

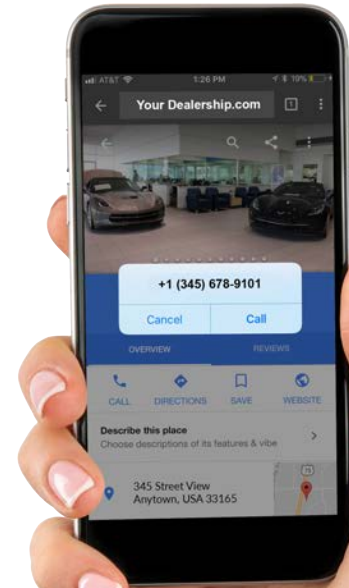


Fix Your Phones &
Boost Profits
in your service department

ELEND1**ONE**

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INTRODUCTION

In our technology and internet-driven world, you may expect the volume of inbound phone calls to auto dealership service departments has decreased in recent years. This has not been the case.

Thanks to mobile devices and click-to-call buttons, incoming call volumes into dealerships have increased significantly and now outpace Internet leads by four to one¹. In today's dealership, approximately 19 percent or about one in five car shoppers make the first contact via the phone². However, mobile customers are impatient. They want information and answers fast. If they don't get what they want, they move on to the next search result.

The most valuable currency on the planet is time. Everyone has too much to do with too little time. That's why many customers don't want to get their vehicles serviced in the first place.

With companies such as Amazon offering consumers the ideal buying experience of their dreams – one-button ordering,

same day delivery, even delivery by drones -- today your customers demand the experience THEY want on THEIR terms, not one that you want them to have as it is more convenient for YOU.

When interacting with your service customers, it is important to offer them the type of convenience they have come to expect. Don't lose customers due to poor communication practices and failure to adapt to new technologies.



The most valuable currency on the planet is **time**.

MISSED OPPORTUNITIES IN SERVICE

In a recent analysis of 4.2 million phone calls into dealership service departments, 68 percent or nearly 2.8 million calls connected with an agent. That means 32 percent of calls did not connect, representing 1.3 million missed opportunities³.

Let that number sink in for a minute. One out of three people calling into your service department isn't getting through! You are missing out on short-term business, as well as the opportunity to gain long-term, loyal customers due to poor phone processes and outdated methods for handling calls.

Fixing phone processes in the service department is imperative if you want to stay competitive.



People calling into your service department aren't getting through!

Keys to offering a better phone experience for your customers include:

- Answering all calls within 20 seconds
- Routing calls to proper agent to handle inquiry
- Reducing the volume of inbound calls to service departments so that service advisors can spend more time with customers
- Reducing the number of outbound calls that service advisors have to make, especially phone tag and price/appointment inquiries

Fortunately, a host of new technologies makes it easy for your service staff to connect with more customers. Additionally, some proven best practices can be used to establish-- and stick to-- more efficient phone processes.

TECHNOLOGIES

Phone calls can be very disruptive to the customer experience. Service advisors give better service when they focus on the customer in front of them, not to the customer who is calling on the phone. Trying to do both at once cheats both customers out of an optimal experience, yet ignoring the phone call means a missed opportunity.

Here's how technology can help.

Online Scheduling

Some Gen Y and Gen X customers rarely make phone calls because they don't want to have the added time of dealing with a live person. Online scheduling is ideal for them and for people who can't call during business hours, or for people who want the flexibility of choosing a time that works best for them versus what's best for the service advisor.



Online Scheduling cont.

One best practice tip to keep in mind is that if you do offer online scheduling, make sure your customers know about it. A recent study conducted by DealerRater⁴ revealed that while 20 percent of customers have used online schedulers, 40 percent of service customers have no idea whether their dealership even offers online scheduling. Of those customers that are aware, approximately one-third use the technology, indicating that customer education is a priority in order to increase usage.

