"As Time Goes By"

What a Classic Movie and Famous Song Can Teach Dealers about the Customer Experience

Ron Lamb, President
Reynolds and Reynolds

One paradox of the digital age is how the car shopper's frame of mind is markedly different when shopping online than when inside the dealership.

...customer satisfaction online is consistently higher by a wide margin than customer satisfaction in the dealership.

The movie classic, "Casablanca," is as well known for its famous song – "As Time Goes By" – as it is for its two leading characters, played by Humphrey Bogart and Ingrid Bergman.

The song plays a pivotal role in a scene that suggests the way time is perceived and experienced often depends on the individual's frame of mind. When it comes to time, perception *is* reality.

One paradox of the digital age is how the car shopper's frame of mind is markedly different when shopping online than when inside the dealership. Today, car shoppers are spending more time online *outside* the dealership – typically with the hope of making the time *inside* the dealership more productive and rewarding.

Yet, most dealership processes haven't caught up fully with the digitized world so that the time consumers are spending at dealerships is not necessarily any shorter and it's not necessarily "satisfied" or rewarding time.

A recent report, "It's About Time: Streamlining In-store Processes to Improve the Customer Experience," confirms that customer satisfaction online is consistently higher by a wide margin than customer satisfaction in the dealership. That's true even though the amount of time spent online can be four to five times greater than the actual time spent in a dealership selecting and buying a vehicle.

One major reason for the difference between what happens online and in the store is the way consumers *experience* how "time goes by…."

Consumers typically characterize time spent online shopping for a vehicle as:

- Efficient and convenient – comparing vehicles, models, trim packages and dealerships, anytime from any digital device;
- Teeming with information – the currency of the digital age; and
- Delivering a familiar shopping experience where the consumer is in control.

Compare that to time spent inside the dealership:

- Inefficient experiences – with multiple handoffs to different personnel in different departments;

1

- Open-ended and ill-defined periods of waiting – the customer is asked to "wait" for the next step in the process or is left alone while dealership personnel "check" with another person or access another source of information; and

- The consumer is not in control.

This contrast of how time is spent online and in store plays out in a retail automotive environment where consumers now carry decidedly different expectations for the experiences of buying or servicing a car. Those expectations have been shaped largely by other retail experiences – and by technology.

As a result, it's become popular for dealerships to focus on the "one-hour car deal" – getting consumers in and out of the dealership quickly – as the shortest distance to customer satisfaction. But that misses the point of _retailing_.

In today's hyper-connected, digital world, customer satisfaction is not always about "speed" in the ways most businesses traditionally assume.

That's because engaged, rewarding time is really what matters in the customer's experience – at every touch point with every retailer, including dealerships. An engaging, rewarding retail experience is what trumps speed – and builds dealership and brand loyalty.

A journey. Not an episode.

A noted article on how customers experience the actions of a business, "The Truth about Customer Experience," describes how businesses that are able to skillfully manage the _entire_ customer lifecycle experience generally demonstrate improved results in customer satisfaction and increased revenue.

The article also illustrates how most companies attack customer satisfaction by working episodically on individual interactions with the customer. But that can distort the bigger picture and often leads to paying less than adequate attention to the customer's complete experience on the way to the purchase and after the purchase. In other words, the customer may not have a serious complaint about each individual step or transaction, yet the overall experience can still be far less than rewarding, efficient, or satisfying.

> **...the real objective is to transform the customer's online and in-store experiences into a _single journey_ that is rewarding, engaging, and satisfying.**

> **Map the entire customer journey and every touch point with the dealership – from the first online search by a millennial consumer to the 50,000-mile service for a long-standing customer.**

"What few companies manage [is] the _cumulative_ experience across multiple touch points and in multiple channels over time."

Focusing on a single customer event is important, but tactical. Realigning the business – processes, technology, and personnel – to look at the entire _customer journey_ is "strategic and transformational" and is what ties together all the single events and delivers an overall rewarding, satisfying experience.

The challenge for dealerships is to transform the entire customer journey by delivering the right alignment of people, processes, and technology at every touch point in the customer lifecycle with the dealership. If the time spent with the dealership is shorter, that's an added benefit. But the real objective is to transform the customer's online and in-store experiences into a _single journey_ that is rewarding, engaging, and satisfying.

How can dealerships transform their retail operations to accomplish that?

First, focus on the steps in the customer journey.

Not long ago, the owner of a major dealership group told me about purchasing a car from one of his stores for a family member. He was taken aback at the experience. "You mean we put our customers through this process?" he asked. The reply: "Actually, we made it easier for you…"

How do your customers feel about their experience at your dealership?

