



Gold is where you find it

**Xtime's technology-enabled service
tools find the nuggets in the tailings**

Part 2



Xtime's technology-enabled service tools find the nuggets in the tailings

By DANIEL COTTERILL
and JOHN MELLOR

■ **DEALERS** believe they are under attack because so many of the areas that generate the revenues that keep their doors open are progressively being denied them by moves in their franchises or the threat of government action.

It is pretty much accepted that dealers cannot run a profitable business these days

just by selling new cars.

Competitive pressure has squeezed new car margins to the point where profit from every area of a dealer's business must be maximised if the enterprise is to survive - let alone flourish.

As traditional cash generators such as commissions on finance and insurance are coming under the increasing attention from regulators, dealers need to focus more than ever on

parts and accessory sales and increasing yields from their service departments.

There are no soft targets here. The spread of fixed priced servicing across many brands, and stiffening competition from aftermarket repairers, sees plenty of challenges in generating better service numbers.

But just like the Chinese diggers in the goldfields,

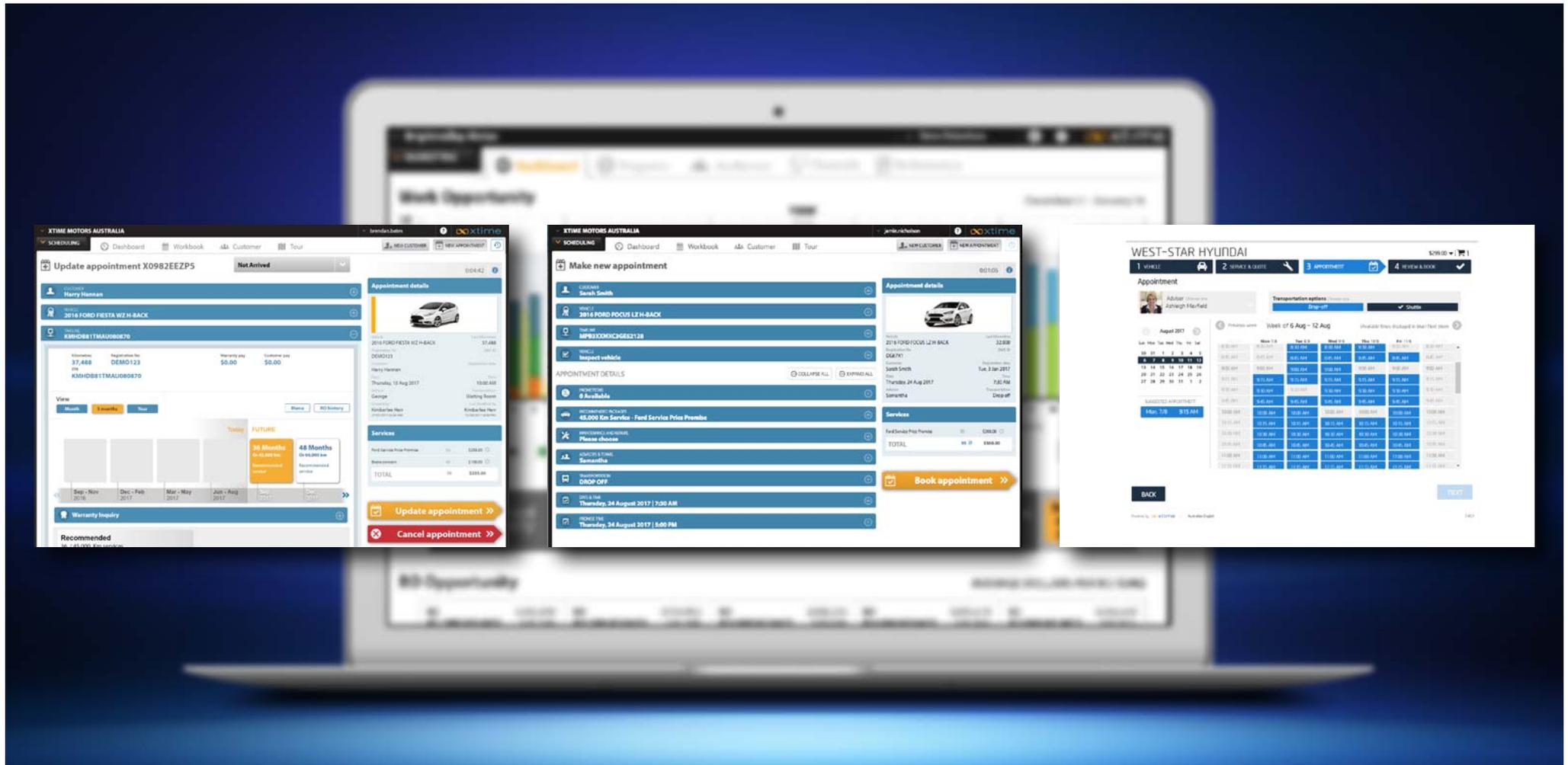
patiently sifting through the tailings already worked over by others, there are still nuggets to be found.

