

**HONDA**

**Honda Customer Appreciation Day  
(HCAD)**

Export Service Operations  
American Honda Motor Co., Inc.

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# Honda Customer Appreciation Day

## Overview

Honda Customer Appreciation Day (HCAD) is a national event in the United States where Honda dealers offer their customers a free 40-point inspection. HCAD is traditionally held in the month of October, to coincide with National Car Care Month. This event is sponsored and supported by several divisions of American Honda Motor Co., Inc.

HCAD provides a perfect opportunity for all areas of the dealership to communicate with the customer. Although the Service Department is the driving force behind HCAD, the dealership's Sales and Parts departments are encouraged to participate.

HCAD can help your dealership:

- Increase customer pay labor sales
- Improve owner loyalty
- Increase over-the-counter parts sales
- Build community awareness
- Create a publicity opportunity
- Target owners of older vehicles as new car sales prospects
- Regain the business of inactive customers

For Honda distributors in the Latin American and Caribbean region, this event can be fully customized to meet the needs of the local market.

## **Initial Planning Process**

**Select HCAD event dates and hours** (In the U.S., this event occurs in October)

If your dealership is unable to accommodate all customers on the date you choose, you can extend HCAD beyond a one-day event by communicating the number of days on the customer invitation. This may also help increase response rates with those customers who are unable to attend on the chosen date.

### **Create the Invitational Postcard and plan Local Advertising for the event**

Below are examples of ad lines for special offers in your invitational postcards and local advertising:

(NOTE: In the United States, customers are invited to the event with a postcard that is sent through the mail. This postcard has up to six ad lines.)

- A thorough 40-point inspection of your Honda's engine, brakes, drivetrain, suspension, and steering components.
- A report of your vehicle's condition.
- The inspection will be completed by Honda factory-trained technicians.
- Come test drive the all new 20XX CR-V, Fit, Civic, Accord, etc.
- Receive a free Oil and Filter Change coupon upon the completion of your inspection\*
- Bring your children in for child safety tips
- Children's activities and giveaways
- Refreshments will be served
- Free used car appraisals
- Free car wash
- Must complete inspection to be eligible for Grand Prize Drawing
- Hourly raffles
- Please call or E-mail to reserve your appointment time

\* - Place oil company logos on the customer invitation (utilize co-op assistance from your local oil suppliers to offset the cost of the program)

## Select which customers you want to target for this event

One of the most important steps in the planning process is to determine whom to invite. Owners of older Accords and Civics? Owners of any model in a specific range of years? Since the theme of this event is "Honda Customer Appreciation Day", dealers in the US are urged to invite both active and inactive customers that own any model. This will give them an opportunity to attract new (inactive) customers as well as show appreciation to their current (active) customers.

Determine the number of customers to mail an invitation to by first selecting model years. Then add up the number of customers per model year. Multiply this number by what you estimate each postcard will cost to create and mail. This will give you a good estimate of how much this portion of the program will cost.

### Example:

Model Years	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
UIO	225	240	345	177	111	234	121	312	346	124	199	281

Estimated Customer Count: 2,715  
Cost per invitation: X .50  
Estimated mailing cost: \$1,357.50

NOTE: Keep in mind that this is the number of customers you intend to invite to the event. It is not how many will actually attend. The percentage of customers who will actually attend will vary from one market to the next. In some markets, the response rate can be as low as 2%, in others higher than 25%. Use previous promotional events as a guide to come up with the "estimated" response rate for your market.

## HCAD Tracking

### HCAD 2001 Labor Operation Code Set-up

For tracking purposes, it is recommended that dealers generate a Repair Order (RO) for each customer that attends the event. If you have a space in your RO's for operation codes, it is recommended that you designate a special code for this event such as **HCAD 01**. This code will enable you to track your customers and then enter them into your Customer Database.

