IGNITING THE SUMMER SELLING SEASON
“It’s sales that sell the first car, and service that sells the rest!”

2012 TOP TECHNICIANS AND TOP ADVISORS “CHALLENGE"
The Professionals Program congratulates all winners
LOOKING DOWN THE ROAD WELCOMES YOU

A MESSAGE FROM OUR SENIOR VICE PRESIDENT

We all know summer is a real busy time for our business. It’s also when customer satisfaction scores decline.

For as long as I can remember, American Honda has partnered with its dealers every year to combat this ‘summer slump.’ And, we’ve done a respectable job of compensating for the issues that cause the negative trend in CSE scores – customers about to go on road trips, inadequate staffing due to vacations, product-related problems induced by hot weather, and so on.

Still, you can take preventive measures against these challenges – one measure being a successful Express Service operation. At American Honda, we’ve never lost sight of the importance of Express Service. You shouldn’t, either.

This month, Honda dealers nationwide will begin a revitalization of their Express Service processes. To prepare for this initiative, our DPSMs have taken a refresher course in procedures at one of our AHM Training Centers. They will bring this knowledge to you, sharing what has proven to be the best practices. When done right, Express Service alone will help elevate your summer customer satisfaction scores – and your business volume – considerably.

Now is the time to take action to build customer loyalty. A key opportunity is held by your Service Advisors, who work on the front line with your customers. To develop their skills, our Service Advisor training through the Management Action Program (MAP) has been revamped to focus solely on relationship building, a critical element that will influence your customers’ feelings about your store – perhaps to where they see it unthinkable to go elsewhere for their service!

The Honda Professionals Program has a new recognition award level for General Technicians, applicable to all dealerships. It’s time to get those who perform the all-important maintenance work into the appropriate training courses and give them the recognition they deserve for their efforts, to motivate them to do the finest work possible.

Let’s not forget about the Multi-Point Inspection (MPI) form, which not only helps builds trust, but also helps identify immediate sales opportunities and pave the way for future maintenance and repair needs. Our research shows customers are more satisfied and more likely to recommend a dealer if they receive an MPI consultation from a service advisor whom they trust. The data also shows higher $ per RO when this form is used. So, ask yourself: Are you realizing the potential of the MPI approach?

Honda anticipates a 24% sales growth this year. With such growth comes a significant increase in service business – and a great opportunity to celebrate your new Honda owners by inviting them to a Honda Owner Workshop. Introduce them to your service staff, show them what your dealership is all about, and start building relationships that will last.

With the competition out there, customer loyalty is more important now than ever. Make sure your staff is equipped and properly trained before the season begins. And, know that we in the Parts and Service Division are always here to provide the training and support to help you along the way.

Jim Roach
Senior Vice President
Parts and Service Division
INSIDE THIS ISSUE

4 Igniting the Summer Selling Season
   “It’s sales that sell the first car, and service that sells the rest!”

6 CSE Award Winners
   Honda Professionals Program recognizes top dealers

12 Honda Dealer Recycling Initiative
   Recycle, reduce and reuse

14 Auto Accessory Marketing
   New accessory displays

18 Service Marketing
   Custom photo upload tool now available

19 Honda Owner Workshop
   The perfect program to build your parts and service business

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Contents of each issue will be at the discretion of the editorial team. Not all contributions can appear in the magazine.
Looking down the road
Igniting the Summer Selling Season

Imagine the following scenario: It’s wintertime and you just got off work, later than expected. There’s only one day left before Christmas, and you still need to buy gifts! You’re thinking to yourself, “OK, don’t panic... surely there will be a store open a little later, offering great sales with lots of friendly staff to accommodate hard-working, late-shopping customers like myself.” After all, adjusting business practices to meet customer demands has become a normal operating procedure for major retailers during the holiday season, right?

You finally pull into the parking lot, get out of your Honda, sprint to the door with cash in hand – only to see the lights off and the doors locked, with someone telling you the store has been closed since 7 p.m.!

Talk about missed opportunities!

In the retail industry this scenario is highly unlikely with most businesses extending their hours and increasing staffing levels during the busy season. But within the Parts and Service side of our industry, this is a scenario that plays itself out time and time again every summer. You may be wondering, what is the correlation between the Christmas holiday season for the retail industry, and the typically busy summer season in your dealership? Well, the answers are significantly increased customer purchase interest and demand - something the retail industry recognized, took advantage of, and turned into considerable revenues by implementing seasonal standard operating procedures during the months of October, November, and December. These are things like staffing up and extending hours to increase capacity, and improved convenience for their customers during these most opportunistic times. So the question is this: Are you taking advantage of the key opportunities the summer selling season brings, and are the necessary standard operating procedures in place to boost your dealership’s profits?

