THE AUTO DEALER'S ORIGINAL FIXED OPERATIONS RESOURCE

VOL. 15, NO. 3 - MAY / JUNE 2018

FIXED OPS

HIGH PERFORMANCE

NO MARGIN FOR ERROR IN RECONDITIONING

PARTS AND ACCESSORIES INCENTIVE

YOU BETTER BE GOOD AT TIRES

WHAT'S YOUR SHARE OF WALLET?

FIXED OPS MAGAZINE
ROUTING FOR YOUR DEALERSHIP

This issue has been read by:

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- ☐ **DEALER PRINCIPAL**
- ☐ **GENERAL MANAGER**
- ☐ **SERVICE MANAGER**
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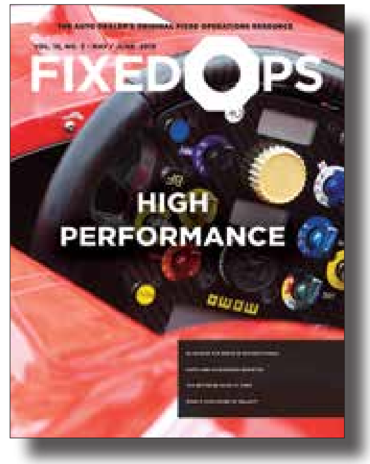

MAY / JUNE 2018

Service BDC

"Dear John"

"Hi John, we already have our own Service BDC team but we don't know if it's paying off after over a year with it. How do you suggest we measure our progress?"

J.A. / BDM

"J.A., if I were you, I'd first measure the progress in these areas:

1. Show rate of appointments
2. RO Count Y/Y
3. CP/RO

Show rates should be in the 80+% range (easily). Our data shows you should see an appointment show rate increase of 10% versus having your Service Advisors schedule and load your shop. Show rates translate into an RO increase in every case we've seen.

Your RO growth is easy to measure year over year, just go into your DMS for that data point.

And your CP/RO should have grown by default because your Advisors have time to sell. To maximize this, implement looking up the vehicle history while scheduling each appointment call. At the very least, alert each customer of what their vehicle is due for on this visit. Stay on the Service BDC course-you're on the right track!

"John, is it cheaper to build our own Service BDC or have someone do it for us?"

T.H./ General Manager

"T.H., if cheaper is measured only by the monthly expense, the answer is yes, having an outsourced partner will save you money and provide you with more hours of coverage.

I will say that price is only one part of the equation. For example, if I provide you coverage for less than the next company, but the hold times are long or the quality of the calls are poor, you'll be paying too much no matter what. So make sure your outsource partner provides hold times and call quality that is acceptable. Simply call some of the Dealers which the vendor you are going to partner with answers for, you'll know what you're going to be providing your customers.

As a rule of thumb, outsourcing is less expensive and will save you at least 50% compared to staffing a Service BDC internally. Hope that helps!"

DIDN'T MAKE IT TO THE NADA EXPO?

You should have gone.

As we've seen at the last several NADA gatherings, the March Expo was another must-attend affair – at least from my perspective on the trade show floor. In recent years, the NADA Expo has seen not just renewed interest, but renewed participation from the increasing number of companies whose products, services, solutions and technologies touch on and benefit the world of Fixed Operations.

The industry's growing recognition of the vital role that Fixed Operations plays in the long-term health and success of every new car dealership was validated yet again at this year's show in Las Vegas. If there's a Fixed Operations Director, Dealer Principal or General Manager out there that doesn't have a greater appreciation today than you did five or ten years ago for what Fixed Operations means to your business, I'd like to hear from you.

While this magazine can't take credit for an industry-wide attitude change about Fixed Operations, readers like you have been telling us for years that our publication has provided a critical information source that simply didn't exist before 2004 – one that has given dealership management a cuts-across-all-brands resource. And, with more and more dealership GMs, Owners and CFOs telling us that they read this publication too, I think that the days of the "I-don't-really-know-what-they're-doing-back-there-but-it-seems-to-be-working…" attitude are clearly in our rearview mirror.

Delivering use-it-right-now, business-building information to every franchise new car dealership is the foundation of our mission statement. While I spent most of my NADA Expo hours visiting with as many companies as I could squeeze into three days (the great folks who are our advertisers, contributing writers and providers of the news and new product items that you see in this publication), I received a steady stream of messages from dealership management folks like you telling us how much Fixed Ops Magazine is valued for its "all dealerships, everywhere" mission to keep you informed, profitable, running efficiently and enjoying the highest levels of customer satisfaction and retention. We appreciate that recognition.

If I missed seeing you at this year's show, please visit with us again in 2019. We'll be there. Because it's that important.

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It's Back to
DAVID VS. GOLIATH

By now, you've probably heard all about our pending acquisition by CDK. **Well, the deal is off.** What can we tell you? It was an offer we couldn't refuse. But since karma would've caught up with us eventually, it's probably for the best. Truth be told, most of our customers and employees are smiling ear to ear, and who can blame them? Even the government thinks we're unique disruptors that shouldn't be tethered. It's nice to know our reputation and value proposition are so hard to find. So we're staying independent. Our team is intact. And we'll just keep on doing business differently. **Next time... maybe we should try to buy them.**

We're back, baby.

Want to see what all the fuss was about? Ask for a demo at *www.automate.com/slayer*.

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Bosch Debuts Virtual Service Assistant Charlie

Charlie, the new virtual Service Assistant from Bosch, promises to help dealerships maximize customer satisfaction and efficiency in Service bays. Bosch aims to pilot Charlie with a forward-thinking OEM this fall to help with customer communication and retention, multi-point inspections, vehicle Service and repair info, Service labor management and more. This patent-applied-for dealership partner aims to bring a focused approach to all dealership services, including scheduled maintenance, collision repair, general repair, warranty processing and Technician training. Charlie lives in the Bosch BEST system, joining Techs via wireless headset, opening lines of communication between Techs, Service Advisors, dealer systems and customers.

The key to Charlie helping dealerships will be a machine learning system to track all aspects of a dealership Service bay, including:
- Customer service and satisfaction with wait-time reports and ratings
- eMPI reports for customers and vehicle turn-ins
- Warranty processing for filing warranty work reimbursement claims
- TSBs, helping guide techs directly to the repair faster
- Repair order triage, to connect Technician skill level with job difficulty and estimated time to repair
- Parts ordering to manage inventory, getting the right parts when they're needed to eliminate downtime
- Service bay capacity to help increase vehicle turn, so dealerships can service more vehicles

Auto/Mate Announces E-signature Capture Engine

Auto/Mate Dealership Systems has announced the development of its E-Signature Capture engine, a tablet-based application for dealers that allows Service and Parts staff to accept and store digital signatures from customers. The ability to collect and store signatures digitally greatly reduces paper trails, improves compliance and workflow and increases customer satisfaction. Emailing documents also improves customer email capture rates, a process that can significantly improve marketing campaign performance. E-Signature Capture is built right into Auto/Mate's DMS. The mobile application can be used on the same device as Auto/Mate's Mobile Service Consultant, helping to streamline customer-facing Service and Parts processes.

"Dealerships are among the last business entities that rely heavily on paper-based processes, but today, there's no reason for it," said Mike Esposito, President/CEO of Auto/Mate. "Most customers prefer digital transactions and the capacity to manage documents electronically provides a number of benefits to dealers."

Dealerships can now reclaim storage space and eliminate the scanning and filing associated with third-party document management solutions. Since it's native to the DMS, E-Signature Capture reduces incidences of misplaced documents and allows employees to quickly search for and retrieve documents on the fly. The ability to capture electronic signatures presents a professional and modern image to customers, improving their perception and satisfaction levels with dealerships.

CARFAX: 57 Million Vehicles in U.S. Have Open Recalls

According to Carfax, more than 57 million recalled vehicles – greater than one out of every five vehicles in the U.S. – currently are in use across the country. The company's annual research also suggests that the southern parts of the country are most likely to have cars with open recalls. Southern states like Texas, Mississippi, Louisiana, New Mexico, Alabama and Arizona are some of the top states with the highest open recall percentages.

"For more than two decades, Carfax has supported the manufacturers' efforts to get recalled cars fixed," said Dick Raines, President of Carfax. "Every day we help thousands of dealers identify vehicles with open recalls. We also alert millions of drivers about recalls on their vehicles so they can bring them to dealers to be repaired. Safety is our number one concern."

Carfax offers free services to help notify dealers and about open recalls. Carfax Advantage dealers have their inventory continuously monitored for recalls by Carfax free of charge and get regular reports identifying which vehicles have open recalls. Making this information readily available for dealers can help boost closure rates of open recalls.

AutoLoop Study Reveals Why Dealer Tire Sales are Deflating

AutoLoop, a leading provider of auto-industry marketing, sales and Service solutions, has released a new study on tire sales by auto retailers. The study finds that only 12.4% of dealership repair orders in 2017 involved tire sales, a 0.5 percent drop from the tire sales rate (defined as the percentage of repair orders that include at least one tire sale) in 2016. The study, "Dealer Tire Sales: Why They're Deflating," discovers a large discrepancy in the sales rate across dealer brands, with top-performing stores selling tires on over 25% of repair orders, while tire-sale rates for low performers remain in the single digits.

"This gap in performance between stores makes it clear that this trend is not inevitable and highlights a significant revenue opportunity, especially for dealerships that underperform luxury retailers in tire sales," said Doug Van Sach, AutoLoop's Vice President of Strategy and Analytics. "Auto dealers would be wise to focus more on growing their tire business in multiple ways including digital advertising, merchandising and in-store processes," Van Sach explained.

The study surveyed more than 1,000 auto consumers and analyzed repair orders from a national sample of more than 300 auto dealers. It reveals that the downward trend in tire sales for dealers is driven by increased competition from aftermarket companies and inconsistent advertising by dealerships and OEMs. AutoLoop's survey also revealed that only 38 percent of auto dealer customers want to replace their tires at a dealership, even though they often frequent the dealer for other maintenance and repair services. The majority of consumers prefer to buy tires from aftermarket tire retailers, such as Firestone and Goodyear, as well as department stores and independent repair shops.

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EVENTS

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BOOK MORE SERVICE APPOINTMENTS

IN 2018, THERE ARE 3 KEY STEPS TO SUCCESS

BY JULIE JAMISON

Contrary to numerous studies that equate service with success, many dealerships still prioritize marketing efforts on the vehicle sale. Although vehicle sales are certainly important, dealers actively driving more profits book that first vehicle Service appointment before the customer drives off with his or her new set of wheels.

Fixed Ops continues to be the critical money-maker for dealerships all over the country, but every department — and Service is no exception — comes with its unique set of challenges.

Consider the 2016 Dealership Action Report (DAR) from DealerSocket reporting that a whopping 65 percent of consumers prefer local mechanics to dealership Service Departments. The bottom line? Dealers are missing out on servicing the majority of their own customers and vehicles.

The good news is there's hope for improvement. Dealers can attract new Service customers and book more appointments by following three simple steps:

1. Analyze current Service practices with your Sales and Service teams.
2. Improve communication processes.
3. Position your web presence as a go-to resource.

Every dealership has a different set of hurdles, different resources and different business goals, so a cookie-cutter, one-size-fits-all Service Department marketing approach doesn't exist.

Rather, dealers should dedicate time to exploring their unique challenges and using these steps as a guideline toward improvement. This means revisiting business goals, holding team meetings and being prepared to make strategic changes. Appropriate goal-setting and internal exploration will help carry momentum forward. Let's go further in-depth on the three steps.

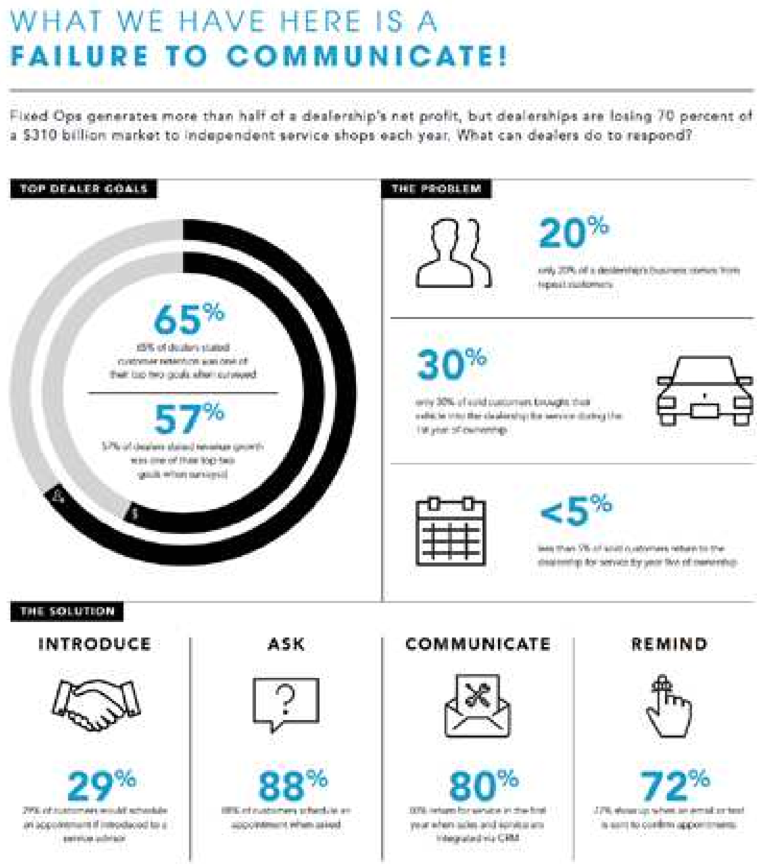
A SIMPLE GOOGLE SEARCH FOR "OIL CHANGE" LISTS NEARLY 85 MILLION RESULTS. THOUGH THE AVERAGE PERSON DOESN'T LOOK PAST THE FIRST PAGE OF RESULTS, WEBSITE AND SOCIAL MEDIA INVESTMENT IS CRUCIAL.

1. Analyze Current Service Practices

Sometimes, the most challenging part of growth is determining a singular vision so that all departments and personnel are working toward the same goal. Bring Sales and Service leaders together to conduct a situational analysis to determine strengths and weaknesses and to identify opportunities as well as areas for improvement.

Not only can this result in a thorough assessment of current Service practices, it's also a great way to boost morale and give employees a sense of ownership in the decisions that are made.

Although each team brings a specialized skillset to the table, each also offers a unique perspective that may not have been considered by the other. Either way, contributions from the very people who manage customer relationships and vehicle maintenance are sure to prove valuable and provide insights for improvement.



Information gathered from the situational analysis can be used to develop action items for each team. Results will likely differ from dealership to dealership, but best Service practices indicate some factors will overlap.

The following list provides a good starting place for analyzing current Service methods to increase appointments and drive customer satisfaction. Identify the current:

- Appointment scheduling process
- Follow-up strategy
- Customer retention plan
- Walk-in protocol
- Customer feedback channels (via online reviews, in-person comments, etc.)
- Training processes
- Web and social media presence

In short, provide a tailored — and exceptional — experience in your Service Department.

With a variety of auto Service providers seemingly on every block, consumers have plenty of options. This makes it all too easy for your customers to choose a new Service facility every time their vehicles need an oil change.

Consumer expectations have risen and the Service experience must match. In such a competitive landscape, the odds are stacked against dealers. DealerSocket's 2016 DAR results indicate that the top five reasons why customers avoid dealerships for vehicle Service are as follows:

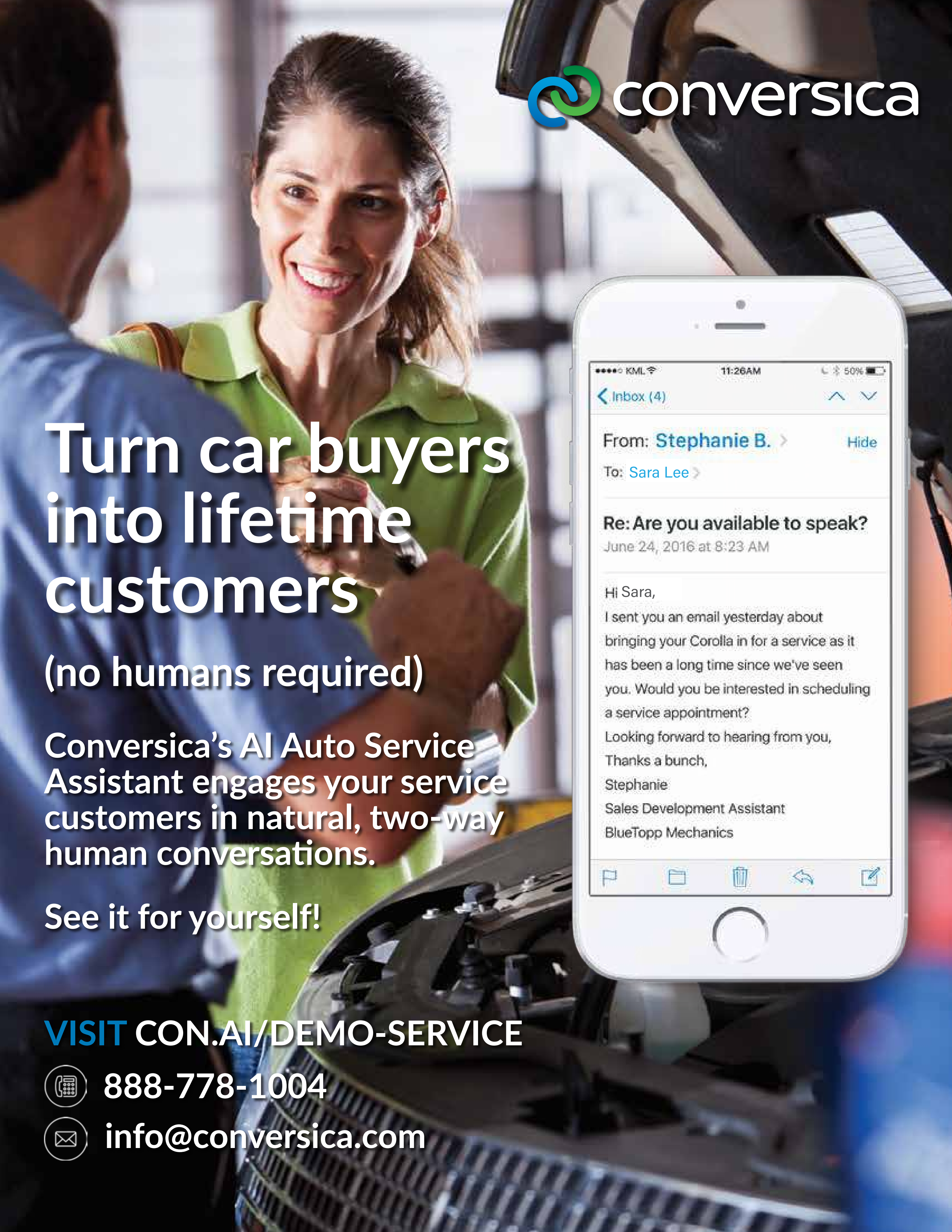
- Higher prices
- Inconvenience
- Time-consuming process
- Poor customer service
- Lower transparency with services

But it's not all bad news. Though the numbers show some challenges, just a few changes can help dealerships enhance the Service experience tenfold. Dealers must act diligently to ensure a positive experience onsite and online by considering:

- Addressing customer pain points front and center
- Monitoring real-time appointments and walk-ins
- Scheduling Salespeople to shadow the Service Drive
- Matching Service offers with customer schedules
- Checking in with customers who don't have warranties
- Looking for upcoming Service appointments proactively to set reminders
- Creating a Service process that's convenient for customers
- Utilizing technology to send reminders, set appointments, process billing, etc.

Beyond the Service experience, convenience plays a large role in building customer satisfaction.

Highlight the value of getting service from a dealership and focus on featuring added perks such as long-distance shuttles, free Wi-Fi, quiet waiting areas and kid-friendly spaces. As wide and complex as the vehicle Service industry can seem, today's customers are really just looking for quality customer service at a competitive price that's convenient and easy.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From: Stephanie B.
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To: Sara Lee
Re: Are you available to speak?
June 24, 2016 at 8:23 AM
Hi Sara,
I sent you an email yesterday about bringing your Corolla in for a service as it has been a long time since we've seen you. Would you be interested in scheduling a service appointment?
Looking forward to hearing from you,
Thanks a bunch,
Stephanie
Sales Development Assistant
BlueTopp Mechanics

2. Improve Communications Procedures

Phone calls, email reminders and text messages, if implemented correctly, can be great tools for increasing Service appointments.

Recently, DealerSocket released the results of a study that analyzed nearly 12 million sales records to determine how dealerships could formalize their appointment confirmation processes and, ultimately, generate more customer Service visits.

Some key insights from the study include: calling promptly (but not immediately), supplementing phone outreach with strategically crafted emails and leveraging the power of big data to automate the process. These channels, when strategically implemented, can provide a complete solution that covers every one-on-one communication opportunity.

Phone calls: Despite the array of ultra-convenient communication technologies available, there's nothing more effective than good old-fashioned phone calls when it comes to getting people to visit in person. Use phone calls to:

• Remind customers of upcoming maintenance needs. Track customers based on data collected from a sale or previous maintenance appointment, which can be used to gauge mileage for oil changes or brake pad needs.
• Create urgency. Talk about specials and packages that may be available for a short time, such as holiday or seasonal deals.
• Book an appointment on the fly. Provide a couple of openings to help customers think about their schedules.

Email: Although phone calls prove to be the most effective form of communication to get customers through the door, email still has its benefits (as long as it's implemented sparingly). The most effective email practices include:

• An action-oriented subject line. Give customers a reason to open the email and learn more.

• Personalization. Include Service needs specific to each customer based on requests, vehicle make / model, location and any other available information.
• Short messages. With the amount of emails people receive each day, it's important to get to the point quickly.

Text messages: Most people carry their mobile devices everywhere they go, but it doesn't necessarily mean they always want or have time to take a call. Dealers can send a quick text message to provide brief notifications, such as appointment reminders, in a way that's low-key and not intrusive.

Making a few changes to the communications tools already used to support Fixed Ops can go a long way toward improving the customer experience, creating repeat opportunities and building loyalty.

3. Build a Stronger Web Presence

Informed customers are the best customers and today's customers are all about online research.

The number of guides, magazines, apps, websites, blogs, software, consumer reports, newsletters, reviews, interest groups and social media profiles dedicated to Fixed Ops is endless.

A simple Google search for "oil change" lists nearly 85 million results. Though the average person doesn't look past the first page of results, website and social media investment is crucial. Building a stronger web presence can help customers find relevant information easier and faster. This can be achieved by:

• Sharing web content. Draw attention to the quality of your services and the competitive pricing of your dealership.
- Highlight your master mechanics.
- Post blogs focused on seasonal Service needs.
- Provide useful and relevant information on vehicle maintenance.
- Celebrate Service customers with images and testimonials.
• Encouraging online reviews. Ask customers for reviews right after a positive Service appointment to boost third-party recognition and increase credibility.
• Mining social media. Use the search function to find posts featuring damaged tires and poor service experiences, which can lead to opportunities for a well-timed digital ad, a personal response or both.

With countless resources available to consumers, it's clear that auto dealers are feeling the pressure to break through the clutter.

By regularly analyzing Fixed Ops strategies, dealerships can better communicate and organize their efforts across all platforms to identify more leads, providing additional opportunities to book service appointments. Getting organized on the inside is the best way to communicate the value of dealership services to the outside.

Julie Jamison is Brand Manager, Franchise, at DealerSocket. She is responsible for tracking the automotive industry, specifically the franchise market, and communicating how DealerSocket's technology platform benefits dealers. Julie started her career in automotive as a salesperson more than 13 years ago, eventually moving into management, and then, marketing for a large dealer group in Houston.

YOU BETTER BE GOOD AT TIRES

TIPS TO RETAIN DEALER SERVICE CUSTOMERS

BY CHUCK DE MARTIGNY

Your customers will likely drive right past a Walmart, a Costco, a Tire Kingdom, a Goodyear Tire and Service Center, a Sears Service Center and a bunch of other Service competitors before they ever reach your Service drive.

Let's face it — your dealership is definitely not the most convenient place for your customers to service their vehicles. Your customers, however, will go out of their way for your Factory Certified Warranty Service and Parts as long as their vehicle is under warranty. It's only after the warranty runs out that most desert you. Look at the numbers:

- 86 percent of all registered light vehicles are out of warranty.
- 86 percent of all paid Service is done outside of Original Equipment (OE) dealerships.

The numbers show that dealerships are not providing customers with a compelling reason to service their vehicle in their Service Departments once the warranty expires, so they go somewhere — anywhere — else that's more convenient.

In fact, even before the warranty has expired, many customers go somewhere else for routine maintenance such as oil

changes and tire rotations. They don't perceive any added value in having a dealership perform the work.

You can't compete even if you offer exactly what all these competitors offer. Some competitor will always be more convenient. Therefore, you must find ways to significantly differentiate your offerings to persuade your customers that it's worth going out of their way to service their vehicles with you, or you stand to lose these customers.

Remember — studies have shown that if you can find ways to keep Service customers after their warranty expires, these customers will buy their next vehicle from your dealership 86 percent of the time. If they migrate to your Service competitors, they will only purchase their next vehicle from you 9 percent of the time. That means that every time you lose a Service customer, you lose 75 percent of the next car sale, too.

Every single new car and light truck is sold and delivered at an OE dealership. All warranty Service is done exclusively at the OE dealership. So in the car business, OE dealerships enjoy an initial 100 percent market share.

Each new car comes with a set of at least four high-tech, specifically engineered tires that will require replacement, generally within three to five years and usually around the time the new vehicle warranty runs out.

