

A CLIENT CASE STUDY



Let the
 Recall
 Revolution
 Begin!

**Sullivan Brothers Toyota
 Generates \$384,000 in Service
 Revenue, Approximately \$2 million
 in Vehicle Sales as Community's
 Go-To Recall Center**

Recall Masters, Inc., a leading provider of automotive recall data, services and communications, today announced that Sullivan Brothers Toyota of Kingston, MA, produced over \$384,000 in additional service revenue in just 4 months on their program. It also sold 81 vehicles off the service drive through the simple action of establishing an in-dealership recall department and implementing Recall Masters' turnkey Recall Communication Services. The dealership is now better identifying and communicating with existing and prospective customers that have open recalls, helping drive service revenue and vehicle sales.

While doing well in the market, Sullivan Brothers Toyota had extra capacity in the service lane and was searching for a program that was not just a one off effort, but one that provided sustained growth and especially focused on getting lost customers back in, while also acquiring new customers.

Fixed Operations Director Dave Bellando came across Recall Masters and realized that recall vehicle owners offered a built-in revenue opportunity. He liked the idea that many were second and third owners, so represented customer pay upsell and

potential vehicle sales due to owning older model year vehicles. Additionally, vehicle owners with open recalls often service at other independent service centers. Becoming a recall center for the community would create the opportunity to procure new customers. And, by providing these customers with a superior customer experience, create customers for life.

"While many service departments get overwhelmed with the volume of recall work, the Toyota recall process is more



streamlined, which allows us to engage more of our recall customers once we have a good process in place," said Bellando.

Bellando recognized that, as the recall customer can be emotional, his service advisors and BDC personnel would benefit from specialized training in handling the recall customer.

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So, to begin the process of becoming a recall center for the local community, he first implemented an employee training program.

"I liked the idea of an ongoing cultural change in our dealership and a real commitment to customer safety — to getting these vehicles off the road and repaired. Recall vehicle owners need to be handled differently because they run the gamut of emotions related to their vehicle recall," Bellando stated. "The Recall Masters training helped us learn how to adapt accordingly and capture this unique and valuable opportunity. We have seen a significant increase in retention and customer pay upsell due to the best practice training. We now roll out the red carpet and show the best possible service that Sullivan Toyota can provide."

Following the training, vehicle owners were identified in the dealership's DMA with open recalls which were not in their customer database and who had not yet visited the dealership; along with active and lost customers from the dealership's DMS.

These all became prospects to receive sustained recall communications. A total of 4,136 vehicle VINS were identified with open recalls and the dealership began a four-month effort to alert these customers of their recall status.

First, it reached out to customers via telephone and email, informing them of a possible recall on their vehicle. This was followed by a recall reminder via first class mail, which specifically outlined the recall associated with their VIN. Over a seven week period each vehicle owner received five emails;

six phone calls with voicemail messages left as needed; and a mailed notice, alerting them of their recall status, urging them to visit Sullivan Toyota to have their vehicle repaired at no cost.

After just four months on the program, Sullivan Toyota realized over \$384,000 in additional service revenue, consisting of \$307,104 warranty revenue and \$77,321 customer pay revenue. And that's not all – it also sold an additional 81 vehicles.

"We are delighted to see our customer pay revenue increase by over 25% through implementing best practices in handling these unique recall customers. We also sold an additional 81 vehicles, which brought us an additional \$121,500 gross profit through these recall customers trading in their older model vehicles," said Bellando.

Overall, the dealership generated \$289,188 in gross profit from their recall efforts. And that number continues to grow every day as recall vehicle owners provide sustained traffic to Sullivan Toyota.

"After subtracting our total investment of \$12,201, our dealership has realized \$276,987 new profit from this program thus far, and it is continuing to grow. This equates to an ROI of \$23.70 for every dollar spent – one of the best ROIs I have ever seen."

Diving deeper into the reporting, Sullivan Toyota found that over 45% of these recall customers had never been to the store before and these new customers themselves generated \$115,276 in gross revenue, along with 19 vehicle sales.

And the program continues to help the dealership to retain these customers. "The retention with the recall program is great — so far we are retaining new customers at a rate of 19%, and all customers at a rate of 27%, numbers which continue to grow as recall vehicle owners are treated properly and return to the dealership for future services. This will only keep improving."

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Dave Bellando
Fixed Operations Director
Sullivan Brothers Toyota