

#NADASHOW

2024 **NADASHOW**

*Driving
the Future*

Rethinking Service Retention Strategies for 2024 and Beyond



Bill Springer

President | Krex, Inc. | Northbrook, Ill.
847-753-9162 | wgs@krexinc.com

The views and opinions presented in this educational program and any accompanying handout material are those of the speakers, and do not necessarily represent the views or opinions of NADA. The speakers are not NADA representatives, and their presence on the program is not a NADA endorsement or sponsorship of the speaker or the speaker's company, product or services.

Nothing that is presented during this educational program is intended as legal advice, and this program may not address all federal, state, or local regulatory or other legal issues raised by the subject matter it addresses. Program participants should consult with their attorney to obtain advice with respect to any particular legal matter. The purpose of the program is to help dealers improve the effectiveness of their business practices. The information presented is also not intended to urge or suggest that dealers adopt any specific practices or policies for their dealerships, nor is it intended to encourage concerted action among competitors or any other action on the part of dealers that would in any manner fix or stabilize the price or any element of the price of any good or service.

OVERVIEW



The Six Critical Defection Points in The Service Customer Journey



Research Insights from Dealership Service Customers

- Why Service Customers Return & Why They Don't
- Amenities Service Customers Value Most
- Tires, Tires, Tires

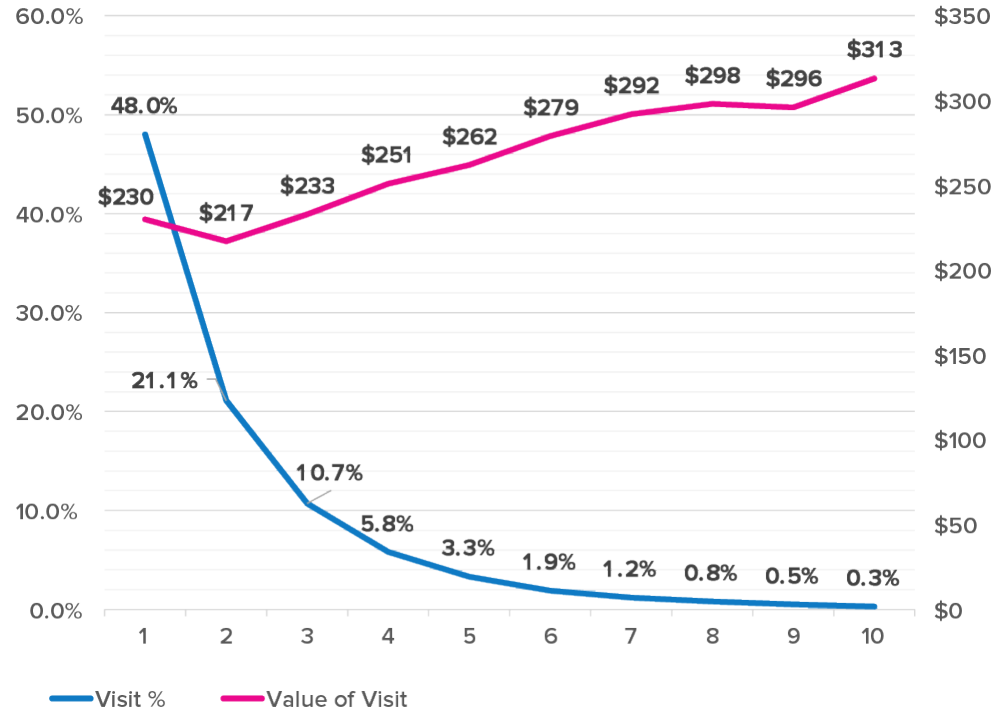


Recommendations for Process and Product Audits to Minimize Customer Defection

SECTION 1

THE SIX CRITICAL DEFECTION POINTS IN THE SERVICE CUSTOMER JOURNEY

PARTS & SERVICE REVENUE BY VEHICLE AGE vs. RETENTION RATE



Source: Your Service Retention Metrics: Lying Liars and the Lies They Tell Presentation by DMEautomotive

