

Accredited Dealers' Customers Satisfied

But Non-BBB Accredited Car Dealers Plummet

(Editor's Note: This is part of a series tracking the complaint records in various industries based on information in the BBB database and not available elsewhere. By using the BBB's dispute resolution services successfully, companies can satisfy and retain their customers.)

Customer satisfaction among new car dealers who are not BBB Accredited Businesses has declined steadily in the past 10 years, a study of the statistics in the BBB's database reveals.

From a steady customer satisfaction rate (i.e., whether a complainant was satisfied how the company addressed the complaint) in the 98% to 99% range from 1998 to 2001, non BBB Accredited Businesses have dropped to a low of 70% in 2005 and 78% last year.

Meanwhile, new car dealers who are BBB Accredited Businesses have maintained a customer satisfaction rate of 99% or 100% for the past 10 years.

"These statistics dramatically show that customers who do business with BBB Accredited Businesses have a greater chance of a satisfactory outcome of their transactions than those who deal with new car dealers who are not BBB Accredited Business," said Michelle L. Corey, president and CEO of the BBB.

The new car industry, however, remains one of the leaders in complaints filed with the BBB. While accounting for less than 2.4% of the total 60,000-plus companies in the BBB's database, the industry logged 4% of all

complaints filed last year.

And it has perennially ranked high on the list of total number of complaints filed with the BBB, although there has been a continuous decline in the past 10 years and a significant drop last year.

From 1998 to 2000, it topped the list, and except for one year, dropped to third in the next six years. Last year, the industry ranked fifth in the total number of complains filed with the BBB.

The new car industry also is high on the number of consumers asking for reliability reports on a company, placing sixth or seventh in the past five years. Last year, a total of 17,386 consumers asked for information regarding a company in the industry.

"Before making one of their largest purchases, consumers want to know the complaint history of a company with which they are considering doing business," Corey said. (378 of 428)

Why do customers complain?

While franchised auto dealers are defined by the new cars they sell, more complaints are filed because of the repair work they do. Last year, 20.7% of those filing complaints with the BBB listed repair problems as the reason for their complaints.

The second most common complaint involved customer service issues, which accounted for 15.4% of the complaints, followed by sales practices which were cited by 13% of consumers.