Admittedly, it may be a challenge to convince service advisors it's in their best interest to send customers to an online scheduler. Training may help, but service managers should also try other methods for raising customer awareness such as POS (point-of-sale) materials and offering incentives to

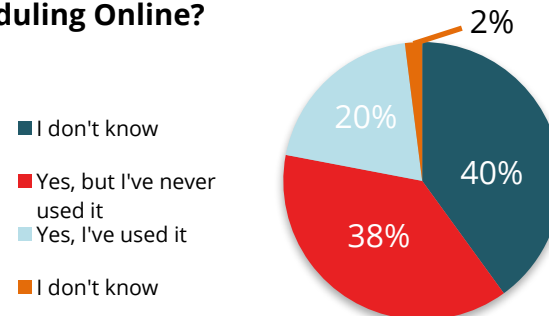
Best Practice Tip

When a customer schedules an appointment online, it's still important to phone or text the customer to verify the appointment has been received and confirmed.

customers through email marketing campaigns and direct mail.

Gettel Automotive Group, with 22 locations in western Florida, uses an online scheduling system. Fixed Ops Director, Fred Bartholomew believes that the technology has been underutilized, but that's changing. "The numbers of people who use it are growing consistently," said Bartholomew. "There's definitely a segment of people who prefer to schedule online, so to reach those customers that's where you need to be."

Scheduling Online?



Source: DealerRater.com/Fixed Ops Journal Survey, May/June 2017

Virtual BDC

Another solution for reducing inbound service calls is to hire a virtual BDC. Agents in a BDC answer the phones using your dealership name and are trained, monitored and use scripts for consistent messaging. It's not unusual for a dealership to see the following results after switching to a virtual BDC⁵:



Kevin Sheffield, Service Manager with Berglund Luxury Auto in Lynchburg, VA, noticed two big benefits shortly after signing up with a virtual BDC. "Previously, our advisors, cashiers and receptionist didn't always have the time to collect updated contact information from our customers," he said. "The BDC agents spend time with every customer to get updated contact information, which has resulted in a 90 percent email capture rate for us."

A high email penetration rate allows Berglund to create highly targeted email campaigns. "We used to think a three percent response rate was good, but now our email campaigns are averaging from a six to 12 percent response rate, which is really good," said Sheffield.

Another benefit that Berglund Luxury Auto realized was a 20 percent increase in appointments. "When a service advisor schedules his own appointments, he may not feel like scheduling anything after 4:00 pm or on his days off," said Sheffield. "The BDC agent will schedule that 4:00 pm appointment without hesitation, helping to keep our shop capacity near maximum."

Sheffield adds that now advisors are spending less time on the phone, they can spend more time with customers, which has also led to an uptick in upsells.

Virtual BDC cont.

Fred Bartholomew with Gettel Auto Group also cites an increase in email capture rates and increase in appointments as benefits of using a virtual BDC. Additionally, he notes that after a little initial resistance, the service advisors are loving it. "At first, the advisors were a little afraid to let go control of their own schedules, but they are just as busy and now have time to make those outgoing calls and be more proactive on things that make them money."

Bartholomew also attributes better appointment show rates to BDC agents sending appointment confirmations and reminders. "I don't believe skilled advisors should be spending time setting appointments and doing these items, these are administrative tasks," he said.

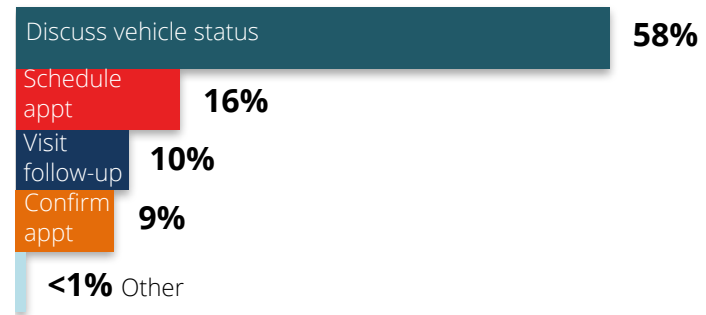
Best Practice Tip

Using a virtual BDC to schedule and confirm appointments could eliminate up to 25 percent of your service department's outbound calls!

As a result of their virtual BDC, Bartholomew has noticed a considerable drop in inbound calls. "There's less tension on the advisors. It's hard to quantify, but you can feel, hear and see it. Always having that message light blinking and feeling like you have to return a dozen calls is stressful," he said.

