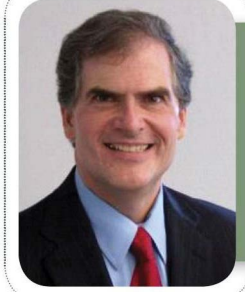


# Capture Missed VSC Sales

BY RON REAHARD



In response to a reader question, the magazine's F&I wiz updates his plan for re-pitching service contracts to customers who declined the protection at the time of delivery.

This month's video comes from Kevin in Cheyenne, Wyo., home of Taco John's — not to be confused with Papa John's or long Johns. Kevin asks, "Hey Ron, I'd like your tips on the best ways to market a service contract to customers who said 'No' a year, two years, or three years ago. Can you provide some word-tracks that would be helpful? Thanks."

Having a consistent follow-up process for customers who elect not to purchase the service contract at the time of delivery is something every dealership needs. You need a consistent process for offering service contracts in the service drive and an ongoing direct marketing approach.

According to J.D. Power's 2017 Initial Quality Study, the industry average for problems per 100 vehicles in the first 90 days of ownership was 97. This means, on average, virtually every customer is going to be in your service department for warranty work at least once during the first 90 days. And that's the perfect time to solicit customers who opted against purchasing a service contract.

Now, when those customers get their keys and a copy of the repair order from the cashier, attached should be a postcard-size note delivering the good news: Their factory warranty covered the cost of the repair, "making today the best time to avoid future repair costs with a vehicle service agreement for six very important reasons."

Next, text or email those same customers a brief video thanking them for using your service department. Today's consumers are much more likely to respond to an interesting video than they are to read junk mail. These videos can be shot on your smartphone. They should never be more than 30 seconds long. Include a call to action and a reason to do it now. You want something short, simple, and entertaining, such as:

*"Thank you for allowing us to help you maintain your vehicle and take care of warranty repairs. That's one of the best things about a new vehicle. For up to three years, if you have a problem, you don't have to worry about what it's going to cost to fix it, what you're going to drive while it's being repaired, or how you're going to pay for those repairs. You can extend that same feeling for seven years, because there is nothing better than*

*not being the one to pay the bill. If you'd like your future repairs covered, give me a call."*

The next time you should contact the customer by text or email is after any subsequent warranty repairs. This is the perfect time to utilize a product video featuring an actual ASE-certified Master Technician. The video should be designed to create customer interest in knowing more about the service contract. It should also provide third-party credibility. If you don't have any product videos on your website, you need to get on it as soon as possible. Your next customer is likely to spend much more time online than they will in your dealership.

In your email, you might also want to mention that because their vehicle is still under the manufacturer's warranty, there is no surcharge or inspection fee. As an incentive to do it now, you could mention you're also offering zero percent financing for 12 months.

The third and fourth text or email should be 30 to 60 days prior to the annual rate increase by your VSC provider. This is the perfect time to again include a link to your VSC video. You may also want to direct them to the factory warranty drawing on our consumer website, [autoconsumerinfo.com](http://autoconsumerinfo.com). This will allow them to "see" their remaining coverage based on the miles they drive.

Finally, a "time is running out" or "last chance" text or email with another video link should go out 60 to 90 days before the expiration of the manufacturer's warranty.

If you'd like a copy of our "Good News" warranty note card with six reasons why now is the best time to avoid future repair costs, or would like to see some videos that create customer interest in knowing more about your products, email me or visit our website at [go-reahard.com](http://go-reahard.com).

If you have a question or an objection you struggle with, send it to me. You'll get it answered and receive a free YETI with your name on it. Because it's a beautiful day to help a customer! ■

**"ACCORDING TO J.D. POWER'S 2017 INITIAL QUALITY STUDY, THE INDUSTRY AVERAGE FOR PROBLEMS PER 100 VEHICLES IN THE FIRST 90 DAYS OF OWNERSHIP WAS 97. THIS MEANS, ON AVERAGE, VIRTUALLY EVERY CUSTOMER IS GOING TO BE IN YOUR SERVICE DEPARTMENT FOR WARRANTY WORK AT LEAST ONCE DURING THE FIRST 90 DAYS."**

#### ABOUT THE AUTHOR

Got a question or objection for Ron? Use your mobile phone to record a brief video (shot landscape style!) of your question and upload it to [go-reahard.com/ask-ron](http://go-reahard.com/ask-ron).