

RECALL

Today's Owner Of A Recalled Vehicle Can Be TOMORROW'S HAPPY SERVICE OR SALES CUSTOMER

Develop plans now to research and identify these recall prospects, and to effectively interact with them. BY CHRIS MILLER

U.S. Defense Secretary Donald Rumsfeld, you may recall, felt there were three categories of knowledge:

"... There are known knowns; there are things we know we know. We also know there are known unknowns; that is to say, we know there are some things we do not know. But there are also unknown unknowns – the ones we don't know we don't know."

Now, once your brain stops hurting trying to figure out what he was saying, I think you'll agree that in auto dealerships, this same principle can be applied to define categories of customers:

1. **The known knowns.** These are vehicle owners whom you know about, including customers you have sold to and serviced. Their information is stored in your DMS.
2. **The known unknowns.** You know these vehicle owners exist, but you don't know anything else

about them. These are potential customers who live outside your marketing area, customers whom your competitors have sold to and serviced, or prospects on lists who have not responded to previous marketing efforts.

3. **The unknown unknowns.** These are vehicle owners you logically assume (but don't know for a fact) exist, but about whom you don't know anything. This group can include secondary vehicle owners who live near your dealership.

"Recalls provide a unique opportunity to reach and engage with new customers, because your dealership is not trying to sell anything yet. Rather, it is offering to help with a problem."

Your goal is to convert this owner of a vehicle under recall into a service customer.

"When an owner arrives at your store or phones, it is important that you are prepared with a response. Ideally, your dealership should truly 'own' the recall problem and apologize to the customer."

FIND "KNOWN UNKNOWN" AND "UNKNOWN UNKNOWN"

You can start with your manufacturers' lists of original owners. However, these lists are limited because they don't provide information on secondary owners, a group that represents two to three times the number of potential customers.

To find these secondary owners, you'll need check into your state's rules. In some states, dealers can buy registration data directly from the Department of Motor Vehicles or insurance companies. In others, your OEM may need to get involved.

Finding the best sources of lists, however, requires some creativity and digging deep. Independent service and oil change centers, "smog shops" and roadside assistance companies all deal with vehicle owners and VINs on a daily basis, and may be happy to sell lists of current vehicle owner addresses.

CHECK VINS FOR RECALL INFORMATION

Many recalls are publicized weeks or even months before manufacturers are able to accurately identify specific vehicles needing to be recalled, and then customer notifications can take several more weeks.

Dealers also can have their own staffs look up recalls for current customers. The best way to do this is to enter their VINs through the secure communications portal provided by our OEM, then create a list of customers with recalls in your CRM or CMS. That list should be prioritized, with recalls that pose the highest safety risk first and those that are most profitable to repair second.

MOTIVATE CUSTOMERS WITH SENSE OF URGENCY

Your recall communications strategy should include three prongs: snail mail notices, e-mail notices and phone calls. Be patient and persistent. Response rates should range from 3 percent to 10 percent, but it may take several months to reap the rewards. Many customers procrastinate or may have recall fatigue from all the notices in the news lately.

CONVERT OWNERS TO SERVICE CUSTOMERS

Owners of recalled vehicles tend to be different than

your typical service customers. The fact they've been tracked down and notified of a recall often comes as a surprise and inconvenience, so they react with frustration or even anger.

When an owner arrives at your store or phones, it is important that you are prepared with a response. Ideally, your dealership should truly "own" the recall problem and apologize to the customer. One greeting we recommend is: "Thank you so much for contacting us. On behalf of [OEM] and [dealership name], we apologize for any inconvenience caused by this recall. Your safety is our top priority, and we want to make it right by repairing your vehicle at no cost to you."

From there, your staffer should transition into a counseling process and explain the recall description, risks posed, remedy available, length of time to make the repair, and parts availability. Plus, the customer must be notified your dealership has certified technicians standing by to make these repairs.

You can also explain your dealership's service advantages (free car wash, free Wi-Fi, coffee, etc.). This type of planned response will often calm down a frustrated customer and quite possibly turn him or her into a loyal service customer.

CONVERT OWNERS TO SALES CUSTOMERS

If the safety risk posed by a recall is high, and parts are not readily available, then the vehicle owner becomes a prime sales candidate. For example, the recent Takata airbag and GM ignition switch recalls generated so much frustration that many owners decided to trade in their cars; GM stated that in 2014, it sold 6,600 cars to customers with defective ignition switches.

If your service department doesn't have the parts in stock to do a recall repair, don't just write off the customer as a lost opportunity. Turn him or her over to the sales team, which needs to have devised a strategy. A special incentive should be provided or an offer made, to make up for your service department's inability to perform the recall repair in a timely manner. Again, the goal is to position yours as the dealership that cares.

The growing number of recalls presents an incredible opportunity for dealerships that know how to leverage them. In addition to claiming your share of millions of dollars in recall revenue, there is a very real and even bigger opportunity to turn "known unknowns" and "unknown unknowns" into "known knowns" – and loyal customers to boot. **SD**

THE UNKNOWN ARE AN OPPORTUNITY

Vehicle owners in the latter two categories -- "known unknowns" and "unknown unknowns" – easily could become your dealership's biggest source of revenue. All you must do is find them and convert them into service or sales customers, or both.

Easier said than done, I know. However, leveraging recalls offers one promising approach. Recalls provide a unique opportunity to reach and engage with new customers, because your dealership is not trying to sell anything yet. Rather, it is offering to help with a problem. Many times, these customers don't even know there is a recallable problem with their vehicle, or they realize but have shoved the issue to the bottom of their priority list.

Recalls provide your dealership with a natural competitive advantage. Unlike independent repair shops, your dealership is authorized to perform these repairs, which won't cost the customer a dime. Safety recalls also present a huge source of potential service revenue from manufacturers. So, how can your dealership claim its share (and then some, hopefully) of this recall revenue pie? Try following Simply follow this communications strategy:



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His company is a leading provider of automotive recall news, data, training and communications. Chris has more than 17 years of experience building software to automate marketing communications. He has worked with leading brands such as HSBC/Household Automotive, Mercedes-Benz USA and Costco Automotive Group. Visit the website at www.recallmasters.com.