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JULY-AUGUST 1972

OPPORTUNITY

What Dealers Should Know About the New Models

Industry first

Better Idea in Communication

DIRECT AND INSTANT television communications between Ford dealers, their personnel and customers and Ford Motor Company soon will be a reality, thanks to a new video-tape system being installed in dealerships throughout North America.

Called **Ford Video Network** (FVN), the system is expected to be the largest electronic communications systems of its type in the world and a first in the automobile industry, according to M. S. McLaughlin, vice president—Sales Group, Ford Motor Company.

"The new video-tape system is another '**We Listen Better**' response to bring our dealers up to the minute in communications technology," he said. "The comprehensive system offers a new dimension in color, motion and sound in the television format. It makes an ideal communication medium for presenting timely information to dealership personnel and for demonstrating product features to customers in dealership showrooms.

"We long have recognized the motivational, training and merchandising possibilities of such a system, and for the past year we have experimented with video tape in Ford district sales offices and a few dealerships. The test convinced us of the system's value and we are only beginning to see the potential breadth of its applications."

FVN will use Philco-Ford 19-inch color television sets. Color video cassette players with dual-sound-channels also will be incorporated to permit use of the system by Ford operations outside the United States. In time, color video cassettes will replace training slide-films, and also will be used to detail merchandising programs and marketing strategies.

The advantages of tape over film are substantial. "Tape offers a significantly brighter picture, and it costs less and takes less time to produce and reproduce," said McLaughlin. "This will give us much greater flexibility in our communications with dealers everywhere."

By the end of the year, nearly 4,000 Ford Marketing Corporation dealerships in the United States and Canada—accounting for 85 percent of the Company's North American car and truck sales volume—will be included in the **Ford Video Network**. Philco-Ford technicians will install the systems and train dealership personnel in their operation and maintenance.



FORD

DEALER

MAGAZINE

CONFIDENTIAL—FOR FORD DEALERS AND THEIR EMPLOYEES ONLY

25th YEAR

Volume 26, No. 4

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Outlook for 1973

"We've Got the Products and the Climate for a Banner Sales Year"



by John B. Naughton

Ford Division General Manager

STRONG DEALER RECEPTION of the 1973 models confirms what we at Ford Division have felt since job-one of each nameplate rolled off the assembly lines: *we have the products this year to substantially increase our share of the growing car and truck market.*

The most promising economic indicators I can remember in all my years in the industry are in place for another banner sales year. Employment and disposable personal income are at record highs, and people are beginning to spend their savings which have reached record levels.

At Ford Division, we watch the indexes like hawks. The *Sindlinger* index shows consumer confidence is at one of its highest points in many years. That means the customer is willing to spend his money if he's properly motivated. We feel that our 1973 product lineup is just the motivation he needs.

Our products speak for themselves. Any year in which your bread-and-butter car—accounting for one third of total division car sales—is *new* just has to be a banner year. And our full-sized Ford for 1973 can do the job for us this year.

Our pickup trucks for 1973 have the most extensive changes in six years. There is no doubt in my mind that our penetration of the growing truck market will increase and you will make money doing it. Our pickup truck is the third highest-selling vehicle in the United States—and, in fact, many people are buying our trucks as second "cars."

This year's Thunderbird has taken on greater distinction with new front end styling. The new opera window and exterior decor group options will further enhance the overall Thunderbird styling theme. Thunderbird's track record was impressive with the 1972 models—up 59 percent over the previous year. We believe the '73s will achieve even greater penetration of the personal luxury car market.

In the intermediate segment, which now is the largest in the market, we have the leader in Torino. You did a great job with it in 1972 and you should do equally well or better in the coming year.

You have the products and winning spirit to make 1973 the best year in Ford Division's history.



Why You'll Get a Bigger Share of the Truck Market

by J. A. Betti,
Chief Engineer, Light
Trucks, Truck Operations,
Ford Division

THE 1973 FORD PICKUP TRUCKS have undergone their biggest changes in the past six years. Inside and out, the new F100/250/350 light trucks offer product improvement, major new features and additional recreation-oriented options.

They include all new cab, new interiors, and vast improvement in comfort, convenience and technical features. Sheet metal, curved side glass and grilles are new. Cab length is increased two inches to allow more leg room and a more comfortable seat back angle. A storage area behind the seat is in most models.

In designing the new truck, we borrowed from the 'Ford Listens Better' theme and gave customers the kind of truck they have told you they wanted—with the features they said were important.

Because the Twin-I-Beam suspension has been so successful, we have maintained it with the following improvements:

- Increased the wheelbases by two inches, to 117" and 133".
- Made the rear springs wider and/or longer to improve ride and handling.

They're now ¼-inch wider and four inches longer on the F-100 standard

model. The latter was done to provide a 64.4-inch rear track to go with the new 64.8-inch front track.

- The rear track on the F-250 was increased $2\frac{1}{2}$ inches, giving it a 65-inch track. The distance between the rear springs on both models was increased $4\frac{1}{4}$ inches to provide increased roll resistance without affecting the ride rate.

We've also expanded the use of front disc brakes and made them standard on all 4 x 2 models. Power assist brakes are standard on the F-250/350 series. A single-piston floating caliper design is used on the F-100 and the F-250 6,200 pound GVW model; both have a new lower brake pedal for increased convenience. Heavy-duty, dual-piston, floating caliper front disc brakes are used on the F-250 with 6,900, 7,500 and 8,100 GVW's and the F-350.



More protection from damage and improved durability

The standard fuel tank on most models now is behind the rear axle between the frame rails and ahead of the frame rear crossmember which protects it from damage in a collision. The auxiliary fuel tank is also between the frame rails (amidship)—ahead of the standard tank.

The 1973 Ford truck also has a strong durability story.

There are more than 200 square feet of galvanizing and zincrometal on the eight-foot Styleside pickup. This is one of the most significant measures ever taken to fight body rust and extend body life.

The new full double-wall Styleside box has a simplified construction to eliminate the exposed joints and seams on the outside of the box and at the wheel wells which now are integral. The front fender aprons also are galvanized for corrosion protection.

Among the other durability features are welded pickup box construction, fiberglass belted tires, a double-wall hood, one-piece outer door panels, a standard 11-inch clutch and the placement of the steering gear behind the front wheels for protection.

Serviceability and reliability are prominent in the design of the '73 pickup trucks. Although the previous models rate high on both counts, we felt that any new truck should surpass the old one. To begin with, we have a two-piece instrument panel, with the front bolted to the back. This allows the whole face of the panel to be removed so the technician can easily get at all the components mounted behind the panel.



We took a page from the aerospace industry and established a reliability engineering group to insure that all of the latest reliability techniques were used in the fundamental design of the product.

Analysis methods such as FMEA (Failure Mode and Effect Analysis) and Fault Free and Hazard Analysis were used as well as the more familiar computer model techniques.

As an example, the FMEA is a disciplined method for anticipating

all of the things that could go wrong in the design, manufacturing, assembly or use of the product and to prevent the occurrence.

Optional air conditioning is a major feature on this year's pickup trucks. Our modern integral design competes with any current car system. The basic unit is tucked under the instrument panel (and partially located in the engine compartment) so that it does not encroach on the passenger space and is virtually invisible from the seated position.

The system includes blend air mixing, instant temperature adjustment, and a reheat cycle for dehumidification under most ambient conditions. The air outlets are integrated into the instrument panel.

From a styling viewpoint, the 1973 pickup trucks retain a strong resemblance to the successful past cycle. However, the exterior sheet metal is all new. The new grille gives a wider, lower look, though the overall vehicle still has that honest, no-nonsense look that a truck should have.

Taillights recessed for maximum protection from damage

The design of the taillights is an example of how form follows function. While styling trends indicated that exposed wrap-around taillights might be popular, our research audiences were quick to point out that wrap-around lights were significantly more vulnerable to lens breakage. As a result, we've recessed them into the sheet metal at the rear of the truck for maximum protection.

The versatility requirement of the 1973 pickup is emphasized in the interior. While most buyers want a strong, rugged and functional outside appearance, they also want all the comforts they have become used to. The new pickup has a new functionally designed instrument panel with a large glove box, easily reachable controls grouped near the driver, a column-mounted lighted PRNDL with automatic transmission and a padded dash even on the base model.

There are three series of interior trim, the *Custom*, *Ranger* and *Ranger*

XLT. The Ranger has a unique instrument panel dress-up, pleated cloth inserts in the vinyl seat trim, more sound deadening and perforated headlining. The top-of-the-line Ranger XLT has been designed to be the ultimate in pickup truck luxury.

It features brocade cloth seats with vinyl bolsters, color-keyed carpeting, soft color-keyed vinyl headlining, full-door trim panels — including map pockets and wood grain instrument panel and steering wheel simulated wood grain appliques.

Top options listed

Chief among the options are: (1) Select-Shift Cruise-O-Matic, three-speed fully automatic transmission on the F-100 and F-250 four-wheel-drive trucks with 133-inch wheelbase and the 360-CID V8 engine. A two-speed transfer case is standard with the automatic transmission on the F-100 4 x 4 and on both the automatic and manual transmission on the F-250 4 x 4.