TWO TYPES OF SERVICE RETENTION



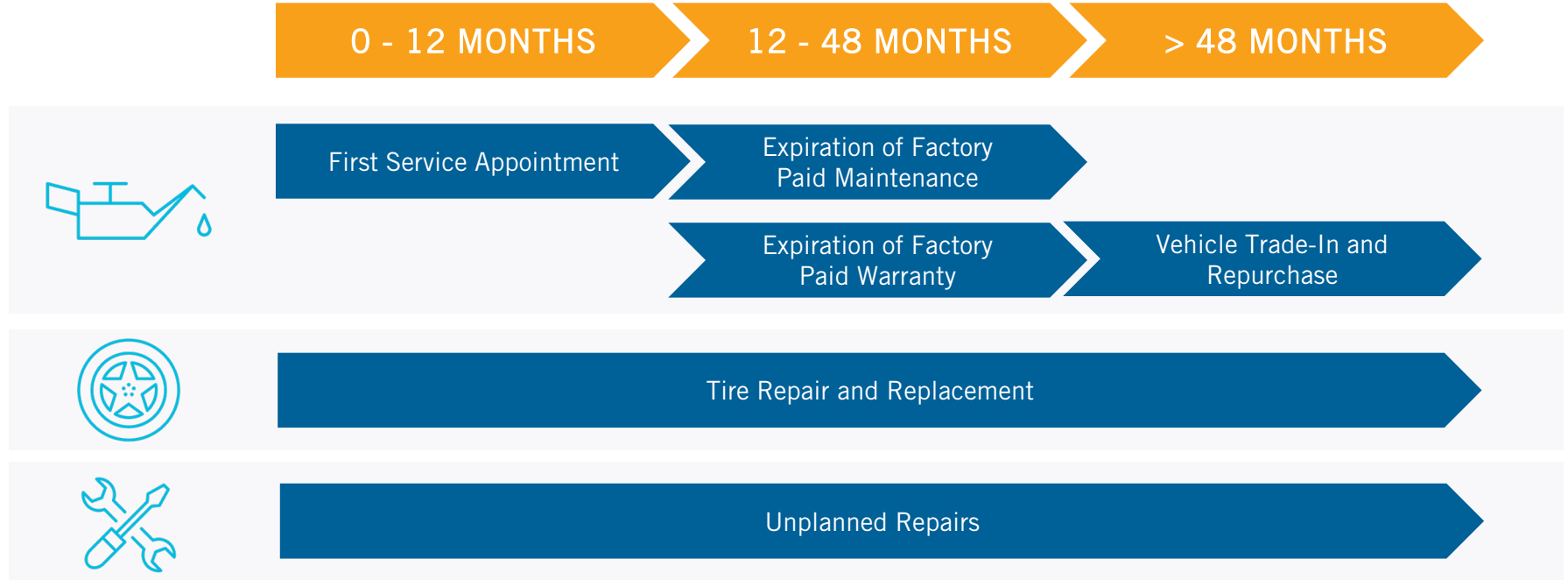
**Scheduled
Maintenance**

&



**Unplanned
Repairs**

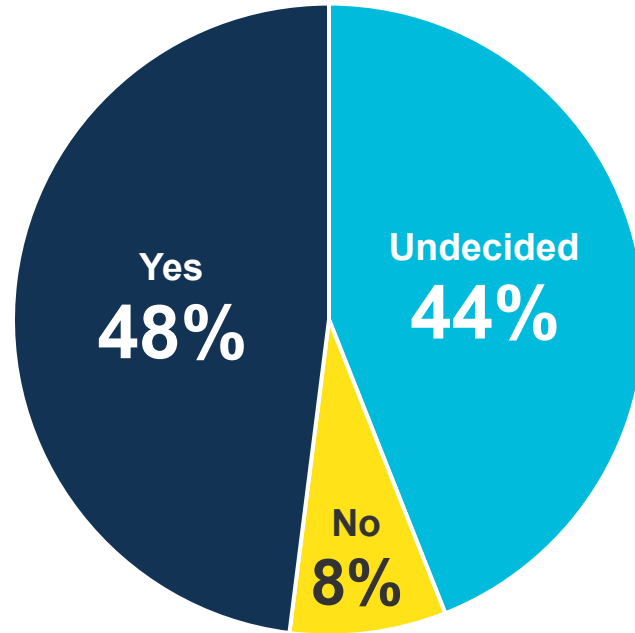
CRITICAL CUSTOMER DEFECTION POINTS



SECTION 2

RESEARCH INSIGHTS FROM DEALERSHIP SERVICE CUSTOMERS

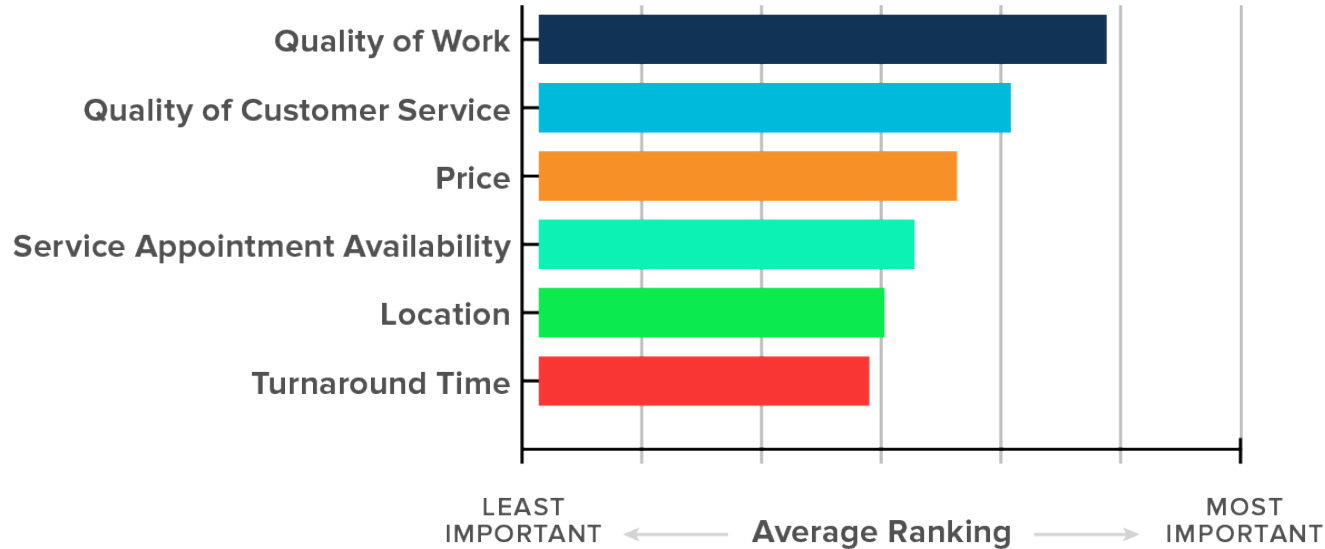
DO YOU PLAN TO BUY YOUR NEXT VEHICLE FROM THE DEALERSHIP WHERE YOU CURRENTLY GO FOR SERVICE?



