

The Auto Dealer's Original Fixed Operations Resource

10 Year
Anniversary

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Fixed ops



INNOVATION ON ALL FRONTS: SERVICE, PARTS, BODY SHOP

Stop Focusing On Hours Per Customer Pay R.O.
and Service Absorption

Parts E-Commerce

It's Not Just About Aluminum

Car Wash as Profit Center?

THE TOP FOUR THINGS CONSUMERS DO ONLINE

...AND WHY PARTS AND SERVICE MANAGERS NEED TO KNOW

BY KASI WESTENDORF

Quick question: What are the top four things that average consumers do when they go online? That may seem like it has little or no application to your Service and Parts Departments, but here's why it's worth thinking about.

Consumers are spending more time online researching potential automobile purchases than ever before – almost 12 hours, according to a recent J.D. Power and Associates study. That's a half-day sitting in front of a screen learning about the products at your dealership – and at your competitors' dealerships. After the purchase, they're back in front of a screen trying to find the best place to service their car, searching things like best deals on oil changes and Service Department customer reviews.

What that does for the consumer is lessen the amount of time they physically interact with the dealership. The decision on where to buy and where to service is made before the consumer even leaves the house. So, making that connection online is just as important now as making that connection face-to-face was 30 years ago, before the Web existed, or even a few years ago, before the Amazons and Googles and Apples of the world created a new model for how retailers do business and how consumers shop – for everything.



Your customers are online for four key reasons. Is your Service Department in sync with them?

What companies like those have done is give consumers the products and information they want in the way they desire it – on a website or mobile application, and on any device: computer, smartphone or tablet.

So, what are the top four things the average consumer does when they go online? Here's a hint: they're the same things you're doing.

- They go online to research what they think they want to buy. They compare prices, look at product specs and read customer reviews. They educate themselves on what they're buying and where to buy it.

- They buy something. Or a couple of somethings. Sometimes many somethings!
- They catch up with family, friends and professional contacts on social media – Facebook, Twitter, Instagram, LinkedIn.
- They look for infotainment – they watch some YouTube videos, browse some news headlines, pin things on Pinterest or play some online games.

These answers contain an important lesson for dealerships, especially the Service Department: if you're not offering some aspect of those four things to visitors on your website, you may not have altogether lost the retailing war, but you've already lost some of the key battles.

This new approach to retailing has been a point of discussion in the automotive industry for several years now – the right message at the right place at the right time – and it’s not a discussion that will be muted anytime soon. If anything, the continued advancements in consumer technology and the way information is gathered – not to mention the continued evolution of the consumer shopping experience – will only crank up the volume of this discussion.

This discussion is particularly applicable to the Service Department. Dealers with a vested interest in vehicle Service need to inject themselves into the discussion of how retailing is changing.

Opportunities are plentiful for more online interaction between Service Departments and consumers. To capitalize on those opportunities your dealership will have to be able to answer one question: What are consumers doing on your website? If the answers don’t align with the four points I mentioned earlier, your voice in the marketplace won’t be heard – and your Service bays won’t be as full as they could be.



Having some infotainment, like videos, on your site can help better inform and entertain visitors.



Sharing pricing information on common maintenance and repairs (and coupons for them) can help consumers during the research process.



Social media is a great way to interact with customers and improve your reputation and brand loyalty.

“THE DECISION ON WHERE TO BUY AND WHERE TO SERVICE IS MADE BEFORE THE CONSUMER EVEN LEAVES THE HOUSE. SO, MAKING THAT CONNECTION ONLINE IS JUST AS IMPORTANT NOW AS MAKING THAT CONNECTION FACE-TO-FACE WAS 30 YEARS AGO .”

The screenshot displays the Reynolds Motors website interface. At the top, there are navigation tabs for EXTERIOR, WHEELS, INTERIOR, ELECTRONICS, PERFORMANCE, and OTHER. A search bar is located below the tabs. The main content area features a large image of a yellow 2013 Camaro Coupe - 1LT. To the left of the car, there is a list of accessories under the heading 'Front Bumpers'. The items listed are:

- Chevrolet Front Bumper: \$22.22/mo. (PRICE: \$1,054.17)
- Extreme Dimensions Hot Wheels Widebody Front Bumper: \$18.41/mo. (PRICE: \$900.00)
- SEIBON OEM-Style Carbon Front Lip: \$24.26/mo. (PRICE: \$1,175.00)
- Extreme Dimensions Racer Front Lip Spoiler: \$12.89/mo. (PRICE: \$640.00)
- RK Sport

 Below the accessories list is a 'SHOPPING CART' section showing 15 items for a total of \$11,156.23. To the right of the car image, there are financing options: Add Additional Down: \$0.00, Amount Financed: \$11,156.23, and Monthly Payment: \$215.68. A 'DONE' button is also visible.

