

IMPROVING THE BOB HOWARD EXPERIENCE



LUCKY
GRUPE



Introduction



Buying a car is one of the major purchases that someone makes in a lifetime - the others are buying a house, sending a child to college, and travel. We love the experience of a new car. Why don't we love the experience of buying that new car? Often, the new buyer feels uncomfortable and somewhat intimidated. Efforts can be made to enhance the car buying experience and minimize the discomfort. The pursuit of that car-buying dollar is highly competitive. Each car dealer seeks an edge, something that will set the dealership apart from the others.

Lucky Grape will help Bob Howard enhance the experience: buying a car should be a positive and pleasant experience. This enhanced experience applies to the customer, the sales professionals, the finance staff, and the supervisors.



Overview

The purchaser

According to research conducted by the Rochester Institute of Technology, brand loyalty, one of the hallmarks of car buying in the 1950s and '60s, is virtually nonexistent now. Families were once defined by their car make - Chevrolet, Buick, or Dodge - in the same way that they were labeled by their political party. Now car buyers shop around in the same way that they roam the mall, looking for exactly what they want at the most affordable price. Much research confirms that women are playing a larger role in the decision-making process for new vehicles. (See the Appendix for more detailed info on research studies.) For the purpose of understanding the Bob Howard experience, the car purchaser can be divided into these two groups:

1. First-time customers. Those buyers that may be new to the process. Young people - couples and individuals, professional women, newly single women.
2. Returning customers. While their discomfort and intimidation may be less, they still need to be

reminded of the quality, caring, and pride they experienced during previous visits.

Car buying

There are many factors that impact the buying decision of the potential customer. The primary factors include:

1. Price. The purchase price is so large that the buyer needs to feel that he/she is getting the best deal they can find. They will check with friends, the Internet, newspaper ads, and television commercials.
2. Promotions, specials, and coop tie-ins. Still a part of number one, price, these offer additional savings that can influence a buyer, even at the last minute.
3. Reputation. The potential buyer has likely heard of dealerships through advertising and promotions, but they may also have a perception of the dealer as a result of previous purchases, friends' recommendations, on-line reviews. The integrity of the dealer pays off through satisfied buyers, repeat business, and word-of-mouth.

4. Feeling comfortable and welcomed. Making such a large financial purchase can be frightening. Add to that the fact that most people are not very knowledgeable about automobiles, latest features, and it creates a situation that can be intimidating to a potential buyer, especially a first-time buyer. The customer needs to trust the sales rep and the dealership. The dealership needs to convey credibility and integrity. The buyer wants to feel respected - that the sales staff is considerate of their feelings and tastes. The buyer needs to sense that the staff cares about them and the car buying experience and that they are proud of the vehicles, their showroom, the service, and the physical environment.

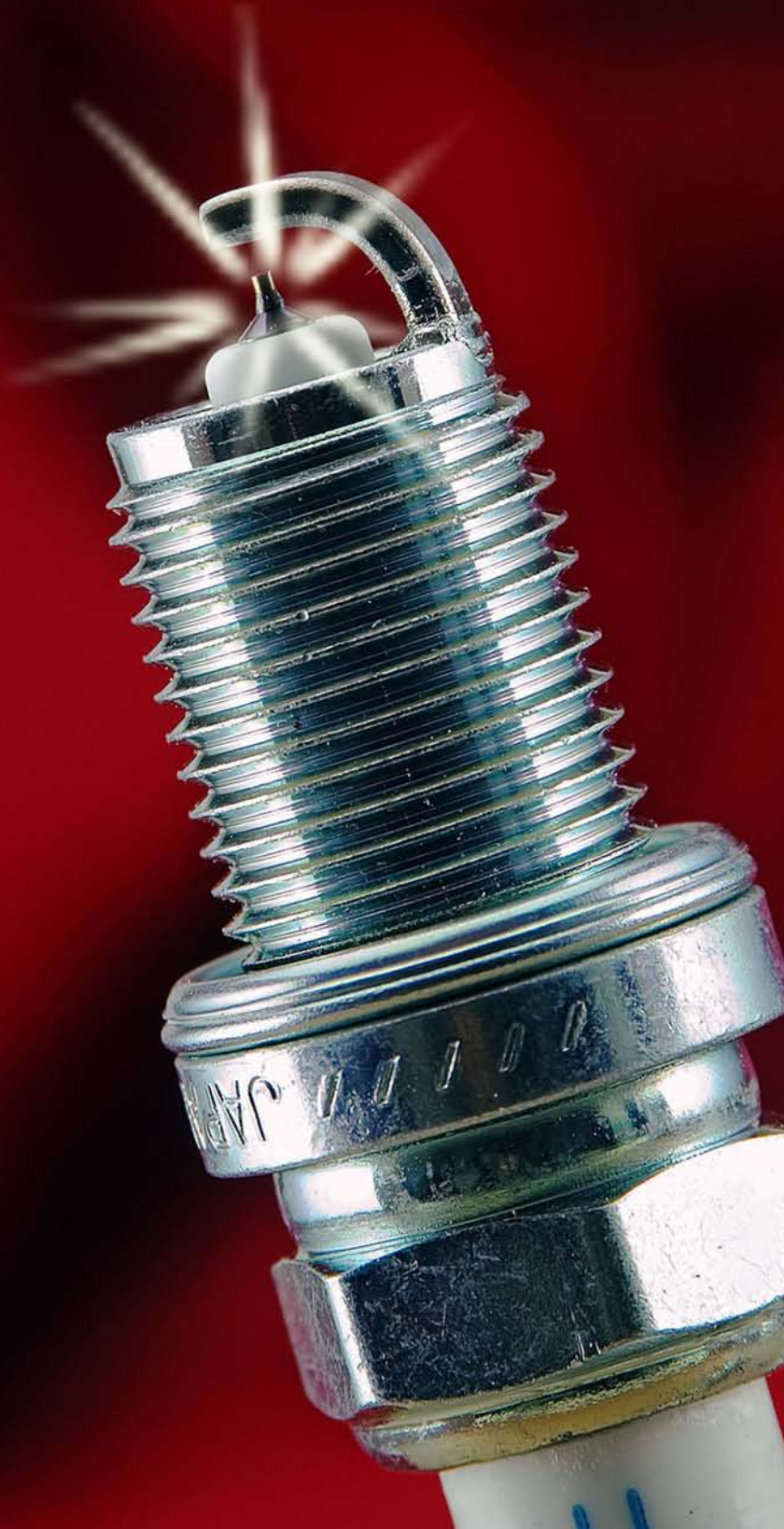
Item numbers 1 and 2 do not relate to the physical facilities. Item 3 can be impacted by a pleasant environment. Item 4 is definitely influenced directly by the facility. It is this factor that will be addressed.