Source: DriveSure's Dealership Service Retention Report. drivesure.com/report

FACTORS AFFECTING CHOICE OF VEHICLE SERVICE PROVIDER

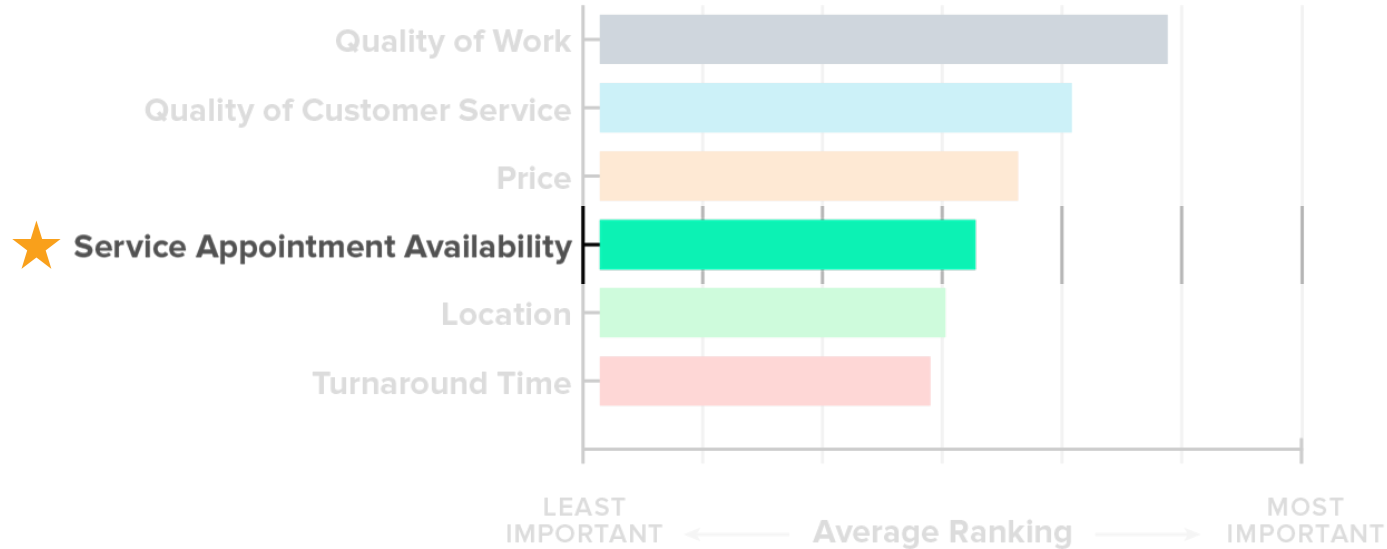
Rank the following items by how important they are to you when deciding where to take your vehicle for service:



Source: DriveSure's Dealership Service Retention Report. drivesure.com/report

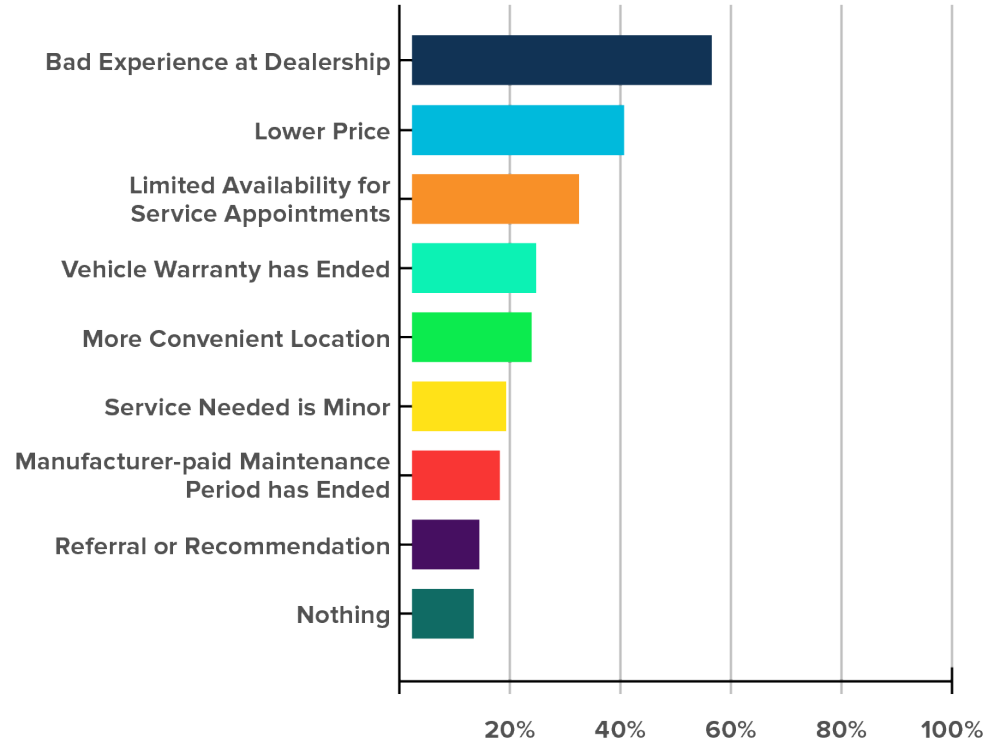
FACTORS AFFECTING CHOICE OF VEHICLE SERVICE PROVIDER

Rank the following items by how important they are to you when deciding where to take your vehicle for service:



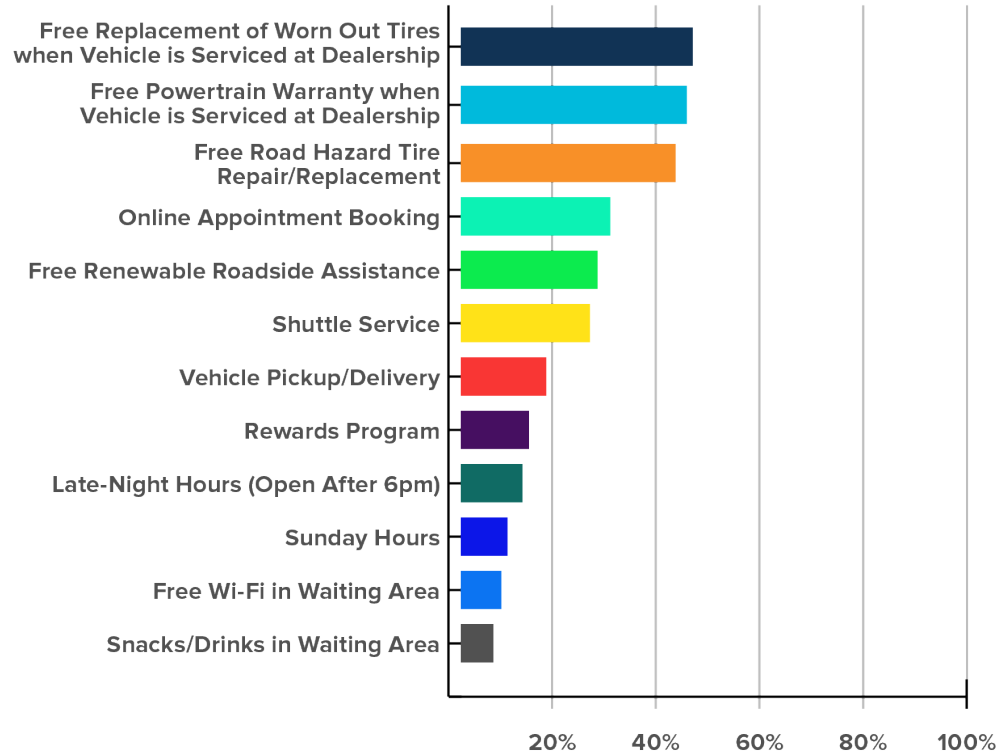
Source: DriveSure's Dealership Service Retention Report. drivesure.com/report

WHY CUSTOMERS DON'T RETURN TO A DEALERSHIP FOR SERVICE



Source: DriveSure's Dealership Service Retention Report. drivesure.com/report

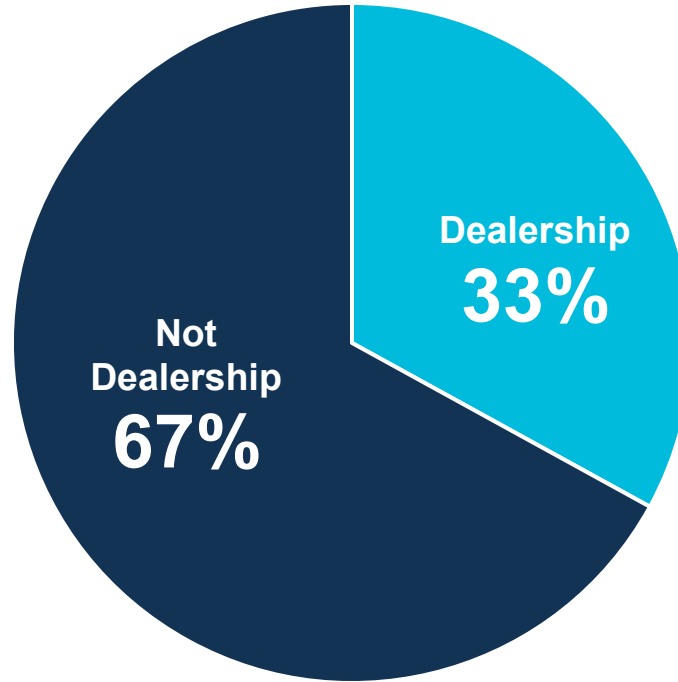
AMENITIES SERVICE CUSTOMERS VALUE MOST



Source: DriveSure's Dealership Service Retention Report. drivesure.com/report

REASONS CUSTOMERS LEAVE: TIRES

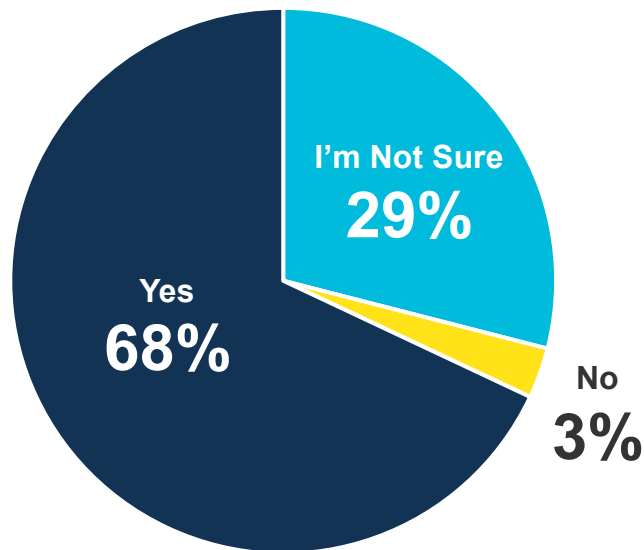
Where did you go the last time you purchased a tire?



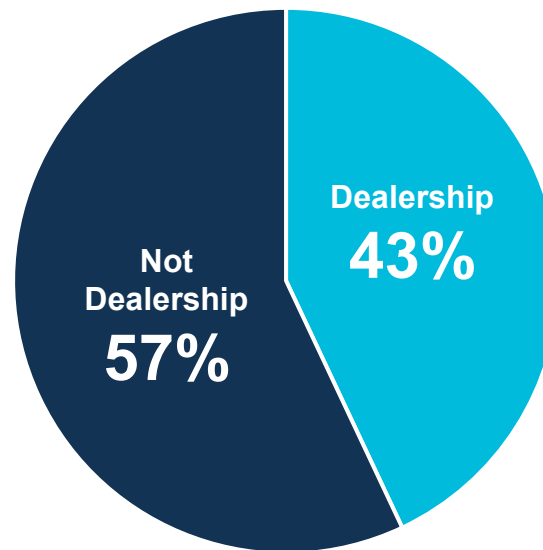
Source: DriveSure's Dealership Service Retention Report. drivesure.com/report

DEALERSHIPS' TRACTION WITH TIRES

Does the dealership where you service your vehicle sell tires?