The operation code: **HCAD 01** should be placed in the operation code field of the RO for both manual and computerized dealers. If additional services are performed, add those operation codes and charges to the RO.

There are several benefits of creating a Repair Order for each customer. By capturing the RO data, you will be able to determine the:

- Number of inspections performed
- Number of vehicles that received additional services
- Customers that purchased a new or used vehicle

### 40-Point Inspection Checklist

Each customer who attends your HCAD event should receive a copy of the inspection checklist for his or her Honda. The checklist contains 40 items that include the engine, brakes, drivetrain, suspension and steering components. An example of this form is provided at the back of this booklet. The form should include your Dealer name, address and phone number. Use the Inspection Checklist to capture customer information, vehicle condition and recommended services. Make sure the dealership copy of this form is attached to the Repair Order.

### Reports

No direct marketing program is complete without reliable reports that allow dealers to gauge the effectiveness and plan future marketing strategy. For the HCAD program, tracking reports should be produced within 120 days following the event. The reports should contain customers who returned for service 30, 60 and 90 days after the event, total dollars spent, average number of days to return for service, returned for service and purchased a vehicle, did not return for service yet purchased vehicle, and average dollars spent per RO.

Tracking and reporting for the HCAD event should be captured from RO's that are generated by the event. Look for the HCAD 01 operation code.

## **Personalized Customer Thank you Card**

The customers that attended your HCAD event should receive a personalized Thank You card from your dealership. This will serve to reinforce the theme of “Customer Appreciation”.

# Planning HCAD

## Planning Ahead (To-Do List)

1. Specific tasks to be completed right away once a date(s) has been set include:
  - Work with General Managers to obtain participation of all departments (sales, parts and service)
  - Set-up HCAD 01 labor operation code
  - Coordinate activities with participating promotions-support companies (oil companies, test equipment companies, etc.)
  - Coordinate activities with other department managers
  - Plan for adequate staffing for HCAD. Use the estimated number of customers per day to schedule your staffing needs.
  - Obtain sufficient copies of inspection forms from the local printer.
  - Delegate responsibilities within the dealership.
  - Make HCAD an exciting and memorable event.
  
2. Six weeks prior to the event. Review the following:
  - Goals and objectives
  - Order the invitations from a local print shop
  - Order signs and banners for the event – with key points such as date(s) of event, theme, “By Appointment Only” with phone number, etc.
  - Planning calendar
  - Format, traffic flow and activities
  - Staffing
  - Roles of each department and staff responsibilities
  - Parts specials
  - Order the promotions, decorations, give-aways, etc. (If needed)
    - Banners
    - Balloons
    - T-shirts for staff
    - Activity Books & crayons for customer’s kids
    - Gifts for customers
  - Order food and beverages
  - Tracking procedures
  - Vendor co-op (cooperative marketing) opportunities
  
3. Three weeks prior to the event:
  - Mail the invitations to your targeted customers. If mail service in your market is not as reliable as you would like, determine another method that is such as: telephone invitation, drop-off invitation at customer’s last known address, courier service, etc.
  - Follow-up one week before the actual event and **not any sooner**. This will give customers a chance to respond on their own.



4. One week prior to the event. This last week before the event is an opportunity to review the last minute details. Remember, this is a fun and festive event. Be sure to prepare accordingly. This week's specific tasks include:
- Review your mailing list printout and make follow-up calls to encourage appointments
  - Review sign and banner placement, traffic flow plans and job assignments
  - Meet with dealership personnel to generate excitement and enthusiasm for the upcoming event
  - Conduct a "dry run" to verify that traffic flow is effective and that all staff members understand their roles
  - Confirm event plans (catering, entertainment, equipment rental, photography, etc.)

A successful event can go a long way in helping you achieve your sales and service objectives. Should you have any further questions, contact your Territory Service Manager.

