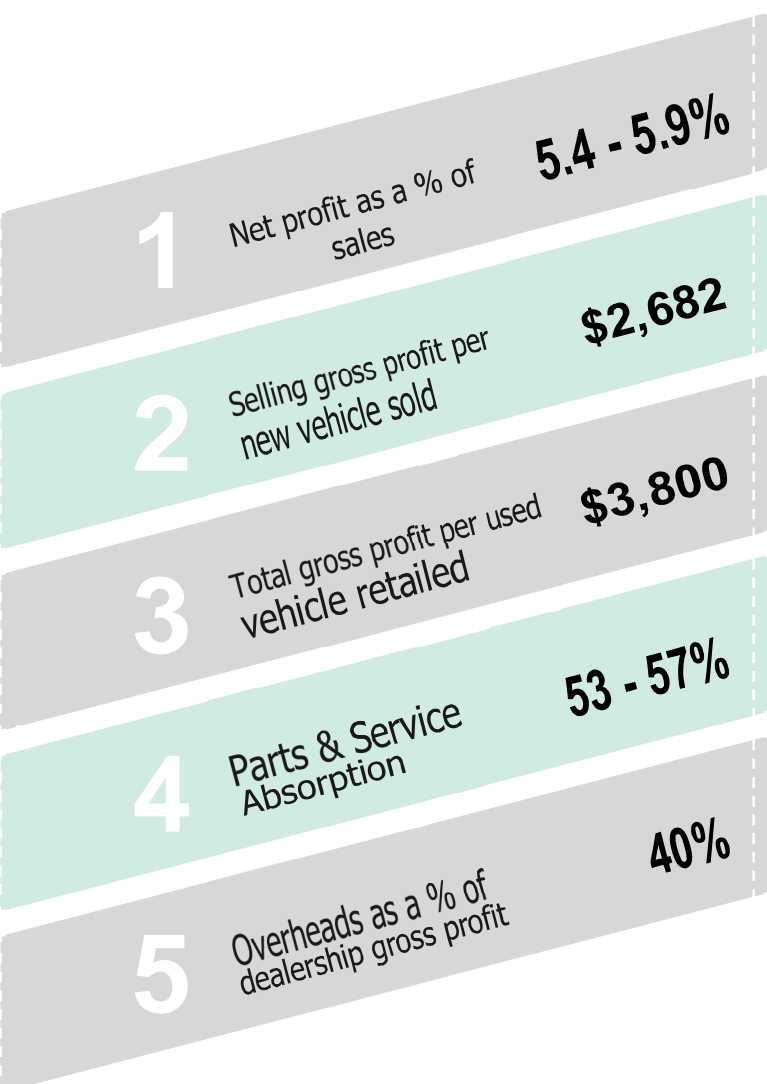
The Deloitte Dealership Benchmarks help dealers assess their performance against a hypothetical high performing dealer running a similar type of business operation.

Dealers who fall into the Volume Market segment tend to focus on the volume side of the volume/margin equation.

In 2021, the average dealer in the Volume Market experienced a rise in new car margins that gave a boost to dealership profitability. This was partly offset by lower returns from the used vehicle and service departments, and flat performance in Parts and F&I. The net result was a slight improvement in profit for the segment.

It should be noted that when new vehicles have more of an impact profit, there will also be greater volatility in dealership profits as volumes fluctuate.

For dealers operating in the Volume segment, the “Big 5” metrics to focus on for 2022 are:



A note about these benchmarks

Benchmarking is an excellent method of monitoring performance and setting goals. These benchmarks are a measure of ‘best practice’ drawn from the top 30% of dealers in the eProfitFocus database—a dataset of more than 1,100 dealers.

The intention of the benchmarks is to provide a ‘guide’ for dealership performance. Some dealerships, due to certain geographic or demographic circumstances, cannot achieve all the guidelines.

For further clarification and interpretation of these benchmarks please contact us at: www.eprofitfocus.com

Total dealership

Trading summary

Net profit as % of sales	5.4—5.9%
Days to dealership breakeven*	21

* Based on a full month i.e. 30 days

Dealership structure	Orientation	GP %
New	43%	10-12%
Used	17%	11-13%
Parts	11%	23-26%
Service	28%	66-68%
	100%	14-16%
Front end (vehicle operations)	60%	
Back end (fixed operations)	40%	
Finance and insurance income	9% of total gross	
Other income and incentives	16% of total gross	

Orientation = Where does the gross come from?

GP% = How strong are my margins?

Note these orientation benchmarks provide a guide for achieving above average results in the market today. However, businesses that deliver sustainable results over a longer time frame tend to have a slight front-end bias to their operations.

People

Gross per employee per month	\$24,750
Net profit per employee per month	\$9,700

Vehicle operations

Product	New	Used
Gross profit per unit*	\$4,300-\$4,500	\$3,600-\$4,000
Used/new ratio (retail)	n/a	0.5
Days supply	40-50	70-80
Stock turns p.a.	8-9	4-5
Gross ROI**	105%	77%

* Includes holdback, bonuses, aftermarket and load reversals but excludes F&I

** Gross as a % of cost of sales x turns p.a.

People	New	Used
Units per sales staff per month	13	12
Gross profit per salesperson per month	\$52,650	\$45,600

Finance and Insurance (F&I)

F&I Product	New	Used
Finance penetration	32-36%	23-27%
Finance income per contract	\$2,600-\$2,800	\$2,600-\$2,800
Finance per retail unit sold	\$930	\$678
Insurance per retail unit sold	\$59	\$102
F&I selling gross per vehicle retailed		\$760

People

Vehicles retailed per F&I staff per month	50-55
Salaries and commissions as a % of income	24%
F&I income per dept employee per month	\$54,800