(2) A new linkage-assist type of power steering also is available for F-100 and F-250 four-wheel-drive trucks with the 360 CID V8 engine.

(3) New front and rear stabilizer bars are available on all F-250-350 4 x 2 models.

(4) A new slide-out spare tire carrier is available on F-100-250 models. This convenience option allows easy removal of the spare without getting your clothes dirty.

(5) Super cooling options are available for use in hot climates on F-100 and F-250 4 x 2 models which have the optional 360-CID or 390-CID V8 engines. It also is available on F-250 4 x 4 with V8.

(6) A wide range of tires is available this year. Tubeless tires are available in H78 x 15-B and L78 x 15-B sizes for F-100 4 x 2 and 4 x 4 for the first time.

Camper Special even better

Even the highly successful Camper Special for the F-250/350 has been improved for 1973. To prevent camper bounce, the frame stiffness on the 133-inch wheelbase F-250 has been increased by 17 percent.

A Super Camper Special is built on the F-350 nominal one-ton chassis with GVW's of 8,350 and 9,500 pounds. The 9,500-pound GVW, coupled with the 140-inch wheelbase, will take 12-foot campers with ease and improve the ride and handling of 10½ to 11-foot campers.

Front and rear stabilizer bars are standard on this and the Camper Special for added handling improvement without deteriorating the ride. The Super Camper Special has a standard side-mounted spare tire, enclosed in an easy-to-open compartment which is easy to get at, even with the camper mounted.

Protection: Key Feature in '73's

by Frederick W. Bloom, Chief Engineer, Custom and Compact Vehicle Engineering Office, Ford Motor Company

MOST OF THE ENGINEERING changes on the 1973 Ford cars generally concern *safety*, *emission controls* and *damage and theft deterrents*.

The most significant feature is a front bumper that has the ability to withstand a five-mile-per-hour impact straight into a vertical fixed barrier without preventing normal operation of the car's latching, fuel, cooling and exhaust systems or of the propulsion, suspension and steering. Rear bumpers and attachments to the body have been redesigned to withstand a two-and-a-half-mile-per-hour barrier impact to the same extent.

The front bumper and attachment to the frame are designed to move with impact and return to original positions. This is accomplished by means of a "rubber sandwich" that works on a shear principle similar to a body mount. Each car line has its own specific design for impact load to be absorbed.

To provide clearance for stroking of the unit, all front bumpers are located from three to four inches ahead of the front-end ornamentation and sheet metal. Stone deflectors between the bumper and the body—that previously were stationary—now flex with the bumper.

New bumpers require changes

Installation of the front bumper impact-absorbing device required many changes on other car systems. Underbodies have been redesigned to accept the impact-absorbing units—and strengthened to withstand the loads.

For example, on body/frame cars, the curvature of the front "S" rails is straighter than past designs, and the frame configurations in general have been extensively redesigned to support the impact-absorbing device. Though all cars are not affected in all areas, changes have been made in the *springs*,



wheels, tires, brakes, steering and body mounts because of the added weight of impact devices.

To give customers increased protection against theft, we have provided inside hood releases as standard equipment on Thunderbird, Ford and Torino. A spare tire lock is standard equipment on T-Bird and optional on other car lines. An optional anti-theft alarm system is available on Ford cars.

Interior trim material in all car lines is more flame retardant to meet Federal requirements, or, more specifically, to limit the laboratory test burn rate to not more than four inches per minute.

The heated backlites of the Ford and Mustang have been improved to defog the interior glass and melt ice and snow on the exterior more rapidly. The electrically heated backlite is now available on Ford and Torino station wagons. A heavy duty, higher output alternator is included on cars with this feature.

New remote control right-hand mirror

A new option for Ford and T-Bird is a driver-controlled, right-hand remote mirror styled to match the regular production option left-hand mirror. The control is on the instrument panel within easy reach of the driver in his normal seating position.

Steel-belted, radial ply tires are standard equipment on Thunderbird and are optional on all other models. These premium tires offer improved tread life and are more resistant to road hazards than the conventional tire.

Meaningful improvements have been made on air conditioning in the Ford, T-Bird and Pinto. On the standard Ford, the evaporator case assembly has been redesigned to incorporate the latest technological features available to the total system. For example, a suction-throttling valve deletes the cycling of the compressor on the engine. The automatic temperature control option has a new control "brain" that improves temperature modulation and is simpler to operate.

The T-Bird's air conditioning system has been revised for better temperature control and air distribution. Better air distribution on the Pinto has been achieved by locating an air discharge register at the center of the dash. New size power front disc brakes are standard equipment on all Ford cars. On some models, the rear brakes have been increased in size or brake shoe width, depending on specific model requirements.

The optional tailgate window washer on the station wagon series has been completely redesigned for a substantial improvement in its capacity, reliability and ease of maintenance.

Quiet ride gets assist

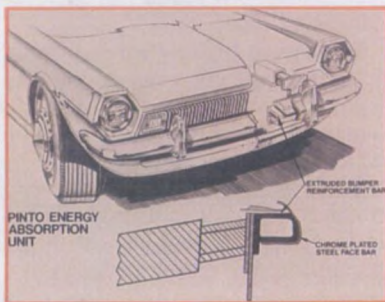
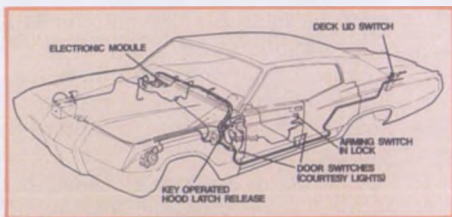
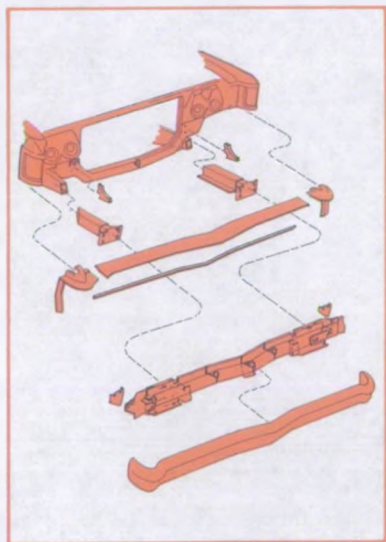
Many technical improvements to the '73s have enhanced the "quiet ride" theme. The body "B" post base and the body attachment ahead of the rear

wheels on the Ford car have improved width attachment that ties the upper and underbody together. Sedans and station wagon models have this "re-tuned" structure to give the customer the quietest ride ever.

A refinement in rear suspension geometry repositions the track bar for improved directional stability—especially in strong winds—and attains a higher level of ride smoothness.

There also are significant structural improvements in the cowl area and in the area just ahead of the rear wheels. Nearly 20 pounds of sound absorbing material has been added to the underbody. New "pocketless weather-stripping" is standard on all models, providing greater sealing surface around door glass.

For pure customer convenience, the big Ford offers a host of functionally oriented features this year. Among the more important ones are: (1) a completely new instrument panel designed for maximum convenience of both the driver and passenger; (2) a 31-inch, fixed length whip antenna made of stainless steel with screw-type attachment for easy replacement; (3) a redesigned windshield wiper switch with horizontal slide control mounted on the left side of the panel, plus relocation of the windshield washer jets to the wiper arms, and a larger capacity water reservoir; (4) an effective spare tire extractor as standard equipment on all station wagons; (5) optional power minivents are available with power side windows on four-door models, including station wagons.



What Opportunity '73 Means to You

by Frank E. Zimmerman, Jr.,
General Marketing Manager,
Ford Division



DURING THE NEW MODEL introduction shows for dealers, we stressed "Opportunity '73" as your sales theme for 1973. Everyone in the Ford retail business has the opportunity to make the model year 1973 a banner sales and profit year.

The "Opportunity '73" theme centers on the concept of professional selling. More than ever, true professional salesmen will play dominant roles in your (and our) efforts to capture a larger share of the growing automotive market.

Indications are that 1973 will be the biggest car and truck sales year in history. Ford Marketing Corporation is committed to this reality and we have the manufacturing might behind our products to support our merchandising efforts.

We have a broader range of products this year in both cars and trucks. But sales will not come automatically. Market changes require a higher degree of professionalism in selling. Buyers are more sophisticated and are demanding more product facts and information, plus a higher level of product and service satisfaction.

While we have the serious responsibility of providing dealers with the products and sales tools to do a professional job in today's marketplace, it's up to dealership management to provide leadership among sales personnel to complete the product sales cycle from manufacturer to dealer to the cus-

tomer. Nothing really happens until the customer drives away from the showroom in a new car or truck.

Ad spending increased

Within a few weeks, Ford Division's product lineup for 1973 will be introduced to the public at Ford dealerships across the country. To kick off the new model year, Ford Division is supporting your selling efforts with substantial advertising expenditures covering all major media. During the fourth quarter, for example, launch support advertising of our new trucks will be up 65 percent over last year.