5. Day of Event. On the day of the event do the following:
- Capture attendees by generating a Repair Order for each vehicle.
  - Monitor activities: repair estimates are explained, inspections are thorough, service appointments are scheduled, phone customers who may have missed their appointment and reschedule.
  - Update your database with customer information
  - Document! Take videos and pictures of the event.
6. After the Event :
- Ensure proper accounting of HCAD activities and perform a financial analysis on the results of the event
  - Set up telephone follow-up system to call back customers with repair estimates
  - One month after the event, send out personalized Thank you cards to HCAD attendees

## **Tips for a successful Honda Customer Appreciation Day:**

- Set-up the HCAD 01 operations code.
- Generate a Repair Order for each customer that attends your HCAD event.
- Use your mailing list to call customers and generate or confirm appointments one week prior to the event (no sooner).
- When setting up an appointment, be sure to ask the customer how he/she heard about HCAD. Did they learn about it from the postcard, through the Internet (your website) or from supplemental advertising? This helps to know which methods of advertising are most effective.
- Do not risk overbooking. Try to accommodate the customers' schedule and set appointments for the free inspection on another day or conduct a multiple day event.
- After appointments have been confirmed, be sure to pre-write Inspection Check List forms to handle customers promptly and maintain an even work flow.
- Make sure your Service Advisors are checking off the "new customer" or "current customer" box on the Inspection Checklist. Doing this will indicate who attends. Capture the information to update your customer database.
- Ensure that customers who need repairs receive an estimate for the work. This provides the opportunity to follow-up and ask for the sale. Also, by understanding the work needed and costs up-front, customers may be more likely to return for service.
- If the weather forecast predicts poor conditions on the day of your HCAD event, call confirmed appointments and offer to reschedule.
- Provide comparison demonstrations of aftermarket parts versus Honda Genuine parts.
- Dealers who wish to have prize drawings should consult their individual market sweepstakes laws.

## **Additional suggestions for HCAD:**

- Utilize all support materials provided for HCAD (Banner, posters, balloons)
- Highlight any new models (Example: the all new Honda CR-V)
- Display Competitive Pricing Boards
- Invite a local radio station to conduct a remote broadcast
- Invite an organization (Scouts) or high school students to provide car wash services and raise funds
- Send a press release to local newspapers to publicize the event
- Have used car appraisers on hand
- Use the "Free Oil Change" coupon option
- Provide discount coupons for future repairs
- Provide FREE popcorn, ice cream, cotton candy, snow-cones, etc.
- Have a Picnic/BBQ theme
- Invite a magician to entertain
- Invite a clown and make balloon animals
- Have a drawing (TV/VCR/DVD)

- Have a local charity conduct raffles
- Solicit local vendors for giveaways and demonstrations: towing procedures, rental cars, etc.
- Highlight child safety
- Offer video coupons
- Offer movie theater tickets
- Have a Glass repair demonstration
- Have a detailing demonstration
- Giveaway T-shirts, hats, key chains, etc.
- Invite a local Honda car club
- Display obsolete parts /accessories “swap meet”
- Display and show how to use car care chemicals, (window cleaners, wax, etc.)
- Have Body Shop personnel on-hand to write estimates
- Make sure dealer personnel are wearing identifiable clothing
- Have a Honda racing display
- Invite local sports celebrities
- Fire truck / police car displays
- Open doors and hood with display advertisement boards
- Conduct demo rides in new vehicles
- Display new Hondas with accessories pre-installed
- Show videos
- Have a carnival games area
- Offer face painting
- Conduct oldest customer, oldest car, highest mileage, etc., contests and give prizes
- Use inexpensive local advertising
- Place an ad in the newspaper classified section
- Advertise on back of grocery receipts
- Gift certificates
- Conduct Raffles
- Have new tires displayed with prices
- Paint lines, clean all lots, use arrow signs
- Have traffic “cops” in place to ensure smooth traffic flow
- Pre-select VIN winners - must be present to claim prize
- Make sure customers are actively involved in the inspection
- Keep customer follow-up logs
- Make sure all dealership employees are in presentable clothing (everyone is meeting the customers)

## Frequently Asked Questions (FAQ's)

1. When should the invitation postcards go out?
  - The invitation postcards should be mailed out 3 weeks prior to the event.
  