Fixed operations

Parts department	Sales mix %	GP %
Retail/counter	7%	29%
Wholesale/trade	15%	19%
Workshop	36%	34%
Warranty	20%	9%
Internal	22%	20%
Total	100%	23-26%

Operational benchmarks

Days supply	45-55
Stock turns p.a.	8-9
Monthly sales per employee	\$98,500
Monthly gross per employee	\$23,000
\$ Sales per \$ salary	\$21.30

Service department	Sales mix %	GP %
Labour		
• Retail	60%	81%
• Warranty	12%	69%
• Internal	29%	77%
Total Labour Sales	100%	77%
Sublet sales		15%
Total gross profit (% sales)		66-68%
Operational benchmarks		
Performance index (productivity x efficiency)		95-105%
Monthly labour sales per technician		\$17,800
Monthly labour gross per technician		\$13,800
Parts/labour ratio		0.68
Ratio of chargeable to non-chargeable		1.1-1.5
Parts and service absorption		53-57%
Retention—relative service size**		\$1,940

**Labour sales per new retail unit sold per month

Department profitability

		New		Used
Vehicle operations	% Gross	\$/Unit	% Gross	\$/Unit
Gross Profit*	100%	4,300-4,500	100%	3,600-4,000
Sales staff salaries and comms	13.6%	598	13.5%	508
Manager salaries and comms	6.5%	285	5.6%	213
Aftermarket salaries and comms	1.1%	48	0.4%	15
Other salaries	2.6%	115	2.8%	106
Pre-delivery costs	5.2%	230	–	–
Free service/policy	1.1%	48	–	–
Used warranty	–	–	1.7%	66
Advertising	3.3%	146	5.0%	190
Training	0.1%	5	0.1%	2
Floorplan	3.2%	141	1.2%	47
Demonstrator expenses	2.3%	103	1.7%	65
Selling gross profit	61.0%	\$2,682	68.1%	\$2,588
Selling gross profit per salesperson		\$34,900		\$31,050
Selling gross profit per employee		\$15,100		\$20,800

* Includes holdback, bonuses, aftermarket and load reversals but excludes F&I

Fixed operations	Parts % gross	Service % gross
Salaries (non-chargeable)	21.3%	21.3%
Advertising and promotion	0.3%	0.9%
Training	0.1%	1.0%
Policy/freight	1.0%	1.5%
Tools and supplies	0.3%	0.8%
Equipment and vehicle maintenance	1.3%	3.1%
Sick/holiday—technicians	–	4.6%
Selling gross profit	75.6%	66.8%
Selling gross profit per technician	–	\$10,600
Selling gross profit per employee	\$17,400	\$5,940

Dealership overheads

	% Gross
Administration and salaries	7.3%
Training	0.1%
FBT (net of contributions)	0.3%
Payroll tax	2.2%
Superannuation	4.2%
Long service leave	0.7%
Rent (or mortgage interest)	10.0%
Rates and taxes	1.3%
Property maintenance/outside services	2.4%
Telephone	0.4%
Insurance (including workers compensation)	2.6%
Office supplies/stationery	0.4%
Professional fees	0.6%
Data processing	1.5%
Bank charges and taxes	0.2%
Interest (overdraft/working capital)	0.3%
Bad debts	0.1%
Depreciation	1.6%
Electricity	0.7%
Travel and entertainment	0.2%
Management fees	0.4%
Miscellaneous	2.3%
Total fixed expenses	40%

Overheads are shown as a percentage of total dealership gross profit. This includes gross profit from the New, Used, Parts and Service departments, but excludes net F&I income which is brought into dealership profit at a selling gross level.

Prestige market





Prestige Market benchmarks

The Deloitte Dealership Benchmarks help dealers assess their performance against a hypothetical high performing dealer running a similar type of business operation.

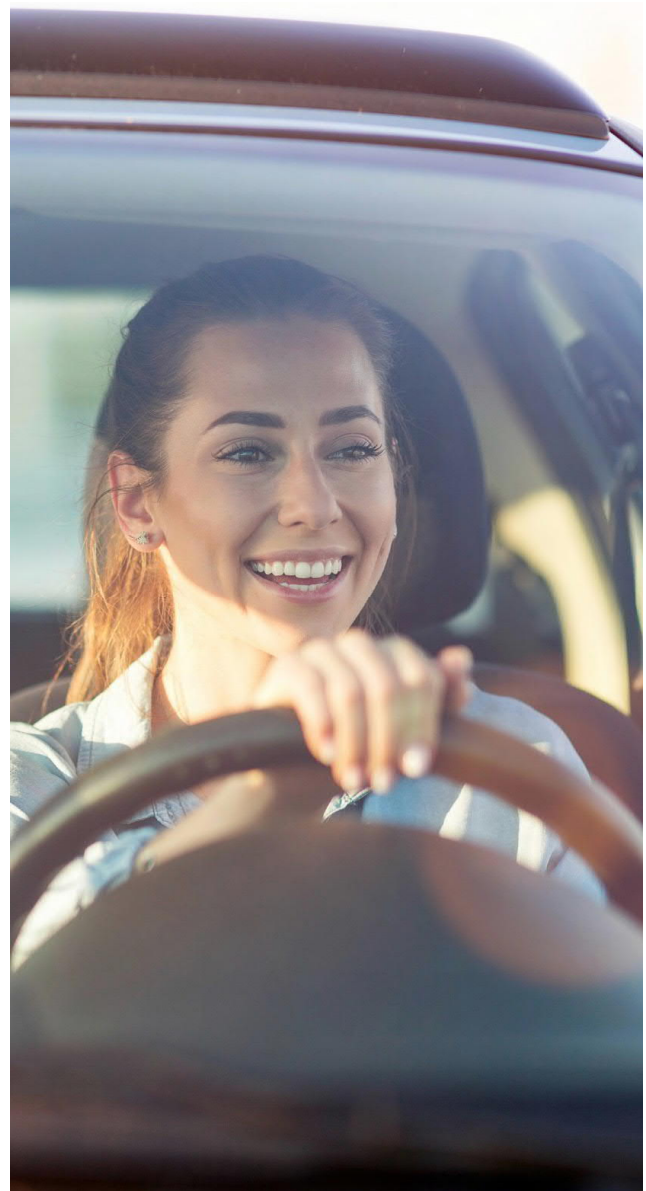
Dealers who fall into the Prestige Market segment tend to focus on finding a balance in the volume/margin equation.

