



Franchised dealership service departments have experienced increased competition from independent repair facilities and quick-lube centers over the past several years. A startling statistic shows nearly 70 percent of new car buyers choose service facilities other than the selling dealership during their ownership cycle. Capturing this business is critical to the dealership, both in service department revenue and customer retention.

Dealers have attempted to address customer perceptions that competitive facilities are more convenient and less expensive by offering express-lane service for maintenance items and posting their pricing in the service department. Many have also extended their service department hours, offering more evening hours and, in some cases, weekend hours.

Dealerships can be proactive and devise a system to re-capture these customers. Some recommendations include:

1. Regularly reinforce to the entire staff the importance of retaining customers in service.
2. Establish a process and hold key people accountable to ensure the service department is presented fully to each customer at the time of delivery of their vehicle. At that point, the sales person should:
  - Communicate that all dealership associates are aware the customer has many choices for purchasing and servicing their vehicles and emphasize the dealership's commitment to earn the customer's business in both sales and service.
  - Introduce the service manager and/or service advisors.
  - Discuss the dealership's highly trained technicians and explain they are specialists for the particular vehicles the dealer is selling.
  - Discuss the dealership's investment in specialized tools and equipment to enable them to properly maintain and repair today's vehicles.
  - Review the normal maintenance required to keep the factory warranty in effect and explain the dealership maintains all service records.
  - Schedule the customer's first service appointment, thus beginning the customer's relationship with the service department.

3. Provide a tool that offers ease and convenience for those customers who prefer to use the Internet to schedule real-time, online, confirmed service appointments. The use of such a tool:

- Increases customer loyalty.
- Increases customer satisfaction.
- Increases customer frequency.
- Increases customer retention.
- Increases service department efficiency.
- Increases service department revenue.
- Saves time on in-bound telephone calls.
- Drives traffic to the dealer's website.

Along with the competition, another factor in reduction of service department business is the change in manufacturer-recommended maintenance schedules. The three months, 3,000-mile oil change is a thing of the past. Manufacturers are recommending maintenance services at 5,000 miles, 7,500 miles or even more extended intervals.

These factors reducing the number of vehicles coming across the service drive make it imperative for the service department to maximize the revenue from those customers they do see. As always, only necessary services should be sold. You never want the service department to gain a reputation of recommending unnecessary services.

The initial contact with the customer when they enter the service drive is of utmost importance. This is where the service department relationship can be established and nurtured. Be certain the customer is greeted promptly and pleasantly. Make sure someone is available to greet every customer as they enter the service drive. Complete attention needs to be directed toward each customer in for service. How good does it feel when you arrive at a place of business and you are greeted by name?

Continually train your service advisors in sales and customer service techniques so they are prepared in advance for each customer as they enter the service drive. This includes reviewing all service history on the vehicle, confirming all necessary parts are available, researching vehicle recall status and planning to offer services for which the vehicle is due that the customer had not requested when making the appointment. The most effective approach is to take time to discuss the recommended services with the customer,

explain their vehicle is due for such service, what the service entails and how it benefits them. This open communication creates trust which results in increased profits, CSI and customer loyalty and the frequency with which they spend money at your store.

An example of the right way and wrong way to sell additional services:

(Wrong Way) You haven't had your tires rotated for over 9,000 miles. Should be done every 6,000 miles. Want us to do that?

(Right Way) The last tire rotation performed on your vehicle was at 30,000 miles. The manufacturer recommends tires be rotated every 6,000 miles. This is an inexpensive way to reduce tire wear and extend the life of your tires. We could do that today in conjunction with your other services for only \$\_\_\_\_\_. Wouldn't you like for us to complete this service for you as well?

The first impression is very important, and just as important, is the last impression. When the customer comes in to pick up their vehicle, again reinforce the fact the dealership values their business. This is certainly communicated by the attitude of each dealership employee, along with either a vacuumed, washed car, a coupon for a free car wash, or a coupon for the next scheduled maintenance. An effective and inexpensive idea is a note from the service manager thanking them for their business. These can be printed in advance, attached to each repair order and, in case the customer has any questions or concerns, provide either the service manager or customer relationship manager's contact information.

Spend the time and effort necessary to be certain everyone in your service department, whether it be the service manager, service advisors, cashier and anyone else who has contact with the customer, either in person or via telephone, appreciates the importance of each and every customer being treated as a "Very Important Person". This will pay huge dividends in happy loyal-customers; repeat business and additional revenue – both in your service and parts and sales departments.

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