To reach prime prospects, we'll have 60 minutes of television commercials on Sunday afternoon football and all three major networks evening news programs; 14 publications will feature three-page pickup truck ads; a comprehensive direct mail campaign will be directed to 4.4 million truck prospects, covering Ford and competitive owners of pickups, vans, and heavy and extra heavy models.

Simultaneously, your passenger car selling effort during the September-December period will be backed by 23 percent more advertising than last year. There will be 228 minutes of prime-time television commercials—equivalent to nearly four hours of commercials—which are expected to reach 95 percent of all U.S. homes an average of 44 times during the fourth quarter.

A four-page, four-color insert will appear in 161 newspapers in 80 major markets, adding up to a total circulation of 41 million. There also will be 131 four-color ads in 30 major publications to complement television and newspaper exposure.

Ford Division also has scheduled three prime-time television specials featuring Bob Hope (the first one will be aired on Oct. 5), plus TV coverage of the Bob Hope Desert Golf Classic. These specials are expected to reach between 17 and 19 million homes.

Additionally, Ford Marketing Corporation's popular "Car Buying Made Easier" book will be updated for 1973. Nearly one million people already have requested the book.

Improvements for '73

This massive advertising effort is part of Ford Division's commitment to support dealers in a common drive to be number one in sales during 1973. We have the products to sustain your '72 leadership position in four segments of the market—*Pinto* in the subcompacts, *Mustang* in the sporty compact, *Torino* in the intermediate and *Thunderbird* in the personal luxury field. And all new styling of the standard Ford should recapture the big car market.

Maverick for '73 has been substantially upgraded with functional improvements as well as interior and exterior appointments. The added value to



The 1973 Mustang Mach I



Thunderbird with optional opera window

Maverick, combined with its price position, makes the car more competitive in the compact segment. Maverick is a fantastic value and there is no reason why you shouldn't dominate the compact market in '73.

The big Ford is our key car task for '73. Traditionally, it has accounted for 40 percent of national sales which is why it is *your bread and butter car*. You've maintained sales leadership with LTD and station wagons, but lost ground with the Galaxie 500.

As in the case of Maverick, this year's big Ford represents a tremendous sales and profit opportunity for dealers. In the Galaxie 500 series, you'll be offering customers all-new styling and features, while your chief competitor will have only minor front and rear end appearance changes.

The Galaxie 500 is a truly first-class automobile, with substantial improvements in interior and exterior trim and ornamentation. The standard 351 engine and power front disc brakes, plus the new pillared hardtops (replacing sedans) should all help to boost sales.

Though we will continue our past strategy of merchandising LTD as luxury oriented, Galaxie 500 advertising this year will stress the successful big Ford quiet ride theme along with increased emphasis on *functional features* and *basic product value*.

Station wagon business booms

The station wagon business is extremely important to you as you continue to sustain sales leadership in this vital segment of the market. Ford dealers have "owned" the station wagon market for many years. In the first seven months of 1972, for example, dealers increased wagon sales by 53 percent



LTD Brougham four-door hardtop



Gran Torino two-door hardtop

over 1971—thanks mainly to the Pinto wagon which has rivaled the all-time hottest selling cars, including the original Mustang.

During the same comparison period, sales of Torino station wagons increased by 29 percent while sales of big Ford wagons slipped by 13 percent. Our all-new pillared hardtop-styled station wagons have many saleable features (including the industry's best tailgate) to help you improve upon big Ford station wagon penetration.

New service program to aid

The new service improvement program will be an important part of Ford Customer Service Division's marketing strategy to improve customer loyalty and long-range new car sales . . . adding another touch of professionalism in your contacts with customers.

The Ford ACT (Assigned Customer Telephone) program is an additional effort aimed directly at building and capitalizing on owner loyalty. When properly used, the program is the most sophisticated means of owner certification and prospecting in the industry. It also establishes an up-to-date list of your prospects over four years of vehicle ownership.

Last, but not least, the Ford Video Network (see inside front cover) offers dealers across the country a tremendous merchandising opportunity. You'll be able to make in-dealership product presentations which demonstrate key selling features to your customers.

This modern communication system will place North American Ford dealers two years ahead of competition in the business of training and communications . . . a vital ingredient in professional salesmanship.



Dealers Tom (left) and Carl Pritchett examine four-color newspaper ads

General Sales Manager Tom Mitchell (third from right) holds an impromptu meeting to acquaint salesmen with list of advertised leaders



Advertising Doesn't Cost—It Pays!

That's the motto of management at this small-city dealership. In only 14 months, it achieved leadership and was transformed into southern Georgia's top volume Ford sales outlet by "buying" a new image

by Richard Klein

CAN A DEALERSHIP—in a relatively short period of time—achieve sales leadership over its chief competitor without sacrificing profits? Management at Pritchett Ford Co. (PV 1,175), Albany, Ga., has proven it can be done namely, by increasing sales of new vehicles to an average of 126 units a month, compared to an average of 70 units a month in 1970.

The single point dealership has enjoyed substantial profitability during most of its 58 years in business, but it had seldom beaten Chevrolet

in new car and truck sales in the community of 68,181 residents.

Then, management made a firm commitment to reverse the trend—and Pritchett Ford now has a commanding lead over Chevrolet on cars (120.7 percent YTD through April).

The turnabout began two years ago when Carl (president) and Tom (vice president) Pritchett assumed management control of the company following the retirement of their father, C. B. Pritchett who completed his 63rd year with Ford. They immediately reorganized the company by

implementing a series of management and operating procedures similar to those practiced by the "big city," volume-oriented dealerships.

Wanted new image

The dealers' multi-faceted revitalization program revolves around a new dealership image, with strong emphasis on *new vehicle merchandising* and *owner satisfaction after the sale*. Formerly, the firm stressed used vehicles more than new unit merchandising.

Profitability was never a problem,

however, since a minimum of advertising and a modest salesman compensation policy helped to keep expenses at a low level. It was not uncommon for the dealership to be outsold two-to-one by Chevrolet.

A significant reason for Pritchett Ford's car sales leadership position is an aggressive merchandising program — nearly *double* the firm's former advertising expenditure. For example, the company has spent approximately \$28,000 for advertising during the first six months of this year, compared to \$15,000 during the same period of 1971. The company spends an average of \$39 PNVR, compared to the district group average of \$21.

Favors newspaper ads

A major portion of the ad budget is for new car display ads in the *Albany Herald* newspaper. A long-term contract assures the dealership of the newspaper's back page—a preferred position in any print media because of its visibility.

Each Thursday, Pritchett Ford occupies a full-page ad in either three or four colors, featuring photographs (or line drawings) of assorted new cars and trucks, plus strong motivational copy designed to stimulate prospects to visit the dealership.

Most ads feature a lively illustration at the top of the page to catch reader interest, plus attractive prices on select models of every nameplate offered by Ford, including each vehicle's stock number and equipment.

Because the newspaper doesn't have an art department, Carl pre-

pares his own ads, using the newspaper's mat service book for attention-getting devices and selecting vehicle illustrations from the build-an-ad material produced by Ford Division's Advertising Department.

Ads bring them in

According to management, the ads are very effective. "We'll normally sell five or six of the units shown in the ads within two days after the ad appears," said Tom. "Additional sales of specific units shown in the ads, and other models due to the prospect's desire for additional accessories and color choice, continue throughout the week, until the next ad appears. Prospects often come into the dealership with our ad in their hand."

Though the dealership spends more money for newspaper ads than any other car dealership in the area, the company also uses other media to promote its sales and service image, including radio, television, direct mail and giveaways.

Service emphasized

Television spots regularly feature Carl extolling the merits of Pritchett Ford's renewed efforts to give customers the best service in Albany. He invites customers to call, or see him personally, whenever complete service satisfaction hasn't been achieved.

Additionally, each service customer is given a postage-paid, pre-printed postcard that solicits the customer's comments. The card asks such pertinent question as: *Was the*

work satisfactory? Were personnel courteous? Do you have any suggestions to improve our service?

The dealership's new slogan, "Service Is Our Business," appears prominently above the company's logo at the bottom of the postcards. It also is featured on TV and in all print media that the dealership uses as part of its continuing campaign to upgrade its image in the community.

Pritchett Ford's ambitious direct mail endeavors include sales solicitation letters, product postcards, service follow-up mailers, plus a quality travel-oriented magazine to select businesses and professional people.

Called "Wheels," the attractive, four-color, 16-page magazine contains two full-page dealership ads in each bimonthly issue and several small ads (on the back page) from

the dealership's suppliers. According to Carl, the ads on the back page (insurance company, radiator and glass shop, parts and body shop supplier and a real estate firm) pay the entire cost of the publication.

The magazine's publisher handles the ad sales and distribution to 500 subscribers designated by the dealership. The dealership's two ads emphasize service after the sale and usually feature group photographs of the company's sales and service personnel.

Although the majority of Pritchett Ford's mailers are directed to Ford owners (with the exception of "Wheels" Magazine), management occasionally woos competitive make owners. During June, for example, several hundred Chevrolet owners received a carton of 10 books of

Pritchett Ford management often displays cars at shopping center promotional events



matches in their mailboxes. Each book of matches was personally inscribed with the owner's name.