Why summer?
Think about those family road trips you took as a child. Sound familiar? Or, maybe it’s the college road trip at the end of spring semester. People jump on the road during the summer and they do it more than any other time of the year, even with increased gas prices!

What does that mean for your Parts and Service business? It means more customers in your service drive, increased parts and labor sales, and most importantly - if you’re prepared to handle the increased demand - maximized profit potential for your dealership.

But, it can also mean a decrease in satisfied customers if you don’t have the staffing to address increased traffic. This can ultimately have a negative impact on your dealership’s long-term business.

So, how do you avoid the latter scenario? Keep reading this article.

How can you ignite your “Summer Selling Season”?
There are several tools and resources you can use to ignite the Summer Selling Season, such as the FOC Financial Health Assessment Tool, ServiceSmarts® Online (SSO), Service Reminder System (SRS), Service Prospecting System (SPS), and the all-new Building Lifetime Customer Loyalty workshop series – all of which will get you off to a great start to achieving your dealership’s Summer Selling Season goals.

The FOC Tool
Test various Service and Parts profit opportunity scenarios and watch your bottom line improve.

Functions such as the all-new CUC Tab allow you to monitor the impact of sale and servicing of Certified Used Cars at your dealership. (Continued on next page)
Igniting the Summer Selling Season (Continued)

“The it’s sales that sell the first car, and service that sells the rest!”

A Case Example: Lehigh Valley Honda

Having the entire management team in attendance was enormously beneficial, according to Andy Wright, General Manager of Lehigh Valley Honda, near Allentown, Pennsylvania. The workshop allowed for the dealership to “plan, execute, and measure” the action plan they constructed, Wright says. A year after attending the MYFOPP workshop in Chicago, Lehigh Valley Honda is seeing wildly positive trends in CUC reconditioning and accessory sales; much of this can be attributed to the action plan developed at the workshop. Further, according to the FOC Tool, Lehigh Valley Honda has 70% customer loyalty and 52% of their CUC customers come back for a new Honda. With their focus on exemplary customer service and executing the MYFOPP action plan, it’s no surprise Lehigh Valley Honda’s FOC Tool reflects such positive data. Wright says, “It’s sales that sell the first car, and service that sells the rest!”

To prepare for the Summer Selling Season, here are a few things you can do:
1) Staff up! Increase your staff and equip them with new loyalty building skills so they can meet the demand the summer brings.
2) Extend your summer service operating hours.
3) Ramp up your marketing efforts.
4) And, make sure your Service operation is equipped to handle the extra volume.

The summer brings with it many things, but most important, it brings unbelievable opportunity for your dealership to capitalize on the Summer Selling Season, realize increased profits, and turn your customers from satisfied to fiercely loyal. Using the tips given and reinforcing it with the proper training will ensure that your staff is more than ready to seek, offer, and serve every customer the Summer Selling Season brings.

So, don’t miss out on this once-a-year opportunity. Remember, increased customer traffic can pay dividends, but if your staff isn’t prepared for it, your seasonal customers will be just that – seasonal customers who walk out the door, never to come back to your dealership.

The FOC Tool’s Accessories Tab, also coming soon, will allow you to see the effect of how selling specific quantities of model-specific accessories can pay dividends to your bottom line.

ServiceSmarts® Online

Understand your market, monitor your service penetration rate, and identify Service Marketing opportunities.

Service Reminder System

Notify New and Active Honda owners when their vehicle is due for service.

Service Prospecting System

Go after Lapsed and Inactive customers with offers to entice them to back into your dealership.

Building Lifetime Customer Loyalty workshops

A dynamic, revamped training career path that will arm your Service and Parts staff in the classroom with everything they need to immediately make a difference on the job. As participants progress through the career path, they will build on key concepts and develop an arsenal of selling and loyalty-focused skills.

The learning doesn’t stop when the workshop has been completed – Honda’s Mobile Learning Environment allows for you to take learning on the go using your tablet or other mobile device.

Maximizing Your Fixed Operations Profit Potential (MYFOPP) Workshop

A two-day workshop designed to help your dealership improve its fixed operations business

- Customized, guided focus from Honda subject matter experts on areas of profit opportunity, using your own financial data.
- Special emphasis on the Fixed Overhead Coverage (FOC) Tool and ServiceSmarts® Online to identify and take advantage of every opportunity.

by Brett C.S. Roberts
Congratulations
to All 2011 CSE Award Winners!

by Nolan Tamashiro

The Honda Professionals Program recognizes top CSE dealers with a special dealer award

The award reinforces the importance of this outstanding achievement in customer satisfaction of the service experience. The Award Banner is a proud reminder for the dealer’s Parts and Service management and staff of their collective success, and for customers of the dealer’s commitment to excellence.

