



CARBIZTODAY

MAGAZINE

JULY 2017

MARKETING

AUTOMATING E-MAIL
RETENTION

KATHRYN MASSOPUST

SOLVING: TRANSACTION TIME CHALLENGE

PETE MACINNIS

TIME TO TAKE GOOGLE ANALYTICS SERIOUSLY

BRIAN PASCH

WINSTON PITTMAN CEO, PITTMAN ENTERPRISES BUILDING AN EMPIRE





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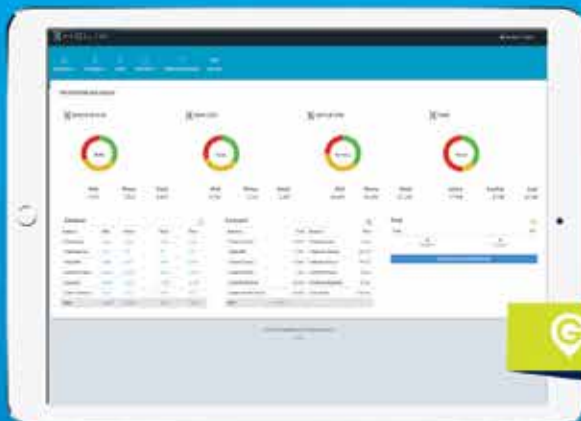
15%
INCREASE
IN LEADS

24%
AD WASTE
ELIMINATED

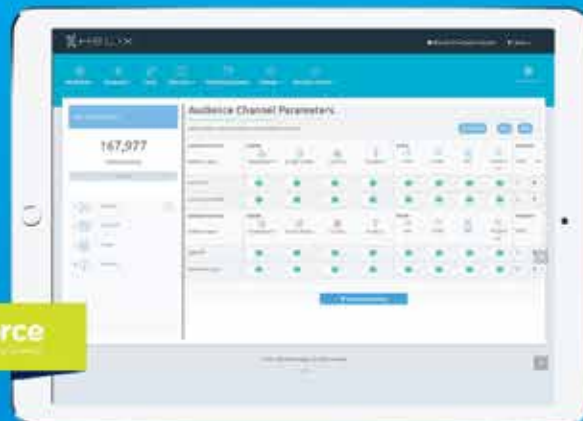
58%
DECREASE IN
COST PER LEAD

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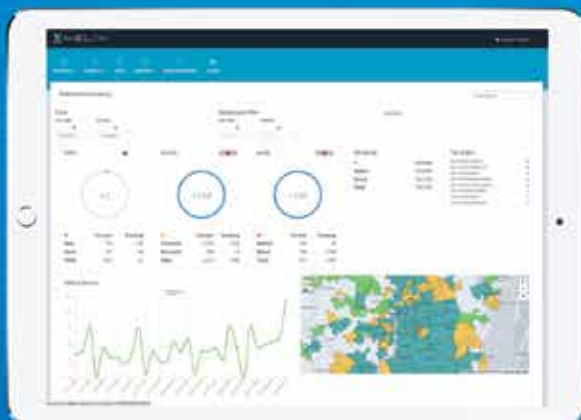
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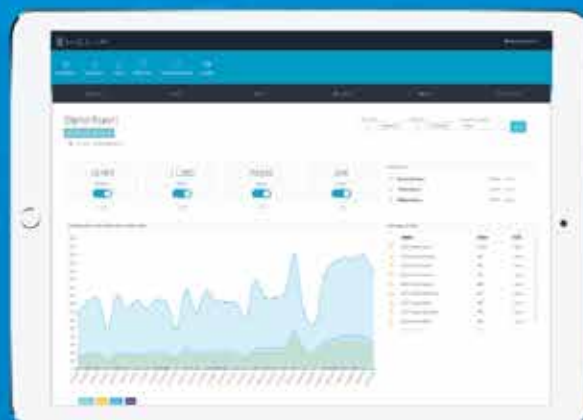
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CBT CARBIZTODAY

Beat the Heat

Dear Readers,

The summer is getting hot (a little too hot for this Connecticut native), I don't think things could be any hotter over here at CBT. The newscasts are on target, informative, insightful and daily provides information vital to the success of your dealerships. The magazine is growing by leaps and bounds and we are psyched about the direction the now-printed (again) issues is going. The momentum is exciting!

The auto business provides a variety of opportunities whether you have an MBA or consider your tool belt your greatest possession. Winston Pittman was rebuffed three times when he wanted to get a sales job at a dealership in Jackson, MS. Eventually he was hired. He didn't believe the story as to why he was told to leave the dealership three times. He suspects that being African-American had something to do about it.

Today, he is one of the most successful African-American dealers in the country with sales of over \$1 billion. He sees his legacy as spreading the word about the opportunities available to everyone who wants to work hard. In the auto business, you get what you put in, he says, and he's a testament to that!

We also have a lot of brilliant minds offering unique insights. Brian Pasch explains how Google Analytics can optimize conversions, engagement and traffic while Glenn Pasch offers some valuable — and out-of-the-box — thinking on how the best leaders are more coach than dictator or 'nice guy.'

One of the best traits of a great salesperson is to be able to talk to anyone about anything, but David Lewis suggests that if you want to close the deal, be quiet! Yes, he maintains that talking during the demonstration drive interrupts the potential buyer's taking mental ownership of the vehicle. When it comes to the sales pitch and close, less is more.

And, let's not forget marketing. Tim James lets you know how using videos for lead follow up will separate you from the crowd. He believes this will just starting to gain traction so because of his insights, you'll be way ahead of the game. Don't you just love it when your competition has to play catch up?

Us too! That's what we do best at CBT. We put you ahead of your competition with insights that will make you be a step ahead. And, we know that together your sales will be as hot as the Georgia sun.

Mary Welch

Managing Editor
Car Biz Today Magazine



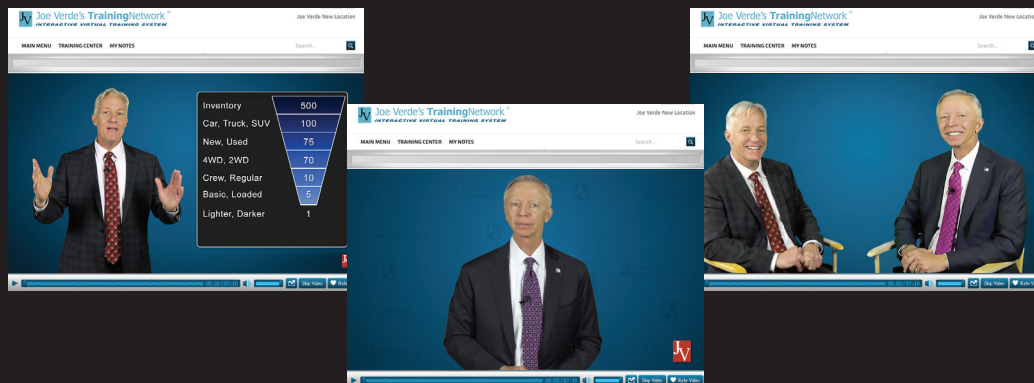


JOE VERDE

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Remember The First Time You Drove It?

You know that vehicle you really like? Do you remember the first few times you drove it?

Remember how excited you were when you were talking about it with your customers?

It's time to drive all your cars again and light up your enthusiasm and excitement on each model so you can transfer your excitement to your customers; that's when the sale is made.

Listen carefully to understand their 'wants' and 'needs', demo everyone, and pour on the hot sauce when you cover those features they said were most important to them.

Leave out the other stuff, because those other features aren't most important to them. Everyone only cares about their handful of features, so put a spring in your step, a smile on your face, and share your genuine enthusiasm on every feature you cover they said that they need or want.

The demo is a critical step because it's where people take 'mental ownership' of the vehicle. Just find out what they want, light up those features in your demo and presentation, and start closing in Step 5 at your Landmark.

85% specifically came to buy, so help them make it happen!

Joe

"By training on JVTN® we're up 121 units over last year from 584 to 705 units."

– Scott Taylor
General Manager, CT

"Our closing ratio is up 42% from the skills & processes you teach on JVTN®."

– Seth Marshalek
Sales Manager, ID

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8 STEPS TO BUILD A STRONGER TEAM

There's No "I" in Team

WRITTEN BY: MIKE ESPOSITO



Do your employees function as a team? In an effort to motivate employees, most managers talk about team building, but not all of them walk the talk. Many auto dealers face challenges when they try to build teams because their culture was established on rewarding individual performance rather than rewarding the efforts of a team.

Yet there are many reasons to promote team building in the workplace. Employees who function as a team:

- ◊ Communicate effectively and have better relationships
- ◊ Motivate each other and hold one another accountable
- ◊ Learn to better identify their own and



others' strengths and weaknesses, and adjust responsibilities accordingly to maximize productivity

- o Report higher levels of employee satisfaction, morale and happiness
- o Promote mutual respect and understanding of fellow employees
- o Have each other's back
- o Work together to achieve organizational objectives
- o Prevent rogue employees from doing things their own way

If you're serious about building a strong team environment in your dealership, following these steps will help you create an organizational structure that supports teams.

STEP 1

Define Organizational Goals

Every human being desires purpose. Every great organization has a mission statement or vision that inspires purpose. Where do you want your dealership to be in five years? Do you want to be No. 1 in sales volume in your region? Do you want to be recognized as one of the best places to work in your community?

Create a mission statement and share your vision with your employees. Sharing helps create a team mentality. You need the team's help to get you where you want to be.

STEP 2

Define Team Goals

In auto dealerships, it makes the most sense to define teams by department. Then define goals for each team. Some dealers may find it difficult to break away from thinking of revenue as their only goal. But

revenue goals do not inspire teams.

Instead, create goals that encourage team efforts. In sales, this could be assigning the sales team to achieve certain key performance indicators (KPI)s. In service, this could be implementing a new technology such as auto dispatch or mobile tablets.

For cues on how a department should operate as a team, look to accounting. The accounting department usually operates as a cohesive team. If one person is out sick, another steps in to fill their role. Everyone in accounting knows there are certain deadlines every month and everyone does their part to ensure those deadlines are met. Employees are often cross-trained so they can do one another's jobs.

STEP 3

Rethink Your Reward System

Most salespeople make commission on the gross profit of units sold. In service, bonuses are based on gross. The problem with pay plans that reward individual performance is that they set up a culture of "What's in it for me?"

Many large auto groups are blazing new trails with pay plans that promote teams. Commissions and bonuses are based on achieving group goals, such as improving CSI or Net Promoter Scores, increasing adherence to processes and achieving KPIs. Recognize and reward employees based on how well they contribute to the team, not individual performance.

STEP 4

Promote Competition Between Teams

Imagine if there were no winners or losers in sports. Why would team members be motivated to work together? There would be no fans because there would be nobody to root for.

In business, friendly competition solidifies team relationships, motivates members to work together and encourages them to root for each other. Competitions can be friendly and don't have to be based on business goals.

Engage your teams in fun, competitive activities such as cooking competitions, laser tag or Knockerball. If your culture includes a health and wellness component, have teams compete in local bike races and walk-a-thons.

STEP 5

Organize Social Activities Outside of Work

A study conducted by MIT's Human Dynamics Laboratory analyzed communication behavior among dozens of teams in different industries. It found that the best predictors of productivity were a team's engagement outside of formal meetings.

In fact, the degree to which team members socialized away from their workstations contributed to as much as a 35 percent improvement in team performance.

Encourage team members to take coffee breaks or eat lunch together. Organize lunchtime power walks, happy hours and volunteer projects where team members can get to know each other.

STEP 6

Form Cross-Functional Teams

Once you have created a team atmosphere in your dealership, the next step is to form cross-functional teams. These teams include employees from different departments, and their purpose is to accomplish specific organizational goals that are unrelated to department goals.

In auto dealerships, examples of goals for cross-functional teams include:

- ◆ Improve customer experience
- ◆ Improve employee experience
- ◆ Vet new technology solutions
- ◆ Create new processes
- ◆ Solve process problems
- ◆ Interview and hire new employees
- ◆ Create a health and wellness program
- ◆ Organize and promote community involvement

One of the primary benefits of cross-functional teams is that you get a variety of viewpoints and fresh perspectives. For example, requiring all job candidates to interview with several team members from different departments is a best practice if you want to identify candidates who will fit your culture.

Or let's say that you want to develop a new "We Owe" process. If you leave it up to the sales and F&I team, they may create a process that creates problems for accounting or service. Having a cross-functional team ensures you end up with a solution that everyone can live with.