Scheduling through a virtual BDC ensures a consistent flow of work and appointments are booked based on customer preference, not advisor preference.

Outbound Calls From Service Department



Source: Analysis of 290,000 + outbound service calls by Century Interactive

Texting

Texting is also a great way to keep in touch with customers while eliminating unnecessary phone calls. The J.D. Power 2017 Customer Satisfaction Index Study revealed that 67 percent of customers who receive text message updates said they "definitely will" return to the dealership for paid service, versus just 55 percent of customers who were in contact only by phone.

Similar to online scheduling, the number of customers who want and expect texting communications is rising. It's important that your texting solution is integrated with your CRM/DMS so that communications can be recorded and monitored. Additionally, it's necessary to get permission from your customers before texting them.

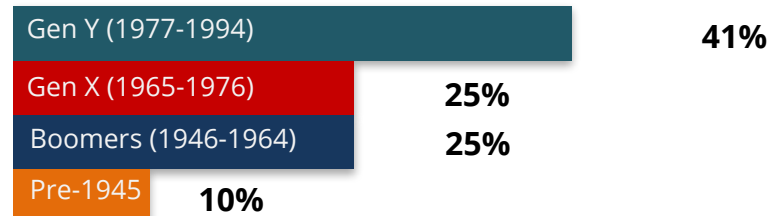
18% of inbound calls to service departments are status checks on vehicles.

Source: CallRevu 2 Million Call Report, October 2016

An integrated texting solution can greatly reduce both inbound and outbound phone calls when used for the following purposes:

- Service reminders
- Appointment reminders
- Asking customers to approve service recommendations
- Sending links to educational videos, if available
- Vehicle status updates
- Notifying the customer their vehicle is ready for pick-up
- Sending links to electronic invoice and payment options, if available

Percentage of Customers Who Prefer Texting



Source: J.D. Power 2017 Customer Satisfaction Index Study

BEST PRACTICES

Although technology may significantly reduce call volume into your service department, it won't eliminate phone calls altogether. For this reason, you still need to develop and enforce best practices for phone processes. Technology can never replace the person-to-person contact so vital to providing your customers with an awesome experience. That experience often begins on the phone.

Dedicated Call Answering

Whether or not you use a virtual BDC, your dealership still fields a significant number of inbound calls. It's important to assign an internal employee (or employees) as a designated resource to answer calls. Don't rely on a receptionist who is also responsible for handling walk-in customers. Walk-ins always win.



Dedicated Call Answering cont.

Whether your dedicated call answering resource is a cashier, assistant or BDC staff, monitor inbound calls to ensure they can meet the following best practices:

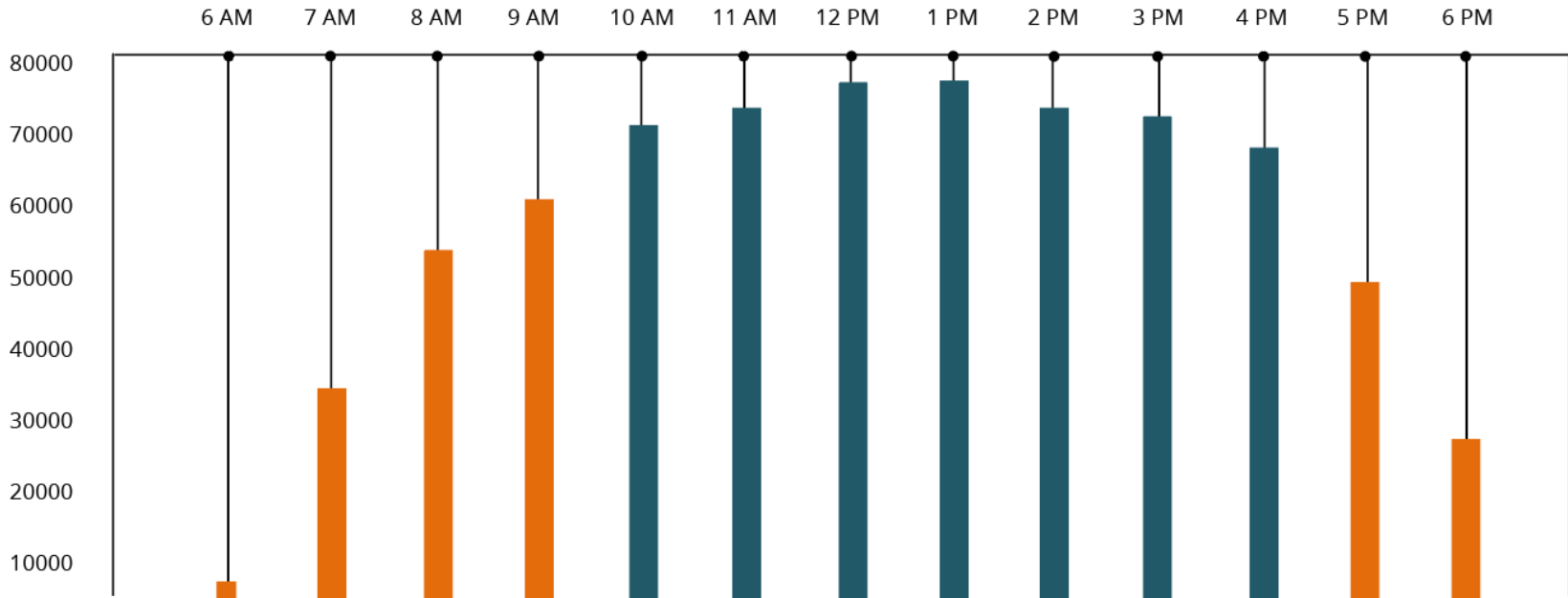
- Answer every call within 20 seconds
- Ask every customer the reason for their call and route them to the appropriate person to handle the call
- Don't keep a customer on hold more than 30 seconds (this eliminates 75 percent of on-hold hang-ups)
- Collect updated contact information from every caller; the goal is to have a 90 percent or better email capture rate
- Confirm 100 percent of next-day appointments
- Hold employee(s) accountable for these metrics - no exceptions!

Kevin Sheffield trains cashiers at Berglund Luxury Auto by giving them a word script to follow. The word script prompts the cashiers to thank the customer for calling and ask if they are calling to make an appointment. If the answer is yes, the cashier transfers them to the virtual BDC. If the customer asks for a specific advisor, they transfer the call to the advisor.

"It's important to have a consistent internal process to ensure the customer gets routed to the right place," said Sheffield. "We want to avoid having advisors make their own appointments."



Inbound Call Volume to Service Departments



A recent analysis of nearly 758,000 inbound calls to service departments showed that call volume peaks between 10:00 am and 4:00 pm. To best service your customers, schedule BDC or staff lunches and/or breaks accordingly.