To earn this prestigious award, Honda dealers met or exceeded the CSE standard (92%) for 2011 and were enrolled in the Honda Professionals Program. Go to the Honda Professionals website to view the list of winners: http://hondaprofessionals.com/hof/hof_cseWinners.html

Coggin Honda of Orlando’s creative way of celebrating their CSE Award included this special celebration cake.

Coggin Honda of Orlando proudly showing their new Customer Service Experience (CSE) Award Banner.

Service Manager Cal Piper and DPSM Maurice Narbona (TL)

Coggin Honda of Orlando celebrates their CSE Award with a special luncheon event.
Professionals Program Adds a New Award Level for Technicians
by Nolan Tamashiro

In response to dealer requests for more technician awards, the Honda Professionals Program has added a new technician award level – the General Course Certification Award. New for 2012, job code 0030 technicians who complete the General course for the first time will receive a $75 gift card. (This is a one-time award, and is not retroactive.)

All training modules in the General course are Advantage24 (self-study) modules, so they can be completed online via the iN Online University – no Training Center attendance is needed.

The General course certification is an important accomplishment, showing that the technician has completed all required training for performing all maintenance and service work that customers need.

Electronic Service Bay: i-Troubleshooting Goes Live
by Nolan Tamashiro

Honda technicians can now spend less time looking up information and more time focused on repairing vehicles, thanks to the new i-Troubleshooting feature of the Electronic Service Bay.

Introduced with the launch of the 2012 Honda CR-V, i-Troubleshooting shows procedures in a clean, user-friendly flowchart for seeing a “big-picture” view of the process – and automatically populates the troubleshooting procedure steps with live data from the vehicle.

Instead of technicians spending time searching for the right information or scrolling through long lists of data values during diagnosis, the right information is now delivered directly to the technician.

As a result, Honda technicians will be able to diagnose repairs more accurately and efficiently with the Electronic Service Bay. Honda dealers are now able to fully realize their investment in the Electronic Service Bay and its many benefits, ultimately translating into improved customer satisfaction, retention, and referrals.

You can look forward to seeing i-Troubleshooting for future new Honda models.
The Professionals Program congratulates all winners of the 2012 Top Technicians and Top Advisors “Challenge,” an online contest that ran February 8-17. Zone winners received $500 gift cards, and District winners received $250 gift cards. To see a list of all winners and for more information about this Challenge, visit www.hondaprofessionals.com.

by Nolan Tamashiro
Wholesale Essentials: Building Your Parts Business
by Gary Ledoux

If you were building a house, a set of blueprints would show you how to do it properly. If you wanted to bake a cake, a recipe would help. And, if you wanted to build your wholesale parts business, American Honda’s new self-study module, Wholesale Essentials (WHLSS), can be your guide to a successful operation.

The 10 essentials include:
1. Know Your Market
2. Examining Growth Capacity
3. A Customer-Centric Approach
4. Gaining Market Intelligence
5. Providing A Superior Service Package
6. Marketing Strategies
7. Selling Strategies
8. Commitment
9. Support
10. Creating a Business Plan

Steve Ebsen, Parts Manager for Billion Honda in Iowa City, Iowa, has been a Parts Manager for 35 years and has worked in Honda dealerships for 15 years. “This training both helps the seasoned professional as well as the new person with wholesale direction,” he said via e-mail. “It’s well worth the time spent.”

Carlos Ferrer is a Parts Sales professional, new to the parts business, but with over 14 years at Schlossmann’s Honda City in Milwaukee, Wisconsin. “The course helped me to really understand the wholesale business and what customers expect of our Honda City parts department,” Ferrer said. “Knowing my customer’s true needs makes me better as a parts counter person to fully fill those expectations. I think all parts salespeople should take the Wholesale Essentials self-study if they want to really succeed.”

Depending on your parts department’s focus, the wholesale collision parts business can be a big part of your income. But, the business isn’t getting any easier.

The collision repair industry in America is shrinking. A growing number of body shops are going out of business or consolidating with regional or national chains. Insurance company initiatives are constantly changing the landscape. Legislative and legal trends can change the way body shops do business almost overnight. The technology of building cars and repairing cars will change faster in the next five to 10 years than it did in the last 40 years – and at a faster pace than ever before.

Parts managers could use some help; the Wholesale Essentials module can help to point you in the right direction – and keep you on track.
In cooperation with Teldon Marketing Products, American Honda is pleased to announce the return of the Wholesale Promotional Calendar program for 2013.

The calendar program for 2012, “The Many Faces of Honda Automobiles,” was a roaring success, with over 50,000 calendars produced and distributed by Honda dealers. Conservatively, that means the calendars will create over 18 million impressions over the course of the year – 18 million reminders that a Honda dealership is the place to buy Honda Genuine parts.