Assessment

Lucky Grape researched competitors and other dealerships in Edmond, Oklahoma City, Norman, and Stillwater. Items reviewed included greetings from the sales reps, navigating the spaces, feeling of welcome, where to enter, comfort created, colors, furniture, lighting, graphics and artwork. Unfortunately, the Bob Howard facilities* appear to be tired, dull, stale, faded, and outdated. Areas look too institutional, cold, and foreboding. But with efforts to seek new markets, increased competition from other dealers and the Internet, and to broaden the potential customer pool, there needs to be a constant upgrading and maintaining of the facilities. There was evidence of a lack of caring, a lack of pride: litter, overturned chairs, broken fixtures, dirty, poorly maintained, and in need of repair.

*Buick, Pontiac, GMC, Chrysler, Jeep, Dodge, Chevrolet





Objectives

To achieve a competitive edge, here are some objectives that should be met.

The customer should feel:

- Confident
- Comfortable
- At ease
- Respected by the staff

The environment should be:

- Welcoming, inviting
- Casual yet professional
- Clean and well maintained
- Uncluttered, neat, and orderly
- Non-threatening and non-intimidating
- Easy to navigate, convenient access
- An example of the latest innovations and technologies.

Implementing these concepts will help to:

1. Brighten the facility.
2. Upgrade the aesthetics.
3. Convey a warm welcome.
4. Help the customer feel important and respected.

Major themes/concepts

To achieve the objectives, the following themes should be implemented:

- Detail the showrooms as vehicles are detailed.

Each facility should be treated as a new car - cleaned, maintained, and proud to show. The same care shown for the vehicles should be shown for the car rooms. The customer likes the feel and respect shown by being in a detailed car; that same feeling should be experienced in the showroom.

- Balance the comfort and familiarity of a home environment with the technology and function of vehicle machines.

Mimic the experience of inviting a friend into a home: warm, comfortable, welcoming, non-intimidating, and comfortable while also inviting them into a new car and impressing them with the latest technology.

- Convey the essence of an organic and natural environment that represents natural materials, the outdoors, vacations, and driving escapes with the security of new materials and technology. ???

Exterior

Philosophies

- Create a positive first impression
- Highway view, walk-up, sense of place/entry
- Provide easy navigation and a sense of entry, where to go
- Uniforms: clean, white, and bright, comfort, respect, casual yet professional

Rationale, symbolism

- Horizontal bands: stability, movement, road
- Brick: organic, natural, home
- Landscaping: organic, natural, homey, inviting, escape
- Sense of entry: welcoming, navigation, and order
- White represents purity and clean air and is neutral, bright, fresh, uncluttered, and neat. White is bright and helps create a sense of open space.

Exterior recommendations (listed by priority)

- __ Power wash all brick surfaces
- __ Paint building stripes white
- __ Remove redundant pole signage
- __ Paint light poles white
- __ Landscape building perimeters and entries
- __ New exterior building signage (especially in back)
- __ Place white vehicles by buildings (white for intro of new look), none directly in front of main doors
- __ Exterior fixtures: seating, trash cans, smoking urns

