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The Internet: Smooth Out the Peaks and Valleys in Your Business Cycle

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by Rich Diegle

Overview

According to the latest statistics published in Nielsen's NetRatings, January 2007, 210,080,067 people or 69.4% of the population in the United States are using the Internet. Over the last seven years, the growth rate has been a staggering 120%. Millions of people are going on-line daily to perform a multitude of tasks, from searching for information and services to purchasing a massive amount of products and even managing their finances. The Internet has become a bustling microcosm of information exchanged between consumers and businesses world wide. Many businesses, including automotive repair shops, are asking themselves, "What can the Internet do for my business?"

The answer is this: it depends. When we are talking about automotive repair shops, no two shops are alike. They have different kinds of customers, geographic locations and management styles. But for many shops trying to transition into more automated information and management systems or are revising advertising strategies, the Internet provides an effective and low-cost alternative to traditional methods.

Internet Defined

The Internet is the worldwide, publicly accessible connection to an enormous number of interconnected computer networks that transmit data by packet switching using the standard Internet Protocol (IP). It basically is a "network of networks" that consists of millions of smaller domestic, academic, business, and government networks, which together carry various information and services, such as electronic mail, online chat, file transfer, and the interlinked Web pages and other documents of the World Wide Web.

Marketing Opportunities

The Internet has become a lucrative market for companies; some of the biggest companies today have grown by taking advantage of the efficient nature of low-cost advertising and commerce through the Internet; also known as e-commerce. It is the fastest way to spread information to a vast number of people simultaneously. More so than any other advertising medium, the Internet has greatly facilitated personalized marketing, which allows a company to market a product to specific people or a specific group of people. For automotive repair shops, the Internet allows them to build lasting relationships with their customers and offers a low-cost alternative to advertise for new customers. Two proven methods of Internet-based marketing techniques are facilitated through email and creating a shop website.

The Power of Email

Email is an inexpensive way for shops to effectively build relationships and communicate with their customers. An e-mail account is easy to set up and use. Put your e-mail address (and/or website address) on everything you print—business cards, newsletters, advertisements, service reminders—everything. Invite and encourage your customers to make appointments or correspond with you via e-mail. A sizable segment of today's consumers prefer the electronic method of communication. They can choose the time and place, and the results are almost instantaneous. But to be successful, collecting customer's email addresses is extremely important. Here are some more ways email can be used to reach out to your customers:

- Email monthly electronic newsletters – A good newsletter should provide customers with information on how to care for their car, tips on traveling, safety, “what to do when.....” and other topics that drivers want to know. This reinforces the image that you care about your customers. Your newsletter should also contain articles on how you’ve improved a service or other positive points about your business. This is where you can really showcase your technician’s certifications and the shop’s affiliations to show how advanced and hi-tech your shop is. When it comes to tech articles, avoid being too technical. Motorists usually don’t want to learn the names of the parts on the car, but they do want to know, for example, how to tell if the car needs to be aligned. Keep it simple and basic. A good newsletter will also have a little humor mixed in to make it enjoyable reading.
- Email maintenance service reminders – Maintenance has become the cornerstone of the automotive repair industry. The number one highest response rate to any advertising or marketing effort comes from service reminders. You’ve already discussed the need with the customer. They want to maintain their car. This is how you make it easy for them to do just that. This is also how you even out the “peaks and valleys” of the business cycle. Maintenance is due because of time and mileage, not seasons. By consistently emphasizing regular scheduled maintenance to your customers, you’re creating a steady demand for your services. All you have to do now is consistently mail out service reminders. Do it every week. It will become a regular task that will make the phone ring on a steady basis (in much the same way as the cash register will ring).
- Create special email offers and coupons. This is what most people commonly associate with advertising – discount coupons. When properly used, discounts do have a place in a shop’s advertising efforts. They should consist, however, of low priced items that can be heavily discounted. The actual cost isn’t much that way, but the impact can be dramatic. Examples:
 - o FREE clutch inspection—basically a road test
 - o FREE exhaust inspection—very easy to do with an oil change
 - o FREE A/C check – put a thermometer in the outlet vent
 - o FREE brake inspection with tire rotation – easy to inspect and one of the most common repairs

Low-cost parts coupons can also be a good drawing card. Instead of a flat 10 percent off a service, offer something that cost you less but has a greater perceived value by customers. Wiper blades, fuel system treatments, carbon remover or other low-priced items can be made to look very attractive, while not costing a lot on a per-customer basis. This is much better than offering 10 percent off a higher priced item. Ten percent doesn’t seem like a lot, but on a large job, it can cost your shop some money and still not seem like much of a value to the customer.

Build a Shop Website

What else can a shop do on the Internet to build the business? Create a shop website. All of the major automotive dealers, franchises and retailers have websites. Why? Websites work 24 hours a day, seven days a week. They provide new and existing customers a way to find out about your specialties, hours of operation, contact information, community involvement, technician certifications and the conveniences you may provide, such as a shuttle service or rental vehicles.

Basic guidelines for a good website should give top priority to fast downloading. Keep the design very simple. If it takes too long to download, your prospect will move on to other sites. The idea is to make it quick and easy for the customer to access. Set a limit of two small photos per page with a small amount of copy. You can have a lot of pages, however. Keep the navigation simple and divide the pages by different services or features.

The Internet affords a number of low-cost and effective alternatives to traditional advertising methods. While it may not completely replace other forms of marketing, the Internet is considerably cheaper than phone book ads, TV, radio, magazine or newspaper advertising – even direct mail campaigns. Shops can reach more customers easily and spend less time and money doing it.