For 2013, the tentative theme will be “Honda, Innovation, and the Environment,” highlighting many environmentally conscious Honda automobile models along with several non-automotive Honda products and innovations that you may not even be aware of. Also different for 2013 is the promotion of the new ProFirst program on every calendar, reminding body shops to take advantage of this unique opportunity.

What will be the same is the printing of your dealership’s name and contact information on every calendar, along with the Parts logo prominently displayed in the center window.

“Teldon is extremely proud of its partnership with Honda, and last year was a great success for the program,” said David Farris, Director of Business Development for Teldon Media Group. “Creating awareness about local dealerships and genuine Honda parts, while simultaneously supporting the Honda corporate brand, was certainly achieved working with Honda.”

Farris continued: “We’re very pleased with the theme for the 2013 calendar ‘Honda, Innovation, and the Environment,’ which Honda has chosen. Working with Honda, we will continuously look for ways to make this program stronger and stronger for Honda and its dealership network.”

Richard Alvarado of Hardin Honda, in Anaheim, California, was one of the top purchasing dealers in the country last year, buying 750 units. “The calendars are a very versatile tool,” he said. “We used them for both our wholesale customers and service customers.”

George Quick of Hillside Honda, in Jamaica, New York, also bought a large amount of 2012 calendars. “The calendar program is a very good way to keep your name in front of your customers,” he said.

Quick is right – calendars are a very good way and a very cost-effective way to get and keep your name in front of your customers. These calendars are unique; only available through Teldon to Honda dealers. The program is turnkey, with little effort involved other than handing out the product. Calendars are practical, especially in the body shop, a business that lives and dies based on the number of days a car is in the shop. And, unlike many promotional items, calendars have a very long life – an entire year!

Watch your iN messages in the near future for further details about this exciting program.
Honda Dealer Recycling Initiative: Green Inspiration for the Local Community

by Desmond Tamaki

Late last year in Las Vegas, Tetsuo Iwamura, American Honda’s President and CEO, took the stage at the Honda dealer meeting and introduced the Blue Skies For Our Children initiative. We have taken the first steps toward becoming a global leader in environmental and energy technologies and implementing our environmental vision of a world where future generations can experience the joy and freedom of mobility while living within a sustainable society. We are striving to be the global leader in reducing CO₂ greenhouse gas emissions over the lifespan of our product lines and to offer the cleanest vehicles and products on the market with the cleanest, most environmentally conscious dealership network in our industry.

One part of this important initiative that we are focusing on is challenging all who represent the Honda brand to become champions of the Three Rs: Recycle, Reduce, and Reuse. Every Honda dealer can significantly contribute to Honda’s overall environmental vision by taking advantage of the recycling opportunities found in the hundreds of actions dealership personnel take everyday, from the way vehicles are serviced, to the products and equipment used, to general housekeeping tasks. Though each action may seem relatively insignificant by itself, together they can lead to major environmental improvements and bottom-line benefits. In addition, they create a sense of satisfaction on the part of dealer personnel, customers and your local community.

Dave Trezesniewski, Service Director of Walnut Creek Honda, is just one of many environmentally conscious people working in the Honda dealer network to champion the Three Rs. Dave believes implementing the Three Rs is an easy thing to do, with little or no hardship on the dealership or its employees. By analyzing the dealership’s waste stream, he found that 85% of the materials they were sending to landfills were recyclable. Recycling has saved the dealership over $20,000 annually. Dave says, “Once you educate your employees (continued on next page)"
Starting in April, Honda is launching a number of new initiatives to achieve Blue Skies For Our Children. A video message from Jim Roach, Senior Vice President, will introduce the Honda Recycling initiative to the Honda dealer network. The video will be sent to all dealers and we encourage you to share the message with your entire dealership staff. In addition, a “Green Dealer” webpage will be launched on IN that will act as the main dealer repository for information on Honda’s environmental improvement efforts, government regulations, and dealer programs.

Your commitment is crucial in ensuring the success of this initiative and we ask you to embrace it by taking steps to ‘Recycle, Reduce, and Reuse’ at your dealership, where your customers can be inspired by your environmental commitment.
Honda Genuine Accessories: Now Just a Tap Away!

by John Fowler

In the last issue of Looking Down the Road, we introduced the new Accessory Display. We are sure that you are wondering how the new display is being received. Our answer – fabulously! One of our indicators is the number of downloads of the custom Honda Accessory App for the iPad. At the end of March, we have had over 3,600 downloads and we are adding to this number every day.

The new displays and the iPad App continue to generate excitement. While using the App, Dealer Sales Managers, Sales Associates, Parts Managers and DPSMs made some great suggestions concerning new features and functions that could make this great selling tool even better.

We have incorporated several of these ideas in our most current release, version 1.2. You can tell if you have the latest version by seeing if you have the new blue Honda Accessory App Button. If you don’t, please check your updates to download it. Some of the updates are removing the Loan Calculator from the landing page, moving it to the “More” section and adding a legal disclaimer.