Accessories are often a lost category for dealers, but new technology can help you earn your share of a \$40 billion business.

Here's how to make your voice heard -- and fill up your appointment calendar:

- Are you on social media? You should be, because that's another way to reach consumers in this new retail shopping model. And it also offers ways to further interact with your customers, which could lead to better online reviews of your Service Department. Facebook, Twitter and LinkedIn are prime social real estate for dealerships. And visual platforms like Instagram, Tumblr and Pinterest are becoming more vital because they're visual. (Remember -- pictures and videos get the most attention from consumers.) Imagine sharing images of vehicle accessories, or a video of a Service Technician showing how to change the vehicle's oil or check for tire wear and tear. That kind of sharing can earn repeat customers.

- Infotainment is one of those new buzz words in consumerism and OEMs have already adapted to it by offering in-car systems tailored around this new kind of information-based entertainment. Info-

tainment is a perfect pairing with your social media efforts. Videos posted to YouTube -- that how-to oil change video, perhaps? -- can also live on your website. Informational articles and FAQs about recommended factory maintenance at specific mileage intervals are good ideas, too.

“OPPORTUNITIES ARE PLENTIFUL FOR MORE ONLINE INTERACTION BETWEEN SERVICE DEPARTMENTS AND CONSUMERS.”

- Remember, consumers are online researching the best places to find vehicle Service. Give them the information they need to research that on your website. Show them prices of common maintenance items like oil, lube and filter changes, tire rotations and wheel alignments. Coupons never hurt, either!

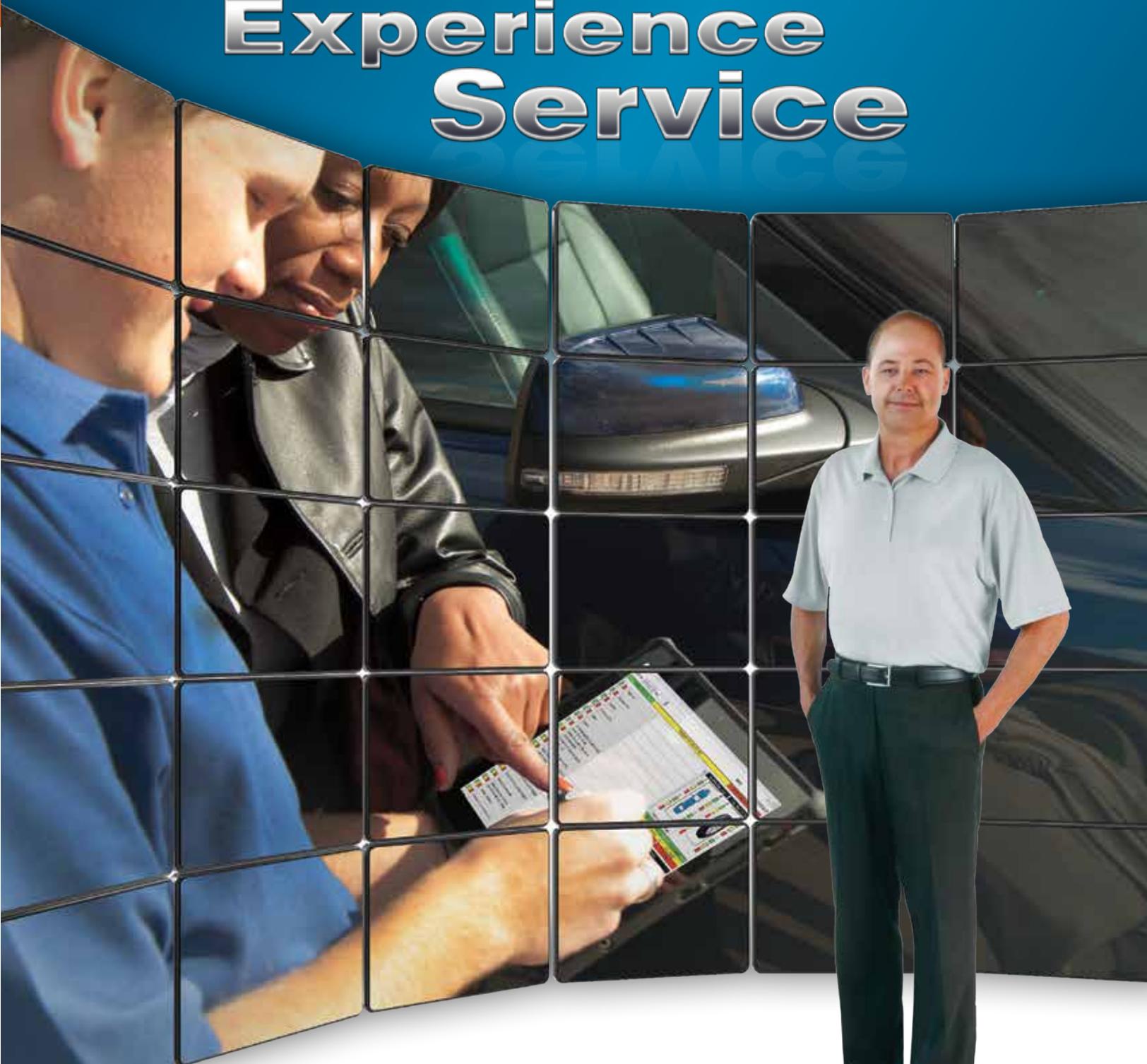
- Consumers go online to buy things, so give them an option to buy something on your website. Can your customers pay for Service ROs online? Can they order and purchase replacement parts through an online parts catalog? And what about an online vehicle accessories portal, an often-lost business for dealers? These newer online tools can help your dealership easily offer service, parts and accessories to consumers and further improve your bottom line.