BEFORE



AFTER



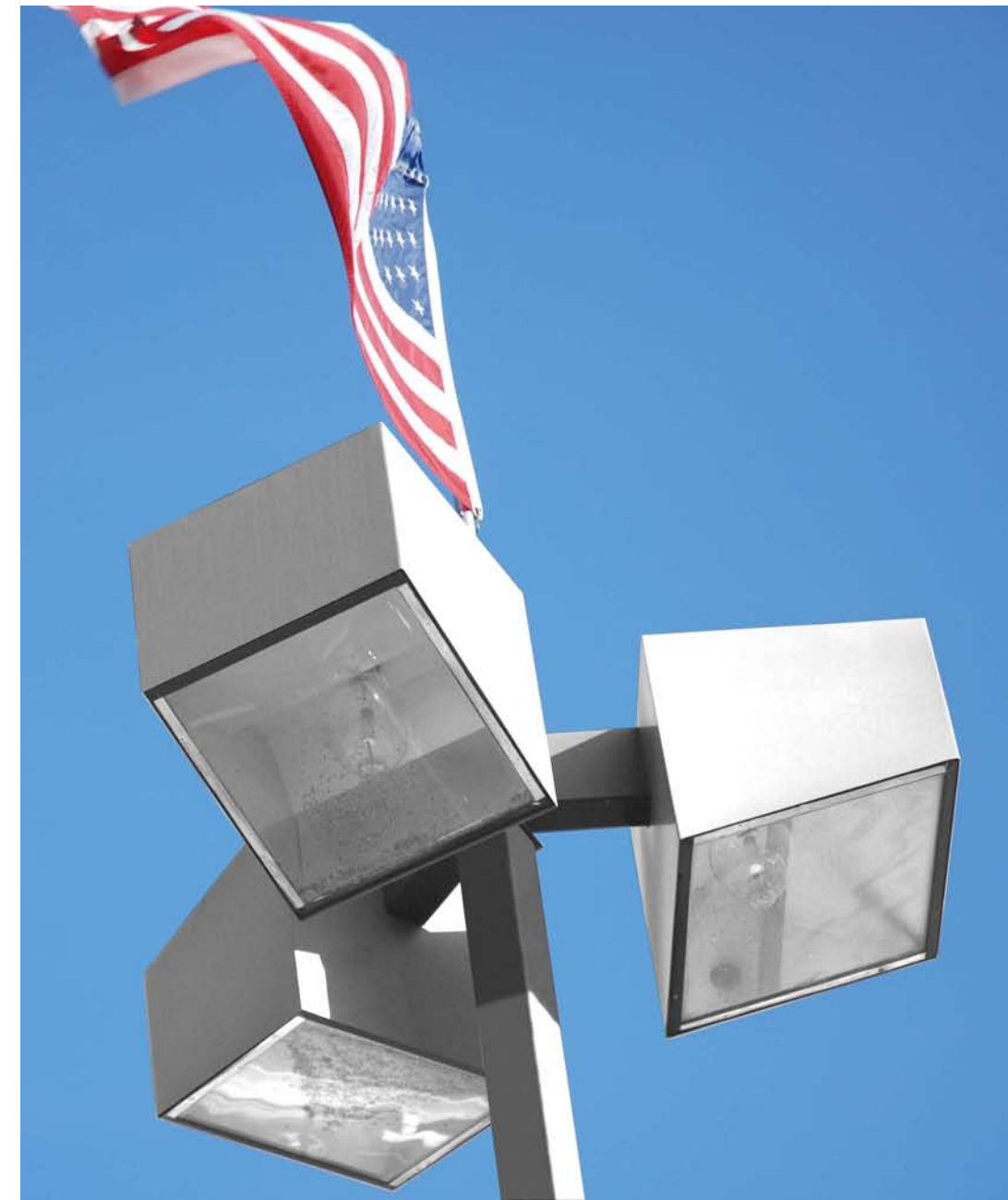
OPTION TO PAINT BRICK



Before



After



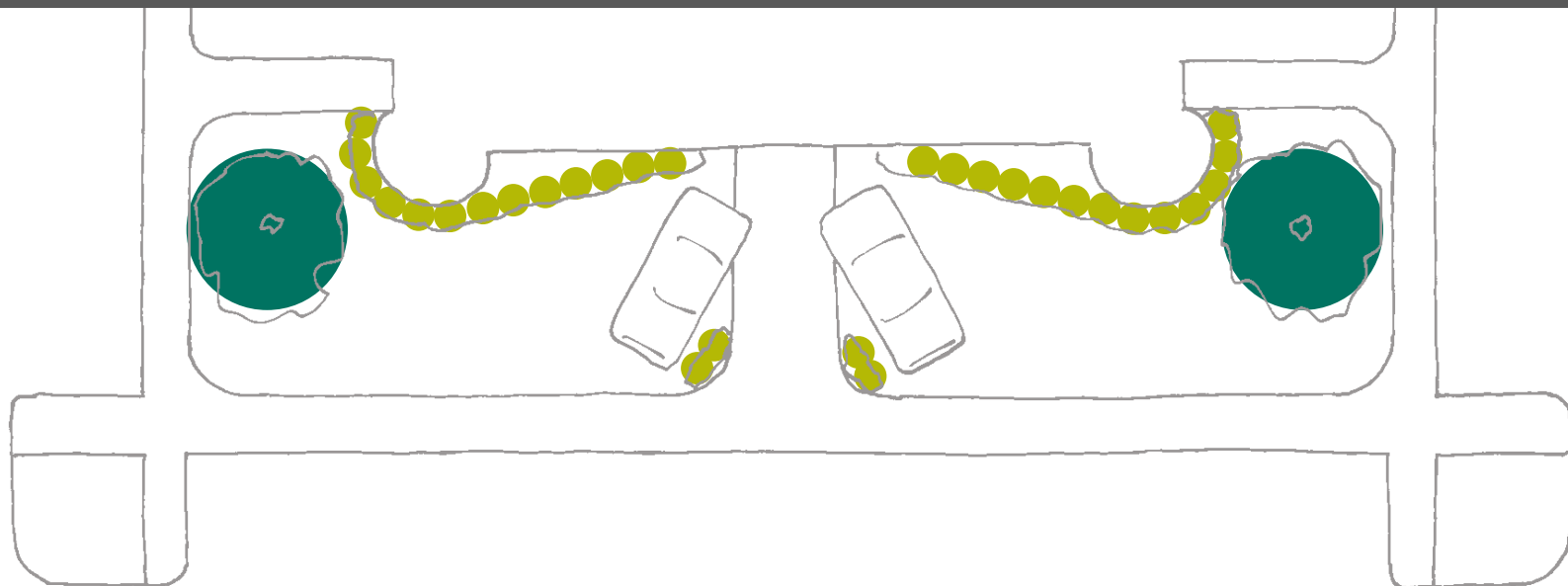


Bob Moore's
landscaping is inviting

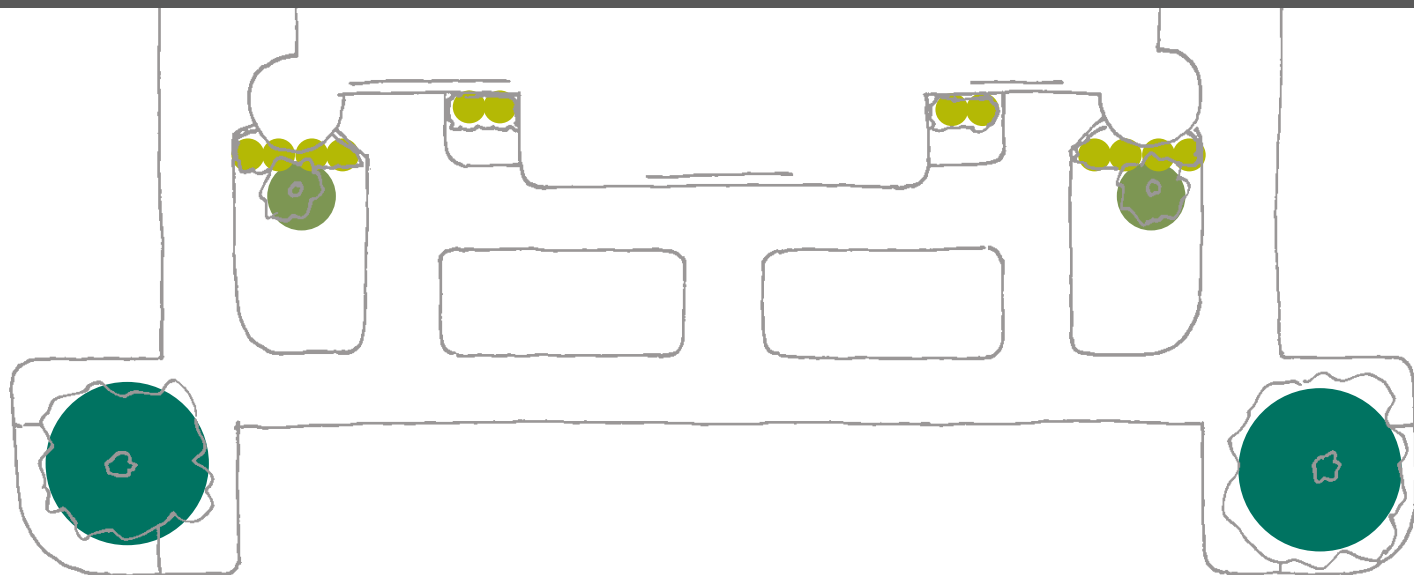
landscaping

Landscaping serves to make a good first impression, beautify the facilities and helps comfort shoppers. The placement of plants and trees suggested on the following page will frame the building's entrance. The concept of giving importance to a building's entrance is called creating a sense-of-entry. By using this basic architectural design concept, and by not place vehicles in front of primary entrances, Bob Howard is a more inviting comfortable place to buy a car.