Please continue to provide your feedback regarding improvements. We will consider your input and recommendations as we continuously strive to provide you with the best tools to maximize your Honda Genuine Accessory business.

If your dealership isn’t using the App yet, start today, your customers are waiting.

Another area where we have made some vast improvements is eStore. Although eStore has been around for some eight years and traffic to the site has been steadily growing since its inception, traffic has really taken a quantum leap since the introduction of our new UI (User Interface.)

Since the new UI launched in August, we have seen an increase in traffic to the eStore web site of over 210% and an increase in orders placed to eStore dealers of 12% for accessories and 28% for parts.

These are some pretty hefty increases and all indications are they will continue to grow. You’ll want to be able to take full advantage of this growing business! Be sure your eStore contact information is up to date in IN so all eStore inquiries are available to your dealership. Also, be sure your dealer web site is linked to eStore as this assures eStore will continue to show up in the top tier of internet search engine results. (See “eStore” under “Parts” in IN and refer to the Enrollment section for tutorials on how to do both these steps and more!)

And finally, be sure to process your eStore orders with the same outstanding customer service you provide the customers that come to your Parts Counter. eStore orders are customers who want to purchase from your dealership. Make sure you are maximizing your eStore opportunities.
Thanks to participating dealers, Collision Select is an industry-leading program – one that other automakers look to as the ‘gold standard’ for collision parts programs. And, for 2012/2013, we’ve made some changes that will make it even better, providing more conquest dollars and a chance for participating dealers to sell more Honda Genuine collision parts.

Effective April 1, 2012, conquest funds for all dealers will be based on their prior year’s purchase of collision parts (same as before), or a minimum collision parts purchase of $16,666.70, whichever is higher, thereby establishing a minimum amount of conquest funds for all participating dealers. This means that Base Funds of 1.5% will result in $250 in conquest funds per month. Qualifying for the DMI Accuracy Bonus of 2.5% would mean an additional $416.67, for a total of $666.67.

That’s not all … we’ve added more funds on the other end, too! The Performance Incentive Level 1 percentage for 0.1% to 4.99% sales increase remains at 1% additional funds. But, Level 2, for 5.0% or higher sales increase, changes from 1% to 2%. This means that dealers meeting the DMI accuracy requirement and increasing their parts sales in excess of 5% can earn up to $1,166.67 per month. This will benefit many smaller dealers, but dealers of all sizes can benefit from the extra 1% funds increase at Performance Incentive Level 2.

Want to sell more Honda Genuine collision parts? Then jump on Collision Select. There’s never been a better time – or a greater need – than right now.
American Honda is pleased to announce that ProFirst, the new body shop recognition program, will soon be ready to go. Over the next few months, the current Body Shop Recognition program will be phased out and a new, improved recognition program, ProFirst, will be phased in.

For almost three years, the current Body Shop Recognition program has encouraged body shops to use CollisionLink – the online parts ordering solution from OEConnection – helping build Collision Select into an industry-leading program. But as the industry changes and business needs change, so too must our programs.

Open to both dealer-owned and independent collision repair shops, the purpose of the ProFirst program is to promote the correct, complete, and safe repair of Honda and Acura vehicles and provide support to those shops who have demonstrated a commitment to a high level of customer care and satisfaction.

To qualify, shops must conduct a minimum number of transactions using OEConnection’s CollisionLink software, be a designated I-CAR Gold Class Professional® business, and at least one person presently employed by the shop must have completed the I-CAR Honda / Acura training designated: HON01 Collision Repair for Honda and Acura Vehicles.

“Body shops are looking for a way to differentiate themselves and demonstrate their commitment to quality and customer satisfaction, said Bill Lopez, Director of OEM Program Development at OEConnection. “The ProFirst program will not only provide dealers with greater opportunities for increasing parts sales, it will allow them to build lasting relationships with these quality shops while helping Honda owners preserve the safety and financial investment of their vehicles,” he added. “I would call that a win-win-win.”

John Van Alstyne, I-CAR CEO & President, stated: “I-CAR Gold Class Professionals businesses have made a commitment to excellence that is based on a foundation of knowledge and education.” Van Alstyne continued, “I-CAR training not only helps the industry perform safe and complete repairs, but also helps the industry perform better operationally in key areas such as cycle time and customer satisfaction. We look forward to playing a key role in Honda’s ProFirst Program.”

Qualifying shops will receive a handsome plaque, a place in the shop locator, free access to the Honda and Acura parts catalog, parts bulletins, service and repair information, and more.

Shops will benefit through increased recognition of the shop’s professionalism, increased opportunity to reach more customers and the promotion of customer confidence and loyalty.

Dealers will benefit as more shops join the program, and send more transactions through CollisionLink.

