



Independent Garage & Franchise Dealer Workshop Survey Report

2023 Review & 2024 Outlook

Published January 2024

Introduction

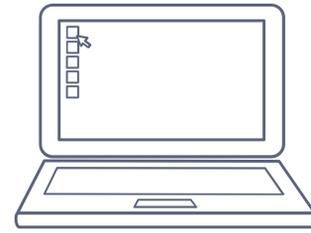
The Motor Ombudsman's survey of independent garages and franchise dealer workshops in the UK, looks at the principal challenges faced by businesses and positive developments during 2023, and gauges the views of respondents about their outlook for 2024.

The key findings of the research are presented in this report.

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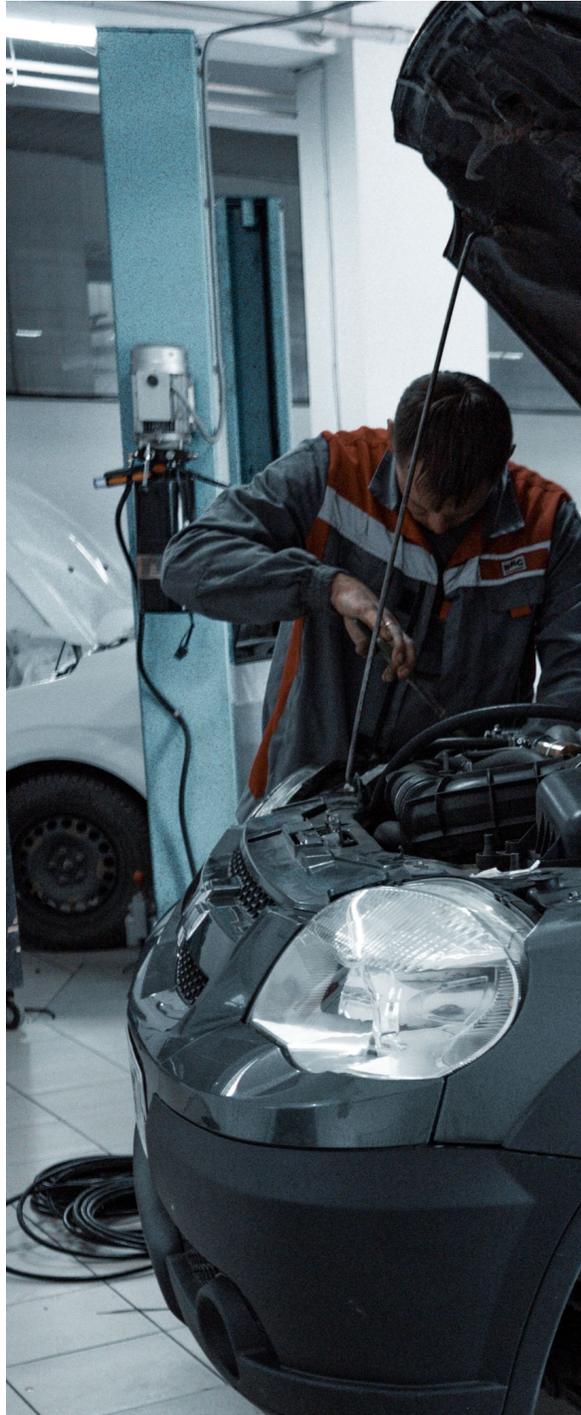
 survey respondents

(online study conducted between
01st November - 15th November 2023)



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2023 Review

Q1. What have been your main operational challenges in 2023?



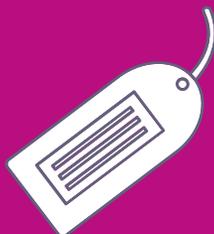
72%

1/ Higher energy bills and costs reducing business profitability



69%

2/ Parts shortages resulting in delays to customer vehicle repairs



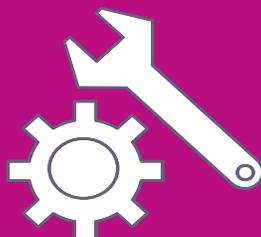
65%

3/ Having to raise prices to stay profitable



56%

4/ Recruiting qualified and experienced vehicle technicians



53%

5/ Customers not doing routine maintenance to save money

6/ Customers sourcing their own parts to save money (41%)

7/ Rising commercial rents have reduced profitability (33%)

8/ Three bank holidays in May reduced customer footfall and impacted parts supply (32%)

9/ Being able to make a profit on labour rates (29%)

10/ Customers doing their own DIY vehicle maintenance to save money (28%)

Q2. What have been the key staff challenges for your business in 2023?