Other benefits of cross-functional teams are giving employees a chance to learn about other departments and processes, and developing new skills.

STEP 7

Train Managers

Team building is a top down activity. It isn't enough for a principal or GM to promote a team building philosophy. Department managers must buy in and offer structure and support; in short, they must be willing team members.

In dealerships this can present a particular challenge if, for instance, one of your managers was promoted into that position because he or she was a top performer. If your sales director is a former top producer and is naturally self-motivated, he or she may not understand the need for team building, and therefore, may not support your efforts.

Is there a department in your dealership that suffers from low morale, low productivity, infighting, failure to follow processes and/or rule breaking? If so, that department manager may need to be trained on how to build and manage a team.

Consider sending department managers to a team-building program or workshop.

STEP 8

Measure Your Progress

The purpose of team building in dealerships is to help you get somewhere that you want to go. Using your dealership management system (DMS) reports is one way that you can track and measure progress towards achieving your organizational goals.

Is your goal to become the Number 1 dealer in sales volume in your region? How many units will that take? Break that down into monthly goals and keep an eye on your KPIs.

Don't be afraid to set the bar high but acknowledge that it may take a while to get there.

If a goal is to increase customer pay work in service, use your reports to track customer pay revenue. Drill down to identify the types of work that produce the most revenue. Using this data, you can create service specials and marketing campaigns designed to bring more customers into your service department.

If your goal is to become a top workplace, enter your dealership into local contests run by business journals. Measure your employee retention rate and set a goal to improve it every year.

Team building is a proven way to create a profitable, dynamic workplace. These tips should help you build cohesive teams in your dealership. If you need additional help, ask your team! You'll be amazed at what team effort can accomplish. [CBT](#)



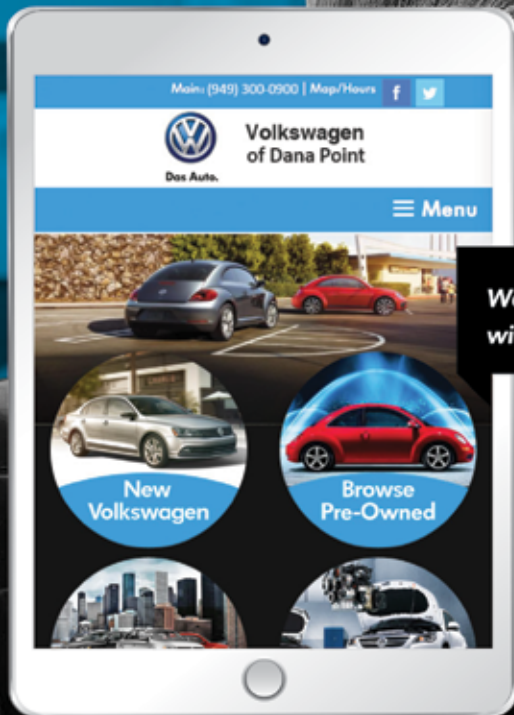
MIKE ESPOSITO

**President and CEO
Auto/Mate Dealership
Systems**

During his tenure at Auto/Mate, Esposito has grown the company's auto dealer client base to more than 1,200 rooftops. Auto/Mate has the highest customer retention rate in the retail automotive industry and is the number one DMS in customer satisfaction. Its DMS was "Designed by Car People, for Car People™." Find out how Auto/Mate does business differently at www.automate.com.

IN DEALERSHIP

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*Website Integrated
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When your website is integrated with your CRM, you get unprecedented access to your customers. Watch the video at DealerSocket.com/CrossFire.

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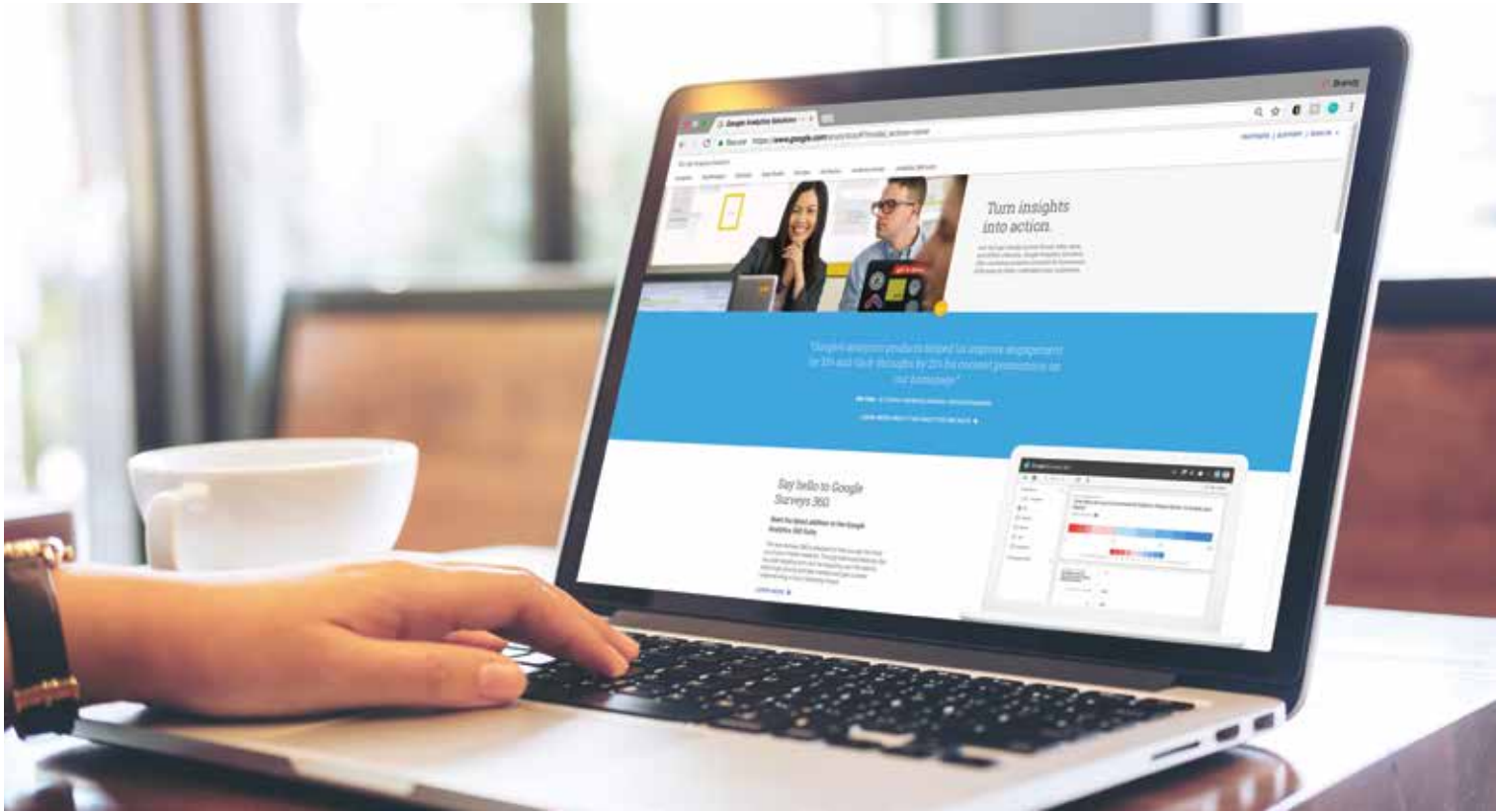
- WEBSITE
- CONTENT MARKETING
- PAID SEARCH
- SOCIAL MEDIA
- DIGITAL RETAIL

CUSTOMER LIFECYCLE

- CRM
- MOBILE CRM
- DESKING
- EQUITY MINING
- ANALYTICS

VEHICLE LIFECYCLE

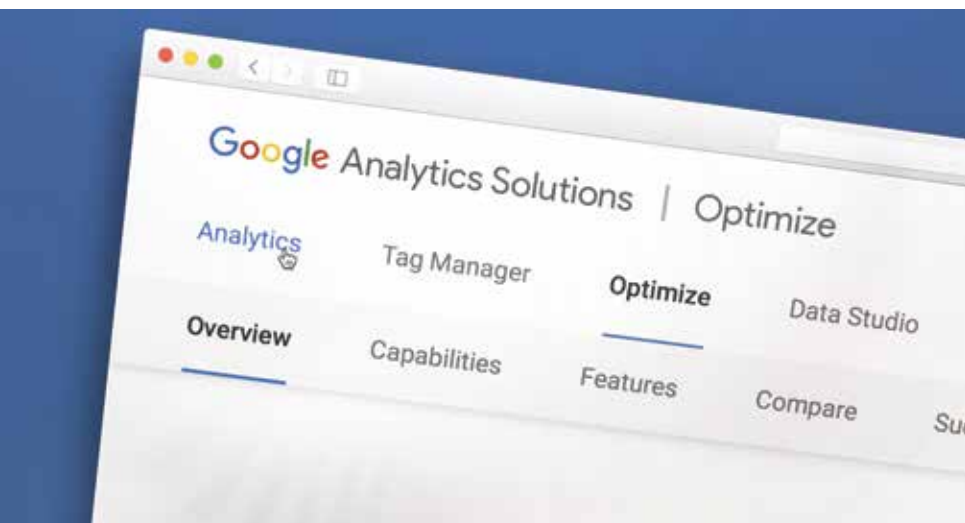
- INVENTORY
- SERVICE MARKETING
- SERVICE SCHEDULER
- MOBILE CHECK-IN
- DMS



TIME TO TAKE GOOGLE ANALYTICS SERIOUSLY

Optimize Conversions, Engagement and Traffic

WRITTEN BY: BRIAN PASCH



Estimate that nine out of 10 auto dealers do not have Google Analytics properly configured to capture valuable online marketing data. As a result, dealers do not have access to metrics that would allow them to quickly inspect the quality of their marketing investments and vendor partners.

CBT News readers and progressive dealership managers who want to identify and eliminate marketing waste must have Google Analytics goals and events configured properly. Google Analytics does not allow dealers to go back in time to recapture lost data pertaining to consumer actions on websites.

Therefore, the sooner Google Analytics is configured properly, the faster marketing investments can be inspected and optimized to increase conversions, engagement, and showroom traffic.

Why Invest in Google Analytics?

Managers of auto dealerships are frustrated with their lack of ability to fully inspect the effectiveness of their online marketing investments. The current metrics and Key Performance Indicators (KPI) provided on monthly marketing reports have little actionable data for dealership executives.

Managers have shared with me that they do not have “digital levers” to increase sales outcomes, like they once had. If you have any doubts about my thesis, please answer these questions:

- ◆ How does Impression Share, Cost per Click (CPC), Click-Thru Rate (CTR), or Views relate to selling more cars?
- ◆ How is it that website visitors can increase by 40 percent in a month yet total sales leads stay the same?
- ◆ If you change your marketing investments to move from 20 percent Impression Share to 35 percent Impression Share, how many more cars will you sell?

Dealers are looking at monthly reports with metrics like these and shaking their heads, wondering if they are investing their marketing dollars wisely. Managers who run all other aspects of their dealership efficiently are hoping they’re making the correct decisions from this data. But good managers can’t simply hope that this phase of their business is running well, they need to look at the numbers and KNOW if there is a problem.

How to Clean Up Analytics

Every Wednesday on *CBT News*, I host a show called *Auto Marketing Now*. Many episodes have touched on the need to have accurate data in Google Analytics (GA) because it is a reliable third-party reporting partner. Despite my urging, many dealership managers have not stepped up to take Google Analytics seriously.

To make it easier to capture all the marketing data that is being thrown out each day, I have created a special Google Analytics Clean-Up (GAC) program to build the skills that dealership managers need to inspect their current Google Analytics configuration to know which areas of the software need to be fixed. If dealers do not have the resources to fix their own Google Analytics accounts, they can opt to have assistance from Google Analytics certified professionals.

What It Involves

Managers who participate in the GAC program will have the skills and/or assistance to clean-up Google Analytics. Here is what they can expect.

- » Data access and user privileges will be reviewed to align with current staff and vendor partners.
- » Traffic from marketing vendors will be inspected for compliance with Google UTM tagging standards.
- » CRM email templates will be inspected for compliance with Google UTM tagging standards to reduce unknown traffic sources.
- » Goals will be created and tested for all four conversion paths: calls, lead forms, chat sessions, and SMS messages.
- » PCG’s automotive industry multi-touch attribution scripts will be installed for more accurate Assisted Conversions and Last-Click conversion reports.
- » Filters will be created to eliminate internal traffic and common source for bots.
- » Segments will be created to allow dealers to quickly inspect SRP/VDP activity by marketing channel.
- » Custom dashboard reports will simplify ongoing inspection of website data
- » Managers will understand the role

of Google Tag Manager (GTM) and how GTM containers allow their vendor partners to create events to track what consumers are doing on the dealer’s website.