Map the entire customer journey and every touch point with the dealership – from the first online search by a millennial consumer to the 50,000-mile service for a long-standing customer. This becomes a whiteboarding exercise across the dealership. Put your dealership personnel in the place of your customers – and go through the process.

Second, focus on the gaps in the customer journey.

After discovering what your customers experience, identify the obstacles along your current customer journey that create wait time, disengaged time, or generally unrewarding time.

When I talk to consumers about their dealership experience, I seldom hear that the consumer is engaged and the experience at the dealership is perceived to be rewarding, regardless of how long it takes.

The final step is to align your dealership technology, processes, and people with the journey map and identify the technologies and processes available to fill the gaps.

More often, I hear that the consumer is frequently disengaged – left alone, waiting in a dealership department, or wondering when the next step can occur – and much of their experience feels inefficient, frustrating, and that time is being wasted.

Several common complaints:

- The time consumers spend online to enter information seems wasted when they have to start over again with the same information once they get to the dealership.

- When the sales person walks to and from the sales manager's desk while negotiating the deal, the consumer is left alone and disengaged.

- Once a deal has been reached, the consumer typically has to wait for the F&I paperwork to be completed or the F&I office to clear. That's also disengaged time and often viewed as wasted by consumers – plus, it's frustrating. The excitement of buying a new vehicle is quickly drained out of the experience.

- In Service, waiting for the advisor to find the consumer's name and appointment in the computer is often viewed as "wait" time, with consumers asking themselves: "I thought I had an appointment? If Amazon can recognize me every time I shop, why can't a dealer know who's driving into the service lane?"

- Once the car's in for service, how much wasted time do consumers spend wondering when the service will be completed and when they can pick up the car? And then how much time is spent waiting at the cashier window for the invoice to be finalized and waiting to pay?

Third, focus on ways to fill the gaps with engaged, rewarding time.

The final step is to align your dealership technology, processes, and people with the journey map and identify the technologies and processes available to fill the gaps.

In the same way that technology has changed the shopping experience for consumers, there are technologies that businesses can use to deliver a smoother, more rewarding customer experience – filling the gaps in the customer journey and improving business operations at the same time.

- There is digital technology that can extend your dealership's physical presence to an effective, efficient online presence. It

4

As dealerships become better at _retailing_, the best ones are more purposefully recognizing the "frame of mind" of the consumer and attacking all the gaps in the customer journey where the experience is less than rewarding.

can help ensure your dealership is easily "found" in search results; your website adapts to any device the consumer may use to search your inventory, check pricing, or book a service appointment; and information is abundant, enabling the consumer to complete any number of steps in the sales or service cycle smoothly, without "friction" or obstacles.

- There is phone system technology built in concert with the dealership management system that enables your staff to instantly deliver a more personalized, effective customer experience. The technology identifies which ad or marketing campaign prompted the call, identifies if it's a current customer who's calling, and displays the customer's record on screen – all during the call.

- When the customer is ready for a test drive, there is key control technology that quickly and accurately locates the vehicle key and specific location of the vehicle before walking out and "looking for it."

- There are used vehicle management technologies that send mobile and desktop alerts to used car managers that an appraisal is pending. When the appraisal is complete, the information is sent automatically to the sales desk to continue to work the deal – all without the sales person leaving the customer's side to "find the used car manager."

- And there is also proven technology that will enable the sales professional to stay with the customer throughout the negotiating process – yet still communicate quickly and seamlessly with the desk manager – while working the deal.

Conclusion: Delivering a satisfying, engaging, and rewarding customer experience

As dealerships become better at _retailing_, the best ones are more purposefully recognizing the "frame of mind" of the consumer – how time is experienced – and attacking all the gaps in the customer journey where the experience is less than rewarding.

Increasingly, the best also are adopting a _retail management system_ approach where the dealership no longer relies on sets of disparate systems to run the business. Rather, dealerships are using a retailing _platform_ that delivers a complete, end-to-end system that connects the entire customer journey; a

platform that also enables the dealership to operate more efficiently and productively in delivering the best possible customer experience at every touch point.

And that "best possible customer experience" is one where the "time that goes by" during the dealership experience is frictionless, engaged, and rewarding.

That's the challenge ahead for every dealership.

Visit **www.reyrey.com/whitepapers** to read more about how the automotive industry is changing.

Ron Lamb is president of the Reynolds and Reynolds Company. He was named to that position in October of 2010. Prior to being named president, Lamb was senior vice president of Sales and responsible for all sales of Reynolds systems and related applications in the United States. Throughout his career at Reynolds, Lamb has held a variety of leadership positions in sales and marketing. Lamb holds a bachelor's degree in politics from Princeton University and a master's in business administration from Loyola University in Baltimore.

Retail Management System

Reynolds & Reynolds