

Increasing Profit & Service CSI

by Karen Dillon



It seems that many dealerships do NOT schedule customers by appointment time. They think the customer will be much more likely to patronize their dealership if they don't have to schedule an appointment. They generally tell them to just come in first thing in the morning.

Is this effective? No. **Why not?** When the service drive door opens, there is a line of cars waiting. **What does the service advisor do?** Writes down the VIN and mileage, pulls up the customer information from the DMS, prints the repair order, gets the customer's signature and moves on to the next customer. No walk around, no review of service
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history and no recommendations for needed services. I guess in this case, service "advisor" might not be the correct title.

What does this mean for the dealership? That's easy to answer – less revenue; lower customer satisfaction; less customer retention.

Why must we look at changing this practice? A recent J.D. Power study makes some significant points as to the importance of service satisfaction:

- ❶ Customers satisfied with their service experience are more likely to return for service.
- ❷ Customers satisfied with their service experience are more likely to repurchase the same make.
- ❸ Customers satisfied with their service experience are more likely to recommend the make, leading to new vehicle sales.
- ❹ A gain in CSI score of 10 points is estimated to add \$40 to \$300 per customer annually.

So, not properly scheduling and "advising" your service customers is not only costing service revenue, but potential future sales revenue as well. Service customers today tend to value time more than money, so let's take a look at what properly scheduling your customers by appointment means for the dealership:

- ❶ The service advisor has a chance to make a positive first impression every time they greet a customer on the service drive, so being available to greet the customer at an appointment time is critical. Customers have less time than they did in the past and do not want to wait in lines.
- ❷ It allows the service advisor to do what you pay them to do – and that is "advise" the customer. Each customer's service history should be reviewed and recommendations made for needed services and preventative maintenance. A vehicle walk-around should be performed. It is proven this increases profits. This is critical for your business.
- ❸ It also allows you to expedite requesting the proper parts for the service, reducing the amount of time your employees spend waiting for needed parts.

Customers have many options when selecting a repair facility for their maintenance needs. Why are so many defecting to the independent repair facilities? Their perception is that it is less expensive, more convenient and they get more for their dollar. We know most dealerships' pricing is extremely competitive with these facilities when comparing services. However, when a customer has service performed at these independent facilities and reviews their invoice, many of these will show a number of services – fluid checks, tire pressure checks, tire wear checks, and belts and hoses checks – all at no cost. Voila' – more value for the dollar.

Your dealership should provide a 27 point inspection for every vehicle that comes into your dealership for service. This should include inspections of tires, brakes, shocks, belts, hoses, fluid levels, radiator, battery, spark plugs, etc. By doing a service inspection 100% of the time, you will raise your average repair order by 20%. It will also prevent you from losing business to your competition because you just didn't take the time to check out the vehicle. This inspection should be reviewed with the customer and service recommendations made for any items found to be worn or defective. A copy of this inspection should be provided for them to take with them.

You should also point out to every customer the advantages of doing business with the dealership: factory-trained technicians that know the vehicles better than anyone else, as well as a tremendous investment in equipment necessary to diagnose today's highly computerized vehicles.

Some service managers feel not taking appointments frees their service advisors from taking these telephone calls for service; however, there is a more effective way to reduce these inbound calls. Invest in an Internet product that allows your customers to make real-time, online confirmed appointments that are transferred into your DMS. The "request for appointment" on the majority of dealer websites today isn't effective – neither in customer usage or time savings for the dealership. Someone at the dealership still has to check and see if the customer's requested appointment time is available and respond to the customer, either via telephone or email. Also, as a large volume of calls into a dealership result from customers calling for service updates, be certain that the online product you select offers your customer the ability to visit your website to check the status of their current repair.

Customer loyalty grows with good service. Putting consistent processes into place that streamline operations and enhance the customer experience and confidence in your dealership will increase efficiency, increase customer satisfaction and grow revenues. **nj car**

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