Most people would naturally assume that most customers would choose to replace their tires with the OE tires at the dealership that sold them the vehicle and provided the warranty repairs and maintenance in their state-of-the-art, factory-authorized Service facility, staffed by highly trained factory certified Technicians. That's not the case.

Only 8.5 percent of replacement tires are sold at OE dealerships

If you're losing more than 90 percent of your customers to tire sales, it's an obvious place to start changing your approach.

YOU SOLD THE CAR WITH THOSE AMAZING TIRES ON THEM. DID YOU TELL YOUR CUSTOMER HOW AMAZING THE TIRES ARE? ADD A BROCHURE TO EVERY SALE THAT TALKS ABOUT THE TIRES AND WHY THEY SHOULD COME BACK TO YOU FOR ALL TIRE-RELATED ISSUES. ADD A REPLACEMENT TIRE COUPON AND SOME FREE ROTATIONS.

Good / Better / Best is Not Good

Years ago, studies showed that most tire customers choose the tire stores based on the selection they offered. Tire stores promote Good / Better / Best selections to differentiate between tire brands and price points, with tires for any make and model, and fitments that fit any rim.

In the tire store business model:

• The more-expensive Michelin, Pirelli and Continental tires are rated Best.
• The medium-priced Bridgestone, Dunlop and Goodyear tires are rated Better.
• The lower-priced Cooper, Yoyo and Hankook tires are rated Good.

For many years, the NADA has recommended that dealerships emulate these Good / Better / Best selections in a misguided attempt to compete with the non-OE tire dealers. This is just plain wrong!

Dealerships should instead focus on tires for the specific models of their OE brand because those are the vehicles in their Service drive.

Trying to be all things to all people like tire stores is counterproductive. Having the specific tires for their customer's make and model — especially the OE tires designed for the vehicle — in stock and ready to go allows the OE dealership to differentiate from the tire store.

Tire stores may have a big selection and carry lots of different tires, but it's unlikely they have the customer's specific OE tire and factory-approved alternatives in stock.

Why OE Tires Are What You Should Promote

According to the engineers at the OE manufacturer, the tires that come with the car are the best for that specific model. They were designed at an average cost of $3 million to optimize and ensure great performance, reliability and safety.

Think about it. Why would anyone spend millions of dollars to engineer tires if they don't make any difference? The OE manufacturers know the tires are an integral part of the vehicle's design and make a huge difference in overall performance. New customers will have the optimum driving experience for their test drive with the OE tires and no other tire will ever replicate that driving experience.

The OE tire represents the best opportunity for dealers to differentiate their replacement tire programs from tire stores.

Promote the OE Tire

The OE tire is the best for a car, yet most dealers designate the OE tire as "Better," rather than Best. The effect is telling customers that the OE brand is not putting the best tires on their cars. Do you really want to second-guess the engineers at the factory?

MAKE SURE YOUR CUSTOMERS KNOW THAT FOR THEIR SAFETY, YOU'RE CHECKING EVERY TIRE, EVERY TIME THEY VISIT. THEN LET THEM KNOW IF THEIR TIRES ARE IN GREAT SHAPE OR IF THEY NEED ATTENTION. JUST ADDING AIR WILL MAKE A LASTING IMPRESSION AND MAY WIN YOU THE TIRE SALE DOWN THE ROAD — OR EVEN SAVE A LIFE.

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The OE tire represents about one-third of all replacement tires sold and about two-thirds of tire sales in OE dealerships today. That translates to the OE tire being the customer's choice a little more than 25 percent of the time in the independent tire stores, even though those tire stores don't normally stock or promote OE tires.

If you want to differentiate your tire program and sell more tires, you must promote the OE tire. Here are 10 tips for doing so:

1. You sold the car with those amazing tires on them. Did you tell your customer how amazing the tires are? Add a brochure to every sale that talks about the tires and why they should come back to you for all tire-related issues. Add a replacement tire coupon and free rotations.

2. Do you have point-of-sale signage that offers a price match guarantee? If not, get it.

3. Do you have point-of-sale signage that offers a vehicle match guarantee and that explains the real value of the OE tires? If not, get it.

4. Did you know that 60 percent of the cars in the Service drive are likely have a tire issue right now? Did you know that in a recent NHSTA report on more than 15,000 vehicles inspected, 50 percent had 5/32 inch or less of tread and an additional 10 percent were bald? Are you checking every tire, every time? If not, why not?

5. Did you know that tire failure is the #1 cause of vehicle failure crashes (35 percent), that 733 people died in tire-related crashes in 2016 and that most of these accidents could have been avoided? Are you checking every tire, every time? If not, why not?

6. Did you know that the #1 cause of tire failure is underinflation? Women with their meticulous fingernails and businessmen in suits don't want to mess with dirty tires. Are you checking their tire pressure every time? If not, why not? They will really appreciate the service and you could end up winning their ongoing tire business with this effort alone.

7. Did you know that tires with 5/32 of an inch or less are already showing serious loss of traction in wet weather and that at 4/32, wet weather drivers should replace their tires? Do you have point-of-sale signage that explains and demonstrates this issue? If not, get it.

8. Did you know that 75 percent of customers buy tires from the first person that shows the need? Are you checking the tires and showing the need? Your July 4 customer might not be back in your drive again until after Christmas. If that customer is likely to need tires before then, you better tell him now or he'll already have changed his tires by the time you see him again (if ever). At least give him a coupon to get him to come back.

9. Do you recommend a tire checkup before your customers go on vacation or a big trip? Offer it to all customers to get them back in the Service drive. Add a multipoint inspection if you can.

10. Do you deliver the good news of tire health on each visit? It's a great way to build trust and loyalty.

Make sure your customers know that, for their safety, you are checking every tire, every time they visit. Then let them know if their tires are in great shape or if they need attention. Just adding air will make a lasting impression and may win you the tire sale down the road or even save a life.

Tires are the front line in customer retention. If you lose the battle here, you've lost the war. How bad a job do you have to be doing to lose the sale to Walmart?

Chuck de Martigny is CEO and Founder of Clearwater, FL-based Jungle Cat Marketing, a marketing and manufacturing company that specializes in innovative point-of-sales marketing initiatives for OEM car dealerships. His consumer marketing and retail merchandising background includes a winning record of major consumer product launches. Most recently, Chuck has focused on tire merchandising, helping dealerships achieve significant sales growth and customer retention through replacement tire sales. Note: If you have not yet received a copy of Chuck's free Tire Sales Cost / Benefits Analysis spreadsheet, please e-mail the Fixed Ops Publisher to send it to you. Chuck can also help you convert a challenging space into a great tire display

ONE SIZE DOESN'T FIT ALL

A THREE-BUCKET APPROACH TO SERVICE RETENTION

BY SCOT EISENFELDER

When it comes to Service marketing, many dealerships have a one-size-fits-all approach. They primarily use email and direct mail to send coupons or to notify customers of factory-recommended services and dealership Service specials.

They rarely think about the vastly different Service needs their customers have during different stages of the ownership lifecycle. To understand these needs and how to better meet them, it's helpful to review recent sales trends.

From 2010 through 2015, the auto industry experienced a robust growth rate in sales, which has held steady ever since, in the Seasonally Adjusted Annual Rate (SAAR) of 16.5 to 18 million.

What do these numbers mean for your dealership's Service Department?

The volume of vehicles in the 1- to 3-year age range is flattening. The majority of owners in this age range are the same customers who purchased or leased from your dealership. They still have a relationship with your dealership and their manufacturers' warranty or lease terms provide them with incentive to visit your Service Department.

Generally speaking, it doesn't take a whole lot of effort to get these customers into your Service lane.

Meanwhile, the volume of vehicles in the 4- to 6-year age range is growing and will continue to do so for the next few years.

In this age range, an increasing percentage of owners are second owners who do not have a relationship with your dealership. In fact, about 30 percent of cars are sold on a lease with typical terms up to 36 months. Virtually all of these leased vehicles are now in the hands of a second owner.

As vehicles fall out of warranty and more repairs are needed — and the associated costs of those repairs start rising — customers begin to value-shop.

For dealers, this is a critical time to maintain connectivity and to demonstrate the value of getting vehicles serviced at your dealership.

AS VEHICLES FALL OUT OF WARRANTY AND MORE REPAIRS ARE NEEDED — AND THE ASSOCIATED COSTS OF THOSE REPAIRS START RISING — CUSTOMERS BEGIN TO VALUE-SHOP. FOR DEALERS, THIS IS A CRITICAL TIME TO MAINTAIN CONNECTIVITY AND TO DEMONSTRATE THE VALUE OF GETTING VEHICLES SERVICED AT YOUR DEALERSHIP.


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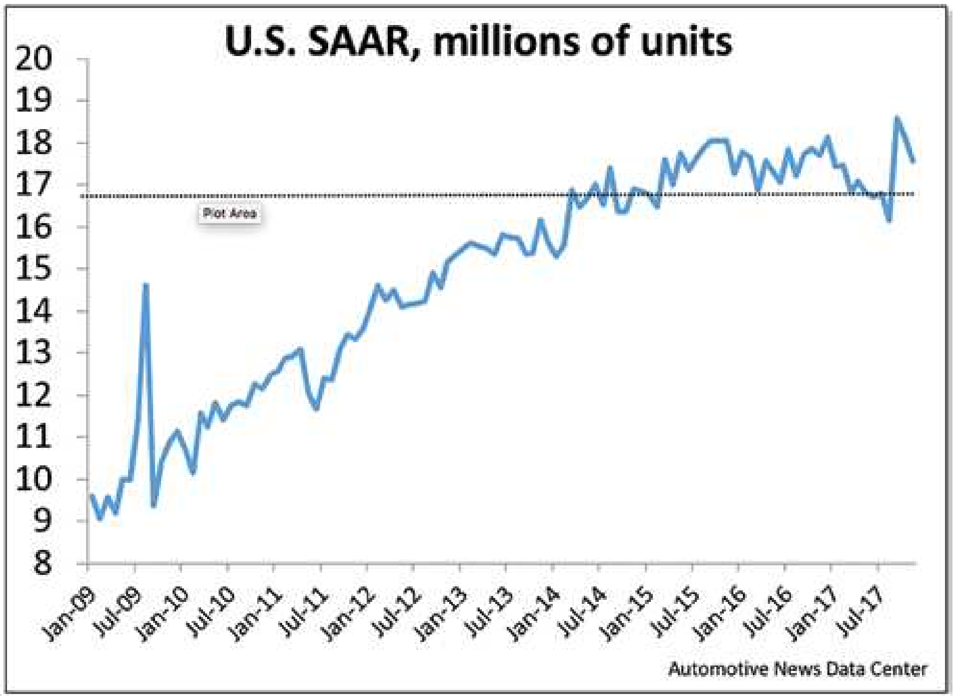
The volume of vehicles in the 7- to 9-year age range has been in decline for the last five years. Although there's some projected growth ahead, for dealerships, the owners of vehicles in this age range are a tough sell. These are typically second or third owners and affordability becomes an issue, so price tends to matter more than value.

Traditionally, the 7-plus age segment has been the bread and butter for aftermarket centers such as Pep Boys. But as this segment has been declining, the independents have become a lot more aggressive at targeting owners in the 4- to 6-year range, which also happens to be the ideal customer target for dealers.

What this means is that the next few years are a critical time for Service Departments, as a potentially larger percentage of your customers become vulnerable to defection.



Source: Automotive News Data Center

MASS-MARKET CONQUEST SERVICE PROMOTIONS WILL ALWAYS DRAW SOME NEW CUSTOMERS, BUT AS A STRATEGY, THEY FAIL TO TARGET CUSTOMERS DURING PERIODS IN THE OWNERSHIP LIFECYCLE WHEN THEY'RE MAKING CRITICAL DECISIONS.

Three Buckets

Mass-market conquest Service promotions will always draw some new customers, but as a strategy, they fail to target customers during periods in the ownership lifecycle when they are making critical decisions. In addition, generic messaging isn't relevant to the customer and therefore does little to increase loyalty and retention.

Just like in vehicle sales, dealers need to target the right Service customer with the right message at the right time.

One way to accomplish this is to divide vehicle owners into three buckets defined by the age of their vehicles.

1 to 3 Years

For the next few years, this bucket is flat, so the natural flow of easy money from in-warranty work is also flattening and may even start to reverse. Newer vehicles also require less frequent maintenance, translating into longer periods between visits.

Service marketing during this time should focus on relationship. That means keeping in touch and showing appreciation and gratitude when a customer does visit. Also, remind customers of your community involvement and philanthropy.

During this period, it's not a good idea to over-market to these customers or try to upsell them unnecessarily. You want to build and maintain trust and the best way to do that is with honesty and transparency. Think about how you can give more than what you get.

Your goal in the first couple years of ownership is to plant the seeds of loyalty and hope that it comes to fruition during the next stage of lifecycle ownership.

Toward the end of this period is a critical time when your customers become vulnerable to defection, so your marketing reach and frequency must increase and your strategy must shift as well.

The single most important visit during this period is the last visit before the customer's vehicle is out of warranty. Rather than promoting a ten-dollar discount for an oil change to these customers, a better strategy would be making their 40,000-mile maintenance more affordable.

If you can win that next visit, you stand a chance of retaining their loyalty through the next lifecycle, so put some time, energy and money into how you approach this visit.

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4 to 6 Years

Despite the projected growth of vehicles in this age range, dealerships will have to work harder to draw in these customers because the independent repair shops are aggressively targeting them.

In addition, as vehicles in this age range are likely to change hands, you'll want to add conquesting to your Service marketing strategy. You must find both the new owners of vehicles you have sold or leased, as well as new owners of vehicles that CarMax and other competitors have sold.

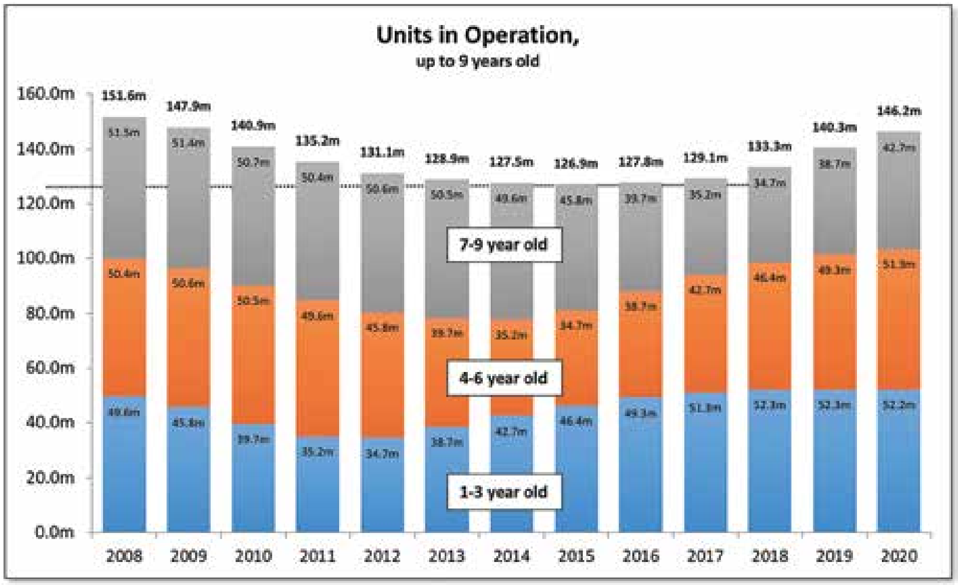
Your Service marketing during this period should focus on value. You must persuade vehicle owners that, as the cost of ownership rises, your dealership is the better choice for keeping their vehicles running smoothly.

YOUR GOAL IN THE FIRST COUPLE YEARS OF OWNERSHIP IS TO PLANT THE SEEDS OF LOYALTY AND HOPE THAT IT COMES TO FRUITION DURING THE NEXT STAGE OF LIFECYCLE OWNERSHIP.

For consumers, price is inevitably part of a value proposition, so during this period you may want to consider shifting your strategy to making slightly less margin per repair, but increasing your volume of repairs.

You can also provide value with amenities. The difference between an oil change at a dealership and an independent shop may only be ten dollars, but you can add value with nice waiting rooms, free WiFi and coffee, and by throwing in a free car wash.

For larger ticket items, the sell becomes more challenging. The difference between a brake repair at an independent shop vs. your dealership might be a hundred dollars or more. For that amount, people are more willing to put up with bad coffee. So how can you provide value to make up for that? Perhaps a free loaner car, or pickup and drop-off service and reminders about how certified Technicians and factory Parts make for a more reliable service.



Source: Automotive News. Forecast assumes 2017–2019 sales of 17.4 million units (blue: 1–3 years old / orange: 4–6 years old / gray: 7–9 years old

During this period is also a good time to aggressively market factory-recommended maintenance and promote the benefits of regular maintenance to vehicle owners as a strategy for reducing the cost of ownership.

Another strategy is to expand your Parts selection for your customers. Try offering a good / better / best price option for Parts. At this point, you need to be willing to do whatever it takes to win that customer.

7 to 9 Years

Vehicle owners in this age range are more focused on affordability than value. However, during this period it's likely that several major repairs will be necessary. For your dealership, it's worthwhile to send occasional reminders about how important it is to replace timing belts, alternators and other parts at recommended intervals.

For big jobs such as transmission and engine work, try building trust by promoting your highly experienced, certified Technicians and OEM Parts.

As dealers spend more time and effort creating new Service marketing strategies, it's important to remember that a one-size-fits-all approach does not deliver optimal results.

AS DEALERS SPEND MORE TIME AND EFFORT CREATING NEW SERVICE MARKETING STRATEGIES, IT'S IMPORTANT TO REMEMBER THAT A ONE-SIZE-FITS-ALL APPROACH DOES NOT DELIVER OPTIMAL RESULTS.

By separating vehicle owners into three different buckets, you'll be able to better meet their individual needs at the various stages of the ownership lifecycle. This strategy helps to create more relevant, meaningful communications that will result in higher levels of loyalty and retention.

Scot Eisenfelder is CEO of Affinitiv, a leading provider of marketing and technology services to automotive manufacturers and dealerships. A 25-year-plus automotive market veteran, Scot has driven innovation across multiple auto sectors and brings extensive experience and senior leadership across auto retail, dealer solutions and consulting.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IT'S ALL IN THE VENDOR

EARN MORE FROM RETAIL WARRANTY REIMBURSEMENTS

BY JOE JANKOWSKI

For decades, the relationship between car dealers and manufacturers has had its challenges. From the perception of dealers, the manufacturers continually attempt to "cost-shift," reducing their expenses and increasing the dealers' expenses.

Over the years, many states have passed franchise-protection laws in order to balance the unequal bargaining power that exists between individual dealers and their much more powerful franchisors.

So far, 40 states have passed legislation that has corrected a specific type of cost transference that affects dealers and consumers alike: market-rate reimbursement for warranty claims.

In the past, dealers had been forced to accept below-market fixed reimbursement, which they (as well as the paying consumer) had to subsidize.

Today, the good news for dealers is that, based on these state-specific laws, they're entitled to collect retail from their manufacturers for parts used in — and labor performed on — a warranty claim. In the case of parts, retail is not the list price or MSRP. Instead, retail is what your customers pay you for a warranty repair.

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Defining "Optimal" Results

In a store with typical pricing and discounting practices, dealer markup normally falls in the 75 to 85 percent range.

For dealers utilizing a list-pricing model, markup is in the 60 percent range. The process of submitting for a retail-level warranty compensation Parts markup only happens once, so it's critical to get the optimal results on the first go-around. The only time it will need to be redone is if you materially change your Parts pricing strategy.

But what does it mean to earn "optimal" results? On the subject of retail reimbursement, optimal results refer to strict adherence to the state law filtered through the manufacturer's rules (which do not necessarily conform to the statute) as well as an appropriate selection of a sample that represents the dealer's true retail rate.

Given the current state of the relationship between the dealer and the manufacturer, as well as the complexity of the laws designed to protect the dealer, you may be asking yourself this question: "How do I fully take advantage of this lucrative retail warranty reimbursement opportunity without incurring the wrath of the factory?"

The Current State of Reimbursements

Generally speaking, many dealers currently don't submit for retail-level reimbursements for warranty work. This is because the law regarding reimbursements is complex. So rather than spending their time on a consuming process that might not even get approved, many dealers opt to not engage in the process and simply continue to focus on what they do best: sell and service vehicles to and for their customers.

The major problem with that approach is that dealers then don't collect money they're legally entitled to simply because of a lack of awareness or fear of their manufacturer — both of which are concerns that can be remedied.

Dealers that submit reimbursements on their own or consult certain third-party vendors for assistance note that the process takes them at least 60 days (as well as a lot of effort on their part).

And because these dealers, in the case of an in-house submission, aren't experts on the law, they might be missing important information that could increase their returns. Furthermore, the time they've taken away from focusing on their core business could be substantial.

Working with certain third-party vendors poses its own obstacles. Without the proper technology, it's a highly manual process, including issues with the rate of reimbursement, audit responses and more.

THE PROCESS OF SUBMITTING FOR A RETAIL-LEVEL WARRANTY COMPENSATION PARTS MARKUP ONLY HAPPENS ONCE, SO IT'S CRITICAL TO GET THE OPTIMAL RESULTS ON THE FIRST GO-AROUND. THE ONLY TIME IT WILL NEED TO BE REDONE IS IF YOU MATERIALLY CHANGE YOUR PARTS PRICING STRATEGY.

In addition, many vendors only do retail rate submissions as part of their bigger business model, which means they might not be as intimately familiar with the law and the manufacturers' protocols as they should be. All of these issues could lead to time and money lost for your dealership.

What to Look for in a Third-Party Vendor

The ideal outsourced solution will allow you to take advantage of a plethora of professionals. These include accounting, legal, technical and automotive operational personnel dedicated to a single mission — retail reimbursement. Their single focus means you can earn what you're owed without much effort on your part.

With a dedicated team, there's virtually no administrative burden placed on your personnel. In other words, you don't need to worry about securing data, pulling 1,000 or more repair orders, drafting a submission cover letter, or deciding how to respond to your manufacturer, should they reduce or deny your submitted rate.

Top-tier vendors do all of the work for you; other vendors need to engage you in some of the more tedious aspects of performing a submission, drawing you away from your mission-critical responsibilities.

Furthermore, a single-purpose firm uses software with sophisticated database-driven tools to extract the required data to calculate a dealer's market-rate markup, thus ensuring you a fair and reasonable profit gain. This, along with fully committed and specialized internal resources, guarantees that you will be paid what you are entitled to under the law.

PERFORMING A RETAIL WARRANTY REIMBURSEMENT SUBMISSION CAN BE A CONFUSING AND COSTLY PROCESS IF YOU DON'T FULLY UNDERSTAND THE NUANCES OF THE LAW PROTECTING THE DEALER.

Another benefit is that if the vendor you contract has with an excellent relationship with the factory auditors, they may allow for completion of the process with simple adjustments and minimal, if any, delay.

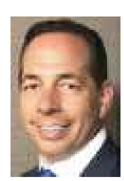
By contrast, the factory's strategy with a dealer's in-house submissions can be lengthy and frustrating. Your ability to re-file any additional information in a timely manner is critical, or else you risk squandering additional profits.

Final Thoughts — and Questions

Performing a retail warranty reimbursement submission can be a confusing and costly process if you don't fully understand the nuances of the law protecting the dealer. By asking the following questions when searching for a vendor, you can be sure you'll find the right partner:

- How much does the service cost and when will you owe the vendor?
- How will any factory resistance be handled?
- Can the vendor guarantee optimal results? If so, how?
- How much and what kind of information do you need to provide?
- Will you have to reimburse expenses or pay additional, unforeseen fees?
- Does the vendor outsource the auditing process?
- How long does the submission process take?
- What happens if you decide not to submit? Do you still pay?
- How many of the vendor's submissions have been accepted and rejected?
- How will you and your business' personal information be kept safe?
- How long has the vendor been doing retail warranty submissions?
- If you're not happy with the outcome, how will the vendor make it right?
- Is the vendor a "factory fighter"?
- Is the vendor endorsed by any dealer associations? If so, which ones?

As you can tell, submitting for retail warranty reimbursement can seem like a daunting task, but with the right partner, it can be an efficient and rewarding endeavor. As with so many things in life, knowledge is power and tapping into a resource with a wealth of knowledge in this arena may be one of the smartest business decisions you make for your dealership.



Joe Jankowski is Managing Partner of Hunt Valley, Maryland-based Armatus Dealer Uplift, a firm specializing in retail warranty reimbursement submission. Joe has been personally involved in consulting on nine retail warranty statutes and is widely recognized as a subject matter expert in this highly technical arena. Previously, Joe spent more than 20 years as CFO, COO and CEO of a large automotive group in Maryland.

WHAT'S YOUR SHARE OF WALLET?

SPEEDING THE EVOLUTION OF CUSTOMER RETENTION

BY MATTHEW HINSON

A review of car dealerships' operating budgets reveals a striking paradox. While Fixed Operations accounts for more than 50 percent of dealership profit, it's frequently allotted five percent or less of advertising expenditures. And, by all reasonable assessments, Fixed Ops receives a similarly miniscule amount of thought and focus when it comes to overall dealership marketing. Successful dealerships know that has to change. Now.

Given that margins on new car sales have fallen 50 percent in the last 10 years (and every indication is that this trend will continue), a change in the rigor we apply to retaining Service customers must be prioritized if we're to maximize and maintain the critical revenue stream that is Fixed Operations. We must find a way to covey the value proposition of using the franchise dealer to more customers in a more compelling manner while preserving the price integrity that our premium Service offerings deserve.

Let's talk about how we're going to do that and the benefits that will result.

