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Newsletter - Fall 2020

A Note from Jennifer



Autumn May be the Time to Offer Mobile Services

The autumn leaves are falling. Can winter blizzards be far behind? And that means tire changeover time. But this year, COVID-19 and the rules that go with it have changed things. There may be long socially distanced lineups at your service department. Your customers may not like that.

How long will this last? It could drag on until a COVID-19 vaccine is developed and that could take some time. Last year, the pandemic hit in late winter. There was no tire change rush. If necessary, your customers could put off tire changing until summer breezes blew. Now with winter coming, your customers will want their tires changed ASAP, especially in Quebec, where the law mandates winter tires be on by Dec. 1.

A number of your new customers have bought from you online and are comfortable with it. They may be willing to take the next step and get their tires changed at home. And pay for it. A number of your customers are seniors who wouldn't mind home service. Then there are those who aren't at ease at a dealership because of COVID fears.

That opens the door to at-home and at-the-office oil changes and maintenance. After all, while your crew is there changing tires, they can do oil changes and checkups as well as some standard maintenance jobs.

Call it a concierge service. That's what premium brands like Lincoln and Genesis supply.

Mobile Mechanics

The idea of home repair and maintenance services is not new. [YourMechanic.com](#), an American outfit, has been making house calls in the Toronto area since early 2019. [GoOil](#), a Canadian mobile service does driveway oil changes in Ontario and across the Prairies.

Automotive News Canada raised the issue in January and interviewed some dealers to see what they thought about it. The reaction was mixed.

"I can see dealerships absolutely offering mobile service," said Paul Shaw, dealer principal of Ken Shaw Toyota.

Stephen Gubasta, COO, of Mississauga Toyota, agreed saying, mobile services for minor jobs like installing winter tires make sense.

Mobile service companies argue that the convenience of home service isn't expensive, that garage costs are higher.

Ford is conducting a pilot mobile service project in the United States and has been operating a similar service for fleet customers in England since 2017.

Operating out of a fully equipped Ford Transit van, Ford technicians do vehicle maintenance and light service work for customers at their home or business. Ford's Mobile Service is being piloted in California, New Jersey, Illinois, and Florida.

But franchised dealers caution that some warranty work needs to be done at a franchised dealership by techs who are brand-certified.

Still Daryl Sheridan, director of finance at Toronto's Downtown Auto Group, said mobile repair services are "just the next step in customer convenience."

"Down the road, I could see dealerships offering at-home service," Sheridan said. "It's definitely a market disruptor."

Of course, there's the issue of cost. Gubasta cautioned that a dealership would need a large truck with a full stock of parts plus certified technicians.

"We want to see what the uptake is before we consider buying a big truck," Gubasta said.

The COVID factor

That discussion took place in January before the pandemic. As we have seen, the pandemic has changed things since then. There are customers who want to limit their visits to a dealership service department. There's a market that's opened up.

For franchised dealers, offering at-home/at-office service builds loyalty. Same for independent dealers who can offer change tires and do some maintenance work – at least as much as the aftermarket garages do as long as they employ a certified mechanic.

And, besides, what better advertising is there than a truck with your dealership's logo on it parked in your customer's driveway with your crew hard at work changing tires while the snow blows?

Jennifer

Stopping Car Thieves



It was 2 a.m. in late April, when a car dealer in the London, ON area received a call from his security company. He was told there was motion detected by the security video at his dealership.

The video showed a pickup truck drive into the lot. One person jumped out of the truck and smashed the glass in the dealership window and came back out. He was joined by others who got into vehicles on the dealer's lot and drive off with them.

Gone were 40 sets of vehicle keys, along with three, high-end used cars with a combined value of about \$100,000, including one Mercedes.

"They knew exactly what they wanted," the dealer told CTV News. "They didn't take anything under \$30,000. All the vehicles they took, they were high-end cars. My theory is that they have someone who takes the vehicles from them."

In nearby Fergus, thieves using the same tactics stole nine new trucks from a Ford dealership. Total value \$700,000.

The dealer in London is not holding out hope he'll get the cars back. His family business is now left to pick up the pieces.

"It's been really hard for everyone, our sales team, our service team, our families. Our sales are completely down. You know we have enough to deal with that we don't have to deal with something on top, missing cars or missing keys."

Similar tactics used before

In late November 2019, car thieves swarmed a Calgary dealership driving off with five vehicles, including a Ford Mustang and Cadillac Escalade truck, and 23 sets of keys just before 5 a.m. on a Saturday.

The dealer told CTV that he worries they may return to try to steal more vehicles with the sets of keys that were also taken.

