

RETENTION UNIVERSITY

Course: Retentionology 101

By Andrew Wolfe



In the course of my business, I visit and talk with thousands of service centers each year regarding customer loyalty. During these visits I have observed a trend – the words marketing and customer retention are rarely mentioned. Most owners and managers, I’ve learned, do not spend time developing marketing and retention plans, despite the fact that developing such a plan will play a key factor in their success.



Each day Midas Dealers are faced with never ending employee challenges, customer complaints and other day-to-day issues of running a successful business. Who the heck has time for retention? With only so many hours in the day, it is impossible to focus on everything. Don’t take this personally – I know many doctors who are exceptional at practicing medicine, yet couldn’t write a business plan if their lives depended on it. To compensate for this, they surround themselves with talented people who make up for their lack of expertise.

This is where I come in. I cannot make your everyday problems disappear, but I can help you quickly master a subject I call “Retentionology.” Armed with the education that you receive from “Retention U”, you will increase your service revenue and profits; more effectively use your limited marketing/advertising budget; and cut down on your day-to-day problems.

Let’s get started with a few basic elements and definitions that should be considered as you develop your own marketing and retention plan.

Marketing:

- A mix of market research, advertising, publicity, public relations, & personal selling.

Advertising:

- Attracting public attention to a product or business through paid announcements in the print, broadcast, or electronic media.

Public Relations (PR):

- Establishing and promoting favorable relationships with your target audiences (i.e., customers).

Customer Retention:

- Maintaining your customer base and growing loyalty among new customers.

Personal Selling:

- Persuading someone to recognize the worth or desirability of something.

Very few service centers track their marketing and retention efforts. They cannot tell me with a definitive answer what is working and what is not. Despite not knowing the effectiveness of their efforts, they do the same thing year after year. This is clearly an ineffective marketing plan, bordering on insanity. My favorite definition of **insanity** is “*Doing the same thing over and over again and hoping for a different result each time.*” In order to avoid falling into a similar cycle, it is imperative that you create a sound marketing plan and track

ALL of the marketing and advertising tools that your store is using.

To help you develop your own plan, I recommend that you follow the steps outlined below. Trust me – following a plan such as this will pay you dividends for years to come.

- 1 Set aside a specific time each week to work on your marketing and retention ideas. Try to do this outside the 4 walls of your business. I call this working “ON” the business rather than “IN” the business. By working from your house or local coffee shop, from 1-2pm every Monday (for example), you can not be dragged into the day to day problems at work and you can get some uninterrupted focus on your marketing/retention plan.
- 2 Put together a simple spreadsheet with the next 12 months listed across the top and your current marketing tactics down the side. This spreadsheet will be used to help you track where you currently spend your marketing budget as well as what you plan to spend in the future.
- 3 Start tracking the results of your marketing efforts. If your computer system is sophisticated enough, start using an operations code to track what offer or coupon caused a customer to come back. If no fancy computer system, create a simple spreadsheet to keep on the counter near the cash register and write the customers name and what brought them in. Each month you will have a nice report to look at that will give you some really valuable information. If you don’t measure it, how do you know if it works?
- 4 Try something new! I’m sure you are approached everyday with new ideas

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to help with your customer retention. Don't be afraid to try some of these ideas. Putting another coupon in your Val Pack or newspaper insert is not going to get you where you want to be. Think outside the box! Most importantly, make sure you give the new ideas a chance to work by sticking with them for at least a 4-6 month period of time.

Happy Servicing!
Professor Wolfe

Andrew Wolfe is a managing partner at Dealer Concepts (www.dealerconcepts.com), located in Bloomfield Hills, Michigan. Dealer Concepts helps the automotive industry with creative highly effective ways of retaining their customers for life! Wolfe has worked in automotive marketing for over 20 years. He can be reached at andy@dealerconcepts.com

ABOUT DEALER CONCEPTS:

Dealer Concepts has partnered with the IMDA to give its members discounts on our products and provide you access to our simple customer retention tools. We introduced the Punch-A-Deal Key Tag 6 years ago. Today it is in use at over 4,000 service centers worldwide. At last count we had over 15,000,000 Punch-A-Deals in circulation. The idea for the Punch-A-Deal came about after I was exposed to my local grocery store, drug store and video stores loyalty key tags. The idea behind the tag is really quite simple. Attach one to EVERY customer's set of keys thereby inviting them back to your place of business for all their future service needs. Everyone loves to be part of a club or membership program. More importantly, everyone loves to get discounts or something FREE. With the Midas Rewards Tag, you can custom design a Punch-A-Deal specific to your location with offers that meet you customer's needs. Most of our customers offer a buy 4 get the 5th Oil change FREE.



The Punch-A-Deal is more than a key tag... It's a complete loyalty program. From tabletop signs to banners that hang in your waiting area, we provide your store with a turnkey program right out of the box. To learn more, log into www.imdaonline.org

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