» Google Analytics will be certified to be compliant and complete by the end of the program with the understanding that vendor partners are willing to support the dealer’s desire for data transparency and accountability.

This special Google Analytics training and clean-up program will prepare dealers to fully engage at the Automotive Analytics & Attribution Summit, which will be held in November 2017. Attendance at the Summit is not a required but dealers who want to engage and participate in the development of better marketing metrics should attend.

Additional details on the Google Analytics Clean-Up (GAC) program can be found by visiting this page: <http://pcgcompanies.com/ga/> 



BRIAN PASCH
CEO
PCG Consulting

Brian has more than 20 years of IT and marketing leadership experience in the public sector and on Wall Street. He founded PCG Digital Marketing in 2005 to help growing companies with digital marketing strategies, particularly in the retail automotive sector, and PCG Consulting in 2012 to offer comprehensive marketing strategies. He is an active professional writer, blogger and speaker.

CANADA'S FIRST E-COMMERCE DEALERSHIP GOES ONLINE



Alberta Koch Automotive Group has launched Canada's first e-commerce dealership. Using their website the consumer can reserve or purchase a vehicle without ever physically stepping foot into a dealership.

Embracing e-commerce technologies, Koch Ford has created a truly 24/7, dealership-experience online, giving the customer convenience on their terms. Their online dealership never closes. The 24/7 platform allows consumers to casually browse inventory, chat with live operators, and reserve or purchase a vehicle, all from the convenience of their laptop.

Using the online "Reserve" option, consumers reserve a vehicle with a refundable 1 percent deposit, which helps to prevent other customers from purchasing the vehicle that the buyer is interested in. Online deposits are risk-free and money-back

guaranteed. They allow consumers to book a test drive, negotiate pricing, go through all the terms, and to address any potential questions or issues without purchasing the vehicle in full.

The "Purchase Vehicle" option directs consumers to use a major credit card or a Paypal account to complete their transaction. Consumers have the choice of paying the vehicle's total online or speaking with a representative to complete the financial terms.

The Koch Auto Group will be rolling out the new e-commerce platform across their dealerships, starting with Edmonton's Koch Ford Lincoln and DK Ford in Leduc. The company, which is privately and owned by the Koch family for more than 65 years, is Alberta's largest Ford automotive group, with franchised Ford dealerships in Edmonton, Leduc, and Athabasca.

STARS & CARS



A celebration of the most unforgettable automotive moments in film, TV, and popular culture. Lavishly illustrated, it brings together the iconic cars that made an impact on our collective psyche, and the stars—the actors, musicians, writers, and painters—who drove, raced, collected, re-painted, crashed, or simply loved them to an obsessional degree.

Jacques Braunstein, a journalist at GQ and former editor-in-chief at Technikart, used to drive a Lancia coupé 1970 and then an Audi Quattro 1984 before giving up and buying a motorcycle like most Parisians.

MERCEDES-BENZ PRICES SMART FORTWO ELECTRIC VEHICLES

Mercedes-Benz USA today announced pricing for the 2017 smart fortwo electric drive coupe and cabrio. Arriving in U.S. dealers this summer, the smart electric drive coupe will start at just \$23,800 and the electric drive cabrio at \$28,000, excluding federal and state incentives. At launch, the smart electric drive cabrio will also be the only electric drive convertible on the market.



For 2017, the smart electric drive features significant advantages and new features, including a more powerful electric motor, a higher top speed and faster AC charging time with a higher power onboard charger. Additional standard features of the new model now include Cruise Control and battery warranty. All models have a new, powerful 7 kW on-board charger as a standard feature. In the U.S., charging time is an estimated 2.5 hours – about twice as fast as the predecessor.

NISSAN

NISSAN SUPPORTS SOCCER TEAM'S MOST PASSIONATE FANS

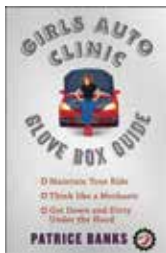
Nissan, one of the top three brands among U.S. Hispanic auto buyers, continues its commitment to one of soccer's most popular teams, El Tricolor. In year two of a multi-year partnership as the official automotive partner of the Annual Mexican National Team's U.S. Tour, Nissan is expanding its support to include some of MNT's most passionate fans, Pancho Villa's Army.

"Close to 40 percent of our customers identify as multicultural, which we believe is a driving force for our success," said Jeremy Tucker, vice president, marketing communications and media, Nissan North America.

Nissan's global soccer portfolio includes partnerships with UEFA Champions League and the English Premier League's Manchester City. Nissan is among the top three automakers for U.S. Hispanics. Nissan Rogue is currently the number two selling compact SUV among Mexican-Americans and number three for all U.S. Hispanics.

THE GIRLS AUTO CLINIC GLOVE BOX GUIDE

A do-it-yourself guide to auto maintenance, roadside emergencies, and the real scoop on how women can get honest car service at the garage, from engineer turned auto mechanic and award-winning entrepreneur Patrice Banks.



Filled with easy-to-follow illustrations and instructions, great tips, and lifesaving rules of thumb, The Girls Auto Clinic Glove Box Guide will help take away the confusion and mystery surrounding cars, teach women what they need to know about how their cars work, and what they need to do to keep them running smoothly. \$19.99

ENTREPRENEUR OF THE YEAR FINALIST - 2017

Erik Nachbahr, President and founder of Helion Automotive Technologies, is a finalist for the Entrepreneur Of The Year® 2017 Award in the Maryland



region. The awards program, which is celebrating its 31st year, recognizes entrepreneurs who are excelling in areas such as innovation, financial performance and personal commitment to their businesses and communities. Nachbahr was selected as a finalist by a panel of independent judges. Nachbahr also contributes to CBT Magazine.

Helion Automotive Technologies is an information technology managed services provider specializing in retail automotive. Helion services over 650 auto dealerships and 28,000 end users and . handles an average 300 Help Desk calls every day.



ADVANCED EA888 ENGINE DEBUTS IN NEW VW TIGUAN

The all-new 2018 Volkswagen Tiguan arrives in dealerships this summer powered by the most advanced version of Volkswagen's EA888 four-cylinder engine. The updated version of the benchmark EA888 four-cylinder, turbocharged and direct-injection engine uses an innovative modification to the conventional four-stroke cycle to offer an improved combination of power, efficiency and responsiveness.

First introduced in the 2009, the EA888 continued Volkswagen's move toward smaller, turbocharged engines that offer the fuel economy benefits of downsizing with the power of a larger-displacement unit. Though EPA estimates are not yet available, the new 2.0-liter EA888 Generation 3B is expected to offer improved fuel efficiency along with a 20 percent boost in maximum torque to 221 pound-feet. The majority of the engine—from the cast-iron block to the aluminum-alloy pistons and cylinder head to the valve springs—has been updated along the way.



OHIO PLANTS STARTS MAKING ACURA MDX

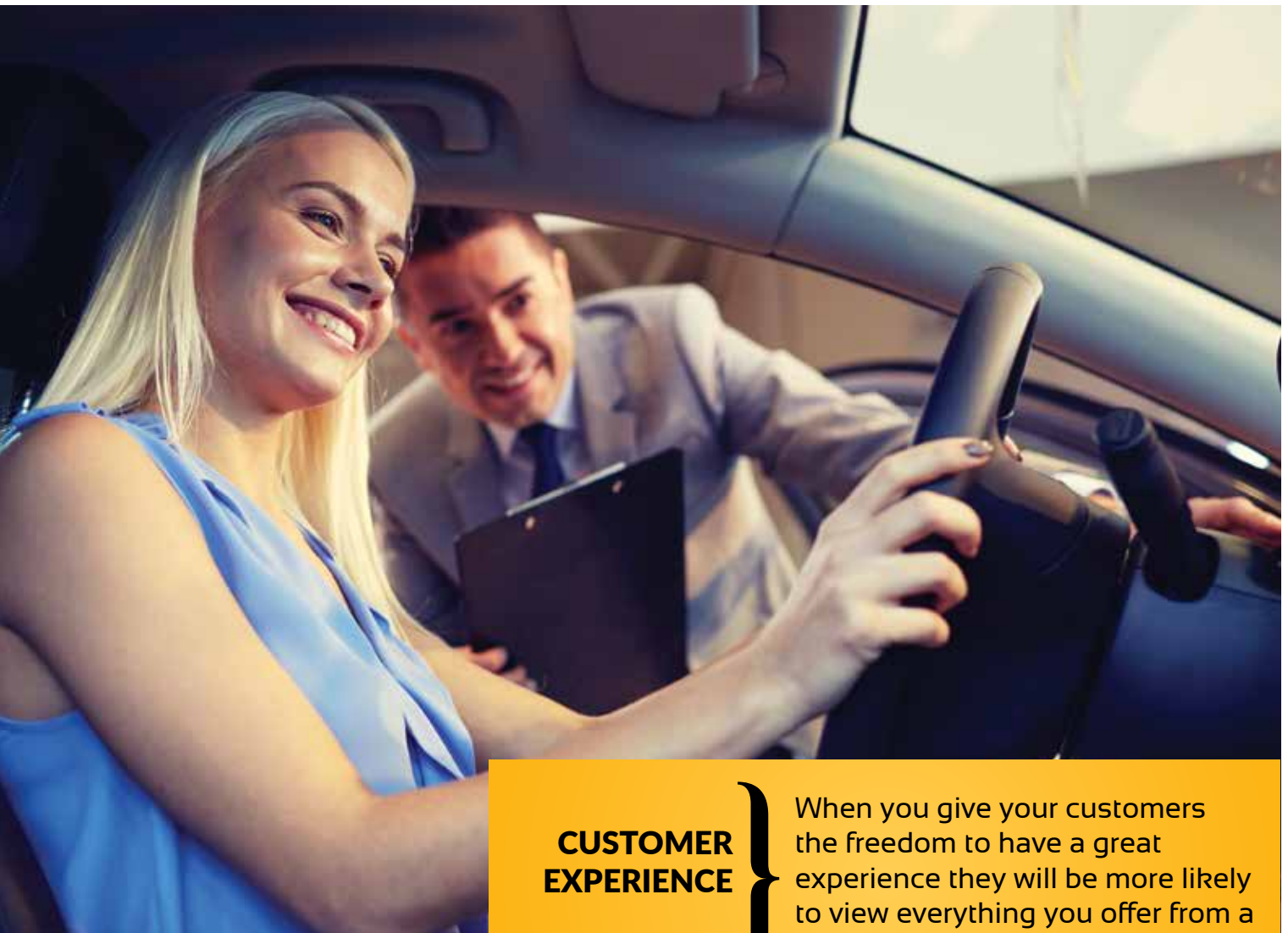
Production of the Acura MDX luxury SUV was bolstered when the East Liberty Auto Plant (ELP) in Ohio began producing the best-selling 3-row luxury SUV. ELP joins Honda Manufacturing of Alabama in Lincoln, Ala. in producing the MDX. With the addition of MDX production at ELP, five of Acura's six products are now built in Ohio.

ELP invested \$85 million for the addition of new welding equipment, the extension of vehicle conveyors and other changes required to support production of the MDX, and will assume sole production of the MDX this fall. This will enable the Alabama plant to increase production of the Honda Pilot, helping both the Acura and Honda brands meet increased customer demand for their respective light truck models.

TALKING DURING THE DEMONSTRATION DRIVE

Put the Customer in the Driver's Seat and Listen

WRITTEN BY: DAVID LEWIS



CUSTOMER EXPERIENCE

When you give your customers the freedom to have a great experience they will be more likely to view everything you offer from a more positive perspective.

Performance strategist Tony Robbins says, "For changes to be of any true value, they've got to be lasting and consistent." This certainly rings true for our industry today. Having been in this business for over 35 years it never ceases to amaze me how hard it can be to affect real change where change is needed.

The use of pressure and aggressive sales tactics is still being taught and practiced by many salespeople, despite the fact that customers clearly don't want to be treated that way. Some of the very tactics that have had such a negative impact on our reputation with the public are often the hardest to drive out of our sales process.