"We want justice. We want this to stop," the dealer said. With several vehicles and sets of keys stolen and with damage done to the gate and window of the office, he believes the ordeal will cost at least \$50,000.

Thieves can be stopped

Graeme Smiley is Staff Sgt. Auto Theft Team, Calgary Police Service. Smiley and his team have seen their share of auto theft from dealerships.

"We consistently have at least one active investigation where some element of dealership involvement is present," Smiley says.

"Thefts from dealerships in our area are most commonly attached to a separate occurrence where keys are stolen. We also have criminals using delayed tactics by stealing keys by way of bogus test drives or distraction methods during business hours, then returning later to easily steal vehicles with the keys in hand."

Smiley notes that at times, dealerships are unaware the keys are gone.

Secure those keys

He urges dealers to secure their car keys both during and after business hours. This includes after hours servicing drop boxes.

Smiley says he cannot recommend or endorse safety devices, but there are key control systems that let dealers keep track of keys during the day and at closing time.

Other systems include kill switches, immobilizers and tracking devices.

Don't keep their use a secret. All cars on the lot should have stickers on the windshield warning that they are equipped with security measures.

Make it difficult for a thief to drive off by locking each vehicle's steering wheel with a club.

All cars are stealable

Don't relax because the vehicles you sell aren't on the Insurance Bureau of Canada's (IBC) list of vehicles that are popular with car thieves.

According to the IBC, car thieves favour the Toyota Highlanders, 4Runners and Tacomas. The Lexus RX 350 is also a winner of this dubious award as is the Ford F-Series. So are Honda SUVs.

The Nissan Maxima is popular with car thieves in the Maritimes followed by the Chevy Silverado, GMC Tahoe and Suburban.

But BMWs, Mercedes-Benz and Porsches are also popular.

And with the economy still wonky, used vehicles are eye-catchers, too.

Room for optimism

The pandemic has only increased thefts from dealerships. The Ontario Provincial Police have confirmed a rise in car thefts between Toronto and London. Smiley says there has been no turndown in car thefts from dealerships in the Calgary area since the pandemic hit.

Smiley knows that the thieves are ingenious, but he is optimistic that they can be stopped if dealers work at theft prevention.

"We find that those dealers adhering to proper business practices are often the most successful when it comes to crime prevention."

Dealers Making a Difference



The good people of Fort McMurray have had more than their share of bad luck. First came a wildfire. It swept through the town in May 2016.

Upwards of 88,000 residents had to be evacuated. Many lost their homes. The fires smouldered for nearly 15 months. The town – a 4 1/2 hour drive northeast of Edmonton – is still recovering.

If that weren't enough, in the midst of the COVID-19 pandemic, nearly 13,000 residents were flooded out by an ice jam on the Athabasca River in April of this year. Dealing with this latest disaster was complicated by the pandemic.

The flooding and the pandemic were what one resident called the "latest kick in the teeth."

During these catastrophes, Fort McMurray car dealers – franchised and independent – rolled up their sleeves and got out to help their fellow neighbours. One of those dealers is Marty Giles, owner of North Star Ford.

Quarterbacking relief

With flood waters rising on Apr. 28, Giles leapt into action. Using his Facebook page, he started communicating with his customers telling them where they could go to have their cars serviced since North Star Ford's Fort MacMurray location was at the mercy of the Athabasca River.

But he had more than just his customers in mind.

"Trust me. We have plans. Once we know the water is behind us, we have plans to support the community ..." he said via Facebook on Apr. 29.

"We have to work together to support each other."

When the waters flooded areas of the town, Giles began quarterbacking what he dubbed North Star Ford Recovery.

Using the experience he had gained dealing with recovery from the fire of 2016, including the loss of his own home, Giles made a number of pickup trucks from his dealership available for the North Star Clean Up Crew and begged construction companies for heavy-duty trailers. He got them.

Driving the equipment himself, he and the crew made up of dealership staff and other volunteers, toured flood-stricken areas removing debris from water-soaked homes.

Soon local contractors joined the crew. They competed with each other to see who could haul away the most debris.

Giles used his Facebook page to warn homeowners to beware of fraudsters who would soon be flooding the area offering them quick relief.

"This not a sprint. This is a marathon," he cautioned.

He also left them detailed instructions on how to get their debris ready for pickup.

No armchair quarterback

Giles began each gruelling day at 6:30 a.m. on his Facebook page where he kept the community up to date on what he and his crew were up to.

After his early-morning brew, Giles and his crew toured flooded neighbourhoods hauling away flood-damaged, home appliances, furniture and the like.

By May 21, he was pleased to announce that the North Star Ford Recovery project was out of business, the North Star crew had made 100 trips to the city landfill and removed 184,000 lb. of debris from residents' lawns.