For Prestige, supply impacted top line revenue in the new car department, however this was more than offset by a rise in margins. A decline in Used Car margins, coupled with flat returns from Fixed Operations and F&I, left profitability similar to 2021.

It should be noted that when new vehicles have more of an impact profit, there will also be greater volatility in dealership profits as volumes fluctuate.

For these dealers, the “Big 5” metrics to focus on for 2022 are:

- 1 Net profit as a % of sales 5.5 - 6.1%
- 2 Selling gross profit per new vehicle sold \$2,863
- 3 Total gross profit per used vehicle retailed \$3,800
- 4 Parts & Service Absorption 55 - 60%
- 5 Overheads as a % of dealership gross profit 39%



A note about these benchmarks

Benchmarking is an excellent method of monitoring performance and setting goals. These benchmarks are a measure of ‘best practice’ drawn from the top 30% of dealers in the eProfitFocus database of more than 900 dealers.

The intention of the benchmarks is to provide a ‘guide’ for dealership performance. Some dealerships, due to certain geographic or demographic circumstances, cannot achieve all the guidelines.

For further clarification and interpretation of these benchmarks please contact us at: www.eprofitfocus.com

Total dealership

Trading summary

Net profit as % of sales	5.5-6.1%
Days to dealership breakeven*	21

* Based on a full month i.e. 30 days

Dealership structure	Orientation	GP %
New	43%	10-12%
Used	16%	10-12%
Parts	12%	22-25%
Service	29%	66-68%
	100%	14-16%
Front end (vehicle operations)	59%	
Back end (fixed operations)	41%	
Finance and insurance income	9% of total gross	
Other income and incentives	14% of total gross	

Orientation = Where does the gross come from?

GP% = How strong are my margins?

Note these orientation benchmarks provide a guide for achieving above average results in the market today. However, businesses that deliver sustainable results over a longer time frame tend to have a slight front-end bias to their operations.

People

Gross per employee per month	\$21,950
Net profit per employee per month	\$8,700

Vehicle Operations

Product	New	Used
Gross profit per unit*	\$4,500-\$4,900	\$3,700-\$3,900
Used/new ratio (retail)	n/a	0.5
Days supply	40-50	70-80
Stock turns p.a.	8-9	4-5
Gross ROI**	105%	67%

* Includes holdback, bonuses, aftermarket and load reversals but excludes F&I

** Gross as a % of cost of sales x turns p.a.

People	New	Used
Units per sales staff per month	12	12
Gross profit per salesperson per month	\$59,100	\$45,600

Finance and Insurance (F&I)

F&I Product	New	Used
Finance penetration	32-36%	22-26%
Finance income per contract	\$2,750-\$2,950	\$2,650-\$2,850
Finance per retail unit sold	\$959	\$667
Insurance per retail unit sold	\$90	\$86
F&I selling gross per vehicle retailed		\$777

People

Vehicles retailed per F&I staff per month	35-40
Salaries and commissions as a % of income	25%
F&I income per dept employee per month	\$38,700

Fixed Operations

Parts department	Sales mix %	GP %
Retail/counter	5%	26%
Wholesale/trade	26%	17%
Workshop	35%	32%
Warranty	19%	12%
Internal	15%	19%
Total	100%	22-25%

Operational Benchmarks

Days supply	50-60
Stock turns p.a.	7-8
Monthly sales per employee	\$105,000
Monthly gross per employee	\$23,100
\$ Sales per \$ salary	\$21.80

Service department	Sales mix %	GP %
Labour		
• Retail	63%	81%
• Warranty	12%	72%
• Internal	25%	76%
Total labour sales	100%	78%
Sublet sales		14%
Total gross profit (% sales)		66-68%

Operational Benchmarks

Performance index (productivity x efficiency)	90-100%
Monthly labour sales per technician	\$17,000
Monthly labour gross per technician	\$13,200
Parts/labour ratio	0.74
Ratio of chargeable to non-chargeable	1.0-1.4
Parts and service absorption	55-60%
Retention—relative service size**	\$2,200

**Labour sales per new retail unit sold per month

Department Profitability

	New		Used	
Vehicle operations	% Gross	\$/Unit	% Gross	\$/Unit
Gross Profit*	100%	4,500-4,900	100%	3,700-3,900
Sales staff salaries and comms	13.4%	631	13.4%	511
Manager salaries and comms	6.2%	290	5.3%	202
Aftermarket salaries and comms	1.7%	80	0.3%	11
Other salaries	2.6%	122	3.1%	120
Pre-delivery costs	5.3%	251	–	–
Free service/policy	0.9%	44	–	–
Used warranty	–	–	1.4%	51
Advertising	3.6%	167	4.6%	174
Training	0.1%	7	0.1%	3
Floorplan	3.2%	148	1.2%	47
Demonstrator expenses	2.1%	97	1.8%	68
Selling gross profit	60.9%	\$2,863	68.8%	\$2,613
Selling gross profit per salesperson		\$34,350		\$31,350
Selling gross profit per employee		\$15,750		\$20,500

