



## N.A.D.A. Research on Customer Retention



### NADA Research on Customer Attrition:

Advertising dollars per vehicle sold:

- \$635.00

% that buy their next vehicle from same dealer:

- 14%

% that buy their next vehicle from the dealership  
which performs their regular maintenance:

- 76%

Total Dealership Advertising



### NADA Research on Service Absorption

- Average Service Absorption is 55%
- Most dealerships set a goal of 100%
- 13% of customers have maintenance performed at the selling dealership
- Advertising campaigns don't significantly improve customer retention or achieve a high rate of customer returns for service and maintenance



## Maintenance Brings Your Dealership Repeat Customers

**76% of customers that have regular maintenance performed at the selling dealership purchase another vehicle from that store**

### 1. Showroom

- Customer buys vehicle
- 1 out of 7 sales come from repeat customers
- 6 out of 7 sales come from advertising

### 2. F&I Office

- Customer is offered Certified Maintenance Plus as part of their vehicle purchase package



**OBJECTIVE: 76% OF YOUR CUSTOMERS  
PURCHASE ANOTHER VEHICLE FROM YOU**

### 4. The Customer's Next Purchase

- Customer has formed a relationship with your dealership
- (NADA) 3 out of 4 regular service department customers will purchase their next vehicle from you
- Dealership obtains referrals from happy customers

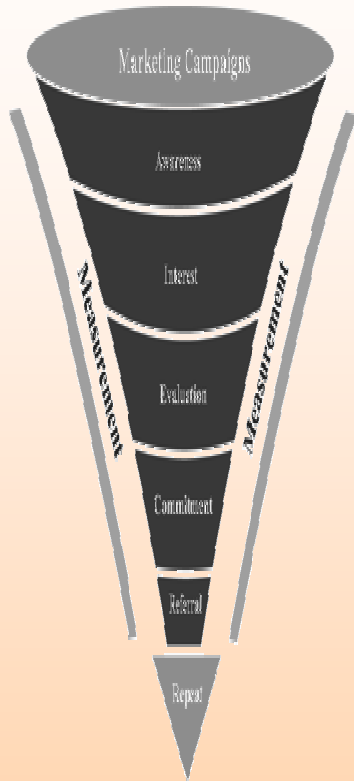
### 3. Service Department

- Captures additional maintenance income
- Generate upsell opportunities
- 3 visits forms a habit
- Maintenance customers have other services performed in your service department



## Traditional Maintenance Programs Don't Sell

### Why don't traditional prepaid maintenance programs work?



1) **F&I cost is too high to be easily sold to a customer:**

A. Example: For a 3 Year traditional maintenance program

Cost to F&I Department	\$400
F&I Department markup	\$149
Customer's final cost	\$549

B. A prospective customer adds up the retail cost and compares it to the traditional maintenance program being offered

12 oil changes at \$25 each	\$300
6 tire rotations at \$12 each	\$72

**With traditional maintenance programs, an F&I Manager must convince a customer to purchase \$372 worth of services for \$549, just to make a \$149 profit.  
Very few traditional maintenance programs ever get sold!**

2) **Customers can take their vehicle to another dealership for service**

*If a customer doesn't come back to your dealership, then you don't benefit from maintenance income, service department upsells, or repeat-customer vehicle sales*

3) **The prepaid maintenance administrator holds the money**

*Your dealership only gets paid when customers return for service (which is less than 50% of the time). The maintenance administrator gets to keep the revenue on all unused prepaid maintenance services!*



**There is a better maintenance program –  
Certified Maintenance Plus**



# Certified Maintenance Plus Simply Works

## Certified Maintenance Plus Benefits Every Department in Your Dealership

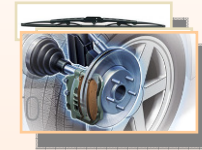
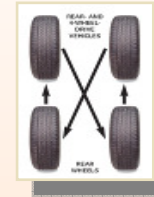
### 1) Certified Maintenance Plus is easy to sell in the F&I Department (and Service Department)



A. The customer pays a cost which is **discounted** compared to the retail pricing for maintenance

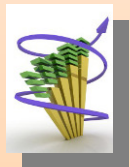
B. The customer receives added value from services such as:

- Car washes, wiper blade replacements
- Multi-point inspections, service discounts
- Fluid level checks
- Tire condition/pressure checks



C. Your customer receives maintenance from certified professionals (not minimum-wage fast lube employees)

### 2) The Service Department generates additional maintenance income and service upsell opportunities



A. Your service department recaptures oil change and tire rotation income that would normally be lost to the nearest fast lube

B. Your service department generates cost-free upsell opportunities with every customer that comes back to your store for maintenance, averaging \$80 - \$100 per upsell opportunity (*NADA*)

C. 3 visits forms a habit, turning a potential customer into a happy, repeat customer.

### 3) The Sales Department generates zero-advertising vehicle sales, plus repeat customers



A. N.A.D.A. research has found that approximately 3 out of 4 customers who have their regular maintenance performed at a particular dealership will purchase their next vehicle from that dealership. These results have been confirmed time-after-time by dealerships that build and maintain high-value prepaid maintenance programs over periods of at least 30 months.