The root of the problem

Fragmentation is the single greatest threat to our industry. There are approximately 18,000 franchise automobile dealerships in the United States and even the largest holder of car dealerships (AutoNation) has less than a 1.8 percent market share. Few other mature industries in the world have this level of fragmentation.

With so little influence concentrated among dealers, manufacturers dictate many of the components of Service marketing including content, cadence and strategy. While this approach enables some consistency and ensures that less-equipped dealerships are doing at least "something" in terms of marketing, the ultimate result of this one-size-fits-all approach is that the campaigns running at an 80-vehicles-per-month store in Lonelyplains, Texas are identical to those of a 500-cars-per-month dealership in Sprawlingburb, Florida. That just doesn't make good business sense, it isn't effective for the individual dealer and can't continue if we're to materially improve customer retention.

$$\text{Share of Wallet} = \frac{\Sigma\, \textit{Actual Spend}}{\textit{Expected Spend}}$$

GROWING SHARE OF WALLET ISN'T ABOUT BOMBARDING CUSTOMERS WITH COUPONS OR SIMPLY OFFERING THEM DEEPER DISCOUNTS. IT REQUIRES THAT WE DELIVER CONTENT TAILORED TO THE INDIVIDUAL CUSTOMER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The case for centralized decision making

In moving toward the necessary change, it's critical to keep in mind that the enemy is not other franchise dealers; it's the aftermarket. We conducted a consumer study recently across OEMs and found that consumers perceive dealerships to be 30-40 percent more expensive than aftermarket providers. The good news, however, is that when you educate consumers about the actual minimal price difference and detail the benefits they receive when they patronize the dealership, e.g., loaner car availability, trained Technicians etc. consumers can be brought back to the shop.

The really good news is that, if you can bring even a fraction of consumers back to the dealership, the payoff can be tremendous. An eight percent increase in customer retention has the potential to drive a 25 percent increase in dealership net profit.

To make that happen, however, you have to have centralized offer and Service marketing campaign management customized not just for each dealership, but for each customer. Offers and pricing have to be strategic and based on detailed analysis of customers' behaviors. They can't be based on one team member's personal experience or intuition or Zodiac sign or any other ad hoc criteria. These marketing tactics must be data-driven and audience/market-specific.

A new metric of success: Share of Wallet

For years, the industry has relied on the same overly simplistic means to measure a dealership's success in retaining customers: comparing the number of dealership customers in the primary marketing area with the number of those customers returning for Service.

This approach is highly misleading when it comes to dealerships determining Service-customer status. If a client spends just one dollar during one Service visit during the compliance period they are considered 'loyal". But, if a client comes in two days after the end of the compliance period they are considered "defectors" — regardless of how much they spend.

Therefore, we must abandon this practice if we're to 1) identify our real customers, 2) accurately assess how effective we are in retaining customers and 3) develop successful strategies for increasing customer retention. We have created a new metric informing all three: Share of Wallet.

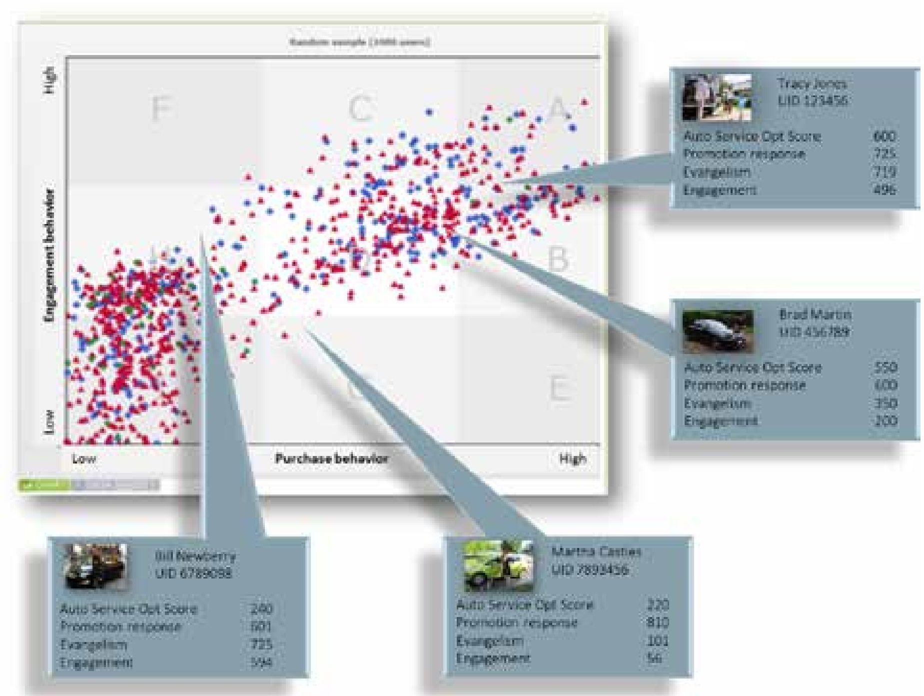
Share of Wallet delineates the exact potential maintenance spend at the VIN level, providing both a target for optimal revenue capture and a "baseline" against which to measure retention performance. This industry-unique metric is calculated by comparing Expected Spend (the potential spend per year for each uniquely identified customer in the Service marketplace) with Actual Spend (the aggregation of household spend across all stores in a dealer group's network).

It's in the difference between the two where you'll find competitive advantage over aftermarket providers, sustainable franchise success and exceptional profitability. So what do you have to know to grow your share of wallet?

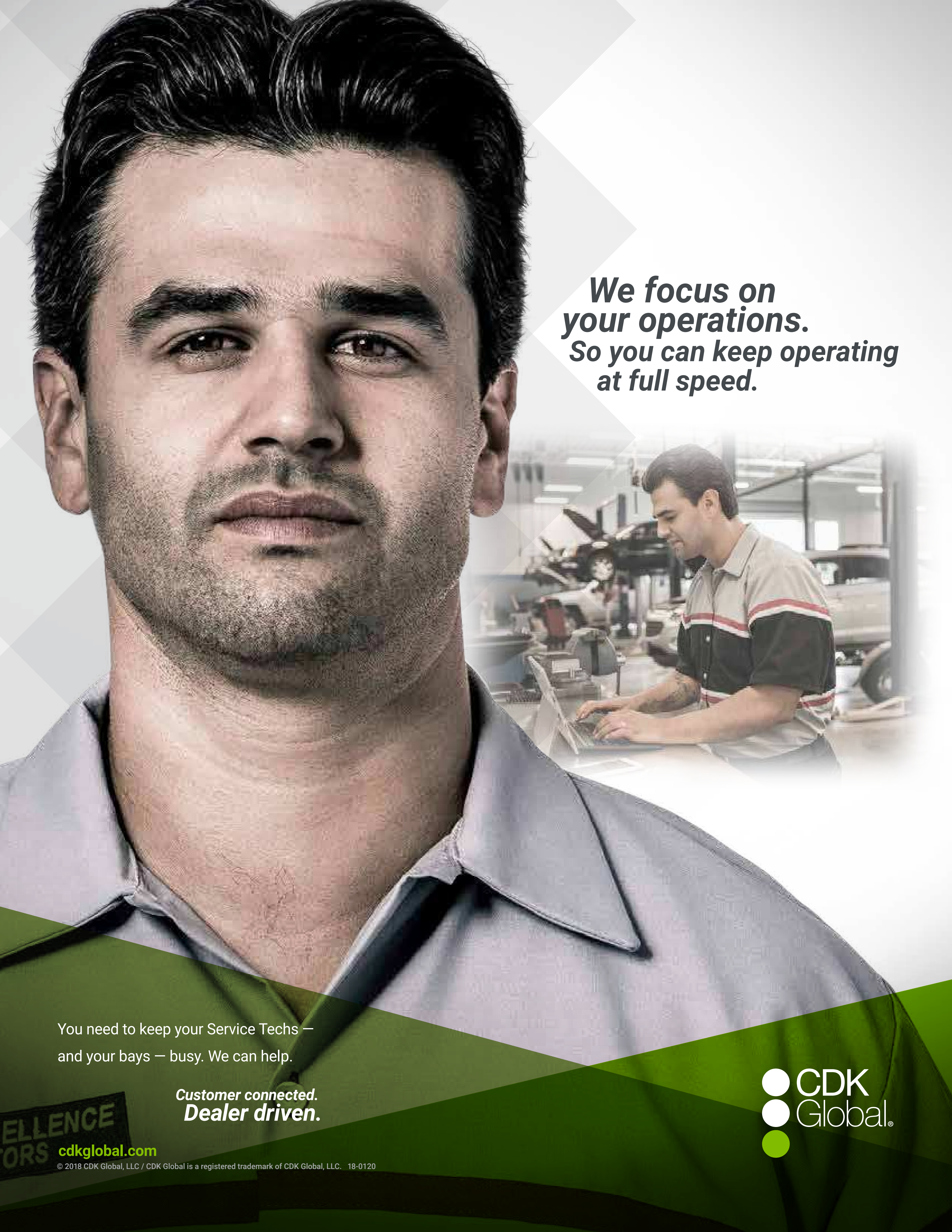
It's about relationships — not coupons.

Exceptional Sales and Service events, as they are only occasional, are insufficient to create the transformative, value-generating "partnerships" we need to form with our customers in order to fuel long-term growth and profitability. To forge these kinds of relationships we need to establish and maintain consistent, meaningful engagement with customers both in-shop and out. In addition to ensuring that every experience at the dealership is exceptional (whatever the reason for the visit), we must regularly connect with customers via the media channel(s) they most prefer and we must adapt to changes in customer preferences in real time.

But growing Share of Wallet isn't about bombarding customers with coupons or simply offering them deeper discounts. It requires that we deliver content tailored to the individual customer, providing each one with immediately relevant information and promotions focused on their needs. In addition to matching offers to customers so they immediately recognize the value proposition, the delivery of those offers has to be in a cadence such that they drive engagement with dealership and not with the "delete" key.



Multifaceted scoring models can leverage a household's activity across a dealership network to drive media and offer strategy.



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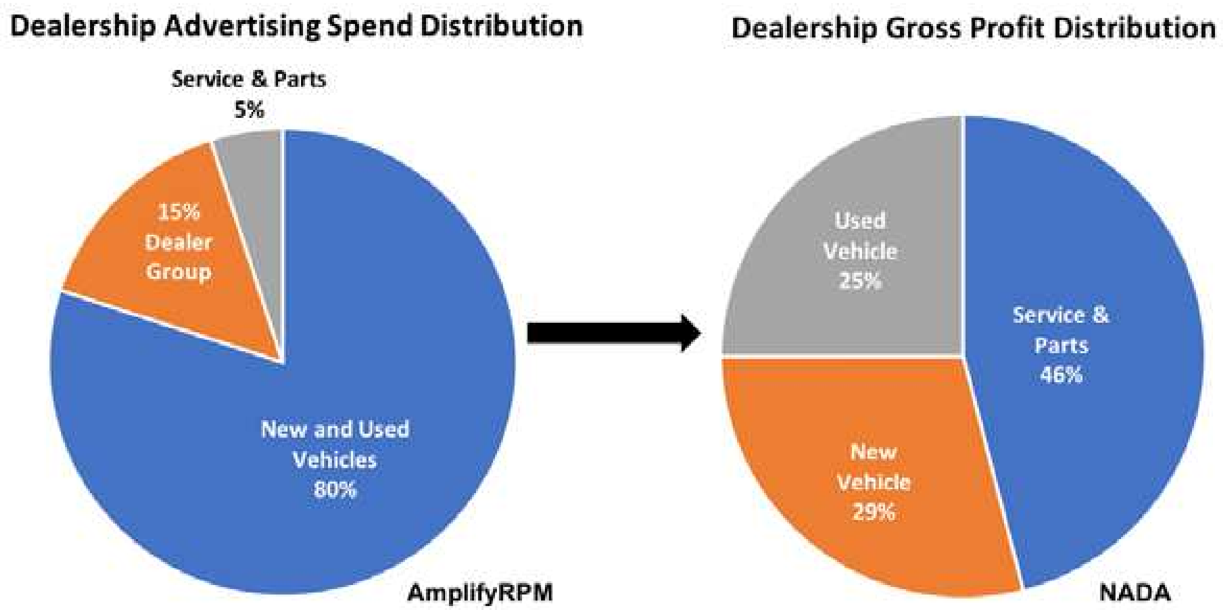

Service represents almost 50% of dealership gross profit but only 5% of the advertising spend.

Data will make the difference.
With the intelligent use of predictive analytics, it's possible to leverage vast amounts of data across multiple dealerships to determine which offers, delivered with what frequency, through what combination of media touchpoints, actually accelerate incremental conversation. If you combine transactional and demographic data across a sufficient number of similar dealerships, it's possible to create a single marketing ecosystem with a level of personalization and effectiveness previously unrealized in the automotive vertical.

Loyal Service customers are six times more likely to purchase a car from your dealership when they need to add or replace a vehicle. It reinforces the virtuous cycle of those same customers continuing to utilize the Service bays. With the promise of this future engagement, there's no better time than right now to embrace new thinking and new approaches when it comes to retaining customers — and increasing your Share of Wallet.

You can hear more thoughts from Matt Hinson's presentation "The Evolution of Service Retention" at the 14th annual **Automotive CX Summit, hosted by Thought Leadership Summits being held June 19-20** and he will also be participating in a panel discussion at the inaugural **Auto CX Analytics & AI Summit held June 21st** at the Ritz-Carlton Marina Del Rey.

AN EIGHT PERCENT INCREASE IN CUSTOMER RETENTION HAS THE POTENTIAL TO DRIVE A 25 PERCENT INCREASE IN DEALERSHIP NET PROFIT.

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• **Hyundai Motor America** – The Age of CX Finally Arrives in the Auto Industry
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• **Acura of Libertyville** – Our Journey to become Disruption-proof
• **Edmunds** — Building a Marketing Cloud Powered by Machine Learning
• **Faraday Future** – Birth of a New Species
• **Ford Motor Company** – Tomorrow is Today: Driving True 1:1 Marketing with Artificial Intelligence/Machine Learning
• **General Motors** – Maven's Journey: Confirmation There's No Substitute for Scaled Experience and Iterative Learning
• **Holman Enterprises** – Ensuring Relevancy through Leveraging Core Assets and Capabilities
• **Harman International** - How In-Vehicle User Experience Changes with Autonomous Vehicles
• **PSA North America** – Who Will Drive the Future of Mobility?
• **Subaru of America** – Still a Critical Touchpoint: The Phones
• **Spark44** – Implementing a Global Digital Backbone at Jaguar Land Rover

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Matthew Hinson is Managing Director of AmplifyRPM. AmplifyRPM is a joint venture between Inmar, a global commerce technology company, and eight of the country's largest automotive sales franchises that focuses on applying disruptive technologies and personalized consumer engagement to drive Service customer retention. Prior to joining AmplifyRPM, Matt was Managing Director for Flow Automotive Companies in North Carolina and, before that, was Senior Vice President for the advertising agency MullenLowe U.S. in Boston, MA.

IT'S ALL ABOUT COMMUNICATION

MASTERY OF SPEAKING & LISTENING SKILLS KEY TO CSI, RETENTION

BY LEONARD BUCHHOLZ

Our industry is focused on Customer Satisfaction Index (CSI) scores and retention.

If you've been around for any length of time, you've witnessed the biggest swing in Key Performance Indicators since the Flintstones rolled their car into the Service Drive for a new dino skin top replacement.

At one time we were a centralized, independent, information provider and centric source for sales, repair and warranty concerns with predictable profits. Today, this is an industry with instant access to multiple sources of information and purchase streams combined and unpredictable profit realization because of the volatile and changing society norms, tastes and values.

Basically, we went from stone age to information age in the blink of an eye.

And just to make it interesting, the way we communicate has evolved as well. We went from a one-on-one, in-person conversation based communication society to a one-on-one impersonal transactional communication society.

This is all driven by the use of intermediary devices such as smartphones.

Your task, Mr. or Ms. Service Manager, is to find a way to reach the electronic masses with personal communication skills to bridge the transactional and make it personal to the customer once again.

Any Fixed Ops Director trying to improve CSI and retention without improving communication skills would be like trying to kick a ping-pong ball through the goal post from 50 yards during a hurricane.

PEOPLE WANT TO FEEL THAT YOU KNOW WHAT YOU'RE TALKING ABOUT, YOU'RE PREPARED TO TALK ABOUT IT AND YOU'RE READY TO ANSWER QUESTIONS. A SCRIPT ALLOWS YOU TO TURN AMATEUR CONVERSATIONS INTO PROFESSIONAL DIALOGUE.

Wouldn't you rather kick a football from the 10-yard line with the wind at your back? Good communication skills can do that for your team, your CSI and your retention rate.

It all starts with the basics of good listening skills. In our electronic, immediate and screen-driven society, we've become less and less dependent on the spoken word and have begun to lose the ability to effectively communicate one-on-one in conversation.

In fact, when someone demonstrates good listening and speaking skills, it surprises and delights us. We feel validated and respected and we have an immediate respect for the person with whom we're talking.

Improving CSI and increasing retention starts with the basics of listening and speaking skills.

Become an Active Listener

Listening skills are easy to learn but difficult to master. Why? Because it requires discipline to implement and it takes time.

If you look around and listen long enough, you can find examples of poor listening everywhere in your dealership. In our fast-paced world, the person who takes the time to listen will win in the end.

How do you listen? Here are some simple steps to improve listening:

a) Stop what you are doing and look at the other person. This is not only the best way to listen, it's also common courtesy. Do you listen with your head down buried in the computer screen or staring at your clipboard or your iPad? If you do, chances are your CSI is suffering.

b) Do you interrupt? It takes discipline to let someone finish speaking, even if you've heard it all before.

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c) Do you finish sentences for other people? Some people see that as a sign of listening, while other people take offense. The best way to demonstrate you're listening is to wait for them to finish before you start talking.

d) Make notes if you must. Just advise them what you're doing. "I need to make some notes here so I don't forget what's being said. Is that OK?"

e) Do you paraphrase and repeat back to them what they said?

f) Do you ask them for confirmation?

These basic listening skills can be applied in any situation on the Service Drive. All you need to do is observe whether the Advisor is engaging the customer by listening to them or managing the customer.

I don't like to be "managed." Managed and handled are two peas in the same pod of bad CSI. People don't like to be managed or handled. They want to be listened to.

I like it when the person I am speaking to engages me by listening to what I say, asking the appropriate questions, paraphrasing and repeating back to me to show that they listened. I would imagine that 100 percent of you reading this think the same way.

Second Imperative: Speaking Skills

There's a downward trend in speaking skills because of the prevalence of smartphones. We think that we communicate better using text and sending emails.

The reality is that humans need to speak to one another to convey information because it allows us to express emotion and inject inflection.

Using a text or email doesn't always convey emotion or inflection and can lead to misinterpretation. You can't tell everyone everything by text. There must be a "human element" to your human communications.

One word about texting to give updates: This has got to be one of the greatest time-saving and effective ways to stay in contact with your customers. But as an Advisor/Manager, you need to be coached (and to coach your team) on when texting is appropriate and when it's not.

As a Manager, I don't want to hear the Advisor say something like "Hey boss, I just sold an engine to this customer and he just texted me back the approval." Wrong.

In complicated communications, we need to confirm the details with a call. Also, although texting is being used all over the country, some states have narrowly defined rules for what constitutes an official approval for additional work (I'm talking to you, California). Check with your state to learn the latest rules.

How Scripts Can Be Effective

If you or your team is ineffective and struggling with customer engagement, start by learning basic scripts.

Over the years of training, I can't tell you how many times I've heard, "I don't want to use a script. It makes me sound like a robot." My question back to you is, does it make you feel better if you just sound incompetent or unprepared? People want to feel that you know what you are talking about, you're prepared to talk about it and you're ready to answer questions. A script allows you to turn amateur conversations into professional dialogue.

If you really want to jumpstart your speaking skills, find a Toastmasters club near you. It's an excellent way to learn to speak in public in a low-key environment. If that's not your cup of tea, then get prepared to speak by writing bullet reminders.

Bullet reminders are snippets of information helpful to you as an Advisor/Manager. Keep them handy so you can refer to them. These bullet reminders can be as simple as a small list of current campaigns and recalls that are the most relevant right now. Maybe it's a small reminder list of your online specials.

As a Manager, it would be easy to create a small list of relevant items to hand out once a week to your Advisors.

Here are some additional tips to become a better communicator:

•Read more and better material. Pick up different books covering your chosen profession or books about things in our industry. Use helpful phrases such as, "Let me take a look at that." and "No problem, we'll figure something out together."

• Don't use jargon and acronyms when talking to customers. Nothing is more confusing than a mouth full of letters to the customer. How do they know what ECM or ABS means?

• Speak slower and enunciate clearly, but not loudly. We sometimes accelerate our rate of speech especially when we are excited about the subject we are talking about. Remember, the other person sometimes needs more time to process and analyze your statements.

• Be prepared to speak. If you're calling a customer about the repair order, take a minute of two and get prepared. Prioritize the repair recommendations. In my experience, I can't tell you how many times I've witnessed an Advisor get a multipoint inspection and start dialing the customer's phone number without even understanding what repairs need to be completed. They just do it on the fly and can't understand why the customer wound up saying no.

• All additional repair requests are done the same way. First, we update the No. 1 reason a customer brought the vehicle in, otherwise known as "the primary item." Next are items that affect the safety of the vehicle, third are items that affect the reliability of the vehicle and last are items related to maintenance.

• Begin with the end in mind. What are you expecting to happen with this customer when you talk to them? Are you ready for unexpected requests (my personal favorite: "Can I have a loaner car?") or changes in promise times? In other words, have you done your homework and are you prepared?

• Always start with a positive statement: "Mr./Ms. Customer, I have some good news. We've looked over your vehicle and completed the multipoint inspection and found your vehicle to be in pretty good shape. I just have a few items to go over with you regarding some maintenance that's due."

In closing, I want to emphasize again the importance of scripts.

Advisors and Managers are constantly asking, "How can I improve my CSI and Retention?" When you offer them a script and say, "Memorize this and use it often," their reply typically is, "No, there must be something else. I already know what to say."

No, there's no other magic wand.

Improving CSI and increasing customer retention does not require complicated software, iPads in the Service drive or a new coffee machine in the customer lounge.

This is still a people-to-people, elbow-rubbing business we're in and the more you invest in your communication skills the more you will increase your CSI and retention.

Any Advisor in any dealership can improve their communication skills using these basic skill sets and learning basic scripts. Mastering them will rocket your CSI and retention to a whole new level.

Leonard Buchholz is a Fixed Ops Service Drive Sales Process Coach. He has led workshops in Leadership, Management, Communications and Fixed Operations in addition to completing on-site, in-depth Fixed Operations evaluations in dealerships across the country. As an independent trainer for Fred Pryor seminars, he conducted over 60 on-site seminars and 140 public seminars with a 99 percent satisfaction rating. He is a contributing author for Strategies for Success and wrote 200k in 200 Days, Developing a Culture of Profit and Professionalism. He launched CarBizCoach in 2018

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2018 Co-Host:

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- Tampa/Orlando, FL (2/14)
- Miami, FL (2/16)
- San Antonio, TX (3/1)
- Los Angeles, CA (3/16)
- Chicago, IL (4/6)
- Phoenix, AZ (4/7)
- Denver, CO (4/12)
- Greensboro, NC (4/18-4/19)
- Atlanta, GA (4/24)
- Boston, MA (4/26)
- Dallas, TX
- Houston, TX
- Nashville, TN

Interested in participating in one (or several) of these events?
Contact: Christen.Battaglia@ed-foundation.org

CollisionEducationFoundation.org

LISTEN UP!

VOICE TECHNOLOGIES ARE SHAPING THE AUTO INDUSTRY

BY MARCUS AMAN

In this ever-changing world, how will your dealership and Service Department keep up with new technology?

Over the last three years, I've worked to build easier solutions for employees in my Service Department. I've done this through several different projects, continuing my success in mocking up, developing and a/b testing software that could change the landscape of automotive Service and Sales.

Currently, one of the biggest trends in the automotive business is the use of social media marketing. Video and video with subtitles allow people to view and read in silence.

The introduction of voice changes the dynamic totally, allowing us hands-free listening such as audiobooks while doing other tasks, as well as the ability to engage verbally with devices already in play. There are three major players that allow voice interaction: Amazon (Alexa), Google (Google Home/Assistant) and Apple (HomePod/Siri).

Amazon with AWS and Google, with its platforms, are allowing those with minor coding knowledge the ability to build skill sets that interact with their devices.

I'd like you to imagine how, if you could interact with a device while doing other things, it might influence our industry? How might it change what you are doing during your day-to-day duties?

Using Voice Commands
Recently, in my Service Department, we ran out of three-digit hang-tags for our Service lanes. Busy filing state inspection forms from the previous month, I called out to Alexa to find me three-digit hang-tags. Within minutes, Alexa sourced 1,000 tags for $42.75, placed the order and announced they would arrive in two days.

That experience taught me that, not only did I save my dealership money ordering from Amazon, but that if I could order supplies, certainly customers could request services in much the same way. They could schedule and confirm appointments, avoiding the dreaded automated telephone directory.

With voice as the next search engine, questions concerning vehicle performance, troubling concerns such as "check engine lights" or "how to change a flat tire" can be answered without delay. Because most newer cars have voice technology already on board, drivers can contact their facility while driving, which saves time and improves communication, both key elements of better customer service.

Taking Advantage of Voice Technology
The two biggest problems in Service Departments are communication and time.

Time is also one of the biggest objections or complaints that you'll get from a customer. How can Service Advisors, Technicians and management interact with a device to improve some common worldwide industry problems?

During the 2017 holiday season, Amazon and Google dropped prices on their smart voice devices to $29. They flooded the market in hopes of making more coin off of it by users interacting with their devices. That was a smart decision.