* Includes holdback, bonuses, aftermarket and load reversals but excludes F&I

Fixed operations	Parts % gross	Service % gross
Salaries (non-chargeable)	21.3%	24.1%
Advertising and promotion	0.2%	0.5%
Training	0.1%	0.6%
Policy/freight	2.3%	1.7%
Tools and supplies	0.3%	0.7%
Equipment and vehicle maintenance	0.8%	3.7%
Sick/holiday—technicians	–	4.1%
Selling gross profit	74.9%	64.7%
Selling gross profit per technician	–	\$10,100
Selling gross profit per employee	\$17,300	\$5,430

Dealership Overheads

	% Gross
Administration and salaries	7.1%
Training	0.1%
FBT (net of contributions)	0.4%
Payroll tax	2.2%
Superannuation	4.1%
Long service leave	0.6%
Rent (or mortgage interest)	9.7%
Rates and taxes	1.2%
Property maintenance/outside services	2.6%
Telephone	0.5%
Insurance (including workers compensation)	2.3%
Office supplies/stationery	0.4%
Professional fees	0.5%
Data processing	1.4%
Bank charges and taxes	0.1%
Interest (overdraft/working capital)	0.3%
Bad debts	0.1%
Depreciation	1.7%
Electricity	0.8%
Travel and entertainment	0.3%
Management fees	0.5%
Miscellaneous	2.3%
Total fixed expenses	39%

Overheads are shown as a percentage of total dealership gross profit. This includes gross profit from the New, Used, Parts and Service departments, but excludes net F&I income which is brought into dealership profit at a selling gross level.

Luxury market





Luxury Market benchmarks

The Deloitte Dealership Benchmarks help dealers assess their performance against a hypothetical high performing dealer running a similar type of business operation.

Dealers who fall into the Luxury Market segment tend to focus on the margin side of the volume/margin equation.

New vehicle sales in the Luxury Market were constrained by the stock shortage from the middle of 2021. This same shortage, however, boosted margins and profitability in the new car department. Despite some softening of returns from Used Cars & Fixed Operations, overall profitability improved for the Luxury segment in 2021.

It should be noted that when new vehicles have more of an impact profit, there will also be greater volatility in dealership profits as volumes fluctuate.

For these dealers, the “Big 5” metrics to focus on for 2022 are:

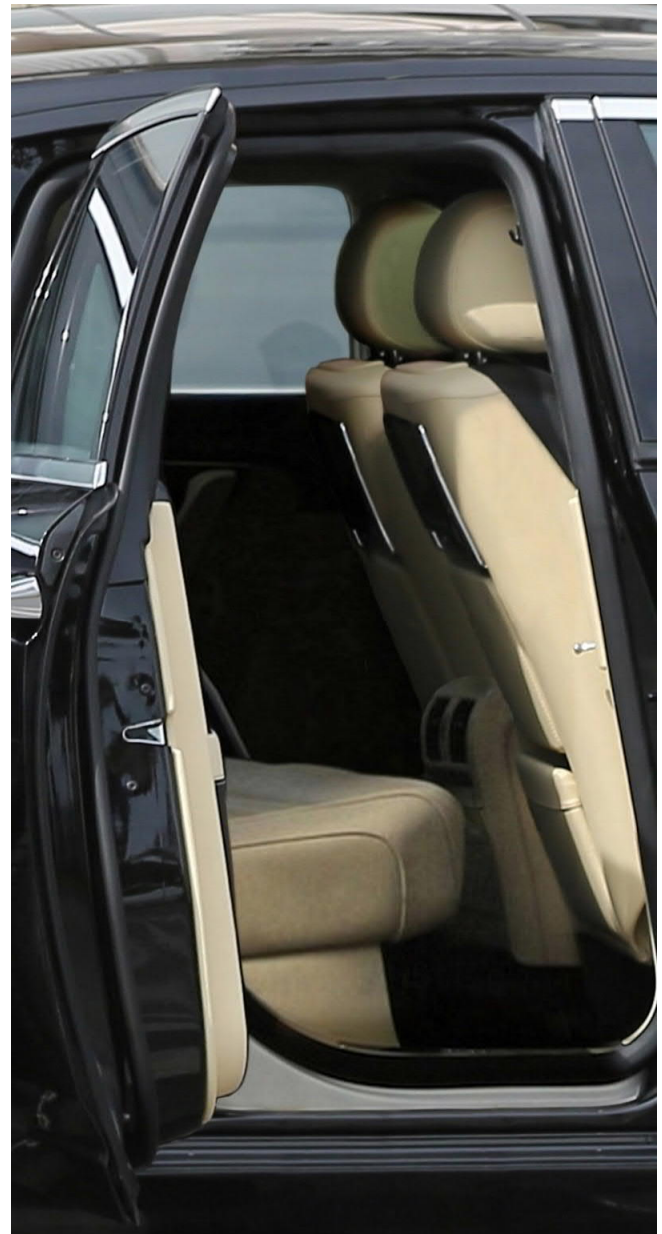
1 Net profit as a % of sales **5.8 - 6.1%**

2 Selling gross profit per new vehicle sold **\$4,051**

3 Total gross profit per used vehicle retailed **\$3,300**

4 Parts & Service Absorption **55 - 60%**

5 Overheads as a % of dealership gross profit **37%**



A note about these benchmarks

Benchmarking is an excellent method of monitoring performance and setting goals. These benchmarks are a measure of ‘best practice’ based on the top 30% of dealers in the eProfitFocus database of more than 900 dealers.

The intention of the benchmarks is to provide a ‘guide’ for dealership performance. Some dealerships, due to certain geographic or demographic circumstances, cannot achieve all the guidelines.

