

Mike Pitkowicz



Why is There a Parts Advisor in the Showroom?

Because there is \$54,087 in accessory orders for August (that's \$784 per customer)

Now set that big number aside because this story is not about the money. Stateline Chrysler Jeep Dodge is on pace to sell \$750,000 annually, yet that only discloses the result. How did they go from \$0 to \$54K in 90 days and again, why is there a parts advisor in the showroom?

First, let's go big picture. The financial success is merely the result of Stateline's process. There are actually six benefits to leveraging a vehicle personalization sales process and they all address the dealership's biggest challenges:

- Improving CSI scores
- Decreasing sales staff turnover
- Replacing low margin profits
- Increasing service conversions
- Creating new F&I opportunities
- Building brand value for dealership and OEM

Recently, I spoke with Paul Allred, Mopar master and parts director and Ian Grohs, parts advisor for Stateline Chrysler Jeep Dodge in Fort Mill, SC.

Coming into 2014 your pre-load program averaged just over \$59,000 per month. How has the new vehicle personalization department impacted your successful pre-load program?

Paul: We signed up with a well known vendor in October 2013 and then launched the process and training in June. We have experienced no negative impact on our pre-load program; in fact our PNUR has increased.

What is Stateline's vehicle personalization sales process?

Paul: The sales team is trained to turn over the customer to Ian once the sale is secured. This happens prior to F&I so the customer is not left idle, having doubt or feeling abandoned. A critical step is allowing the customer to shop, giving them the control. This removes the "selling" pressure and introduces a "shopping" experience, which is fun for the customer.

What do you view as the most critical part of your process that yields success?

Ian: I use a similar process that our salespeople do. I ask a series of questions to probe both the lifestyle of the customer, and to establish a connection with them. Using questions like, "What led you to purchase the Jeep Wrangler?", "What did you like most about your last car?", or "What do you enjoy doing with your free time?" I'm able to get an idea of what products I should direct my customers to.

How do you manage order processing and fulfillment considering vehicle personalization touches sales, service, parts, the customer and at times a third-party installer?

Ian: We have created a process that takes me from the sale of the part all the way to the fulfillment of the order. First, once the product is sold, either myself or the customer submits the order through our vendor. Next, I acknowledge the order and place the actual order for all of the required parts. Once the parts arrive I call the customer and schedule an

appointment for the installation of the parts. The installation may either take place at a third-party shop, our main shop, or our body shop. Finally, I quality check the work and fulfill the order.

The parts department owns the process and sales supports it. What motivates the sales team to support parts and what are your plans for the service department?

Paul: This is a team effort and therefore the sales associate, as well as management are compensated on items sold. We are discussing a similar approach in the service department, placing a parts advisor to evaluate service vehicles to identify up-sell opportunities.

F&I wait time has long been identified as a CSI killer. How would you describe the customer experience with this process?

Ian: This process reduces the customers' perception of the amount of time they have to wait because it occupies them during the wait. It also gives the salesperson a break from entertaining the customer, and it keeps the customer from rethinking the vehicle purchase.

What advice would you offer to a dealership considering a vehicle personalization department?

Ian: I think that the accessories arena is one of the most overlooked areas that a parts department can focus on. Many parts departments try to enter the wholesale arena, but they must sell at a very low margin in order to gain marketshare. An accessories department capitalizes from the excitement of new car buyers and creates a stream of relatively high margin business. To get started, I recommend that a parts department identifies the individual whose personality would work best for this position, trains them on what accessories are offered by the manufacturer and enlists the help of a tool that provides a solid process to sell accessories.

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INSIGHT:

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