The modern equivalents in dealer land are ever-more developed customer-retention and management systems available to help even the best operators improve their fixed operations performance by nosing out missed opportunities.

One such company is Xtime which has been in Australia for about five years but has been elevated to prominence recently in the wake of the formation of Cox Automotive Australia.

The company has a strong track record in the US and claims to offer the leading customer retention solution for the retail automotive industry.

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The company boasts a client base worldwide of more than 8000 dealers across three continents and 28 OEMs. Xtime booked 44 million service appointments through its platform and processed repair orders totalling \$10.5 billion in 2016.

In the process it has assembled (and continues to assemble) a knowledge base about customer retention in service and workshop capacity management that is arguably greater than any other automotive services company.

According to the Australian

managing director of Xtime, Brendan Bates, Xtime's launch in Australia was driven by a desire to improve the customer experience in dealerships.

He told GoAutoNews Premium in a recent wide-ranging interview: "One reason I was keen to bring

Xtime to Australia was, because from a selfish view, I wanted to be treated better as a customer when I went into a dealership for service.

"But it's not just a happy customer story," according to Mr Bates, "it's a great profitable business story for dealerships."

According to Mr Bates, Xtime is about creating a fantastic and consistent ownership experience that links the customer to their preferred dealership for the life of ownership and that gives the dealership a chance to keep the customer and sell them into their next vehicle.

How does Xtime do it?

“If you have bought a car from a dealership and spent \$30,000 or \$100,000 why couldn’t you expect that you are greeted warmly by name and recognised as a repeat visitor?”

- Brendan Bates



“How many time have you walked onto the dealership driveway and been greeted by name,” Mr Bates asked, “and if not why not?”

“If you have bought a car from a dealership and spent \$30,000 or \$100,000 why couldn’t you expect that you

are greeted warmly by name and recognised as a repeat visitor?”

“It is very important to realise that every service customer at a dealership is also a service customer at the bank, an airline or a restaurant. Every one of their customer interactions has

evolved over the past 20 or 30 years. Where it has not evolved as quickly is in the car service department,” Mr Bates said.

Xtime’s fundamental consumer approach is to let the dealership deliver service in the way that today’s consumers expect it to be delivered.

The key is effectively organising all the information at the disposal of the dealer so they can put forward the best possible face to their customers in terms of appointments, service recommendations and pricing.



What's in it for the dealer?

“When you have that trust with the customer, they will keep coming back and help you grow your business,” Mr Bates said.

“It is not an easy story. On the customer experience side some people may not immediately understand that we are about dealer profitability.

“We would not exist if it didn't make good business sense for dealers to treat their customers better,” he said.

Mr Bates said the company had recently developed real-time notifications for customers of any faults found with their vehicles in which photos or videos can be sent

to the customer along with accurate cost estimates.

Mr Bates told *GoAutoNews Premium* that it was Cox Automotive policy that all its systems can integrate with a dealership's existing technology.

“If the dealer says they want Xtime integrated into their

DMS, we will work hard with our Australian DMS partners to switch that on,” said Mr Bates.

“We have robust interfaces with companies in that technology space including Pentana Solutions, Auto-IT and Titan DMS.”



How much will Xtime improve a dealer's bottom line?

According to Mr Bates: "We know great dealers get great results before Xtime. But with Xtime they just keep growing".

"I've heard it said that 'all boats rise on the same tide' and I think that drives a broader network approach to enhancing customer experience, which is that if we start treating all our customers better every dealer will benefit at some point."

Finding the sweet spot in talking to customers

Mr Bates said that Xtime data analysis of customer communications helped dealers not only measure the effectiveness of what they say to their customers, but when was the best time to say it.

"That makes a big difference

to the response.

"We spend time analysing the best time of day to send messages to service customers," said Mr Bates.

"We look at data about when a particular dealership's customers are active, when they

are looking to make a service appointment, what time of day they are interested in making a service appointment, and indeed what day of the week is their service appointment for.

"Before we came along, some of our dealers were sending

out service reminders when they got around to it. We show them the dynamics of their customer's behaviour and it becomes clear that if you want to maximise your appointment conversion you send that material at these times."



Timely reminders pay dividends

The capacity to generate timely reminders also pays dividends.

“We have seen that when the appointment is made in Xtime, the show rate is much better than before.”

Mr Bates claims that many Xtime-equipped dealerships see an immediate improvement in which more of the customers making appointments are actually turning up.

“When we first started, many

dealers told me that they didn't have that problem (no shows). Once we turned on the system for them and started tracking it together, they realised that by using the system they really were getting more customers

show up on the day.

“We are seeing dealers run consistently five to eight per cent better retention through the Xtime appointment channel” Mr Bates said.

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