

## viewpoint

### RETENTION OF AUTOMOTIVE SERVICE CUSTOMERS

Where have all those owners gone who bought new cars recently? Why have so many never returned to the selling dealer for service? They're out there—somewhere. Even if a dealer's service area is operating over capacity, it can't afford the lost income and potential loss of new-car sales from customers who turn to other dealerships for service. There must be a way to bring them back, but how?

Detroit-based Urban Science knows exactly where these customers are, where they are going, what they are doing and why they may have abandoned their selling dealership. Its service retention program can acquire the data and world-class advice that adds precision to the planning efforts of auto manufacturers and dealerships that cannot be found anywhere else.



Tom Longo, Managing Director of the Long Beach Office, explains what companies can expect from successful application of such a retention program.

#### **What is the objective of a retention program for service?**

It is to determine exactly what you should do to retain the service business of your sales customers and to resolve capacity problems or bring demand for service up to the capacity you have available in order to minimize lost income.

#### **What are the benefits?**

Immediately identify lost potential and allow you to take positive, effective steps to keep or retrieve service business that might otherwise go to competitors. In the end, the objective is to retain current customers and provide the ability to locate and quantify un-retained customers.

#### **What are the elements of a service retention program?**

It starts with data. We customize a service retention database to your own dealerships, your own marketplace and your own demographics. This detailed information helps you strategize on ways to win back service from other facilities. It identifies and advises you on methods of contacting your current and prospective service customers, especially those who are due for vehicle service. It can identify trends in your own repair orders so you can take advantage of your strengths and work to

resolve weaknesses. It also helps you benchmark your dealership performance against averages throughout your area, the region and the nation, showing you the opportunity that exists for your service business.

#### **How available is this data?**

The data can be found with the manufacturer, the dealerships and other third-party vendors. Once it is acquired and pulled together, we conduct a cleansing, standardization and quality check process.

#### **Why is it important to cleanse and standardize the data?**

Data acquired from the various sources may be incomplete or inaccurate. We also check for problems in the data collection process before analyzing the data.

#### **Have you turned up any surprises?**

In the case of one dealer, this analysis identified that they had lost a large portion of the service business from customers who lived to the south of their location. A major highway ran across that area and it became clear that drivers did not want to fight rush-hour traffic to bring their cars in for service.

In the end, the recommendation was for the dealer to extend his service hours to 8 p.m. to make visiting his dealership more convenient and thereby capture more business that otherwise might be lost.

#### **What else have you learned?**

Another dealer decided to pursue higher gross profits on the sale of each new car. That would mean fewer sales but more revenue from each vehicle that he did sell. It also meant, however, less potential from his service department because fewer vehicles from his dealership were on the road. When an Urban Science ServiceRetention analysis showed the lifetime value of the service business from a higher volume of new-car sales, the dealer changed his philosophy.

#### **Are there other candidates for this service?**

Certainly. A service such as this will provide a powerful communication tool for automotive company field staff to consult with their dealerships to address service related issues, service analysis and increase revenue opportunities.

*Learn more about Urban Science's Service Retention expertise by calling Tom Longo in Long Beach, Calif., at (800) 495-8183 or Rick Jones in Detroit at (800) 321-6900.*