

# CUSTOMER EXPERIENCE

# UPSELL OR RESELL YOU CHOOSE



# **THE KEY TO CUSTOMER RETENTION IS TO LOOK BEYOND THE SALE YOU MAY, OR MAY NOT MAKE TODAY**

These guides are in place to support your learning and help you improve your knowledge and enhance your business performance.

Enjoy the read and good luck, do let us know of your successes and use our other guides to expand your knowledge and grow your business.

# SUGGESTION 1 - UPSELL OR RESELL YOU CHOOSE

There is pressure on every Salesperson today to sell more, to increase the order value and the word **UPSELL** has become almost an obsession for many. Whilst upselling to the customer could be beneficial for the business in the short term a longer-term view should always be taken.

First, let's consider what is upsell?

- Seller induces the customer to purchase more expensive items upgrades or other add-ons in an attempt to make more profitable sales...
- The organisation must ensure that the relationship with the customer is **not** disrupted.

Alternatively, the longer-term view is **RESELL** which is to sell to the customer multiple times during your future business relationship.

Which approach best suits will depend upon a simple buying principle – see suggestion 2.



# SUGGESTION 2 - UNDERSTAND WHY CUSTOMERS BUY

Let's keep things simple, we are all buying anything in this world for one of two reasons.

1. To give Pleasure – A purchase made out of choice
2. To relieve Pain – A purchase made out of necessity

It is fair to say that the customer's attitude toward these types of purchases is very different. When making a pleasure purchase the salesperson has a great opportunity to sell the customer more, to encourage the customer to upgrade, enhance their purchase or help them buy a different product which better meets their want and needs.

This is very different with a pain relief purchase, one which is made out of necessity. The emphasis is very much on making a purchase which relieves the pain! and two things become very important to the customer. Firstly cost, as this is often a cost which has not been expected and secondly, confidence that the pain has gone away.

At the foundation of both of these purchases is TRUST that the advice that the customer is receiving is right!!

The application of this principle when selling in both Sales and Service is critical if maximum sales and customer retention are to be achieved.



# SUGGESTION 3 - UNDERSTAND WHAT YOUR CUSTOMERS ARE SAYING

A recent survey confirmed that the Franchised Dealers share of the Service and Repair market has dropped by 20% since 2003. Many surveys have been conducted over the years and the same story keeps reoccurring.

Top three reasons for choosing a Franchised Dealer network are:

- |                       |     |
|-----------------------|-----|
| 1. Competency - Trust | 54% |
| 2. Location           | 29% |
| 3. Warranty Cover     | 28% |



And the reasons for not choosing a Franchised Dealer network:

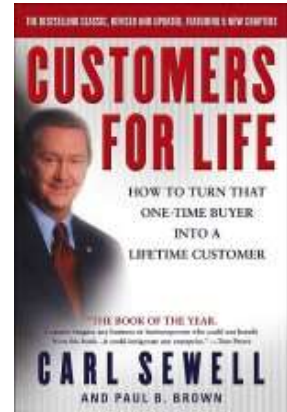
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| 1. Too expensive              | 60% |
| 2. Trust                      | 31% |
| 3. Too little interaction DIY | 26% |

This research supports the importance of TRUST in the application to Pain Relief purchases and if growth and retention are to be increased then TRUST must be at the foundation of the customer experience model.

# SUGGESTION 4 - WHY DO PEOPLE BUY IN SERVICE

Many years ago, I read a book called Customers for Life by Carl Sewell. A great read for those involved in the motor trade and to be fair for anyone who is interested in the delivery of a great customer experience.

In his book, he built his Service Customer Experience upon the principle of TRUST. At the point of checkout, he gave every customer a simple card containing just 3 questions:



WE'D LIKE TO KNOW . . . .

1. ARE THE CHARGES (LESS TAXES) THE SAME AS I SHOULD EXPECT TO PAY?  
(Please tick one.)  
Yes \_\_\_\_\_ No \_\_\_\_\_
2. WAS YOUR AUTOMOBILE READY WHEN PROMISED?  
Yes \_\_\_\_\_ No \_\_\_\_\_
3. IS THIS THE SECOND TIME FOR THE SAME REPAIR?  
Yes \_\_\_\_\_ No \_\_\_\_\_

THANK YOU VERY MUCH !!

SEWELL  
*Carl Sewell*  
SYDNEY  
A Book written by Carl Sewell

Question 1 – Relating to the Charges made - Recognising that cost is very important for Service and Repair customers.

Question 2 – Was the car ready on time? – Demonstrating Trust in doing what we say.

