

Specialist approach for fleets pays dividends

Dealers should tailor services to maintain and expand trade with local businesses

Attracting and retaining fleet custom requires a different approach to retail.

Fleet customers do not see their vehicles as a luxury, but as a tool of the trade and expect a dealer to offer a level of service which reflects this.

This could mean waiting less than seven days for a service booking, and even for maintenance to be done in the evening so the vehicle is not off the road during working hours.

With the leasing company, business and driver all involved, it is important for the dealer to identify which is the paying customer so repairs are not delayed through talking to the wrong person.

Nevertheless, it essentially boils down to delivering customer satisfaction. That means excellent communication. Just as a retail customer will be happier if kept informed, for the business user it is crucial to know why the vehicle is having work done, when and how long it will take.

John Lewis, chief executive of the British Vehicle Rental and Leasing Association, said: "In essence, the

work dealers do when they service and repair a vehicle is very good and as a trade association we get few complaints from customers saying the work was not done properly.

"People complain that dealers never tell them what they have done and the work is often not done on time, but the quality is good. We rarely have a complaint about the work a dealer has done, but have many about lack of communication."

Informing the driver

Lewis suggested dealers explain what work has been done and inform the driver.

One issue for company car users is they are reliant on an industry "that wants to service vehicles when we need them". Business users need their vehicles available during working hours, and Lewis believes dealers must look towards overnight servicing as a solution to keeping corporate customers satisfied.

It's a view shared by George Reid,

Case study: Lifestyle Ford, Horsham

Tony Feldon, fleet manager at Lifestyle Ford in Horsham, has secured numerous fleet sales over the past three years, including 16 vehicles to housing association Saxon Weald, 140 to Sussex Police and 95 to Kent Fire and Rescue.

Ford supports the dealership with a database of local companies and leads along with sending brochures about new products.

Feldon said the support enables Lifestyle Ford to offer competitive dis-

counts to fleets, depending on the size of order.

Feldon added: "Our key way forward is to make appointments, visit the customer or they visit us, take their requirements and do the best deal we can with them.

"We aim to be competitive without compromising on service."

Current and prospective customers are emailed Ford's latest fleet offers while sales are followed up with a text or phone call to ensure they are happy.

head of technical services at Lloyds TSB Autolease. It oversees the management and funding of more than 130,000 vehicles and deals with about 8,000 franchised and independent workshops. Reid said: "If I was a dealer, with my leasing industry experience, I would be saying what I could offer and asking companies if they need servicing until 10pm.

"Dealers could test the water and offer servicing until this time once a week to see what the take-up was."

Nevertheless, BVRLA members still largely prefer to have their vehicles serviced at a franchised workshop because it gives them confidence. Franchised workshops can ensure any warranty or recall work can be done efficiently during the same visit and manufacturer-trained technicians have a reputation for high-quality work. Some franchised-sector labour rates are also becoming more competitive with independents.

Volkswagen, for example, offers a fleet package pricing scheme at 80% of its dealer network which offers three competitive labour rates geographically across the country.

It was originally introduced as a loyalty incentive with five pricing bands in 2003 but was relaunched in 2008 with three.

Corporate market

Fast-fit groups and independent chains such as Kwik-Fit and Nationwide Autocentres have successfully targeted the corporate market by offering 'no appointment necessary' services, weekend opening and quick vehicle turnaround times.

Reid said he has seen the gap between independent and franchised services lessen in recent years.

In the past, independents' technicians did not have sufficient training to work on new cars. However, many independents now employ former franchised dealer staff.

And thanks to the motor trade's Block Exemption regulation, they can buy access to manufacturers' technical information.

Where independents remain weaker, however, is their lack of manufacturer support.

Reid said: "From our stance we

Last year, Coventry-based Listers Group brokered a deal to supply 20 Ibiza and Leon cars to lingerie business Ann Summers





In January Ford supplied 1,000 new Galaxy MPVs to London minicab service Addison Lee. Liam Griffin managing director (left) accepts the vehicles from Ford's fleet director Kevin Griffin

need to work with dealers because they have manufacturer support, skilled technicians and warranty claims support."

