

MILLENNIALS ARE YOUR NEW CUSTOMERS

MILLENNIAL CUSTOMERS ARE THE AVENUE TO YOUR RETIREMENT PLAN

BY CHRIS "CHUBBY" FREDERICK | CONTRIBUTOR

THE future of your business hinges upon your successful attainment of millennial clients. Often ignored and discounted due to their unwillingness to get a license, a car or even a job, they are now coming out in force. Employment for 24-25 year olds was at 76.8 percent in March 2015 and it continues to rise. In 2011 they accounted for 27 percent of all new car sales, making them the

second biggest group to purchase new cars. Guess what? All of these cars are out of their three-year 36K warranties now. Millennials are your target customers.

Let's listen to Coach Kevin Chzaszcz explain what millennials want from us. Due to joining the workforce and their frugality, they have disposable income but very little desire to learn and very limited knowledge of how to service

their own vehicles. They have specialized in their fields and have minimal automotive knowledge in general, so they need someone to service their car.

Smartphones in hand, they are going to start their search for a shop on the internet. Will your shop show up? If not, you better hope their friend recommends you. Otherwise, there is very little possibility of seeing their car in your bay. Many shops these



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-CHRIS “CHUBBY” FREDERICK [CEO, AUTOMOTIVE TRAINING INSTITUTE]

days are run by baby boomers and they are hoping to retire, but their primary customer base is looking to retire too. If your shop is not servicing millennial generation’s vehicles, then how do you plan to retire?

Attracting new customers starts with the internet. It is common practice to research even the smallest purchase, starting with a Google search. It is extremely important to have a verified Google+ with reviews. Of course, if your page has not been claimed, it is doubtful you will have any reviews. Thus, it is imperative that this be done. This will allow people to contact you directly from this page, possibly even from the side of the road. They may need a tow, a ride or a rental vehicle — let them know you are ready to help. This may be the first time their vehicle has ever failed them. This is your opportunity to make a customer for life — seize it!

Vehicle knowledge

Millennials come to your store with less vehicle knowledge than any generation before them. Case in point: I installed a battery in my friend’s ‘05 Escape in less than 10 minutes. He was amazed and thought I was extremely skilled. I would like to inform you that my friend was a scientist running a lab at Johns Hopkins and researching a cure for cancer. Take that in. People of this generation will be happy to have and pay for your services. The service must be on par though.

Many shop managers think that it is important to hire a service advisor with industry knowledge. It is not. What they need to know can be learned quickly. One of the best salespersons I have ever had worked in the industry six months before working with me, and the customers loved him and bought anything he presented to them. One day he asked me to show him where the basic things were under the hood — oil dipstick, coolant reservoir, windshield washer reservoir

and so on. If a customer had a technical question he would either grab me or a technician to answer it — this is a true testament to the importance of customer service to sales. As customers, millennials tend to be more frugal, and because of this they may ask a lot more questions to feel comfortable spending their money with you. It is important that this is not taken as a challenge to your integrity but rather as a chance to win them over. In sum, millennials are more than happy to buy your services. Just make sure you have a service advisor that can take care of them and present well. It’s the tech’s job to inspect the vehicle, not your service advisor.

Communication


Communication is the key when your millennial customer’s vehicle is in your shop. Think Domino’s or Pizza Hut’s Pizza Tracker, where there is a step-by-step countdown to your pizza’s delivery. Granted, you will not be able to get that level of service anytime soon, but you can send a text mid-morning or mid-afternoon and when the vehicle is finished to let a drop-off customer know where the vehicle stands in the repair process. Please remember to ask a customer to opt in to this service upon drop-off or first contact; it’s doubtful many of any age group will decline. This constant contact is very important to the millennial generation and is expected. With this contact you will build the level of trust, which makes sales much easier and repeat customers more likely.

Thank-you calls, texts or letters are always appreciated afterwards and keep the relationship going after the actual service is complete. I personally believe a hand-addressed thank-you letter may be the most appreciated because it is so rare, especially for the millennial generation. It will really make you stand out. In addition, the customer will be more likely to contact you if there happens to be a problem

— real or perceived. This can also save you from getting a bad online review, which, as stated previously, can affect how many people choose your shop.

Retirement

Getting back to retirement: it is essential to attract new customers just to keep your car count stable. As the current baby boomer generation retires, the amount they drive will go down and so will their visits per year to your shop. In addition, they may downsize their vehicles or sell off second and third vehicles. You need the millennials to fill this void, and this is why it is so important to retain them. You may say, “Well, I am going to sell the business soon, so I am not going to worry about it.” But it is important to keep in mind that retail service business valuations are at an all-time low, so you may need to hold on to your business and let it pay you rather than take a lump sum and let the government take most of that. This millennial generation may be paying for your retirement in more ways than just contributing to your social security payments.

For more information on how to plan for your retirement, simply go to www.automationtraining.com/2015-10 for a limited time and receive a free copy of our Succession Planning guide. 



**CHRIS
“CHUBBY”
FREDERICK
CONTRIBUTOR**

Chris “Chubby” Frederick is the CEO and founder of the Automotive Training Institute. ATI’s 115 associates train and coach more than 1,400 shop owners every week across North America to drive profits and dreams home to their families. Our associates love helping shop owners who are having the same struggle as many of them have had, and who are looking for the same answers — and in some cases looking for a lifeline. This month’s article was written with the help of Kevin Chzaszcz.

 E-mail Chubby at cfrederick@autotraining.net