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THE MOTOR DEALER REPORT FROM AUSWILD & CO  
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## DO YOU TREAT YOUR CUSTOMERS LIKE GODS?

A typical customer today will go to one place to buy tyres, to another for an oil change and maybe another for a mechanical repair. Not to mention they may go somewhere else to buy their next vehicle, without even getting a price from you. The question is why?

One customer at a focus group meeting probably summed it up the best when he stated this: "I have given up looking for great service, so if I am going to get screwed it might as well be for the least amount of money." Think about yourself as a retail customer. How many places do you go to spend your money where the service is so good, you will drive an extra distance, wait a little longer and pay a few bucks more because the level of service is so good?

### AIM FOR EXCELLENCE

What about your own service or sales department? Do you have a sign outside saying: "We are no worse than anyone else!" What are you doing differently to earn your customers' loyalty? Have you surveyed your own market area recently and established how much competition you actually have and what they are doing to stay in business?

So maybe at the urging or perhaps insistence of your franchisor you have just spent a million dollars or two on imaging your dealership. Chances are you spent 80 – 90 percent of that money on the showroom area. This makes no sense when at times you can make more gross profit on a brake job than selling a new vehicle. Do you think that a new imaged store will create more customer loyalty?

Over the last few years there has been an increase of independent leasing companies who make a comfortable living from customers who want a new or used vehicle but do not want the hassle of visiting your dealership. Are car dealerships really that bad?

How will you answer this question? "What do you have that the independents don't that gives you an edge?"

Will your answer be similar to some of the typical answers below?

**"We have factory parts."** The problem is of course that some are sourced from the same manufacturer and dealerships often have to offer both the genuine and aftermarket parts because of pricing or risk losing the job.

**"We have factory-trained technicians."** This could be a good selling point but these days how many dealership technicians end up working at the independents?

**"We have special factory tools."** You know the ones you have to pay for every year, that stay in the expensive boxes they came in and never get used? For years now, franchised dealers have been saying that the change in technology will put the independents out of business. Since the independents own close to 80 per cent of the business — it could be a long wait.

**“We have customer lounges.”** Sure, having a lounge with a big TV and free coffee is a nice touch but have you ever heard a customer say they take their vehicle to a particular dealership because they like the waiting area or the free coffee?

**“We have menu pricing.”** Dealership menu pricing has come a long way in the last few years and with seasonal specials, dealers often have better pricing than the independents. But is that enough to make the customer yours? The perception still is that franchised dealerships are more expensive and a whole lot less convenient.

## **FIND AN EDGE YOU CAN USE**

Dealerships these days can no longer rely on the franchise sign to generate business. There was a time that the sign outside was a given right to give you credibility and a good market share of the service business. After all, you sold the vehicle so you deserved the customer’s business! Many dealerships ran with around 10 days appointment lead time and like the airlines, overbooked customers by 20 per cent, gave lousy service and still made money.

Recent consumer surveys show that 56 per cent of visits were for routine maintenance with tyre changes coming in second at 13 per cent. If that accounts for 69 per cent of your customers, it should be your key area of focus.

Carl Sewell wrote a great book called “Customers for Life.” It wasn’t rocket science, but he was right on the money. Here are two of his tips, “Under promise and over deliver.” And “there is no point in saying no to a customer.”

Dealerships should have total transparency with every transaction and every customer should be treated like a God, because without them you can’t survive.

The main purpose of a business is to solve a customer’s problem, with the object of making money. Not the other way around!

*This article was posted by Jim Bell and first published in **Canadian Auto Dealer**.*

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