Learning to put the customer first is something that is very hard for some, especially those who have been in the business for a while. At the same time logic and experience tells us that this is certainly the best way to sell and the best way to earn customers for life. By eliminating those things that make car shoppers defensive to our process, we stand a much better chance of earning their business and helping them accomplish their purchasing goals.

One of the areas where change is needed is in the way we view and handle the Demonstration Drive. This usually takes place right in the middle of the presentation and most of the time it is where the salesperson starts to pressure the customer with trial closes. At the precise time when the customer is most likely to take mental ownership of the vehicle, the salesperson is usually talking so much trying to close them that they don't allow the customer to have a truly enjoyable driving experience at all. This method has been taught for many years and in my mind it is the exact opposite of what we should be doing.

Since most dealerships use an established demo route this already starts things off in the wrong direction.

"I guarantee you that they will not be expecting you to sit quietly in your seat while they drive wherever they want for as long as they want."

We should let the customer go wherever they want so they can experience the vehicle in a way that relates to their normal driving habits. Some will want to see how it drives on the highway while others may be more concerned about city driving and maneuverability. Letting them go wherever they want, and for however long they want, gives them the best opportunity to imagine themselves driving and owning the car in their normal daily life. This is the most opportune time for mental ownership to start taking root.

You certainly don't want to ignore the customer if they ask questions about vehicle operation or specific functions of an accessory. But, if you remain silent and leave them alone to drive the car, they will generally show you what their hot buttons are during the course of the drive. Observing how they react to the vehicle can give you plenty of information on how to focus your external walk-around after you return from the drive. If it is a couple that you are trying to sell this is even better. While you sit quietly in the back without interrupting you will probably hear them

talking to each other about their likes and dislikes for the vehicle.

Let's face it, today's customers come armed with loads of information about our vehicles and our process. They are usually prepared for all of the tactics that salespeople normally use to pressure them into buying. The more you fulfill their expectations by doing just that, the less you will gain their confidence and stand out as someone to be trusted. They already expect you to lavish them with comments about how great the car is and how wonderful it would look sitting in their driveway, so they are on their guard waiting for you to try and pressure them into a sale. Why not do just the opposite of that and catch them pleasantly off guard?

In order to inspire today's shoppers you have to be unique and different from the competition. I guarantee you that they will not be expecting you to sit quietly in your seat while they drive wherever they want for as long as they want. In fact, they will probably soon forget you are even there and start talking to each other about the car, asking all the things





that you would have asked them. Except in this case, they are the ones asking the questions and not you. No defensive postures will be taken and they will generally tell each other exactly how they feel about the vehicle.

Doing this not only gives customers time and opportunity to take mental ownership of the car, it also gives them a reason to consider you as a salesperson who genuinely cares about their wants and needs. The fact that you are not trying to pressure them in any way will certainly not go unnoticed. The most important thing is that you are avoiding any planned demonstration routes. Let them decide where they want to go and encourage them to enjoy themselves as if this were their car and they were just taking a leisurely drive.

Remember, the goal is to let the customer have whatever time they want if it helps them take mental ownership of the car. Once they have done this, the chances of their buying will be greatly increased. If they don't do that, you are still at square one and you have not yet shown them enough of what they need to make their decision. The more time they take, the more likely it is that they like the vehicle. If they are laughing and having fun it is usually a very good sign.

The fact that God gave us two ears and only one mouth should tell us something: it may be an indication that we should listen more and talk less. Any great

salesperson can tell you that the more you listen the more you learn about what the customer wants. On the other hand, the more you talk the more you convince them that you are only concerned about what you want. When this happens you are already showing yourself to be just like every other salesperson they will likely talk to.

Think about how you feel when someone tries to sell you something before you have made a decision that this is what you want. Do you appreciate that or does it make you feel uneasy and reluctant to do business with them. It helps to put yourself in the customers shoes when you are looking at things that challenge your normal process.

Buying a new car should be a fun and exciting experience. The salesperson and dealership that does their best to make it so is the one who will succeed more often than not. And there is no better time in the sales process than during the Demonstration Drive for this to occur. When you give your customers the freedom to have a great experience they will be more likely to view everything you offer from a more positive perspective.

Learning to adapt new techniques for selling is only natural in the fast changing environment of today's digital world. The same ones who said people would never buy cars on the Internet are still trying to do things 'the way they

always have done them.' If there is a worse reason for doing something I can't imagine what it might be.

The truth is that even though the internet has changed a lot of things about how we do business, customers still want to drive the car and smell that new car smell. So why not let them do that in a way that gives them the full benefit of the experience. Put them behind the wheel and turn them loose and just sit in the back seat and relax. They will show you what they are looking for and what it will take to earn their business. By doing that, you give yourself the best understanding of their hot buttons, while at the same time, letting them know you are definitely concerned about satisfying them and earning their business the right way.

Finally, never forget one of your main goals is to lower their defensive posture. The lower it gets the easier it is to close them. The best way to do that on the Demonstration Drive is to be silent and let them control both the conversation and the direction they would like to drive.

CBT



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CAN YOUR DEALERSHIP BOUNCE BACK?

Stuff Happens, Now Keep Working!

WRITTEN BY: ERIK NACHBAHR

What do you think of when you hear the word disaster? There are natural disasters, of course, that you may get some warning for: storms, floods and fire. Then there are disasters that happen with no warning: a power surge from a lightning strike, a sprinkler system short circuiting and turning on or even just a server crashing,

These things happen and as much as you believe they will never happen to you, they do happen and your dealership could be next. There's no question that a disaster can negatively impact your business. The real question is, can your dealership bounce back?

The answer is yes — if you have both a disaster recovery plan and a business continuity plan. A disaster recovery plan is designed to get you back on your feet after an event. A business continuity plan is designed to keep your business operational through the event.

Business Continuity Plans

Of course, if you're hit with a massive flood your inventory may be damaged and your service bays won't be operational. But from a remote location, your employees should still be able to answer and return phone calls. You will also have access to emails, data and software applications so they can inform customers about what's happening and re-schedule appointments.

These days it's difficult to keep any business operational without your Information Technology (IT) infrastructure. It is literally the backbone that your business runs on, and should be addressed in both types of plans.

Your infrastructure includes your hardware such as PCs, network switches, routers and servers; and also your Internet connections, phone system, security and data backup solutions.

In the event of a disaster, if your hardware is wiped out there's not a lot you can do except replace it. Replacing

hardware is relatively quick and painless. What's painful is when all customer communication is shut down for days, or important data has been lost, or employees can't get any work done because they don't have access to applications.

Yet, all these issues are 100 percent preventable if you have a business continuity plan. If your dealership doesn't have one, you may want to put this near the top of your to-do list. Make sure your plan addresses the following:

1. Identify services you want to continue in the event of disaster

A disaster does not necessarily mean every aspect of your business has to be shut down. Even if you temporarily can't sell or service cars, you can still process paperwork and close out the week or month. Your BDC, sales and service staff can communicate with customers. Identify the services you want to continue in the event of disaster and detail how your employees will offer these services.

2. Employee responsibilities

When disaster occurs, the last thing you want to do is waste time trying to contact employees and figuring out who should do what. All responsibilities should be mapped out ahead of time. Who notifies whom? Who is responsible for evacuating the building and making sure everyone is out? Who activates the back-up servers?

If there's a flood, everyone should know to stay out of the water because there is a serious danger of electrocution. Someone needs to contact the fire department or power company to safely disconnect your location from the power grid (never attempt to shut off your own power in a flood). All employees should have appropriate contact numbers programmed into their cell phones as well as a hard copy of key contacts and phone numbers at home. Include vendor and supplier contact information as well.

3. Online backups

How often is the data on your employees' computers backed up? Is the data backed up to a duplicate server or the cloud? Ideally your employees' PCs are backed up daily to a server in the cloud. In the event of flood or fire, a backup server located in or near your dealership may also get destroyed.

Many dealers may believe that because their DMS, CRM and other software vendors back up their data, they don't need to worry about it. But what about documents stored on individual PCs, such as spreadsheets, supplier contracts, pay plans, accounting reports and other documents?

Additionally, you want to make sure that your DMS and CRM vendors are backing up your data to the cloud, and not a duplicate server in your own building or nearby location.

“Things happen and as much as you believe they will never happen to you, they do happen and your dealership could be next.”



system goes down, another picks it up.

If you have multiple locations, these system can be programmed to seamlessly route calls to another site and allow users to install applications on their smartphones to use the system from anywhere on the planet. These options can allow for zero loss of service, quicker recovery, and minimize lost revenue from business disruption.

In today's world a healthy IT infrastructure is mission-critical for business operations. Even small problems can cause hours of lost productivity and associated revenue. Having a contingent plan for every part of your IT network is critical.

Once you have your business continuity plan in place, make sure all your employees have a copy and know their responsibilities. Then it's time to test the plan. Conduct an emergency drill. Identify weak areas in the plan and fix them.

Everyone hopes that disaster will never strike, but unfortunately it does. If your dealership is hit, be prepared to stay operational and bounce back with a business continuity plan. **CBT**



ERIK NACHBAHR
CEO
Helion Technologies

Erik's company, which he founded in 1997, provides IT strategies to auto dealerships. He individually works as chief information officer for clients with a combined billions of dollars in annual revenue. See the website at www.heliontechnologies.com.

If you want your employees to have access to their emails after a disaster (which I'm sure they'd appreciate), be sure to have your email server backed up to the cloud as well.

4. Inventory

Keep updated lists of your inventory. Not just your vehicles, shop equipment, parts and furniture but all your IT equipment including computers, routers, servers, switches and more.

5. Recovery location

If your dealership was completely destroyed in a fire or flood, where will your employees work during re-building? Do you have another dealership nearby that can house some employees? Will you put a pre-fab modular building in your location? Can some employees work from home? Ideally this is all decided in advance so your plan can be executed immediately. Every hour of downtime that's wasted with after-the-fact decision-making is lost revenue.

6. Internet connections

Every dealership should have a primary and redundant connection with two different providers. If both providers' connections are out, it's possible

to use cellular connections for the Internet, if you have the capacity.

7. Phone

Whether or not your phone system stays operational the day of or after a disaster depends a lot on what type of system you have. If you have an older PBX that gets damaged you may have to replace the hardware; but more importantly, it could take significant time to reconfigure circuits, extensions and call flow. Many older systems don't have the same potential for backups or redundancy that newer systems come with. Additionally, quite often support contracts are not maintained or don't offer the quick replacement that a newer supported system can.

If your dealership is a single-point store and has an older PBX, you may be able to work with your carrier and/or PBX vendor to configure your voice lines to forward to an answering service or cell number in the event of an emergency.

If you have a newer supported phone system from a manufacturer like ShoreTel or Cisco, they offer more options for resilience and quick recovery. Support contracts are usually available to have replacement parts on site as fast as two hours. They can also feature completely redundant hardware so that, if one piece of the

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VIDEO: UP THE TRUST AND RESPONSE FACTORS

Three Videos for an Effective Lead Follow Up Process

WRITTEN BY: TIM JAMES



Here is what's called a conundrum: someone calls your dealership or submits a lead on your dealership's website or a third-party auto shopping website. Then...nothing. The shopper will not "re-engage" or respond to your calls, texts or emails. This person who is clearly in the market for a vehicle and wanted information doesn't respond to the first, second or third attempts from your salesperson. Why did they contact you in the first place?

Perhaps the shopper wants to know a vehicle's price without talking to a person. Or maybe they're not quite ready to buy or they fear they will be pressured when a salesperson calls. Or perhaps that person submitted leads

to several websites and they are being bombarded with similar calls and emails from your competitors.

How can you get this car shopper's attention, assure them there is nothing to fear, truly stand out from your competitors and help to bring them down funnel by providing them with the answers or information they need?

With lead follow-up videos.

Lights, Cameras, Action!

One day I expect the use of lead follow-up videos to be ubiquitous; but right now not many dealerships are consistently doing this. Which means that those who are have a significant competitive advantage.

For most people, getting a video email still generates a 'surprise and delight' factor. Imagine how you would feel if a business took the time to email you a video with a personal message just for you. Its no wonder that emails with the word "video" in the subject line have a 20 percent higher open rate.

Listen, people buy from people they like and trust. The fact is, "trust" is one of the biggest "sales" that your dealership has to make. Using videos in your lead follow up process will dramatically impact the trust factor and you will get significantly more of your leads to re-engage with you and set an appointment.