Sometimes the right steps to take are the obvious ones. Use your experiences online to help improve how your dealership markets to and how it reaches consumers, so you can better meet their expectations and deliver more traffic to your Service drive.



Kasi Westendorf is Vice President of Marketing at the Reynolds and Reynolds Company. In that role, she leads the company's marketing, advertising, communications and Retail Management System messages to the market. During her 16-year career with Reynolds, she's built an accomplished background in sales, marketing and product management.

Experience Service



**“Gross labor sales
are up 130%”**

Premium Service Kit – a part of Reynolds Retail Management System.

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Xtime Revolutionizes Service Marketing

Xtime, the leading retention solution for the automotive industry, has announced Marketing 7. Marketing 7 is the industry's first and only Service marketing system that enables dealerships to visualize unsold Service opportunity, launch targeted, time-based promotions and measure program performance in real-time. As part of the Xtime Retention System, Marketing 7 is responsible for generating increased Service demand, followed by Scheduling 7 for capturing and booking that demand and ending with Check-In 7 for increasing the value of that demand.

"A typical dealership utilizes only 75% of their service capacity on a weekly basis," said Neal East, CEO of Xtime. "We designed Marketing 7 to monetize the other 25%. Based on NADA data, the average dealer's unsold Service capacity is worth \$400,000 a year in high-margin Service revenue and \$7 billion a year across all U.S. dealerships. It's a problem that needs solving, since low Service retention leads to low repurchase loyalty. So much so, that just a 1% increase in loyalty adds \$155,000 in revenue per dealer per year."

Marketing 7 uses the Xtime Cloud to access one of the best-curated customer and services databases available. By analyzing over 750 million repair orders and the buying behavior of over 100 million customers, Xtime provides dealers with the intelligent data they need for communicating accurately with their Service customers. When combined with the VIN-specific recommendations, shop control and service pricing engines built into the Xtime Cloud, dealerships now have the industry's most powerful Service marketing system, which works by analyzing past appointment and walk-in behavior and uses it to accurately project future unsold opportunity. It then automates the creation and distribution of time-based promotions to optimally load the Service Department. Dealers can identify owners by specific vehicle and consumer demographics to win back lost business, promote declined services and build loyalty with new customers.