As noted above, I used my device to order hang-tags for my Service Department. Imagine coaching your customers to schedule their next Service appointment by saying, "Alexa, schedule my vehicle for August 14th, 2018 at 2:00PM." Alexa confirms it and books the appointment with your BDC manager through email or text messaging.

It's a system that's easy to interact with and that can bring new vehicles into your department — even "other-brand" vehicles.

Embracing a New Paradigm

How can a Service Department take advantage of voice technology? In order to stay ahead in a service-oriented business, it's necessary to leverage new technology and innovate whenever it makes sense.

Chasing a new gadget or a one-off tool to save 15 minutes while changing brakes is important but limited in scope.

Embracing a new paradigm that will touch all aspects of the Service chain, however, can be a game-changer when it comes to return on investment. That's because improvements in customer service with a more efficient environment will make huge gains to the bottom line.

In today's competitive markets, providing top-notch customer service can elevate your company to the top of the pack. According to Forbes magazine, millennials will soon make up much of the buying power within our society: "Customer service is a key way to differentiate your business with millennial customers — the 80 million young people who have overtaken baby boomers as the largest demographic in the marketplace and will soon overtake them in purchasing power as well."

Today's society relies on the digital world. Whether you're a baby boomer, generation X or a millennial, online applications are an ever-present force that represents a gateway to everything from shopping for a new car to ordering a pizza.

The next logical step for a service-oriented marketplace is to leverage that force.

Advancements in speech-to-voice technology can drastically improve customer service. They allow customers to cut in line by eliminating the customer service representative and interfacing directly with the computer, whether it's managing appointments, vehicle history, warranty information or any other vital information that our precious computers manage. This is all data that can be made available to the customer with simple voice commands.

When trying to solve the two biggest problems in the Service industry (communication and time), using every available advantage is the key.

Providing an easy way to communicate with the customer on their terms goes a long way.

A hybrid solution combines use of a mobile interface that allows me to navigate through a myriad of categories with the option of quickly taking me to a human if I can't find what I'm looking for.

Using this approach provides another path for the customer while also helping with the second problem — time — by freeing up resources that were being spent communicating with customers. These newly freed-up employees can spend time digitally marketing the new techniques gaining more customers and recognition. If you can improve wait times and enhance communication, what's that worth?

Voice technologies (be it voice to text or voice recognition) can increase productivity and reduce friction for customer and employees.

Software with voice capability can already answer and route incoming calls. In the home, Alexa, Google Voice or Siri can search for current weather or news and or order products and services.

In the workplace, these voice technologies will be able to schedule appointments and check on the status of a car being worked from the customer side. From the Service side, Technicians can check their queues or the status of a part they ordered by interacting with one of these devices. Imagine a Sales Representative asking the computer to identify all the leads that have inquired about a used 2016 Honda CR-V as one rolls into the lot. Imagine a world with increased net profits and a less-stressed environment.

According to Goldman Sachs, the global search market exceeds $100 billion annually. Enabling voice-activated online Service is just around the corner. Embrace the millennials while enhancing your current customer base!

In a world that is rapidly changing, how can you challenge yourself and your facility to use these technologies to your advantage? Change is inevitable and usually comes when you're least expecting it. I would encourage you to look at your processes and challenge yourself to innovate the future of automotive Service.

Marcus Aman is the founder of Winterville, North Carolina-based Shyft Auto and Kloud Dealer Management Systems. Marcus is an entrepreneur at heart and a domain expert of the automotive industry. He studied Business Management at Mount Olive University in North Carolina and works as a Service Director for the Hendrick Automotive Group. Marcus and his team are working to build a new, more modern way of doing business for the automotive industry. Marcus understands that dealerships need software that can maximize their profits yet eliminate expenses using the latest technologies.

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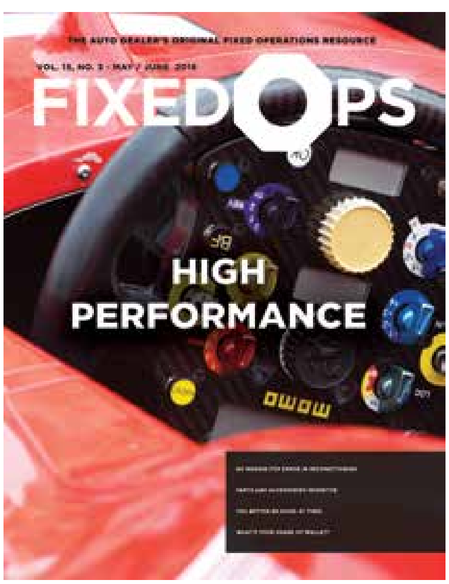

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JUST ADD DATA!

REVENUE OPPORTUNITIES WITH SERVICE RECORDS

BY KEITH THOMPSON

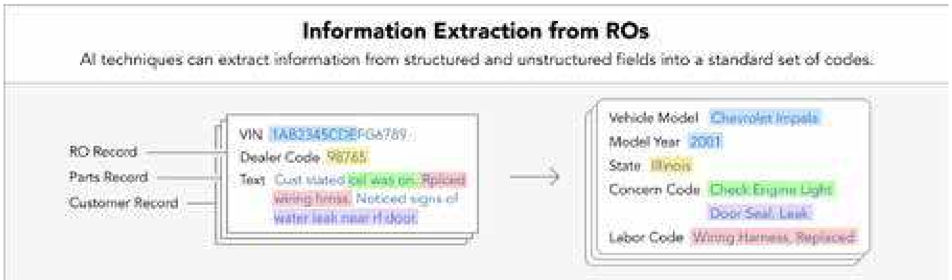
Fixed Operations yields the highest profits for dealerships and with vehicle sales perhaps headed for uncertain times, those profits are likely to become increasingly important. And data-driven software is creating new profit opportunities for Fixed Ops.

A great revenue opportunity is to leverage Fixed Ops Service data already available at dealerships. In fact, the data is generated and usually owned by dealerships. And compared to aftermarket or independent repair shops, the dealer Service data is of much better quality. This places dealerships in a strong position to take advantage of the data-driven technologies now being used for automotive services.

ALTHOUGH THERE ARE VARIOUS SO-CALLED STRUCTURED DATA FIELDS, SUCH AS PARTS, LABOR OPS AND OTHER VEHICLE-SPECIFIC ITEMS, IT'S THE UNVARNISHED WRITE-UP ON A SERVICE INSTANCE THAT'S MOST USEFUL.

To illustrate the value of dealer Service data, consider a wiring harness replacement in which the repair write-up mentions a water leak.

Although the labor ops may only indicate wiring harness replacement, the presence of a water leak is important information. This information makes the Service data useful for diagnosing leak may suggest the need to check and replace door or window seals, even though that Service activity may not have been performed in this particular instance. These additional repairs are often candidates for Service marketing to the customer.



The above example illustrates how detailed information extracted from Service records helps with inspection, marketing and diagnostics. There's value in extracting the details from individual records. Extracted information is sometimes even more useful when aggregated over many Service visits because for certain "big data" applications, the aggregations overcome various inaccuracies present in the individual records. The example also makes clear the importance of using the Service Advisor and Technician write-ups, which are excellent sources of valuable information.

Although there are various so-called structured data fields, such as Parts, Labor Ops and other vehicle-specific items, it's the unvarnished write-up on a Service instance that is most useful. Extracting such information, be it by manual reading or appropriate technology, is key to utilizing all the valuable information in Fixed Ops Service records.

I'll now turn to examining some Fixed Ops applications that don't require "big data" vs. applications that should be taking advantage of "big data."

Applications that Do Not Need 'Big Data'

Warranty Booking and Administration: Service records for warranty reimbursement need to be binned into appropriate categories, such as labor codes. Such warranty work can be near-automated with the use of modern computer natural language processing, augmented with parts-to-codes mappings.

This approach, called computer-assisted-coding in other fields such as health care, helps to reduce rejections, increase accuracy and increase overall automotive warranty revenue by 10 percent or more over the usual manual methods.

IF SUFFICIENT QUANTITIES OF DATA ARE AVAILABLE, SEVERAL VERY USEFUL FIXED OPS APPLICATIONS BECOME FEASIBLE. THESE APPLICATIONS LEVERAGE THE COMBINED EXPERIENCE AND WISDOM OF MULTIPLE SERVICE ADVISORS AND TECHNICIANS, AS REPRESENTED IN THE AVAILABLE SERVICE DATA, ACROSS DIFFERENT GEOGRAPHIES AND TIMES.

Declined Services Identification: Information extracted from service write-ups helps with Declined Service Identification (DSI) for both explicit and inferred DSI cases. Explicit DSI uses assigned DSI codes, or more generally, identifies specific wording used in the write-ups that a customer has declined a specific Service recommendation.

Inferred DSI compares the Service issues mentioned in a write-up with the Service work actually performed, resulting in many more DSI cases by figuring out services needed but not performed. These data-driven techniques are seen to increase DSI in the range of 10 to 20 percent, depending on the extent to which dealer workflows successfully capture explicit DSI. By following up appropriately with the customer, DSI provides a great opportunity for increasing Service revenue.

Reporting and Data Analytics: Monitoring and reporting with analytics on small or large datasets may be used to identify the Fixed Ops that are underperforming and also those that offer the greatest revenue opportunity. If multiple dealers share summary data, without sharing specific customer identifiable information, useful comparisons may be done to benchmark among peer dealerships.

Applications that Leverage 'Big Data'

If sufficient quantities of data are available, several very useful Fixed Ops applications become feasible. These applications leverage the combined experience and wisdom of multiple Service Advisors and Technicians, as represented in the available Service data, across different geographies and times.

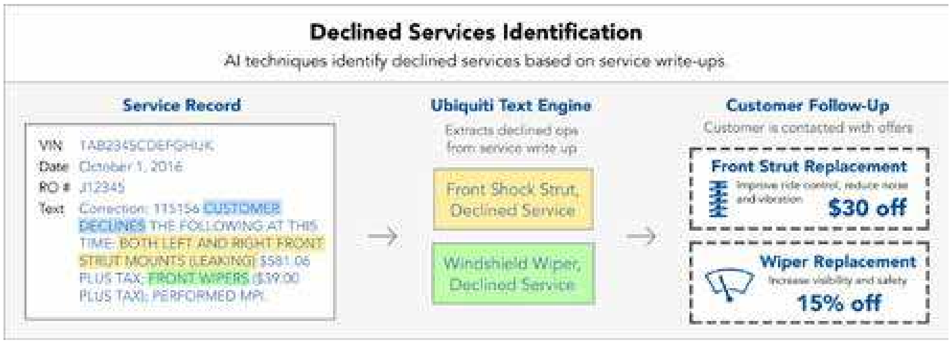
Interestingly, contrary to common wisdom, very large datasets are not needed if sufficient detail can be extracted from Service records as discussed above. The higher data quality reduces the need for larger data quantity. Maybe we should refer to it as "not-so-Big Data!"

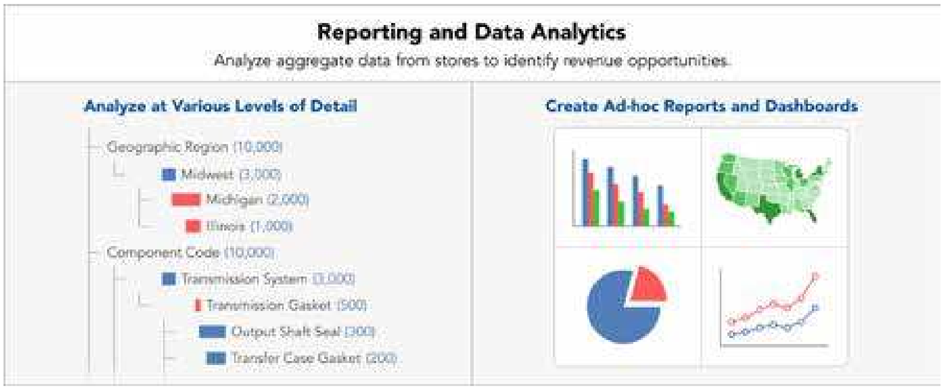
Service Price Guide: Another example of using Service data is to develop a Service price guide (SPG) with standard statistical queries to generate the needed prices and their ranges for all Fixed Ops Service items.

This is possible because the Service items and their pricing are usually already available in each Service record and the SPG aggregates that information statistically. In fact, such data-driven SPGs can do much more than simply provide pricing. They can offer guidance on the appropriate price ranges based on geographic regions, customer demographics and other information available in the Service data.

Specifying Inspection Items: For the Service Advisor and Technicians, data-driven techniques pinpoint Service items on which to focus. These techniques use information such as time-in-service, mileage and past repairs for similar vehicles to identify potential services needed on a per-VIN basis and not just for a general class of vehicles.

SERVICE DATA CAN ALSO BE USED TO DIAGNOSE THE LIKELY CAUSES FOR VARIOUS VEHICLE SYMPTOMS, AND THEN SUGGEST THE MOST APPROPRIATE REPAIRS. AND USING SUCH DATA HAS THE ADVANTAGE OF FACILITATING AUTOMATIC ADJUSTMENTS TO HELP FIX IT RIGHT THE FIRST TIME (BY LEARNING FROM REPAIRS THAT DID NOT WORK IN OTHER INSTANCES).





Vehicle Diagnostics: Service data can also be used to diagnose the likely causes for various vehicle symptoms and then suggest the most appropriate repairs. And using such data has the advantage of facilitating automatic adjustments to help fix it right the first time (by learning from repairs that did not work in other instances).

In other words, the system automatically learns from new Service data that's generated over time and added to the existing set of data. Note also that the Technician write-ups help deal correctly with misleading sensor readings, such as when a steering-column issue activates an ABS sensor light.

Customer Relationship Management: Service data is also useful in customer relationship management (CRM). For example, besides typical Service reminders, regular vehicle health reports are sent to customers based on likely issues that they should consider specific to their vehicles.

Techniques using Service data are used to provide consistent communications before, during and after dealer Service visits. Such consistency engenders greater trust, and results in customers being more likely to have dealer-recommended services performed.

Service Leads: An intriguing near-future possibility is a Service leads business, whereby limited diagnostics are made available to customers. Such superficial diagnostics would show the likely high-level diagnoses and repairs based on customer input symptoms.

Service leads to dealers would be shown in conjunction with the results. These Service leads, having been generated by better quality data available at dealerships, will likely be very accurate and relevant. That means that Service customers who come to their dealership via such leads are likely to have greater trust and retention.

Plan for the Future

Dealerships should embrace the big possibilities enabled by their Service data. In fact, depending on the dealership, some of these technologies may already be in use, since they are built into software used for and by dealers.

Dealerships should request that their software providers, such as the DMS, Service marketers, advertisers, etc., start leveraging their available Service records. Just add data!

Keith Thompson is involved with software & services at Ubiquiti and has two decades of experience in product design, process development and quality control in several industries. At Ubiquiti, he leads the research, design and development of high-end information analysis technologies and is also the main technical liaison for client services. Formerly, he held senior technical positions at Ford Motor Company and led the development of improved methods for designing and manufacturing.

GET YOUR WALLET MOBILE

FIXED OPS CUSTOMERS NEED A DIGITAL-FIRST EXPERIENCE

BY OWEN MOON

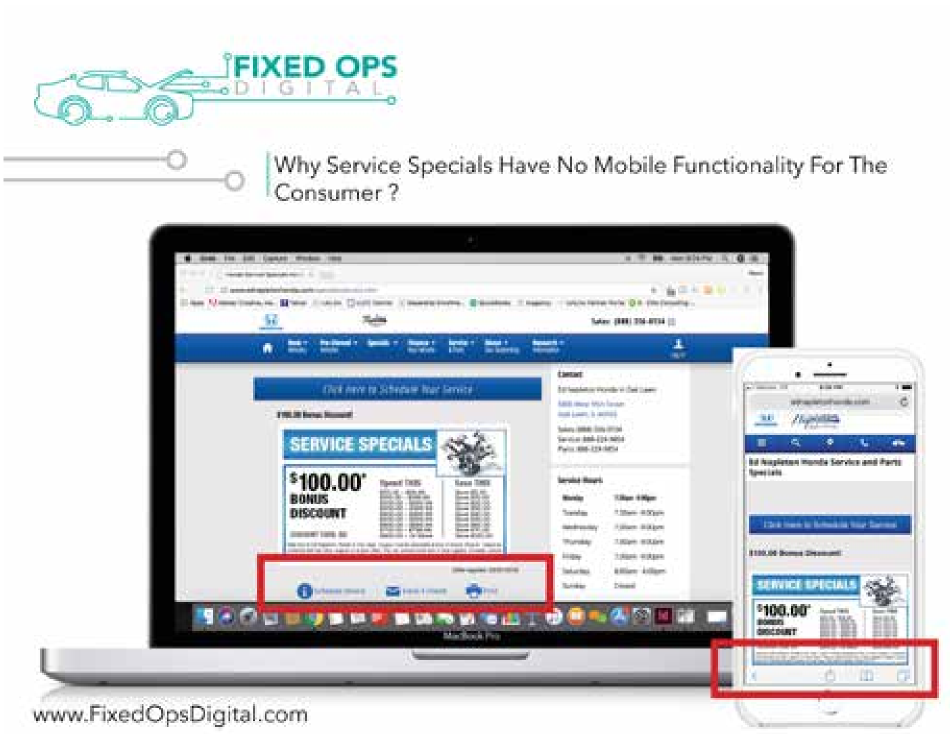
Throughout my almost 20-year career in the automotive industry, vehicle Sales has always been the superstar. More attention, focus and marketing resources have always been allocated to that area of the business. But that tide is starting to turn. Profit pressure on every area of New and Used Sales has not only started but is becoming far more of a threat than anytime over the past 10 years. Using the same digital tactics that are currently being employed in your Sales Departments, you can now utilize these tools in your Fixed Operations Department.

Let me explain.

The average franchised dealership website has 18 ways for a consumer to convert into a lead. (18!) Our industry has been obsessed with drawing a consumer in and feeling it's necessary to get their name and phone number if they're interested in buying a car.

Why Every Service Web Page Has Virtually No Consumer Functionality

To redeem a Service special on most dealership websites today, printing is the most viable option. However,



considering that the average dealership's website is greater than 60% mobile traffic, why would there be no way to download and store that Service Coupon into your customer's smart phone?

The Rise of Mobile Wallet Marketing

On May 2nd, 2017, during his quarterly earnings call, Tim Cook, CEO of Apple. cited an increase of 450% year over year in Apple Wallet usage numbers. What that is telling the world is that consumers are becoming far more comfortable using their phones as a replacement for their wallets. If you've flown a commercial flight in the last year, virtually every person is using paperless boarding passes. Since the use of Apple Wallet or Android Wallet is becoming more and more mainstream, now is the time for dealerships to start adapting to Mobile Wallet Marketing.

So, how would Mobile Wallet Marketing work for a dealership?

First, let's start with every Service special the dealership website currently offers. Most dealerships have only 3-4 offers currently on their website. That's not good enough. One of the biggest factors in consumers choosing national Service chains over franchise dealerships is a lack of knowledge. That means that the consumers really don't know that, in most cases, the dealership is more competitive than Pep Boys or Jiffy Lube for basic services. The Fixed Ops Director needs to work with your website provider to create Service specials for the top 10 most commonly performed services in your dealership. (Here's a tip: use your dealership menu board as guide. Almost all dealership now have a pricing Service menu board somewhere in the dealership — either digital or on a static board.)

WITH THE USE OF APPLE WALLET OR ANDROID WALLET BECOMING MORE AND MORE MAINSTREAM, NOW IS THE TIME FOR DEALERSHIPS TO START ADAPTING TO MOBILE WALLET MARKETING.

Second, let's look at how those Service coupons are presented to a customer, especially on mobile. For example, a Service special is a "15% Off Any Repair" coupon that's capped at $350 max. By creating a mobile coupon, this allows a consumer (in this case an Apple iPhone user) to download it.

Within 2 clicks, the consumer can go from seeing the special on your website to now having the ability to download that offer into their Apple Wallet.

The Technology Behind Mobile Wallet is the Real Value

Every level of the dealership has been sold on the value of app downloads in the last 5 years. Mobile app deletion rate in extremely high, whereas mobile wallet pass deletion rates are less than 1% on average. Having a mobile wallet marketing strategy will be a key component for Fixed Operations success in the future.

Let me be clear — the value of mobile coupon downloads is not for the ease or convenience for your customers. Their satisfaction will be predicated on the level of service at their visit.

The value for the dealership will be the compounding of coupon downloads month after month, then having the ability to communicate with your customers via this pass. The value of having 1,000, 5,000 — even 10,000 — people with your dealership's Service coupons downloaded in their wallet is invaluable.

The technology that's embedded within the coupon allows communication and geo-targeting with that mobile device. There are three benefits:

1) Push Notifications: A push notification is a message that's sent instantly to a mobile device and is displayed on the locked screen on the phone. A message alerting your customers to discounted Service specials, one-time pricing or new services can be communicated instantly. How much does it cost to send a highly inefficient OEM Service direct mail piece? A push notification on a quarterly basis is free communication, built into the technology of the platform.

2) Geo Targeting: With each pass, a geo-targeted location can be set when any device enters a specific area. You will always start with your dealership's location and a message welcoming the consumer to your dealership with a reminder via notification to present the coupon to the Service Advisor. Next, you can target a competing dealership's location. When a consumer is within your competitor's dealership, a message reminding them of your great discounts and service can be instantly sent to that consumer as well. This is more effective if you're targeting a local Pep Boys or Jiffy Lube which would be less than a few miles away.

3) Automatic Updates: Service specials change along with the terms or conditions. Each pass allows automatic updates to occur which allow those changes to be made. Best practices would be to have a quarterly update to the coupon, possibly just changing the expiration date at the minimum. However, if the pricing of your Service changes either higher or lower, the pass can be changed instantly, as well.

HOW MUCH DOES IT COST TO SEND A HIGHLY INEFFICIENT OEM SERVICE DIRECT MAIL PIECE? A PUSH NOTIFICATION ON A QUARTERLY BASIS IS FREE COMMUNICATION, BUILT INTO THE TECHNOLOGY OF THE PLATFORM.

Let's Advertise and Build a Marketing Strategy Around That Coupon!

These coupons can be incorporated into all forms of your marketing strategy. Digital, traditional, in-store and even via your Service Advisors — they can all be tools for your dealership to increase the download rate of these coupons. Like Pep Boys, your Fixed Ops marketing strategy should center around your top 10 Service specials. Having your dealership's 2018 Fixed Ops marketing strategy center around mobile wallet marketing will be huge step in the right direction, creating a great foundation for years of future profitability.

Owen Moon is Co-Founder of FixedOpsDigital.com, a full-service Fixed Ops marketing agency and creators of Dealer Wallet, a mobile wallet marketing solution. For almost 20 years, Owen has been helping dealerships with both traditional and digital marketing strategies to help sell more cars and drive more Service revenue. Owen has been a content contributor for several publications and has been a speaker at automotive industry events such as Digital Dealer, Innovative Dealer Summit and the Fixed Ops Conference & Expo.

SELF-DISCIPLINE: YOUR KEY TO SUCCESS

START WITH YOURSELF TO CREATE A BETTER APPROACH

BY BRANDON DORAN

Chances are if you're reading this article, you're tasked with managing others. You may have arrived at your position by strong performance or by necessity when your superior was promoted or moved elsewhere. Or perhaps you've proven yourself in other ways and were offered a position of management as a means of retaining you.

If there's one thing that affects every aspect of your career and determines whether you'll be successful or mediocre in business, as well as life, it's this — self-discipline.

Getting Yourself Right First

Employee attitudes and ambitions change on a whim, which doesn't make management or leadership easy.

Events in employees' personal lives often dictate the type of performance they bring to their work and consistency is often a difficult thing to master. Before you fly off acquiring books and blogs on how to effectively keep your flock in line, consider these questions: How well are you managing your own life and job description? What are your own priorities? What do you hold sacred? What processes and habits do you follow daily to effectively manage yourself and your personal productivity?

Although this may seem off-topic, consider also what you are eating and drinking. Fast food and sodas, while convenient, are not the type of foods that fuel long-term success. Throw some more vegetables down your neck and lay off the processed foods and pizza. That may not sound enjoyable, but I know you'll be more energetic and your brain will operate more efficiently if you oblige.

Are you willing to spend a few minutes at night or in the morning prepping

er success and happiness in the future? To me it's a no brainer. I want to feel good and achieve the most I possibly can with my life.

Thinking About Your Team

When month after month you put off enacting successful habits and processes with your team because it's too difficult or they just won't stick with it or you can't find time, what are you committing to?

When you don't spend the time mentoring and training your teammates, leading by example and holding them accountable to the plan, what are you committing to? I can tell you what you're not committing to — a bright future. You're not committing to success.

Are you keeping key performance benchmarks and sales numbers in front of your team every single day? Are you focused on their goals and your own and communicating continually about where you are and where you're heading?

There are countless distractions in the dealership each day. This includes problems that need immediate attention, manufacturers continually changing the rules of the game and employees who are absent for whom need to find fill-ins. This is a daily reality and, as a result, you're going to have to deploy your most effective weapons to win the battle on eventual mediocrity.

The nice thing is that these weapons don't cost much and you've got them inside you already. What are they? They're willpower and self-discipline.

EVENTS IN EMPLOYEES' PERSONAL LIVES OFTEN DICTATE THE TYPE OF PERFORMANCE THEY BRING TO THEIR WORK AND CONSISTENCY IS OFTEN A DIFFICULT THING TO MASTER.

If you've sat down and made goals to yourself, or to your dealer principle and you're not working an effective plan each day that will position you to reach them, you've not committed to yourself and your future.