Instead of paying for more leads, dealerships can generate a higher response rate from their current leads by

incorporating video emails into their lead follow-up process. The three types of videos they'll want to create are:

1. Initial Lead Response

When a person submits a lead they should immediately get a response. Look, we all hate auto-responders. I don't like them either; however, receiving an auto response message via a video will get you a better response from the shoppers. In addition, it can provide you with some amazing benefits that a generic email could never provide. This video features a pre-recorded general greeting from the GM or a salesperson, whichever the dealership prefers. The video thanks for the person for their interest and lets them know they will be receiving another video soon.

Ideally this auto-responder email will bring the car shopper to a landing page to view the video (as opposed to viewing the video inside the email body). The landing page should feature other videos that are critical to your message of "We are different," "We are better" and "You can trust us" at this point in the buying cycle. Additionally the page can display several other recommended videos to watch, such as your dealer value proposition video, customer testimonials, staff introduction videos or inventory videos of cars similar to the one they're interested in.

If the lead is submitted during business hours and a salesperson is notified, the initial lead response could be sent from the salesperson. This video email could feature their Personal Introduction video and a general or personalized video greeting.

Now here's the best part. As soon as the shopper watches the video, you can capture and match their video viewing data. This will provide you with a history of all other videos that the shopper has watched (inventory, value proposition, service, etc.) along with a detailed report for each touch-point that they watched the video on (AutoTrader, Cars.com, KBB, etc.). You can also have visibility into every video that the shopper watches from that

point forward as well.

2. Re-engagement Videos

For these videos you can create personalized lead follow up videos for each of your shoppers, or create a library of generic lead follow up videos (that don't say the shopper's name) that follow your regular lead follow up process. Some dealerships utilize a hybrid strategy and utilize a generic library for their first and/or second lead response videos, and then personalized video messages for their third, fourth, etc.

No matter which of these processes you choose, there are a couple of rules to follow. The first rule is that the videos should complement your current lead follow up process, not change it. Whatever your message is for the shopper at each stage will remain the same. The only thing different will be that you are delivering the message as a video (by an actual person) and not just an email with a bunch of words on a page.

Rule number two is to use the word "video" in your subject line and to utilize a video landing page as described above. Having complementary videos that include a salesperson's Personal Introduction video along with the dealership's Value Proposition and Testimonial videos will play a big role in getting the shopper to re-engage with you.

3. Appointment Confirmation Videos

I recommend that salespeople send out an appointment confirmation video in addition to having managers call to confirm. Ideally these are quick, personalized video emails featuring the salesperson sitting at his or her desk or in front of a car.

The key here is to "make it personal" and leverage the power of the Theory of Reciprocity. Use information that you have obtained in your discussions with the shopper to personalize their expectation of their test-drive visit. If they've mentioned their favorite drink

in your conversations, let the person know you'll have their favorite drink waiting for them, as well as their car ready for a test drive. Always say the date and time of the appointment.

If they are bringing their kids, let them know that you will have a fruit snack ready for them. The more you can personalize the experience for each shopper, the more likely they will feel obligated to keep their appointment. This time your landing page should also include some Personalized Testimonials for that sales person, with some of their previous customers talking about the great experience that they had during their visit to the dealership.

If you're thinking to yourself: "This is all great but making all these videos sounds very time consuming," don't worry. Much of the video production process for all of these types of videos can be automated. Salespeople can easily record custom voiceovers for an existing video of a vehicle walk around.

Using videos in your lead follow-up process is a great way to increase the ROI on your current lead spending. Videos will surprise and delight your customers, while making you stand out from the competition. [CBT](#)



TIM JAMES

COO Flick Fusion Video Marketing

James is a dynamic sales and marketing strategist with more than 20 years of success in driving multi-million dollar revenue growth.

He is one of the automotive industry's leading authorities on the use of video marketing strategies throughout the entire online merchandising and sales process.



SUBPRIME BLIND!

Make Your Dealer Accountable

WRITTEN BY: BECKY CHERNEK



Santander Consumer USA Holdings Inc., one of the biggest subprime auto finance companies, verified income on just eighth percent of borrowers, according to a recent Bloomberg article. And, those loans were recently bundled into \$1 million of bonds, according to Moody's Investors Service.

With loan fraud increasing at a record level, no matter the cushion or acquisition fees set aside, it may or may not be enough to bury the loss. The question: who's to blame? Is it just the finance company if they aren't requiring income verification? Why should a dealer

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care one way or the other? Besides, it's a loophole and the car dealer just wants to sell cars. If a finance company doesn't want to verification of income many go to the path of least resistance and send the customer to the bank with fewer stipulations. Proof of income can make the difference if you get a deal over the curb or not.

Over the years you can't help but watch the trends. It's a vicious cycle. Banks loosen up and buy about almost any customer bankrupt you name but once the delinquencies increase, the finance companies tighten back up again and add stipulations for loan approval. Can't blame the car dealer if they took advantage of a good situation? Or can you?

Limited verification of loan applicants' stated incomes and employment "creates more uncertainty around whether borrowers will be able to afford their monthly payments, which becomes particularly important if they have poor credit records and risky loan terms," the analysts wrote.

The Blame Game

Auto dealers need to be held accountable. Having the old school mentality sticking customers into any car — any car — creates a less stable economic environment for everyone. The chances of the customer being able to afford the car payment is not likely and will result in a repossession. Sometimes the customer may even have a high FICO score 700 and above but the income consists of only a Social Security payment, which may be just enough to make rental payment and grocery shopping. Two to three months later they are left having to make a decision to either make the car payment or pay their rent. Nothing good comes from the lack of budget consideration and poor deal structure.

Loan fraud is increasing at a record high. Lenders are doing their due diligence and are vigilant in their inquiries to determine if the culprit was the customer or the dealer. If the customer goes bad on the loan, the lender will contact the customer and investigate. Should the dealer have

"Lenders are doing their due diligence and are vigilant in their inquiries to determine if the culprit was the customer or the dealer."

any misstated criteria, such as misstated proof of income or power booking, the bank will push back the loan. This is happening a lot more today than ever before. Case in point: a recent auto dealer came under fire for misstating income and power booking and has had to fork out millions in damages.

It only makes sense that the dealer validates the customer information to assure the individual is not an identity theft victim and or to assure the structure is right and can easy enough fit.

Doing the Right Thing

Training sales and finance is a critical component to subprime and not running with blinders on. A process that may flag for derogatory credit earlier on is vital. Determine the customer's pay back history prior to lending them on a car so you can be assured that they can likely budget for the vehicle based on verifiable criteria.

This may even mean offering the customer the ability to do some of the heavy lifting prior to the customer walking into the dealership through digital retailing self-desking capability. The customer should have the advantage of determining what terms of credit, based on a soft pull option, they will be approved for prior to coming into the dealership.

In recent headlines a car dealer is charged with predatory lending by overstating income and power booking, such as stating the vehicle had more equipment than what it actually did. This is why it's up to the dealer to do the right thing.

A dealer should assure the customer is aligned with the right vehicle that fits

their budget. A dealer should assure that a be customer, who is on the right vehicle and able to make payments on time, also has the ability to purchase a service contract should a repair be necessary.

The idea is to think long term and realize when the customer benefits you benefit. Banks do not dictate if the customer becomes the dealer's customer for life. The dealer is. It's a balancing act. It takes two to tango. **CBT**

<https://www.bloomberg.com/news/articles/2017-05-22/subprime-auto-giant-checked-income-on-just-8-of-loans-in-abs>

<https://www.readfrontier.org/stories/lawsuit-oklahoma-auto-dealership-loan-company-engaged-in-predatory-lending-for-years/>



BECKY CHERNEK

**Founder
Chernek Consulting**

With more than 30 years in the auto industry, she is today one of the most sought-after training facilitators in North America. Her online FBI learning platform, Chernek Consulting Virtual Pro, is in wide use among dealerships throughout the U.S. and Canada. For more information, visit www.chernekconsultingvirtualpro.com.



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A Life and Industry of Opportunities

WRITTEN BY: MARY WELCH

DEALER PROFILE

When Winston Pittman decided to open a Chrysler dealership in Louisville, KY in 1988, he walked into several stores in the black neighborhood where his dealership was to be located and started up conversations. "Now Louisville back then was 13 percent black and the whole state was four percent. So I went into the black community and just started talking to people about whether they were excited about an African-American opening a dealership."

They weren't.

"They all thought that whoever the black guy was opening that dealership was crazy. Turns out the dealership was where the KKK headquarters used to be."

Pittman laughs at the memory but it also is telling. He beat the odds of, not only getting a dealership, but succeeding and he did it with determination, hard work and being able to connect with people.

Minority Programs

"I blend in wherever I am because people have formed opinions about people for the simple fact of the color of their skin. It's always 'just because'. People don't like you just because you're black, white, Hispanic," he says. "But, given the opportunity you can convert people over. Someone has to take the high road and the attitude that if we don't try, we'll never fix this. Hatred is taught; no one is born that way. I've sold cars to people who have called me bad names."

Since his first dealership, Pittman Enterprises has grown to seven dealerships, nine brands in four states, and is one of the largest African-American auto dealers in the nation. It posts revenues north of \$1 billion. He has 381 employees and last year sold about 8,000 vehicles with the goal of selling them in less than 90 days.

He has served on the National Dodge Dealer Council, the DaimlerChrysler Minority Dealer Association, the National Association of Minority Automobile Dealers, the Toyota National Dealer Council, The Lexus National Dealer

"Given the opportunity you can convert people over. Someone has to take the high road and the attitude that if we don't try, we'll never fix this."

Winston Pittman
President | Pittman Enterprises

Council and the Toyota Lexus Minority Dealer Association.

"Getting into the Dodge National Minority program was very instrumental to me but there's been a lot of people who have been very influential in my life. Parents, school teachers, bosses and the folks at Chrysler, Toyota and Lexus," he says. "All the people in the my life helped develop me and helped me get to where I am today. My wife, my mama."

Pittman is a strong believer in minority programs, although he realizes that in today's world of large dealerships it's getting harder. "They used to give minorities a leg up for the simple reason that the industry itself didn't create

minority GMs, sales managers or used car salesmen. There weren't enough of those where they could have gone out, come up with the money and open a dealership," he says.

Adding, "When I started back in the 1980s, there were 40,000 dealers; today it's 19,000 and most of those are multi-owned. We don't have as many mom and pop shops in itty bitty towns. They used to put minorities in their itty bitty towns and they didn't blend well into that market. Those small towns like to cater to their own. They're not big on outsiders — black or white. We've got to get to the point where these programs are not important."



Chatham Parkway Lexus
Savannah, GA



Jack of All Trades

Pittman, who was born in 1950 in Grenada, MS., spent his formative years working in a variety of jobs, plowing fields, tending to cattle, picking cotton and doing construction. "My father was a contractor and helped build churches so I was a plumber, electrician, carpentry, concrete work. He also had me supervise people much older than me — folks who were working in the fields. I was just a well-rounded kid who could do everything."

Not only was he tasked with a variety of jobs, he says he was naturally curious, which eventually served him well in the car business. "As a child I was always watching people and listening to every word that was said. In the South, we observed and black people, back in the day, had to observe more and talk less. In my family my father did all the talking and I just listened. And, that's what I did when I got to a dealership."

Pittman didn't plan on being in the car business. He graduated from Jackson State University with a degree in accounting and went to work for UPS. But in 1975 he saw an ad in the paper that said a car salesman could earn \$60,000 "and I thought 'Wow' I could use some of that."

He applied at Capital Dodge in Jackson and was told to come back the next day — a scene that repeated itself for three days. Eventually he was hired. He later was told that the manager, seeing that he worked for UPS, though he was a plant from the federal government. "I don't understand that but that's what they told me," he says. "Of course, back then they weren't hiring a lot of blacks in the car business in Jackson, MS."

Once he was hired he hit the ground running and discovered he had quite a knack for it. "It's not an hourly job and you get out what you put into it. You can make a lot of money in this business or you can make no money. It's all performance driven. If you're good, you're gonna get paid."

Pittman, in addition to his sales duties, started to learn all the other aspects of the business. "I wasn't getting paid to do it but I was preparing myself," he says. In 1979 he became the used car manager; 1980, the new car manager; 1981 F&I manager and in 1983 the general manager.

In 1986 he entered the Chrysler Dealer Development Program in Detroit. Most of those in the program had come from outside the car business so they were learning from the ground up; not Pittman. "I had been in the business 13 years and it rehashed a lot of things for me and refined the things I had learned over the years. I had spent most of my career in the front end of the business so the



▲ Winston Pittman with his son, Winston Pittman Jr

program gave me the opportunity to work in the service department, parks, accounting — to focus on all the areas that I hadn't really worked in before."