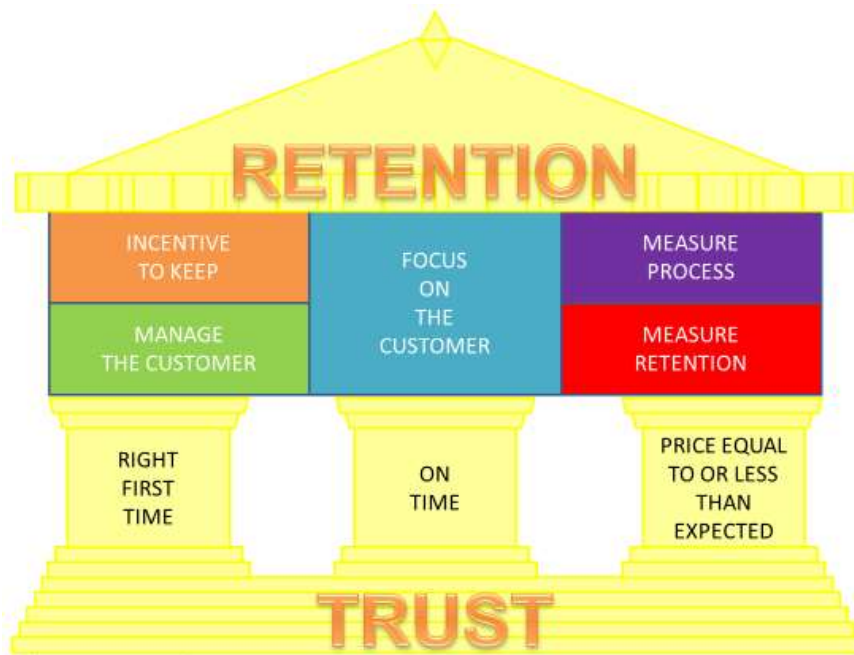
Question 3 – Is this the second visit for the same repair? – Confidence that the pain has been relived and the vehicle had been repaired right-first-time.

Whilst this may be more than 30 years ago, I believe that these 3 simple measures are as important today as they were then. Sometimes we complicate business too much defining every part of the process rather than keeping staff focussed upon these 3 principles.

If you can **Repair the car Right-first-Time, on time at a price equal to or less than expected**, that is great service for any Service department and should be the primary focus for all.

# SUGGESTION 5 - YOUR VALUE PROPOSITION

So, let's put all of this together. Great customer retention will be achieved if your customers TRUST you to deliver on your promises. Providing that your promises meet the needs of the customers' and the customers' value the range of services that they receive from you.



The value proposition is key as these are the unique customer drivers which help encourage retention. These 5 drivers provide the focus which will deliver the required improvement. This will not be delivered by accident but will only occur when attention is given in each area.



# SUGGESTION 6 - MEASURE RETENTION

Measurement of customer retention is key, after all, how do you know if you are getting better? So what needs to be measured?

Retention **New cars** how many of your new car customers return for servicing **and** to buy another new vehicle?

Retention **Used cars**. Traditionally more difficult however the same applies for both servicing and repairs and repeat car sales.

Retention **Service**. Measure by age of the vehicle as regular servicing principals change as the vehicle gets older.

Retention **MOT**. Needed every year and a great retention measure.

Retention **Amber work**. A great measure which helps measure TRUST.

Make sure that your targets are fair based upon historical achievements but benchmarked against the true opportunity.

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# SUGGESTION 7 - MEASURE PROCESS

Process plays a key part in the delivery of a great customer experience to every customer, every time. Should you need more detailed ideas on how to improve the customer experience then please check out our free guide 12 ways to improve the customer experience. The correct process that is understood by all and followed by all is the key. Whilst customers opinion on their purchasing experience is vital don't ask them to measure your process.

Those who are closest to the process know if it is being followed every time. A quick audit can help you measure this, A review of your completed job cards also can be a valuable exercise as this helps identify potential omissions and gaps in the process. Check out our free guide 12 ways to manage business audits.





## SUGGESTION 8 - FOCUS ON THE CUSTOMER

How many completely satisfied customers, are NOT completely satisfied? Too often customer feedback is obtained in a way that encourages the customer to give you nothing other than a perfect score. The only feedback required is the honest views of the customer.

Customer retention is more important than customer satisfaction. This does not mean that customer service is unimportant but recognises the fact that retention should be the outcome of a business that really does focus upon the customer.

Focus upon ... **the customer and not the car.**

When measuring retention often we do this based upon the vehicle. Remember that it is the customer mindset that needs to be considered when attempting to increase retention. The views, opinions and requirements of a customer with an 8-year-old vehicle are likely to be different to the customer with a nearly new car.



## SUGGESTION 9 - MANAGE THE CUSTOMER

Once you have the customer make sure that you do everything you can to keep them, be positive and confident in your approach and don't forget the trust that you have earned will help give the customer the confidence that you will do an honest job so advise the customer **when they need to return.**

Commit them now... **Why would they not take the advice of someone they trust?**

Consider the customer and work with the customer based on their needs such as holidays, winter and summer use, MOT and Servicing requirements.

# SUGGESTION 10 - INCENTIVE TO KEEP

Focus staff on customer retention, target them accordingly. Incentivise technicians on **quality and right-first-time repairs** rather than additional sales.

Reward customers for their loyalty with a discount on return visits, recommendations given and other loyalty rewards.

Ensure that the customer is rebooked and if they don't commit to a return visit on the day be sure to follow them up with a personal telephone call.



# SUGGESTION 11 - RETENTION AND TRUST – STAFF FOCUS

All of your staff should be focussed upon customer retention

- Sales staff should be looking to ensure that all customers return for service and repairs, service plans are a great idea for most customers
- Service Staff should be helping the Sales Department sell a new vehicle to a customer when a costly repair could be on the cards
- Sales Staff should be offering the customer the benefits of changing to a newer model and in some cases being able to reduce the monthly cost to the customer



The traditional approach taken by some dealers needs to change and this can only be achieved by everyone in the business taking a positive and proactive approach to customer retention.

# SUGGESTION 12 - TIME TO CHANGE

Change is not easy, but it is necessary. Many businesses are making some major changes in the way they approach customer retention within their business. The market has changed and will continue to do so, make sure that you don't get left behind

So, I leave with one final thought and that is a quote from James Dean.

"I can't change the direction of the wind,  
but I can adjust my sails to always reach my  
destination"

Good Luck.



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