

RO \$ rising**South Dakota dealership 'punches' out customer retention problem**

Charlie Schnabel's been a service manager for 20 years, but that doesn't mean he's not always on the lookout for new ideas. Back in October 2005 he felt like his Einspahr Ford, Lincoln, Dodge and Jeep dealership in South Dakota was retaining customers "pretty well, but we could get better."

So Charlie looked around and tried a few approaches. He settled on Punch-A-Deal and says he's seen his average RO increase by a total of \$177.84 over five visits as a direct result of the program (and that's not counting oil changes, parts or warranty work.) "I talked to others using it, and they told me that if upper management bought in, it worked," Charlie tells *Service Manager*.

"This is a worthwhile program because it gives us a shot at keeping customers after their warranty period is over," he says. Otherwise, they migrate away to independents.

The Punch-A-Deal system lets customer use a plastic card or key chain piece to get "punches" for each visit. They reward can be tailored, but a typical one is a free oil change after five visits.

Charlie says he's seen a clear difference in his traffic flow before and after Punch-A-Deal. Before "we were getting warranty work and people would come in every six to nine months," he recalls. "It was sporadic."

But after instituting the Punch-A-Deal program, Charlie says he's seeing the same customers every 3,000 miles because they "see value in the

cards, it's great for customer retention." He's redeemed almost 800 cards since launching the program in October 2005, he says. "That's the part that's tangible," he says.

"Most service managers don't have a background in marketing," says Andy Wolfe with Dealer Concepts, developer of Punch-A-Deal. That's been echoed by dozens of service managers we've talked to in this issue and in months past.

Customer retention is a "crisis" for many service departments, says

Andy. While he, of course, advocates his approach to helping with customer retention, he more broadly speaks that service managers must ask for more funding to help them with all types of customer outreach and marketing. "Show the GM or owner what you will do with it, show them the results" and try to get more funding each year as you show better customer retention figures and profits to the bottom-line, he suggests. ♦

For more information, go to www.dealerconcepts.com.

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pieces I might see once every three weeks or so," he says.

He offers a combined tire rotation oil change deal, plus a sliding scale of discounts on non-repair work, e.g. \$10 - \$50 off depending

on how much the customer spends. But it doesn't include brake work.

Kirk says his approach is working at his Mazda shop, and it worked for him previously at a Pontiac GM dealership. ♦

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**DealersEdge
Service Manager**
P.O. Box 606
Barnegat Light, NJ 08006

Hotline: 800-321-5312
Fax: 800-321-5312

E-mail:
michaelcausey@cox.net

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