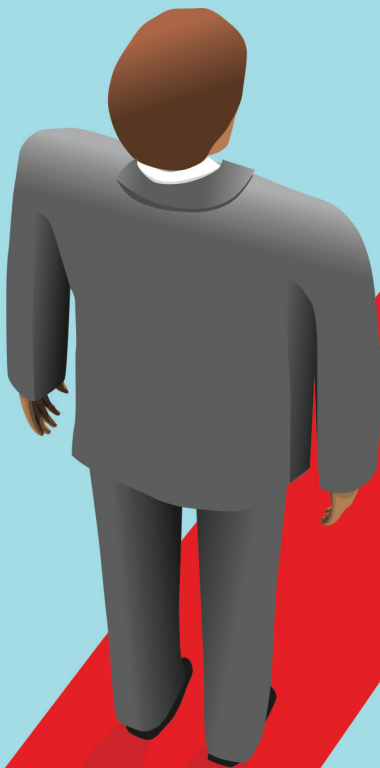


Vol. 12, No. 4 - July / August 2015

Fixed ops



DECISIONS...

Body Shop Performance Groups

The Netflix Effect On Your Parts Department

The Safety Recall Mess

What's a Service Advisor Worth?

CALMING THEM DOWN OR REVVING THEM UP

TWO APPROACHES TO GETTING MORE VEHICLE
RECALL CUSTOMERS INTO YOUR SERVICE DRIVE

BY CHRIS MILLER

Consumer response to the current tidal wave of automotive recalls runs the gamut from hysterical to totally tuned-out. Can you blame them?

An estimated “46 million cars with unfixed flaws” were on the road at the end of 2014, according to a recent article in Automotive News. And there may be even more vehicle recalls in 2015, Mark Rosekind, Administrator of the National Highway Traffic Safety Administration (NHTSA), told Consumer Reports.

Some recall news headlines alarm consumers:

- **“FCA trial over child’s fiery death expected to renew recall push” – March 15, Automotive News**

- **“GM ignition-switch death claims rise by 3 to 87” – April 20, Automotive News**

Other headlines may not draw much concern:

- **“Ford recalls 213,000 police vehicles to fix door springs” – March 25, Click on Detroit**

Either way, one thing is certain: the recall epidemic represents a huge opportunity for your Service drive to boost revenue

and profits and increase customer loyalty and retention, while performing a public service.

The epidemic also represents an opportunity for your dealership to boost sales of new and pre-owned cars, based on the mileage of the recalled vehicles and the remedy of the recall issues.

How you handle vehicle recall prospects is critical to your success -- whether one individual contacts you in a panic, or you systematically reach out via phone, e-mail, or direct mail to let thousands know they have a problem that your Service Department can solve.

Is your dealership ready with formalized best practices for handling all vehicle recall prospects?

First, your dealership must keep up to date on recall news.

1. Designate a staff member to keep up-to-date on recalls for the makes and models you sell and typically take in trade. Most recalls are publicized via press releases from NHTSA and the OEMs weeks, or months, before the OEMs mail the individual owners notices. So, have your staff person go to Google Alerts and register to receive daily vehicle recall alerts. Enter the keywords, “US automotive recall, US vehicle recall.”



Staying on top of recall news means:

A. You won't be uninformed and unprepared when a panicked consumer calls about a recall. The unprepared dealership may lose the opportunity to service that consumer.

B. You won't miss opportunities to reach out to consumers who are unaware that their vehicles are under recall.

2. Have your designated staff member organize recall news, so that notices about dangerous defects are prioritized over problems that could wait until a car owner's next scheduled Service.

3. Have this same staff member make recall information available in a common folder online for quick access by your Business Development Center (BDC) representatives and Service Advisors. The more knowledgeable your representatives, the more confidence they inspire in your recall prospects.

Now, let's look at best practices for handling incoming calls from panicked consumers:

1. Develop a script that your BDC representatives and Service Advisors can use to conduct a conversation with callers that is sympathetic, informative and reassuring. It should be positive in tone and take your BDC representatives and Service Advisors through the following steps:

A. Sincerely apologize to customers for the defect on behalf of the manufacturer.

B. Listen sympathetically to customers as they vent fear, frustration and anger. Often this is as important to your callers as fixing the problem.

C. Assure customers they have called the right dealership to get the specific help they need to solve their problem.

D. Invite them to come into the dealership and assure them their safety is your number one priority.

E. Explain that the repair work will be done at no charge to them.



F. Let customers know your dealership values their time. Schedule the appointments for repairs at the customers' convenience. Don't state things in a negative way, such as, "We can't fit you in until next week." Instead, be positive: "We can get you in as early as next week."