"This was an expensive, but highly impressive mailout," said Carl. "Because of its uniqueness, it was well received and several sales involving Chevrolet trade-ins resulted from it, not to mention the valuable word-of-mouth advertising benefits. Including postage, each carton of matches cost us 70 cents."

The dealership recently ordered 300 quality golf caps (at \$2.25 each) with the dealership's name prominently sewn on the crown. Management plans to distribute them to golfers and boating enthusiasts who

come into the showroom and request one.

Upgrades sales organization

While the Pritchett brothers' aggressive merchandising program has been instrumental in building showroom traffic, management's efforts in strengthening the dealership's sales organization has been chiefly responsible for the actual sales and profit gains.

Even before the firm's advertising blitz began, General Vehicle Sales Manager Tom Mitchell and Sales Manager Maxwell House were building a formidable sales team—with the emphasis on young, inexperienced

Convinced that advertising pays off, dealer Carl Pritchett has used it to help make Pritchett Ford the largest volume sales outlet in southern Georgia



Samples of Pritchett Ford's attention-getting newspaper ads and the bimonthly Wheels Magazine which is mailed to select Ford owners

men who possess at least two years of college training.

"The best advertising program in the world is meaningless without competent salesmen to handle prospects," said Carl. "We have reached our objective of 16 salesmen whose productivity averages 12.9 sales per man, per month."

Management looks for men who express a willingness to work long hours and follow management's direction. "We train them and work them hard and pay them well for producing," said Mitchell, pointing to a sales performance board mounted on the dealership's conference wall. "That board is the *equalizer* for demanding top performance from every salesman.

"We don't have to browbeat salesmen. They set their own pace and always know how well they're doing on a day-to-day basis by watching their position on the board. They realize that their earnings depend on doing a complete selling job, not only on units, but gross, finance, life, health and accident insurance, etc."

Best pay plan

According to House, Pritchett Ford salesmen are the best paid car salesmen in the city. "We restructured our pay plan to attract educated salesmen, and the only way to keep high caliber people is to compensate them well," he said. "We pay a minimum 30 percent gross on gross profit, and more as salesmen reach different unit plateaus, plus extra monthly incentives.

"We've installed a modified TO

system, which is new in this area, and the program is highly effective for improving unit sales and grosses. It also helps reduce 'walkers'."

"Our high advertising expense doesn't allow for 'walkers' and 'be-backs'," said Carl. "Every showroom visitor must be talked to before he leaves. To insure this, the sales manager moved his desk from an inside office to the open showroom, near the entrance. He now has better control of traffic and the salesmen."

The combination of a strong advertising program and salesmen's pay plan has paid handsome dividends for the dealership. In less than two years since management reorganized the dealership, it has increased its sales of new cars and trucks to an average of 126 units a month, compared to 70 new units a month in 1970.

Grosses above group average

Additionally, the dealership's total new vehicle grosses have improved dramatically. Average gross is \$387 on cars and \$425 on trucks (YTD through May), compared to the district group averages of \$280 and \$285, respectively. Last year, Pritchett Ford's return on GDI was 79.1 percent. For the first five months of this year, the return on GDI was *more than 138 percent*.

The dealership is the top volume Ford sales outlet in the southern half of Georgia, and one of the district's leading profit makers. As Carl Pritchett points out, *advertising doesn't cost—it pays!*



Earnhardt Rides Again- to Increased Sales

by R. S. Collin

With the help of good advertising program, this metro Phoenix Ford dealer has turned his hobby into a business asset that in three years has given the dealership substantial sales leadership over Chevrolet

HAL "TEX" EARNHARDT is not who you'd consider a typical automobile dealer. He relaxes by competing as a cowboy, and he does this approximately 20 times a year (mostly on weekends), traveling thousands of miles by private plane to participate in the RCA Rodeo circuit.

Earnhardt's avocation mixes well with his vocation as the principal at Earnhardt Ford Sales Company (PV 678), Chandler, Ariz. (pop.

12,000), 15 miles southeast of Phoenix. His proficiency as a roper has earned him adulation among rodeo fans in the Southwest, which, in turn, has helped boost car and truck sales.

Last year, the dealership sold 671 new cars and 562 new trucks, for a whopping 172.9 percent of Chevrolet on cars and 150.7 percent on trucks.

Created new image

The dealership's performance of nearly doubling its planning volume really got its start three and a half year ago when Earnhardt increased his advertising budget and personally went on television to capitalize on his growing fame. He soon developed a western style advertising format to project himself as a cowboy personality, and booked space around a popular network television show. He has been using the same time slot (Thursday evenings between 10 and 11) ever since.

The first commercial started with Earnhardt on his roping horse coming out of a chute, roping and tying a calf, then walking toward a new Ford displayed in a corral. Grabbing a microphone, he simply announced: "you can always rope a good deal on a new Ford car or truck at Earnhardt Ford in Chandler." No editing was done to the 60-second commercial so that viewers would be assured that the riding and roping was performed by Earnhardt, rather than by a stunt man.

The TV spot commercials produced quick results as many viewers

came to the dealership from Phoenix and other communities to see Earnhardt personally, as well as to get his prices on Ford cars and trucks. As sales increased, management raised its advertising budget accordingly; it now averages about \$7,500 a month.

Television spots account for nearly half of the company's total ad budget. The dealership also uses radio, newspapers and some direct mail to round out its ad coverage, usually to complement whatever Earnhardt is promoting on television.

A sizable portion of the firm's ad budget is spent on premium giveaways to stimulate showroom traffic and influence prospects to "buy now." Earnhardt backs his television commercials with western-type pro-

NO BULL FOLKS

BUT WE DO HAVE THE WORLD'S ONLY TRICK STEER!

CONTEST!

WIN

SATURDAY IS THE BIG DAY!

LEADERSHIP IN...
3 DEMO SALE...
2...
REMEMBER, RUGS... THAT'S

EARNHARDT FORD IN CHANDLER

motions that enhance the image he has created on the tube.

These incentives include: cowboy boots and hats, shotguns, fashionable women's wigs, TV sets, American flags, gift certificates and plenty of free hot dogs and soft drinks. Occasionally, special exhibits are presented on the dealership's premises, such as a performing steer which Earnhardt bought for this purpose.

"Out here, people don't just wander by to look at the merchandise—you've got to pull them in with powerful drawing cards," Earnhardt explained. "It takes plenty of sales promotions and drum beating to compete with the big volume metro dealerships."

Western style promos

"Take our image, for example," he continued. "Around here, I'm known as a Texas-type cowboy who also is a Ford dealer. I'm content with this image and play it to the hilt because it helps business. I do all of the TV commercials dressed in colorful cowboy attire, and I speak in plain, down-to-earth language that people can understand.

"The viewers seem to like this. They relate to it. The dealership attracts a certain element of prospects who trust me to give them a fair deal on a car or truck because of the way the commercials go over."

Earnhardt Ford sponsors three major time-tested promotions during the year and several lesser ones—whenever management feels business needs a boost. The first major promo begins shortly after new model

announcement time and lasts until the end of December. Every new vehicle customer receives a pair of genuine leather cowboy boots with a retail value of about \$60.

At the time of the vehicle purchase, the customer is given a gift certificate for the boots which can be redeemed at a local department store with which the dealership does business throughout the year. Last year, the company gave away more than 300 pairs of boots during this promotion. The boots cost the dealership about \$20 a pair.

Earnhardt's next promotion begins in mid-January and continues through March. Similar to the boot promo, the dealership gives away genuine Resistol brand cowboy hats to every car and truck buyer. Because of the large volume, Earnhardt pays less than \$10 each for the hats.

From April to August, Earnhardt Ford customers get a free shotgun with a retail value of more than \$45. The guns cost the dealership \$27.50 each. "We have many sportsmen in the area and long guns are very popular," said Earnhardt. "Many sportsmen collect guns like some women collect wigs and china. They may never use them, but they like to have them."

He emphasized that he avoids "cheap" giveaway premiums because they wouldn't be effective in motivating prospects to buy. "Consumers want quality merchandise and they can't be fooled by cheap imitations and shoddy goods. We rely on volume to bring down the cost of our incentives and, thus, can offer qual-



ity items to our customers."

Weekends, particularly Saturdays, are big at Earnhardt Ford, and management makes the most of them by giving the public a reason to visit the dealership. They do this by treating visitors to entertainment, such as remote radio broadcasts, Earnhardt's performing steer, and well-known local personalities.

During these events, the dealership serves hot dogs, soft drinks and coffee throughout the day. On special occasions, the company may offer free wigs, portable TV sets and similar giveaways to stimulate prospects to buy a new or used vehicle. Occasionally, near certain national



holidays — Memorial Day, Veterans Day and Flag Day—the dealership will give American flags (3 feet by 4 feet) to anyone requesting a demonstration ride. Nearly all of the dealership's promotions are advertised well in advance over TV and in the newspapers.

Values institutional publicity

Not all of Earnhardt Ford's promotions are direct giveaways. Looking for some institutional publicity in March, Earnhardt purchased the first "Arizona Supreme Grand Champion Steer" from the state's Livestock Association for \$3,825. The steer was displayed for 60 days in a specially built corral on the dealership

premises near the new car showroom.

