

Drive more customers back to your dealership: Strategies for increasing customer retention

Getting customers to return to your showroom doesn't just happen – it takes a lot of effort. But the opportunity is tremendous. If you deliver for your customers in the right way, at the right time, it can have a significant effect on the success your dealership over time.



Customer loyalty through service

Why is service such a powerful area of focus to retain customers? The answer is great service experiences result in satisfied, loyal customers. Opportunity is created each and every time a customer returns for service – opportunity to deepen and expand relationships with current customers and opportunity to begin new relationships. In the past, dealers may have overlooked the importance of service, which created an opportunity for competition. Customers didn't look to the dealership for service, they went elsewhere. That's lost opportunity.

From tires to engine replacements and basic maintenance, customers need to know you can do it all – and you do it with superior technology and better trained technicians who know their

vehicle better than competitors who service all makes and models.

"Competitors, such as those in the 'quick oil change' industry, market to the masses. We take a personal approach and that makes the difference. We build a relationship that creates trust – trust that we know better how to service their car and advise them on their service needs, then there is no reason to entertain competitors," says David Litzinger, Zurich customer and President at Audi Tulsa, General Manager at Lexus of Tulsa and Principle at Land Rover Tulsa. "We have a service "advisor," and the term advisor is key because the customer needs advice on service needs. We have an honest dialogue with our customers that builds trust. We talk with

them about what service needs to be done now and what can wait. Then we keep in touch with reminders on service that needs to be done soon. They appreciate you helping."

And there's another, potentially greater opportunity for you when your customer has a great service experience, they're much more likely to share their great experience with others. A single household represents a small fleet of drivers, with two to five vehicles on average. Add to that the extended family of the household, and a much larger universe of social media contacts and friends. The single great experience you deliver can drive continuous traffic to your showroom.

Maintenance plans can help you:

- Retain customers before they visit competitors
- Spend less time and money marketing to lost opportunities
- Ensure future traffic to your service department
- Influence customer re-purchase intentions

Retaining customers by building the dealership brand

Manufacturers are increasingly focused on building their brand with customers. They continually raise their game when it comes to warranties and maintenance, offering complimentary maintenance, roadside assistance, courtesy checkups and inspections, wear item replacement, SiriusXM/OnStar trials and the list goes on.

But what manufacturers offer doesn't necessarily drive traffic to your dealership. "What we do at Zurich is focus solely on building and enhancing the dealership brand, not on the manufacturer brand. Our objective is to keep customers coming back to you, to a particular dealer," says Brian Vance, Regional F&I Manager, Zurich. Customer retention is a target on which dealers are increasingly focused. Brian says, "Dealers are rolling out new service solutions aimed at driving continuous traffic to their showroom. They realize that service department customer retention leads to more vehicle sales, increased RO count, increased customer loyalty, increased dealership brand loyalty and increased referrals."

Influencing customers' re-purchase intentions with a complimentary maintenance plan

Zurich's customer retention programs offer a discernable advantage to effectively market your vehicles and increase your profit with higher sales. Offering a complimentary maintenance plan, for example, enables your dealership to eliminate the competition by capturing customer service intentions before customers leave the dealership. It also allows your dealership to spend less time and money chasing lost

opportunities after it's too late, provides your fixed operations department with increased absorption while providing more repair work opportunities, and most importantly, offers you the chance to be proactive in influencing your customer's re-purchase intentions.

These programs can offer customization and flexibility. With 12/24/36-month programs available, interval and service options, and point-of-sale tools that showcase the many reasons why the customer should purchase from you over neighboring dealerships. Maintenance programs can offer customers:

- A welcome kit, personalized with dealership logo and content delivered via first class mail.
- Automated service reminders that eliminate the monthly expense associated with inviting customers back for service appointments.
- Personalized service reminders offered in email, text message, or postcard format.
- Online service including customer look-up and verification and simple claims process.
- Automated notification of lost opportunities and personalized win-back email campaigns.

"Finding a balance of staying in touch with the customer is extremely important, being proactive without being annoying. That's why technology is so important. Texts, for example, allow a less formal touch-point than a phone call or even an email. It tells the customer we are thinking about them, but doesn't require them to engage until they are ready," says David Litzinger.

Sales and service integration

Integration of your sales and service teams can also be tremendously effective in retaining customers and selling cars. "If a dealership has an effective method of selling cars out of the service department, they can be unbelievable successful," says Bob Savino, Regional F&I Manager, Zurich. Creating a sales role that sells out of the service department gives you an opportunity to work with satisfied customers. Bob says, "There is a financial investment in this approach and it requires progressive thinking, but it can be very effective."

F&I role in customer retention

This new approach to customer retention also enables your F&I department to increase their PPM penetration because the customer sees real savings to commit to a longer term plan at delivery. Brian

says, "The value-added approach provides the customer a chance to package their basic pre-paid maintenance options at the time of sale. We encourage the salesperson to include a service tour during which customers can meet advisors and schedule the first pre-paid visit in advance."

Ready to (re)design your program?

Zurich helps dealers retain more customers by focusing first on their brand, then on putting in place solutions that deliver a great customer experience. Are you ready to design your Program? Zurich can make it easy. We can help you:

- Evaluate your current customer retention programs
- Create a marketing plan to improve your retention rate and profitability
- Provide access to resources and training to implement your plan

Are you ready for an F&I proposal from Zurich?

Contact your Finance & Insurance Executive or submit your request using one of the following options:

Phone: 800-840-8842 ext. 7449

Email: zdm.management@zurichna.com

Online: www.zurichna.com/proposal

For more information visit www.zurichna.com/automotive

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