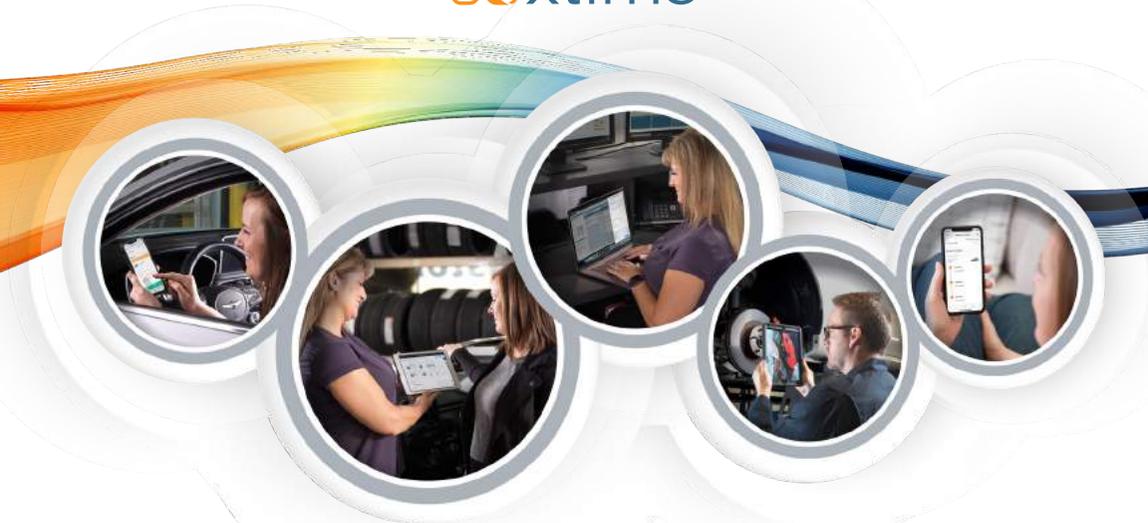


Win the 5 Key Service Department Opportunities

Overcome Fixed Ops Challenges with a
Customer-Centric Service Approach

The logo for Xtime, featuring an orange infinity symbol followed by the word "xtime" in a blue sans-serif font.



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with contribution from

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A Forecast of Fixed Ops Challenges

Fixed operations has always been the “old reliable” way to increase dealership profits. But with several foreseeable fixed ops challenges looming on the horizon, service department success is not something we can take for granted.

Fixed Ops Challenges

- **Higher quality cars and longer service intervals mean fewer recalls and repairs.**
- **OTA software updates no longer require dealership visits.**
 - The “connected car” is real, and over the next 3 years, OEMs will increasingly deliver vehicle software updates remotely.
- **Dealership retention declines as vehicles age.***
- **DIYers and independent repair facilities have easier access to OEM parts.**
 - According to Hedges & Co., annual U.S. consumer online sales of auto parts and accessories will exceed \$10 billion this year.

Dealership service visits accounted for just 33% of all consumer service visits in the past year. That share has increased 3% over the previous year, but there is still plenty of opportunity to grow customer paid service.†

*2018 Cox Automotive Service Industry Study.

†2018 Cox Automotive Service Industry Study. Based on U.S. data.

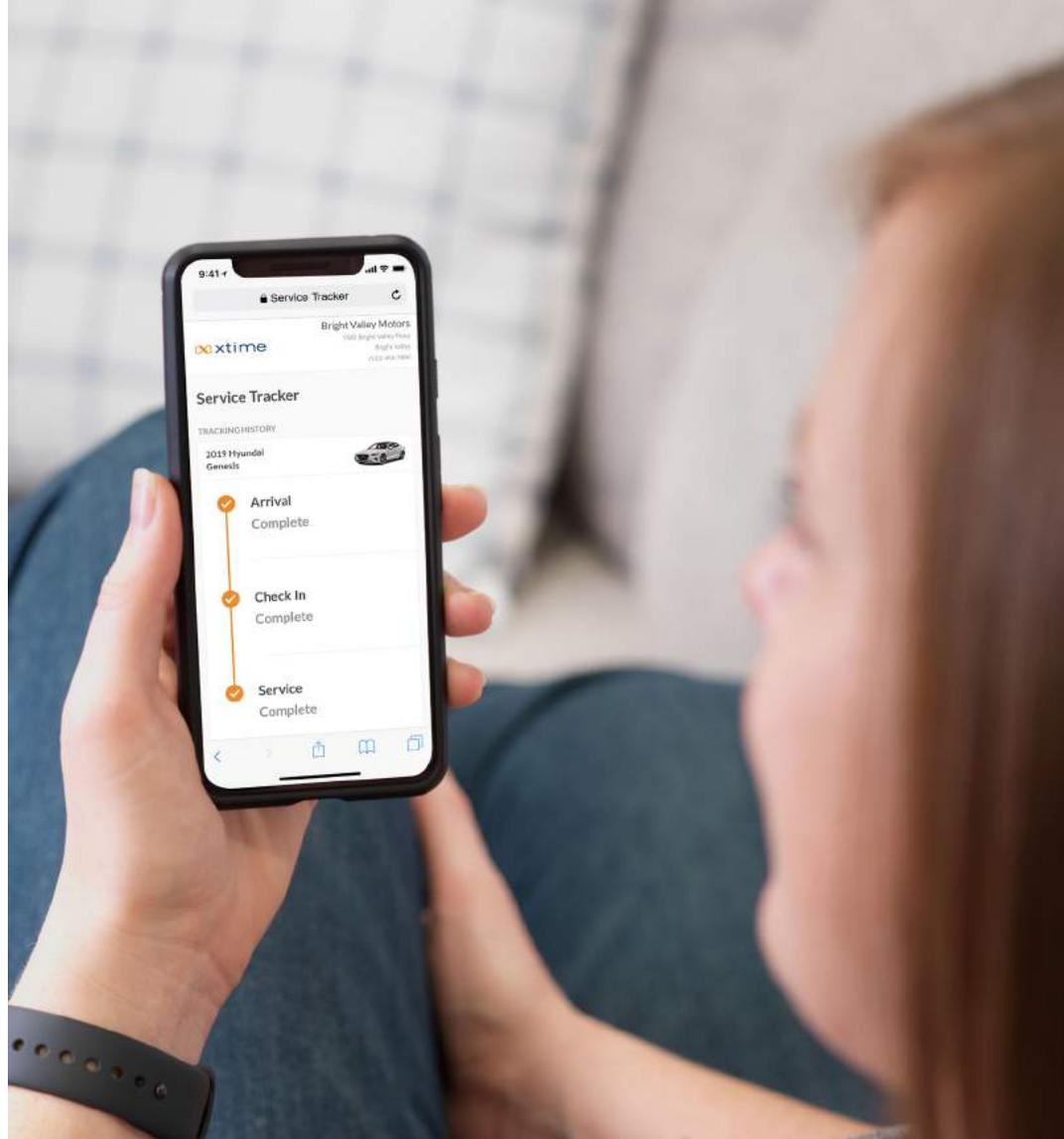
Top 5 Reasons Customers Don't Return to the Dealership for Service*

