

# Service Tech Tune-Up:

Transforming Customer Experience with  
Video and Mobile Technology

**ELEND**<sub>1</sub>**ONE**



An inside view of how today's leading dealerships are navigating uncertain conditions, evolving with consumers, and building a sustainable path to success in 2017.

Automotive retail continues to evolve as dealers face price pressure, inventory management challenges, heavy negative equity, and growing demands from customers who want an on-demand, Amazon-style sales process. During uncertain times when it seems like everything is in flux, one thing about the car business never changes, the need for dealers to adapt with its customers.

Bracing for a year packed with challenges, today's forward-thinking dealers are already cutting back, scrutinizing inefficient processes or budget waste, and concentrating on a key opportunity for growth – the Service Drive.

Facing the challenges ahead starts with identifying low-hanging fruit, tackling the toughest problems with innovation, and unifying dealership efforts to deliver exceptional customer experiences throughout the entire journey from prospecting to loyal customers.

### Key Takeaways

**Industry Insight and Trends**

**Effective Customer Communications**

**Streamlined Buying Processes**

**Enhancing the Service Customer Relationship**

# What's Keeping Dealers Awake at Night?

U.S. vehicle sales hit a new high of 17,539,052 in 2016, the seventh straight year of sales increases. After reaching record growth that the industry has not seen in a century, it might surprise an outsider to learn of the extreme pricing pressure facing today's dealer. The challenge doesn't stop there – the rise of web research and online price shopping has complicated inventory management. In a time when dealers must turn more cars than ever to grow profits, having the right number of vehicles available is a tough balance to strike.

The pressures dealers face extend beyond just the numbers and equations. With the advent of millennials entering the workforce, dealers are struggling to retain employees with radically different expectations about job satisfaction and advancement.

By 2020, millennials  
will form 50% of the  
global workforce

- pwc's Millennials at work Reshaping the workplace



**It's not just the employees with new expectations.** Today's shoppers expect a fast, customer-friendly car buying process. More startling is that buyers today spend 59% of the car buying process online, so dealers have less time to connect with customers and deliver the red-carpet experience modern consumers expect.

While the stakes are certainly high, the outlook isn't all bad for dealerships. Solving the riddle of a new type of consumer also comes with the opportunity to forge stronger customer relationships and build loyalty through the Service experience. Advancements in automotive technology make it easier for dealerships to turn the Service Drive into a profit center, capitalize on every opportunity, roll out the red carpet and leverage strategic advantage to achieve profitable results in 2017.

# Rethinking Old Processes

action

Modern consumers expect businesses to engage with them long before they make up their minds to buy and they have little time or trust for empty promises about fast, efficient sales or service experiences.

The key to succeeding with today's market? It begins with the customer – promoting a genuinely great experience will resonate with your customers, as well as your millennial employees with a need for a sense of purpose. Building long-lasting relationships with customers start with the very first marketing message they see and each subsequent interaction, from sales to service, has an impact.

The latest results from the [American Customer Satisfaction Index](#) reveals Amazon.com as the reigning leader in Internet Retail and across overall retail customer satisfaction. What can Amazon teach us about pleasing customers?



# Pro Action Tips

## Don't Just Listen to Your Customers, Understand Them.

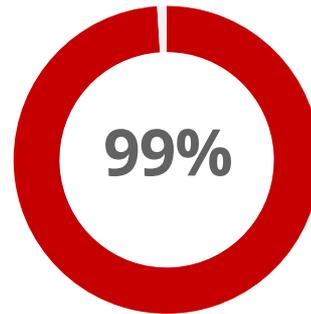
Understanding customer behavior starts with collecting data across the entire dealership and/or group. Adopting a flexible system to capture and integrate customer interactions into a singular view enables your management and sales team to pinpoint problems and identify opportunities quickly. Modern equity and data mining technology empower your sales team insight into customer equity and credit scores by accessing DMS sales data and soft credit pulls.

“ Equity alerts have turned the service drive into an extension of the sales desk and these customers normally result in higher gross and CSI. ”

- Ed Redmond General Sales Manager, Herndon Chevrolet

## Consistently Follow Up – The Way the Customer Wants.

Meeting your customers when and where they want to communicate is essential. Savvy dealers are already communicating online with customers via video, chat, email and text message – during and after the deal. When paired with effective call center campaigns, dealers are seeing major boosts in profits.