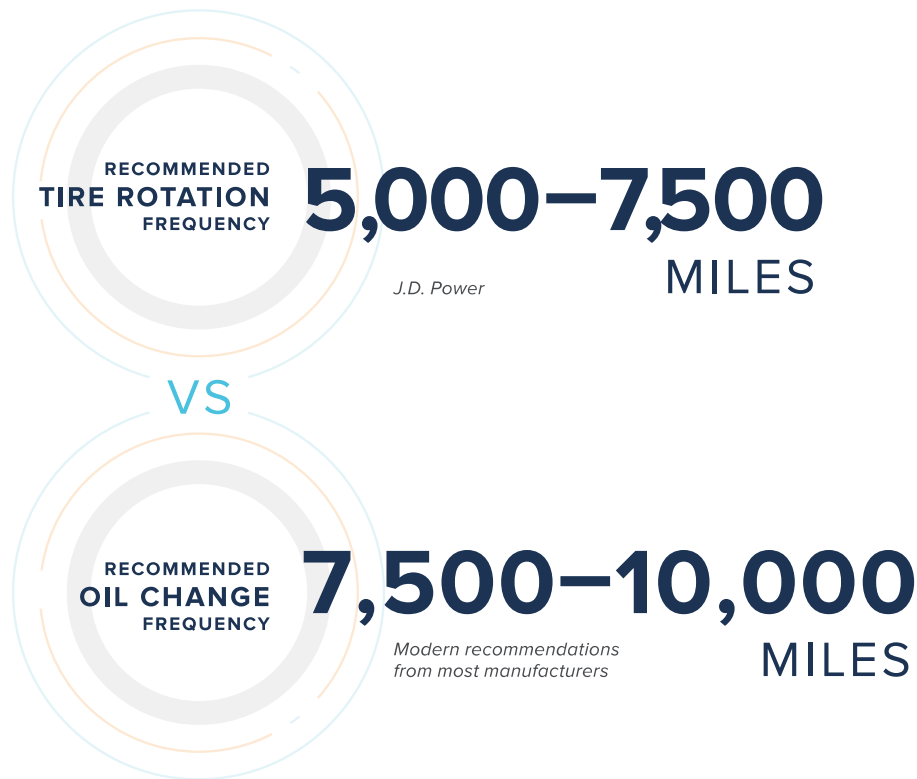


Where did you go the last time you purchased a tire?
(for those aware their dealership sells tires)



Source: DriveSure's Dealership Service Retention Report. drivesure.com/report

DEALERSHIPS' TRACTION WITH TIRES



Establishing a dealership as the go-to place for tires will encourage customers to return more frequently for essential maintenance.

DEALERSHIPS' TRACTION WITH TIRES

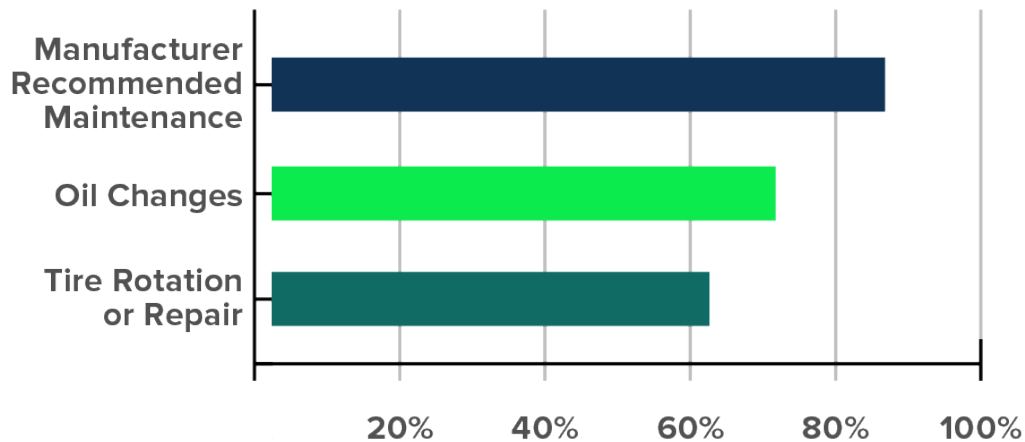
Tire rotations are the most frequent service need.

78%

of participants prefer to have tire rotations and repairs done at the dealership, but it should be more.

This will be **critical** for retaining EV customers!

Which services do you prefer to get from a dealership rather than somewhere else?



**Includes participants who said they prefer to get all services from a dealership.*

SECTION 3

RECOMMENDATIONS FOR PROCESS AND PRODUCT AUDITS

TWO TYPES OF SERVICE RETENTION



**Scheduled
Maintenance**

&



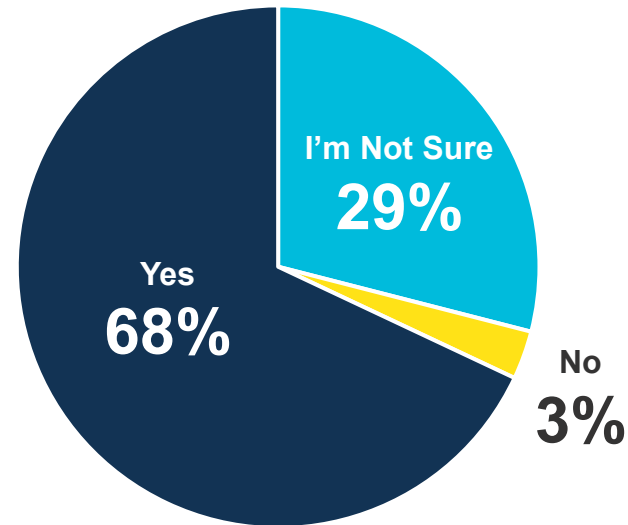
**Unplanned
Repairs**

AUDIT RECOMMENDATIONS: UNPLANNED REPAIRS RETENTION – TIRES



Audit your
Multi-Point
Inspection
Process

Does the dealership where you service
your vehicle sell tires?