One Store and Then More

In 1988 he got his first store, Cardinal Dodge in Louisville. He quickly became successful and started adding dealerships. In 1994 he opened Cardinal Dodge Acceptance Corp., a used car dealership in Louisville, then Winston Pittman Pontiac GMC, which he sold in 1986. In 1995 he became owner of Dollar Rent A Car; 1997 Chatham Parkway Toyota in Savannah, GA., 2000 Kings Nissan in Cincinnati, Bowling Green Imports (a Mercedes Benz and BMW dealership) in Bowling Green, KY, Chatham Parkway Lexus in Savannah; in 2005 Colerain Ford and Lebanon Ford, Lincoln, Mercury in Lebanon, OH and in 2013 Hilton Head Lexus in Hartville, SC.

"The day you decide to buy a second outlet, that's the day you have to learn how to delegate. It takes all your energy to run one; everything you've got."

Winston Pittman
President | Pittman Enterprises

He's not looking to sell any of his dealerships but he's open to other dealerships in the Savannah to Hilton Head and Cincinnati to Springfield, Ohio markets. "I'm not interested in spreading beyond those areas" he says.

With expansion comes new challenges, he says. "The day you decide to buy a second outlet, that's the day you have to learn how to delegate. It takes all your energy to run one; everything you've got," he says. "I have great people and the general managers run the day-to-day in the stores but I see every report every month. I visit each dealership every month and I know the employees. I'm involved in the day-to-day but not the nuts and bolts. I want to know what's going on."

His son, Winston Pittman Jr., is the executive vice president of Chatham Parkway Subaru. "I didn't hand him the business. He's been working here since college and he's done a stellar job with the Subaru store. I think he's matured to the level where he can start getting to know the other manufacturers and I think he'll do well."

An Industry of Opportunities

His other big challenge is finding people. "In the past we've gotten people by robbing other industries but we need as an industry to get our own people. Nobody goes to college wanting to go into the car business. They want to go to Apple, Google and other major brands. But no one knows how great our industry is! We're the people movers. Everything comes under our industry," he says. "And, no one knows how much you can make. A technician can make astronomical money. You can make great money being a title clerk in the office."

He preaches hitting numbers as the key to his success. "It's important to meeting the manufacturer's expectations and keeping your CSIs at a level that is above the national average. That's critical," he says. "You only have stores awarded to



▲ Winston Pittman discussing business with Richard Nimphie, General Manager of Chatham Parkway Lexus

you if they know you'll keep them at a certain level and you're not awarded them unless you're doing well with someone else's brand."

He says his rewards his teams for hitting and exceeding their goals. "If you focus on them, amazing things happen," he says. "You get it done."

He's also learned some lessons, such as sticking to his prime business and expertise and not venture off into offshoot businesses. He once was in the rental car business and real estate. "I don't get involved in anything other than cars. I do like to own the real estate that my dealerships are on."

Changes in Marketing

He also is involved in Lexus' national marketing and remembers the day when it was simply a matter of advertising on the local radio and TV stations and in the newspaper. "You knew what you

were going to do," he says. "Now it's the internet and you're always having to change and look for new ways of doing things. I used to visit the stations, now there's hundreds of channels and you're never certain of what people are watching."

Even though he calls himself a general marketer that aims at a broad market, he does support the minority community in terms of advertising in minority papers and radio stations.

Pittman has overcome much and loves the auto industry that has given him and his family much. It's part of his legacy that he's offered opportunities to hundreds of people.

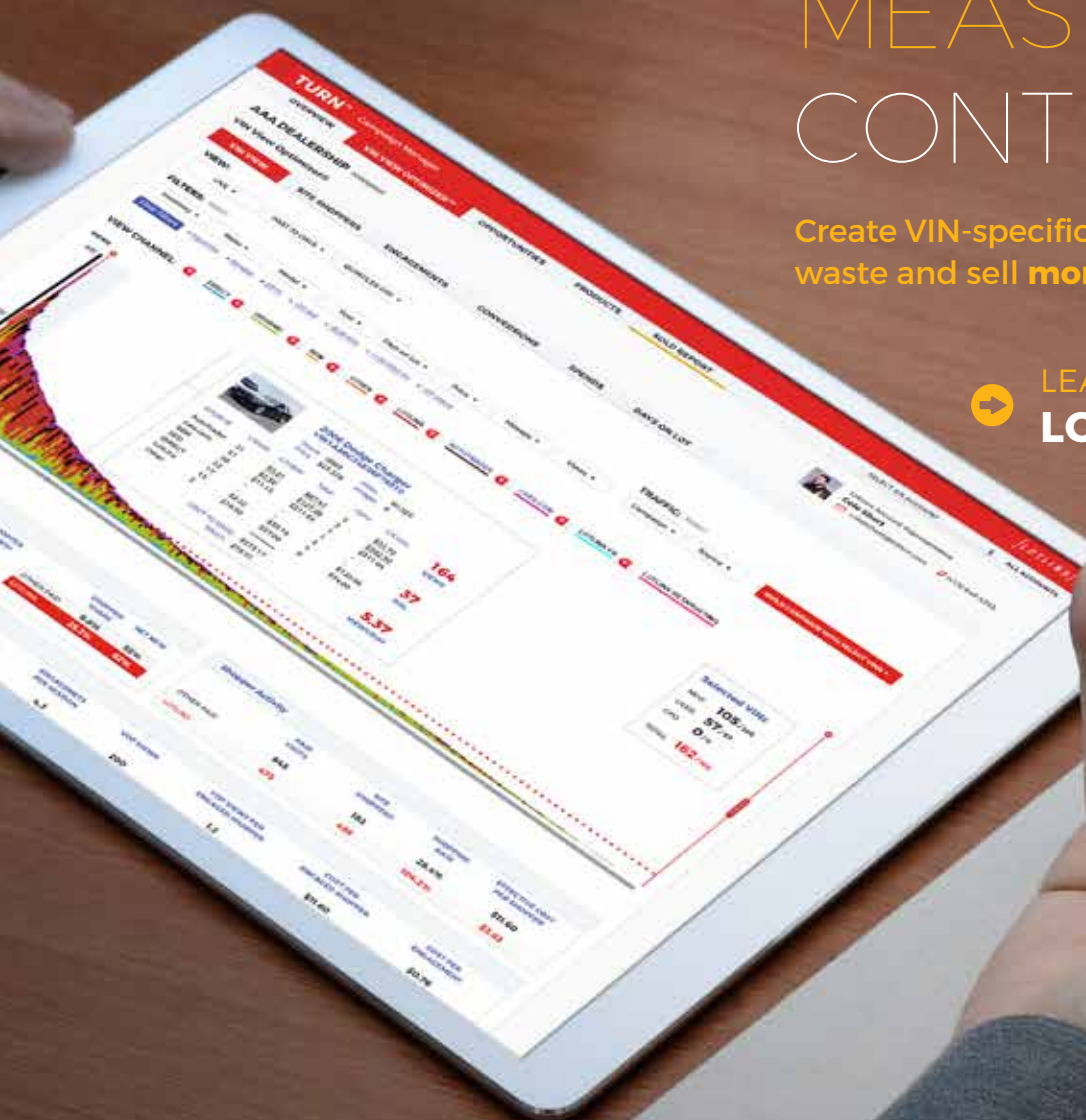
"If I ruled the world, the first thing I would want to do is to be fair to everyone," he says. "I don't want to flip it. I just want it to be fair." **CBT**

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PERSONALIZED MESSAGES HIT THE TARGETS

Why Auto Dealers Need Automated Email Retention Campaigns

WRITTEN BY: KATHRYN MASSOPUST

It is a common misconception among dealers that once a customer has purchased a vehicle, they will remain a loyal customer for the rest of their life. So instead of focusing time and energy on retention, dealers spend most of their dollars hunting for new leads.

Yet the average dealership's retention rate is only 49 percent. While there will always be a place for conquest in the automotive industry, focusing too heavily on lead generation at the expense of

customer retention comes at a high price¹. Research shows it costs between five to 25 times more to obtain new customers than to retain existing ones².

The average dealership will have 54 interactions with a customer over the course of a single vehicle ownership. Each interaction is an occasion to build a relationship and maximize future sales (and service) opportunities. This can be accomplished by sending individualized, relevant content to the consumer at the

right time³.

How can a dealership accomplish this sort of individualization short of asking their staff to write a tailored message to each individual in their database? Marketing automation.

Marketing automation software provides a greater degree of personalization and automated sending, while simultaneously letting consumers choose the types of content they receive.



This is a key element of retention; today's consumer does not want to feel as though they are being sent a canned message or a pre-recorded response⁴.

By utilizing a marketing automation tool, dealerships hold the power to connect with individuals through email retention at critical moments in their buyer life-cycle. Dealers can show they care about their customers' needs by delivering a relevant message personalized just for them.

In the age of Netflix and Amazon.com, consumers are savvy and expect you to know them. Email retention programs are built to keep an eye on the customer journey and maximize your presence in places where people might change course and consider competitors. Establishing a dynamic, automated program can give dealers a competitive advantage that blasting generic emails out of a CRM simply cannot.

messaging to keep informed about their favorite brands and to help them make savvy purchasing decisions⁵. Consumers know their data is out there and understand that most retailers will use that information for their benefit.

Using marketing automation tools that utilize artificial intelligence, such as machine learning, gives dealers the ability to communicate with everyone in their database with individualized messages



based on their unique interest and shopping behavior. Machine learning models are designed to automate, target, and personalize marketing initiatives dynamically, and can therefore accurately match communications to the various consumer phases, including when a previous customer may be ready to buy again⁶.

Sixty-two percent of car owners say communication with the dealership throughout their owner life-cycle directly influences their next purchase⁷. Increasingly, automotive industry leaders are utilizing automated email retention programs to give their dealerships a competitive advantage. [CBT](#)

¹"Retention is no longer rocket science," Automotive News, January 5, 2017

²"The Value of Keeping the Right Customers," Amy Gallo, Harvard Business Review, October 29, 2014

³"Handle with care – Consumer email marketing behaviors," David Daniels, Relevancy Group, February 22, 2017

⁴"5 Ways to Leverage Marketing Automation Solutions for Best Results", Rohit Roy, February 2015

⁵"Handle with care – Consumer email marketing behaviors," David Daniels, The Relevancy Group, February 22, 2017

⁶"10 Things Marketers need to know about AI," James A. Martin, February 24, 2017

⁷Digital Drives Auto Shopping," Google, November 2013

An automated email retention program can provide a transparent shopping experience for your customers and a more informed process

for your dealership. Shoppers are not inundated with messaging that isn't relevant to them, and dealers can be tipped off when consumers may be back in market and even alerted to what they may be shopping for.

Forty-eight percent of consumers subscribe to permission-based



KATHRYN MASSOPUST

**Marketing Manager
Outsell**

She develops and manages lead generation programs that drive qualified leads resulting in revenue.

ASK THE PROS

Q: I WANT MY STAFF, PARTICULARLY MY SALES STAFF TO DEVELOP THEIR OWN BRAND. HOW CAN I HELP THEM DO THAT AND WHY IS IT SO IMPORTANT? JAIME G., DENVER, CO

A: CORY MOSLEY -
CEO MOSLEY AUTOMOTIVE



Self-branding has become popular because the data is telling us that people no longer just want association with a corporate entity.

Your sales staff is no different, for them to start down the road to personal branding you should consider a "persona" brainstorming session.

This includes coming up with ideas that reflect the personality of the individual, their hobbies, or something they are known for that can be curated into a brand.

The sales guy in Texas who for years has coached little league and various sports is known by his customers and throughout the dealership as "coach" or the one-price dealership who has a salesperson named Norman that created the brand of "no haggle" Norman.

Allowing salespeople to have personalized websites that are extensions of the dealership's brand will allow them to market online and on social media to their individual benefit instead of using your main website which could result in a lead going to the BDC or Internet department, and not the sales person.

Helping them create these brands also encourages them to make further investment in their own market similar to the real estate industry. How many times have you been driving down the road and see a real estate agent advertising themselves on their vehicles? Probably often. Now ask yourself that question about

dealership sales personnel, probably almost never.

Finally, bring your advertising agency into the conversation as many of the assets they are creating for your dealership now can be applied to your sales team which will help them create their brands but also keep continuity with the dealership's brand standards.