Consumers will benefit through better repairs at the hands of highly trained and qualified technicians.

To enroll in the program, shops will simply go to a website and enter their name and other pertinent information. The ProFirst website will handle everything including administration and access to the parts catalog and service information.

Currently participating Collision Select dealers will receive additional information via iN message in the coming months. The program is scheduled to launch in the third quarter, 2012.

For more information on the I-CAR Gold Class Professionals business designation, visit the I-CAR website, www.i-car.com. Click on “Collision Repair Gold Class” under the “Quick Links” tab on the homepage.
In December 2011 and January 2012 we conducted a survey, asking every Honda dealer one simple question: “Do you own a body shop?” If the answer was “Yes,” there were three options to choose from to describe the dealer’s situation. If “No,” there were four options to describe the dealership’s situation. Thanks to all who answered the survey and helped us gather this valuable information.

The results are very consistent with a similar survey conducted in 2007. Almost 40% of the total Honda dealer body – 416 dealers – told us they owned a body shop. About 14% have a body shop at the same location as the dealership, and the remaining 26% own a body shop in a remote location.

The vast majority of the dealers, 46%, don’t own a body shop but have a preferred shop to which they refer customers. Only 8% sublet collision work, less than 4% do not own a shop nor do they refer work to outside shops, and less than 1% had some other kind of arrangement.

These percentages varied by Zone or area depending on the culture of the area and possibly local or regional laws or regulations regarding a body shop’s operation. For example, less than 20% of dealers in Zone 12 (Northern California) owned body shops. Conversely, over 55% of dealers in Zone 9 (New England) owned shops.

The 2012 survey showed a slightly higher number of dealer-owned shops compared to 2007. We believe this is primarily due to a better survey response in 2012. The best that can be said is that the number of dealer-owned shops remains stable. This is encouraging in an industry where the number of body shops overall has dropped about 6% in the past five years.

We will continue to refine the data. Eventually, we will create a distribution list using each shop’s e-mail, enabling American Honda to communicate directly with the shops so that they can receive position statements, press releases, program announcements, and other pertinent information.

Thanks again for your help in gathering this important information.

Number Percent

<table>
<thead>
<tr>
<th>Number</th>
<th>Percent</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>150</td>
<td>14.3%</td>
<td>My dealership owns a body shop that is part of the dealership situated at the same location as the dealership</td>
</tr>
<tr>
<td>159</td>
<td>15.1%</td>
<td>My dealership owns a body shop that is part of the dealership but at a different location than the dealership</td>
</tr>
<tr>
<td>167</td>
<td>10.2%</td>
<td>My dealership owns a body shop that is shared with other sister stores. It may or may not be situated at the same location as my dealership.</td>
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<tr>
<td>85</td>
<td>8.1%</td>
<td>My dealership does not own a body shop but we sublet collision work to a local body shop, the customer actually paying my dealership for the work.</td>
</tr>
<tr>
<td>488</td>
<td>46.4%</td>
<td>My dealership does not own a body shop but we have a preferred body shop to which we refer customers.</td>
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<tr>
<td>40</td>
<td>3.8%</td>
<td>My dealership does not own a body shop nor do we have a preferred body shop.</td>
</tr>
<tr>
<td>9</td>
<td>0.9%</td>
<td>Other</td>
</tr>
<tr>
<td>11</td>
<td>1.2%</td>
<td>Non-responders</td>
</tr>
</tbody>
</table>


- 14.3%
- 15.1%
- 8.1%
- 10.2%
- 3.8%
- 0.9%
- 1.2%
- 46.4%
Montgomeryville, Pennsylvania. “The mailer brought in Matthew Beatty, Service Manager at J.L. Freed Honda in name before they actually come in for service,” said “It’s nice for customers to be able to put a face to a personalization to their LCC OnDemand mailers. “Two special OnDemand mailers were designed so that dealers can immortalize the Service Manager and up to four Service Advisors in their coupon mailer, which features seven offers,” said Dax DeRop, Honda Service Marketing Manager. “Uploading is simple, and building the mailer is as easy as all the other OnDemand mailers.”

Image requirements vary depending on the photo (dealership photo, service manager or service advisor) and are available on the Quick Start Guides sent out in the Custom Photo OnDemand launch packet last December. The requirements are also available in the latest LCC Resource Guide located on the IN as well as during the upload process.

“It’s nice for customers to be able to put a face to a name before they actually come in for service,” said Matthew Beatty, Service Manager at J.L. Freed Honda in Montgomerville, Pennsylvania. “The mailer brought in several customers within the first couple weeks, and they hadn’t been into a dealer yet”

As with all OnDemand mailers, a custom photo mailer campaign can include both surface (first-class mail) and e-mail mailers, or one or the other. Oil logos, maps, and amenity logos are also available to include in the mailer as well.