**"A WORD
OF CAUTION:
DON'T WASTE
YOUR MONEY
MARKETING
TO MORE
CONSUMERS EACH
MONTH THAN YOU
CAN HANDLE."**

G. Offer to provide a rental car in the meantime, if the vehicle defect is life threatening. Or, offer free shuttle service, if that's what your customers need.

H. If the vehicle defect can be fixed in a few hours, let prospective customers know that your Service waiting area is an attractive place, with amenities such as WiFi, TV, food service, etc.

2. Train your BDC representatives and Service Advisors to use the script, so it doesn't sound like one and to properly handle all questions not specifically covered in the script. This training would impart information on:

- Dealership and OEM recall policy.
- Where to quickly look up data on specific recalls and VINs.
- How to close the call with a Service appointment. (Failure to engage vehicle owners when they call may result in their contacting a competing dealer.)
- How to upsell callers on additional services.
- When to earmark leads for possible new or pre-owned car sales.

Now let's focus on reaching the large market of totally tuned-out consumers: the fatigued and the oblivious.

Fatigued consumers don't want to hear about yet another recall. They've had enough. Even if the recall defect may be life-threatening, many of these consumers cope by denying the problem. They think: 'It will never happen to me. I've had the car this long and nothing has happened.'



Oblivious consumers don't keep up with the news or read their mail. They don't know about the recalls.

You need to reach out to all these consumers with a message that will break through their ennui, but not threaten them, and will make it as painless as possible to get their vehicle repaired.

But, first, how do you find these fatigued and oblivious consumers whose vehicles are under recall?

OEMs will send you the list of original owners, but it's often difficult to track down secondary owners in your area -- particularly ones with whom you have not previously done business.

One place to look for consumers -- in your area, with open recalls -- is your state's Department or Registry of Motor Vehicles. You can also request this type of information from insurance companies.

When you have your list, prioritize it as follows:

1. By the defects most dangerous to consumers.
2. By the repairs most profitable to the dealership.
3. By the availability of Parts -- in stock, or quickly ordered / delivered. Stage ordering based on the monthly volume of vehicle owners you expect to contact. Make sure you have the Parts prior to sending the first mailers to vehicle owners.

4. By how trained your Service Techs are in the repair processes needed.

5. By geographical proximity of the prospects to the dealership. Mail to the closest ones first.

Now, plan your marketing communications strategy.

A word of caution: Don't waste your money marketing to more consumers each month than you can handle. Dealers should budget a minimum 3-5% response rate (30-50 customers per month per 1,000 mailers), factoring in your Service Department's capacity to fulfill Service requests based on the number of Service bays, Service Technician resources and repair orders they are able to process each month.

Once your Service drive is prepared -- Parts Department well-stocked and Technicians well-trained in the specific recall repairs -- initiate a multi-pronged marketing approach using e-mail and first class mailings designed to brand your dealership and the OEM you represent.

To get the attention of message-weary and oblivious consumers, your first class mailing should be just that: First Class -- clever, fresh and arresting. It must not look like junk mail, or a black and white notice from the government. It should include the OEM's logo and your dealership's logo.

Your message must be brief and educational. Consumers need to know your repair service is both NHTSA and U.S.

Department of Transportation compliant. Besides the recall information, this mailing should include your dealership's street address and website address, a toll free number and your hours of operation. Your e-mails should follow suit.

Ten days after sending the first class mailing, and / or e-mail equivalent, have your BDC follow up with a well-scripted phone call -- factual, not alarmist. Be sure you comply with National Do Not Call (DNC) Registry rules.

And, do take advantage of the recall campaign to upsell services -- without any incremental cost of advertising. Simply create a Service incentive offer to accompany the recall notice. The offer could include recommended factory Service interval maintenance based on mileage, oil changes, etc.

OEM recalls represent a fabulous, ongoing opportunity to drive more and more vehicle recall prospects into your dealership to boost Service drive revenues and profits.



Chris Miller is President of Danville, CA-based Recall Masters, a leading provider of recall marketing programs and automotive services marketing. Chris has over 17 years experience building software to automate marketing communications. He has worked with marquee brands including HSBC/Household Automotive, Washington Mutual, Residential Pacific Mortgage, ServiceMagic, Monumental Life Insurance, Mercedes Benz USA, BMW/Mini North America, Volvo North America, JP Morgan Chase, Wells Fargo, Moxy Solutions, and Costco Automotive Group.