

FIXED OPERATIONS

**A Playbook to Move the
Service Experience Forward**

**3 WAYS TO DRIVE PROFIT
IN THE SERVICE LANE**



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INTRO

WELCOME

As we have talked to hundreds of dealers across the country to understand the biggest challenges and concerns facing today's service departments, we noticed several consistent themes. You told us you needed to find ways to:

- Capture demand in your market,
- Effectively communicate with your customers, and
- Increase confidence in the service process.

This playbook serves as an actionable blueprint for each stage of the service visit to help your dealership continue to improve

RECOMMENDATION



PUT A PLAN IN PLACE

Create an actionable blueprint for each stage of the service visit to help your dealership pivot to meet your customer's expectations as we all move forward.

Use your plan to help communicate effectively with your customer, capture market share, adapt processes and skillsets, establish accountability, promote productivity, and motivate your team.

the service experience to meet your customers' expectations.

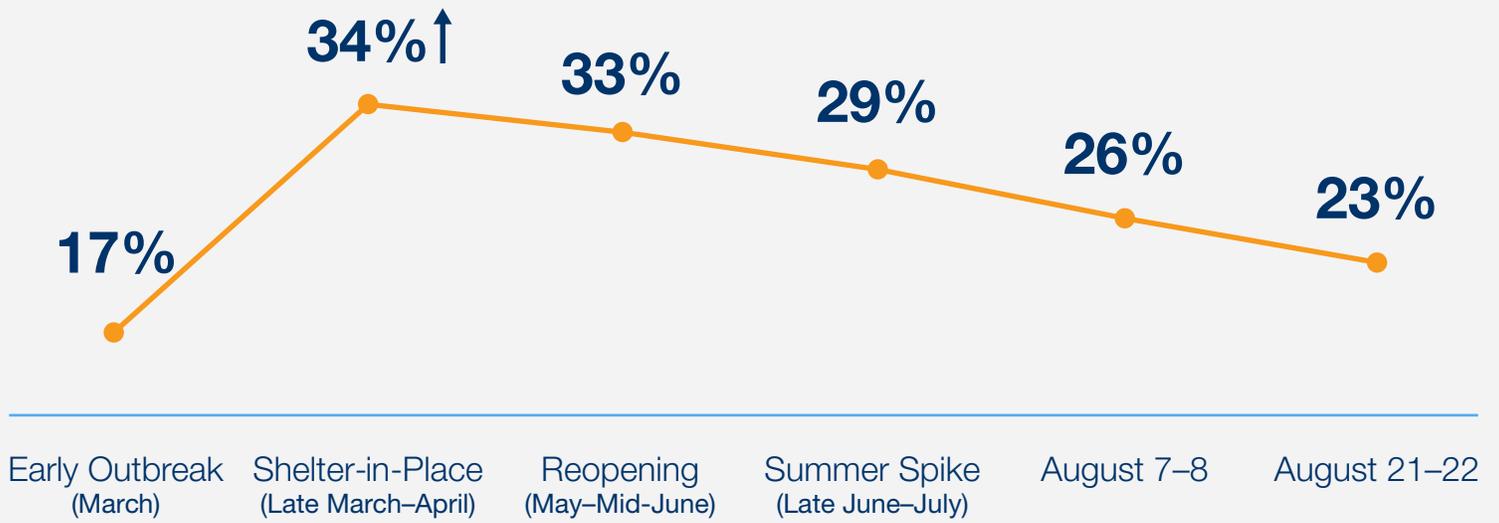
Together, we will continue to adjust, adapt, and re-think the service experience.

“What we've seen as far as an increase in pickup and drop-off for service appointments and new and used sales has been absolutely exponential.” In a Dealer Forward episode, guest Andy Guelcher dealer principal at Mohawk Chevrolet, shared options in the service department like pickup and delivery are no longer nice-to-haves but essential, and talked about the importance of not only offering digital, no-touch experiences, but making sure the customer knows exactly what that looks like.

If you have questions or would like additional resources to help you check these boxes, please reach out to your team of Cox Automotive Performance Managers and visit xtime.com/resources

INTRO

DELAY IN VEHICLE PURCHASES: 2020



As dealers offer new approaches to service, consumer delays are starting to decline.

1 BOOST CONFIDENCE WITH EFFECTIVE COMMUNICATION

Tell your customer what you are doing.

CONNECT IT ALL

Even if you don't remember a time when rotary phones and telephone books were used to reach out to customers and pursue leads, you know communication has come a long way. Today, your customer needs assurance, and not over the phone. They prefer to self-serve, gathering information when they visit your website or reaching out via text messaging before, and during, the service visit.

67%

of consumers prefer self-service over speaking to a live representative.

