

The “LOF”: Love me or love me not?

From a rather well known fixed operations consulting firm: “The oil life monitor light is your best friend. Now you don’t have to do as many oil changes.”

Let’s think about this gem (cubic zirconium) shall we?

By this time, oh loyal reader, you understand the critical importance of customer retention to a dealership’s long-term success. Fixed coverage, vehicle resale ratios, CSI, comebacks, sales/gross per customer per year and net profit are all masters that are served once you make customer retention your holy grail.

So, therefore, the lowly “LOF” takes on a whole different perspective since essentially every other customer visit is a “LOF”. You retain the LOF’s, you retain the customer. You retain the customer, you, well, refer to above paragraph.

And, to retain LOF’s and every other subsequent customer service dollar throughout the service cycle, we’ve got to give the customer –you know this -- quality, service, price, and convenience. You deliver on these customer hot buttons, your cashier spends less time on www.imboredwhatsonthenet.com and more time on cha-chinging.

Quality: Do it right the first time (kind of hard to screw up an oil change)

Service: The entire service process from great meet-and-greet to value presentation to professional delivery.

Price: Got to be competitive in the marketplace but pricing is also reliant on the total value package delivered by these other three elements. For example, customers will pay more for convenience. (Ever pulled into a convenience store and paid \$9.99 for a 12-pack of beer when there’s a grocery store right down the street with same brew for \$6.99? Being there, doing that. But what the hoo, I saved about 27 seconds).

Convenience: The Achilles heel of many service departments. To buttress my argument, I present into evidence the following sorta-certified documents:

MAJOR MANUFACTURER ANNOUNCES “RRF28” SERVICE DEPARTMENT INITIATIVE

By R. U. Kidding

Detroit Free Cuz Nobody Will Pay For It Press

DETROIT – Bob Beaureauxcrat, spokesman for Truckster Motors, announced their latest initiative – “RRF28” (Really, Really Fast, as in 28 minutes) -- a dealership service program to address the increasing consumer demand for more convenient service.

The RRF28 initiative strives to improve the negative perception in the marketplace that franchised dealers are highly inconvenient in providing maintenance services -- such as oil

changes – as compared to the mass-merchandise competition that typically performs the same service in about 10-15 minutes.

Also announced was the \$28 million ad campaign to announce to the free world that oil changes can probably be done in 28 minutes or less (once your number is called, of course, as in “next”) or about twice as long as the competition.

When contacted for comment, a spokesperson for the mass-merchandise competition association was quoted as saying, “You go girl!” whatever that means.

This initiative follows in the footsteps of other major dealership service department initiatives such as “CMR” (Current Mags & Rags) that insures that service waiting rooms have same year magazines and same month newspapers available for customers, and “FTD” (Fresh and Tasty Donuts).

These initiatives are intended to offset the loss of service business and customer retention that occurred as a result of the previously previous initiative, “DNTSYF100k” (Don’t Need To See Ya For 100,000 Miles).

Another recent article that I kind of think I read somewhere:

NASCAR SERVICE TO OPEN IN MAJOR METRO MARKETS

By DEEPTHROAT

Detroit Times undercover correspondent

DETROIT -- Jacque Rushe announced today the creation of a totally new service operation based on NASCAR pit crew operational processes that will perform a menu of maintenance service for customers including oil changes *in less than 45 seconds* from the time they pull in to “pit lane” to when they get the “green flag”.

Although exact processes are cloaked in secrecy, an undercover investigative team has been able to identify many of the elements.

When a registered NASCAR “driver” crosses the service facility entry gate, a scanner instantaneously transmits vehicle and customer information to the PDQ45 computer system that then forwards pertinent driver information to a 16” LCD menu board that is next to each pit box. The LCD menu board is attached to a flexible arm that allows the “Crew Chief” to arrange the screen next to the driver’s window.

Information regarding recommended services based on the driver’s service history is immediately displayed on the LCD touch-screen in a very simple and graphic format that allows the driver to choose between optional services at the touch of the screen with coaching from the Crew Chief.

While the driver is choosing the service(s) that he or she desires, the pit crew is already in action performing the multi-point inspection, topping off supplemental fluids, etc. Immediately upon the choice of service, a large digital timer displayed in front of the vehicle begins counting down from 45 seconds (on an oil change, for example) as the pit crewmen pressure drain the oil and then replace with new oil and oil filter.

Simultaneously, the Crew Chief will process payment at the driver’s window, apply the next service reminder to the windshield, and set the driver’s next appointed “pit stop”. The driver will then receive the green light and will exit the pit lane and get back on the road before the timer reaches double zeros.

All right, so some of you wonder what I’ve been smoking (I swear I didn’t inhale) but, the point is, how much would you be willing to pay for a LOF at each of these operations and how willing would you be to go back again for the next service and/or repair? And is the NASCAR scenario really that off-the-wall? There are many dealership service departments that already utilize various advanced

customer convenience processes to enhance the service experience and insure a high customer retention rate.

For example:

- o Pre-workorders printed with recalls checked and ready for customers when they come in for their scheduled appointment
- o Maintenance pre-sold when appointment is confirmed
- o Express check-in service
- o Wireless write-up tablets
- o Multi-point inspections performed on the drive by quick-service team members during the customer consultation and approval processes
- o Quick service teams
- o Invoicing, payment, and next appointment processes performed simultaneously with the vehicle servicing process
- o And numerous other techniques or combination of above

Bottom line: service profitability and overall success is inherently dependent on the lowly “LOF”. Get in the game and begin staunching your customer defection flow.

A rather well-known service consultant once wrote, “The oil life monitor light is your best friend. Now you don’t have to do as many oil changes.”

(Cricket background sounds)