"We purchased the steer to give to a charitable institution and asked people, in our advertising, to come out and help us decide what organization should get the animal," said Earnhardt. "After the 60 days, during which we distributed hundreds of ballots for people to cast their votes, a panel of judges, including a state official and media executives, determined that the steer would be turned over to the St. Vincent DePaul Society. More than 50 charities were recommended.

"It was estimated that the selected charitable organization would get 1,400 pounds of meat to feed the impoverished in the area. The event was well publicized in the press.

"Of course, we were happy to do our part in a worthy community project. The money we paid for the steer was well spent because it helped generate goodwill for the dealership. We also sold some cars and trucks to some of the people who visited the dealership to see the steer and cast their vote," Earnhardt enthused.

Despite the fact that Earnhardt Ford spends a considerable amount of money on advertising and promotions, the cost is justified. In addition to creating a lively atmosphere at the dealership throughout the year, stimulating sales, this is not done at the expense of profit.

The dealership's grosses on new cars and trucks are slightly higher than the district's MP group averages. Earnhardt plans to relocate into new facilities in nearby Tempe within the next eight months.

Dealer Hal Earnhardt (far left) and his team roping partner, Larry Mahan, prepare to perform at a rodeo. Below—Earnhardt (second from left) discusses TV commercial with studio executive Bob Capps (left) as Mort Staab (center), Larry Mahan and Bill Green look on





Free Trips, Giveaways Build Customer Traffic

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FORD DEALER MAGAZINE

"The first thing I will do in Hawaii is slip into a bikini to demonstrate twin eye-beam front and rear suspension, adjust my bands and linkage, grind my valves into the white, sandy beach, park my chassis in the best location to soak up a Galaxie of golden rays and signal the bar for a little lubrication. I may not be a new model, but a Hawaiian tune-up would really get my axle in gear . . ."

Clever? Amusing? The above prose was judged the winning entry in a sales promotion contest sponsored by Ford dealer Dick Breshears during which his dealership, Cascade Ford, Inc., sold 545 new and used cars in a 70-day period—almost a 40 percent increase over its normal sales rate.

The Bellvue, Wash. dealership ran the promotion in February, March and part of April (normally slow months because of rainy weather). People were invited into the dealership to pick up entry blanks for a free vacation. To win it—an all-expense-paid trip to Hawaii for two—the participant had to complete the sentence: "The first thing I will do in

Hawaii is—" (in 25 words or less).

"The contest was a direct effort to stimulate new and used car traffic," said Breshears. "At that time of year, we always seem to have the doldrums in this area, and I wanted to see if something different would not only attract more people, but also help lift the spirits of our 23 salesmen. It did."

The results were worthwhile

What were the results of the promotion? "We sold 80 cars more this year than last year, and grosses on cars and trucks were better than last year. That alone is sufficient reason for considering the promotion a success," Breshears pointed out. "However, there were additional benefits. We obtained about 2,000 names and addresses on entries, which were distributed among the salesmen for follow-up. Experience has taught us that some sales always result from recontacting showroom visitors."

Grosses increased during the promotion, according to Breshears—\$504 on cars and \$553 on trucks compared to \$467 on cars and \$456

Vacations to Acapulco and Hawaii, and free water beds

are among the incentives used to stimulate sales at this Pacific Northwest dealership

by Bob Collin

JULY-AUGUST, 1972

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on trucks the year before. "As in the past when we've run similar traffic builders, we found such offshoot benefits as increased service, rental and body shop business," he said. "When car and truck sales pick up, it has a rub-off effect on other areas of the dealership operation."

Breshears' trip promotion — the second such traffic builder in two years—wasn't particularly expensive. The trip for two—a \$500 value which Breshears got for \$400 by buying an advertising package—was a minor part of the promotional expenditure. "Most of the money was spent on advertising the contest," he noted, "and a big percentage of this would have been gone for regular advertising anyway."

Ad expenditures

During the 70 days of the contest, the dealership spent \$12,000 a month on TV commercials (spots during the Friday and Saturday night movies, plus two 20-second spots a week in prime time); \$500 a week on radio (20 spots Saturday and Sunday between noon and 4 p.m.); and \$6,000 a month on newspaper ads (three-quarter-page ads Friday, Saturday and Sunday).

The ad space and air time weren't used only for the contest, of course. The contest theme dominated the advertising, but product and dealership services also were stressed.

Breshears also ran a vacation trip

contest to stimulate sales during a slow period in 1971—that time it was a "Trip to the Sun": Acapulco.

"Actually, I was able to conduct that contest with even less expense than I had on this one," he said. "On that one, I got the airline tickets to Acapulco (a \$600 value) free from Western Airlines by agreeing to print their logo in our newspaper advertising and by plugging them on our radio ads. I would have liked to repeat this for the Hawaiian trip con-

test, but arrangements couldn't be worked out with the carrier airline."

Although Cascade Ford's Acapulco contest was very similar to the Hawaiian contest, there were some basic differences. In the former, more money was spent on newspaper and radio ads than on TV. Also, it was held earlier in the year.

"In terms of effectiveness, although both stimulated sales considerably, I'd have to give the nod to the Hawaiian trip," Breshears re-

flected. "We sold more cars during the contest period this year. And we handled the contest in a more economical way. This also could have influenced the results. I'd certainly have to say that a trip contest is an excellent way to build customer traffic".

Gave away water beds

The dealership also has used direct giveaways to build sales.

"When I took over the franchise





Dealer Dick Breshears (in jacket) congratulates salesmen following the posting of vehicle sales totals by General Sales Manager Gary Ward (right)

in 1970," said Breshears, "water beds were a hot item on the consumer market. We started giving away one with each car or truck purchase, and for several weekends straight we sold 40 units whereas normally we would be scratching for 20 to 22 unit sales.

"The water beds (retail cost: \$59) were purchased by our ad agency for about \$20 each in conjunction with advertising we were doing to promote the giveaway. For just a little extra ad money, we attracted a great deal of business.

"We displayed a water bed on the showroom floor and gave certificates to purchasers of a car, which could be redeemed at a local department store."

In the retail automotive business since 1959, Breshears worked for a Chevrolet dealership as a salesman and assistant manager in Portland, Ore., before becoming finance manager, then general sales manager at a Ford dealership there. He took over the Bellvue, Wash. franchise under dealer development in 1970, erecting a new facility in July, 1971.

Breshears has improved Cascade Ford's sales performance to a point where it currently is one of the top seven volume-sales dealerships in the Seattle District. It outsells Chevrolet in the trade area—122 percent on cars and 191 percent on trucks. He has completed his buy out agreement in 24 months and is the sole owner of the dealership.

Why Marshall Motors Accents Demo Rides

Management at this Ohio multi-point dealership expanded its six-year-old service department follow-up program to include new and used vehicle customers and found that demonstration rides definitely influences sales

by Richard Klein



Marshall Motor Company General Manager Nick Monda (seated) reviews customer comments on follow-up card with salesman Patrick Mars

DO MOST NEW CAR prospects really want a demonstration ride in the car they're interested in buying? Management at Marshall Motor Co. (PV 1,979), Mayfield Heights, Ohio, reports an emphatic "yes" to that question.

For almost two years, management at this suburban Cleveland Ford dealership has scrutinized owner follow-up survey cards to determine exactly what motivates their customers to buy from them. Though loyalty, to the dealership (more than 40 years in business) and to salesmen, ranks as a dominant reason for selecting Marshall at the outset, customers mention the demo ride as being a determining influence on the sale.

"More than anything else, with the possible exception of making a correct delivery of the vehicle, we stress that salesmen give, or offer, demo rides to prospects," said General Manager Nick Monda, a 16-year veteran at Marshall. "A demo ride, preferably in the car the prospect is interested in buying, is the best clincher a salesman can use in his sales presentation. We insist they stress demonstrations and we check our customers to see that salesmen abide by this requirement."

Buys reports from vendor

Monda's concern about demo rides is the result of reading customer comments secured on follow-up reports compiled by an outside service organization called *Sound Opinions*.

Every buyer of a Marshall new or

used car or truck is contacted within three days after taking delivery. The customer is phoned during evening hours by a woman representative of *Sound Opinions* who politely solicits answers to a series of questions carefully designed to:

(1) Give dealership management a clear insight into the reasons the customer bought from Marshall, and (2) to make the customer feel that the company is sincerely interested and concerned about how he was treated by the salesman and the condition of the vehicle.

Monda (photo at right) checks the status of service customer follow-up reports with Service Manager Bob McHugh. Below—dealer Sam Marshall listens to Sales Manager Chuck Price describe the opera window which he had installed on a Thunderbird





Although the women making the calls to the customers are employed directly by *Sound Opinions* — and trained in the art of customer follow-up by phone—they represent themselves as being in the dealership's customer relations department. Using shorthand, they ask customers such questions as:

(1) Why he bought a car (or truck) from Marshall Motor Co.? (response to specific ad medium, repeat or referral customer, and other); (2) are you happy with the vehicle?; (3) was the salesman courteous, and did he help you to your complete satisfaction?; (4) did the salesman offer a demo drive in the vehicle of your choice? and, did you take it?