2. Why do we mail to current (active) service customers?
  - HCAD not only helps bring in new customers but also enhances owner loyalty. It is imperative that dealers reward their loyal customers and continue to build lasting relationships.
  
3. How long will the 40-Point inspection take?
  - It should take approximately 20 - 30 minutes.
  
4. How successful has HCAD been in the US market?
  - In 1999, the following occurred as a direct result of HCAD:
    - a) 27% of customers who attended HCAD returned to complete the recommended services.
    - b) The average RO generated by HCAD provided the dealer with an additional \$251 in service and parts sales.
    - c) 3.6% of the customers who completed the HCAD inspection purchased a new Honda within 60 days of the event. And 3.5% of the customers who attended HCAD but did not require any additional service purchased a new Honda within 60 days of the event.
  
5. Where can I get additional information about how to organize service promotions?
  - The Honda Motor "Dealership Service Promotion Operations Manual". Not only does this manual provide guidelines on how to set-up a successful service promotion, it also provides examples of reports that can be used to measure the success of the promotion.

## Honda 40-Point Inspection Checklist for use during HCAD

Please check one:     Current Customer     New Customer

# Honda 40-Point Inspection Check List

OWNER'S NAME		VEHICLE MODEL		YEAR
ADDRESS		VIN		LICENSE NO.
HOME TELEPHONE	BUSINESS TELEPHONE	MILEAGE	TRANSMISSION TYPE	
CITY	STATE	ZIP	HAVE YOU BEEN TO A HONDA DEALER FOR SERVICE IN THE LAST 12 MONTHS? <input type="checkbox"/> YES <input type="checkbox"/> NO	

### Inspection Items

S = Satisfactory

A = Requires Attention

P = Priority Item, See Remarks Below

<b>Station One - Customer Reception</b>	<b>Station Two - Under the Hood</b>
<b>CHECK OPERATION:</b>	<b>CHECK OPERATION:</b>
Headlights (high & low beams)	Clutch cable adjustment (M/T)
Turn signal lights	Idle rpm
Hazard warning lights	<b>CHECK CONDITION:</b>
Taillights	Battery (cable terminals & "eye")
License plate light	Radiator & hoses
Brake lights	Fuel lines, hoses, & fittings
Back-up lights	Air filter
Interior lights	Drive belts
Instrument panel indicator lights	<b>CHECK FLUID LEVELS:</b>
Windshield washers & wipers	Brake, steering, clutch reservoirs
Parking brake	Engine, transmission/differential, transfer case
Horn	Windshield washer reservoir
Shift/start interlock (A/T)	Radiator reservoir
Clutch/start switch (M/T)	
Air conditioner	<b>Station Three - On the Lift</b>
Heater	<b>CHECK CONDITION:</b>
Doors (closing & locks)	Brake lines, hoses, & fittings
Windows (power & manual)	Exhaust system & heat shields
<b>CHECK CONDITION:</b>	Parking brake cables
Body (paint, trim, damage)	CV-joint boots
Glass & mirrors (inside & outside)	Tie rod ends & boots
Antenna	Engine & transmission leaks
Wiper blades (front & rear)	Brake pads & discs
Seat belts	Tires condition & pressure (including spare)
	<b>Station Four - The Review</b>

**SERVICE RECOMMENDATIONS**  
(Note needed repairs and next scheduled maintenance)

INSPECTOR

DATE



This vehicle has been checked according to the provisions of Honda Customer Appreciation Day, regardless of make, model and age of vehicle. No warranty or other statement as to vehicle condition, outside of the items listed above, is implied.

White - Dealer

Yellow - Customer

Pink - District Service Manager