Lewis said some dealers treat the fleet market as just volume and believe they don't have to work hard at sales.

"Their opportunity is to make sure the driver who has chosen that car comes back and chooses another model. The opportunity is to get their loyalty. Sometimes I think dealers forget this and think because the driver does not pay the bill he's not that interested in the service."

The size of fleet doesn't make any difference. Small and medium size enterprises (SMEs) with sub-25 vehicle fleets will expect to be dealt with on the same level as companies ordering more than 1,000 vehicles.

In return, dealers which perform well can secure a steady base of service business from their corporate clients.

The corporate sector is an attractive one for manufacturers with growth aspirations. Although fleet sales are dominated by big brands of the likes of Ford, Vauxhall, Renault, Peugeot and Volkswagen, they are in the sights of aggressive carmakers such as Hyundai and Honda.

In February, Hyundai began a pilot programme, 'Think Business', at five dealers in London, Milton Keynes, Telford and Hinckley, Leicestershire, to target SMEs. It will roll out to 30

dealerships by the end of 2010.

Dealers' local SMEs are emailed a newsletter including company car information, industry news and best practice, and the details of the dealership's corporate specialist.

Tony Whitehorn, managing director, said: "The beauty of the newsletter is it actually pre-qualifies people. People get familiar with the corporate specialist because their picture is in the newsletter and is a softer way of getting an appointment.

"When the businesses want to look at a brochure it comes through to our central office. Either a brochure will be sent out or an appointment will be made with the corporate specialist. From the details we have gathered from the newsletter we can get an idea of what sort of vehicles a business will be after. For example, if the SME has read articles about driver safety we can highlight

cars with safety features."

By the end of March, nine cars were sold by the five dealerships and 161 test drives generated.

Seat provides finance packages, lead generation, marketing, management help and a central demonstrator fleet to support dealers in corporate sales.

Winning local sales

A central Seat team targets the UK's top 1,000 companies, but dealers are encouraged to win sales from local businesses. Last year, Coventry-based Listers Group brokered a deal to supply 20 Ibiza and Leon cars to lingerie business Ann Summers.

Nick Andrews, head of fleet and business sales, said: "We recognise some SMEs are happy with their local dealer and therefore would like to do their finance through them so we have a range of competitive funding options.

"Ultimately dealers need to help themselves. We provide as much help as we possibly can by giving them access to funding opportunities, leads and a full range of marketing materials."

"We provide as much help as we can, but ultimately dealers need to help themselves"

Nick Andrews, head of fleet and business sales, Seat

Top tips

Paul Turner, business centre manager for Ford dealer Gordons in Bolton, offered the following advice to dealers regarding fleet sales:

- Don't make promises you cannot keep.
- Always look after the customer because there is always someone else they can go to.
- Always be as informative as you can.
- Never try to sell a product that won't do the job to a customer because they won't return.
- Never pressure anyone into making a decision.

Turner said if a customer leaves the showroom without buying anything, ensure they have your contact details. He said: "Make sure they can contact you or make an appointment to see them at a later date. We try to stay with the customer for as long as we can and be as informative as possible.

"Make sure you know what they want and what they don't like about their current vehicle."

Honda

Three years ago Honda began working with lead generation company Return On Investment. Since then, the manufacturer's local business sales to sub-100 fleets have leapt from 1,000 cars a year to 1,000 cars a month.

Return On Investment works with the 92 dealers in Honda's corporate charter, a programme designed to encourage its network to engage with businesses in their respective areas.

It works with dealers' corporate sales managers to secure appointments and sales. Sales staff are trained in areas such as funding, wholelife costs, and business and driver taxation to enable a full consultancy service to be offered.

Return On Investment identifies and markets to those overseeing fleet purchasing within a company to secure an appointment for the dealer. The success of that appointment is assessed by

Return On Investment from customer and dealer feedback.

Dave Girling, Honda UK's national dealer corporate manager, said: "Dealers have a record of not proactively marketing themselves to businesses. Therefore, potential customers are surprised, but very pleased, to hear from their local Honda dealer.

"As a result, sales to local businesses are being generated."