

Service Department

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The Fixed Ops Challenge: Getting Customers in the Door and Asking Them to Buy

The Automotive Service business is full of great contrasts. Many Service Departments live with the constant frustration of “feast or famine” depending on the weather, the economy, or the time of year. Either the service drive is a barren, lonely place or we have cars backed up to the street. Either we are so busy it takes a 10-day advanced appointment for the customer to get an oil change or we’re so slow that we send half the technicians home at 2:00 p.m. Either we’re understaffed and can’t get it all done or we don’t have enough work to keep everybody busy. And on it goes...

Savvy managers know there is a fine line between being a victim of circumstances and being victorious over them. Will we be defeated, overworked and burned out by the oppressive burden of fate; or will we take control of our situation with proactive processes that result in accomplishment and success?

Rather obviously, there are some things we can’t do anything about (the price of gasoline, the weather, an OEM recall, etc.)...so let’s focus on what we can control.

Larry Edwards, of Edwards and Associates, led a workshop at this year’s NADA Convention in Orlando. Larry talked about the difference between marketing and merchandising. Larry’s workshop really resonated with me and got me to thinking. The following two definitions form the foundation for the examples I will be using later on in this article. Marketing is used to bring people to our dealership and on our service drive. Merchandising is used to encourage those who are at our dealership to make buying decisions.

So is marketing or merchandising more important? Yes! We must have both to succeed; they are the “dynamic duo” of customer retention and profitability. Let’s face it, most fixed ops personnel do not have master’s degrees in either of these disciplines; so let’s look at some examples of each that can be implemented right away:

Marketing: Getting Customers in the Door

- Radio and TV Advertising – While this may seem obvious, it is effective. However, these advertising dollars are usually spent on the new and used car departments. Mr. Dealer, would you be willing to redirect some of the advertising budget to promote the service department? I promise you'll get a great return on your investment.
- Intelligent Mailings – One OEM stated that over \$10 million of service work is done on their brand of vehicles in a typical dealership's marketing area. Very little of this work is done by the dealership. Let's target these folks and bring them in.
- E-mail Reminders – Roughly one-third of customers in our data base know the benefits of preventive maintenance. These folks believe in us and our ability to do quality work. All we really need to do is remind them when it's time to come in for service and they will show up on our drive. The more personal and vehicle-specific we make the invitation to schedule an appointment, the greater our success will be.
- Proactive Phone Calls – When we are face to face with a customer, we say something like this: "Mrs. Jones, I know you are busy and have many things on your mind. When it comes to your vehicle, I'll be responsible for keeping track of your maintenance needs and I'll call you when it is time for service, okay?" You now have permission, so mark the calendar or make a log in the computer and at the appropriate time, make the call.

One last thought on marketing: the goal, of course, is to get the customer in the door. But there are many other benefits, such as controlling when the customers show up. We want a steady traffic flow that's spaced far enough apart to allow quality time with each person. Additionally, we know that consistent contact with a customer results in loyalty.

Merchandising: Influencing Buying Decisions

- Worn Parts Display – I was recently in an import dealership that has a glass display case full of parts that failed due to poor maintenance. It included a rusted heater core caused by neglected coolant, a bald tire due to ignored rotation and balancing, an intake valve covered in carbon, and about 50 other items. It won't cost you a dime to start your own collection. Remember, this strategy will only be effective if your advisors use it! A picture is worth a thousand words.

- Maintenance Menus – Surely you already have one, but is it being used with every customer that enters your drive? The service menu is one of the greatest merchandising tools ever conceived. It is tangible. It is a written record of our “merchandise.” It combines OEM required services with dealer-recommended services so that the customer has options on the level of maintenance they want performed.
- Underhood Fluids – This technique involves showing the customer a sample of their vehicle’s vital fluids and comparing it to new fluids. By checking and showing fluids from the transmission, radiator, power steering, engine, and braking system, we are able to educate the customer on the importance of routine fluid maintenance. For example, the beginning of transmission failure is transmission fluid failure. Warning: we never sell service by fluid color alone! We must also know the current odometer reading and mileage interval since the last service in order to make an intelligent recommendation.
- Electronic Merchandising – Frankly, the possibilities in this area are virtually limitless. Informational videos running in the customer waiting room are educational and entertaining. In today’s information age, the gathering of knowledge usually proceeds a decision to buy. Several dealers use 15 second video blurbs at the point of sale. These are usually shown on the advisors desktop PC or a mobile tablet PC. The advisor says “Mr. Smith, take a look at this,” then he plays the video. “I believe your SUV would benefit from this service; may we do it for you today?” (Time out...even the weakest service salesman in the world ought to be able to play a 15 second video and say “let’s do that service on your car, okay?” If our people cannot do that, then we really have a problem!)

These are just a few of the dozens of marketing and merchandising “tools” that are available to today’s dealerships. Choose what works best for you and start marketing your service department and merchandising your maintenance services.

Call Out...”Savvy managers know there is a fine line between being a victim of circumstances and being victorious over them.” –Charlie Polston

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