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THE MOTOR DEALER REPORT FROM AUSWILD & CO  
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## **Don't Let Your Business Become a Commodity**

In today's market, customers can buy high quality parts at good prices from a variety of sources – from the supermarket style automotive parts & accessories stores to the internet. Choices abound. However, your dealership parts department is still a people-to-people, service-oriented business. Parts department managers who forget that run the risk of allowing their products to become commodities. When customers view a product as a commodity, all transactions will turn on price and availability.

As a professional parts manager, you take pride in your well-stocked "genuine" inventory and competent staff. Yet, your business volume may have gone flat and you struggle to attract more business. Or you notice that some long time customers have stopped buying from you and are now finding other sources for parts.

Where should you focus your energies to try and uncover exactly what it is that might be responsible for lagging sales or, for that matter, contributing to an exodus of customers? Experts say the first place to look is your level of customer service. Are you absolutely certain that it is the best it can be? CSI scores are one indicator, but they can be forced. Customers can be manipulated and persuaded with phone calls or gifts to respond positively to surveys, belying their true attitudes toward the dealership and its various departments. But even if the CSI responses are accurate, is there room for improvement in your level of customer service? It is not enough to meet customer expectations.

These days, every process in the parts department must be seen as adding value for the customers.

A study on customer service conducted at Texas A & M University (world renowned as a research intensive institution) identified what the researchers term the five "serviquial" dimensions for providing consistently excellent customer service. The five dimensions, listed in order of importance, are: reliability, responsiveness, assurance, empathy, and intangibles. Reliability was the most important factor. Intangibles like the appearance of the facility were less significant. For the researchers, this meant that if customers perceived a business as unreliable, it did not matter how it performed on the other dimensions. Customers would not come back. Furthermore, the researchers also found that if any one of the dimensions was especially deficient, the customers would have a negative view of their experience, regardless of the strength of the other four dimensions.

Along with high quality products, customers these days expect a quality buying experience. Do customers see you and your staff as reliable professionals? Do they trust your business judgment? Who you are and how the customers perceive you can be as important as the reliability, price, and availability of your parts inventory in influencing customer satisfaction ratings.

Where do you start in the quest to provide exceptional customer service? The first step is an honest self-evaluation of the dealership's commitment to quality service. One potent way to analyse your effectiveness in delivering service is to ask a simple question: If you were the customer, would you do business with your parts department?

The following evaluation should help. As you answer the questions, keep in mind that the term "service" as used here refers to the **level of customer service provided by the parts department** and not to service on customer vehicles. Be completely honest in your answers.

### **LEVEL OF SERVICE SELF-EVALUATION**

	<b>YES</b>	<b>NO</b>	<b>DON'T KNOW</b>
From your customers' point of view, would you rate your parts department as reliable – do you do what you say you will do for customers every time?			
Do you deliver consistent results on promises made to customers?			
Have your wholesale customers improved their effectiveness and profitability by doing business with you?			
Are you responsive – do you perform in a timely fashion with the needs of the customer in mind?			
Do you consider yourself effective in solving customer problems?			
Do your actions assure customers that they are doing business with a well trained, skilled, service professional?			
Are you reassuring?			
Would you describe your image as honest, straightforward, and sincere?			
Is integrity the most important word in your business vocabulary?			
Do you consider your customers' emotional state in order to determine the best way to serve them? Are you empathetic?			
Does the appearance of your staff – grooming, dress, personal hygiene – and appearance of the work area convey professionalism and organisation?			
Would most of your customers continue to do business with you even if a competitor approached them with slightly lower prices?			
Do you view customer service as the most important function of your job?			
Can you honestly say that your customers receive special benefits by doing business with you that they don't receive from your competitors?			

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