Answers to these questions are marked on follow-up cards by the woman taking the survey. She also asks customers for any additional comments they may have and types them on the bottom the cards. The cards are mailed directly to Monda, who reviews them carefully, looking primarily for unfavorable customer comments.

"The cards give us an opportunity to recontact unhappy customers before any serious damage is done," he explained. "For example, if a customer expresses dissatisfaction with his purchase, we can call him and try to straighten out the problem.

"The biggest advantages of the program is its usefulness to management in learning why people buy here, and its value as a closing tool for our salesmen. The information also helps us select advertising media and helps management to convince

service personnel the importance of providing top grade service to develop customer loyalty."

Go back to salesmen

"After someone in management, either Sam Marshall or Sales Manager Chuck Price or myself, review the cards, they're given to the salesmen who made the sales following a brief discussion about the contents on the cards. Salesmen keep them on file as future recontact sources, for referral leads and for showing to prospects. Many customers praise their salesman on the comment section of the card and these can be very effective to show prospects.

"The majority of the survey cards indicate that customers took a demo ride—or were offered one and refused. Whenever we notice that a customer wasn't offered a ride, the salesman is called into the sales office and questioned about it. In this way, the cards serve as an effective control over salesmen for enforcing our demo ride requirement."

Cost of program is nominal

The cost of this follow-up service is nominal, approximately \$500 per month. "However, it's an extension of *Sound Opinions'* service program that we've been using successfully in our service department for more than seven years. The cost of the program is on a pername called basis," Monda explained.

(Editor's note: Marshall Motor Company's use of Sound Opinions' service follow-up survey was featured in the Jan.-Feb., 1966 issue of FORD

DEALER MAGAZINE.)

Management at Marshall Motor Co. capitalizes on its customer follow-up program in its advertising. Occasionally, the dealership features ads in newspapers which show a man holding a telephone receiver and happily proclaiming: "*I never had a call like this from a car dealer before.*" Alongside the illustration is the bold-type headline: "*We Listen Better and We Care!*"

Additional copy in the ad explains that Marshall calls every new and used vehicle customer to assure him that the dealership strives to make its customers happy with their purchases as well as with service to their vehicles.

At the bottom of the ad, near the dealership's logo, is the company's long-used slogan: "*There must be a reason why Marshall is one of Ohio's largest volume Ford dealers.*" Giant enlargements of this ad are posted in strategic locations throughout the dealership.

Slogan is asset

"The slogan is a valuable business asset," said Monda. "Many customer comments on the survey cards indicate that people buy here because they like doing business with a leader."

Marshall Motor Co. has enjoyed car and truck sales leadership over Chevrolet for most of its 41 years. The dealership usually ranks among the two top volume sale outlets in the Cleveland District. During the first six months of 1972, the company sold 1,394 new cars and trucks.

CUSTOM THUNDERBIRDS BOOST SALES AND GROSSES



Customized Thunderbird is displayed next to Marshall's classic '56 model

AUTOMOBILE MERCHANDISING has changed dramatically since Sam Marshall was appointed a Ford dealer in 1933—but not the basic fundamentals, says Marshall.

In 1935, he was dyeing drab interiors in bright colors and adding exterior options and paint to appeal to prospects wanting something “special” in their cars. He’s still doing this 37 years later.

Visitors to Marshall Motor Co. take a second look at a customized LTD, Mustang, and Thunderbird displayed in the eight-car showroom. Their appearances have been enhanced by the addition of opera windows, old fashioned wide, white sidewall tires and other ornamentation.

The dealership’s most extensive custom application is on Thunderbird, which management advertises as the 1972½ *Custom Victoria*. The car—displayed next to Marshall’s personal 1956 white Thunderbird on a green astro turf carpet—features such exterior appointments as:

(1) Oval-shaped opera windows, similar to those on Continental Mark IVs; (2) a chromed front end over the grille and headlights; (3) chromed signal indicators mounted on both front fenders; (4) two-and-three-quarter-inch wide sidewall tires set off by quarter-inch gold inlaid rubber rings, and (5) sparkling chrome snap-on-type wire wheel covers.

“Chuck Price, our sales manager, came up with the idea to customize a Thunderbird as a show car to stimulate interest in the car,” Marshall

enthused. "He lined up different vendors for the first car. After we found there was a market for customized T-Birds (the first one was sold within 48 hours after it went on display), we expanded the operation so that we always have one or two models on hand for immediate delivery.

"Customizing T-Birds worked so well that we soon began to install opera windows on LTD's and Mustangs (the window for the Mustang is six inches in diameter, like those in the hardtop on the classic '56-'57 T-Birds).

"This single, minor alteration on stock Mustangs and LTDs has helped to sell these cars at above average grosses. There always are certain people who want distinctive cars and they're willing to pay for something different."

According to dealership General Manager Nick Monda, grosses on customized Thunderbirds often will reach \$1,000 and more. "We have to be competitive with other dealers on shaving the base price," he said, "but we make up with the custom items."

The dealership's expense to customize Thunderbirds is about \$480. A separate price sticker on the car lists the options at \$840—nearly double the company's cost. The dealership pays \$54 each for the wide whitewalls (purchased from the Lester Tire Co.) and wholesales the radial take-off tires at \$65 each, thereby netting more than \$50 on each vehicle sale.

Most of Marshall's sales of customized Thunderbirds are to owners of non-Ford products, principally to Oldsmobile, Toronado and Buick Riviera owners, according to Monda. "Our Custom Victoria sells itself" he said. "Once a prospect for an expensive personalized car sees it, he's sold. On several occasions we've sold the car to persons who came into the dealership for other reasons. The car has been a definite asset to us in recapturing some of our old Thunderbird customers."

Marshall Motor Co. has been a strong member of Ford Division's Thunderbird 100 Club. "We attended the club's first convention in Las Vegas and, for the most part, the dealership has met its Thunderbird objectives for many years," said Marshall.

"This year we're on target for making our model year objective. It's a fine automobile, and as more people drive it, incremental sales will rise."

The dealership keeps three Thunderbirds in use for demonstration purposes and aggressively promotes the car in newspaper advertising and direct mail. "Three of our salesmen do the bulk of T-Bird selling because they like the car," said Monda.

"They send personal letters to likely prospects and follow-up with telephone calls. We'll often loan Thunderbirds overnight or for weekends to bonafide prospects. We also give high trade-in allowances on them and buy them in the open market for resale."



What you should know about OSHA

Does Your Dealership Have Safety or Health Hazards?

by Chain Robbins Deputy Assistant Secretary of Labor for Occupational Safety and Health

THE SCENE COULD BE "Hometown Ford, Anywhere, U.S.A." A visitor enters and identifies himself to management as a compliance officer for the U. S. Labor Department's Occupational Safety and Health Administration (OSHA). He explains that automobile dealers are subject to inspection for possible hazardous safety and health conditions that might affect their employees. His authority to inspect the premises comes from the Williams-Steiger Occupational Safety and Health Act of 1970, one of the most important pieces of labor legislation in years. He's at your place to inspect—now. If your establishment fails to meet Federal job safety and health standards, you are subject to citations and proposed penalties. This scene has taken place at automobile dealerships in some parts of the United States. What can you do to prepare for this day? In the following exclusive FORD DEALER MAGAZINE interview, Chain Robbins, deputy assistant secretary/administrator of OSHA, responds to possible questions from the average dealer about this law and employer and employee responsibilities.

Mr. Robbins, what is the Occupational Safety and Health Act?

This legislation was passed in the waning days of the 91st Congress because of a nearly 30 percent rise in job-related deaths, injuries and illnesses in the workplace over the past decade. The act seeks to assure a safe and healthful workplace for every employee.

What is OSHA?

OSHA is the Federal agency responsible for administering and implementing the act. OSHA develops and promulgates job safety and health standards and regulations; conducts inspections to determine compliance with these regulations and standards; and issues citations and proposes penalties for noncompliance.

Who is covered by this legislation?

Nearly 80 percent of the working population of the nation falls under coverage of the act—60 million employees in five million workplaces.

Aren't small business firms and establishments such as automotive dealerships exempt from the law?

No. The law applies to every employer having one or more employees who is engaged in a business affecting commerce. Since practically all businesses affect commerce in one way or another, this makes it pretty inclusive. Federal, state and local employees now are exempt. Congress is considering an amendment to the law which would exempt from its provisions establishments with fewer than 15 employees.

Does the act spell out duties of both employer and employee?

Yes. The employer has the obligation to furnish a place of employment free from hazards that might cause death or serious physical harm to his employees and to comply with all standards. The employee also is responsible for complying with OSHA standards, as well as all rules, regulations and orders issued under the act. The employer alone is subject to Federal citations, but can impose company discipline on his employees if they fail to adhere to his establishment's safety and health rules.

What are the record-keeping provisions of the act?