If you fail to hold yourself accountable to your own daily self-disciplines, you'll likely fail to meet the long-term expectations of your superiors and, more importantly, the expectations and desires of your customers.

If you struggle with this, take that as a clear indicator to consider partnering with a company that can help you design and implement your goals and achieve your benchmarks. It will be money well-spent. In fact, the return on such an investment, with a reputable training and process implementation company, can literally be exponential.

Quick and Easy Tips

There are some simple ways that you can get yourself and your team on the right track. Start with creating a list of the things that require consistency and discipline.

If that sounds like a waste of time, then working on the disciplines of optimism and positivity could also be helpful for you!

What should you put on your list, though? Well, there are many things that make up a good leader in the dealership environment. Here are a few of the basics:

• Tracking key performance benchmarks and keeping them in front of your team.
• Identifying ways to attract new traffic and retain your current customer base.
• Coaching and hands-on mentoring with your Service and Parts Department front lines on how to increase customer satisfaction while also improving your store's bottom line.
• Creating a culture that's optimistic and growth-oriented, where each member of the team's opinions and ideas are not just valued, but asked for and considered routinely. (As a bonus, this will be a major contributor to employee retention.)
• Managing each process you use and not only holding your team accountable to using them for every customer, every vehicle, every time, but continually evolving them to be the most effective based upon changing market conditions and manufacturer requirements.

Don't Be Overwhelmed

If you're thinking some of these areas could possibly benefit from some attention, but you're not sure where to start, read through this list one more time and ask yourself these questions: Which of the listed topics gave you the largest sense of dread? Which was the one you least want to work on in your store today?

You've now got your answer. The ones you least want to tackle are the places you start. Get the ball rolling on the one that sounds the worst because it's probably the area that needs the most attention.

There are a lot of ways to spend your time during the day and there are so many tasks that need to be addressed. It's always possible to give yourself the excuse that you need to do policy paperwork or respond to emails or check automotive professional groups on social media.

You'll never run out of things to do with your time that you can justify as work. If you don't tackle your problems, however, you'll eventually run out of time to deploy the right systems and plans of action that will enable you to create long-term success for yourself and your team.

And if you don't make it happen, you know that eventually you could be replaced by someone else who claims they will. Make your list.

Sharing With Your Team

Thinking about the tasks you need to accomplish is great, but putting them down on paper or in your computer turns on another part of your brain and aids you in your mission to succeed.

This also helps prevent you from forgetting about it 30 minutes after you read this article, when you inevitably need to react to that upset customer who wasn't on your calendar.

Once you've got your commitments written down, you need to share them with your team. Not just so that they are on the same page with the changes you want to make and the goals that you have, but to have another element of accountability for yourself.

You may think that doing this will make you look weak or incompetent, especially because you're likely trying to fix an area in which you may not have excelled in the past.

I can tell you, though, that nine times out of 10, your team will respect you more for acknowledging the area of weakness and the commitment to strengthening it for the greater good of all of you. If you make them part of the process, they'll rally with you as well as help keep you accountable.

Your final step is to map out the time to make these changes happen.

Often, the time needed is less than you'd imagine. To keep your team up to speed on their benchmarks and goals requires running a couple of reports on your DMS that are probably already created or could be created quickly and then bringing in your team for five minutes each morning and going over goals.

IF YOU FAIL TO HOLD YOURSELF ACCOUNTABLE TO YOUR OWN DAILY SELF-DISCIPLINES, YOU WILL LIKELY FAIL TO MEET THE LONG-TERM EXPECTATIONS OF YOUR SUPERIORS AND, MORE IMPORTANTLY, THE EXPECTATIONS AND DESIRES OF YOUR CUSTOMERS.

Ask team members what's holding them back from reaching these goals and ask how you can help. Praise team members who are meeting their goals, which lets them and other team members know how much you value those who hit their goals.

To teach them to be more effective with their appointments, you could have them spend 10 or 15 minutes each evening going over the next day's scheduled visits. You can ask them to look at the history of each vehicle and analyzing what may have been recommended or needed in the past, while also verifying that any special-order Parts required for their visit are on-hand and available.

I know it sounds simple, but I'm willing to bet not all your Advisors are doing this.

You will give your customers a more consistent experience no matter which Advisor they visit with and improve your CSI scores if you can spend a little time making sure that your Advisors are presenting a Service menu and doing a relationship-building walk-around with every customer that pulls into the Service Drive.

These last two are high up on the list of simplest and cheapest ways to make friends and money and they also happen to be two of the most neglected processes in the industry.

Self-Discipline and Your Comfort Zone

Chances are that you know the areas in your life and your business in which you need to have more self-discipline.

Subconsciously we typically do and we're usually avoiding those things because they are out of our comfort zone. As I mentioned earlier, when you fail to commit to stepping out of your comfort zone and holding yourself accountable, you're negatively impacting your current and future success and job security.

The biggest thing standing between you and your dreams is your self-discipline. Start with the worst, confront it and be amazed at how it will propel you onto the next item on your list.

More importantly, you'll be pleasantly surprised at how it will change your future (and the future of your team) for the better. Whether you can pull it off on your own, or you partner with an organization that will commit to helping you achieve the goals you desire, the result will be the same. You'll be looked up to as an influencer and an effective leader and you'll feel proud and accomplished.

Brandon Doran is the President of Grand Rapids, Michigan-based Total Performance Solutions, an automotive consulting, training and distribution company that specializes in helping dealerships enact processes that raise CSI and improve profitability while focusing on preventive care and relationship-building.

THE FUTURE IS NOW

ADVANCED TIRE CHANGERS BOOST EFFICIENCY

BY PETE LIEBETREU

In automotive dealerships, there are two main areas of focus: vehicle Sales and vehicle Service.

Fixed Operations is the backbone of the dealership business and the future of automotive dealerships relies on how efficiently its "back shop" operates. If the Fixed Ops Department is the backbone of the dealership, then its automotive Service equipment is the backbone of the Fixed Ops department.

The decision to invest in the most productive automotive Service equipment is an important one and shouldn't be taken lightly.

The best equipment manufacturers design wheel alignment, tire changing and wheel balancing equipment optimized for speed and reduced technician labor. If used properly, this equipment offers a high return on investment.

Equipment is Key to Efficiency

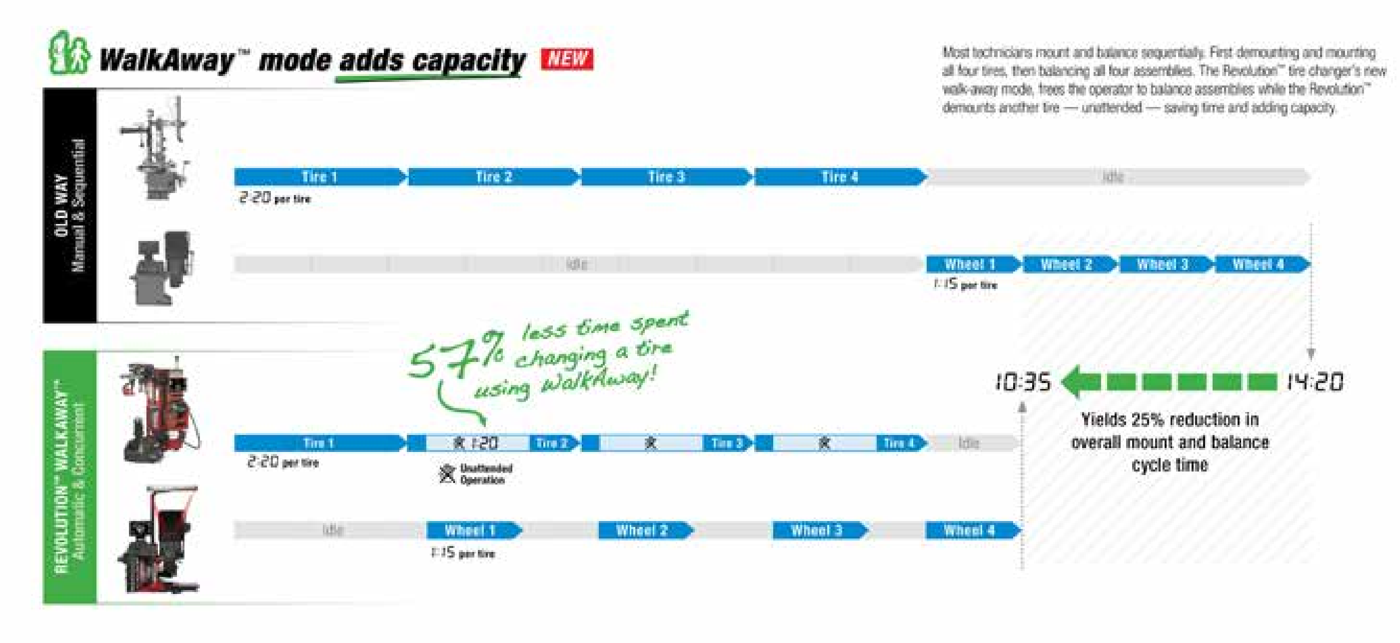
To boost Fixed Operations revenue, it's important to invest in equipment that increases Technician efficiency.

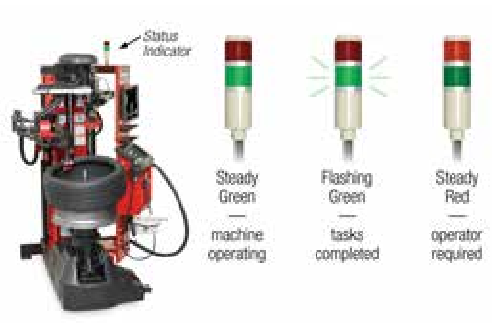
For example, top-of-the-line tire-changing machines can cut the Technician's time operating the tire changer in half. Tire changers such as this are capable of performing 80 seconds of autonomous bead breaking and demounting that can be performed without an operator present. That's a 57 percent reduction in operator time on the tire changer!

Advanced tire changers allow the operator to "walk away," which frees them to perform balancing procedures or other shop tasks during the longest portion of the tire-changing action, not to mention reducing operator effort and potential errors.

Tire changing is an all-day task, not a race for single tires. Assembly after assembly, partially-autonomous tire changers outpace conventional tire-changing equipment and add even more capacity.

THE DECISION TO INVEST IN THE MOST PRODUCTIVE AUTOMOTIVE SERVICE EQUIPMENT IS AN IMPORTANT ONE AND SHOULDN'T BE TAKEN LIGHTLY.





Most Technicians mount and balance assemblies sequentially by first demounting and mounting all four tires, then balancing all four assemblies. Advanced tire changers free the operator to balance assemblies while the tire machine demounts the next tire autonomously, which adds capacity and reduces the time Technicians spend on each job.

When paired with wheel balancing, over 25 percent total time savings is possible for a set of four tires. With advanced autonomous tire changers, the operator simply loads and unloads the assembly, orients the TPMS, enables autonomous operation and then offloads the old tire.

Self-monitoring, autonomous tire changers can be easily used for tires two through four in a set. A status indicator lamp signals when the machine is in operation, stopped or when it requires operator interaction. Additional autonomous functions may also be included, such as inflation and bead massage.

Advanced Tire Changers

The most advanced tire changers on the market also use the same fully automatic process for all tire and wheel combinations. This process saves operator effort and mistakes.

These advanced tire changers simplify the role of the Technician and eliminate the experience gap. They can elevate your tire-changing team (often made up of individuals of differing experience levels) into a team of experts.

With a conventional tire-changing machine, equipment is the tool and the Technician is the "tire changer." But with the leading equipment in tire-changing technology, the machine is the tire changer and the Technician is the equipment operator.

Tire changers and shop equipment such as wheel alignment systems, wheel balancers and brake lathes that include intuitive touch screen interfaces can simplify and ease training, which allows your entire shop to address the most difficult Service requests.

With on-board training videos and troubleshooting guides, every Technician in your shop will be an expert. High-tech, intuitive operation also helps bridge experience and language gaps.

Equipment Manufacturer as Partner

Manufacturers that include training and service support can become a partner to your business and help your shop succeed. Some equipment manufacturers even create customized learning programs to benefit your business and help it flourish.

Personalized training programs can help you get the most out of your equipment and employees. Look for a program through your equipment manufacturer that offers small training classes, allowing for maximum student-teacher interaction.

Also, comprehensive, on-site training at the installation of new equipment is standard with some equipment manufacturers.

Even the best equipment needs service support to keep it in top working order and to ensure that worn out parts are replaced in a timely manner and that the machine remains properly calibrated.

Local support means you'll get fast service and a valuable relationship with your service representative — one that understands the importance of reliable service and is accountable to you.

The best manufacturers provide same- or next-day service to ensure that your shop is up and running in as little time as possible, allowing you to gain higher profits and provide excellent service to customers. This productivity advantage allows your Fixed Ops Department to truly be the backbone of your automotive dealership.

Pete Liebetreu is the Senior Product Manager, Tire Changers at Bridgeton, Missouri-based Hunter Engineering Company.

BIG DATA 101

HOW TO USE ANALYTICS IN MARKETING FIXED OPS

BY STEVE SANTOSPAGO

PART 2 OF A SERIES

It seems that each month I'm asked more and more about the use of data.

Most questions come to me from folks in highly competitive markets who want to do the most they can. Other times I'm asked by those transitioning into the automotive industry and who are looking to use tools similar to what they had when handling marketing or business developments initiatives in their prior positions.

Either way, these folks are looking for an advantage. What I hope to accomplish here is to provide a surface-level overview and practical applications related to how utilizing the power of your customer data properly and marrying it with varied marketing and advertising approaches can improve your bottom line.

Analytics Defined

Analytics means information resulting from the systematic analysis of data or statistics.

It began to command particular attention in the late 1960s as computers came into use. Since then, analytics have evolved as resource planning, data warehousing and a wide variety of other hardware, software and applications came into use.

In Fixed Operations, applications of analytics can include the study of business data using statistics to discover and understand patterns with an eye to predicting and influencing performance.

Smart use of data in Fixed Operations can increase repair order count, customer pay revenue, warranty and more.

Marketing Uses for Data

Marketing is about determining who a business wants to attract and how.

more new customers into your facility, you must study trends. By studying the data available, you can determine different ways by which you can make strides toward achieving and overachieving goals. That's because consumers have preferences and your customers exhibit habits. Detailed analysis will allow you to time and associate these with the timing of branded messaging.

You can tally all of that information to predict customers are thinking about obtaining Service or when they actually need Service. By plugging into your Dealer Management System, you can then obtain the characteristic data needed to help you build awareness with the right people at the right time.

That is just a taste of what can be done. For a broader approach, the capabilities provided by data mining and predictive indexing can help you solve basic business issues.

For example, let's say you want to communicate the availability of Saturday Service specials to all owners in your area. In days past, you might do a "shotgun blast"-style communication to a huge group of people, hoping to gain the "standard" predicted returns of 2 percent. But "conquest" campaigns such as that are in the past thanks to data.

Today, you would take an omni-channel approach that might use direct mail, direct mail with social media matching and retargeted digital displays.

Embrace Studies

As auto dealers begin to realize that they have no real capacity to interpret and use data, they're beginning to look for specialists and specialty applications that hold these capabilities.

Let's say you read an article and learn that an NPD Group consumer study shows that older car owners are twice as likely to expect to pay $1,000 or more for needed repairs. Based on that article, you want to know how many of a certain kind of vehicle are out of warranty in your area.

This is where analytics come into play. You may be able to reach into your dealership data for a short list, but how can you make sure that you are maximizing your exposure?

Engage in a market study. Companies will do the looking for you and come back with results.

Spending Your Advertising Dollars

Once you decide which prospects you would like to present with your messaging, you can work on which offers will be most effective. This is the advertising phase of the project. Here are some ideas for attacking it:

• Study how goods and service offers are presented to the market in your area.
• Look at what types of work you are looking to steer into the shop.
• Look at your capacity and work flow.
• Identify the most acutely effectively way to present, what to present and in what format consumers are most likely to digest the information.

The right offer, presented at the right time to the right person, can't be wrong. But how do you present offers to prospects and customers now? Are you offering just a cost statement? Are you presenting a discount? Are you offering incentive discounts such as "Come in on Saturday and receive 15% off"?

For that matter, do you need to discount the price at all or just change the way the service is presented? Sometimes, just adding a price-accentuating signal is all you need to do. All of this is topic for a lively and revealing conversation.

Data Is Knowledge

Data is knowledge, and whether you are collecting, reviewing or analyzing it, this process has always been part of successful modern business operations. For Fixed Operations, the use of data has become even more crucial because people are keeping their vehicles longer and longer, and competition for the consumer dollars is so great.

With new technologies coming of age and new programs increasingly expected to use data in meaningful ways, you need to be ahead of the curve.

By coupling a more data-centric approach to your marketing strategies and advertising tactics, you'll be working smarter than most of your peers and competitors. Together with weaving in knowledge of consumer science, you can be even more successful. Let the power of data science do the heavy lifting for you.

With over 20 years of business experience in the Automotive Service Industry, Steve Santospago now advises dealers on how to effectively attract and retain highly valued clientele. Based in the Boston area, he is a Regional Account Manager for Houston-headquartered G.S. Marketing.

NO MARGIN FOR ERROR IN RECONDITIONING

FIVE BIG IDEAS TO IMPROVE USED VEHICLE PROFITABILITY

BY MICHAEL POKORA

Making money in used vehicles can be a very lucrative component of the automotive business, yet most dealers leave a great deal of margin on the table with each transaction.

To really be good at this side of the business, it helps to understand some of the larger economic principles at work.

The five big ideas to consider concern demand-based buying, opportunity costs, reconditioning standards, marketing commodities (or customized products) and prioritizing profits. This article will present an overview of all five of these areas.

Demand-based Inventory Buying

Many in the industry will tell you that you make money in used vehicles through "buying right" and that the ability to see the deals at auctions and during trade-ins is the real factor for success.

Undoubtedly, buying inventory at an attractive rate is a critical element to your success, but how can you buy smarter to grow your margins? For that to occur, all purchases, whether great deals or fair value purchases, need to support your overall market strategy and inventory portfolio.

Passing on the "deal" and buying based on demand is almost impossible for seasoned car buyers to do, but it causes their dealers to miss out on strategic profits.

Low purchase costs, inventory condition and time-to-recondition get a lot of attention. They're important, but making a vehicle front lot-ready in 24 hours isn't beneficial if it will then sit for 60 days without customer interest. After extended "lot rot," these "hot buys" usually end up costing money through markdowns and sales incentives just to get rid of the eyesore and bring in new vehicles.

Demand-based buying is purchasing what sells for your dealership. Especially if your profit stream is heavy from F&I, you want vehicles you can write deals on quickly, even if that means paying more for the upfront acquisition.

ONCE YOU'VE ACQUIRED A VEHICLE, IT'S IMPORTANT TO TRACK THE COST OF RECONDITIONING, BUT IT'S MORE IMPORTANT TO HAVE A BENCHMARK COST FOR EACH VEHICLE.

Picture the buyer who was getting laughed at during an auction in California for buying every Kia Soul he could get his hands on — even if it was $300 over book. Little did the competition know that his dealership outside of Los Angeles couldn't keep Kias on the lot and it was making a solid transactional profit on financing the majority of them. The dealer knew that no one else in that "exclusive market" wanted to be caught dead with a used Kia on their sales lot and so the dealer exploited the opportunity.

Focus on buying what you can make money on, rather than chasing "great buys."

Understanding Opportunity Costs

Lets say that your Sales Department executed a great buy on a 2014 Mercedes-Benz C63 AMG. That's a heck of a car, but did you need a flashy AMG on the lot? Does it compliment your normal book of business? Unless you are buying that car based on a specific customer request, you're assuming a set demand for this vehicle.

If, for the same purchase price you could have acquired two 2009 Toyota Camrys, which purchase scenario would net more profit for your dealership? It obviously depends on how your dealership is currently operating.

CREATING A DEDICATED USED SERVICE TEAM CAN HELP MANAGERS FOLLOW-UP ON HOW QUICKLY WORK IS BEING COMPLETED AND HOW THEIR STANDARDS ARE BEING APPLIED.

If your existing revenue streams from F&I outweighs your average used vehicle revenue on a per-transaction basis, you might actually miss out on the additional F&I revenue by purchasing the Mercedes, as you can now only finance one deal.

On the flip side, maybe your book of business and customer base is looking for a higher-end option and you can get your hands on a vehicle that might net you $6,000 in profits. In that case, a longer reconditioning timeline and passing on two plain-Jane Toyotas would be an easy choice.

Let's say you could only count on $1,000 profit from each Camry transaction but could have them on the front lot in four to six days, whereas it would be 20 days in reconditioning to bring the AMG to market. Is the AMG then still a hot buy for $6,000 in profit?

Only you can answer these questions for your dealership, but it shows the advantage of having a well-defined and updated purchase strategy.

The point is you can make money either way, but many dealers shoot from the hip when it comes to purchasing. They look for individual "deals" rather than looking at an inventory portfolio.

Reconditioning Standards

Once you've acquired a vehicle, it's important to track the cost of reconditioning, but it's more important to have a benchmark cost for each vehicle.

Set a reconditioning cost target for your vehicles and measure your actual spend relative to this goal. Without a standard, there exists no basis for improvement and tracking your performance will allow you to identify margin opportunities over time.

This not only helps you with offering a competitive price to the customer, but also in determining whether to spend up on items such as tires or dent removal.

You want to know if you can get the money back out of the inventory before you commit to the costs. Just the act of creating a set of standards will help you better control costs once you begin to track them. You know your minivan buyers are different customers from your convertible buyers, but many dealers only recognize this difference on the sales floor and not in the reconditioning shop.

Along with a reconditioning standard, you should have a process for vehicle reconditioning.

As a depreciating asset, you need to complete the recon process quickly, which means understanding the available capacity for all areas of the work that needs to be done. I can't tell you how often I've had stores tell me about vehicles "stuck in paint" or "stuck at a vendor" for 30 days or more waiting on routine work as their normal operating condition.

When that happens, it drags out the lead time, or the total time, it takes for a raw vehicle to go from acquisition to the sales lot. Having a schedule for each vehicle allows you to track its progress to the front lot and intervene when timelines start to slip.

Lastly, creating a dedicated Used Vehicle Service Team can help managers follow-up on how quickly work is being completed and how their standards are being applied.

Creating clear responsibilities allows for a tighter control of the reconditioning process. This can help prevent Technicians loading up tickets by instead offering a steady supply of preauthorized work. Not only does this eliminate the back and forth on what a vehicle does or does not need, it also creates accountability when items are missed.

A dedicated team can also be recognized and rewarded for keeping costs on-target and be used as a think tank for additional margin improvement opportunities.

Marketing Commodities vs. Customized Products

To price successfully, dealers should consider whether they're marketing a unit as a commodity or as a customized product.

Are they pricing against every other 2009 Toyota Camry or are they taking extra care in reconditioning the vehicle to market this specific Camry that's in very good condition and that includes a desirable package that's hard to come by?

Understanding what you have to offer your customers is the first step in creating an effective marketing strategy.

Take the time to work with your Marketing Department to spend your advertising dollars wisely. Know what you're selling and who you're selling it to. It may sound simple, but we've all seen the ads for "special offers" that really aren't that special. Don't find yourself throwing good money after bad by not aligning your advertising and marketing methods to your inventory and product portfolio.

Whether pitching dealer-exclusive items or inventory that's priced to move, you maximize your margin when you have a strategy for your Used Vehicle Department. When purchasing, marketing and sales don't work together, it's anyone guess as to the upside potential on a vehicle — and you leave money on the table.

Prioritizing Profits

You want to drive profits, not invest in individual inventory.

One slow week or great sales weekend does not make the year. Dealers and managers can get so caught up in a monthly sales cycle — and in pitting departments against each other — that they miss the big profit picture.

WHETHER PITCHING DEALER-EXCLUSIVE ITEMS OR INVENTORY THAT'S PRICED TO MOVE, YOU MAXIMIZE YOUR MARGIN WHEN YOU HAVE A STRATEGY FOR YOUR USED VEHICLE DEPARTMENT. WHEN PURCHASING, MARKETING AND SALES DON'T WORK TOGETHER, IT'S ANYONE'S GUESS AS TO THE UPSIDE POTENTIAL ON A VEHICLE — AND YOU LEAVE MONEY ON THE TABLE.

Imagine if the same attention was given to creating a system to consistently deliver profitable used inventory sales every week? This short-term pressure is common when too much liquidity is tied up in inventory, creating the crisis in the first place.

The margins in used vehicles are razor thin, so it's important to plan carefully.

Take a look at the national used car industry leader, CarMax. In Q3 of 2017, CarMax booked over $4.1 billion in net sales and operating revenue, yet made only $148.8 million on a combined sale of 169,648 used vehicles and 100,332 units wholesaled out of its inventory.

For all of those units sold and transacted, CarMax only produced a return of 3.62 percent earned income across all revenue streams. (The earned income figure was calculated from CarMax, Inc.'s Q-3 2017 press release and is available publicly at Investors.CarMax.com.)

How do your margins compare? If you're less than 5 percent, then clearly, transactional volume should be prioritized when answering the question of whether you're dealing in a commodity vs. a customized product.

This is why tracking and securing every dollar possible will separate the used leaders from the rest of the pack as we come off another year of record new vehicles sales.

Each Year, New Opportunities

All of these concepts go hand in hand, but any one of these ideas can completely change the way you look at your used vehicle business and help you unlock additional margin and sales.

Although these concepts will be radical for some dealerships, many others already successfully employ strategies that align with these ideas.

If you find yourself hitting the wall for profit growth, maybe it's time to try something different. For those willing to go deep into the economics and operating principals of vehicle reconditioning, the rewards are there. Here's to making the next twelve months great for your Used Vehicle Department.

