

MARKETING AND SALES OF THE BODY SHOPS CONNECTED TO GENERAL MOTOR'S COLLISION

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The product and the services offered by Body Shops consist of work, parts and materials demanded for repair the damaged or cosmetic degraded vehicles. The client of the Body Shops is somewhat unusual in that two parties are likely to be involved. The first party is the vehicles owner. The second party is the insurance company responsible for pay. Both parties may be involved in selecting a repair shop, but ultimately the vehicle owner has the final authority in almost the cases.

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M: Business Administration and Business Economics; Marketing; Accounting

1. INTRODUCTION

The document which starts the whole process regarding the repair sometimes referred to as the damage appraisal. Effective Body Shops use Marketing and advertising efforts for motive the potential clients. The client is free to have estimates written by other shops and make a selection based on his or her perception regarding the store's ability to meet his or her needs. The estimator's objective is to create a good impression upon the customer throughout the estimate process, resulting in customer's approval to perform the repairs. The approval is documented by creating a repair order for client to sign. The process of marketing and sales must enhance the estimator's ability to close the sale. They might be excellent technicians but in many cases they have not been prepared properly to become business people.

2. THE INVESTIGATION

This research study concluded that many potential customers have a negative perception regarding Body Shops. Effective shops are working to reverse this negative perception. The important factors which are having influence above the imagine are: location, signage, appearance of a shop, office appearance and the personal.

2.1. Location

The location has an important role in the development positive imagine for Body Shops. Dealerships have generally good locations but the Body Shops are normally behind of their facility. This sets "a back end of the business message" to customer. These factors can be overcome by using tall facility facades and large lighted signs or lettering.

2.2. Signage

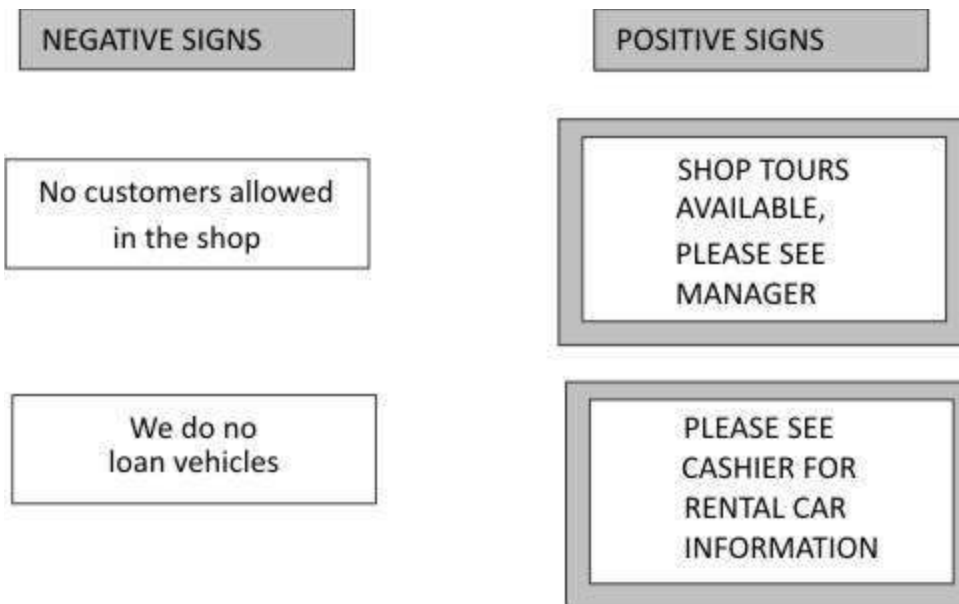
Facility signs should portage an professional imagine. They should be adequate in customer's direction to the proper location for an estimate. These signs must begin on the entrance of the street and

continued to an exactly place on a parking. The location must be reserved exclusive for estimate preparation and must be aesthetically pleasing.

2.3. Office appearance

Once customer is inside the Body Shop, the physical appearance of the reception area and Estimator's office impact the customer's perception. The office should be clean, uncluttered and have an air of professionalism, while being warm enough to make the customer feel comfortable and welcome. The furniture, fixtures and housekeeping send non-verbal messages to the customer. Similar items leave an impression in the customer's mind including desk organization, wall posters and hangings, books and magazines, and file racks.