“We’ve been working hard to provide dealers with the tools they need to reach out to their customers in a variety of media types,” said DeRop. “The custom photo mailer is just one more example of Honda’s commitment to help dealers expand their customer base.”

Image Requirements — follow these guidelines when uploading digital photos:

- **File format:** .jpg
- **Resolution:** 300 dpi

- **Image sizes:**
  - Service Director photo: 1.25” x 1.25” (375 x 375 pixels)
  - Service Advisor photo: .75” x .75” (225 x 225 pixels)
  - Dealership photo: 2.8” x 2.75” (840 x 825 pixels)

- **Definitions:**
  - High-resolution: having or capable of producing an image characterized by fine detail, or pertaining to printers or other output devices that produce images that are sharp and finely detailed rather than blurry and inexact
  - Megapixels: a term used to describe the degree of resolution supplied by digital cameras, scanners, etc.

Move over Shutterfly, ’cause the new Honda Custom Photo Upload Tool is available for dealers who want to harness the power of the digital age and add a little creativity and personalization to their LCC OnDemand mailers.

Image sizes:
- Service Director photo: 1.25” x 1.25” (375 x 375 pixels)
- Service Advisor photo: .75” x .75” (225 x 225 pixels)
- Dealership photo: 2.8” x 2.75” (840 x 825 pixels)

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There’s no party like a Honda party! This simple statement is the goal of the newly redesigned Honda Owner Workshop (HOW), the perfect program for dealers to build their parts and service business, foster relationships with their customers, and ultimately instill customer loyalty to their dealership.

The new HOW is intended to be a celebratory event in which the dealer welcomes its customers back on a quarterly – or even monthly – basis. No more guessing what to do, when to do it, or how. “We’ve developed an event-planning website that offers dealers step-by-step instructions on inviting customers to a Honda Owner Workshop, tracking, and hosting the event,” said Dax DeRop, manager of Honda Service Marketing. The HOW event planner, invitations, and even thank-you cards can all be found on iN – go to Service > Marketing > Lifetime Customer Care.

As part of the redesign, an all-new event kit has been created. It includes an event banner, pre-printed station signs, balloons, raffle tickets, participant folders, and giveaways. An invaluable part of the kit is the HOW DVD, which features a welcome video that details the background and history of Honda, resources for easily configuring vehicle amenities such as door lock settings and phone pairing, and various Honda stories and commercials. This kit will automatically be sent to dealers once their first event date has been set and invitations mailed. Additional items have been made available through the website for larger events and replacements of items from the initial kit.

Looking Down the Road would like to recognize Fernandez Honda in San Antonio, Texas, as the first Honda dealer to welcome their new Honda owners using the redesigned program. “I couldn’t believe how easy it was to plan and track every step of the Honda Owner Workshop with this new program,” commented Rachel Scoggins, Executive Assistant at Fernandez Honda. “It was easy to create my customer list based on the date range I needed and to track every step of my way, from RSVPs to the thank-you cards that went out to our attendees.”

Scoggins remarked that the event allowed customers to ask the kind of questions that would arise only after having driven the vehicle for a while; she also noted how impressed the customers were with all the items covered during a Multi-Point Inspection.

*The setup with Honda really simplified everything from the invitations to the door prizes, and the banner made it feel like a livelier event than previous Owner Workshops,*' said Adam Claiborne, General Manager of Fernandez Honda. “We had a good turnout and our customers were very pleased with the event.”

Preliminary research shows that HOW events help make the new customer feel like a part of the Honda family and more likely to return for service.

Dealers across the country know this, and the party planning has begun. Check out the list of dealers who have hosted and are planning to host an event. Then, set your date, log in to iN and start to plan your Honda party – begin building your Honda family! (continued on the next page)
Honda Owner Workshop Rolls Out the Welcome Mat!

(continued)

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The first time a dealer creates a HOW event, he or she will order a custom merchandising kit that includes the following:

- HOW-themed event banner
- HOW-themed two-sided, free-standing welcome sign
- 5 pre-printed station signs
- 2 dry-erase station signs
- HOW-themed 11” latex balloons
- HOW-themed 17” latex balloons
- Roadside assistance kit raffle prize
- Raffle tickets
- Acrylic 18-oz. tumbler giveaways
- Double-wall 16-oz tumbler giveaways
- Jotter pad & pen giveaways
- HOW resource DVD
- Participant folders
- Name tags

After the initial kit purchase, additional kits and individual kit items may be ordered at any time through the HOW event planning website accessible through iN.
When it's too Good to be True

Justice prevails in counterfeit airbags case

In the last edition of Looking Down the Road, I talked about counterfeit parts and the criminal case against a person delivering and selling counterfeit airbags to customers. His case went to trial and he received significant prison time for his activities. For more details, go to this link: [http://www.nooga.com/153781/chattanooga-man-sentenced-for-trafficking-counterfeit-airbags/](http://www.nooga.com/153781/chattanooga-man-sentenced-for-trafficking-counterfeit-airbags/)

Airbags advertised as new and selling for very low prices – too good to be true. We continue to find different types of counterfeit parts that look genuine and are labeled as genuine. Our efforts to educate dealers and consumers about this issue must remain constant.