Source: DriveSure's Dealership Service Retention Report. drivesure.com/report

AUDIT RECOMMENDATIONS: UNPLANNED REPAIRS RETENTION – TIRES



**Audit your
Multi-Point
Inspection
Process**

1. Are Tire Inspection Results being verbalized to every customer?
2. Consider Automated Tire Inspection Technology
3. Overcommunicate on Tires

Source: DriveSure's Dealership Service Retention Report. drivesure.com/report

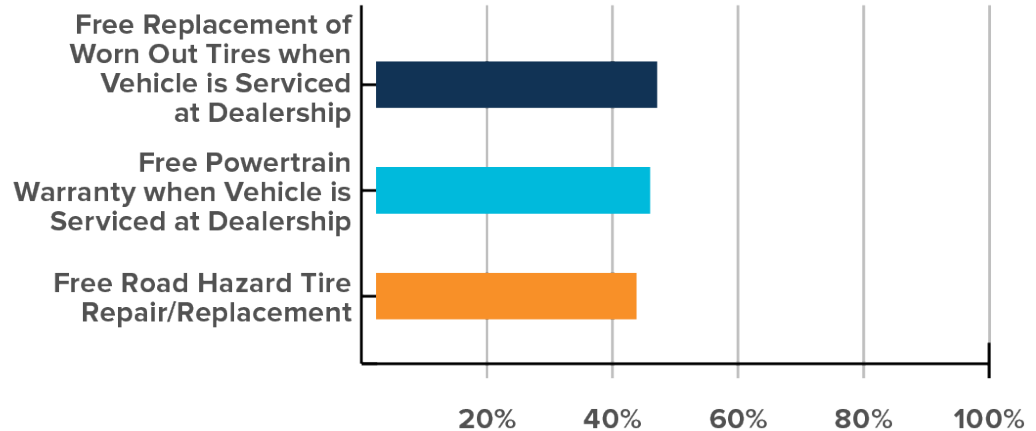
AUDIT RECOMMENDATIONS: UNPLANNED REPAIRS RETENTION – TIRES



Audit your Road Hazard Protection Products

This is a top 3 amenity
that service customers
find most valuable.

Top 3 amenities that are—or would be—the most valuable to you:



Source: DriveSure's Dealership Service Retention Report. drivesure.com/report

AUDIT RECOMMENDATIONS: UNPLANNED REPAIRS RETENTION – TIRES



Audit your Road Hazard Protection Products

This is a top 3 amenity
that service customers
find most valuable.

- OEM, Tire Manufacturer, or 3rd Party Coverage
 - Is your dealership the only place your customer can return for a claim?
- Renewable Benefits with Scheduled Maintenance Service
 - Dealer Branded?
- Are Customers Reminded of Coverage Benefits at Every Service Visit?

Source: DriveSure's Dealership Service Retention Report. drivesure.com/report

AUDIT RECOMMENDATIONS:

UNPLANNED REPAIRS RETENTION – ROADSIDE ASSISTANCE



**Audit ALL your
Roadside
Assistance
Providers**

1. Is your dealership the default tow-to location within 25 miles?
2. Does your customer have easy in-vehicle access to YOUR preferred roadside assistance provider?
3. Do you receive immediate notification of roadside assistance dispatches of your service customers?

Source: DriveSure's Dealership Service Retention Report. drivesure.com/report

TWO TYPES OF SERVICE RETENTION



**Scheduled
Maintenance**

&



**Unplanned
Repairs**

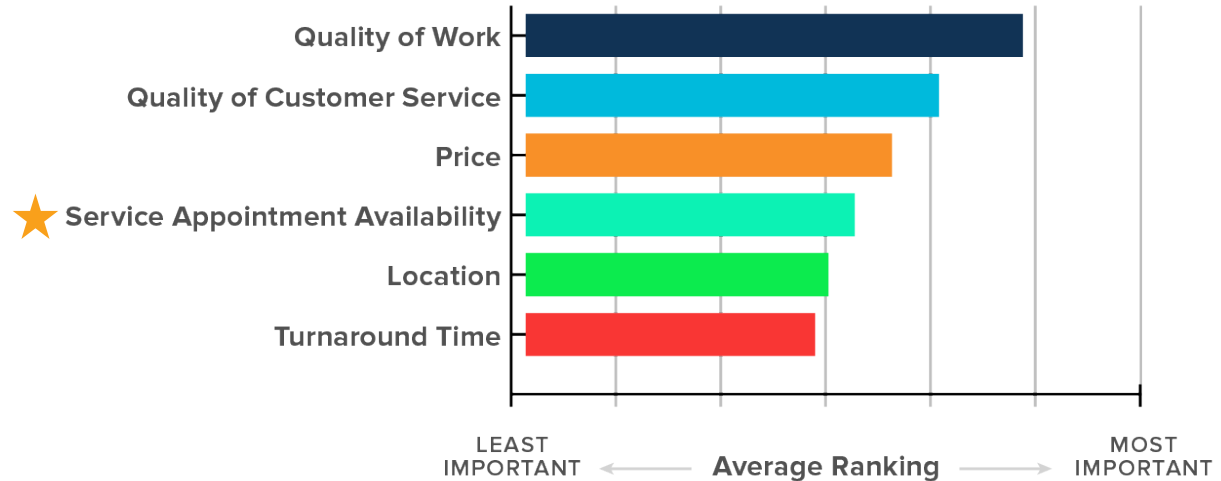
AUDIT RECOMMENDATIONS: SCHEDULED MAINTENANCE RETENTION



Audit your Service Scheduling Process

Service Appointment
Availability is a new factor
in service retention.