Reynolds' ERA-IGNITE DMS Now Widely Available to Canadian Dealers

Reynolds and Reynolds has announced that its ERA-IGNITE DMS is widely available to Canadian automotive dealers after four successful years in the American market. ERA-IGNITE is the foundation of the company's vision for Reynolds Retail Management System, a comprehensive set of retail management solutions for automotive retailers that's designed to increase productivity and profitability in the dealership, as well as improve the consumer experience of buying a car.

"Delivering ERA-IGNITE to dealers in Canada is the first step in helping them capitalize on the changing retail environment of the automotive industry," said Ron Lamb, President of Reynolds and Reynolds. "ERA-IGNITE is the foundation of a retail management system that extends beyond the traditional DMS. It offers our customers greater flexibility and functionality to help them manage and grow their business at a time when the retailing battle is engaged consistently beyond the four walls of the dealership."

Among its advanced features, ERA-IGNITE offers dealerships the tools to:

- Work more efficiently with streamlined applications that leverage the capabilities of a graphical user interface to reduce the number of keystrokes and screens it takes to perform core business transactions.
- Work faster with a familiar Windows® point-and-click environment, including drill-down fields and hyperlinks.
- Work more effectively with additional business information available at users' fingertips.



DealerSocket Reveals New Products During User Summit 2014

DealerSocket has unveiled a slew of new products, upgrades and Part 2 to their successful We Are Automotive campaign at their 5th Annual User Summit.

We Are Automotive: Part 2 visually illustrates what an automobile symbolizes to its owner and how technology has evolved the automotive industry through data accumulation. With data from a variety of large and small dealerships, DealerSocket's presence and market share within the automotive industry empowers dealerships the ability to research a wide spectrum of essential industry specific data through one easy location.

Dealerships can now find in-depth performance rankings and specific data through DealerSocket's latest product DealerSocket Analytics. A robust reporting dashboard that will integrate My Enterprise and My Rank to create an all-in-one portal where dealers own data can be viewed in a scoreboard with such factors as region, brand, like-dealers and much more.

DealerSocket completely revamped their Service suite with a mobile check-in tool, Recommended Services, and a new user interface for web based Service scheduling. They also introduced a new critical dealership revenue generator product, MarketPlace Loyalty. Allowing dealerships to offer a competitive pre-paid maintenance package, which in turn, promotes Service retention for the dealer and drives long-term customer loyalty.

Lastly, DealerSocket is relaunching DealerSocket Connect, a community forum that enables customers and employees of DealerSocket to connect and have interactive discussions about thoughts, ideas, strategies, products, and services that will help grow and improve DealerSocket.



Ford Motor Company's Quick Lane Tire and Auto Center Opens 700th Store

Ford Motor Company has reached a significant milestone with its Quick Lane@Tire & Auto Center business, opening the 700th U.S. store in Texas. Ford's Quick Lane vehicle maintenance business remains one of the fastest-growing service brands in the industry. Quick Lane operators sold a record 1.4 million tires in 2013 – up 12% versus an industry average of 1.1 percent. In addition, Quick Lane posted record sales of nearly \$800 million for 2013. Due to the brand's success in the United States, Ford is now offering Quick Lane globally, opening more than 100 additional stores outside the U.S. where the business is also growing rapidly. Quick Lane offers routine vehicle maintenance such as oil and filter changes, light repair services including brake repair and tire replacements on all vehicle makes and models.

"With our new Quick Lane Tire & Auto Center, our customers don't have to sacrifice speed over quality – we can provide both," said Chaz Gilmore, General Manager and Partner of Ford's 700th Quick Lane store located at Grapevine Ford Lincoln in Grapevine, Texas. "We have a separate Service facility with a dedicated staff that can provide timely and convenient services for all vehicle maintenance and light repairs, while providing the peace of mind of factory-trained Technicians and quality parts."

"Quick Lane works for everyone – the customer, the dealership and the community," said Frederiek Toney, Vice President, Ford Motor Company and President, Ford Customer Service. "For the customer, it's easy in, easy out, and fast, high-quality service all around. For the dealer, it provides a steady stream of new customers from all makes, a significant portion of who sometimes transition to Ford vehicle ownership."