The website we are developing to educate dealers and customers is in development and will be launched this summer. It will provide a lot of information, including videos showing the possible catastrophic results from the use of these parts. We’re looking at other websites to get the message out, too.

Until then, please remember that only by using Honda Genuine Parts purchased from American Honda can your customers be assured of the quality they expect from our brand. The problems with counterfeit parts to you and your dealership are not worth the risk.

Next, I want to speak to you about increasing your customer-pay repair orders (CPRO). The evidence is clear that people are still driving less and that the amount of miles driven came down in 2011. People are spending less on maintenance and our UIO base is aging. That means we need some different thinking to bring customers back to your dealership.

This year, we intend to increase the SRS and SPS mailers with a plan of sending up to 45 million communications to our customers. Our program is robust and very thorough and an important element to reach out to customers for service. We will also introduce a new owners’ workshop and online ad impressions. Additionally, we will follow up on a request from your National Dealer Advisory Board to introduce national and regional fixed operations advertising.

These expanded and new programs will be released in the upcoming fiscal year. For more information, please speak with your DPSM. We will be communicating the details in a formal announcement in the near future.

I appreciate and welcome your comments and suggestions about these topics. And, I hope to see some of you in some dealer trips I’m planning this summer.

Bruce Smith
Vice President
Auto Service and Technical Operations
Our UIO Is Growing… Are You Ready?

Ensure you have both soft and hard countermeasures to capture more business

In the last issue of LDR, I mentioned the challenges Honda faced with not one, but two global natural disasters. At that time, I asked that you take an active role in strengthening your service business; I also asked the same from our Honda associates. And, with a Challenging Spirit from our Parts and Service Honda associates, and with your attention and hard work, the Active Units in Operation have grown 12% over the previous year; this in spite of a new car downturn. Now, as Honda is making a steady recovery to full production, we are already witnessing double digit new car sales increases.

On the Parts and Service side of the business, we are reinforcing our marketing programs to attract 1 to 10 year old vehicles as well as 10 to 20 year old vehicles.

In addition, as you have already seen with the newly released Honda Owner Workshop, you will witness enhancements in our other event programs – including our popular Honda Customer Appreciation Days in the Fall.

Lastly, you will see more National advertising, Social Media campaigns and unique prospecting to attract Lapsed and Inactive customers with vehicles 10 years or older into service – customers who could very well be among your next new car buyers.

Thriving new-vehicle sales, loyal Active customers, and increased prospecting for Lapsed and Inactive customers who come back to the dealer … that’s a lot of potential service business. And, it begs the question - does your dealership have the capacity to handle it all?

Based on our sales projections for the next five years, 19 dealerships in the Los Angeles area, 17 in New York City, 17 in Washington, D.C., 16 in Chicago, and 13 in Atlanta will be under capacity to service these vehicles. In total, there will be 163 dealerships under capacity. In some instances, soft countermeasures may address some of the deficiencies; however, in many instances, they will not.

After the collapse of Lehman Brothers in 2008, and the ensuing global financial crisis, what supported the foundation of our business was your strong service and parts departments. Your departments have handled the Honda customers who then return to Honda dealerships for their service and repurchasing needs. As we strive to expand our business in the future, it is important that we learn from our past experience and challenges in creating highly satisfied and loyal customers. So again I ask – does your dealership have the capacity to handle the influx of expected business?

Last, but not least, is the importance of hiring well-qualified personnel. At the end of the day, people enjoy doing business with people they like and trust. All our plans for service growth cannot be carried out successfully without adequately staffed and trained technicians and service advisors; now is the time to start hiring and providing them training to prepare for the future.

Five years down the road may seem far away, but it will be here in no time – don’t let it catch you off guard. Let’s work together now to prepare for our prosperous future.

Shigeo Taguchi
Vice President
Automobile Technical Operations
A big event starts with little effort!

The new Honda Owner Workshop (HOW) program is here. And we’ve made it even better than ever to welcome new owners back to your dealership. In addition to giving a warm welcome to the Honda family, HOW events also lead to: Improved customer satisfaction, increased Parts and Service business, positive word of mouth, more repeat business and referrals, lasting customer relationships.

PLUS, the new HOW event planning website and redesigned celebration kit help make hosting a HOW event even easier!

To visit the HOW website, simply follow this path on iN:
iN Login > Service > Marketing > Lifetime Customer Care > Honda Owner Workshop

Brought to you by Honda Service Marketing