Source: Century Interactive

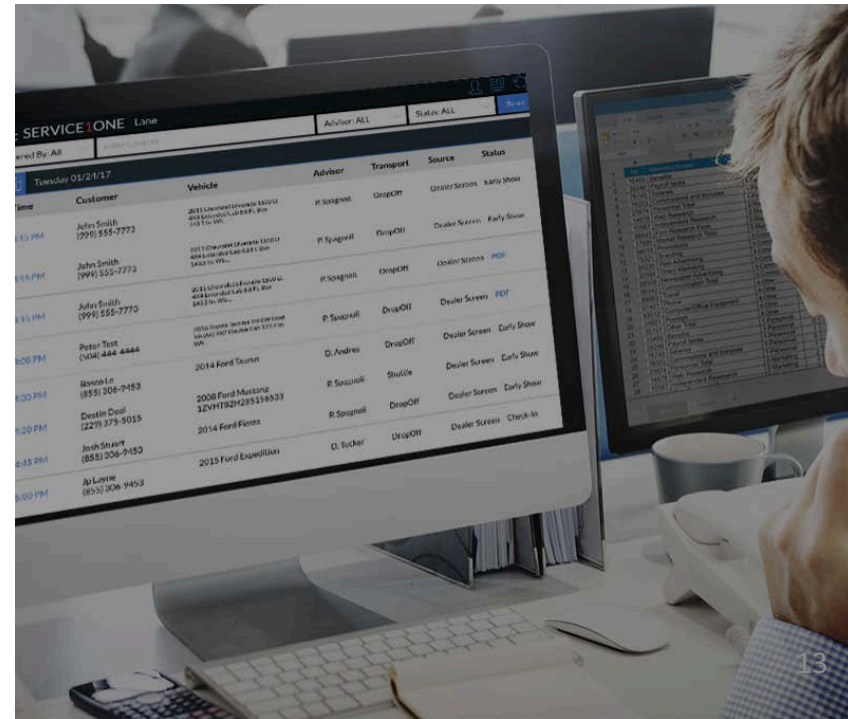
Service Advisor Training

Service advisor training is a necessity to exceed customer expectations. Advisors may know cars, but they don't all have strong communications skills. Word scripts and programs that teach selling techniques are becoming an essential part of many dealerships' onboarding process.

Fred Bartholomew with Gettel Automotive Group attributes a 15 percent year-over-year revenue growth in fixed operations to an improved customer experience. "This comes with training, and we focus heavily on customer communications skills," he said. "People can go anywhere to get their car worked on, so it's our job to make sure when they come to us, their experience is so good they don't want to go anywhere else."

Part of this training involves being proactive about making outbound phone calls. "We don't want our customers ever to have to call and ask if their car is ready," said Bartholomew.

"We train our advisors to make those calls. If an advisor tells a customer they'll call them, they better make that call. Having the virtual BDC frees up time for service advisors, which helps to enable that follow through, making the customer experience better."



Set Expectations With FAQs

When a customer is deciding where to bring their vehicle for service, part of the consideration phase involves expectations. Your customer wants to know what to expect when they walk into your service department. Are the greeters friendly? Is the waiting room nice? Is there free Wi-Fi? Free coffee?

These expectations can be set on your website's service page. Videos are a great way to convey the visual appeal of your service drive and waiting room, as well as to showcase the personalities of your service department employees.

Additionally, you may want to offer answers to commonly asked questions. Track all service-related questions for several weeks and identify the top ten. Create a FAQ. This will help reduce the number of inbound calls.



It's our job to make sure when they come to us, their **experience** is good – Fred Bartholomew

Common questions may include:

- What are your hours?
- Can I bring my vehicle in without an appointment?
- How long does an oil change take?
- What amenities are in the waiting room?
- What forms of payment do you accept?
- Do you offer free tire rotations?



Transparent Pricing on Website

Just about every independent repair shop advertises pricing for basic services such as oil changes, tune-ups and tires. Hardly any dealerships post pricing for these services on their website. This failure to be transparent about pricing leads many customers to conclude that either your dealership has something to hide, or that your prices are higher than the competition.

Remember that customers are not always looking for the lowest price. If your price for an oil change is \$10 more than a local shop, don't hide that fact. Instead, make it clear that for

that price, the customer is getting OEM original parts and service by certified techs. Many customers are willing to pay extra for these benefits.

Every customer you bring in for basic services represents an upsell opportunity. Don't be afraid to be transparent. Customers appreciate, trust and respect transparency. Posting prices on your website may reduce the number of price inquiries by consumers who are shopping around for price but will increase the overall number of appointment requests.

Customers are not always looking for the lowest price. Many customers are willing to pay for extra benefits.



CONCLUSION

Do you know how many opportunities your service department is missing every day? Unless you have the technology and resources to handle phone calls properly, more than 30 percent of calls coming into your service department never connect with an employee.

When a customer calls you they expect to speak someone. If you place them on hold or transfer them to voicemail, chances are good they will hang up and may never call back. Don't let that happen!

Your customer's experience starts on the phone. Optimize your operations and procedures to make it a great experience for each and every customer. Respect their time and make it as convenient and time-efficient as possible for them to do business with you. Fixing your phone processes with technology and best practices will bring customers into your service department, and keep them coming back for more.

October 2017 eBook Sources:

- (1) ADP Digital
- (2) 2015 J.D. Power U.S. New Autoshopper Study
- (3) Century Interactive internal data
- (4) DealerRater.com survey conducted for *Fixed Ops Journal* in May/June 2017 had 73,439 respondents
- (5) ELEAD1ONE internal data

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