6 STEPS

TO DRIVING CUSTOMER LOYALTY IN THE AUTOMOTIVE INDUSTRY
Introduction

The new age of technology is well and truly upon us and the automotive industry is moving at such a fast rate, that it is often difficult to keep up. You should pay some heed to these advancements because the advent of technology for product-based businesses is one opportunity that you do not want to let pass by. It can take the most mundane of tasks and transform them into something quick, easy and simple; from processing orders and monitoring purchasing trends to managing customer records and identifying sales opportunities.

But when it comes to customer loyalty, can technology really be the right replacement for a good ol’ human being at the end of a phone? The answer is yes.

When you think of customer loyalty, what springs to mind? Probably exceptional performance by a well-trained team. A performance that leads to repeat purchases, great feedback and brings in even more customers.

It is ingrained into most of us from our first forays into the working world that it costs 10 times more to gain a new customer than it does to keep an existing one.

The automotive industry is in particular one rife with excellent customer service but poor customer loyalty in equal doses. The level of competition in the industry is so vast, that it makes for regular pricing wars between brands and consequently, a lack of switching costs for customers. Loyalty, what loyalty?

Having a loyal customer base means a regular flow of revenue and a huge opportunity to up, link, cross or switch sell at the drop of a hat. Easy money. Not to say prospecting for new business is dead, but why devote all of your time to it when there are easy wins to be had from your existing customers?

The last five years have been tough for the automotive supplies industry, having suffered through a recession as the market crashed. But today, the automotive supplies industry alone is worth a staggering $138bn and employs almost a quarter of a million.

With the big four players (Delphi, Denso, Magna International and Robert Bosch) only accounting for 17.4% of the entire market revenues, there is a lot to play for when it comes to smaller businesses.

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In an industry where consolidation is becoming more prolific and smaller companies are getting eaten up on an almost daily basis, building and maintaining customer loyalty is one of the biggest challenges for businesses of every size. Thousands of product lines and just as many accounts can make it a challenge to stay on top of sales, let alone optimize customer service and encourage loyalty.

This guide therefore will take you through 6 of the best ways to foster strong customer loyalty in the automotive industry with the use of technology.
As with any industry, it is often the aftercare, the service and the consumables that make up the largest portion of revenues. Extended warranties, extras, oil, filters, tires, brake pads... this is where the big money lies. If you have a customer that comes to you for just tires, where are they getting everything else? It is an easy answer, your competition.

What can you do?

As a product salesperson you have to be able to spot these opportunities in an instant but amongst hundreds of other accounts purchasing thousands of different product lines, this is a challenge for even the most experienced Excel whiz!

The only way around this is to use software that can analyze sales and transactional data in a flash, detailing what a customer has bought, what they have not and more importantly, what they should be buying from you.

Sales is not all about making money. While this may be the priority for your manager and important for your KPIs, to a customer, you need to become a person they can rely on. You know your products better than anyone so it is essential that your customers view you as such, even as an extension of their own operation. Become someone that they can come to for advice and help on your products. Share your knowledge, impart your wisdom and educate your customer.

What can you do?

This does not mean waiting for customers to come to you with questions, but instead you should go to them with information and advice. Start a blog, share your top company news, create infographics from any statistics you can get your hands on, interview customers for case studies and be proactive by sharing future trends with them. Not only will you be adding value but also raising your profile and setting their mind at rest when it comes to re-ordering from you.
Anticipatory customer service

When it comes to customer service, anticipating the need of a customer is truly the highest level of service any company can provide. If, as an automotive supplier, you can serve even the unexpressed wishes and needs of your customer, you will be setting yourself miles ahead of the competition that simply wait for customers to land on their doorstep with issues or problems. Proactively reaching out to customers can add a personal touch that drives satisfaction and repeat business.

3. Technology takes the weight off of your shoulders when it comes to remembering follow ups and scheduled customer callbacks. You can remind your customers of something they may have forgotten or need to replace. Winter might be approaching and it could be time for a tire change? Did customer X buy brake pads and may be due a replacement? Have they bought oil filters from you but not oil? It is this kind of anticipation that only a technology solution can provide that will step up your service levels.

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What can you do?

A good CRM system can be the bridge between a normal customer and a happy customer that keeps coming back for more. Having a strong database of customer records will help you to organize and plan your contact with customers. Be wary however, as not every CRM system is identical and some will work better for your business than others. Fully explore your options and get feedback from your sales, marketing and customer support teams to see what their requirements are.

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Closing a deal is not the be all and end all in any customer journey. At least it certainly should not be if you want a long lasting and fruitful customer relationship. Your entire sales philosophy should be based around relationship building, not just money in the pot at the end of the month. Relationships are so much more valuable than making your quota will ever be.

Automotive parts can be sourced from just about anywhere and everywhere; there are hundreds, if not thousands of competitors out there waiting to steal your share of the customer wallet. Be the one to stand out from the crowd with your ‘out of this world’ service and strong, friendly relationships that last.

Exceeding your customers’ expectations will not only keep them coming back but could even encourage referrals, and who does not love a warm lead into a new prospect? Word of mouth can be more powerful than any other form of marketing and recommendations come easy when customers are being looked after. What’s more, the advent of social media means that word of mouth can spread almost instantly.

Let’s flip it around for a second, if you provide a poor service to your customers they tell nearly twice as many people (telling 16 people) compared to if they receive a good service (telling just 9 people know).

No one will ever shout: “Yeah, that was some serious satisfactory service I just had with your company” from the rooftops. It is nothing mind blowing and they will forget about it by tomorrow. To bring your customer service up to a standard where your customers are engaged, interacting with you on a regular basis and are strong advocates of your brand; you must make them feel at home when they do business with you. Let’s face it, if you make buying easy, customers will keep coming back.

Create an environment, a sales process, product or service that is easy for the customer, it is comfortable, there are no brutal negotiations to sit through, they are happy to do business with you and will continue to do so for the foreseeable future. Ensure their preferences are attended to, that they are missed when (!?) they leave and are sincerely welcomed back when they return. This is what I mean when I say, “make them feel at home” and can turn a customer into a loyalist and a true brand advocate.

What can you do?

7 OUT OF 10 WOULD SPEND 13% more because of EXCELLENT SERVICE
Research shows that an average salesperson costs companies $500 per day to employ, for $502 (as sales-i costs $2 per user per day) sales-i provides a profitable focus for sales activities so that time is not wasted.

GERRY BROWN, SENIOR ANALYST

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