According to a Nuance Enterprise survey.

RECOMMENDATION



We live in a digital-first world—and it's no longer optional. You need to drive revenue. To do that today, you must provide a digital experience for your customers and employees. Then, make sure they know about it.

OPPORTUNITY:

Review current communications and outline objectives.

Are the following true of your service communication?

- No guesswork is required by your customer when it comes to their drop-off and pick-up options
- It's clear at every customer digital touchpoint that you're open for business
- Your customer can easily identify the steps you've taken to keep them safe when they visit your website or receive marketing communication
- Each step of the no-touch service process is easily understood
- Text or digital communication is available to your customer
- You're able to send photos and video during the service visit to your customer

"The increased use of multi-media, especially video, has generated 13 percentage points higher conversion rate and has resulted in an uplift of \$236 per Repair Order compared to Additional Service Recommendations without multimedia."

Xtime User Data, 2020

STRATEGY:

Use digital channels.

Your communication strategy should include:

- Defined digital channels and the information that is relayed in each
- Timely updates relevant to your business and the customer's preferences and concerns
- Multimedia to enhance your message

89%

of consumers prefer to communicate with businesses via text messaging and

78%

of consumers say receiving a text message is the fastest way to reach them for service updates and purchases. On top of that,

98%

of all text messages are answered within two minutes, which could speed service decisions and turn service stalls faster.

ACTION:

Create a robust digital communication plan.

- Outline all steps you've taken to promote the safety of your customer and employees
- Include safety precautions in all of your communication, advertising, and social media
- Use preferred communication methods like text and attach multimedia during the service visit to promote transparency even at a distance
- Allow your customer to self-serve by putting all updates where they can be found on your website and all social channels
- Explain and show your customer what the digital service process looks like at each step

“89% of consumers want to be informed and kept up-to-date by texting, and the nice thing about this playbook is that it's showing us how we can do that better.”

**Tully Williams, Director of Parts & Service
Niello Company**

2 GENERATE REVENUE WITH THE RIGHT SERVICE EXPERIENCE

Don't miss out on the demand.

GIVE YOUR CUSTOMERS THE CHOICES THEY WANT

It may be more prevalent now, but your customer has been moving toward a digital preference for some time. In the 2018 Cox Automotive Service Industry Study, many consumers stated they want the dealer website to be their primary touchpoint, and 55 percent said they would choose one dealership over another if it provided online service cost estimates.

Those same consumers felt moving service appointment steps like scheduling, ASR approval, estimate approval, in-service status updates, and bill payment online will improve the overall service experience. And with today's landscape, why wait any longer?

RECOMMENDATION



Blur the lines between the in-store service visit and the online experience, from scheduling through payment.

OPPORTUNITY:

Review current service experience and customer preference.

Are the following true of your service experience?

- Your customer can book their service appointment online and view service history and mileage-based recommendations
- Face-to-face interaction with an advisor is not necessary when your customer arrives
- Transportation choices are available and include service pickup and delivery
- No paper, or plastic, is required to change hands
- The service process provides transparency through digital service updates
- Capacities and store hours reflect the precautions you've taken for your customer and employee safety
- Communication is robust with pictures and video via text and other digital avenues
- A prospect knows they have payment options for a repair they may not be able to cover in full right now

"We are making it easy to do business with us, and it starts with pictures and videos. Taking videos and pictures (allows us to) show the customer what we're doing. It's easier to say yes."

**Tully Williams, Director of Parts & Service
Niello Company**

STRATEGY:

Connect the entire service experience, digitally.

Your strategy to capture market share should include:

- Processes and tools that reflect the customer preference to interact digitally
- Service choices like self check-in that reflect the work you've done to keep your customer and team safe
- Options that empower your customer to choose how they interact and build trust

ACTION:

Implement the right tools and processes.

- Revisit your online appointment scheduling to be sure it includes the things top-of-mind for your customer right now like the option to choose service pickup and delivery
- Provide tools for your customer that facilitate their ability to self-serve at check in and during the service visit
- Use texting and email for quote approval, include pictures and videos
- Supply service updates digitally so your customer can see every step of the maintenance or repair
- Give your customer the ability to pay online and provide flexible payment arrangements

Digital presentation of additional service recommendations has become the new norm.

While overall service repair order volume has decreased, use of digital tools to limit face-to-face contact have not. Online Approvals, an Xtime Inspect feature, gives service advisors the ability to share additional service recommendations digitally, improving communication and transparency while social distancing.

In March 2020, utilization increased by **40.44%** compared with one year prior. Additionally, percentages of customer responses, approved recommended services, and dollars per repair order were all higher than in March of 2019. In April 2020, utilization increased by **53%** compared YOY and the average dollar amount recommended was also up **8%** YOY.