Rank the following items by how important they are to you
when deciding where to take your vehicle for service:



Source: DriveSure's Dealership Service Retention Report. drivesure.com/report

AUDIT RECOMMENDATIONS: SCHEDULED MAINTENANCE RETENTION



*“Can we
schedule your
next maintenance
appointment
now?”*

This is the one question to ask every service customer **BEFORE THEY LEAVE YOUR DEALERSHIP!**


- Service Advisor asks first
- Cashier confirms: *“Did John schedule your next service appointment?”*
 - Secondary Responsibility falls on Cashier

Source: DriveSure's Dealership Service Retention Report. drivesure.com/report

AUDIT RECOMMENDATIONS: SCHEDULED MAINTENANCE RETENTION



Make sure every
service
customer gets a
new
Maintenance
Reminder
Sticker

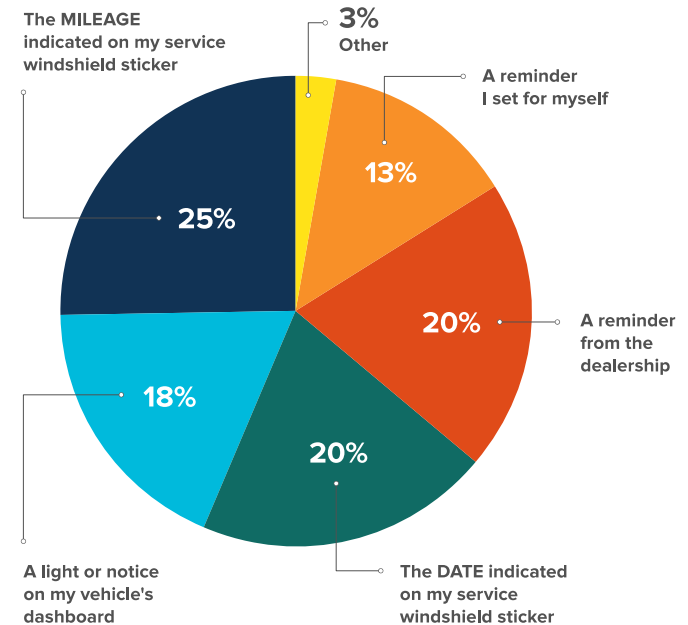

A New Car Dealership
(847) 753-9955
RETURN FOR SERVICE BY

| | |
|--------------------|--------------------|
| MILEAGE 155,000 | DATE 10/23/2022 |
|--------------------|--------------------|

SCAN HERE TO:
Get Roadside Help
Schedule Service

CALL FOR ROADSIDE ASSISTANCE
1-866-228-9690
VIN: NEWTEST1234567899

How do you usually know it's time
to get your vehicle serviced?



Source: DriveSure's Dealership Service Retention Report. drivesure.com/report

AUDIT RECOMMENDATIONS: SCHEDULED MAINTENANCE RETENTION



Is Your Service
Department
Effectively Selling
Prepaid
Maintenance
Packages?

78%

of customers are likely to purchase a PPM package as long as they have the right discount.

Source: DriveSure's Dealership Service Retention Report. drivesure.com/report

AUDIT RECOMMENDATIONS: SCHEDULED MAINTENANCE RETENTION

80%

*12-month retention rate
for customers that purchased
a Prepaid Maintenance plan*

vs.

49%

*12-month retention rate
for customers that purchased
only an oil change*

Source: DriveSure's Dealership Service Retention Report. drivesure.com/report

AUDIT RECOMMENDATIONS: SCHEDULED MAINTENANCE RETENTION



**Is Your Service
Department
Effectively Selling
Prepaid
Maintenance
Packages?**

1. Package Designed Specifically for Your Service Drive?
2. Ideal Customer Profiles Identified?
3. Easy Process for Service Advisors to Sell and Redeem?
4. Management Access to Key Performance Metrics?
5. Vehicle Owner Access to # of Services Remaining?

