

3 Steps to Maximize Retail Customer Profit

Let's be honest. It is getting harder and harder to make a decent profit from our retail customers. The internet abounds with articles such as; "Car dealers hate us...you'll love us!," "How to save \$3000-\$6000 when you buy a new car," etc. Our customers are coming in and telling us how much over invoice they are willing to pay. So how can we maximize their profit potential?

1. Build Value

A Purdue University study showed that when the customers perceived value exceeds the price (meaning that customers feel that they are getting more than they are paying for), eight out of ten will buy. So where and how do we build value? Look to build value in each of the three Ps...Product, Place and Person.

PRODUCT

Know your product inside and out. Find the interesting details that customers might not be aware of. When doing your walk around, don't just spout off features. Make sure you tie features to your customers' hot buttons. Use the phrase (or something like), "And what that means to you is..." It is best to talk about an average of three features per walk-around position. It may seem like more is better, but studies show that customers tend to get overloaded and can have a negative reaction if too many features are presented.

Spend at least 15 minutes a day on boosting your expertise, learning something new about your product, reading owners manuals and articles about your product, walking the used car lot, or talking to a mentor in your dealership. Do what it takes to be an "expert."

PLACE

Ask yourself what sets your dealership apart. "Have we been in business for 40 years?" "Are we a family business?" "Are we a "no hassle" dealership?" "Do we have more inventory than our competitors?" In other words, how are we distinct? Once you have answered that question, make sure your customers know how your dealership is different. Does your dealership have a mission statement? Do you know what it is? Learn it and talk about the goals of your dealership with pride.

PERSON

The most important element of the three Ps is to build value in doing business with you. First of all, you are the only thing that you have to offer that they can't get anywhere else. Your willingness to go the extra mile, be patient, and be well informed, will help the customer buy a vehicle, rather than having you "sell them" one. These practices will go a long way towards setting you apart from your competitors.

The world is changing fast. Make sure you are aware of new technology that will help you stay connected to your customers.

Check your negative attitude at the door. Your customer is making a decision about you in the first 90 seconds that they spend with you. Your smile, eye contact, warm

handshake and enthusiastic greeting will prove to them that you are someone that they want to do business with over and over again.

2. Stay in touch

This is where most sales consultants drop the ball. We are so busy dealing with ups that we forget that our most valuable and easiest customers are the ones who have already bought from us. Get a customer management program such as ACT and use it. Call your customers within 24 hours after the purchase to make sure everything is ok. If there is a problem, move heaven and earth to fix it immediately.

Write a handwritten thank you note, then check in (with their permission) via a phone call, email or newsletter at regular intervals. Make that contact personal. Use the information you learned previously to continue building rapport. Ask how Johnny did in little league. Congratulate them on Becky's graduation. The more personal the conversation, the more effective it will be.

Some sales consultants make their clients' service appointments. The goal is to add value and have your name be on the tip of their tongues. You want to assure that they will come back to you when they buy their next vehicle.

3. Ask for Referrals

Your happy customers are your best salespeople. Let their great experience be a story that they tell over and over. If you have done an exceptional job, don't hesitate to ask them to recommend you to their friends, co-workers and family. If you explain that you build your business with positive word of mouth, they'll be happy to help you out. Don't forget to thank them for their referrals. Again, a hand written note is essential. Some states allow bird-dogging, even if yours doesn't, you can "thank them" in a variety of other ways. A dinner at a local restaurant, or a free oil change will show them that you are grateful.

If you follow these three simple steps you will maximize the profit you will get from your customers! Work smarter, not harder.

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