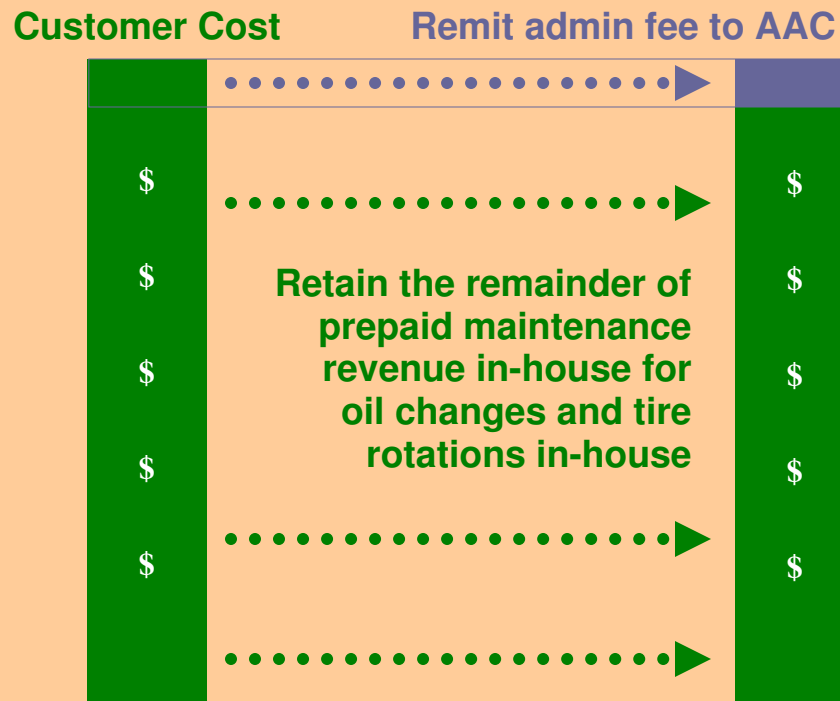


## Recognize Maintenance Revenue Immediately

### SYNERGY

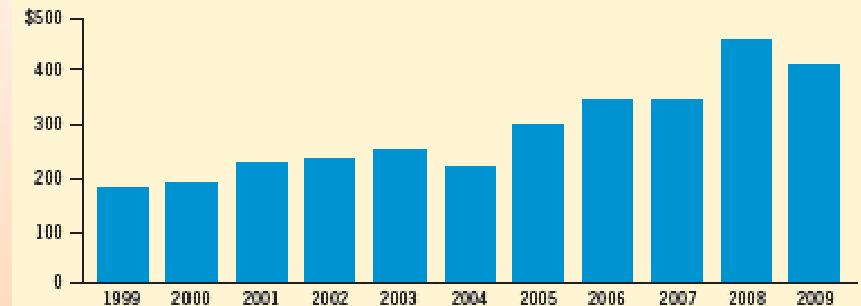
**Your service department immediately recognizes the revenue generated by the prepaid maintenance your F&I Department sells**

#### Immediate Dealership Revenue



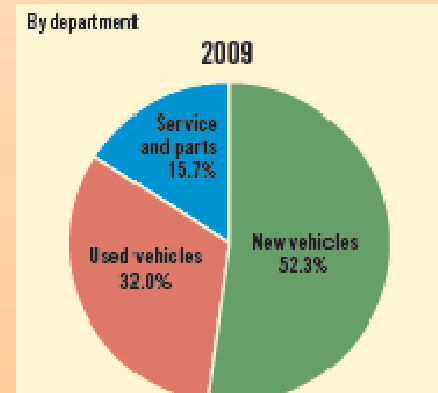
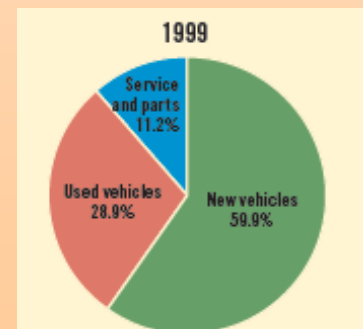
#### Service and Parts Department Net Profit

Average dealership, in thousands of dollars



Source: NADA Industry Analysis Division

#### Share of Total Dealership Sales





## A Critical Key – Product Training

***“The success of any product is dependent on proper training”***

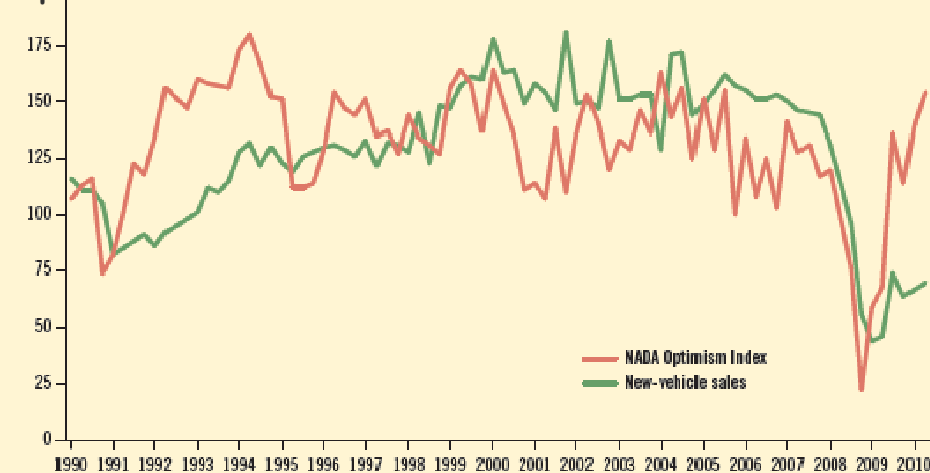
This is just as true for Certified Maintenance Plus as for anything else



Your AAC agent will help you customize your high-value prepaid maintenance program, install your program, and provide training for all departments in your dealership. We help provide the proper foundation for a **successful high-value prepaid maintenance program**, maximizing the current **and** future benefits that come with this program.



Optimism Index vs. New Vehicle Sales



Source: NADA Industry Analysis Division

As the economy improves and sales increase, will your dealership be ready to take advantage?

**Certified Maintenance Plus** – a Win for your customers and also a Win for every department in your dealership.