76%

1/ Having to raise salaries to account for high inflation and the raised cost of living



46%

2/ Increasing pressures on the mental and physical health of staff due to rising bills and the cost of living



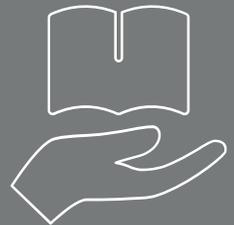
33%

3/ Having enough qualified staff to accommodate greater demand for the servicing and repair of electric vehicles



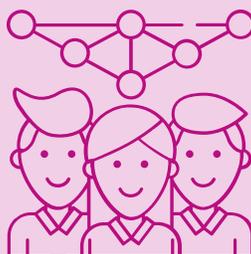
33%

4/ A lack of available apprentices to help fill technician vacancies



33%

5/ Having sufficient staff to accommodate periods of higher MOT demand



Q3. What have been the main positives for your business in 2023?



1/ We have seen a positive level of customer loyalty and retention



2/ Our feedback from customers has been very positive throughout the year



3/ We have been more proactive to send reminders and make servicing and MOT bookings with customers



4/ We have introduced new processes and technology to increase the overall customer experience



5/ We have upgraded our workshop with new equipment and facilities for customers



6/ Staff retention has increased as salaries have risen

Q4. How would you sum up 2023 for your business in one word, and do you have any other insight to add?



"Staff want so much more money, and it's too hard to charge this on."



"Finding skilled technicians is near on impossible in our area, even after investing thousands."



"Customers are holding on to vehicles rather than making a decision to change or upgrade."



"It's almost imposable to give a firm quote as prices for parts keep changing."



2024 Outlook

Q5. What do you see as the main challenges for your business in 2024?



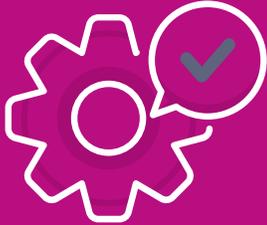
75%

1/ Rising operational costs, taxes and energy bills



58%

2/ Paying more for parts to repair customer vehicles



58%

3/ Recruitment of qualified technicians



54%

4/ Customers putting off essential repairs



54%

5/ Trying to avoid passing on higher operating costs in the prices charged

6/ A reduction in customers being able to afford routine maintenance (49%)

7/ Customer retention being harder due to the financial pressure on households (29%)

8/ Electric vehicles providing less scope for additional revenue opportunities and replacement parts (26%)

9/ Customers abandoning their cars on site if repairs are too costly or prove uneconomical to repair (25%)

10/ Generating new business in a challenging climate (24%)

Q6. What changes are you looking to introduce in 2024?



1/ Invest in the recruitment of additional qualified and experienced technicians



2/ Refurbishment of existing premises to improve look and feel of service and repair experience



3/ Investment in EV training for staff and / or equipment



4/ Attending webinars and training courses to learn about improving operations



5/ Installing new or additional on-site electric vehicle charging points to accommodate growing demand for EVs



6/ Expanding the number of workshop and MOT bays to meet increased customer demand

Q7. What do you see as some of the positives for your business in 2024?



"Hopefully we will see things settle down, such as wages, and recruiting for new staff becoming easier."



"Being established in EV repairs, we are looking to move forward in this market."



"We have a number of refurbishment and restoration projects booked for the year ahead."



"We have plenty of new customers coming on board due to word of mouth, so we'll try and keep up the good work in difficult conditions."



"As long as we can recruit, we will be looking to improve our profits by improving efficiency in the workshop."



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