The employer must maintain a log of recordable injuries and illnesses and supplementary records on each occupational injury or illness. These records must be kept up to date and be available to OSHA compliance officers. A summary of all injuries and illnesses must be posted at the end of the year. In addition, the employer must report to the Secretary of Labor within 48 hours each accident that results in a fatality or the hospitalization of five or more employees. All record forms can be obtained from OSHA field offices.

You mentioned standards. Can you provide a simple definition?

A standard is nothing more than a rule that sets methods, practices or conditions to minimize or eliminate hazards to safety and health.

Are these standards new—or something dreamed up by the Labor Department to harass businessmen?

Almost all of these standards have been around for some time in one form or another as national consensus standards or in earlier Federal statutes. OSHA published its initial set of standards in the Federal Register on May 29, 1971—248 pages in all—a month after we came into being. While we had two years under the legislation to come forth with standards, we felt speed was of the essence if the toll in loss of life, injuries and disabilities was to be cut. Some of these initial standards, however, do not apply strictly to safety and health and we are in the process of revising them or removing them from the books.

Do specific standards apply to automotive dealerships?

No, only general ones. OSHA standards, except for the construction and maritime industries, apply horizontally to all work-places rather than vertically to one particular industry.

If there are no specific standards for automotive dealerships, how do I ascertain whether I am in compliance?

Large dealerships could acquire the services of a safety engineer with the background and training to analyze and apply the standards. Small dealerships may lack the time or resources to do this. However, trade associations, local chambers of commerce and other groups are providing explanation to members. And every employer may consult and receive advice from OSHA field offices in 52 major cities across the country. Locations of these offices can be obtained from the U.S. Labor Department regional office in your area.

Could I call an OSHA office and ask a representative to look over my dealership?

If an OSHA compliance officer enters an establishment, he must make an inspection and note any alleged violations, which could lead to citations and proposed penalties. It's best that you see him in his office or somewhere other than your establishment. The maximum penalty that can be assessed for each serious violation is a \$1,000 fine. Also, a copy of the citation must be posted at or near the place where the violation exists.

Isn't it unfair for OSHA to issue a citation for an alleged violation on the first time around?

This is specifically required by the act. It goes to the heart of the reason for the act's passage. State programs in the past demonstrated that initial warnings alone did not do the job and that corrective action seldom was taken until after an inspection was made.

We've had state safety and health inspections for years. Why is it necessary for the Federal government to get into the business?

At the time the Williams-Steiger Act was passed, relatively few states had up-to-date or really effective safety and health standards and sufficient funds for their enforcement. While state governments did initiate job safety and health programs, the overall effect was less than adequate. In each of the last two years, for example, job-related accidents or illnesses produced more than 14,500 deaths and 2.2 million disabling injuries, resulting in losses in wages, insurance and medical costs totaling \$9 billion per year. These factors lead to Congressional action to have the Federal government take over the responsibilities.

As an automotive dealer, what are my chances of being inspected?

No one can say for sure, but it is prudent management not to take chances. It always pays to have a safe and healthful working place. We have a priority system for inspections. First are fatalities or catastrophes. Next are employee complaints, 60 percent of which have included health rather than safety.



Then we investigate five "target" industries having accident frequency rates more than double the national average and five "target" health hazards: carbon monoxide, asbestos, cotton dust, silica and lead. Lastly, we investigate a cross-section of all industries on a random basis.

You mentioned carbon monoxide. Is this a real problem in automotive dealerships everywhere?

Yes, it is. This has been the chief cause of employee complaints—insufficient or inadequate ventilation resulting in nausea and sickness. Such fumes, as you probably know, can kill or require immediate hospitalization or, to a lesser degree, can so affect employees as to lead to accidents.

I understand you have a new standard on asbestos. Does that affect auto dealerships?

Yes, particularly in the handling of used cars. For example, a widely used method of cleaning old brake assemblies involves a mechanic's removing the wheel, aiming an air hose at the brake band and blowing the dust out. Since brake linings are made of asbestos, that blows clouds of asbestos dust into the workers' faces, and into areas where other persons are working. Because asbestos and carbon monoxide are on our target health hazards list, auto dealerships could be more subject to inspection than places where those hazards don't exist.

What other areas might result in citations?

In our inspections, after carbon monoxide, we have discovered that faulty hydraulic lifts and inadequate or faulty paint spraying operations are the biggest offenders. For example, we've had cases where cars have rolled off hydraulic lifts because locks didn't really lock. While large dealerships generally have good painting operations, many smaller ones do not provide respirators for their employees, don't insist that they wear such protective devices, or are lax with combustibles. Then, of course, we have seen one man applying paint while another man close by is welding—a dangerous situation. There's always the problem of improper storage of combustibles, oily surfaces and floors.

What other violations of standards should dealers be aware of?

The general industry standards OSHA finds most frequently violated are: guarding of floor and wall openings and other holes; electrical grounding; walking and working surfaces, general environmental controls, including sanitation; faulty hand and portable power tools and equipment; faulty fire extinguishers; improper welding, cutting and brazing practices and inadequate means of egress.

HE PUT IT ALL TOGETHER

MOVING ONLY TWO MILES resulted in the tripling of profits at Conally Ford, Inc., Madison, Tenn. (pop. 20,000), a suburb of Nashville.

When Fred Conally took over the dealership in 1968 after construction on a new facility had been begun by the dealer he replaced, Conally realized that new attitudes and personnel would have to be developed to go with the modern structure.

"It's like Arnold Palmer playing golf," he said. "He does a lot of the right things to start with, and he practices every day. This is what it takes to run a dealership the proper way and sell cars. You need the right location and the right building, but you also need a staff of very professional people, whether they are sales-

men, service technicians or office help. And they must have the right attitude.

"They have to work together every day. It's too easy to give credit to just one person or one factor when, really, the secret is putting it all together . . . every day."

The new facility was a marked improvement over the old building, which was pretty run down with hardly any room to display or service cars and trucks.

When asked to describe the old service department, Conally said, "I think it had four or five stalls, but they never had been marked off so it was hard to tell. That was typical of the entire building."

Although the former dealer had been selling cars and trucks (336 cars, 79 trucks in 1967) his total profit before taxes was less than \$25,000 on total sales of more than \$1,800,000.

Rely on surveys

In 1966, Ford Division market representation personnel made surveys of metropolitan Nashville which showed the greatest growth potential to be in Madison, north of the downtown area.

Both commercial and residential construction was booming in the area and the prospects for continued growth were very good. In fact, many of Nashville's Grand Ole Opry stars live in the Madison area, in-



The secret to profitability is putting it all together, every day, says Fred Conally

New building, plus new attitudes result in sales and profit increases at this Tennessee dealership

cluding Roy Orbison and Johnny Cash, whose business firms have bought several cars from Conally Ford.

The dealership made the two-mile move in late 1968 and business improved, but did not show a profit until the second year.

"First of all, we have more room to show, store and service cars and trucks," Conally explained. "We have 4.5 acres of land and a 28,000-square-foot building, including a body shop which we never had before. In the old showroom, we 'crowded in' two cars. Now we show six with plenty of circulation room.

"Parts sales have more than doubled, from \$180,000 in 1967 to \$378,000 last year. This year, they

should climb to well over \$400,000. Customer paid labor sales were just under \$100,000 during our last year in the old building. This year, they'll be almost \$300,000."

"New unit sales climbed to 964 in 1971, an increase of more than 100 percent. Even our finance reserve has gone up by 300 percent, although this is more to the credit of a new finance manager than the new building.

"Total dealership revenues have increased from less than \$2.2 million in 1967 to where they will easily exceed \$6 million this year. Profits have gone up 300 percent in the three years after the move—and will do even better this year," he concluded.



Sales of new vehicles have increased by more than 100 percent since Conally relocated

BUSINESS TURNABOUTS take many forms, but *good personnel management* usually is at the core, says Dick Campbell, president of the Bristol, Tenn., Ford dealership that bears his name. What has happened at Campbell Ford, Inc. (PV 1,070) during the three years that Campbell has operated the single point dealership strongly supports his conviction.

