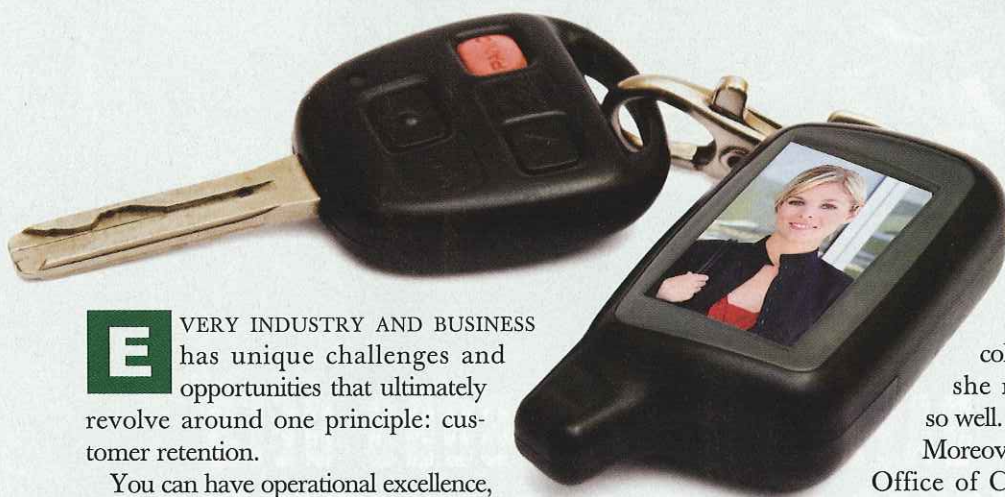


Customers for

The key to getting customers to come back to your shop time and time again is post-repair communication.

BY JOHN WEBB

Life



EVERY INDUSTRY AND BUSINESS has unique challenges and opportunities that ultimately revolve around one principle: customer retention.

You can have operational excellence, financial discipline, marketing genius and the best strategic vendors and partnerships. But without customers, you are not a viable entity. And without customer retention, you aren't positioning your organization for long-term health and growth.

While most of us fancy ourselves to be well above average in the arena of customer service, the plain facts state otherwise. For example, a J.D. Power and Associates survey of 5,000 adults found that the majority were dissatisfied with the service levels of 120 different categories of products and services. However, when asked to rate the industries in which they're employed, 75 percent gave a positive response. When asked to rate their own personal contribution to customer satisfaction, they graded themselves at virtually 100 percent.

In other words, collision repairers probably think pretty highly of their own industry and are particularly fond of their own efforts. Conversely, they may not think so highly of their cell phone service provider, bank or the last hotel they frequented. Of course, the hotel manager is pretty confident of his or her own customer satisfaction abilities, but when

it comes to rating collision repair, he or she may not grade it so well.

Moreover, a study by the Office of Consumer Affairs found that 98 percent of dissatisfied customers never complain, they just switch to a competitor. The fact that we don't hear from 98 percent of dissatisfied customers lulls us into a false sense of security. When you think about it, most individuals just don't like to confront people and tell them they're unhappy.

Creating Churn

SOMETIMES IT SEEMS THAT THE CLOSER WE ARE TO something, the cloudier our judgment is. This lack of a clear understanding of the customer experience and customer expectations creates "churn" within a marketplace and within an organization, which refers to those customers who defect from your service to competitors' or leave the sector altogether. For example, if a customer isn't completely satisfied with her experience at your independent collision repair facility, she may try your competitor down the street. Or, he or she may switch sectors altogether and decide to go back to her dealership.

Some companies lose half of their customer base every three years. This turns out to be a very expen-

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sive proposition because it's about five times more expensive to recruit a new customer than it is to retain a current customer. On the flip side, a 5 percent increase in customer retention yields an impressive 25 percent to 100 percent increase in profits.

There's a potential upside here, however. The vast majority of the 98 percent (about 85 percent) of dissatisfied customers are recoverable. Acknowledgment and apologies go a long way to recovering most customers. Beyond those actions, however, it's imperative to know which customers need to be recovered. How do we do that if they don't bring the issue to us? What can we do to ensure that our business isn't left in the dust customers make when stampeding away from our doors?