All of these items should be evaluated for their positive or negative effects on image and how they contribute to the sales process. If they do not contribute in a positive way, they should be eliminated or improved. Wall hangings should include certificates, diplomas, certifications, and credentials of technicians and management. The shop's mission statement, awards, recognition, certificates etc. should also be visible. As a general rule, if it's not framed, it shouldn't be hang. Reading material should be limited to items intended to impact image. These include a portfolio of customer testimonials, before and after photos of previous jobs, thank you letters from customers etc. Signs relative to policies should be in a positive tone. Examples include:



Personnel appearance

As in any sales environment, the personal appearance of the salesperson (in this case, the Estimator) is critical. This is the first opportunity for an individual to impact the shop's image. Clothing standards vary from market to market and may range from shirt and tie, to golf shirt and shorts. The key factor in that the attire separates the Estimators from the other staff members. It should identify him/her as the person with authority. Shirt logos, name tags or badges are strongly recommended. Habits and personal grooming also affect the customer's perception of the shop's image.

Features, advantages & benefits

Highly effective shops developed a list of features, advantages, and benefits (FAB's) offered to customers. Communication of these FAB's to the customer helps deliver the value of the shop's products and services. Examples of FAB's include:

- warranties;
- business hours;
- technician certifications/training;
- equipment;
- rental/loaner cars;
- facilities;
- insurance company relationships;
- storage and towing capabilities.

Features, advantages and benefits (FAB's) are communicated to the customer through various marketing techniques during the sales process. Tools used to convey these FAB's include:

- brochures;
- pamphlets;
- estimate presentation folders;
- signs and displays;
- promotional items;
- verbal and media advertising.

Marketing materials

All printed material should be designed to enhance the Body Shop's image. The message, format and logos should be consistent with FAB's used in the selling process. Examples include:

- warranty certificate;
- special promotion coupons;
- flyers;
- letterhead;
- thank you cards/letters;
- invoices;
- note pads;
- purchase orders.

Target customers

The dealership's customer base is a primary target market. These customers have been previously "sold" on the dealership. Other information from dealership's database should be a starting point for marketing efforts. The insurance company database should be developed to include names and addresses of local companies and Agents. Key office and field personnel should also be listed. Potential Body Shop customers include:

- new vehicle buyers;
- used vehicle buyers;
- service customers;
- fleet/commercial accounts.
- insurance agents;
- insurance adjusters;
- tow companies

Special events

The dealership Body Shop should be included in all customer special events. These include new owner receptions and service clinics. The Body Shop should host at least one reception or clinic per year. Guests should include:

- insurance agents;
- insurance adjusters
- insurance company office staff;
- police officers;
- fleet/commercial accounts.
- tow companies;
- dealership General Manager;
- dealership Sales Manager;
- dealership Cashier;

Support for such functions can be solicited from paint companies, equipment vendors, rental car agencies, manufacturers, General Motors Parts, and other suppliers.

2.4. Road to the sale

The sales process is centered on the preparation of the estimate. This process begins with the meeting and greeting of the customer and ends when the customer selects a repair location. Effective Estimators use a systematic method of presentation that includes basic sales techniques. The technical aspect of estimate preparation requires knowledge of repair processes. This knowledge can be acquired through training or through experience as a Technician. Virtually all estimates are prepared electronically utilizing a database supplied by one of several vendors. These databases include flat rate repair times and retail parts prices required to perform the specific job.

When a customer pays a personal visit to a Body Shop, it is important that the estimator follow a set of steps or procedure every time he/she comes into contact with a customer. These pre-defined steps and

procedures insure that every customer is consistently treated properly, and that important points are not overlooked. The “Road to the Sale” will help the sales opportunity become a sales probability, i.e. the estimate becomes a repair order.

Step 1. Friendly meeting & greeting

There is finite amount of estimate opportunities available to Body Shops. Therefore each opportunity should be viewed as a value chance to increase sales. Body Shop Estimators have this responsibility, and should take it seriously.

The first step in the “Road to the Sale” is a friendly meeting and greeting. This can be as simple as offering a smile and a handshake to every customer that enters the door. It is essential that the customer perceive a warm welcome when first entering the Body Shop. This perception will eventually become the catalyst for the Body Shop’s image in the mind of the customer. Key elements that are critical to becoming an effective Body Shop Estimator are:

- extend a sincere feeling of welcome to the customer;
- introduce themselves by name to the customer;
- maintain good eye contact;
- find out the customer’s name and use it;
- smile;
- wear a name tag;
- project a neat and clean physical appearance;
- act in a polite and professional manner.

