

Building Customer Retention and Dealership Profits

SOME OF THE MOST SUCCESSFUL FRANCHISED AUTOMOBILE DEALERS have incorporated a paintless dent removal (PDR) program into their dealership as a way to drive new opportunity in sales, service and F&I. Dealers are continuously looking for ways to build incremental profit, increase value and customer retention, and improve CSI with manufacturers. Dealers are finding that a sound PDR strategy and partner can drive opportunities in all three areas in the dealership.

PDR has become an accepted repair technique that has dramatically evolved the auto and collision repair industry over the last 20 years. PDR is a process that reforms metal back to its original condition without sanding, filling, painting or using traditional auto body repair techniques. This process evolved out of factory production lines in Europe using skilled craftsmen known as 'dingers' or 'tinnners' to 'rub' out minor dings and dents from the metal panel prior to painting. With the advancements of more flexible paint finishes, PDR is now commercially used to repair dents and dings on vehicles without damage to the integrity of the paint finish. Working from behind the panel, trained technicians use specially designed tools to massage the metal back to its original shape.

The growth of the PDR industry has helped further advancements over the last few years in technique, train-



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—Lindsey Bird

ing and tooling. Now the PDR processes enable more complex and difficult repairs such as creases, body lines, hail damage and larger jobs. Many manufacturers, insurance companies and remarketing professionals also now view PDR as a highly acceptable repair method.

Factories give PDR their blessing

Quality and service are the key ingredients to launch a successful PDR program in your dealership. In order to offer quality PDR to your customers, it is important to note the trained technician must be capable of providing repairs without impacting the integrity of the paint finish or manufacturer warranty. Over the last few years, much advancement has also been made in developing specific vehicle tooling and schematics to enable repairs to be performed perfectly.

Several manufacturers have also issued approved repair guidelines for PDR to work with a provider that meets the manufacturer approval process.

"We make sure that the PDR technicians who work on Mercedes-Benz vehicles are knowledgeable about the specific features and accessories on every Mercedes-Benz model. This advanced knowledge ensures that no feature is compromised during the repair process," says Jeff Miller, senior staff engineer for paint and body at Mercedes-Benz USA. "We've found the PDR program to be beneficial to our service customers as well as our pre-owned inventory."

Dealers who have launched a successful PDR program find it helps in sales, service and F&I.

Generating profits in the service department

One of the biggest issues for dealerships today is customer retention. Most service departments at franchised stores only retain around 18 percent of paid repairs after a sold vehicle leaves the dealership.

Several of the nation's leading dealer groups have successfully embraced PDR programs in many of their dealerships. "Dealer service departments are

continually looking for ways to provide full service facilities. People have less time these days. Adding services that increase customer value increases customer satisfaction and retention by providing the 'one-stop-shop' service experience, and PDR is a great way to expand that menu," says Hugh Whites, vice president of fixed operations for Sonic Automotive Group.

PDR provides an opportunity to up-sell ding and dent repair on the customer's vehicle while it is in for service and, with a well-designed program, create incremental profits. Most PDR repairs will take less than an hour to perform. Utilizing a highly trained, certified PDR technician can be a tremendous asset to a dealership's service drive. Dealerships that perform a thorough walk-around inspection on their customers' cars not only see the value of up-selling PDR, but also reduce damage complaints and policy repair costs.

Many high-line and luxury dealerships have seen the value of a full-time partnership with a certified PDR provider that allows them to have a dedicated technician on their drive every day without any internal investment costs. Many of these dealerships are making in excess of \$100,000 in additional income from PDR services.

Using PDR to enhance your F&I menu and generate profit

In the last three years, there has been an emergence of ding and dent warranty style protection plans available to new and pre-owned buyers through dealership F&I departments. The products resonate with customers who want to maintain that "new car look" as long as possible—and they provide additional up-sell opportunities in service as these customers return to your store for PDR work.


Typically, these dent and ding plans are available in three-, four- and five-year options and enable dealerships to earn around \$300 per plan in profit. Any provider's service plan should be looked over carefully to ensure that an insurance policy is provided to protect the dealership should the obligor go out

of business. In addition, dealerships should seek out the company to ensure that its service agents can satisfy manufacturer guidelines and the repair quality your customer would expect from your dealership.

Protecting inventory, reducing costs and boosting sales

Vehicles that are ding- and dent-free sell faster and generate more profits. It's no secret that appearance matters, and with the advent of manufacturer-backed, certified vehicles, consumers have come to expect a used vehicle that looks as good as new. Implementing a PDR reconditioning program with a qualified PDR provider that maintains the dealership inventory in front-line ready condition can save more than 60 percent over traditional repairs. Furthermore,

vehicles without dings and dents sell faster and for more gross.

Dealers should research and ask questions of their provider prior to investing with a PDR company. Selecting the right partner can benefit your dealership and drive new opportunity through the door, and more importantly, keep it coming back. 

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