

Getting that Critical First Service Appointment

by : Jeff Sacks

The current pressure on dealership profitability dictates that we have a system in place to ensure that customers who recently purchased a vehicle from the dealership return for customer pay service work. It is imperative that a cohesive effort be made by all departments with an end goal of keeping customers coming back. Actively involving salespeople in the start of this process should, in my opinion, become standard operating procedure.

Having customers return for the critical first service appointment after the purchase of a new or pre-owned vehicle is the start of the customer retention journey that ultimately ends with the customer purchasing additional vehicles from your dealership. Statistics overwhelmingly indicate that customers who return regularly to the service department are more inclined to buy additional vehicles from the dealership than go elsewhere.

Here are my thoughts on the importance of the first service after the sale.

1. If the customer does not return to the dealership for the first service, he may never come back.
2. You must earn the right to service the customer throughout the ownership experience, and the first service is that essential first step. As vehicles age and acquire additional miles, the revenue per visit automatically increases. Therefore, in order to undertake these higher ticketed repair orders, you must start by first working on low mileage vehicles.
3. Oil changes and tire rotations are low revenue producers, but great relationship builders. Make sure your service department feels the same way and is enthusiastic about this type of work. Don't place needless pressure on dollars per RO, but rather focus on increasing the year-over-year customer pay RO count.
4. Quick service is an easy way to meet customer expectation and receive a high CSI score. Lack of parts availability should never be an issue and this type of work lends itself to exceed customer expectations. Merely complete the work within the promised time frame and you will have one happy customer.

There are compelling reasons to ensure that the dealership is geared toward getting a high percentage of customers coming back for service. That being said, I am disappointed that many dealerships do not yet have a solid workable system in place (many stores offer their customers a free first oil change, but that is merely a carrot meant to entice them to come in that first time). Here are a few steps you may want to consider implementing, if you haven't done so already.

- The salesperson must be actively involved in the delivery process by either setting the customer's first service appointment or informing the customer that a reminder will be sent out for the first service appointment based on their current driving habits. My preference is the second approach, making sure customers are aware that a reminder will be sent out based on the average number of miles driven per month. At that point, the only question becomes how do you wish to be reminded: by e-mail, telephone, postcard, or text message?
- The CRM system is populated with the reminder date and the mode of communication selected by the customer. It is important to have a process in place requiring sales manager approval for any customer who will not be sent a reminder, as well as the reason for no contact.
- All salespeople must be tracked to determine the success of each of their efforts in getting their respective customers to come in for service. Once a month a report is generated from the dealership's DMS isolating all customers who bought their vehicles more than four months ago and have yet to come in for their first service, sorted by salesperson. It's now time to isolate the low performers and push them to execute.
- Make your salespeople accountable for this activity by reviewing this report at your monthly sales meeting and sharing best practices on how to improve the first time show rate.

The absence of a sound process that actively converts sales customers to service customers has led to customer attrition and a drag on dealership profitability. Change the process and the culture, and earn the right to service your customers throughout their ownership experience. The journey starts with quick service during the early stages of ownership and graduates to a significantly higher dollar amount per repair order per visit in the later years.

Let's devise a plan to obtain a high show rate for that first service visit and, ultimately, this will funnel more of your customers into potential vehicle buyers down the road. But we all know that a plan not surrounded by a strong active process is merely a wish and does not constitute success. Today's economy demands stronger accountability and requires us to take whatever business we can firmly, and with both hands.

Jeff Sacks is an auto industry speaker, consultant and trainer with NCM Associates, Inc. and is actively involved with its GM and GSM boot camps.