Less effective Body Shop will neglect to obtain the customer’s name, disregard their own physical appearance, be unavailable to greet the customer at initial arrival, and will respond to the customer unprofessionally.

It is important that the customer is approached in a manner which invokes a feeling of sincerity. It must be clear that the Estimator cares about the situation and wants to help in any way possible.

Step 2. Listen & learn

Estimators neither should nor assume that the customer will elect the Body Shop to perform the repairs simply because he/she chose the shop to write the estimate. Instead, Estimators should listen to the concerns of the customer and identify the customer’s wants and needs. Effective Body Shop Estimators will ask the following questions:

- How did you find out about our Body Shop?
 - Which insurance company are you using?
 - Are you the claimant or the insured?
 - What is the deductible amount?
 - Is there vehicle rental coverage?
- How long can you do without the vehicle?

Once the estimator determines the customer’s want and needs, FAB’s can be presented to address those needs.

Step 3. Sell features, advantages & benefits (FAB’s)

By presenting a shop’s features, advantages and benefits, the Estimator can enhance the shop’s image. Effective Body Shop Estimators will include the following FAB’s in their sales presentation:

- sheet metal and/or paint warranty literature;
- manufacturer’s consumer guides;
- state-of-the-art equipment;
- alternative transportation;
- training certification.

Step 4. Ask for Business

Once the customer is aware of the reason why he/she should choose the shop, the Estimator should ask for the opportunity to perform the repairs. Effective Body Shop Estimators will ask closing questions such as:

- Could I get your OK to order the repairs parts?
- When would you like for us get started?
- Will you need a rental car?

A more aggressive technique is the assumptive close. Statements that assume the close of the sale include:

- I'll order parts immediately. Please OK the repair order.
- With your OK, I'll call the insurance company now and handle it for you.
- Here are the keys to a loaner car you can use.

Step 5. Follow-up

A percentage of customers will not commit to the repair at the time of estimate preparation. In an effort to secure the close, customer follow-up is a critical step in any sales process. It lets the customer know that the Body Shop values and wants his/her business. Also, it allows the Body Shop a great advantage over its competition.

Customer follow-up activity improves estimate sales. It also shows that management is aware of what is going on and they care about the Estimator's performance and the customer. Effective Body Shop use these follow-up tools for customers:

- thank you cards;
- thank you letters from management;
- phone calls to identify additional needs, restate FAB's and close the sale.

Once Estimators have learned the "Road to the Sale" and are using it properly, they need to incorporate estimate tracking. This will provide each shop with an accurate record of detailed information concerning the estimate process. This will also pinpoint areas that Estimators need to develop in order to compliment their own selling practice.

A good procedure for the Estimator is to follow-up until a buying decision is made. The Estimator should keep a record of estimates written and determine the reasons for any lost sales. Finding out which competitor was awarded the business and why will help Body Shops develop future sales and marketing planes.

2.5. Estimate tracking

Regardless of whether a sale was made, Body Shops should keep a record of all estimates written. Effective Body shops use an Estimate Tracking Log, which serves as a performance indicator to measure the effectiveness of shop's techniques. The Estimate Tracking Log measure the following factors:

- the number of estimates written;
- who the estimates were written for;
- the insurance companies involved;
- the estimate closing ratio;
- the two companies involved;
- the value of the estimates written;
- the reason for job loss.

If completed and used properly, the Estimate Tracking Log will give benchmarks for standards of performance for the Body shop. Computerized estimate tracking systems are also available, and include measures for the year, make and model of vehicles. The manager should collect all of the Estimator's tracking logs for the month and perform the Estimator Performance Summary.

After completing the performance summary, performance trends should be evaluated. This information can be utilized as an internal communication tool in the Body Shop.

2.6. Conclusions

In the process of estimate tracking there are some practices to avoid. Less effective Body Shops typically have the following characteristics:

- charge fees for writing estimates;
- wait for the insurance company to prepare an estimate first;
- assume that new and used vehicle buyers know there is a Body Shop;
- fail to follow-up with every potential customer until a buying decision is made;
- display offensive posters or calendars in areas of office and shop;
- assume that their shop is on all insurance agency recommendation lists

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