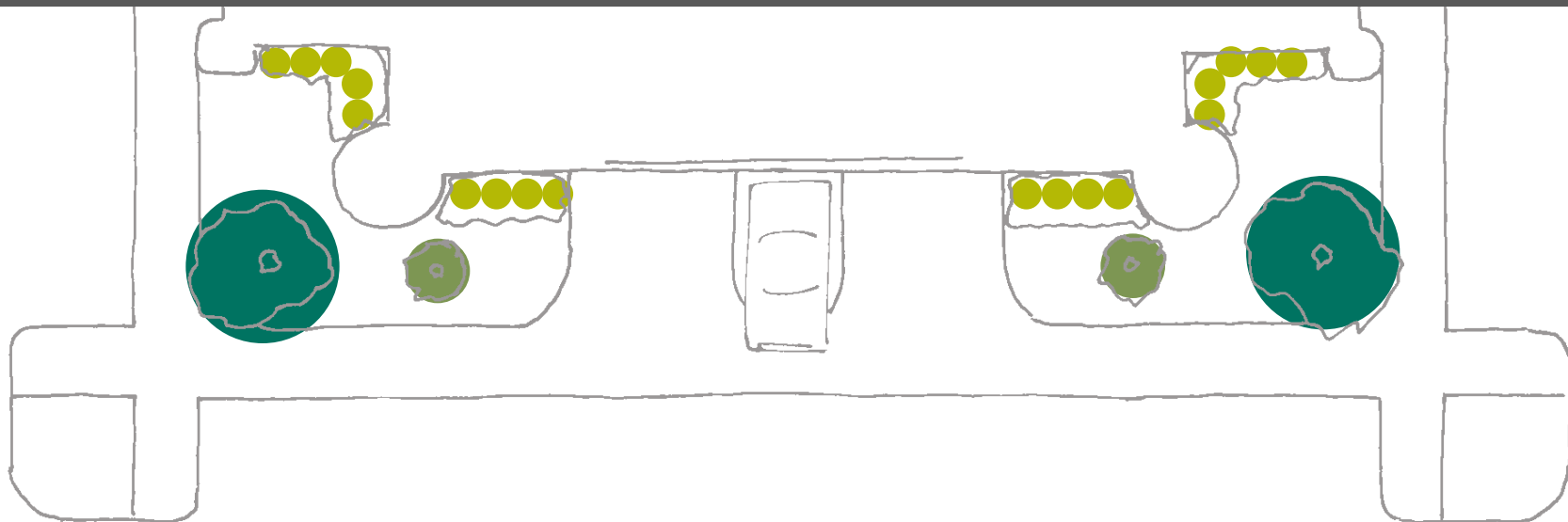
BUICK PONTIAC GMC



CHRYSLER JEEP DODGE

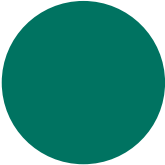


CHEVROLET



 Shrubs / Ground Cover

 Small Tree / Large Shurb

 Medium / Large Tree

Interior

Philosophies

- Focus on cars, not walls
- Clean and keep clean the showrooms, offices, and restrooms.
- Uniforms: clean, white, and bright, comfort, respect, casual yet professional

Rationale

- White represents purity and clean air and is neutral, bright, fresh, uncluttered, and neat.
- White is bright and helps create a sense of open space.
- Photos: empathy, imagination, joy of driving, escape
- Tan wood: organic, warm, comfortable, inviting, homey
A natural color that evokes a sense of strength and reliability. Brings to mind feeling of warmth, comfort, and security. It is often described as natural, down-to-earth, and conventional, but can also be sophisticated.

General

Hire a 'Director of First Impressions'

- Check each showroom exterior and interior daily.
- Pickup litter.