Michael Pokora is the Founder and Lead Consultant for Glen Allen, Virginia-based RPM Recon. He's an industrial and systems engineer by training and has worked in senior engineering roles for both CarMax and Carvana.

NEW WAYS FOR DEALERSHIPS TO WIN CUSTOMERS AND UNCOVER REVENUE

BY MARK HODES

Nearly six in 10 Americans can't afford an unexpected $500 car repair, according to a 2017 Bankrate Money Pulse survey, making an auto repair plan an important safeguard against the costs — and risks — of car breakdowns.

But for shoppers with less-than-perfect credit, the cost of the vehicle itself often maxes out the amount the dealership can lend. With no room to roll in an extended warranty, buyers have to cover a big chunk of the cost upfront — something they often can't afford.

Those less-than-desirable experiences leave a bad taste in consumers' mouths, even when the dealership's Service Department is not at fault.

Those tough interactions between the customer and the Service Department can be avoided when the right steps are taken, options are provided and lines of communication are opened. Furthermore, not only can frustration be avoided, but the vehicle Service experience can be a catalyst for innovation, as well as customer loyalty and satisfaction.

It's widely known that vehicle Service plans help vehicle owners manage the costs and hassles of unexpected breakdowns.

Drivers typically pay a monthly cost for vehicle Service plans, which cover repairs and arrange for a mechanic, tow truck and other needed services.

Still, Clarksville, Tennessee-based AutoMasters, which sells used vehicles through its "Buy Here, Pay Here" program, was running into the same problems when customers were faced with a hefty Service expense (and no warranty to cover it). Customers had to cover anywhere from 10 to 100 percent of the repair plan's cost out of pocket, putting coverage out of reach, AutoMasters' Finance Manager Dallas Martin says.

AutoMasters took matters into its own hands and began selling vehicle Service plans through a digital platform, allowing buyers to purchase plans for a wide variety of vehicles at the dealership, by phone or online.

With financing available, sticker shock has been greatly reduced by enabling customers to make lower monthly payments with a credit card. Since introducing the program, AutoMasters has connected more of its customers with coverage, improved profitability and simplified the buying process for everyone.

A New Approach — Digital

As shopping preferences change, forward-thinking dealerships are looking for new ways to reach their customers.

Online research now accounts for 60 percent of total time spent looking for a vehicle, according to the 2017 Car Buyer Journey study. The same study found that shoppers are much more likely to purchase F&I products if they're aware of them beforehand, making online channels essential for generating interest in and awareness of vehicle Service plans.

F&I managers are exploring innovative ways to increase attachment rates of F&I products such as vehicle Service contracts and ancillary products. These managers are seeking solutions that engage the customer in the shopping and buying process, transparently showing them the products being added to the transaction and allowing the customer to participate in the customization of their F&I solution.

DEALERSHIP SERVICE DEPARTMENTS THAT TRULY UNDERSTAND THEIR CUSTOMERS ARE UNIQUELY POSITIONED TO OFFER SUPERIOR CUSTOMER EXPERIENCE AND CREATE A SUSTAINABLE COMPETITIVE ADVANTAGE.

The most advanced F&I operations use desktop and mobile technologies to present vehicle Service products and ancillary bundles to increase margins. Adding F&I products to the transaction also encourages loyalty when customers return to the Service Drive for covered repairs.

Many dealerships are looking to enhance their offerings and, in turn, their customer engagement. New technology offers tools that combine financing, flexible plan options, selling and servicing all into one, in a scalable and cost effective way.

Furthermore, new digital platforms make it possible and easy to foster ongoing, authentic dialogue with customers. Dealership Service Departments that truly understand their customers are uniquely positioned to offer superior customer experience and create a sustainable competitive advantage.

Digital repair plan platforms can empower auto dealerships to achieve the following:

• **Reach more customers.** The $33 billion vehicle Service plan industry is positioned to grow significantly over the next decade, a recent Colonnade Advisors report found, presenting significant opportunities for dealership Service Departments and F&I Managers to reach additional customers. Shoppers with tight budgets can purchase coverage through a pay-as-you-go system of monthly payments — all billed via credit card — helping more of them protect their vehicles regardless of their credit.

• **Make it easier for everyone.** A digital vehicle Service plan platform acts as a built-in F&I Department, so your team can focus on what it does best: servicing vehicles. A fully-built website branded for your business helps you reach more customers without investing your own time or IT resources. A digital platform also simplifies the experience for your customers, allowing them to shop and buy on a user-friendly website. Customers can also call dedicated agents whenever they're ready to buy, giving you more options to sell a plan over the life of the vehicle, not just at the point of sale.

• **Drive customer satisfaction and sales.** Offering easy access to top-rated repair plans can help dealerships close more sales and keep customers coming back. Detailed overviews of exactly what's covered and dedicated support when customers need to use their plan creates a smooth experience from start to finish.

• **Uncover revenue opportunities.** With digital repair plan platforms, dealerships can earn commissions on each plan sold, helping them improve cash flow and avoid the hassle of chargebacks and refunds after cancellations. In addition to receiving revenue from vehicle Service plan sales, dealers can improve customer loyalty and margin by driving Service visits.

• **Understand customers through powerful data.** By tapping into massive amounts of household-level vehicle data, auto repair providers can have more visibility into repair trends that provide valuable and actionable insight that they can then use to customize pricing and product offerings, as well as personalize their marketing communication. This data enables dealership Service Departments to develop highly targeted messages that boost customer conversion rates.

Happier Customers, Higher Sales

Transitioning from Sales to F&I is where additional margins are available, provided the experience is seamless and the focus remains on the value to the customer.

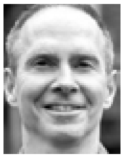
If successfully transitioned via a shopping experience that displays F&I products in an intuitive and transparent way, the dealership will experience an increase in the attachment rates of vehicle Service contracts and other ancillary protection products.

With more customers using F&I products, there's a greater likelihood of return visits to the Service Drive and high customer satisfaction, putting the dealership in the best position to experience repeat business.

With plan options for nearly all types of dealerships and vehicle year, make and model combinations, digital solutions can give dealerships the competitive edge they need.

Vehicle Service plans already help to alleviate the burdens of car breakdowns, creating peace of mind and a better experience for vehicle owners.

Dealerships have the opportunity to take their Service experience to the next level by expanding their capabilities and offering a convenient, digital solution that customers can interact with on their terms.



Mark Hodes is the CEO of Chicago-based ForeverCar, the industry's first digital platform for vehicle Service plan sales. ForeverCar is helping insurance companies across the country drive customer value and competitive advantage by offering a digital shopping experience, flexible coverage options and top-rated support for vehicle repair coverage.

GIVE YOUR PEOPLE A PARTS AND ACCESSORIES INCENTIVE

BY SEAN UGRIN

What's your biggest winner for getting prospects into your dealership? What kind of ads do you place? How do you measure the results of your campaigns? Each of these questions are important for your dealership to answer. But the number one way to increase your bottom-line is to combine 'Pull and Push.' When used in marketing context, 'Pull and Push' can yield extraordinary results if thoughtfully coordinated in your marketing plan.

A 'Pull' strategy involves motivating customers to visit your store through advertising, referrals or discounts and promotions. (EG: OEM's offer a number of 'Pull' opportunities during the end-of-the-year cycle in an attempt to move previous year inventories).

Combining the 'Pull' with a 'Push' strategy, by offering spiffs to the sales floor, your results will be immediately felt and easily measured. Spiffs are highly effective and proven daily in Fixed Operations Departments. A well-coordinated spiff program, timed with ads promoting high-margin items or seasonal services, will positively impact your monthly Fixed Ops numbers.

What Pull Methods Are You Using?
Step back for a moment and think about the 'Pull' efforts you're implementing. Do you spend countless dollars on mailers, radio spots and television commercials, featuring your owner as pitchman? Yet your dealership revenue stream remains relatively constant -- yes?

Arguably, these 'Pull' strategies are necessary...but are they measurable?

How Effective is your Pull?
Let's say your dealership wanted to move a high margin item, like brakes, batteries or tires. You spend thousands of dollars on advertisement and promotions trying to get customers in the door and you really have no idea if your ads will work to increase sales – it's just an educated guess what the results will be.

You run a television ad in an attempt to draw crowds and move vehicles. How do you know if this expensive advertising campaign is effective? Do your sales people ask 'ups' when they come in the door if they are there because of the TV spot?

Bottom line: your sales personnel need to be active in moving the promotional product that you are advertising. You can't leave the customer alone once they enter the door looking for the specific item they heard about in your ads. Spiffs will touch the sales floor and provide dealerships with levers to influence the point of sale - where it counts.

It's going to require action on the floor by your salespeople to guide the customer and get that promotional item in their hands. Don't rely on your advertising alone. Ultimately, it's up to your staff to engage and close.

The Pull of Social Networking
Your dealership Facebook page, LinkedIn corporate page, or Twitter feed are relatively newer social media for you in pulling in customers by offering them up-to-date discounts and special offers. This type of pull marketing can easily be used to place the emphasis and attention onto your customers who follow you. Social media lets you know who your target audience is, but you must pay special attention and keep your message current and relevant to their needs (EG: don't keep your winter tire specials open in June). Your social media sites need to be increasingly managed and customized with content and offerings pertinent to better suit your follower's needs.

Using social media sites produces experiential 'Pull' marketing, which helps your prospect become involved with your dealership, making them feel like they're a part of your business. Dealerships also are finding that using social media is much less expensive than paying for print, radio or television advertising, allowing greater reach at a lower price. However, experiential marketing through social media requires that you give up some of your messaging impact – since it's for a more broad audience and perhaps is less specific than your traditional marketing pieces.

What if you added a 'Push' tactic with a spiff on your dealerships social media advertised products and services with salespeople actually selling to the clients you brought in?

The Pull & The Push

Any of these Pull tactics certainly brings consumers to you. Marketing, advertising and branding efforts create a buzz that makes consumers seek your dealership and the specific featured products and services that you provide.

These 'Pull' campaigns are customer facing and used to bring prospects to your dealership. However, most of the time you have no idea if those campaigns are working, unless your visitor is required to redeem a coupon for a product.

A 'Pull' will move what you provide to consumers by reaching out to them and placing what you offer in front of them. It's up to your dealership staff to engage and actually sell the products and services you're advertising.

Can you see how aligning the 'Push' spiff tactic with your marketing ad 'Pull' strategy would increase your gross profit?

Winning Top of Mind: Getting Tactical

A spiff takes the 'Push' to the tactical level; your people present exactly what you want them to present to prospective customers at a specific time to drive defined results. Why? Because you've motivated them to act by offering a reward (incentive) for aligning their behavior with your goals, i.e. presenting what you would like to sell as an option to the end-user.

Back up your marketing 'Pull' strategy with a complimentary spiff program to reinforce your efforts at the point of sale... where it counts.

Accessory Campaign:

- The "Pull": $1,000 spend on a redeemable coupon, targeting 5,000 customers. Response rate: 2% or 100 consumers.
- Conversion: 20% (20 sales). Cost of acquisition: $1,000 or $50 per customer.
- The "Push": $20 spiff on accessory sale (paid to salesperson).
- Consumer base: you have attracted 100 customers with the "Pull".
- Coupon conversion: 20 customers sold themselves.
- Spiff conversion: an additional 20 customers are converted by your team.
- Cost of acquisition: $400 or $20 per customer.

- Result: The conversion rate has doubled but combined costs increased by only $400
- Total cost of acquisition: $1,000 + $400 = $1,400 / 40 = $35 per customer

The End Game

It's not your Grandad's spiff anymore. Spiffs are highly tactical. When used to their fullest, they will add a 'Push' to your marketing campaigns. Sync a coupon or promotional ad with a complimentary spiff and increase your conversion at a much lower cost with 100% certainty that a dollar spent means something was "moved."

Offering incentives will power your sales performance and increase bottom-line revenue for your dealership. Creating a competitive environment in your Service drive will lift your campaigns and drive the bottom line.

Continue to advertise by targeting your prospective clients. Keep your message in front of them and they'll remember to come to your dealership when they need to purchase a product or service for their ride. Mix up the spiff awards. Cash is king but merchandise, travel and recognition also win top-of-mind. Just remember to offer your sales personnel a 'Push' incentive to help close the deal when the prospect walks in the door.

Next time you build a campaign, consider adding a spiff to drive ROI. When targeted and used in a supporting role, spiffs are sophisticated and powerful levers. Unlike marketing expenses, a dollar spent on spiff awards has a direct relationship to revenue generation.

Sean Ugrin is the CEO & Founder of Denver-based Spiffit. Sean's motorspace roots come from working globally with Bosch. As an adviser and consultant, Sean designed and developed business solutions that tracked automotive production and drove sales efforts worldwide. Incentives, aka "Spiffs", align strategy with tactics. Manage programs, track performance in real-time, view current liabilities, reconcile claims, generate program reports and distribute awards. Wisely plan your Spiff incentive programs and track your sales teams performance, motivating them to increase sales efforts.

SURVIVAL ADVICE FROM A CEO

BY JEFF COX

This year marks 30 years in business for my company and over 20 years that I've worked for them. People are often surprised when I tell them that I've worked for the same company for so long and that I started as the Finance Director and then eventually became President and CEO.

Working in the auto industry is challenging but certainly rewarding. When you work in an industry long enough, things start to become second nature to you. The question you first asked yourself when you started, "How long will I stay in this position?" turns into, "How can I create growth and longevity for myself and for my company?"

Shifting your perspective from day-to-day operations to bigger picture, long-lasting ideas is something I think sets apart a good CEO from a great one. If you and your dealership work to stay relevant, continue to hire the right team and keep talking with your customers, you'll see the steady success turn into years of positive return.

Stay Relevant

I think the term "staying relevant" has gotten a bad reputation in business. People hear this phrase and immediately think they have to hire an entire team of millennials and invest in the latest Apple gadget or trend they read about online. The panic of not remaining relevant in the automotive industry often inspires managers and owners to make impulsive, often costly decisions. However, staying relevant in your industry and especially to your customers doesn't always have to be expensive or happen overnight. Staying relevant should be a concept that you put on the back burner, but continue checking on consistently to make sure it's still there simmering.

Make sure you're striving to hire a team that spans all age ranges, is diverse and has an equal mix of men and women. When you have a range of employees, they're able to talk with one another about what people that are their age will purchase when they come to your dealership. Better yet, your team will know how to appeal to those groups of customers through your marketing efforts before they even show up to your business.

Because staying relevant is something you have to continue working at as technology and your customers' wants and needs evolve, you have the ability to change and shift your operations over time.

Many decisions your dealership makes require trial and error in order to pay off in the end. If you've been sending monthly coupons out in the newspaper, but are noticing that people aren't using them, try sending it out in an electronic newsletter or as a promotion on Facebook. Likewise, if you have people who aren't sure what services your dealership offers, perhaps you can make videos of demonstrations to put on YouTube to show people who you are and what you can do for them.

When I think back to the days of pagers, Palm Pilots and beepers, I can't exactly pinpoint the day I got rid of any of those in particular. It was a slow progression into cell phones with touch screens and smart phone capabilities.

But look where we are all at now. I can't remember the last time I saw a pager. If you want to ensure better operations, customer retention and Fixed Operations, your dealership should have a solid plan and ideas on how to stay relevant.

Hiring the Right Team Counts

As I've said, having the right team members helps your dealership stay relevant as the years progress.

Hiring the right team is also the best way to keep things running smoothly over time. It should go without saying that taking the time to carefully hire the right employees with the right experience is crucial.

CUSTOMERS LIKE TO FEEL VALUED. AFTER ALL, THEY'VE JUST GIVEN YOU NOT ONLY THEIR MONEY, BUT ALSO THEIR TIME AND BUSINESS WHEN THEY HAD SO MANY OTHER OPTIONS.

Take the time to get to know your employees. Not just who they are when they come in to work, but who their families are and what kind of hobbies and preferences they have outside of work.

When you invest in your employees' lives, you start to build trust that spans the confines of just saying hello on the sales floor or during a meeting.

Hiring the right team also means being willing to create new roles and positions that highlight strengths and weaknesses.

Maybe you have a salesperson who's really good at connecting with customers and has a lot of ideas about how to bring more people to the dealership. See those strengths as big picture ideas and brainstorm how that could fit into your marketing plan. Perhaps that salesperson could be a better fit in marketing, where they can reach a larger base of customers with their ideas. Be sure to use effective communication about long-term goals your employees have and ask them about these goals during other times throughout the year, not just during their mid-year reviews.

Hiring the right team means making sure members mesh well with the rest of the staff. You want your employees to work well individually, while also recognizing the importance of staff being able to problem-solve among themselves to accomplish big things at your dealership.

A dealership has so many moving parts and positions — Technicians, Sales Managers, Marketing and Social Media Specialists. You want your Techs to be able to understand the role of your Social Media Specialist and vice versa. This helps customers distinguish who does what at your dealership, while also giving employees a better idea of who can help them if they have a problem that may not fall under their specific roles. Hiring the right team is ongoing, so never hesitate to seek out new team members if you feel a gap in your dealership.

Keep Talking With Your Customers

If there's one thing your dealership can do to create longevity in your business, it's talking to your customers. I don't mean just talking to them when they come through the door. I'm talking about a continual communication after they leave.

Follow up with customers a week after they came to your dealership for a service, even if it's just a short email asking how their experience was and if there's anything else you can do for them. Write customers a handwritten thank you for their business and send them cards for holidays and birthdays.

If your customers never hear from you after they come to your dealership, you aren't doing your job well. Customers like to feel valued. After all, they've just given you not only their money, but also their time and business when they had so many other options.

If your employees are the glue that holds your dealership together, consider your customers as the hand orchestrating and applying that glue. If you're in constant conversation with your customers, you should know what they appreciate about your dealership that keeps them coming back and you should be actively working on things they think you need improvement on.

No matter how many years you've been in business, there's absolutely always something you can be doing better.

That can means small things such as changing the font on your brochures to bigger things such as changing product lines to something that's better for the environment. It could even be changing the time of a weekly meeting so that your employees still have the ability to make it home to have dinner with their families.

By staying relevant, hiring the right team and continuing talk with your customers, your dealership will see the long-term benefits in a multitude of ways. If you're a few months into your business, I hope you make it into the "years" category and I hope if you've been in business for 30, you continue to celebrate many more milestones.

Jeff Cox joined Colors on Parade in 1996 as Finance Director. With the exciting idea of growing the company into a national franchise, Cox spent several years building a corporate staff that would be capable of handling the growth. Since becoming President in 2004, Cox has significantly enhanced the company by adding franchisees to the board of directors and buy-in programs and establishing the Ad Fund. He makes it a priority to stay on top of advanced technologies and regulatory environmental changes. With the goal to expand the company into all 50 states.

FIVE KEYS TO BUILDING CUSTOMER RELATIONSHIPS

BY SALLY WHITESELL

These days, we're all focused on making sure our guests are completely satisfied. We seem to think that if they are, they'll become loyal clients.

Unfortunately, this simply isn't true.

Loyalty isn't built through a satisfactory experience; it's built through something much more important — relationships.

The art of relationship-building isn't complicated, but it does take skill, time and effort.

This is why we teach Service Advisors to spend seven to 10 minutes performing a walk-around process that includes relationship building at the write-up. If they hurry guests through the process because they're rushing to get the job done, they'll miss the opportunity to build a relationship with the client.

No relationship has ever been built "real quick." Without a relationship, clients will go wherever is convenient because they don't see a difference in one store vs. another.

Google Consumer Surveys confirmed this in a study conducted in 2013. After surveying over two-thousand people, the findings were simple: clients don't feel there's any differentiation between Service facilities. They were quoted as saying, "I feel I can take my car anywhere for maintenance because they're all the same." This is clear evidence that we can only create loyalty through building trusting relationships.

The first step is to teach your team how to build rapport. (The word rapport originates from a French word that means "bring back.")

In other words, whatever vibe, attitude or emotion our customers send out, we send right back to them. Of course, we don't do this with upset customers, but you'll see how the following steps will help your Service Advisors turn these clients around.

Rapport is built through a back-and-forth communication style that can be learned. Often, I remind Advisors that we want to talk with our guests, not at them. These conversations can help clients feel that we share beliefs, values and behaviors. Here are five points you can discuss with your team so they can master these skills.

LOYALTY ISN'T BUILT THROUGH A SATISFACTORY EXPERIENCE; IT'S BUILT THROUGH SOMETHING MUCH MORE IMPORTANT — RELATIONSHIPS. THE ART OF RELATIONSHIP-BUILDING ISN'T COMPLICATED, BUT IT DOES TAKE SKILL, TIME AND EFFORT.

1. Listen
We have two ears and one mouth, so we can listen twice as much as we speak.

In automotive Service, just like in marriage, it's critical to practice active listening. Active listening is much more than just waiting for your turn to respond. A skilled active listener will acquire a lot of valuable information, which can be used in presenting a personalized benefit-based presentation and personalized close.

"RASA" is a popular acronym for listening skills, and an easy way to help your team remember these steps. RASA stands for:

• Receive: Give your full attention to what your client is saying. This means turning your body toward them, using good eye contact, nodding your head and taking notes.

• Appreciate: React and respond with facial expressions, nods and noises such as "hmm," "I see," "I understand" or "oh." This gives your client positive feedback and lets them know you're truly hearing what they're saying.

• Summarize: Repeat all shared information back to them. This will clear up misunderstandings, save time later and prevent mistakes. The worst that can happen is your client will correct you and clear up any misunderstandings now instead of later. Your clients will feel that you actually listened and care about solving their concerns.

• Ask: Once you've listened thoroughly to their needs and concerns, you may need additional information. Now is the time to elaborate on what they've shared and ask additional diagnostic questions. While they're talking, it's time to RASA all over again.

2. Find common ground
Most clients will share something about their day or their lives during the write-up. This often happens at the greeting or during the walk-around as they share personal information or they tell you about their schedule constraints. Other times, there may be clues in the car, such as golf clubs or a child seat.

Teach your Advisors to find some common ground and use this information to build a bridge.

For example, if the client has small children, the Advisor can briefly share that they have small children. (Or grandchildren in my case! See how I shared?) Take note of the word "briefly." It's important that your Advisors don't dominate the conversation and waste the client's time. Which brings me to my next point...

3. Show respect for their time and money
Most of us have limited time and money when it comes to servicing our cars. Let's face it; this is a chore and expense that most people don't want.

Your Advisors need to make every moment with your clients count. They need to make the interaction enjoyable with friendly conversation or make it productive by justifying your processes. For example:

"In order to expedite your repairs, I am going to ask a series of diagnostic questions."

"For your convenience, let's walk around your car together while I gather information."

4. Practice mirroring
Successful salespeople practice this skill without even trying. They'll match their client's volume, pace and tone while emulating their posture and body language. Sometimes I will come home from a store in a different part of the country and realize I have even picked up their accent. Our goal is not to mimic but rather to be in sync.

5. Stay Positive
Even though we all have bad days, in business, we can't let it show. Nobody enjoys spending time with someone who looks and sounds miserable. Your Advisors must keep a smile on their faces at all times and treat every client like a welcome guest in their home.

Anthony Robbins sums it up nicely: "When people are like each other, they tend to like each other."

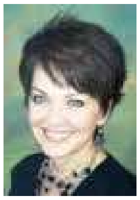
If your clients don't like your Advisors as people, they may be satisfied with your service, but they won't come back. Everyone enjoys doing business with people they like, trust and respect, but in order to establish these qualities, we must make an effort to connect.

Think about the companies you enjoy doing business with. Why do you go back? Is it that the product is so much better than their competitors or is it that you have made a connection with someone within the business?

I'm pretty sure your loyalty has been developed because someone within that business made you feel like you are important and that they are glad to see you every time you walk through the door.

This is also true of your employees. Do your managers connect with your team and practice RASA on a day-to-day basis?

Employee retention / loyalty is at it lowest across the board in our industry. Practicing these methods every single day could help us all build some relationships that will pay off both personally and professionally.



Sally Whitesell is President of Niceville, Florida-based sw Service Solutions, which offers in-store training nationwide and Fixed Ops University, which engage online training for Service Managers and Service Advisors. She brings over 21 years of on-the-drive experience to her training, seminars and books.