For further clarification and interpretations of these benchmarks please contact us at: www.eprofitfocus.com.au

Total Dealership

Trading summary

Net profit as % of sales	5.8-6.1%
Days to dealership breakeven*	20

* Based on a full month i.e. 30 days

Dealership structure	Orientation	GP %
New	43%	11-13%
Used	15%	8-10%
Parts	13%	23-26%
Service	29%	65-67%
	100%	15-17%
Front end (vehicle operations)	58%	
Back end (fixed operations)	42%	
Finance and insurance income	12% of total gross	
Other income and incentives	11% of total gross	

Orientation = Where does the gross come from?

GP% = How strong are my margins?

Note these orientation benchmarks provide a guide for achieving above average results in the market today. However, businesses that deliver sustainable results over a longer time frame tend to have a slight front-end bias to their operations.

People

Gross per employee per month	\$22,200
Net profit per employee per month	\$8,400

Vehicle Operations

Product	New	Used
Gross profit per unit*	\$6,450-\$6,850	\$3,200-\$3,400
Used/new ratio (retail)	n/a	0.5
Days supply	45-55	50-60
Stock turns p.a.	7-8	6-7
Gross ROI**	102%	66%

* Includes holdback, bonuses, aftermarket and load reversals but excludes F&I

** Gross as a % of cost of sales x turns p.a.

People New	Used
Units per sales staff per month 10	12
Gross profit per salesperson per month \$61,600	\$39,600

Finance and Insurance (F&I)

F&I Product	New	Used
Finance penetration	42-46%	29-33%
Finance income per contract	\$3,050-\$3,250	\$2,750-\$2,950
Finance per retail unit sold	\$1,517	\$903
Insurance per retail unit sold	\$105	\$39
F&I selling gross per vehicle retailed		\$1,252

People

Vehicles retailed per F&I staff per month	40-45
Salaries and commissions as a % of income	22%
F&I income per dept employee per month	\$66,900

Fixed Operations

Parts department	Sales mix %	GP %
Retail/counter	7%	26%
Wholesale/trade	25%	16%
Workshop	35%	33%
Warranty	20%	13%
Internal	13%	19%
Total	100%	23-26%

Operational Benchmarks

Days supply	50-60
Stock turns p.a.	6-7
Monthly sales per employee	\$114,500
Monthly gross per employee	\$25,800
\$ Sales per \$ salary	\$25.30

Service department	Sales mix %	GP %
Labour		
• Retail	58%	83%
• Warranty	14%	73%
• Internal	28%	81%
Total labour sales	100%	78%
Sublet sales		16%
Total gross profit (% sales)		65-67%

Operational Benchmarks

Performance index (productivity x efficiency)	85-95%
Monthly labour sales per technician	\$17,600
Monthly labour gross per technician	\$13,800
Parts/labour ratio	\$0.87
Ratio of chargeable to non-chargeable	1.0-1.4
Parts and service absorption	55-60%
Retention—relative service size**	\$2,560

**Labour sales per new retail unit sold per month

Department Profitability

	New		Used	
Vehicle operations	% Gross	\$/Unit	% Gross	\$/Unit
Gross Profit*	100%	6,450-6,850	100%	3,200-3,400
Sales staff salaries and comms	12.7%	847	13.7%	453
Manager salaries and comms	6.5%	430	6.5%	214
Aftermarket salaries and comms	1.7%	113	1.1%	36
Other salaries	2.5%	166	2.5%	83
Pre-delivery costs	4.8%	318	–	–
Free service/policy	0.8%	50	–	–
Used warranty	–	–	0.6%	18
Advertising	3.8%	253	5.1%	168
Training	0.2%	11	0.1%	3
Floorplan	3.3%	220	1.5%	50
Demonstrator expenses	2.9%	191	1.9%	63
Selling gross	60.9%	\$4,051	67.0%	\$2,211
Selling gross profit per salesperson		\$40,500		\$26,550
Selling gross profit per employee		\$17,700		\$23,350

* Includes holdback, bonuses, aftermarket and load reversals but excludes F&I

Fixed Operations	Parts % gross	Service % gross
Salaries (non-chargeable)	17.8%	24.8%
Advertising and promotion	0.1%	0.5%
Training	0.2%	0.5%
Policy/freight	1.8%	1.7%
Tools and supplies	0.3%	1.1%
Equipment and vehicle maintenance	1.0%	4.3%
Sick/holiday—technicians	–	4.0%
Selling gross profit	78.7%	62.9%
Selling gross profit per technician	–	\$9,900
Selling gross profit per employee	\$20,300	\$5,430

Dealership Overheads

	% Gross
Administration and salaries	6.1%
Training	0.1%
FBT (net of contributions)	0.4%
Payroll tax	2.1%
Superannuation	3.9%
Long service leave	0.4%
Rent (or mortgage interest)	10.1%
Rates and taxes	1.2%
Property maintenance/outside services	2.2%
Telephone	0.4%
Insurance (including workers compensation)	2.4%
Office supplies/stationery	0.4%
Professional fees	0.7%
Data processing	1.1%
Bank charges and taxes	0.1%
Interest (overdraft/working capital)	0.2%
Bad debts	0.1%
Depreciation	1.8%
Electricity	0.8%
Travel and entertainment	0.2%
Management fees	0.5%
Miscellaneous	2.1%
Total fixed expenses	37%

Overheads are shown as a percentage of total dealership gross profit. This includes gross profit from the New, Used, Parts and Service departments, but

excludes net F&I income which is brought into dealership profit at a selling gross level.