- Check landscaping and plants for need of attention.
- Arrange/rearrange furniture, check for repairs.
- Place banners and accessory displays.
- Restock all literature racks.
- Monitor music channel and volume.

Recommendations - general

- Purge each showroom of clutter.
- Move staff equipment and machines from public areas.
- Lighten the dark wood with drywall and/or paint.
- Provide welcoming customer seating areas.
- Move sales award plaques out of showrooms.
- Install new carpet.
- Replace all missing or discolored ceiling tiles.

BEFORE



AFTER



Lighten the dark wood
with drywall and/or paint

Chrysler Jeep Dodge



Customer area

- Paint all wood bead board a warm tan.
- Paint walls & window frames white.
- Install window graphics on some office windows.
Paint these window frames black.
- Install new carpeting in all existing carpeted areas.
- Customer seating areas: install new furniture, rugs, and plants.
- Replace wooden planters.

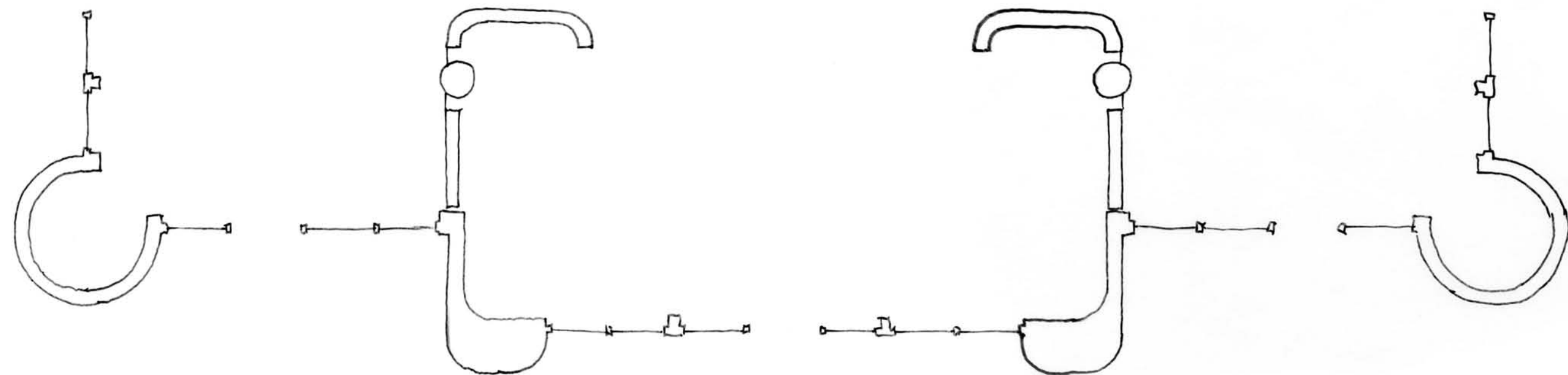
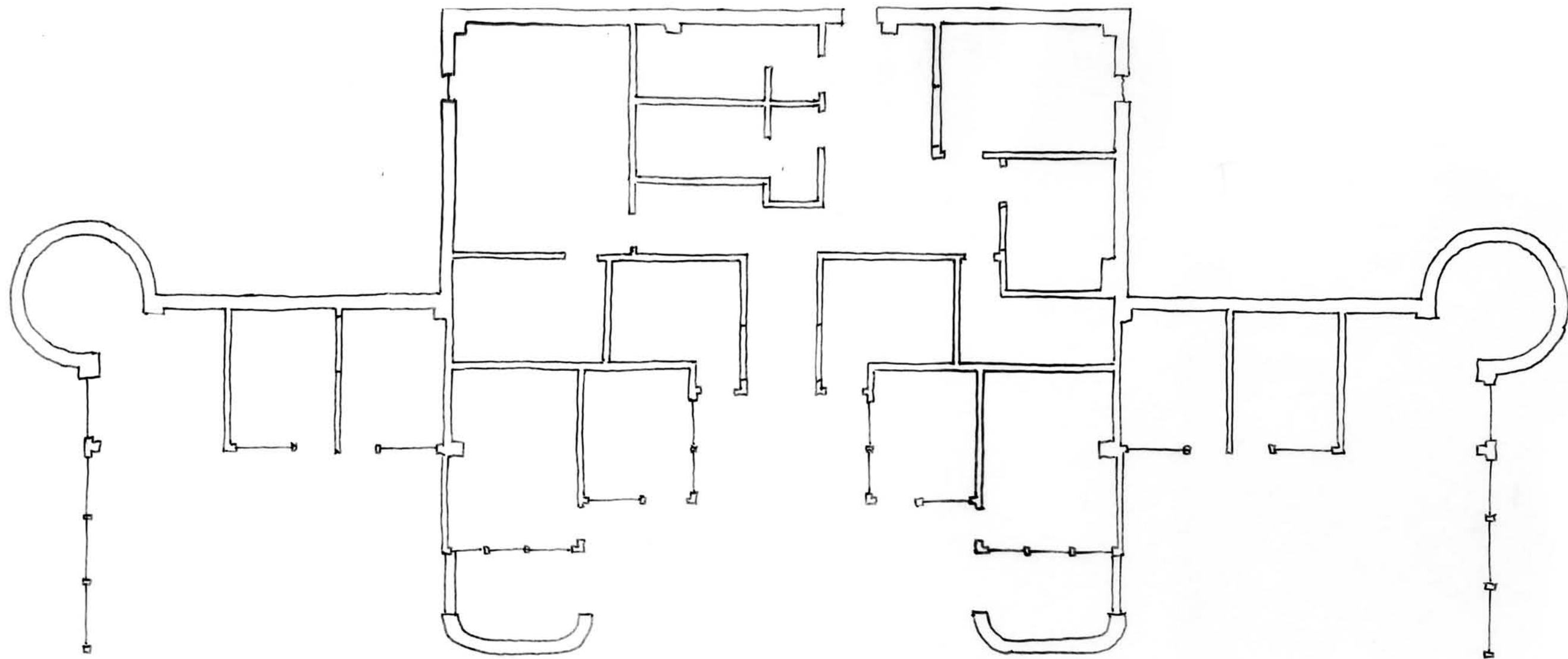
Sales offices

