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Your Most Valuable Asset

By Dave Close



Attracting a new customer costs far more than caring for an existing one, especially in this tough economy. So it should be no surprise that **your customer name file is the most valuable asset** in your dealership. If you don't agree, ask a dealer with the same franchise in your area if they'd sell you their data.

Your name file doesn't contain just demographic and contact information. It saves your customers' sales information – for vehicles, service, body shop, and parts. **This information is invaluable for mailings, e-mail blasts, and customer care decisions, but only if it's accurate.**

The Inspection

If you're unsure about the condition of your name file, ask these questions:

- When you search for a name, **how many variations do you find for the same name** with similar addresses?
- Do you know **how much it's costing you to send multiple marketing materials** to the same person?
- Do you think a customer care decision based on **inaccurate data could cost you** that customer?
- Do you know how to **avoid most duplicate names** in the future?
- Who owns the name file and is **responsible for maintaining** it on a regular basis?

If you haven't thought about these issues before or don't know how to solve them, it might be time to have your name file serviced.

The Tune-up

A consistent process is the key to keeping your name file at peak performance.

- **Designate** someone in your dealership to own and regularly clean your name file.
- **Standardize** how all employees search for and add names, including when and how to use punctuation and abbreviations.
- **Decide** how long an inactive customer – in sales, service, parts, and accounting – should be maintained in the ERA system before being purged from the file. (They may have moved away or have an active duplicate record. Finding duplicate records and combining them preserves sales history.)

The Specialist

Get as little or as much help as you need. Reynolds Consulting Services can help you set up your name file specifications for best optimization. We can guide you in setting up an in-house process to properly maintain your name file. We also offer a database cleansing service that catches updates like change of address and postal requirements.

You have to maintain a vehicle to keep it running smoothly. The same is true for your name file. Keep it

clean and get the best mileage from your data.

Dave Close has 31 years of automotive retail experience and has been with Reynolds Consulting Services for 15 years.

Marketing New Cars to Service Customers: Part 3

By Jeff Silverman



Marketing vehicles to your service customers happens more naturally when **solid sales-customer relationships** are in place.

You know the **value of greeting customers** in the showroom. Now think about extending that to the service department.

Meet Customers on the Service Drive

This is probably the easiest tip I'll give you. Yet, few dealerships do it. Simply **assign a salesperson to greet customers on the service drive** every morning. Think of them as a sales liaison who is working to build customer goodwill.

They may also be able to **engage customers in sales discussions**. For example:

"Good morning, Ms. Customer. How are you? I see you're driving the 2008 model. How do you like it? Do you remember your salesperson? Excellent." (If they didn't buy the vehicle from you, be gracious.) "By the way, have you had an opportunity to drive the latest 2010 model since it came out? No? Well..."

Show Appreciation on the Service Drive

Supercharge the sales liaison position with personal notes.

- Encourage every salesperson to **handwrite a little card to any of their sold customers who are coming in for service** the next day. This can be very simple and classy – "I appreciate your business."
- Have the sales liaison **deliver these notes** when they greet customers the next morning. That's powerful, right? How do you think the customer will feel receiving a special little card in front of all the customers who aren't getting one? They will feel fantastic!
- Promote new sales-customer relationships with the customers who didn't get a note. **Explain that your salespeople like to show appreciation** to their customers.

Keep your sales team motivated for this role by letting the on-duty liaison go home early in the afternoon.

Easy as 1, 2, 3

I hope the tips in this series help you make **selling to service customers a profitable part of your routine**. Remember:

1. **Encourage sales and service to work together** through incentives.
2. **Target customer-pay repairs** with special sales offers.
3. **Nurture the sales-customer relationship** on the service drive.

If you're shaking your head thinking this stuff won't work, let me share a secret with you. I do business all over America and everywhere is the toughest market. Everyone has the toughest customers. In this business, **the day is owned by the people who choose to own it**, not by the people who choose to be owned.

You have the tools. Now it's time to act!

Jeff Silverman has been in the automotive business for over 13 years – 8 in retail and over 5 with Reynolds Consulting.

To Price or Not to Price – the Internet Pricing Debate

By Matt Clark



If there is a single issue of contention in every dealership Internet department, it is pricing. This one word generates an onslaught of questions and creates immeasurable conflict.

Do I do it? Do I not do it? If I am going to price it, how much should it be? Can I price too low? Can I price too high? What are other people doing? When should I do it? When should I not do it? Am I giving up gross profit too quickly? Am I running

customers to my competition?

Making the Decision

The fact is that **prospective customers are looking for pricing when they submit a lead on your Web site**. Most dealerships don't provide pricing, at least not without feeling conflicted. This uncertainty is a throwback to "the good old days" of never talking about price on the phone or the lot. That practice worked well when the franchised dealership was the only place a prospect could get a price. If the dealership didn't give it to them, they couldn't get one.

That's not true anymore. In many cases, your customer can get a price on a new or used vehicle in just a few mouse clicks (e.g., KBB.com, Yahooauto.com). **By avoiding pricing, you can run off as many customers as you keep** (look at lost sales reports).

So the question isn't really whether or not to price, but how to do it effectively.

How to Deal With Pricing

Here are 7 steps to **make pricing a central theme in your first non-automated e-mail response** to an Internet lead:

- 1 Treat it like a marketing message.** As such, it should function like a dedicated ad, commercial, or offer for your customer. It is not designed to close the sale but to get a response from them.
- 2 Don't be afraid to quote what you are advertising** in the newspaper, radio, or TV.
- 3 Include pricing for the vehicle they were interested in and always give an alternative choice.** Have you ever switched a customer up or down – even to pre-owned – in the showroom? A best practice is to give a step up or down and a Certified Pre-Owned in this e-mail. The choices here allow the customer to satisfy their need to shop, but in your inventory only.
- 4 Offer some reasons to do business with your dealership**, such as, "Been in business 42 years under one owner..." or "Saturday and Sunday service hours..." or "5-time President's award winner..." You might also include some testimonials from previous customers.
- 5 Give a call to action.** For example, "These rebates are for a limited time so I'll call shortly and set a time for us to get together..." Or, "You're the 5th person today to ask about that Ranger..."
- 6 Let them know you will be calling shortly.**

7 Call them shortly. Don't over-promise and under-deliver.

By providing pricing and alternatives, you will find more customers will talk to you. After all, isn't that really the goal of any successful Internet department – to **get prospects to the showroom?**

Matt Clark has been in the automotive business for over 25 years – 15 in retail and 6 with Reynolds Consulting.

Who We Are

Reynolds Consulting Services, one of the most skilled and knowledgeable consulting groups in the automotive industry, offers dealers a fresh perspective on common challenges. Experience proven results from over 25 unique process improvement projects, specially designed to focus on specific departments and drive results for your dealership.

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Contact Us:

Phone - **888.556.7342**

E-mail - consulting@reyrey.com