Analysis performed using 1,700

Xtime Spectrum dealerships.

“We’ve seen that texting percentage at our stores go up tremendously, because I think this is what the customer wants. We’ve adapted and it’s working quite well.”

**Tully Williams, Director of Parts & Service
Niello Company**

3

CREATE AN EMPLOYEE EXPERIENCE

Prepare your team and rethink your staff's needs.

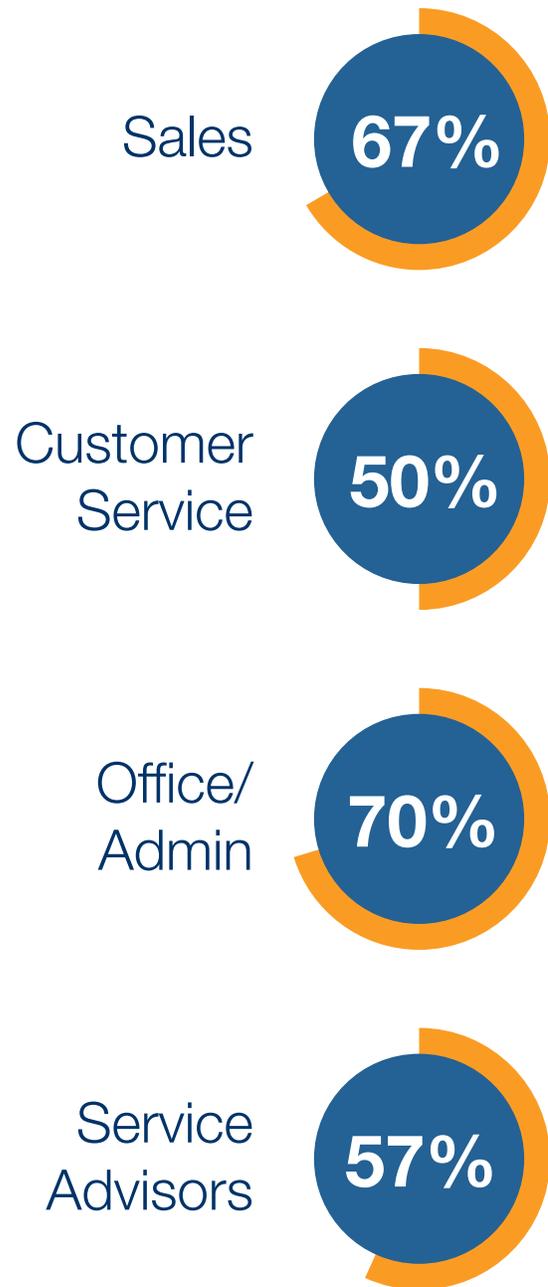
THE EMPLOYEE IMPACT

Your customer demands a different experience and you're stepping up to that plate. Now let's think about how the changes you implement impact your team and the changes you may need to make for your employee.

Staffing and turnover is not a new concern for dealerships. It's continuously top of mind, understandable when the average annual dealership turnover comes in at 40 percent. Just as you are reimagining your customer's experience, do the same for your employee. Service advisors are among the least engaged employees at dealerships. Maybe there is something you can do about that.

Employee engagement, which indicates team member passion and emotional investment in your dealership, is lowest for customer service and service advisors.

DEALERSHIP STAFF ENGAGEMENT BY ROLE



OPPORTUNITY:

Review current processes and employee preference.

Are the following true of your service department?

- Your team knows what they're accountable for and how to achieve it with fewer face-to-face interactions
- It's clear to the team that their safety is just as important to you as the customer's
- Work/life balance is a priority
- The technology you use supports your staff's ability to be successful
- Each employee feels valued
- Pay structure and benefits are aligned to employee preference

STRATEGY:

Make employee satisfaction as important as CSI scores.

Your strategy to address staffing concerns and processes should include:

- Open communication
- Training
- Technology and tools assessment
- Compensation evaluation

ACTION:

Put employee satisfaction front and center.

- Talk to each employee about their accountability, coaching them through how to upsell and cultivate relationships without in-person interactions

- Make sure your employee knows how much you care about their health—you told us just how much they mean to you
- Design flexible work schedules so employees can be home when needed
- Choose technology that is familiar to the applications and devices employees use in everyday life to increase engagement and propagate success
- Implement regular goal and career path discussions

Reevaluate your pay plan and benefits with this in mind:

- 41% of job seekers would not consider a role that was paid on commission
- The two most important job benefits according to dealership staff are great health benefits and flexibility when children are ill or out of school

40%

of former dealership employees left due to the work/life balance.

Cox Automotive 2019 Dealership Staffing Study.

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