



Other resources available for step 4I:

- **Service inclusion template**

Can you believe they charged me more than \$1000 for a service?

Have you heard that before? The workshop concludes that the customer is confused about what constitutes a service and what constitutes additional maintenance or repair items. It's easy to understand why the customers are confused. The blame lies with the workshop, and its poor communication.

Once upon a time, most customers understood that a service included new oil, an oil filter and a series of checks.

About 10 years ago, the car manufacturers had the bright idea that they could sell more cars if they convinced consumers that maintenance costs on their vehicles were capped and predictable. Fixed price servicing was mass marketed for the first time.

To illustrate what the consumer experiences, jump on the Toyota service price guarantee website.

I did that, using my own Toyota Prado 2010. For the 70,000 km or 42-month service, the quoted price was \$246.36. The quoted price on the 80,000 km or 48-month service was \$1,013.94 – quite a jump.

Maybe the service industry knows that the 80,000 km service demands additional checks and replacement of components that are not covered in the 70,000 km service. However, the typical customer does not understand this.

The overwhelming majority of customers keep returning to the dealership while their car is under warranty, so that they can take advantage of the fixed price service offer.

Once the car is out of warranty, many motorists, including me, go back to a local independent workshop to save some dollars and some time. Imagine the shock when the next service invoice quote is \$1000.

This is the point. The capped price service model is confusing to most customers. They really don't know what is or is not included in a service.

The aftermarket can capitalise on this confusion, but it will need some re-education of customers to provide satisfaction to both the car owner and the workshop.

So what re-education is needed?

1) A customer calls by phone to ask how much a service might be.

Many customers will begin with, 'How much for a service of my 2010 Prado that has done 80,000 km'?

If you answer '\$1,013.94' there won't be too many bookings.

The explanation with the quote needs to be very different.

'Our standard 4WD service, including up to 7 litres of oil, an oil filter and a 50-point safety check starts at \$350. But according to the manufacturer of your vehicle, the 80,000 km service is a big one with many items needing replacement. This obviously is going to push the price up, making the cost of the 80,000 km service, as recommended by the manufacturer, \$1,013.94'.

The workshop's option now is to sell the standard 4WD service or the 80,000 km specific log book service. If they go with log book service at least they are now better educated as to why it is more expensive.

2) When the customer brings the vehicle in

Here is another chance to educate the customer.

A menu brochure or a wall chart is a great tool at this point. Highlight what's included in a standard service and what additional items need to be looked at during the later services. Download an example menu brochure from our resources page at www.tatbiz.net.au/resources.

3) When the customer picks up their vehicle

Running through the invoice with the customer, take the time to clearly explain what the service covered and what the additional maintenance or repair items were.

Some workshops present two invoices, one for the service and one for the additional work.

For the sake of retaining customers, workshops must ensure that their customers clearly understand what is included in their services.

The last thing you want is a customer sounding off at a barbeque that his workshop charged him \$1000 for a service. Not the best word of mouth for any business. All the more reason for workshops to consider how they educate their customers about services, and what they really entail.

The place to start is www.tatbiz.net.au/resources.

Just go for it!