

SERVICEVIEW™

Case Study

Leveraging Service-to-Sales
Analysis to Pinpoint Loyalty
Improvement Opportunities



The Challenge

A leading luxury automotive brand was considering developing a brand loyalty program but needed concrete data to understand how many of its service customers returned to purchase a new vehicle. While internal sentiment suggested high customer loyalty, a data-driven approach was required to validate:

1. Whether the brand already had a well-established service-to-sales conversion process.
2. Where opportunities existed to improve dealership loyalty and long-term profitability.

Despite a strong luxury market presence, the brand lacked a clear metric-driven understanding of how effectively service retention influenced sales retention. They sought to answer:

What percentage of service customers return to purchase from the brand?

How does servicing at a dealership impact repurchase loyalty?

Where are loyalty gaps, and how can they be addressed with targeted strategies?



Only 38% of dealers strongly agree they have the tools and analysis they need to understand the available opportunity for new vehicle sales in their service lanes. *

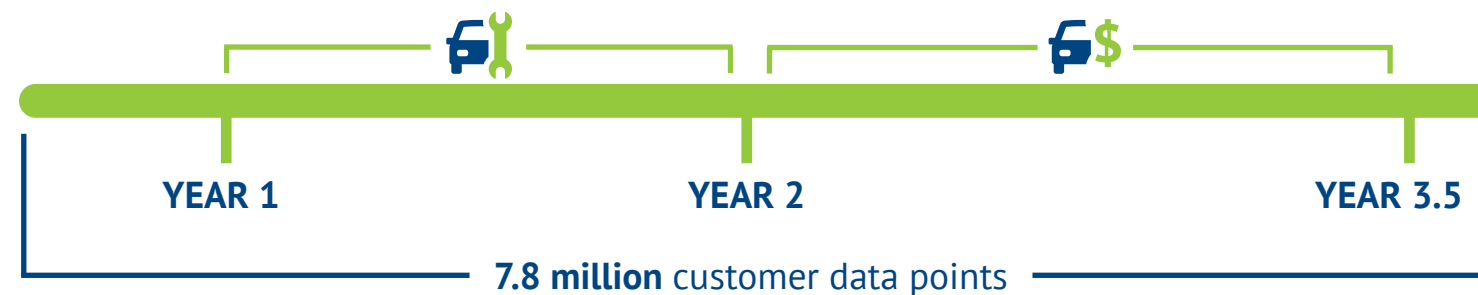
*This survey was conducted online by The Harris Poll on behalf of Urban Science among 3,026 U.S. adults ages 18+ who currently own or lease or plan to purchase or lease a new or used vehicle in the next 12 months (between Jan. 10 to Feb. 4, 2025) and among 254 U.S. OEM automotive dealers, whose titles were sales manager, general manager or principal/vice president/owner (between Jan. 9-30, 2025).

The Data

To conduct a robust service-to-sales analysis for the brand, we examined:

7.8 million customer data points spanning 3.5 years, matched to household-level data.

Focused on 1.09 million households that had purchased a vehicle in the second year of the timeframe, as they could have serviced their vehicle in the previous 12 months.



The Analysis

The analysis centered on **brand repurchase rates among service customers**, differentiating between active and inactive customers:



Active customers

Customers who currently service their vehicle at a brand dealership.

Inactive customers

Customers who had previously driven a brand vehicle but had since defected to an IRF.



The Insights

KEY LOYALTY FINDINGS

48.7%

of active service customers repurchased a vehicle from the brand, indicating strong loyalty and satisfaction with the dealership experience.

37.8%

of inactive service customers still repurchased from the brand, accounting for about 78,800 vehicles, but at a lower rate — demonstrating the importance of ongoing engagement through service.

Active service customers repurchased at an

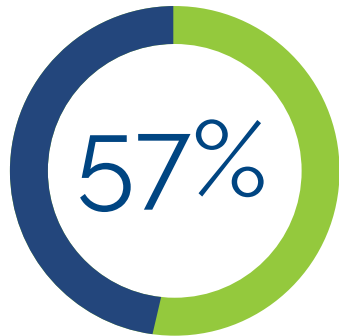
11%

higher rate than inactive customers, proving the value of keeping customers engaged through service.



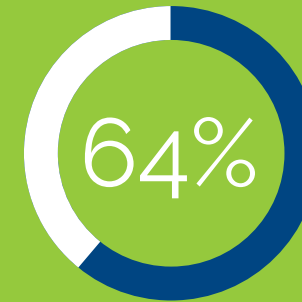
The Insights

LOYALTY SHIFTS AND COMPETITIVE THREATS



Of those customers who defected, 57% went to non-luxury brands for their next purchase, signaling an affordability-driven transition.

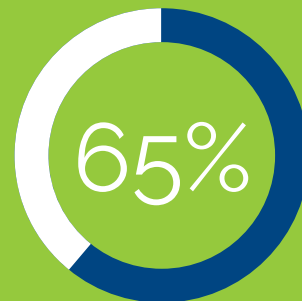
WHAT CONSUMERS ARE TELLING US ABOUT THEIR NEXT NEW VEHICLE PURCHASE OR LEASE:



agree affordability of vehicles is their top concern.*



of auto buyers are looking at more budget-friendly vehicle options.*



would choose the dealer offering the best price.*

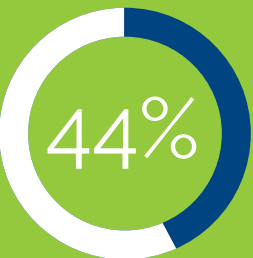


LOYALTY SHIFTS AND COMPETITIVE THREATS

Among those who stayed within the brand's umbrella:

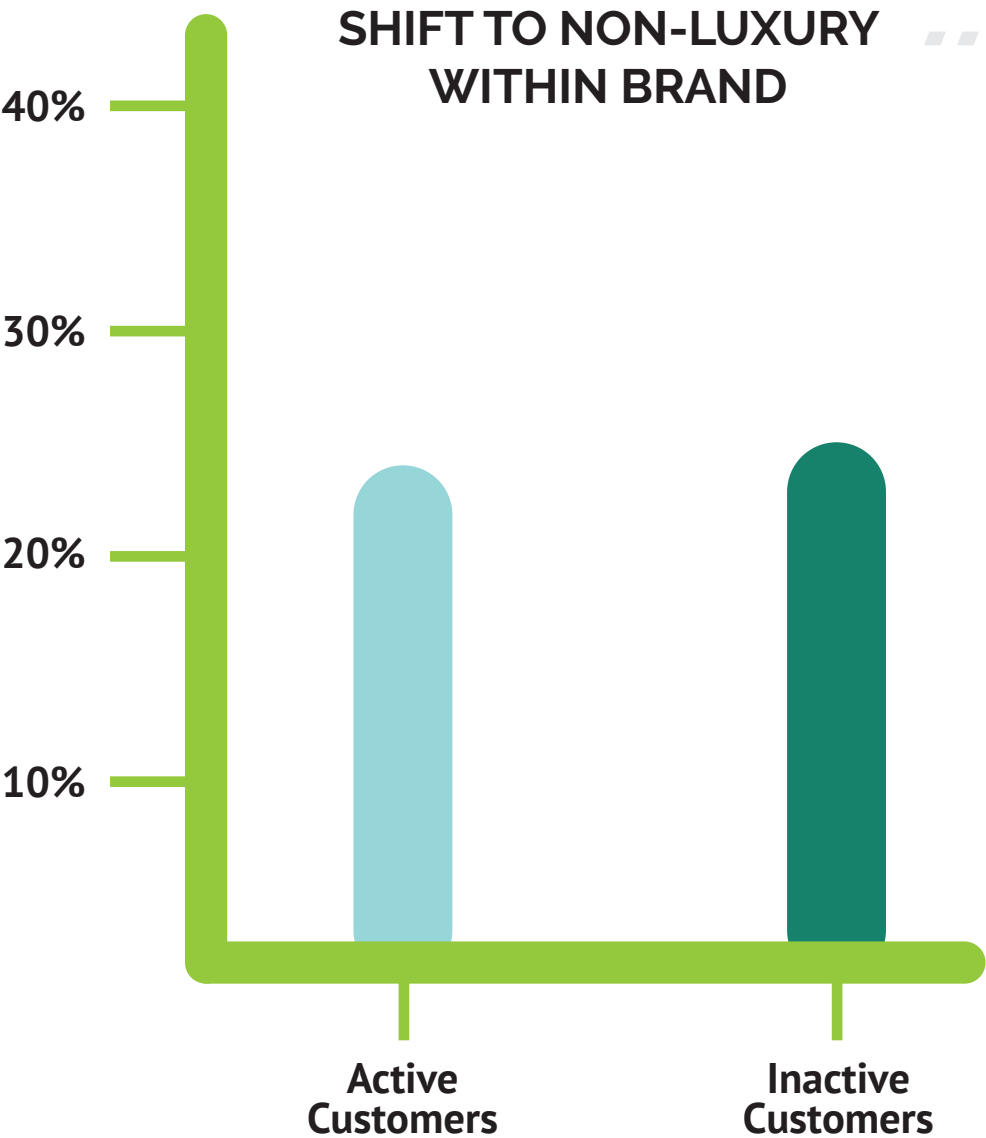
24% of active service customers shifted to the brand's non-luxury counterpart.

23% of inactive service customers did the same.



of auto buyers say a past service experience would make them choose one dealership over another when purchasing their next vehicle.*

This suggests a predictable transition pattern, opening the door for strategic retention efforts.



The Opportunity

Our analysis uncovered significant potential to enhance brand loyalty across the entire umbrella, with **ample opportunities to retain customers within the brand family for longer-term engagement and growth.**

SERVICE RETENTION POTENTIAL
SMALL GAINS IN SERVICE RETENTION
DELIVER OUTSIZED FINANCIAL RETURNS.

+1% = \$100K

For every 1% point increase in service retention, a brand dealer stands to earn an additional \$100,000 in annual service revenue.

SALES GROWTH POTENTIAL
OUR ANALYSIS ALSO SHOWS A SIGNIFICANT
OPPORTUNITY TO TURN SERVICE RELATIONSHIPS
INTO REPEAT VEHICLE PURCHASES.

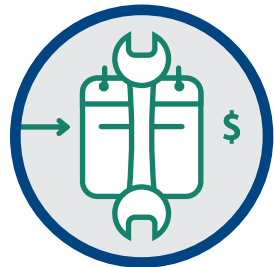
+1% = \$700K

If each brand dealer were to sell just 1% more vehicles than last year, the average revenue gain per dealer would be \$700,000.



OEM Strategic Actions

The brand identified two critical opportunities to strengthen dealership loyalty and increase profitability:



Cementing active customer retention

Introducing exclusive service packages or a structured loyalty program could reinforce repurchase intent.



Reengaging inactive customers

Proactive outreach with targeted offers, special service incentives or personalized marketing could win back previous owners before they defect permanently.