THIS ISSUE:

WIPERS AND WASHER FLUID

Oakland, Ca
2011 GMC Sierra 1500, 4.8L, V8, 4WD

	Refill Washer Fluid	Wiper Assembly	Installation of Wiper Blades	Brand of Wiper Blades	Hours of Operation
National Competitor	Free	$57.98	$6.00	Bosch	Mon-Sat 7-7, Sun 9-5
National Competitor	Free	$32.95	Free	Valvoline	Mon-Fri 7-6, Sat 8-2
National Competitor	Free	$37.98	Free	Trico	Mon-Fri 7-8, Sat 7-7, Sun 9-5
Dealer #1	Free	$49.54	Free	AC Delco	Mon-Fri 7-6, Sat 7:30-4:30
Dealer #2	Free	$49.54	Free	AC Delco	Mon-Fri 7:30-5, Sat 8-4

Bergen, NJ
2011 Buick Regal CXL, 2.4 Ecotec in-line 4, DOHC, FWD, Auto

	Refill Washer Fluid	Wiper Assembly	Installation of Wiper Blades	Brand of Wiper Blades	Hours of Operation
National Competitor	Free	$39.00	$6.00	Bosch	Mon-Fri 7-7, Sat 7-6, Sun 9-5
National Competitor	Free	$34.98	Free	Champion	Mon-Fri 7-7, Sat 7-6, Sun 9-6
National Competitor	Free	$34.00	Free	Valeo	Mon-Wed & Fri 8-6, Thur 8-8:30, Sat 8-5, Sun 9-5
Dealer #1	Free	$49.54	$12.50	GM	Mon-Fri 8-3:30
Dealer #2	Free	$60.00	Free	GM	Mon 7:30-5, Sat 8-12

Oklahoma City, OK
2012 Honda Civic DX, 1.8L in-line 4, Auto, FWD

	Refill Washer Fluid	Wiper Assembly	Installation of Wiper Blades	Brand of Wiper Blades	Hours of Operation
National Competitor	Free	$19.98	$6.00	Bosch	Mon-Sat 7-7, Sun 9-5
National Competitor	Free	$22.06	$6.00	Bosch	Mon-Fri 7-7, Sat 7-6, Sun 9-5
National Competitor	Free	$53.00	Free	Rain-x	Mon-Fri 7:30-8, Sat 8-8, Sun 9-6
Dealer #1	Free	$88.85	$28.95	Honda	Mon-Fri 7-7, Sat 8-5
Dealer #2	Free	$49.98	Free	Honda	Mon-Fri 7-7, Sat 7:30-4

Baton Rouge, LA
2013 Toyota 4Runner Limited, 4.0L V6, DOHC, Auto, 4WD

	Refill Washer Fluid	Wiper Assembly	Installation of Wiper Blades	Brand of Wiper Blades	Hours of Operation
National Competitor	Free	$35.98	$6.00	Bosch	Mon-Fri 7-7, Sat 7-6, Sun 9-5
National Competitor	Free	$43.98	Free	Anco	Mon- Thu 8-8,Tues Wed Fri 8-6, Sat 8-5
National Competitor	Free	$42.00	$6.00	Valvoline	Mon-Sat 7-7
Dealer #1	Free	$63.11	$9.00	Toyota	Mon-Fri 7-6, Sat 7-5
Dealer #2	Free	$45.98	$11.88	Toyota	Mon-Fri 7-6, Sat 7-5

InteliChek shops local, regional and national competition for automotive dealerships, providing market intelligence to improve customer retention, identify new trends, conquer new business, analyze competitive activity and identify areas of improvement.

For this month's feature, InteliChek contacted a selection of independent retailers, mass merchants and new vehicle dealerships to obtain current pricing on Wipers and Washer Fluid. Four markets of varying size were selected. InteliChek requested and verified retail prices via phone calls, using specific vehicles, and vehicle services. In that way, direct and useful comparisons can be made.

For more information on InteliChek, visit www.intelichek.com.

Interstate Batteries MTZ Super Premium Battery

For vehicles that would benefit from advanced Pure Matrix Power technology and use a lot of accessories and plug-ins.

- Almost 3x the life of conventional flooded batteries.
- 40% more cranking power while still powering accessories.
- Power for accessories and plug-ins even while the engine is off.

MSXI Service Excellence Process

Satisfying customers during a Service experience is critical to building customer retention and long-term brand loyalty. The MSXI Service Excellence Solution offers a rapid and long-term ROI for OEMs, NSCs and dealerships by streamlining workshop processes, improving workshop and Technician efficiency, as well as increasing dealership capacity and Service sales. MSXI takes a custom approach that starts with a two-day site assessment led by highly trained and independent automotive retail experts. This process identifies opportunities for improvement and creates initiatives that focus on your key business processes.

The Service Excellence Solution has been tested in numerous dealership networks, consistently delivering successful results with full executive management approval and multi-year funding. Follow-up programs and continued training based on workshop performance indicators ensure long-term sustainability of your performance improvement as well as notable increases in Parts and Service sales.

Castrol GTX ULTRACLEAN Motor Oil

Castrol GTX ULTRACLEAN — with its proprietary sludge buster — is Castrol's cleanest GTX ever. Its unique Double Action formula cleans away old sludge and protects against new sludge formation, giving vehicle owners more control over today's challenging conditions.

GTX ULTRACLEAN delivers:
• 50% superior sludge protection compared to tough industry standards.
• Advanced protection against viscosity and thermal breakdown.
• Superior protection against high-temperature deposits.
• Premium-quality base oils and anti-wear additives that help extend the life of an engine

Broadway Compact High Volume Express Tunnel Car Wash

The Broadway Stationary Flex Wrap Car Wash has been developed from their years in the Conveyor Car Wash business. This wash is designed to handle a higher throughput and still provide a high quality car wash. The system uses two giant brushes to envelop all surfaces of the car. It has a modular component structure that allows you to customize your system. You are able to modify our high clean dual oscillating curtain into a quad-curtain cleaning machine. No matter the size of your lot or inventory of vehicles, the Stationary Flex Wrap Car Wash can accommodate your needs. This machine is designed to give complete vehicle coverage in a quick, efficient manner to maximize wash volume.

ADVERTISERS DIRECTORY

Graco Launches Rugged EM Series Electronic Meters

Graco has launched its new EM Series electronic manual meters, featuring a proven, robust design at an affordable price. Weather-rated and impact-resistant construction protects the electronics from intense, high-pressure cleaning, dusty environments and mechanical vibration common in industrial applications. Choose from handheld 8 or 20 gpm (30.3-75.7 lpm) models or the 20 gpm (75.7 lpm) in-line meter.

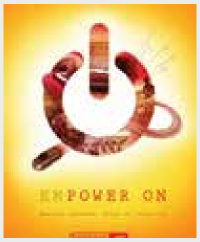
Building on the heritage of Graco's first electronic meter, the new EM Series handheld and in-line meters are designed to last in all applications, from dealership Service centers to heavy-duty repair facilities. These new EM Series meters meet the fast-paced needs of Service Department applications, where value is imperative, while also meeting rugged demands. Graco's EM Series meters feature upgraded electronics with easily replaceable AAA batteries for long life and an easy-to-read LCD screen with simple operator controls that measure in quarts, gallons, pints and liters.

NAPA Professional Services

NAPA is fully committed to the success of wholesale customers. That's why they created NAPA TRACS in 1989. NAPA offers a complete suite of estimating, shop management and technical software tools that help installer customers become more efficient and streamline their business process.

NAPA PROLink streamlines the Parts buying process by providing a real-time web-based connection between a local shop's computer and the NAPA store where they order Parts. This direct connection streamlines order flow process, increases order accuracy and improves the response time from order to delivery. The best part is that NAPA PROLink is free, available 24/7 and is simple to use since it only requires a few mouse clicks.

NAPA TRACS provides powerful estimating, technical information and shop management software solutions designed to help Service facilities manage and grow their business. NAPA TRACS provides the tools to improve the overall shop performance, resulting in increased productivity, customer satisfaction and profitability.



New Snap-on Diagnostic Software Features

The Snap-on diagnostic Software Upgrade 18.2 is more powerful than ever with new features that build on well-known OEM-specific general and collision repair coverage core competencies to offer added speed, access and accuracy. The newest release is packed with more capabilities to move performance and productivity to levels not experienced before. In addition to OEM-specific coverage for 100 vehicle systems and 49 manufacturers with more than 400,000 new and enhanced codes, data, tests and tips and 2017 model year coverage, Software Upgrade 18.2 provides brand new platform features so Technicians can get the information they need right on the tool. One such feature is Edge Series and ZEUS platforms' new quick lookups found on the home screen of the tool for fast access. The tire and wheel service lookup offers informational reset procedures, scanner reset procedures and tire fitment and repair procedures. The quick lookup for oil change and Service resets tells how much oil a vehicle takes without ever leaving the bay when performing an oil change reset. Shops see more profit because more jobs can get done in a day.

JohnDow Advanced Lighting Systems Earns Three iF Design Awards

Advanced Lighting Systems (ALS), distributed exclusively in North America by JohnDow Industries, announced that three of its LED lighting products have been named iF Design Award recipients. The ALS AUD501H Light, the Articulating Slim Light Series and the UHL 101R Underhood Light were recognized during the iF Design Awards banquet at the BMW Welt in Munich, Germany.

Advanced Lighting Systems is a line of 19 LED work lights which includes spot lights, head lamps, under hood lights, articulating lights and audio lights. ALS Audio Lights combine a high-efficiency COB LED spot light with built-in Bluetooth speakers that deliver up to 5,000 lumens of light and superior sound quality. The Articulating Slim Light ultra-thin design allows for inspections in the most inaccessible and narrow work areas. This makes the work light ideal for very demanding and difficult inspection jobs. The Underhood Light Series is a complete line of versatile lights for use in automotive repair, industrial and other applications. These LED lights provide 75% more luminescence compared to traditional fluorescent lights.

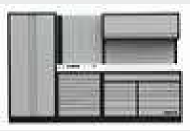
Hunter AutoComp Elite

Hunter's AutoComp Elite brake lathe is now available for order. The AutoComp Elite has been approved by almost all OEMs including Acura, BMW/Mini, FCA, Ford, GM, Honda, Hyundai, Infiniti, Kia, Lexus, Nissan, Subaru, Toyota and Volkswagen.

The AutoComp Elite brake lathe features patent pending automatic compensation technology. The system directly determines the position of the internal plates to maximize speed and accuracy without operator intervention. The result is the fastest, highest quality brake job possible. The new 7" touchscreen provides a user-friendly interface that allows Technicians to quickly look up required adaptors, operate the lathe including changing cutting direction and speed and view instructional videos. AutoComp Elite also includes patented Anti-Chatter Technology (ACT) which eliminates the buildup of vibration (chatter) that can occur when machining rotors at a fixed speed.

MAHA USA Mobile Two-Post Lift

MAHA USA presents the FHB 6500 Mobile 2-Post Lift. The FHB 6500 is a battery-operated, completely mobile automotive lift. Providing maximum versatility, the lift easily moves from bay to bay, indoors or outdoors. Raises vehicles weighing up to 6,500 pounds to a lifting height of 6.4 ft. The high lifting height provides Technicians with comfortable access to the vehicle. Because the FHB 6500 is battery operated, it requires minimal maintenance and no periodic adjustments. Choose special adapters to allow lifting of unique vehicle configurations.



Sonic Tools MWS Work Station

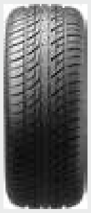
- Six adjustable shelves and one fixed shelf
- Heavy duty ball bearing slides
- Perforated steel panel for tool storage
- Stainless steel work surface
- 100% retractable drawers
- Front centralized locks
- 4 electric connectors 220-230V with power switch
- 22 drawers with 88.1 LBS. (40KG) load capacity
- Self-supporting structure; walls no longer needed

Valvoline Introduces Low-Speed Pre-Ignition Protection Across Motor Oil Portfolio

Valvoline is introducing protection against an issue in newer engines called low-speed pre-ignition (LSPI) across its line of North American motor oils for gasoline-powered vehicles. Valvoline is the first major motor oil brand to specifically address LSPI and to meet newly approved motor oil standards before they have been implemented.

LSPI is an abnormal combustion event caused by the higher in-cylinder pressures common in engines that are newer — e.g., those that are turbocharged and / or gasoline direct-injection (T/GDI) — while operating under low-speed, high-torque conditions. LSPI's milder effects might include engine noise or rough idle, but it can also cause catastrophic damage that results in engine failure. In addition to addressing LSPI, Valvoline's formulations will offer protection against excessive timing-chain wear, an issue to which GDI engines' unique combustion characteristics can contribute.

Uniroyal Tires Introduces Tiger Paw GTZ All-Season 2 Tire

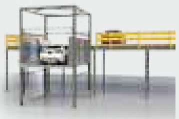


Uniroyal Tires has launched the ultra-high-performance Tiger Paw GTZ All-Season 2. Long known for manufacturing dependable tires at a great value for consumers, Uniroyal is supporting the new products with improved mileage warranties.

The GTZ All-Season 2 is the next-generation ultra-high-performance tire from Uniroyal. The tire will have 10 more sizes available than its predecessor, covering 82 percent of the ultra-high-performance market. The 42 sizes in the range will be available in rim diameters from 16 to 20 inches. The GTZ All-Season 2 offers the following technologies for everyday driving confidence:

- Uniroyal's Tru-Last technology, designed to distribute stress evenly across the tire footprint for consistent wear.
- Wide circumferential tread grooves which help provide better performance in rain.
- Traction snow bars designed to compact loose snow for outstanding starting and stopping.
- New all-season rubber compound, which helps with wet traction in quarts, gallons, pints and liters.

Wildeck Introduces New Driver-Lift Rideable Vehicle Lift



Material handling equipment and safety products manufacturer, Wildeck, has introduced an affordable new rideable vehicle lift that allows authorized personnel to safely travel with their vehicle between levels. Until now, the only available solutions were to install a space-consuming ramp, an expensive freight elevator or a VRC (Vertical Reciprocating Conveyor) that doesn't allow the person responsible for moving the car, to ride along with the vehicle to the next level. To catch up with the vehicle being moved, the person would need to separately send the vehicle, then traverse facility stairs to catch up and off-load the vehicle waiting at the upper or lower level. Wildeck's new DriverLift eliminates that hassle and allows the person to stay with the vehicle. Now, who wouldn't prefer that? Wildeck's DriverLift Rideable Vehicle Lift is an exciting new product that significantly increases the efficiency of vehicle transfer in dealerships, motorsports facilities, classic car storage facilities and showrooms. Customers can now enjoy the convenience of a freight elevator at a fraction of the cost.

Jungle Cat Marketing 4-Tire Rolling Display

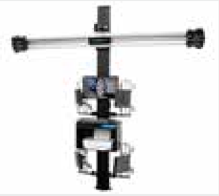
Jungle Cat Marketing has introduced the latest edition to their Tire Merchandising Displays lineup.
The company has created this new Rolling 4 Tire Display which was introduced in the Hunter Booth at the NADA Show. A
robust freewheeling tire display designed to promote OE Tires on smaller drives, it's an ideal solution for sidewalk
sales and limited spaces. Available now at the NADA Expo special introductory price of only $1,000. Features include:

- Alumitech top sign
- Heavy duty casters, front two w brakes
- DOT galvanized steel with black powder coat finish.
- Keyed-alike commercial master lock padlocks available

CRC Industries Releases New CRC Brakleen Pro Series Brake Parts Cleaners

CRC Industries, a global supplier of specialty chemicals for maintenance and repair professionals and do-it-yourselfers, has introduced the new CRC BRAKLEEN Pro Series Brake Parts Cleaners. BRAKLEEN, the original aerosol brake parts cleaner, was developed in 1971. It was the very first product of its kind and CRC is still the #1 brand used worldwide today. The new line of professional-use BRAKLEEN Pro Series cleaners includes four formulations: Non-Flammable, 50-State Compliant, Non-Chlorinated and Non-Chlorinated with less than 45% VOCs. The BRAKLEEN Pro Series Non-Flammable product contains the same industry-leading cleaning formula as the original, strongest formula of CRC BRAKLEEN. The three Non-Chlorinated products in the Pro Series line have upgraded formulas and more cleaning power than their standard-size counterparts.

Hofmann Geoliner 630 Wheel Aligner



Utilizing advanced imaging technology, the geoliner 630 provides accurate, real time measurements that generate serious productivity benefits at an economical price point.

The Hofmann geoliner 630 is simple to operate, has a much faster setup time and provides much quicker measurement times, so more alignment jobs can be completed during the course of a day. Because of the ongoing support and training Hofmann provides to its customers, shops will be able to optimize the efficiency of their geoliner 630, enhancing productivity and customer loyalty. The new geoliner 630 features benefits unique to Hofmann, including:

- Next Generation User Interface – Featuring intelligent predictive alignment flow, the geoliner 630 allows for quick access to vehicle history from the home screen.
- VIN Scanner Accessory – Optional unique feature allows users to automatically start the alignment process, quickly select the VIN number and rapidly access history using the easy-to-navigate graphic display on the home screen.
- Compensation Warn Alert – Automatic process that constantly monitors the alignment, provides critical information to make sure the job is done correctly and detects common environmental conditions and vehicle problems that could result in maladjustment.

Durabook Americas Expands Product Line with Introduction of Fully-Rugged U11 Tablet

Durabook Americas, the North American branch of Twinhead International Corporation, has introduced the newest member of the DURABOOK family, the fully rugged 11.6" DURABOOK U11 tablet. The new device features an Intel 7th Generation CPU, Windows 10 Pro, MIL-STD-810G and 461F ratings, DOD-level security and a full HD sunlight readable LCD. The U11 is ideal for field diagnostics, and automotive Service, where users often operating in extreme conditions.

To meet the needs of mobile workers operating in environments that are not suited to consumer technology, including rain, direct sunlight, long times away from a power source and extreme temperatures, the DURABOOK U11 was designed with the end user in mind. The 11.6" FHD (1920 x 1080) LCD, features a 10-point capacitive multi-touch panel allowing users to keep their gloves on when engaging with the device and its touchscreen operates, even when wet. The display features anti-glare and anti-reflective film, making it readable in direct sunlight.

ISTOBAL M1 Car Wash

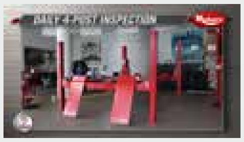
ISTOBAL's most competitive model is surprising in many ways: aesthetics, mechanics and function. The model is intended to offer a quality simple wash.

- Designed with pure lines on the outside, the model is highly reliable technology-wise.
- Complete overlapping scrub by vertical brushes with variable speed drive-controlled travel. Controlling the tilt of the vertical brushes during the wash process improves quality and precision where the side of the vehicle meets the roof.
- A galvanized compact structure designed to optimize the assembly of all parts and components, with a solid but attractive appearance.
- The new arrangement of the nozzles, used for the application of shampoo and water during the rinsing step, maximizes performance, minimizes consumption and optimizes product application.

Cooper Zeon RS3-G1 Designated a Consumers Digest Best Buy

Cooper Tire's Zeon RS3-G1 has been selected as a Consumers Digest Best Buy. Cooper's most advanced all-season high performance tire, the Cooper Zeon RS3-G1 earned the distinction as a product that ranks highly in terms of performance, features, expected tread life and warranty. Consumers Digest editors commented that the Cooper Zeon RS3-G1 "delivers the best braking and wet traction of the performance car tires that we evaluated in this price range."

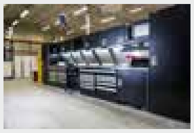
The Cooper Zeon RS3-G1 features a tread compound and design delivering a host of innovative features to create grip, stability and durability. Whether on dry or wet pavement, or even in light snow conditions, the Cooper Zeon RS3-G1 is an all-season tire with performance worthy of the high performance tire category. The tire has been designed with more rubber on the outside shoulder to provide stability during cornering maneuvers and reduce tire noise, as well as full-depth 3D sipes that go deep into the tread element for longer-lasting biting edges. It also includes Cooper's innovative Wear Square, an exclusive visual indicator on the tire that allows drivers to assess remaining tread life.



Rotary Video Covers Eight Steps for Daily Four-Post Lift Inspections

Rotary Lift's "90-Second Know How" instructional video, "Daily 4-Post Inspection," details a checklist of eight steps that Technicians should take at the beginning of every shift to ensure their four-post lifts are operating properly before they start using them. The goal with this 90-Second Know How video is to give shops and Technicians a quick and easy way to look and listen for warning signs that would indicate their four-post lift isn't working properly. It joins Rotary's growing library of training videos that enable shop managers to quickly share important operational and safety information with their staff in an easy-to-use format.

In addition to daily walk-arounds by the lift operator, all installed vehicle lifts should be inspected at least annually by an ALI Certified Lift Inspector. If repairs are needed, a local Rotary Lift distributor can provide fast service and Genuine Rotary Parts to get the lift back in service quickly.



Metalia Workstations Save Up to 70% on Space

The MS Series modular drawer cabinet and modular drawers in shelving are the ideal solutions to manage your Parts store better, thereby increasing its output. Furthermore, it's now possible to adapt Metalia's high capacity drawers to your existing shelves. You'll save up to 70% on floor space by re-grouping your parts in the drawers' adjustable compartments, simultaneously increasing your rate of collection by 25%.

Metalia's wide range of products specifically designed for your Service workshop was developed with only one goal in mind: efficiency. Their WRS Series was designed according to the highest standards of the 5S system. Metalia offers you an entirely modular system that will allow you to save valuable time by being more organized.

John Bean V3300 Diagnostic Wheel Alignment System

With a new notification system that provides critical information without slowing you down, the V3300 wheel aligner puts every alignment on the fast track. The groundbreaking user interface provides instant access to critical tasks in an intelligent flow, ensuring vehicle-specific assistance is always just one click away.

Quick-select language support for procedures and printouts provides rapid changes between commonly used languages. All new graphic displays with all screens optimized for maximum visibility and clarity

Rousseau Shelving with Drawers

- Functional design that ensures it's easy to use.
- Patented partitioning system.
- Load capacity and design adapted to storage in most industrial sectors.
- 100% drawer extension.
- Drawer rolling mechanism covered by a lifetime warranty.
- Common post for Mini-Racking and industrial shelving.
- Shelves adjustable at every inch.

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Continued from page 8

Dealer-FX Releases Customer Connect 3.0, Enabling Dealer BDCs to Utilize Text, Email, Phone to Drive Customer Communications

Dealer-FX, a leading customer experience management provider for OEMs and their retailers, has released Customer Connect 3.0, an enhanced, innovative and powerful BDC communication tool for dealers. As dealers increasingly utilize business development centers (BDCs) to interface with customers, Customer Connect gives agents valuable new capabilities to improve the customer experience and drive cost efficiencies. It controls all inbound and outbound communications via text, phone and email, aligning message delivery with customer preferences to provide a frictionless experience. It includes BDC Accelerator, a sophisticated auto-dialer that greatly improves agent efficiency. Customer Connect generates targeted outbound campaign lists and call scripts for all of the following campaign types:

- Recalls and software updates
- Declined and deferred services
- Lost souls and potentially lost customers
- Missed appointment reminders and follow-ups
- Overdue-for-Service reminders

Car-O-Liner Approved by Nissan and Infiniti

Car-O-Liner, a leading global provider of collision repair equipment to the automotive aftermarket, is proud to announce the approval from Nissan and Infiniti on the following products:

- CR200 Short Cycle Steel and Aluminum Spotter
- Aluminum Workstation including the CR200 Spotter
- NWS 1200 Nitrogen Plastic Welder

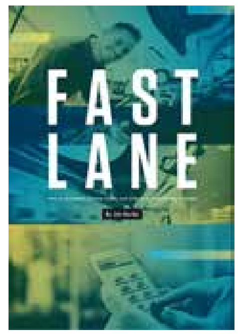
Car-O-Liner's Aluminum Workstation employs the short cycle weld process of the CR200 while utilizing keys, studs and pins for effective dent repairs. The Aluminum Workstation is a complete aluminum dent repair system including carbon fiber pull bars and professional grade aluminum hammers in an organized tool cart. Car-O-Liner's NWS 1200 Nitrogen Plastic Welder applies the most advanced technology for the highest quality repair, complete with a workstation, tools and rod kit.

"Car-O-Liner is proud to be an approved supplier to Nissan and Infiniti," said Mark Weinmann, OEM Account Manager for Car-O-Liner. "We're continuously working to innovate and develop OEM approved solutions for the ever advancing collision repair industry."

OEC Announces New LinkIQ Solution to Help Dealers Make Data-Driven Decisions On Parts

OEConnection (OEC), the leading automotive technology provider for OEM distribution networks, has launched the new LinkIQ, a business intelligence solution that leverages data from a multitude of sources — including the DMS, OEM data and OEC solution data — to create an invaluable analytics tool to help drive OE Parts sales at the dealership level. LinkIQ provides Parts procurement data via an interactive, visual dashboard, giving a Parts Manager quick access to holistic trends.

"LinkIQ gives Parts Directors the ability to quickly assess what's going on with their business. They can see what, and how frequently, their customers are purchasing; if customers are returning parts; and how their staff are performing," said Tom Strain, Director of Business Intelligence at OEC. "Now, Parts Managers are armed with the information they need to grow their business, increase profitability and act quickly, if needed. Today's market is extremely competitive. Our new LinkIQ enables dealers to proactively take control of their business in a way they haven't previously been able to – through the power of data."



Xtime Shows Dealers the 'Fast Lane' to Service Profits in New Book

Record-breaking U.S. car sales may have stalled out, but does that mean the brakes are on for a dealership's profitable growth? Not a chance, shares Jim Roche, Xtime's Senior V.P. of Marketing and Managed Services, in his new book, "Fast Lane: How to Accelerate Service Loyalty and Unlock its Profit-Making Potential." The book is available on the Xtime website.

"When looking at Service and customer retention, 64% of dealers say that retention is their number one priority, yet 85% don't have the technology or tools in-place to enable a superior ownership experience," said Roche. "In 'Fast Lane,' my main takeaway for readers is that the average gross margin in Service is 47% and less than one-third of Service visits take place at a dealership. There's your opportunity to drive profitable growth. It's about turning one-time car shoppers into lifetime customers. The right technology, tools and processes in-place can streamline your Service Department."

In "Fast Lane," Roche dives into the perceptions and attitudes of U.S. car owners toward Service Departments. He explains how dealerships can address their shortcomings in delivering the ultimate customer experience through comprehensive best practices to unlock Service's profit-making potential.

Hunter Introduces FrogData Action Analytics to Maximize Service Profits

Hunter has announced that FrogData Action Analytics has been integrated with the Quick Check inspection system, enabling dealers to maximize Service profits by identifying and converting increased vehicle inspection opportunities. With this integration, dealers will be able to sell more tires, a vital customer retention service, and increase wheel alignments, one of the most profitable services a shop can offer. Hunter's Quick Check inspection system identifies needed Service opportunities in less than two minutes by checking wheel alignment, tire tread depth, tire inflation, battery health, diagnostic codes and braking balance. Dealers will now be able to track shop data including which services are most popular and most profitable. FrogData delivers advanced reporting, business insights and predictive analytics to help dealers make the right decisions to improve productivity and profitability.