- Paint walls
- Future: install new furniture

Finance areas

- Future: paint walls, install new furniture





Buick Pontiac GMC



Customer area

- Paint all wood bead board a warm tan
- Paint walls & window frames white
- Install window graphics on some office windows
- Install new carpeting in all existing carpeted areas
- Customer seating areas: install new furniture, rugs, and plants
- Rearrange receptionist desk: remove monitor cart, remove grey counter top, desk top
- Replace wooden planters

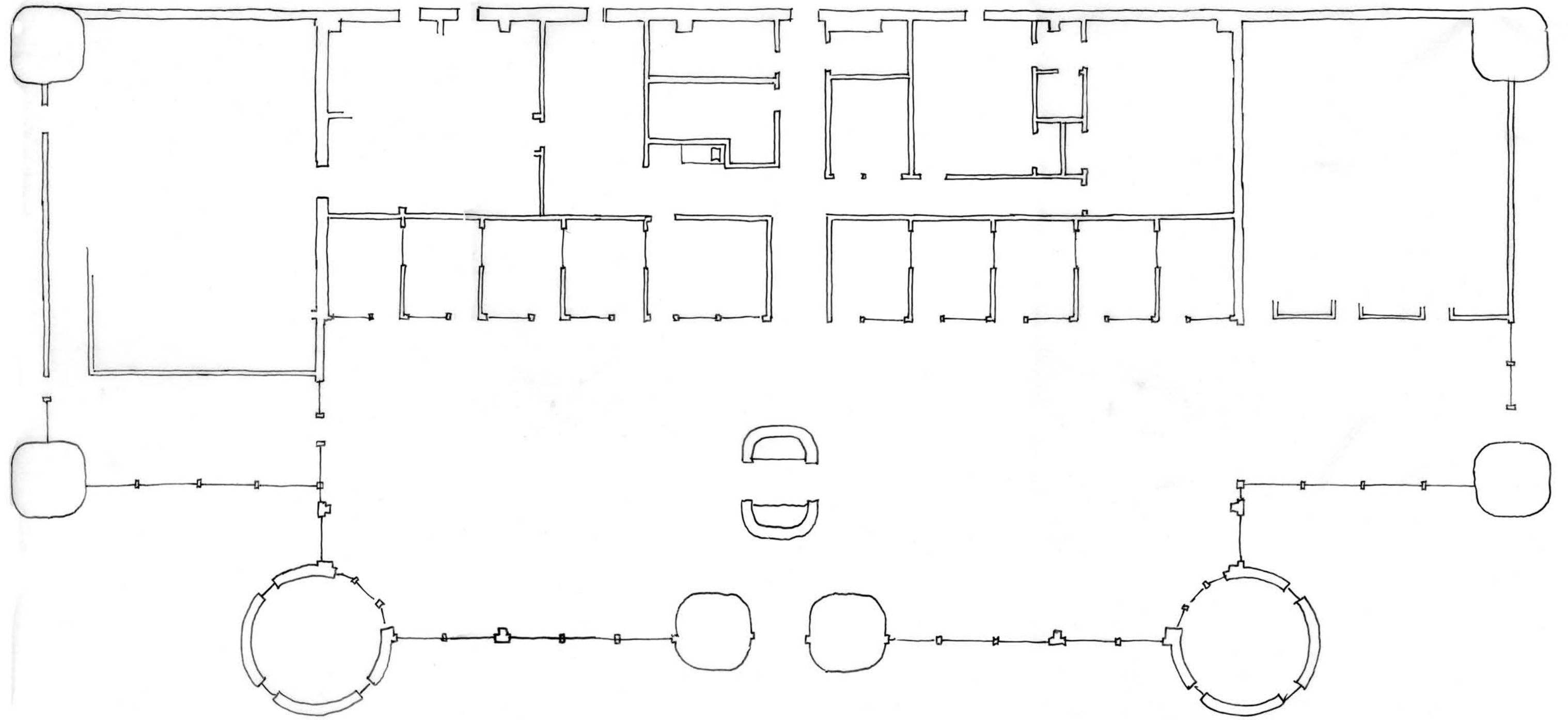
Sales offices

- Paint walls
- Future: install new furniture

Finance areas

- Hide television cable in waiting area
- Future: paint walls, install new furniture





Chevrolet



Customer area

- Paint all wood bead board a warm tan
- Install window graphics on some office windows
- Install new carpeting in all existing carpeted areas
- Customer seating areas: install new furniture, rugs, and plants
- Rearrange receptionist desk: counter top, desk top, wall behind desk
- Replace wooden planters
- Move key box out of customer sight
- Move wheel rims
- Relocate/remove some wall banners

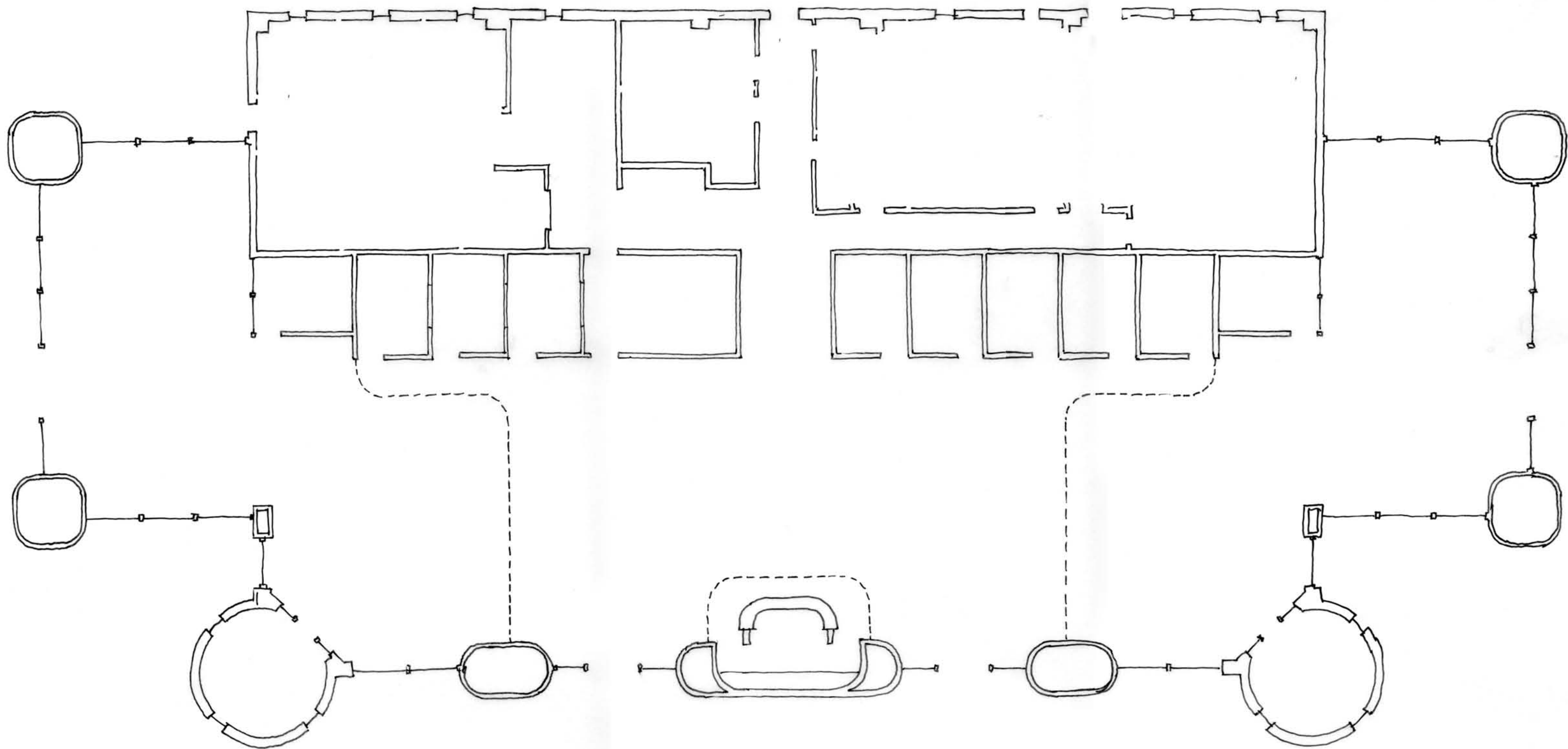
Sales offices

- Paint walls
- Future: install new furniture

Finance areas

- Fix window shutter
- Relocate copy machine, out of customer passageway
- Future: paint walls, install new furniture





Appendix

“Brand loyalty, one of the hallmarks of car buying in the 1950s and ‘60s, is virtually nonexistent now. Families were once defined by their car make - Olds, Cadillac or Dodge - in the same way that they were labeled by their political party. Now car buyers shop around in the same way that they roam the mall, looking for exactly what they want at the most affordable price.”