Q: OUR DEALERSHIPS ARE GETTING FEEDBACK THAT CUSTOMERS ARE BUYING CARS AND DON'T KNOW HOW TO WORK ALL THE TECHNOLOGY OR EVEN KNOW ALL THE BELLS AND WHISTLES IN THEIR CAR WHEN THEY TAKE IT HOME. HOW CAN WE BETTER SHOW/HELP CUSTOMERS LEARN THE TECHNOLOGY? LUKE S., TORONTO

A: UNI NATH -
CEO, MYKAARMA



When a customer buys a car there is a lot of information to process and time involved, so during the purchasing process is not the best time to try and teach customers how their in-vehicle technology works. The mind can only absorb so much at once and the customer is eager to conclude the transaction.

Customers want questions answered as situations arise. Dealerships can help customers by providing the following resources:

1. Delivery Specialists. Hire and train delivery specialists to be familiar with in-vehicle technology. Introduce the delivery specialist to the customer during the purchase process, and provide their contact information including phone, email and text. One month after purchase have the delivery specialist reach out to every customer to see if they need help. Offer to schedule a courtesy visit so the delivery specialist can review all the technology and vehicle features with the customer.

2. Compile FAQs from your BDC and manufacturer and compile them into a catalogue accessible on your dealership's website. Even better is to create 'how to' videos for all the FAQs. Whenever a customer has a question, it's very easy for any dealership employee to email or text a link to the video.

3) When service customers arrive for their scheduled maintenance and other repairs, have advisors ask them if they are having any trouble using their in-vehicle technology. If affirmative, have service advisors or delivery specialist take the time to demonstrate features to the customer.



Q: MY HISPANIC MARKETING IS GROWING. HOW DO I REACH THIS MARKET?

SAM IK, BROKEN ARROW, OK



A: GINO CIPPERONI
DIRECTOR OF
DIGITAL MARKETING SALES
FOR DEALER E-PROCESS

The Hispanic population is far and away this country's most rapidly expanding market segment. Many areas of the country have huge pockets of Spanish speaking populations that dealers are essentially ignoring by not having a website and digital marketing that speaks to these customers in a way they can understand.

Many of you will argue that your website has Google Translate and it will filter your English content to Spanish, but for as smart and powerful most Google tools are, the Translate app leaves a lot to be desired. Much like landing in a foreign country with only a beginner's phrasebook to speak with local residents, the Translate app lacks grammatical complexity and cultural nuances. At best, this leaves you with a website that fails to properly sell your cars to the Spanish language viewer, and at worst, can potentially offend them, resulting in a loss of their business completely.

If you're truly trying to engage the Spanish speaking communities in your area, you absolutely need a website and marketing strategy that was built from the ground up in Spanish. We can't rely on "slap on" tools to do our speaking for us because they will always come up short.

By creating an experience that is tailored to a true Spanish speaker, you're creating a car buying experience that they'll truly enjoy and recommend to fellow Spanish speaking car buyers. However, you have to make sure that your store is ready to handle an influx of Spanish speaking customers.

If you don't have sales staff or BDC reps that can answer phone calls or website leads from Spanish speakers, then you need to fill that hole first before you begin to actively market to the Spanish speaking community. Once that's been taken care of, though, you'll be good to go. So find out if your current website or marketing provider offers true, from the ground up, Spanish language websites and marketing content, and start capturing more of this expanding demographic today!

Here are some facts about Spanish-speaking car buyers and ignore at your own risk!

- At this time, Latinos control \$1 trillion in spending power in the US. This number is expected to grow 42% by 2017.
- 17% of the total US population is Hispanic (53 million people)-2010 Census. That number is expected to grow rapidly in the coming years.
- The median age across Hispanic community is 27.6—

meaning going forward this rapidly growing demographic is going to become an even bigger part of your market.

- According to Google, over 30% of online media consumption in the US is conducted by searchers who use both Spanish and English interchangeably.
- Hispanics are spending, on average, 16 hours per week browsing the internet; comparable to the 18 hours spent by the total US online population.
- A searcher whose interface language is set to Spanish will NEVER see your English language ads, even if they perform an English search.
- Hispanic searchers who communicate exclusively in Spanish tend to share more promotional and high equity content than those who prefer to communicate in English, and even more still than general population influencers.



At CBT News, we are fortunate to partner with the best trainers in the industry. Whether it's information on sales, F&I, marketing, management or fixed ops, our contributors are the go-to professionals for reliable, relevant advice for dealership personnel. You have access to the foremost authorities in the retail automotive industry. Need a new closing technique? Wondering what's the best way to increase sales in the service lane?

Send us your questions at AskThePros@cbtnews.com. We'll forward your inquiries to our ensemble of experts.



A GROWTH REVENUE OPTIMIZATION PLAN

Fixing Fixed Operations!

WRITTEN BY: MICHAEL ROPPO

Fixed and Variable operations are located under the same roof! Yet, they are often worlds apart. It is time to bridge those two worlds once and for all! As industry greats Bob Atwood and Charlie Polston put it a long time ago: "Fixed Operations is and always will be the Back Bone and not the Back Pain of the automotive industry!" So Listen Up!

Stop thinking of your dealership as the "Sales Department" and the "Service Department." Rather, it's time to view your business as the "Sales Department" (variable operations) and the "Other Sales Department" (fixed operations). What a great point! So ask yourself:

1. How do your service department sales, gross and net profit revenues look so far this year?
2. Are you maximizing all of the performance targets of fixed operations in your dealership?
3. Are you making and retaining the level of revenues you deserve?

If you answered "yes," then you need to be congratulated for a job well done. However, if you answered "no," then the question becomes, what you're going to do about it and when?

When the variable department starts selling fewer vehicles, the bottom line of their departments financials suffer when this happens, it's usually too late for a fix and because most dealers come from sales and not service. They will approach the parts and service managers as well team members— the ones making things happen — and instruct them to start cutting costs. Big Mistake Man, Huge!

If you are like many other dealers/ managers, you might be focusing your efforts on cutting expenses as opposed to increasing value and revenues.

Question: Do you really believe you can save yourself into a profit?

Here's how to G.R.O!

1. Get More Serious About Fixed Operations Now!

2. Realize that there is only three ways to increase net:

- Decrease Expenses (Danger)
- Increase Revenue (Selling your way into a profit makes the most sense)!
- Lower cost of Sales (Danger)

3. Consider daily (service sales meetings) with your service advisors and technicians. These meetings should be attended and lead by the best service sales people in the dealership as well as the service manager, the parts manager, the service advisors and at times the dealer principal as we as the general manager!

Discuss the following:

- Getting serious about G.R.O. in service is serious business.
- Communicate goals
- Communicate Minimal Acceptable Performances,
- Hours Produced and CSI performances.
- Areas requiring improvement!

4. Make sure you have enough personnel on the service drive during peak traffic hours.

- Know your customer's expectations!
- Deliver value to each and every customer!
- If your advisors are dealing with more than 16 customers per day, it's costing you money.
- The more time they spend with each customer, the greater the sales penetration and the higher the CSI.

- For service advisors to reach their sales potential, you have to make sure they have enough support personnel to assist them. This includes porters to move cars and keep the traffic flowing.
- After all, the service lane is really our service "sales floor" and we must keep it uncluttered and presentable.

5. Consider a "lane captain" to assist in checking the vehicle's wipers, fluids, batteries, belts, and hoses.

- This person serves as a greeter and a value added support person to the advisor in the process of selling value added and preventive maintenance items and services especially during peak periods.

6. Manage And Master the Phones!

- Answer the phones properly and by the third ring!
- Answer the phones in a value added way!
- Know that most incoming calls (like appointments and status calls) can be handled by someone other than the advisor!
- Consider a service BDC!
- This gives advisors more time to spend with the customers on and in the drive.
- This is very important especially during peak times!

7. Get In Control! Measure and Manage the 11 Controllable Areas of Service!

1. Expenses
2. Gross Profit
3. Clock Hours Worked
4. Percent of Productivity
5. Days in a Month Worked
6. Effective Labor Rate
7. Calendar Utilization
8. Number of Repair Orders Written
9. Best Practices
10. Operational Inventories

"If your advisors don't provide value added services -aka- (upsells) maintenance for fear they can't get all the work out, then it's time to increase and improve your production staff."



60 percent of a dealership's net profits. According to NADA, NCM and many other automotive industry associations, dealerships typically gross:

- 5%+ on new cars,
- 13%+ on used cars
- 39%+ on parts.
- Yet, you gross a whopping 70%+ in the service department.

Therefore, the quickest way to increase gross is to sell your way in to a profit by selling more service in a value added way!

To make the point even more valuable: Consider the closing rate of ups to sales in variable operations...it's about 30 percent. That means (For every 100 people in the front door, you sell about 30 cars.) In fixed operations however, the closing rate is usually 100 percent! In service 60 percent of the sale is already done, it's actually up to you to lose it! Every person that walks through the service door is likely to produce revenues for the dealerships "That's Amazing!"

Remember: "Liars Can't Figure, and Figures Don't Lie!" **CBT**

11. Operating Strategies

At The end of Every Day ask yourself the following:

- How well does our dealership measure up in these 11 controllable areas of service?
- Did my actions today move me, my department and organization closer to meeting its objectives?
- What can we improve?

8. Constantly Measure and Monitor The 13 Profit Of Service: They Are:

1. Reservations
2. Reception
3. Consulting
4. Work Distribution
5. Progress Checking
6. Work Performance
7. Vehicle Washing
8. Quality Assurance
9. Invoicing
10. Active delivery
11. Cashiering
12. Follow-up
13. Best Practices

9. Increase the number of technicians or improve the quality and performance of them.

- If your advisors don't provide value added services -aka- (upsells) maintenance for fear they can't get all the work out, then it's time to increase and improve your production staff.
- Capacity issues are problems that can create great opportunities for growth.

- You don't have to hire "A" level technicians.
- Technicians at a "C" or "D" level can perform most maintenance services and they are much easier to recruit.
- Consider a Personal Service Assistant -aka- (PSA) program!
- Train, Train and then When your done training, train them again!

10. Understanding The Math:

The value of one technician is as follows:

One technician producing only 40 hours per week for 50 weeks can produce 2,000 hours of labor per year. This amounts to \$200,000 a year in labor sales at effective retail labor collection rate of \$100.00 per hour at a 70 percent GP margin — plus a parts to labor ratio \$1.00 producing an additional \$200,000 in parts sales at a GP margin of 40 percent. This is serious business!

Taking all of the above into account, the dealership can produce close to \$220,000 in GP per year from only one technician! Numbers may vary somewhat from dealer to dealer, but when you considering the variables, the gross generated can be significant and maybe even higher, based on some of the assumptions above. You have to sell a whole bunch of iron in variable operations to gross \$220,000!

According to NADA statistics, while fixed operations only accounts for 12 percent of the total revenue, it produces over

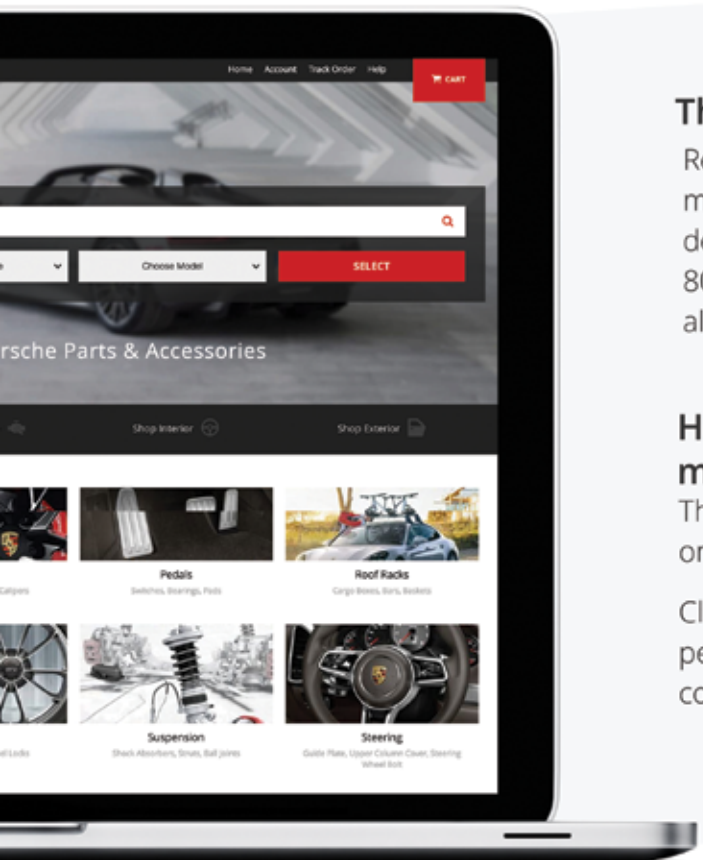


MICHAEL ROPPO

Director of Dealer Fixed Operations Consulting and Training /QPS WithumSmith+Brown PC and Automotive Domain Results

Michael has over 30 years of hands on experience in dealer fixed operations training, consulting business development. He helps dealers attain maximum performance, profitability, customer satisfaction and retention levels, by improving the quality of their management teams and the personnel who come in contact with their customers. Visit his website at www.Withum.com www.AutomotiveDomainResults.com

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SOLVING THE TRANSACTION TIME CHALLENGE

Mobile Devices Offer Time-Saving Efficiencies

WRITTEN BY: PETE MACINNIS



"Today, mobile devices and their technologies have become the gateway to the marketplace."