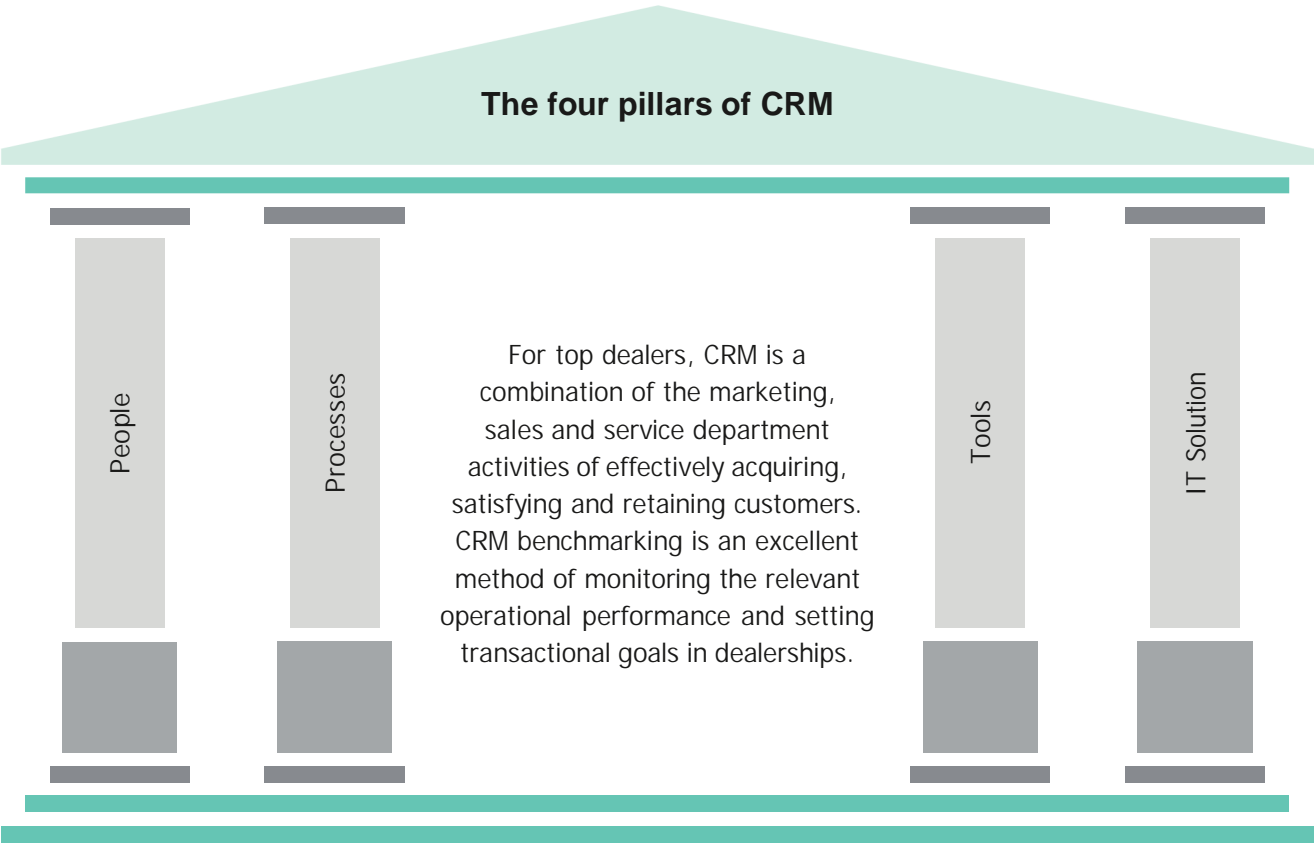
CRM



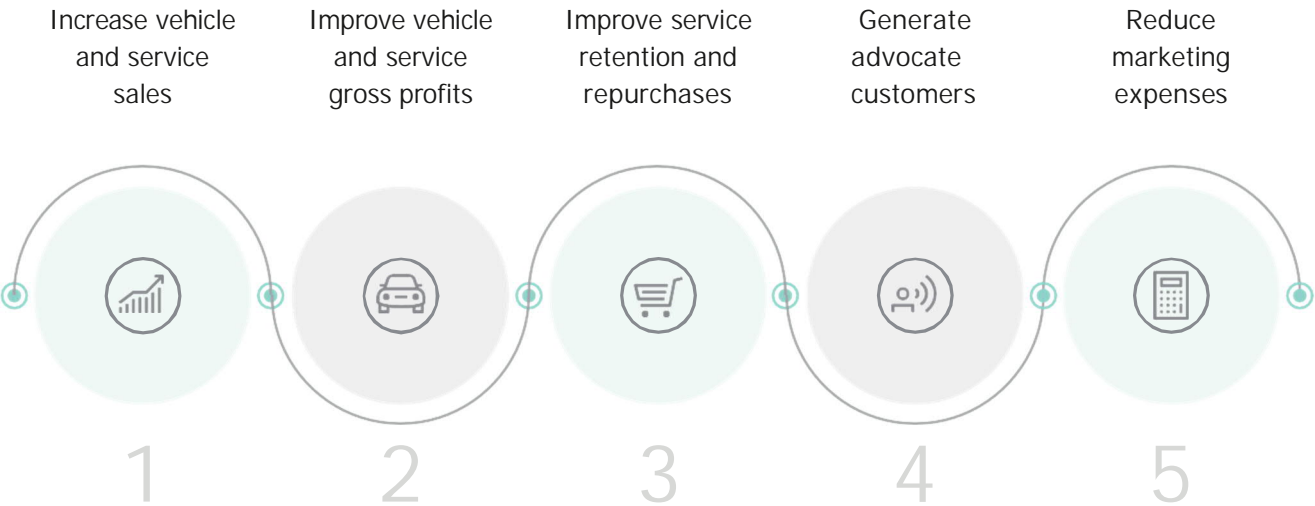


CRM in your dealership

In contrast to the generally accepted opinion, CRM is more than just a software solution. The best dealerships across the nation address the four pillars of comprehensive Customer Relationship Management equally.