RIT website

Car Media Report from JD Power & Associates

The Power study divides new-car buyers into six groups, according to their attitudes toward vehicles and the “driving experience.”

Gearheads are true car enthusiasts who enjoy driving and working on their vehicles themselves. They are most likely to believe that a car says a lot about its owner. Mostly men, with many craft workers and blue-collar workers, they love domestic and Japanese sports vehicles.

Epicures prefer to drive fully equipped, comfortable vehicles that seem stylish or

elegant. This group has the second-highest share of women and the highest share of households with household incomes of \$100,000 or more. They go for luxury and sports vehicles, especially convertibles.

Purists, the youngest group, are not brand loyal and are skeptical about auto manufacturers’ claims. Yet they like automobiles, enjoy driving, and are particularly interested in vehicles with sport attributes.

This group has high concentrations of laborers and Asian Americans.

Functionalists lean toward sensible, fuel-efficient transportation and are not highly influenced by sportiness or styling. These conservative, law-abiding drivers are likely to have children at home. They buy small and mid-sized domestic vehicles.

Road-Haters are the group most concerned about safety, with a strong preference for large domestic vehicles. They don’t enjoy driving vehicles, and they don’t rate themselves as being very knowledgeable about vehicles.

This group has the highest share of women,

the highest median age, and the lowest median personal income.

Negatives view vehicles as necessary evils that they would just as soon do without. They don’t have much interest in upkeep, colors, or options. This is the most educated group, with a high share of household incomes over \$75,000. They buy small to mid-sized imported vehicles.

segment	median age	median personal income	percent of all new-car buyers
Purists	33.8	\$31,660	4%
Gearheads	38.7	\$34,130	17
Negatives	40.4	\$34,000	16
Epicures	41.8	\$31,900	26
Functionalists	43.5	\$29,020	12
Road-Haters	44.4	\$27,970	26

Source: J.D. Power and Associates 1990 Car Media Report

Autobytel.com recently conducted a survey of women car-buyers.

It found that women's greatest concerns when buying a car are:

- Convenience
- Being in control
- Being discriminated against when buying and servicing their car

Women comprise 54% of new car buyers, and studies reveal they pay an average of \$200 more than men for new vehicles. And women are also 40% more likely to pay the dealer's asking price.

- Women purchase more than 52% of all new vehicles; an \$83 billion market.
- Women influence more than 85% of all automotive sales in US households.
- Women spend \$300 billion annually on used car sales, maintenance, repairs and service.
- Female buyers are the fastest growing segment of new and used car buyers today.
- Female buyers spend slightly more time in the purchasing process than men (17 wks. vs. 15 wks.)
- Female buyers seek more advice from automotive authority websites (62%) before buying a new car.
- Nearly all female car buyers (97%) plan on being the principal driver of a new vehicle.
- Median age 41 / College 78% / Median household income \$66,000
- Female buyers will shop an average of three dealerships for best price and best treatment.
- Female buyers purchase lower priced vehicles and are more likely to finance their purchase (65%).
- Female buyers list safety as their number one concern and number one priority when buying.
- Female buyers place more importance on

safety, dependability, functionality and economic factors. Style and performance ranked last in consideration and factors in if budget allows.

- The number one complaint women have with dealerships is how they're treated as customers.

This female buyer study update was performed online by RTM in December 2004. Additional statistics have been gleaned from J.D. Power and Associates, RL Polk, Kelly Blue Book, OnStar, and auto industry trades. . .

Survey Finds 77 Percent of Women Car Buyers Continue to Bring Man Along to Dealership; Experts Say Knowledge is a Better Companion June 1, 2006 As the summer car-buying season kicks-off, Capital One Auto Finance's second Gender Rules of the Road survey of automotive buying habits shows that a significant percentage of women continue to feel disadvantaged in the car-buying process. The national survey of 1,000 female buyers finds that an astonishing 77 percent of women plan to bring a man along for their next vehicle purchase - a slight increase from the 75 percent who indicated the same in Capital One's 2004 survey.

Nearly seven out of 10 women feel they are at a greater disadvantage than men when it comes to buying a car. In fact, 70 percent of women continue to find the financial aspects of the car-buying process the most difficult, indicating that their greatest challenge is obtaining a good deal on price.

"It's troubling to see that women still do not feel empowered to manage the car-buying process on their own. It's important that women realize that confidence and purchasing

power requires education - not a male companion. Rather than turning to a man for support, women should instead take advantage of the variety of educational resources available to them," said Diana Don Colby, director of financial education at leading financial services company Capital One. Kelley Blue Book Consumer Advice Editor, Joni Gray, indicates that there is a distinct link between a woman's ability to manage the car-buying process with confidence and her level of knowledge about the financial aspects of the transaction.

Survey Methodology

Braun Research conducted 1003 interviews with females age 18 or older across the USA by telephone in May 2006. The margin of error for the interview is plus or minus 3.09 percentage points. Interviews were monitored at random.

Sampling for this study was conducted using a national probability sample of all exchanges and area codes across the United States. All interviews were conducted using a computer assisted telephone interviewing system. Statistical weights were designed from United States Census Bureau statistics.

BETTER@
LUCKYGRAPE.COM
646 505 9059
424 EAST 4TH ST
73034 5338