Here is an experiment: in your next auto industry conversation, bring up blockchain technology, autonomous vehicles, IoT, connected cars and anything to do with the cloud...and see how energized the dialogue gets. But bring up digital retailing or mobile technologies and...well, that is so 'last year.' But is it?

Certainly, the former innovations are things we should all be aware of and following scrupulously as they will have major implications for the future of our industry. But, as we are all living in the here and now, there are some basic, often ignored, 'this generation' digital technologies that can have a hugely positive impact on dealership processes. One of these is mobile technology which, while deeply embedded in almost every consumer's palm, surprisingly, is not being leveraged in the dealership as much as you think it might (or should) be. We feel it just may hold the key to solving one of the most consistent challenges to customer satisfaction: lengthy transaction times.

Why So Long?

In spite of over two decades of innovation in online automotive retailing, dealership technology efficiencies have failed to significantly shorten the in-dealership start-to-finish transaction times. This remains puzzling because logic would suggest otherwise.

So, what's the disconnect? According to a survey of auto dealerships fielded by eLEND Solutions in late 2016, unengaged wait time in the dealership outpaces negotiation as the biggest consumer pain point: nearly 60 percent of dealers surveyed indicated that wasted consumer time is potentially their biggest barrier to higher CSI scores.

The survey also revealed that most dealers' transaction times are significantly higher than what they consider ideal: nearly 80 percent said that two hours or under represents the ideal start-to-finish transaction time, but only 42 percent reported that they are achieving that.

	Ideal Start-to-Finish Time	Percent Overall Achieving
Under 1 Hour	36%	11%
Under 2 Hour	79*%	42*%

We are firm believers that reducing or eliminating process bottlenecks, inefficiencies and other profit leaks in the in-store selling process through a digitally connected car-buying experience is key to streamlining the sales process. One way to do this is to equip the sales team with mobile devices and technologies that progress the sale from the minute the customer walks into the dealership. Everything from viewing inventory and valuing a trade, to pre-qualifications and structuring the deal, can be expedited with mobile

technologies — streamlining the entire process and providing 100 percent transparency to the buyer.

Today, mobile devices and their technologies have become the gateway to the marketplace. So commonplace, in fact, that at a recent conference I heard them referred to as "the remote control to life itself." So, why, if most people, including dealers, are using mobile and touch-screen technologies in their daily lives, aren't there more dealerships embracing and implementing them in their sales and F&I processes?

To dig deeper, we fielded a survey specifically around mobile devices and transaction times. The results were, in some cases, surprising. For example, far fewer dealerships than we had anticipated are actually using mobile devices in store to enhance the Sales and F&I process. Of the dealerships surveyed, only 24 percent are using mobile tablets in the Sales department and even fewer, 17 percent, are using them in the F&I department. That being said, over a third are actively considering using mobile devices in Sales and F&I.

However, of dealerships not already using mobile devices, a whopping



60 percent say they simply will not even consider adopting them in their dealerships. Why? The number one reason cited is 'Cost,' followed by 'staff/management resistance to change' and 'undefined ROI'.

What are the reasons you are not considering the use of mobile tablets in your dealership?

Cost	55%
Staff / Management resistant to change	45%
Undefined ROI	39%
Sales team turnover	19%
Can't see the benefits	16%

These data points have a certain dissonance.... First of all, regarding cost: while the average tablet is around \$400, the time saved by shaving even just one hour from the sales/transaction process could create enough productivity 'saves' and incremental profit to easily cover the cost of a tablet in a single day. Assuming ROI will become defined over time, that leaves "resistance to change" as the primary reason why most dealers aren't using mobile tablets. This is probably not a surprise to anybody.

But dealerships who are already using mobile devices acknowledge the benefits and report that the two biggest are speeding up the process (44%) and increasing customer satisfaction (39%) - both of which correlate closely to an increase in revenue and profits.

What do you imagine the greatest benefits of using tablets in your dealership could be?

Speeding up the process is number one!

Speeds up the process	#1
Increases customer satisfaction	#2
Improves dealership efficiency/consistency in the process	#3
Makes dealership personnel jobs easier	#4
Increases selling prices and profits	#5

Interestingly, dealers not currently using mobile devices also indicated that one of the top potential benefits would be "speeding up the sales process and improved CSI".

Mobile devices (smartphones or tablets) and their technologies offer many benefits that can positively impact the dealership's bottom line. For dealers really focused on how customers want to go through the process the benefits are too clear to ignore: for the store - an accelerated process that improves speed, accuracy, closing ratios, profitability, and the customer's experience. And for the GM - accountability, control, speed and simplicity.

So, while it is always engaging to spend time learning about next generation technologies, my hope is that dealerships take a step back so they can take a step forward: continue to focus on 'this generation' technologies - devices they are already familiar with and easily use in their day to day life - because they may just hold the key to solving the transaction time challenge! [CBT](#)



PETE MACINNIS

**President and CEO
eLend Solutions**

eLend is a company specializing in online and in-store credit, finance and 'deal making' solutions designed to create a more efficient, faster moving Sales and F&I workflow that helps dealers sell more cars in less time, improve profitability and increase customer satisfaction. The company's suite of products includes CreditPlus, ID Drive and MobiLot.



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ASSOCIATION NEWS



Kathy Graham, Southeast PR Manager - Honda, Acura and Honda Power Equipment, accepts the award for the Honda Civic Hatchback being named the Best Family Value Car from GAAMA President Christopher Lawrence.

GEORGIA JOURNALIST ASSOCIATION PICKS BEST FAMILY CARS

The Greater Atlanta Automobile Media Association held its fifth annual Family Car Challenge with the Chrysler Pacifica sweeping three of the top seven categories, including Best Overall Family Car.

The Chrysler Pacifica Limited took the Best Three Row Family Car, the Pacifica Hybrid Platinum won the Best Tech Family Car nod and the Chrysler Pacifica Hybrid Platinum was awarded the Best Overall Car.

In addition, the Honda Civic Hatchback won Best Value Family Car, the Toyota Prius Prime Advance came in first with the Best Green Family Car nod, the Lexus RX won Best Luxury Family Car and the Ram 1500 Night Edition was named the Best Family Pickup Truck.

The Pacifica certainly has had a strong presence in journalist association competitions. In addition to the three awards at GAAMA, the Pacifica has taken top honors at the Texas Auto Writers Association's Texas Auto Roundup, Southern Automotive Media Association, Automobile Journalists Association of Canada, Midwest Automotive Media Association, Rocky Mountain Automotive Press and the New England Motor Press Association.

Among the brands participating at the Family Car Challenge were: Acura, Nissan, RAM, Chrysler, Alfa Romeo, Honda, Hyundai, Ford, Mercedes Benz, Toyota, Lexus, Lincoln and Volkswagen.

CATA SUPPORT THE TROOPS WITH A BARBECUE

The Chicago Automobile Trade Association (CATA), Chicagoland's new car dealer association, and the USO of Illinois, had its fifth consecutive year of the "Barbecue for the Troops" program. Over the past four years, 100 CATA dealerships have rallied within their communities to help raise nearly a half of a million dollars for the USO of Illinois.

What began as a grassroots effort in 2013, when dealers agreed to set out a grill to help raise money for local troops, the USO Barbecue for the Troops program has evolved into a widespread metropolitan initiative that continues to gain momentum each year.

"CATA dealerships are pillars of their communities and can rally their neighbors like not many are able," said CATA Board of Director Jay Hopkins. "We're thrilled to celebrate the fifth consecutive year of our partnership with the USO of Illinois, and we're anticipating this year to be the biggest and best yet," he said.

This month approximately 100 dealerships will tap into existing relationships in their communities to add a personal touch to each fundraiser. Patriotic ceremonies, cook-offs, car washes, live music and games for kids of all ages are just a few highlights event attendees will be able to enjoy at dealerships across Chicagoland this summer.

To date the USO Barbecue for the Troops has raised more than \$420,000 to support local troops and their families.



CALIFORNIA AUTO DEALERS SUPPORT E-CONTRACTS

The California New Car Dealers Association is supporting a California bill that would allow e-contracts for auto financing. Brian Maas, president of the association, supports the Assembly Bill 380 saying the California is the only state in the country that prohibits e-contracts. Not being able to complete a contract online would harm business, he said.

Consumers advocate counter that among the reasons for their opposition is an increased possibility of fraud as well as forgery.





AIADA DOUBLES DOWN ON OPPOSITION TO BORDER TAX ADJUSTMENT

The country's 9,600 international nameplate automobile dealers reinforced its opposition to a border adjustment tax as the House Ways and Means Committee recently held a hearing on the proposal.

Cody Lusk, president of the American International Automobile Dealers Association, released this statement:

"This hearing raised concerns about the impact that the border adjustment tax will have on middle class American consumers, who will be forced to foot the bill for a corporate tax cut. While America's international nameplate dealers fully support federal tax reform efforts, they are deeply opposed to the border adjustment tax provision, which will drive up the cost of every vehicle on their lots and ultimately impact the price customers pay for reliable, safe transportation by an average of \$2,000 per vehicle. We continue to urge Congress to abandon the border adjustment tax in favor of pro-growth policies that will help, rather than hinder American businesses and the customers they serve," said Lusk.

AIADA has advocated against a border adjustment tax due to its impact on dealers and consumers. A recent study by the Center for Automotive Research (CAR) estimates that U.S. light vehicles would be immediately impacted by 5.6 percent following implementation of a border adjustment tax, resulting in a \$34.6 billion overall cost to U.S. consumers. For more information on how a border adjustment tax would impact America's international nameplate dealers, visit www.aiada.org/bat.

NIADA ADDS TWO PARTNERS

The National Independent Automobile Dealers Association added two new relationships with service providers.

NIADA announced ddk marketing has joined as its newest National Affinity Partner, offering NIADA members a free 90-day trial of its autogenius app. In addition, Security Key Systems (SKS) is giving association members availability to a key tracking suite with a wide range of configuration options and features to help them avoid losing sales due to being unable to find keys quickly.

ddk autogenius is a Web-based mobile app that is designed to increase a dealer's odds of saying just the right thing to keep each customer engaged throughout the selling process.

NIADA highlighted that SKS combines first-class service, strong support and a selection of key systems that do more than just store keys, allowing independent dealers to connect customers with their desired car as quickly as possible to help increase sales. SKS is offering NIADA members unique discounts on its services



IOWA ASSOCIATION NAMES 2017-2018 OFFICERS

The Iowa Automobile Dealers Association elected its leadership for the 2017-18 year. Elected to officer are: Jeff Haun of Riley Mazda-Subaru-Mitsubishi in Dubuque, vice chairman; Jeff Finch of Wes Finch Auto Plaza in Grinnell, treasurer; Jim O'Halloran of O'Halloran International in Altoona, chairman and Brad Deery of Deery Brothers in West Burlington, immediate past chairman.



BIRMINGHAM DEALERS DONATE TO CHARITY

The Birmingham, AL., Automobile Dealers Association donated \$35,000 each to the A.G. Gaston Boys & Girls Club, Children's Harbor and Kid One Transport. The association raised the money through the 2017 Alabama Auto Show and the "Fueled by Passion" charity gala.





Karl Schmidt of Retain Loyalty with **Jim Fitzpatrick**



Sally Whitesell of SW Service Solutions



David Kain of Kain & Co with **Joe Gumm** of CBT News



Becky Nixon of Weekly Tune-Up



Paul John of GIADA with **Jim Fitzpatrick** of CBT News



Haig Stoddard of Ward's Auto



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