The five goals of CRM



CRM guidelines

These CRM guidelines outline Best Practices identified in the Australian Motor Industry. They represent a hypothetical model for dealers to aim for when implementing successful CRM operations. Some dealerships, due to certain geographic or demographic circumstances, cannot achieve some of the guidelines in practice. Nonetheless, we consider these CRM guidelines to be realistic as 'a reference point' for a typical dealership in the Volume, Prestige and Luxury segments.

CRM and marketing

Every customer relationship begins with effective marketing.

Marketing effectiveness means:

1. Generate as many high-quality Leads as possible
2. Increase return on every dollar spent in marketing
3. Improve customer experience

Lead origin

Channel and enquiry type	New vehicle	Used vehicle
Dealership website	31%	10%
Phone-ins (website phone number)	21%	5%
Walk-ins (website solicited)	25%	7%
Online lead providers*	12%	70%
Phone-ins (traditional media only)	6%	5%
Walk-ins (traditional media only)	5%	3%
	100%	100%

*Average of all lead providers

Marketing/advertising costs

Per new vehicle	Volume	Prestige	Luxury
Benchmark dealers	\$146	\$167	\$253
Average dealers	\$188	\$212	\$320

CRM and sales

How effective is your sales team at converting new market leads, referrals and repeat customers into sales?

Sales effectiveness means:

Sales effectiveness means:

1. Maximise closing ratios and F&I penetration
2. Increase gross profit per sale & sales staff
3. Improve customer experience

The Road to Sale

Conversion ratios	AVG staff	Top staff
Enquiries/leads**	100%	100%
Appointments*	73%	95%
Test drives*	48%	75%
Offers*	30%	58%
Sales*	25%	36%
F&I contracts*	8%	13%

Units per month***	Volume	Prestige	Luxury
Test drives*	27	25	21
Offers*	21	19	16
Sales*	13	12	10
F&I contracts*	5	4	4

* % of enquiries/leads

** All channels: internet, phone, lead-providers and traditional

*** Based on the Benchmark Units per Salesperson per month

Online lead handling	Response time
Benchmark sales staff	< 10 minutes
Average sales staff	< 2 hours
Minimum acceptable standard	same day

CRM and service

Once acquired, how do you retain customers in service?

Service effectiveness means:

1. Increase service retention
2. Increase vehicle repurchase probability
3. Improve customer experience

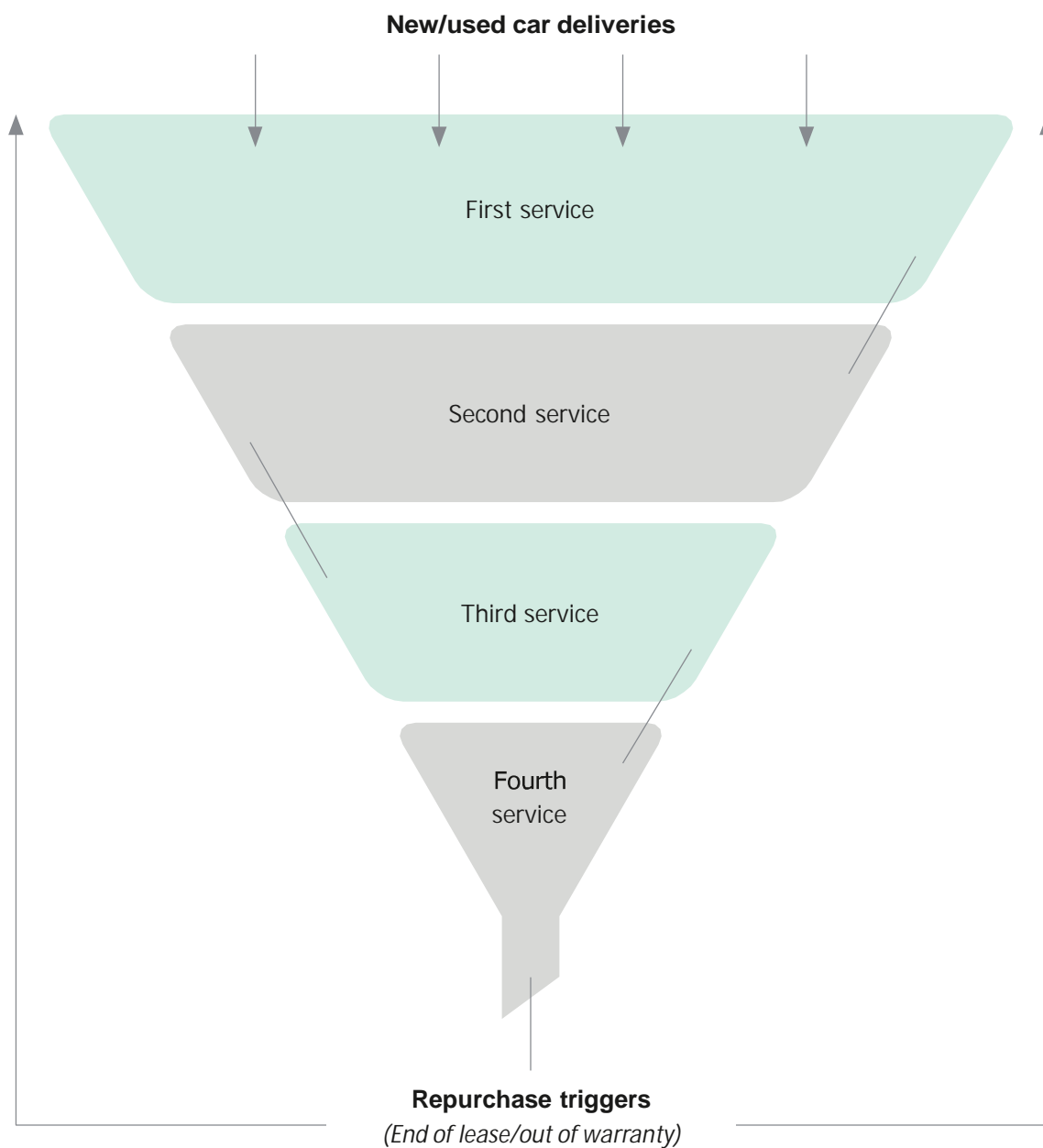
Service Retention

Year after purchase	Metro	Rural
Handover/follow-up service	100%	100%
First year	92%	93%
Second year	81%	86%
Third year	65%	75%
Fourth year	48%	55%
Fifth year	40%	45%

How many customers, who bought their vehicle at the dealership, have their car serviced at the dealership again?