"With FrogData's Action Analytics, our inspection customers will be able to really zero in on Advisor performance, open opportunities, declines and follow-up marketing," said Alan Hagerty, Hunter Inspection Product Manager, "The data will help amp up profits."

"We're excited to partner with Hunter in bringing these action reports to their customers. We're seeing massive results in both savings and added profits from our current clients, so we feel confident Hunter users will see immediate benefits from this new feature to the Quick Check inspection system," said Tej Soni, President of FrogData.

myKaarma Launches SmartAssist AI Technology for Dealer Service Departments

myKaarma, software that helps dealerships communicate better with their customers at every stage of the Service process, from check-in through to payment, has released a new Artificial Intelligence (AI) tool, SmartAssist. SmartAssist acts as a personal assistant for Service advisors, researching and providing answers to customer questions. It also provides information on previous recalls, assists in setting appointments and ensures that Advisors save time answering questions for the customer. SmartAssist speeds up communication with customers, enables the Advisor to quickly move on to the next customer without missing anything, improves the overall customer experience and Service department profitability. If a customer texts the Advisor to schedule a Service appointment, the screen automatically populates with the customer's VIN and available appointment times, which can be sent to the customer with a simple click, saving the advisor time and ensuring they are on top of every opportunity to present context-driven answers.

"Wouldn't it be great if your Service Advisors never had to click on ten links to find a simple answer? With SmartAssist they can simply concentrate on taking care of the unique needs of their guests, respond more easily, limit the need to do 'research' on each vehicle and instantly know what recalls a customer needs whenever they communicate with you," said Ujj Nath, myKaarma Chairman and CEO.

iReconCars Integration of myCARFAX Tools Helps Add Transparency to Used Car Reconditioning

iReconCars Software has partnered with Carfax to help increase transparency in the reconditioning and retail process, as well as boost customer retention in dealer Fixed Operations. Now, iReconCars has free myCarfax Service Shop tools built into their reconditioning management software, and makes vehicle reconditioning details available on Carfax Vehicle History Reports and myCarfax.com. Dealers participating in the myCarfax Service Shop program can take advantage of tools like Carfax Service History Check within iReconCars Software. Carfax Service History Check gives dealers access to a vehicle's reported maintenance history. Armed with this information, Technicians can make better recommendations to their management that, when combined with other myCarfax tools like Carfax QuickVIN, helps avoid parts-ordering errors and reduce reconditioning time and costs.

Kenan Pyeatt, General Manager of Lithia Toyota of Abilene Texas stated, "iReconCars becoming partners with Carfax just makes sense. Both companies value consumer transparency and this will allow me to not only control my reconditioning spend, but to also deliver on our promise to our customers to do what is right."

Naked Lime Dives Into the Science Behind Marketing

Naked Lime Marketing demonstrated its array of data-driven marketing services at the annual NADA Show in Las Vegas. The digital marketing company, whose experts work with automotive retailers in areas ranging from event-based targeted marketing to data visualization to predictive analytics, is focused on the quantifiable science behind successful marketing campaigns.

"In addition to utilizing powerful new demographic data, Naked Lime has added new predictive analytics to deliver a wider range of leads more likely to close – and the results back that up," said Chris Walsh, Vice President at Naked Lime. "This helps dealers connect to consumers with more relevant messages, with the ultimate goal of securing even higher profits," he added.

Dominion Dealer Solutions Launches New Cloud-Based Automotive CRM Software

Dominion Dealer Solutions has launched its new CRM, Dominion Vision. The most advanced automotive CRM in the market today, Dominion Vision combines the most intuitive CRM interface in the market with customized reporting and consumer-focused communication tools to create an easy-to-use CRM that will satisfy customers, sales reps and management. Powered by CRMSuite, Vision is the result of a business partnership designed to integrate CRMSuite's state-of-the-art CRM technology with Dominion's portfolio of high-performance digital marketing and data-mining software offerings.

Dominion Vision CRM eliminates conventional CRM thinking by combining ease-of-use functionality with user-tailored dashboards. Vision learns about your customers and their preferences, helping salespeople connect with prospects using the best possible method at the best possible time. With real data at your fingertips, Vision is a true business intelligence tool. Mobility for all users is available via both a tablet-friendly interface and a downloadable mobile app.

"There are many CRMs in the marketplace but Vision is truly different. From our rich CRM legacy with AVV and Autobase, Dominion has always been committed to the dealer, using the latest technology to build simple and elegant solutions," says Jack Ross, President of Dominion Dealer Solutions, "Now all of our tools, from DMS to CRM, equity mining to digital products, can work together."

Affinitiv Releases Free eBook for Dealers: Why Service Absorption is a Dangerous Number

Affinitiv, a leading provider of marketing and technology services to auto manufacturers and dealerships, has announced the release of a free eBook for auto dealers, titled, "Why Service Absorption is a Dangerous Number: An Auto Dealer's Guide to Growing Service Revenue Using Revenue per Units-in-Operation". The eBook presents a compelling case for why dealers should ditch the outdated Service absorption metric and use revenue per UIO to guide their Service revenue growth strategy. To grow profits in today's automotive environment, dealers are focusing on growing Service revenue. Achieving this goal requires overcoming a number of challenges, including declining vehicle sales, more replace than repair work and aggressive competition. To grow revenue, dealers need to increase Service yield from their current customers (UIO) and increase market share. The best metric to measure and track these two goals is revenue per UIO.

"Service absorption is dangerous because it doesn't measure a store's achievement relative to its potential. Your Service department can be at 100% Service absorption but still be losing market share," said Scot Eisenfelder, CEO of Affinitiv. "Using revenue per UIO as a metric forces effort on activities that grow market share and increase customer retention. A focus on maximizing revenue per UIO creates a fundamentally different strategic and operating mindset where the dealer doesn't concede any revenue to the aftermarket," said Eisenfelder. "When dealers calculate their revenue per UIO it's an eye-opening experience — and not necessarily in a good way."

Fidelis PPM Adds Complimentary Auto Deductible Reimbursement Benefit to its Dealer-Branded Prepaid Maintenance Plans

Fidelis PPM, the leading provider of brand-building, revenue-generating prepaid maintenance (PPM) programs, has added complimentary auto deductible reimbursement coverage as a new program benefit. Now, new car dealers selling Fidelis PPM maintenance plans enjoy unique market and competitive advantages:

– By offering customers prepaid, discount-priced routine maintenance services that protect their vehicle investment while driving Service volume, R.O. upsell and retention.

– By enriching plan benefits with this new inclusion of auto deductible reimbursement coverage.

– By also providing plan purchasers personal-identification restoration service in the event of identity theft.

These benefits, called Auto Advantage and offered by leading Program provider The AssurancePlus Group, provide dealers with market-differentiating and unique retention- and loyalty-building competitive advantages. Fidelis PPM reports that consumers using its plan stay loyal to their dealer long after their vehicle purchase with 85% of customers returning to the dealership multiple times during the first year of plan activity and 65% continuing to do so for up to five years. On average, plan users will add $70 in repair-order upsell revenue per Service visit.

"Fidelis prepaid maintenance already packs a wallop of value that builds a dealer's Service business and provides real economic value to their customers. Now, Fidelis PPM broadens this appeal and worth in a unique offering to our industry," says Ryan Williams, President of Fidelis PPM. "Fidelis PPMs with Auto Advantage provide even more value to dealers' customers; auto collision or comprehensive deductibles are reimbursed up to $500 per loss at no charge to the dealer or the customer," Williams notes. He states that prepaid plan holders who regularly use its benefits save on average nearly $400 a year over the retail cost of the services a dealer packages in the PPM they offer.

Singlethread Texting Service Results in Nearly 300 Percent Higher Customer Pay Revenue

Singlethread, an industry-leading text messaging platform that helps dealerships generate more customer-pay per Service visit, has revealed the results of a data analysis review to determine its financial impact on Service revenue. Singlethread is a customer and internal communication platform designed specifically for auto dealers. The system allows Service Advisors to text customers and chat internally with Technicians and other co-workers from a single interface, accelerating the process and creating a more efficient team environment. ROs that used text messaging were measured against ROs that didn't text to demonstrate the composite effect that the company provides.

· Using Singlethread to text customers improved the customer-pay per RO average 155% vs. non-texting customer-pay ROs.

· Customers who reported satisfaction with Service visits via Singlethread improved customer-pay per RO an average 182% vs. non-texting customer-pay ROs.

· Customers who paid for their vehicle service via Singlethread from a mobile device improved the customer-pay per RO an average 292% vs. non-texting customer pay ROs.

"We're pleased to report that Singlethread improves revenue opportunity substantially within the Service Department. Dealerships that use Singlethread to text, deliver mobile vehicle inspection results and facilitate mobile payments are seeing great results," said Will Mapes, Co-Founder, Singlethread.

Dealer-FX Announces Service Dashboard — The Single Source of Truth for Service Departments, Delivering Unprecedented Control and Efficiency

Dealer-FX, a leading customer experience management provider for OEMs and their retailers, has released the Service Dashboard, the industry's only real-time department management, status and communication tool. Customers want to know exactly where their vehicle is within the Service process and when it will be ready for pick-up. The Service Dashboard enables dealers to consistently meet that expectation. Service Dashboard, formerly known as the Dynamic Route Sheet, automatically collects data in real-time from the DMS and the other components of ONE Platform to provide a complete view of all activity within the department. It tracks every vehicle at every stage of the process, alerting Advisors to potential bottlenecks and letting them communicate via text with both employees and customers.

"The Service Dashboard gives dealers an unprecedented level of visibility and control over the entire department," said Gary Kalk, President and CEO of Dealer-FX. "Dealers can now manage every aspect of their people and processes and can identify the sources of delays and inefficiencies that cost time and money. Service Dashboard makes it easy to manage capacity, boost throughput and drive both customer satisfaction and profitability higher. It changes the game."

Dominion Dealer Solutions' Dynamic Reports Portal Provides Immediate Access to Marketing, Success and Engagement Reporting

Dominion Dealer Solutions has launched its new Dynamic Reports Portal for direct marketing. The Dynamic Reports Portal presents a new window into the data that dealers care most about. Available across devices in the world's most popular web browsers, the Dynamic Reports Portal provides fast, visual access to the four cornerstones of DMS-based marketing data: Service Revenue, Sales Revenue, Emails Sent — including engagement and performance — and Email Collection.

Dealerships rely on core metrics to measure the results of their marketing efforts. As the pace of business increases, most dealership managers are challenged by the accessibility of their reports. Dominion designed this new portal to provide every client with a dashboard view of their data plus the ability to drill down when needed. Each of the main data segments are reflected in its own widget along with top-level details for specific campaigns. The main dashboard also allows dealers to drill down to detailed reports, view granular statistics, and export data directly to their inbox.

According to Alan Andreu, Dominion Vice President of Product, "Our goal was to retain all of our previous reporting benefits, but present them to our dealers in a fast, cross-device format."

myKaarma Launches Simple Video Walkaround App for Service Departments

myKaarma has released a new app feature that enables simple video walkarounds for dealer Service Departments. The video walkaround app feature is the simplest way to record any damage to a vehicle, speed up the check-in process, virtually eliminate damage claims and increases upsell opportunities.

The app feature is very user-friendly and allows Service Departments to inspect vehicles in a more natural way. The Service Advisor opens the app, turns on the video, walks around the vehicle and, when any damage is found, it's recorded on the spot. The Advisor simply taps the screen, the app adds a photo of the damage and pops up a list of tags such as dent, damage, scratch, etc., so the Advisor can quickly identify and tag the area of damage for future review. The videos and pictures are then uploaded to the cloud and chronologically stitched together, creating a free-flowing video that pauses for three seconds on each picture, allowing the customer to view as desired. Any area of interest is clearly marked with a circle, highlighting the area of damage so it can be clearly viewed. The app can also be used by Technicians, customized on an individual basis to include labels such as oil leak, battery, alignment, tire damage, etc.

According to Ujj Nath, myKaarma Chairman and CEO, dealers are seeing a lot of success in authorizations when these Technician videos and sent to customers prior to calling for approval. "The customer receives a text with a link that opens to a screen where they can view the pictures and videos from the walkaround. These videos help uncover additional revenue opportunities through damage inspections and the transparent process builds customer trust and confidence. Our dealers are also enjoying tremendous results by improving the vehicle check-in process with integrated video check-in reports that virtually eliminate damage claims," said Nath.

Auto/Mate Updates Open/Mate Integration Interface, Enabling Dealers to Create ROs Using Third-Party Systems

Auto/Mate Dealership Systems has updated its Open/Mate application programming interface (API). The Fixed Ops Department can now use third-party Service solutions to create new ROs and add job lines to existing ROs, increasing efficiency and improving the customer experience in the Service lane.

"This feature benefits our dealers that use X-Time, ELEAD1ONE, Ford SMARTT and Service lane products from our other partners for the customer check-in and multi-point inspection process," said Steve Zadoorian, Chief Customer Officer at Auto/Mate.

The Open/Mate integration program allows third-party vendors to seamlessly integrate with Auto/Mate's DMS. The Open/Mate API uses open standards, keeping costs low for vendors and helping to increase competition and lower prices for dealerships. The ability to seamlessly create new ROs using a third-party solution speeds the customer check-in process and makes the upselling process easier, as data from the ROs are pushed directly into the DMS.

Price Auto Group in Delaware is beta testing the new feature. "Auto/Mate continues to allow dealers the flexibility to use third-party solutions to innovate and streamline operations," said Trevor Shoun, Director of Technical Operations at Price Auto Group. "That's where the beauty of their API comes into play, which in my opinion, is one of the best and most cost effective in the industry."

New AutoLoop MPI Tool Helps Dealerships Sell More Recommended Work

AutoLoop, a leading provider of auto-industry Marketing, Sales and Service solutions, has introduced an all-new multi-point inspection (MPI) tool designed to help dealerships earn customer trust and grow repair order revenue through a user-friendly, yet powerful, product.

With AutoLoop MPI, Service staff can complete multi-point inspections more efficiently than when using paper forms or standard industry processes. The tool quickly walks each staff member through the inspection and enables them to start it from the vehicle walkaround via AutoLoop SmartLane. As repair opportunities are identified, each one is automatically marked as 'checked' for the Technician in the Service bay, making completing the inspection much faster overall. AutoLoop MPI is versatile enough for tablets or desktop computers, meaning Service staff can easily access the tool from their preferred device. By equipping staff with a mobile-first, dynamic solution, dealers will drive higher adoption rates and efficiency. AutoLoop MPI also helps upsell. When an inspection is completed, Techs can capture photos and videos of needed repairs to verify the recommendation. Then, the photos and videos can be sent directly to the customer via SMS or email.

"It's been proven time and time again that showing visual evidence of worn parts builds dealership credibility and customer trust. This combination of showing visual evidence and presenting it in a way that's easier than ever before increases Advisors' ability to sell more recommended work," explains Matt Rodeghero, Chief Product Officer at AutoLoop. "It's not uncommon to see dealers using our MPI tool and selling enough additional services in the first two weeks to pay for the product for the next two years," Rodeghero says.

Service Satisfaction Key to Increasing Brand Advocacy

Service quality continues to be the main driver of customer satisfaction among individuals who get their vehicles serviced which, in turn, leads to greater brand advocacy, according to the J.D. Power 2018 U.S. Customer Service Index (CSI) Study. Additionally, overall satisfaction in 2018 improves 12 index points from 2017. The study measures customer satisfaction with Service at a franchised dealer or independent service facility for maintenance or repair work among owners and lessees of 1- to 3-year-old vehicles.

Service quality affects whether a customer will recommend using a dealer for Service or Sales, as well as their loyalty intentions toward a particular brand or model. Scores in the Service quality measure improve 39 points to 821 (on a 1,000-point scale) since the study was redesigned in 2015. Other measures in the study showing year-over-year improvement include Service Advisor (+12 points); Service facility (+11); Service initiation (+10); and vehicle pick-up (+10).

"There's a strong link between a brand's CSI score and its Net Promoter Score," said Chris Sutton, V.P., U.S. Automotive Retail Practice at J.D. Power. "When a customer is happy with the service a dealer provides them, they're more likely to tell their friends and family members about it. This experience creates promoters for the vehicle brand who are more likely to return to a dealer for repairs and common services like oil changes and replacement of batteries, brakes and tires. Increasing the number of brand advocates is the pathway to growth for dealers looking to generate repeat and new business based on positive word of mouth."

Supreme Court Denies Overtime Pay to Service Advisors

The Supreme Court has limited overtime pay for Service Advisors at dealerships nationwide, ruling that those employees are primarily salespeople who sell Maintenance and Service work. The Supreme Court ruled that Advisors are not entitled to overtime pay. The 5-4 ruling is a victory for Encino Motorcars, a Mercedes-Benz dealership in Los Angeles' San Fernando Valley, but the case has been watched by all 18,000 dealerships across the country. Had the court ruled differently, dealerships might have been liable for back pay for the thousands of Service Advisors.

At issue was whether these advisors were primarily salespeople or something else. The Fair Labor Standards Act includes a perplexing phrase adopted in 1966 that has resulted in conflicting rulings in the lower courts and two trips to the Supreme Court. The overtime law exempts "any salesman, partsman, or mechanic primarily engaged in selling or servicing automobiles" at dealerships.

CDK Global Launches Fortellis Commerce Exchange Platform

CDK Global, a leading enabler of end-to-end automotive commerce, has launched the Fortellis Automotive Commerce Exchange platform. Fortellis, a technology engine with universal connections and protocols, enables a true exchange of information and data in an open, secure and accessible, global network. This plug-and-play platform allows developers, OEMs and dealers to leverage, build, innovate and securely integrate solutions and workflows to transform business. Shopper expectations are changing and in some cases, purchasing and servicing vehicles lacks a real connection between online and in-store experiences. Dealer productivity has stalled because technology solutions do not work across providers, which hinders dealer efficiency and the ability to deliver a seamless customer experience or create new ones quickly.

"We recognized that our industry is ready for an entirely new and collaborative approach to address the major roadblocks that are impeding innovation that leads to better customer experiences," said Brian MacDonald, CEO, CDK Global. "We have been listening, and we know the entire industry wants faster and simpler ways to create solutions that can build a competitive advantage. Given the primary role that CDK plays in the industry, along with its technological scale, we're uniquely positioned to reimagine how the industry connects and to bring Fortellis to life."

Why Faster Is Better for Techs, Shops and Customers

Faster service can make the dealership and the Technician more money, while also making customers happier. Of all the shop tools available, a vehicle lift offers the greatest opportunity for increasing Service speed to improve bay productivity and profitability. With the average Service bay generating around $800 of revenue daily, according to the NADA, servicing just one more customer per day in each bay can represent a big profit booster for the shop. The resulting revenue increase can position the shop to grow through reinvestment in equipment, facility and staff. Whether they're paid by the hour or by the book time model, the ability for Techs to service more vehicles during a shift generally means they make more money. Plus, with the current Technician shortage, those dealerships that offer the best opportunities for Techs to prosper will attract the top talent.

"Speed is everything to the technician and the shop; it has a direct impact on how they make a living," says Kirk Dawson, V.P. of Sales for Rotary Lift. "Every Service bay is a profit center and boosting revenue performance based on Service volume is a key goal for our customers."

Consistent sales rely on loyal customers. Getting vehicles in and out of the shop quickly makes customers happy and pleasing them goes a long way toward building customer loyalty and word-of-mouth referrals.

Changing Vehicle Ownership Lifecycle Examined in CCC's Crash Course Report

CCC Information Services has announced the availability of the 2018 Crash Course, an in-depth report that focuses on the trends and business drivers impacting the industry. The 2018 report examines the vehicle ownership lifecycle — from purchase through vehicle end-of-life — offering insights into how data and technology are impacting the way consumers interact with their vehicles and how industry professionals are evolving the ways in which they deliver products and services to consumers. Crash Course is compiled using information from a range of sources and an aggregated set of data from CCC's data warehouses, which include approximately 180 million claims worth of information.

"Our industry has never moved faster or been so exciting," said Susanna Gotsch, Crash Course author and Lead Analyst for CCC. "Advances in digitalization, artificial intelligence and sensor and camera technology are driving dramatic changes and improvements in technology. This year in Crash Course, we examine how these advances are creating a ripple effect throughout the automotive ecosystem and driving change throughout the vehicle ownership lifecycle."

The 2018 Crash Course begins by analyzing the 'buy' decision, exploring how and why consumers buy vehicles, how they pay for and insure the vehicle and how auto industry sales are faring. The second part of the report, called Drive, examines whether miles driven will continue to grow, who or what will be doing the actual driving, how insurance will change based on who is in control of the vehicle and how technology will impact automakers and insurers in the future.

AutoAlert Delivers Promise of Open API Integrations, Partners With Dealer Teamwork

AutoAlert, a leading data and predictive-analytics platform, has announced a partnership with Dealer Teamwork, the creator of automotive's first Merchandising, Personalization and Optimization Platform (MPOP). The combination of AutoAlert's proprietary big data intelligence, with Dealer Teamwork's patented MPOP digital-marketing platform, creates a full-service digital-marketing solution that not only pushes the right message to the right customer at exactly the right time, but also lands the customer on a landing page with dynamically created content, ensuring a seamless experience. This partnership unites two industry veterans, Mike Dullea, AutoAlert's CEO and Sean Stapleton, Dealer Teamwork's CEO and Co-Founder. Though the two companies are different, their missions are the same — a best-In-class consumer experience for the automotive shopper.

"Our ultimate goal is to provide a personalized experience for shoppers across every touchpoint throughout the shopping journey," Dullea said. "Dealer Teamwork, with its MPOP technology, is a natural fit in that mission, making this partnership a no brainer." Added Stapleton, "We're looking forward to completing the integration of AutoAlert's newest CXM platform and our MPOP platform. This partnership makes so much sense because both companies are focused on serving the modern customer's needs and with this partnership, we're stronger together."

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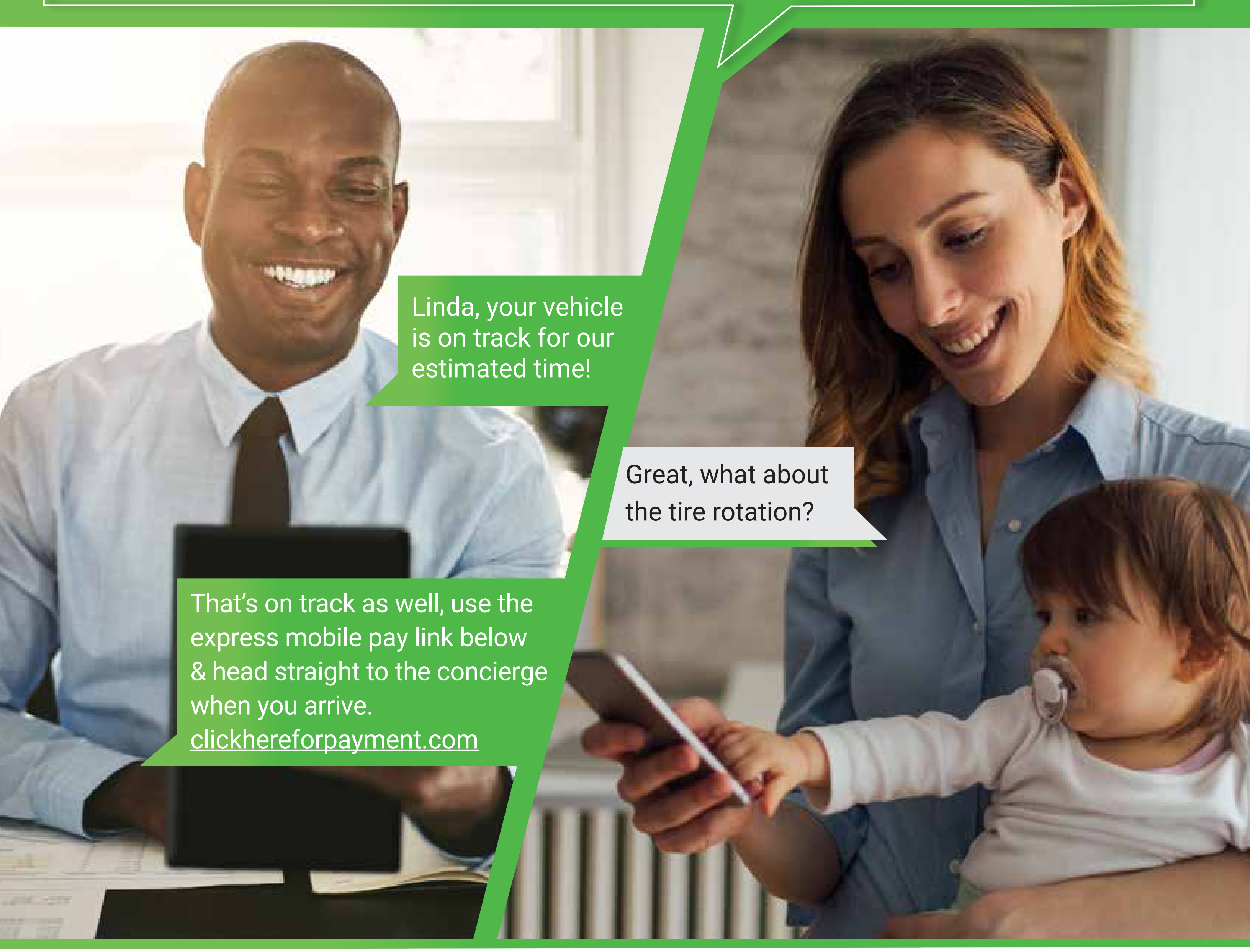

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