



AUTOMOTIVE TRAINING INTERNATIONAL

www.ATi360.com

Showroom Marketing DOESN'T WORK for Service!

One of the greatest challenges in our Industry and one of the most common requests for assistance I get from Dealers, GMs, Service Directors, Managers and Advisors is how to retain more customers. For the past year, among many others seminars, I have been delivering a Service & Parts Marketing Workshop for one of the Import Manufacturers and any retention discussion obviously occurs hand in hand with any marketing discussion, but there is a lot more discussion that doesn't naturally occur that absolutely should.

First and foremost, it is important to recognize who really dictates what the Service Marketing plan is!

Logic would dictate that the Service Manager/Director is the one determining the overall service marketing vision and then working to achieve that vision with the various marketing efforts, promotions, mailers, etc. But hey, this is the car business; logic doesn't always apply does it?

The reality is, you have to look at our industry's history first, 30 years ago, most Service Managers were technicians/shop foremen promoted to Service Manager, and at that time, that was an appropriate career path as one of a Service Managers' primary function at that time was to ensure vehicles were correctly repaired. That said, though, in all fairness, what marketing training or experiences did a Service Manager actually have? None, right, so, the natural action for the newly appointed Service Manager to embark on his new responsibility of marketing would be to get advice from the person(s) most readily available with marketing experience, which of course sends that new Service Manager into the office of the Dealer/GM or Sales Manager. To a large degree this makes sense, as the "Showroom" spends thousands upon thousands every month marketing, so they would best know how to do it effectively wouldn't they?

Whether you feel the inherent sarcasm in the above is unimportant, the Showroom does have marketing experience, but the fundamental marketing plan for the showroom has a dramatically different objective, in many respects it is very simply to get "Bodies on the Lot"!

The Showroom knows their various closing ratios, etc and they know, as an example, that if they can get 100 Bodies on the Lot, they will sell, say 30 units, therefore, 200 Bodies – 60 units and so on.

The Showroom does this, among other methods, by delivering a message of "We've got the best deals, the most inventory, great finance rates, everyone gets approved, loads of trade in values above the market value, etc" Watch any Dealer TV ad, read any Dealer print or online Ad and typically they will be promoting one particular model, in fact one particular stock number at an incredibly low price. Most, if not all States and Provinces' laws require that the dealer must have at least one of these vehicles actually on the lot, but the reality is, very, very few customers actually WANT this particular stripped down, ugly colored, base unit, but who cares if it gets the "Body is on the Lot".



Some of these 'Bodies' will be absolutely ticked at this "Bait & Switch" marketing method, but they make up part of those 70 who don't buy anyway! Many of these 'Bodies' already know that this a "Bait & Switch" coming in, so they are not disillusioned at all, but of course, many of these make up the 70 who don't buy as well. While of course the Showroom would love to sell a unit to everyone, realistically, the Showroom staff's job is to weed through the 100 Bodies to find the 30 buyers and work with them!

Other than a few minutes asking a few questions, they don't have much work to do with those other 70 at all - No bills of sale to be generated, no credit apps to process, many don't even stay on the lot for more than five minutes.

The bottom line is this – there is no further obligation to those 70 who don't buy! As another a point of interest, those 70 aren't going to be surveyed either!

Getting back to that new Service Manager, since he/she has been forced to take the advice of the Showroom on How-To market to the customers at large, it should come as no surprise that for the past 30 years, that Service marketing plan has been virtually the same – Get Bodies in the Drive!

It has been delivered essentially the same way too, by sending out thousands of 'offers', primarily discounted or even free oil changes and/or various free inspections.

I will even go so far as to say, "..... and it works"! It does a great job at getting 'Bodies on the Drive', but these 'Bodies' are in an entirely different position now!

First of all, that particular unit that no one buys in the Showroom because it doesn't meet their needs, is not what this Service 'Showroom' Marketing offers – in fact, we offer the one and only service that customers know they absolutely need, and our offer (at any price point) perfectly meets that need!

We all know that the inherent premise is, anything that gets the customer in the door, and that the Service Department will "Wow" the customer with the level of service and professionalism they provide during that free or discounted oil change visit and that the customer will buy everything that is recommended from the free inspection and that of course, that same customer will never, ever, ever consider going anywhere else for their service and parts needs. OK then – so how has it worked thus far?

Well, the same "Bait & Switch" mentality that goes into this marketing doesn't work if the Customer only NEEDS the "Bait", and when we eternally choose Oil Changes as the bait, we realistically shoot ourselves in the foot! The customer only needs the "Bait"!!!!

I'm sure many reading this article hate that I have chosen this "Bait & Switch" phrasing, so look at it from a different point of view – If a restaurant were simply to advertise come in a for a Free appetizer or a heavily discounted appetizer (with no further conditions) would that restaurant be full? Sure they would be, but look at it a little deeper using the same 100 Bodies Showroom example.

If all of the tables in the restaurant are full with “Free Appetizer” customers who, because there is no further obligation to purchase anything else, sit and have that “Free Appetizer” only, regardless of how amazing the selling skills or customer handling skills of the wait staff may be, the restaurant is indeed FULL, and there is a line of other customers waiting to get in for their “Free Appetizer”. Although there will inevitably be a few customers who choose to get a full meal – most of those would have come in for a meal even without the free appetizer, but tell me, is that customer going to get the “Best” service, that “Wow” experience while that waiter/waitress is running around making sure all of the Free Appetizer customers are getting their free appetizer??!???

Now, can you imagine surveying that customer waiting in line for the Free Appetizer asking them how quickly they were greeted and served, the overall attention that customer received, etc?

The reality is, this model doesn’t work and NO other industry (including our Showroom) simply gives customers exactly what they need at a discount or even free without some kind of further obligation.

Even more ludicrous is that if that customer shows up, our industry counts them as retained!!

Hmmmm, Retention without Revenue.....There is another name for that – CHARITY!

What makes matters even worse, is that this was the model 30 years ago, and today, unfortunately, or maybe sadly is a better word; it is still the same model, and although the Service Managers today are less likely to be former technicians, that doesn’t mean that they have any ‘new’ marketing experience or knowledge either, and so the cycle of charity continues, and is quickly getting worse!

This “Bodies on the Lot/Drive” model for Service obviously doesn’t work and until the Service Marketing takes on a new direction, the “Give it away, give it away, give it away now” model will continue to wild and new lows!

Ask yourself this question, if you were forced to choose between one or the other, which would you choose: More ROs or More Revenue?

Clearly, for the past 30 years you’ve already chosen the “More ROs” model and tell me – How is that working out for you?



Tyler Robbins

Automotive Training International

Cell: 902.880.3360

Email: Tyler@ATi360.com

www.ATi360.com | www.ATiROAMS.com | www.ATiServiceMenus.com