Giles explained why he chose this project: "Our home in Calgary was at ground zero during the flood of 2013 and my friends and family were able-bodied and we had access to equipment."

"The sooner we got our demo done, the sooner we would be home. It really was an overwhelming task but as soon as that lawn was cleared of the debris our mental outlook changed."

"I can't build anything but I am a good labourer. If we could give this gift of hope to people who didn't have those resources, we knew it would mean a ton to those families."

North Star Ford



Marty Giles, owner
North Star Ford

Marty Giles grew up in auto retail, starting in 1988 when he began selling cars as a summer job. In 1995, he and wife/co-partner Dennine Giles bought their first dealership. Since then, North Star Ford has grown to include a Lincoln franchise, and a service centre, Gregoire Service, as well as North Star stores in Calgary and Cochrane.

His Fort MacMurray dealership didn't escape unscathed. The flood waters claimed 130 cars and trucks.

When the economy got better in August, we had buyers but no vehicles for them," he lamented

Community service

Giles is no stranger to community work. His hard work during the wildfire of 2016 won him the Senate 150 medal "given to Canadians whose generosity, dedication, volunteerism and hard work make their communities a better place to live."

After the wildfire, he served on a recovery committee for 18 months. Not all the work made him and fellow committee members popular, especially trying to persuade homeowners who wanted to rebuild on flood plains to accept a buyout instead.

"It was a very emotional time to deal with community recovery and not every recommendation we made was necessarily popular," Giles recalls.

Why?

Ask Marty Giles why he and Dennine Giles devote so much of their time to the community and he explains "Dennine and I have been working for the community for years as the strong values of North Star calls for us to support the community that gave us our start. We haven't and will never forget it and we take it very seriously."

The F&I Revival



The pandemic and the economic uncertainty it left in its wake are a blessing in disguise for the business manager. If you think it means hard-haggling customers who can't afford protection products, you're wrong.

"A lot of people are willing to spend a little more for protection," says F&I trainer Duane Marino. "Uncertainty that they will get hit with an income shift creates fear, so they are motivated to buy extended warranties and other protection products. Many people want to fix the cost of owning a car and not have to worry about the cost of repairs."

Marino, the founder of Marino Automotive Solutions, has trained over 50,000 automotive professionals online and in person from dealerships across North America. Since COVID-19 hit, he has been talking to many of the people he has trained and is training to get the pulse of F&I sales and see what's happening on the sales floor and in the business office.

It's not all gloom and doom. The cup is more than half full, says Marino.

"The car business has been exceptionally strong, even though employment has been hit hard. So very often people are more concerned about their credit worthiness than price. This makes them easier to deal with as it gives the business manager more control over the situation."

The more confidence and knowledge the business manager can project, the easier it will be to guide the customer in an ethical manner, is his advice.

Maintaining a good attitude is no slam dunk because of all the distractions, Marino says. But it's not impossible.

There are lots of distractions, especially in the media where it's all so negative. "Ignore them!" Marino says. "Don't let fear or distractions control you."

He knows there's a supply problem because most automakers closed their factories for two to three months at the height of the pandemic, and many used vehicles are being shipped to the USA. That means the business manager may not be seeing as many customers, especially on certain car lines.

"You can't control that," Marino says. "Focus on the relationship and opportunities with the customers you have."

Customers are distracted, stressed and have short attention spans. They are looking for quick understandable solutions. A polished presentation will win their attention and confidence.

"More so than ever, you need to know what you are talking about to build your authority in their eyes."

The business manager/dealership ambassador

Marino wants business managers to get up and out from behind their desk and out of the business office. The place for them is the showroom floor, where they can meet the customers early and greet them. That way, they won't be a stranger when the customer comes into the business office later in the sale.

Remember: the business manager is the last person the customer sees when they sign the deal. The business manager helped them secure the financing they needed to buy their car. And the protections they need to feel secure during their ownership experience.

"Attitude is all-important because the business manager is the last person the customer talks to," Marino reminds.

The business manager gives the customer a long-lasting impression about the dealership.

"The reputation of the dealership is tied into F&I and it's becoming more so, no matter if your dealership is new or used. Along with the service department, this impression is vital to future business there."

IA'S TOP TEN FUNDED* CARS

DO YOU HAVE THESE ON YOUR LOT?

- | | |
|------------------|--------------------|
| 1. Ram 1500 | 6. Hyundai Elantra |
| 2. Nissan Rogue | 7. Nissan Sentra |
| 3. Honda Civic | 8. Mazda 3 |
| 4. Dodge Caravan | 9. Chevrolet Cruze |
| 5. Ford Escape | 10. Hyundai Tucson |

* Funded in Q3 2020

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