1. Cost of service
2. Dealership location
3. Fear of being overcharged
4. High cost of labor
5. High cost of parts

An Increase in Customer Expectations

A customer-centric approach is effective because many of today's fixed ops challenges result from the misalignment between customer expectations and dealership delivery.

*2018 Cox Automotive Service Industry Study.



A Solution for Every Challenge: Customer-Centric Service

To win back fixed ops business, dealers need to be more customer-centric. There are five key opportunities in the service process where dealers either win or lose business. Winning at all five opportunities is critical in creating a superior customer experience. Failure at any one step can lead to unhappy and lost customers.

1. Appointment
2. Check-in
3. Multipoint inspection
4. Delivery
5. Between Visits

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Recommendations for Each Key Opportunity

1. APPOINTMENT

- **Display service prices online.**

- 71% of consumers are most concerned with transparent cost estimates when making an appointment online.*

- **Utilize capacity management in your online scheduling tool to achieve a proper mix of repair types and to control recall capacity.**

- If you don't separate capacity for different types of work (e.g., *maintenance and repair*) you will become either over-booked or under-booked.
- When your online scheduling tool tells consumers that you are booked up, you are effectively saying "we're closed for business."
- When online scheduling isn't functioning optimally, customers call for an appointment and tie up your people or, even worse, they go somewhere else for service.

What Dealers Are Saying:

A mid-sized dealership in California noted a significant decrease in inbound call volume after displaying prices online.



What Dealers Are Saying:

One dealer group in the Midwest saw a remarkable decrease in damage claims after implementing a mandatory walk-around at check-in.

2. CHECK-IN

- Use a tablet at check-in to engage the customer, encourage repair decisions, and to protect the business from unwarranted claims.
- Greet your customers by name and know why they are in for service.
- Have customer and vehicle history on hand, including open recalls and declined services, to create upsell opportunities.
- Encourage customers to opt in to text message communications.
- Communicate with customers throughout the service process.

[†]Xtime, based on 89 dealers using Engage and Go-Live date before 5/1/2015, 216,332 VINs and 463 Service Advisors VIN based retention based on May-July 2015.



What Dealers Are Saying:

Many dealerships see major decreases in outbound call volume following the implementation of electronic estimates and approvals.

3. INSPECTION

- Ensure thorough, quality inspections to promote customer confidence in the service process.
- Give customers information about all additional service recommendations to save them the frustration of repeat repair visits.
- Offer customers convenient avenues for reviewing repair estimates.
- Illustrate vehicle repair problems with video or photos attached to estimates.
- Create line item repair options, giving customers the ability to approve or defer service.
- Provide the ability to pay online, including offering convenient financing options.

4. DELIVERY

What Dealers Are Saying:

Dealerships that implement effective redelivery processes have reported increases in 1-year service retention rates.

- Ask for a next appointment citing service history, OEM recommendations, and day/time preferences.
- Share genuine enthusiasm and express gratitude toward the customer for the service visit.



5. BETWEEN SERVICE VISITS

- Follow up with communications specific to the customer and vehicle to show that you care.
- Remind customers of past declined services and invite them to come back to the dealership for service repairs.*
- Be aware of all coupons and special offers sent from the dealership and honor them when presented by customers.
- Tailor promotions to account for available capacity by tying discounts to specific (slower) time slots.

What Dealers Are Saying:

In the first month of marketing declined services, Honda Downtown Chicago generated \$30,000 in RO revenue.

Spectrum from Xtime

Spectrum is the industry's only completely integrated, end-to-end service provider, enabling dealers to win at every customer touchpoint. Comprised of Invite, Schedule, Engage and Inspect, Spectrum allows you to build your service process around your customers.



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*Honda Downtown Chicago, interview conducted March 2019.

**The only end-to-end
service experience platform,
period.**



 **xtime**