Source: DriveSure's Dealership Service Retention Report. drivesure.com/report

SUMMARY

TWO TYPES OF SERVICE RETENTION



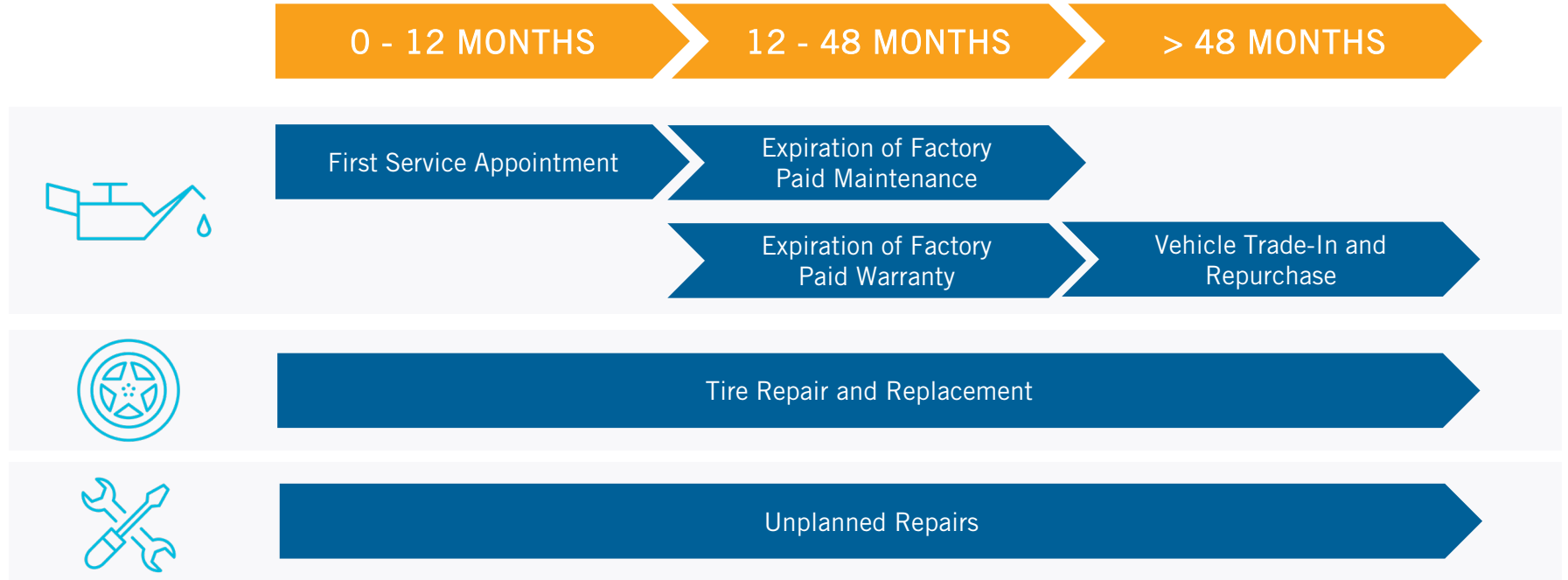
**Scheduled
Maintenance**

&



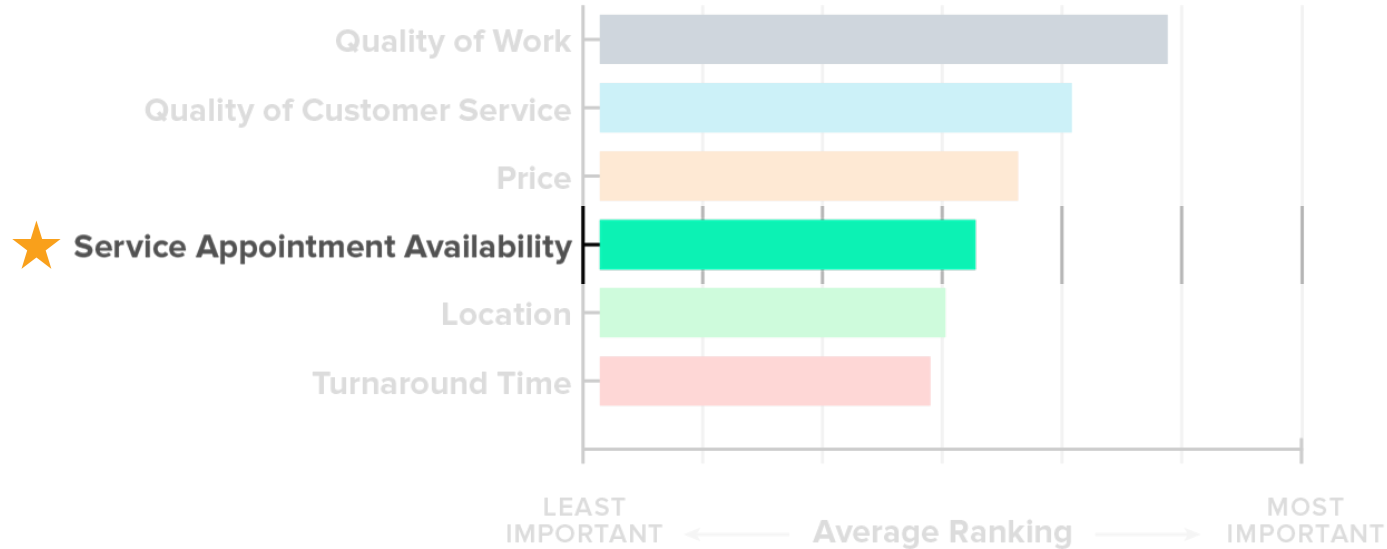
**Unplanned
Repairs**

CRITICAL CUSTOMER DEFECTION POINTS



FACTORS AFFECTING CHOICE OF VEHICLE SERVICE PROVIDER

Rank the following items by how important they are to you when deciding where to take your vehicle for service:



Source: DriveSure's Dealership Service Retention Report. drivesure.com/report

SCHEDULED MAINTENANCE RETENTION



*“Can we
schedule your
next maintenance
appointment
now?”*



Make sure every
service
customer gets a
new
Maintenance
Reminder
Sticker



Is Your Service
Department
Effectively Selling
Prepaid
Maintenance
Packages?

Source: DriveSure's Dealership Service Retention Report. drivesure.com/report

UNPLANNED REPAIRS RETENTION



**Audit ALL your
Roadside
Assistance
Providers**



**Audit your
Multi-Point
Inspection
Process**



**Audit your
Road Hazard
Protection
Products**

This is a top 3 amenity
that service customers
find most valuable.

Source: DriveSure's Dealership Service Retention Report. drivesure.com/report

Questions?

#NADASHOW

2024 **NADASHOW**

*Driving
the Future*

Rethinking Service Retention Strategies for 2024 and Beyond



Bill Springer

President | Krex, Inc. | Northbrook, Ill.
847-753-9162 | wgs@krexinc.com