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Some Dealers Spending a Mint (or Mints) to Improve Customer Service

By Jim Koscs
AIADA Contributing Editor

How customers perceive the showroom transaction and subsequent dealer service ultimately can influence their perception of the entire brand. Several companies put us in touch with dealers they feel are helping build brand customers for life. Investment ranges from a few dollars to a few million.

Miami VW Dealer Just Says "Yes"

At Volkswagen of America headquarters in Detroit, they're keeping a close eye on Ron Esserman's Miami VW store. For the past three years, employees at Esserman Volkswagen have been wearing curious buttons that say only "Yes." It's an acronym for "You're Empowered to Satisfy" and tells the customer that the employees will do their best to answer all questions and meet reasonable requests.

"The customer doesn't come here to hear anyone say 'no'," said owner Ron Esserman, who also owns three other stores representing two more brands. Altogether, Esserman's organization has about 600 employees, and everyone wears the button. "We cannot say 'yes' to every single request, but we promise to try our best," he said. The "Yes" can be for little things, and if there's a billable expense, it's filed under goodwill. Or it can be something like the service department going to bat for the customer over a warranty issue.

Esserman said his dealerships have always operated this way, but the "Yes" program formalized the effort with training and made it more visible to customers. It appears to be working. Esserman said his VW store is now 4th or 5th in the country. "We were quite a ways down before this program," he said.

Speaking about Esserman's "Yes" initiative, Volkswagen of America spokesman Keith Price said, "Our field people are very impressed with it, and our dealer development management in Detroit is very impressed with it, too. It's had a huge positive reflection on the brand."

Make Mine More "Mini"

BMW's Mini launch in 2002 might have been a textbook success story, but the service story became, well, another story. Two years ago, Mini scored at the bottom of the J.D. Power and Associates Service Satisfaction Index. Last year, it moved into the Top 10. Here's how Mini worked with its dealers to turn things around.

"The message from our customers was that they were expecting – but did not get – a 'Mini-like' experience in the service department," said Rich Steinberg, head of aftersales for Mini U.S.A. The problem, Mini found, was with its original business model that called for shared service with the dealer's BMW operation. (For the 10 fully standalone Mini dealers, that was not an issue.) Even small details, such as the

Mini technicians wearing a BMW logo uniform, bothered Mini owners.



Jim McDowell, vice president of Mini USA, sports a Mini logo technician uniform.

The brand's "Customer-Facing Service Exclusivity" program allows a Mini dealer to make the service experience more Mini-centric. Within the shared service environment, the dealer can set up a Mini-only location featuring unique signage and the same overhead lighting as used in the showroom.

Steinberg said customers didn't like to stand in line with BMW service customers, so dealers suggested moving the Mini service advisor into the showroom. "We've seen overnight success with that," said Steinberg. Now, dedicated Mini service writers and techs

even wear Mini logo patches.

The program also calls for creating "unique branding moments." For example, a lot of Mini owners give their cars nicknames, and so far, Mini has added names for 15,000 customer cars into its database. "The service writer not only addresses the customer by name, but the car, too," said Steinberg. "Customers responded well to that."

Borrowing ideas from the hospitality industry, the Mini service department places custom-branded mints in a serviced car's cupholders and even puts a "sanitized for your protection" type paper wrap around the steering wheel. The final touch: a cling-on sticker in the upper windshield corner, not with a service reminder, but an inspirational saying. (The Mini features a service reminder in the instrument panel.)

Ssshhh! They're Selling Hyundais

Walk into Scott Fink's brand-new Hyundai store in Wesley Chapel, Fla. and notice what you don't hear: There are no phones in the showroom. Fink explained that keeping phones used for follow-up in a separate area enables a salesperson to devote full attention to an individual customer.

"I'm a firm believer that all consumers – and I include myself – like to do business in a clean, comfortable, fresh environment," said Fink. The new facility boasts a completely open floorplan, with management offices separated only by transparent walls. "The old days of the salesman disappearing from customer view to talk to a manager are gone," he added.

Fink, of course, did not become one of the top-volume Hyundai dealers by just making the showroom comfortable. His first store, 28 miles away in New Port Richey, has sold 13,500 Hyundais in its first four years of operation. "This is one of the handful of dealers who helps set the standards for Hyundai in volume, professionalism and CSI," Fink said. "We take advantage of every program Hyundai makes available."

A key customer benefit is a year of free maintenance with every new vehicle purchase. And making that first-year maintenance easier and faster are quick-lube lanes in the service areas. Both of Fink's Hyundai stores have loaner fleets, as well.

Fink said the customer-focused practices have resulted in a loyal following for his "big store" in New Port Richey. The name recognition, he added, helped successfully launch the Wesley Chapel store, which sold 118 vehicles in its first full month versus planning volume of 50.

Toyota Dealer Goes Big in Kansas

At Olathe Toyota-Scion in Olathe, Kan., the top Toyota dealer in its region, it's all about going big and keeping customers comfortable. Last month, Olathe re-opened with a newly renovated \$5.5 million 46,000-square-foot facility, which is nearly twice the size of its original dealership.

The new facility was designed with the customer in mind, according to dealership president Kenny Thomas. It has gained a car wash, and a new customer lounge features four computers for customer use, along with wireless Internet access and an automated coffee station. Customers can sip coffee while watching a 54-inch high-definition television.

The new service area not only more than doubled the number of stalls from 14 to 37, but is fully air conditioned, too. "With the new additions to this facility, I am confident that we have raised the bar on customer service to a level not yet achieved by any dealership in the Kansas City metro area," said Thomas.

Cleanliness is Next to ... Porsche-liness

"I never think of a customer walking in to the dealership as buying just one vehicle," said Dave Zoloto, general manager of Porsche North Scottsdale. Instead, Zoloto sees the potential to make a customer for life and sell them more Porsches over the coming years. The experience for the customer begins when entering what a Porsche spokesperson described as "perhaps the most impressive Porsche facility in the US. It is more reminiscent of a race shop with its spotless facility."

Zoloto said the dealership, which opened four years ago, looks as new and clean as on its first day of business. "You could eat off of the service department floor," he said. The facility's impressive cleanliness helps make the customer feel more comfortable.

The dealership builds on the comfort by extending a welcome. A letter personally signed by Zoloto follows the purchase of a new or used vehicle at North Scottsdale. The same thing goes for a service customer after the initial visit.

Customers may appreciate the letters, but what they might like even more is that Scottsdale recently reduced prices for several maintenance procedures. Zoloto said the dealership heard complaints about prices through its outside survey company, which queries all purchase and service customers, not just new-vehicle owners coming in for warranty work. Now, prices are more in line with what customers expect, he said.

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