Building Relationships

THE FIRST THING WE NEED TO WORK on is a conceptual shift in the way we

view customers. Businesses have traditionally viewed customers from a transactional standpoint: customer enters business, customer buys product or service, customer leaves business. A new way to look at customers is from a relational perspective.

In building relationships with customers, we're actively involved in service recovery (turning negative situations into positive situations), customer satisfaction and building long-term loyalty. Relational customers are less sensitive to:

- marketing advances by competitors;
- changes in pricing (either yours or your competitors).

Also, relational customers:

- will refer you to friends and family;
- are receptive to new service offerings; and
- provide a good opportunity for incremental sales.

Beyond that paradigm shift, let's look at some specific actions you can

take to build a relational business with your customers.

The thank you message - It's a good idea for the owner and/or manager to personally call to thank a certain percentage of customers and ask for any feedback. You might be surprised at what you hear, both positive and negative. Today, there are also systems that will record your voice, thanking the customer and offering an opportunity for feedback. The feedback is then available online in real time so owners and managers are hearing the voice of the customer on a daily basis.

Special offers and co-branding - Offers for service specials or incentives can be a good incentive for customers to return to your business. Targeting first-time customers can introduce a family's second or third car into your normal rotation. Get creative!

Announcements and messages - Adding a new location? Change of



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The latest tools and equipment for running your business will be displayed at the Automotive Aftermarket Products Expo (AAPEX), set for Tuesday, Nov. 4 through Thursday, Nov. 6, at the Sands Expo Center in Las Vegas, Nevada. AAPEX will be held during the same week as the SEMA Show and the International Autobody Congress and Exposition (NACE), both to take place in Las Vegas.

In addition to the comprehensive Tool & Equipment section, the new AAPEX GreenWay will highlight environmentally friendly products and services for the automotive aftermarket. Every brand of replacement part will be at AAPEX: paint and body products, suspension and front-end products, engines, engine parts and fabricators, and heat transfer and mobile air conditioning products and parts. The leading suppliers of chemicals and lubricants will also be at AAPEX. By

show time in November, more than 2,000-plus exhibitors and nearly 5,000 booths will make up AAPEX.

Collision repairers can visit both AAPEX and the SEMA Show for a low registration fee of \$15 if registration is completed online before Friday, Oct. 24, at either the AAPEX Web site, www.AAPEXShow.com, or the SEMA Show Web site, www.SEMAShow.com. Registration by mail or fax is \$25 on or before Oct. 24 and registration after Oct. 24 and on-site is \$60. Buyers who have previously attended AAPEX or the SEMA Show are encouraged to use their alumni numbers to expedite the registration process.

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address? New service? Even a holiday or birthday wish (I'm still somewhat surprised to get a birthday card from Southwest Airlines every year – but I'm also one of its loyal customers. Do you think this airline understands the connection?).

Lost customer surveys – There are also customers who, for whatever reason, haven't returned for a period of

time. It's a good idea to periodically ask these customers why. Sure, some of them have moved or obtained a new car that's under warranty – but we also know there are plenty of them that left due to something we did or didn't do. We need to learn from these former customers and maybe even convert some back to current customers.

Take Action

MANY TIMES, COMPANIES CAN BE strong in branding within a marketplace – for example, with a community or sports affiliation – yet fail to develop specific calls to action that drive business to the door. With collision repair facilities, customer touchpoints at specific intervals after the repair experience give customers a reason to remember those facilities' names, refer them and do incremental business with them, even though they may not have had another major accident yet.

"We're finding the marketplace to be increasingly competitive," said David Merrell, vice president of strategy for CSi Communicator, a company that specializes in customer touchpoints. "Right now, claims are relatively flat, so any add-on sales, referrals or sales after the initial collision experience are really valuable to collision repair facilities."

Many companies spend the majority of their marketing dollars attracting customers. That's only half the battle, however. You've gone out of your way to do a good job and maybe even paid for a CSI survey to prove it and deploy service recovery efforts when needed. This satisfied customer is now one of your greatest assets. Most companies, including your competitors, don't do anything with these assets.

Collision repair isn't in a typical retail environment. A customer has an accident only once every seven years. Customers aren't going to simply come back like they would to a fast food store, a clothing store or even a tire chain.

Use customer touchpoints to help you develop a long-term relationship with customers. There is a vast array of service opportunities and referrals that can come your way and improve your profitability if you employ a consistent and effective system.

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