99% of Text Messages  
Open within four seconds

# Pro Action Tips

## **Be Accessible to Service the Needs of the Customer.**

Modern customers have little time or patience when they don't get the information they're looking for. Keep customer engaged with self-serve buying tools online that enable you to give customers the information they expect quickly, without sacrificing your control of the sale.

Businesses must align their culture with the fact that customers pay company wages and "the empty chair" is the most important person in the room.

Automotive Retailers that implement a mobile desk tool are experiencing 74.23% increases profit.

85% of customers still use the dealer touchpoints, but 1 in 4 is not satisfied with his or her experience in the car buying process.

- McKinsey Study Innovating Automotive Retail

“ 56% of the buying population says they would buy more cars if they were happier with the process. ”

- Jared Hamilton CEO, DrivingSales



## Transforming the Service Drive

service

The industry's leading dealers are facing today's challenges head on and raising the level of service presentation and process to match the variable end. While this often means long-term process changes, [Forrester Research](#) shows that even small increases in customer experience scores directly translate to increased revenue. Fortunately, more modern service drive technologies deliver quick results and boost retention.

**“ We see our customers as invited guests to a party, and we are the hosts. It’s our job everyday to make every important aspect of the customer experience a little bit better. ”**

- Jeff Bezos CEO, Amazon

# Pro Service Tips

## **Streamlining Service Processes = Major ROI**

Time is money and tools that simplify the service process impact the bottom line. Dealers are looking to streamline processes with online appointment scheduling, mobile lane check-in and shop/MPI tools to maximize the value of shop hours and speed up service to increase CSI and keep customers coming back.

## Dealership Service Repair Centers that implement service drive technologies are

seeing increases in:

- Hours Per RO .5 to .7
- Dollars per RO 30 to 35%
- Effective Labor Rate 15 to 20%
- Customer Experience CSI 10%

## **Build Trust (and Loyalty) With Every Visit**

Auto consumers demand transparency and exceptional customer experience, so much so, they're willing to pay more for it, according to a recent American Express study. Adding video to the shop experience enables advisors and technicians to share a real-time view of service repair recommendations with instant authorization via text.



Up to 90% Approval  
of Service  
Recommendations  
(with videos)

# Pro Service Tips

## Get Connected – Communication is Key

From customer follow-ups on declined services to connecting every department through a dealership-wide chat system – communication is the key to building agile processes that focus on customer service.

Sending the customer videos or photos of service repair recommendations increases the perception of trust and transparency today's customers are demanding, leading up to a 90% customer approval rate!

“ I'm closing 90% of my upsell recommendations with the video versus a paper system. ”

- Jessica Cammerota Service Advisor, Herndon Chevrolet

SEE VIDEO IN ACTION AT  
HERNDON CHEVROLET OF  
LEXINGTON, KY



Watch full interview:

<https://www.youtube.com/watch?v=QLiPZRbH5Nw>



## CONCLUSION

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Automotive dealers in today's market are finding that there is no shortage of competition or challenges. Rather than stick with the traditional methods or remain reactive as outside forces threaten our industry, there is an opportunity to differentiate ourselves.

The path to success in 2017 lies in demanding more for our customers, from ourselves, from employees, and from technology partners. The proof is in the customer retention. The most successful dealerships today are proof positive that demanding more and leveraging strategic business advantages work – just ask their customers.

# Resources

- <http://www.autonews.com/article/20170109/RETAIL01/301099973/2016-sales-scoreboard>
- <https://www.pwc.com/m1/en/services/consulting/documents/millennials-at-work.pdf>
- <http://www.theacsi.org/customer-satisfaction-benchmarks/benchmarks-by-industry>
- <http://www.autonews.com/article/20150413/RETAIL03/304139990/tailor-shopping-to-your-customers-studies-suggest>
- <http://about.americanexpress.com/news/docs/2014x/2014-Global-Customer-Service-Barometer-US.pdf>
- [https://www.mckinsey.de/files/brochure\\_innovating\\_automotive\\_retail.pdf](https://www.mckinsey.de/files/brochure_innovating_automotive_retail.pdf)
- <https://www.youtube.com/watch?v=QLiPZRbH5Nw>



# GRAVITY

Ready to Transform Your Customer Experience?

**GRAVITY is one core platform that unites Sales CRM, Service CRM, and Marketing -- with unlimited possibilities.**

Your customers are more connected, more demanding, and better-informed than ever before. This new breed of consumer demands a better breed of customer service, and the GRAVITY platform from ELEAD<sup>1</sup>ONE offers everything you need to drive successful and profitable results.

**EXPERIENCE GRAVITY**

