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SERVICEDRIVE

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Volume 1, Issue 2



A SIX-STEP PROGRAM TO IMPROVE YOUR SALES MENTALITY JEFF COWAN

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SERVICE DRIVES
CAN LEVERAGE SALES
LEADS THAT DIDN'T
GO ANYWHERE
PETER MARTIN

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PINCHING PENNIES
ON MARKETING SPEND
FOR SERVICE BACKFIRES
GLENN PASCH

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STRATEGIES TO LOCK IN SERVICE WORK AFTER A CAR PURCHASE AMY FARLEY

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PRESENT STO US POSTMEE PAID Permet No. 1488 Permeters, NI



FIXATE ON YOUR FIXED ABSORPTION RATE

This is one of the most critical service metrics; here are tips to manage it effectively.



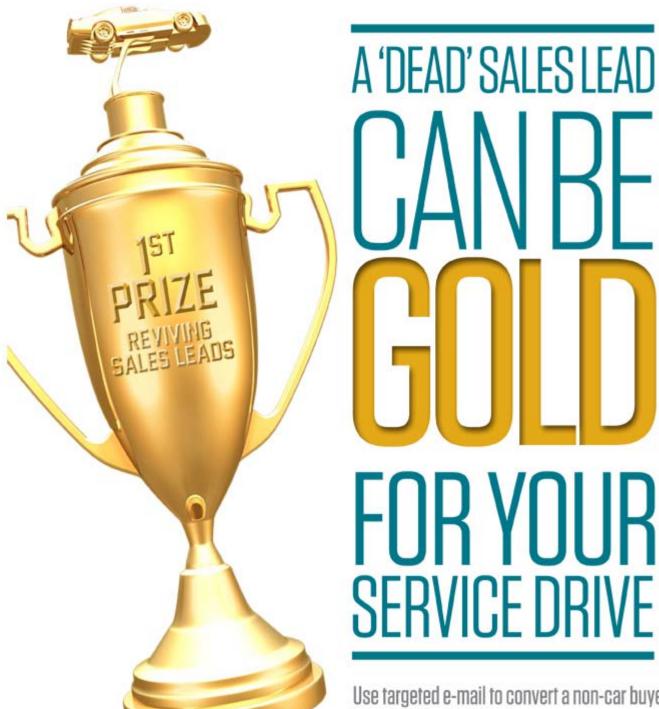
Competition to hire people with technical and mechanical skills is always rugged, and we ask dealerships where they are hunting now. ... see PAGE 10



TRAINING OVERHAUL PAYS OFF

Colorado dealerships' training chief finds the job isn't easy in the service drive, but their push for consistency delivers quantifiable results. ... see PAGE 8





Use targeted e-mail to convert a non-car buyer INTO A SERVICE CUSTOMER BY PETER MARTIN

here is no such thing as a dead lead. Even if a prospect ends up purchasing a vehicle from another dealer, you still have an opportunity to market service work to him or her and help earn future business as a sales customer. Through targeted follow-up, dedicated coupon micro-sites and other approaches, dealers can drive service revenue in a way that improves vehicle sales.

Service-centered e-mail messaging tends to bring in a larger audience than does sales-related messaging. Customers only buy or lease a car every few years, but their vehicle requires service every couple of months. To drive home the point, on the next page I show results from actual dealership clients of mine that underscore

how significant services provided to non-vehicle-sales customers are in overall service business and revenue.

In communications to these seemingly dead leads, focus only on service and don't even try to sneak in a sales message. There is no need to mention that the prospect has or has not bought a vehicle from you.

Dealerships should re-engage their Internet leads that didn't result in vehicle sales, by marketing to those prospects for service work. By mining and cleaning your existing data in a new database, you can formulate a service e-mail marketing plan that utilizes personalized campaigns and coupons.

The average dealer has a robust database with thousands of leads. Re-engage dormant prospects with personalized content (online coupons, special offers

available only to your "Internet family") delivered on a custom monthly schedule. Your BDC can only make so many follow-up phone calls, and targeted e-mail reaches prospects the BDC lacks time to contact. The average repair order for a returning customer is about \$500; imagine that figure multiplied by the dormant leads sitting in your CRM.

Early each month, send an e-mail campaign to the potential service customers in your prospect list, with the goal of just getting them into your service department. Dealers spend most of their advertising budgets on new vehicle sales and often fail to promote service. Monthly e-mail messages offer an easy and cost-effective way to start getting those customers back in the door.

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CHEVROLET DEALER IN BALTIMORE					
Description Of Customer	Total Repair Orders	Share Of Total For That Month	Total Repair Revenue	Share Of Total For That Month	
Has never purchased a vehicle or service from the dealership	75	17.5%	\$37,309	28.7%	
More than a year has elapsed since the last purchase of service from the dealership	46	10.7%	\$9,920	7.6%	

FORD DEALER IN PHILADELPHIA					
Description Of Customer	Total Repair Orders	Share Of Total For That Month	Total Repair Revenue	Share Of Total For That Month	
Has never purchased a vehicle or ser- vice from the dealership	9	11.0%	\$2,293	9.3%	
More than a year has elapsed since the last purchase of service from the dealership	7	8.5%	\$1,959	7.9%	

TOYOTA DEALER IN BALTIMORE						
Description Of Customer	Total Repair Orders	Share Of Total For That Month	Total Repair Revenue	Share Of Total For That Month		
Has never purchased a vehicle or ser- vice from the dealership	19	4.5%	\$3,087	3.2%		
More than a year has elapsed since the last purchase of service from the dealership	32	7.5%	\$15,663	16.5%		

MORE SPECIFICALLY, I SUGGEST THAT THESE MESSAGES:

- Avoid hard-sell tactics and jargon. The average customer probably can't identify every part under the hood, and jargon particularly can backfire with women customers, who account for a majority of service orders.
- Rather, discuss general problems a service customer might be experiencing, in
 a conversational manner, and then offer to take a look rather than immediately
 trying to sell service. Frame the message as a service tip rather than a push to buy
 repairs. Include a how-to video and a coupon, in order to enhance your message
 and build a relationship. Your hope is that the prospect will look forward to the
 service tip of the month and choose your dealership as the go-to for repairs.
- Try a campaign with messages signed by the service manager, for a personalized touch. This humanizes the dealership and makes the service manager seem more accessible to customers.
- Utilize a custom coupon microsite, but make sure to provide coupons that apply
 to all makes and models. Many dealers only offer coupons for specific makes and
 cost themselves service revenue in the process.

MORE ABOUT COUPON MICROSITES

Sixty percent (and counting) of online service searches are undertaken to find promotions, discounts or coupons. Are the coupons on your website up to date? Are they restricted to certain makes or models? Are your coupons mobile-enabled?

Consider creating a dedicated coupon microsite where you can host all of your dealership's coupons and change the offers as necessary. Make it easy for your service customers with a one-stop-shop approach to service coupons.

Service coupons for all makes and models bring in additional customers who would not normally consider your dealership and also help reactivate dormant leads. The majority of your service customers are women, and women love coupons. And, when your coupons are mobile device-enabled, you make it that much easier for your prospects to act on an offer. They can show the service advisor their coupon directly on their mobile phone.



PETER "WEBDOC" MARTIN President of Cactus Sky Digital

Peter is a technology correspondent and digital marketing expert for the automotive industry, and particularly works with e-mail marketing, mobile-enabled e-mails, conquest e-mail marketing and selling to women. He is a frequent speaker at industry events such as NADA Digital Dealer, AutoCon and RVDA.