The customer retention funnel

'Creating customers for life'



Repurchase intention

Customer type	Metro	Rural
All customers	33%	45%
F&I	50%	54%
Non-F&I	24%	37%

The Big 4 CRM measures

1. Customer orientation

New vehicle sales	Metro	Rural
Conquest customers (unsolicited)	62%	48%
Referral customers	13%	22%
Repeat customers	25%	30%
Total new vehicle sales	100%	100%

2. Customer profitability*

New vehicle customer profitability	National
Conquest customers (unsolicited)	100%
Referral customers	135%
Repeat customers	185%

* Customer profitability as % of conquest business (100%)

3. Dealership advocacy**

Customer	National
Advocates—positive word of mouth	80%
Indifferent customers	18%
Detractors—negative word of mouth	2%

** The dealership's ability to create advocate customers

4. Customers' perception of effort in dealing with dealership

Effort	National
Customers who perceive low levels of effort	82%
Customers who perceive neutral levels of effort	11%
Customers who perceive high levels of effort	7%

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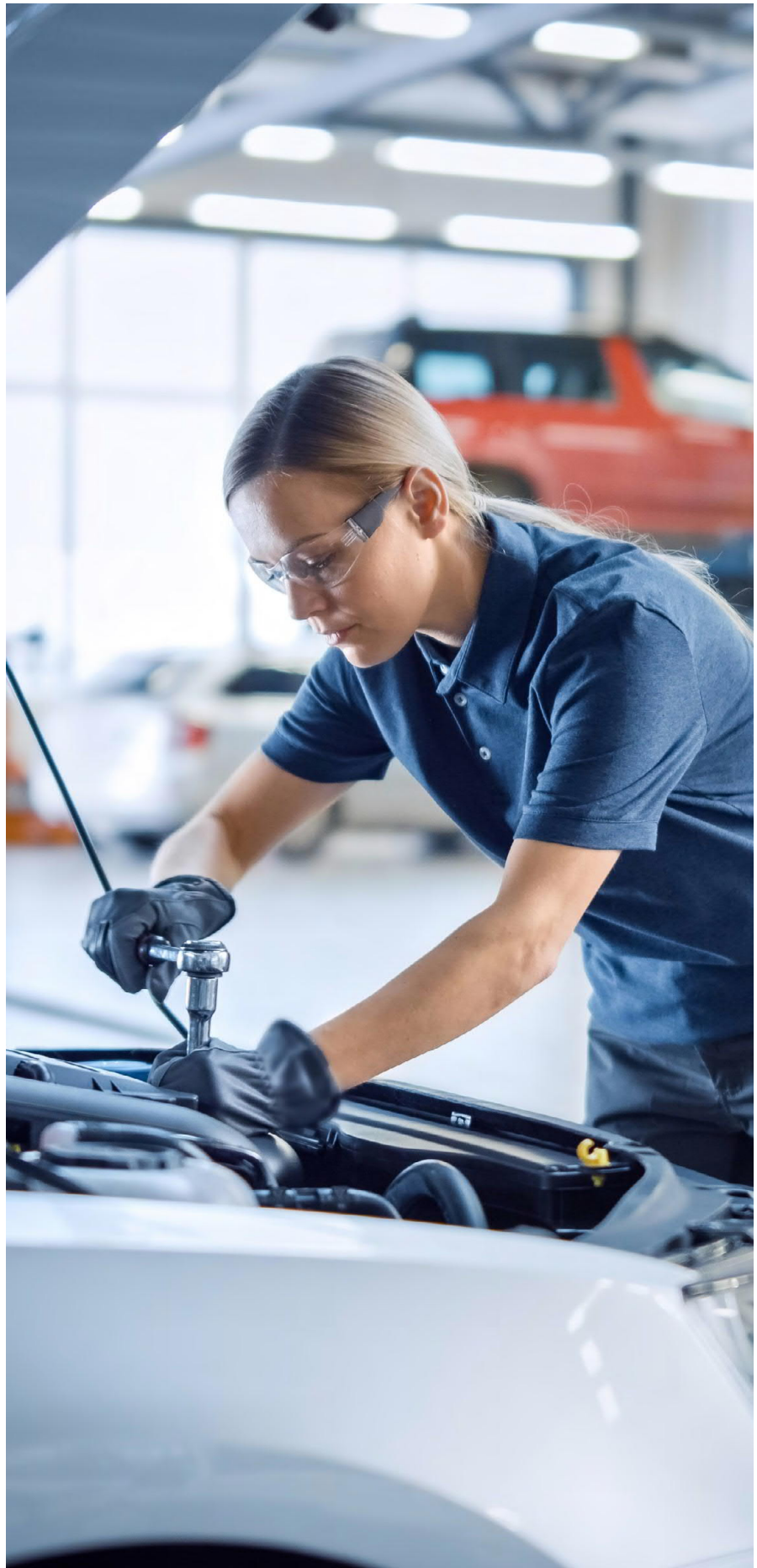
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