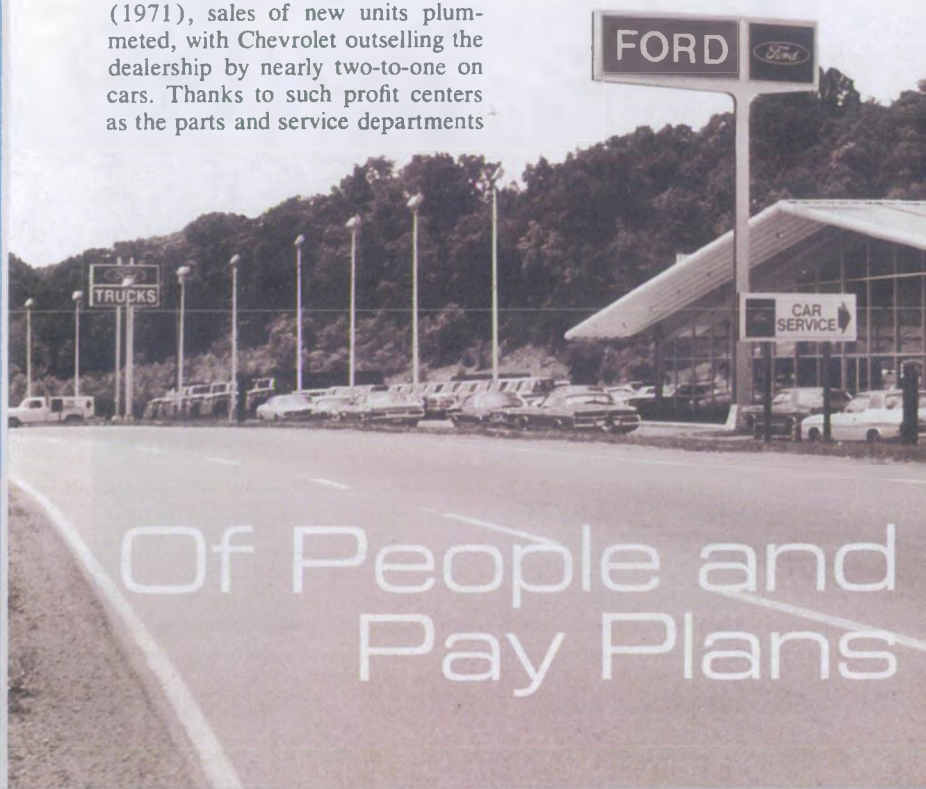
Vehicle penetration and profitability in the first year after he took over—following a fire that completely destroyed his former dealership (PV 465) in the adjoining town of Blountville—were at satisfactory levels, slightly above district group averages.

However, in the following year (1971), sales of new units plummeted, with Chevrolet outselling the dealership by nearly two-to-one on cars. Thanks to such profit centers as the parts and service departments

and the truck operation (the company has a super duty truck franchise), the dealership managed to earn profits of \$220,620 (83.4 percent return on GDI).

Campbell Ford's sales performance in the first six months of 1972 showed remarkable improvement. Total new vehicle sales nearly matched Chevrolet (90 percent on cars and 110 percent on trucks). Moreover, profits during the six months equalled those of the entire previous year.

In addition to increasing unit sales, the dealership boosted grosses on cars by more than \$100 a unit, which

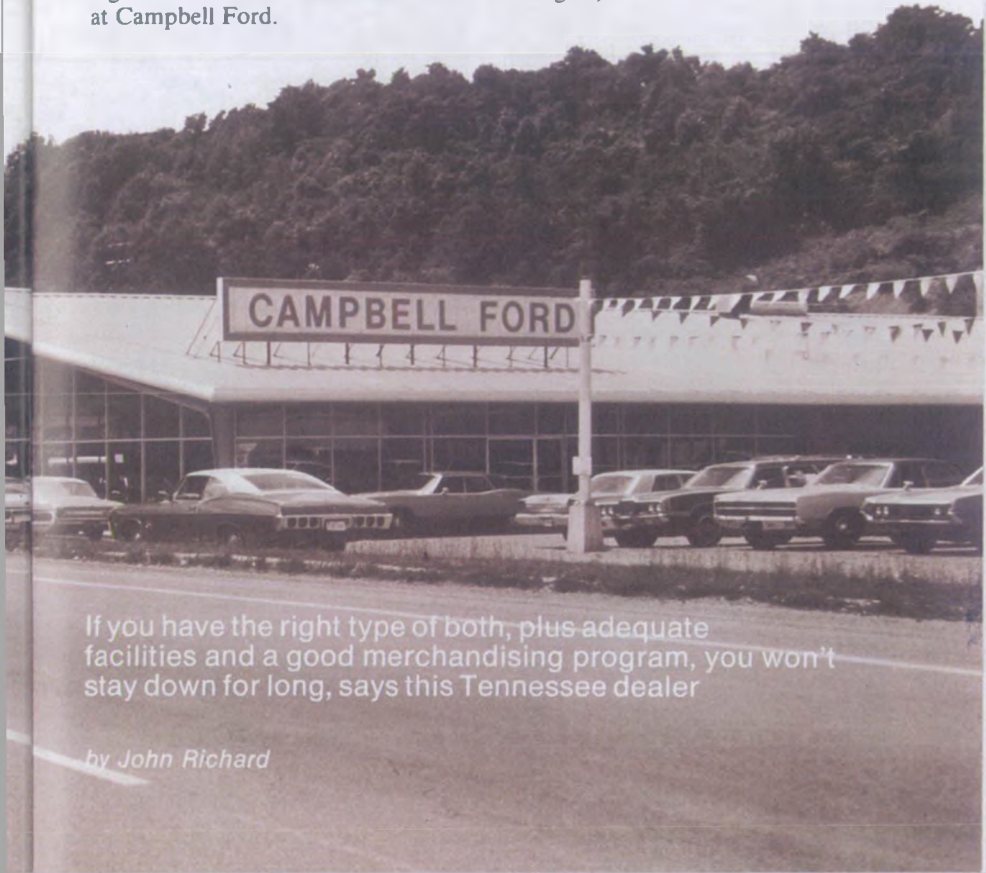


in turn helped to raise the firm's return on GDI (YTD through June) to 161.6 percent. The significant profit gains occurred despite the fact that the dealership's advertising expenses were nearly double the same period of last year.

Personnel and merchandising

The replacement of several key department managers — body shop, new and used vehicles and a new general manager — and better merchandising methods were contributing factors in the dramatic turnabout at Campbell Ford.

"It was apparent that our weakness was in people," said Campbell, recalling the early months of 1971 when he conducted a management reorganization. "We had the facilities (a modern 30-car showroom, a 16-stall service department, a separate truck service center, and a 12-stall body and paint shop built by the previous dealer six years ago) and the products to do the job, but lacked a well-rounded management team. It took nearly 10 months to make the transition. I replaced several key managers, one at a time."



If you have the right type of both, plus adequate facilities and a good merchandising program, you won't stay down for long, says this Tennessee dealer

by John Richard

Following the hiring of Ken Cummings as general manager and Ray Adcock as sales manager in late 1971, car sales and profits began to improve at Campbell Ford. Cummings immediately revamped the firm's salesmen compensation plan from a flat fee basis to a liberal plan based on paying a higher percentage of all retained gross.

It pays salesmen for unit sales, plus gross retention on *finance reserve, life, health and accident insurance and vehicle documentation fees*. The program utilizes a performance board and a mark system, whereby points are tallied on the board (in each sales category) alongside the names of each of the dealership's 18 salesmen.

In addition to receiving a higher percentage of retained gross, they earn extra marks, which at the end of each month are tabulated to determine bonus payoffs.

Each month, the four top salesmen share in extra incentive money, usually between \$600 and \$900 a month. The value of each mark (in dollars) is determined by management according to the amount they deem is necessary at the beginning of the month when objectives are established at management meetings.

"The board puts pressure on poor performers without penalizing the good ones," said Cummings. "The dealership's previous flat rate pay plan lacked motivation for salesmen to get good grosses. They were content with minimum commissions.

"Now, salesmen shoot for every-



Campbell Ford's air conditioned showroom offers prospects a selection of 30 ready-to-drive new vehicles

thing because they're paid for getting more than minimum gross. The board encourages *total selling*."

While Adcock built a strong sales organization, Cummings forged an aggressive merchandising program—more than doubling the dealership's advertising budget. Whereas the company's former ad expense of \$16 PNVR was about equal to the district group average, Cummings boosted it to \$39 PNVR by the end of June, 1972.

In May, for example, the dealership's advertising expenditure exceeded \$9,600. Of this amount, \$5,000 was spent to bring TV personality Junior Samples ("Hee-Haw Show") to the dealership for a two-day personal appearance. Samples' Blue Grass Country Band was included in the package, performing twice a day throughout the week.

Samples provided the dealership with several different pre-recorded radio and TV spot commercials to announce his appearance at Campbell Ford. They were aired for one week before his appearance.

Photos used to advantage

To help give salesmen an opportunity to talk to prospective customers, the dealership had a professional photographer on hand Friday night and all day Saturday when Samples was there. He posed for pictures with hundreds of eager showroom visitors.

The pictures were displayed on showroom walls near the customer lounge the following week for people to pick up. This gave salesmen a second opportunity to talk business in an atmosphere more conducive to selling.

The month after the Junior Samples promotion proved to be one of

Dealer Dick Campbell (right) jokes with TV personality Junior Samples who appeared at the dealership for a two-day traffic building promotion





Cummings watches Sales Manager Ray Adcock post sales standings as F&I Manager Wesley Griffin looks on

the best months in the dealership's history, with sales of 80 new cars, 52 new trucks and 121 used vehicles. It also was the company's best profit month.

Grosses averaged \$357.10 per new vehicle retailed or about \$105 more per unit than the dealership's average for the first five months of the year. According to Campbell, the higher unit grosses during June helped to bolster the dealership's gross average in line with the district group averages of \$313.

Campbell Ford's expanded ad budget is controlled entirely by Cummings who spends it wherever he feels it will do the most good. Generally, this includes a light schedule of TV spots (mostly during the winter), moderate use of three radio stations and heavy use of newspapers throughout the year. Cummings has scheduled TV spots for this year's NFL football games. He also favors occasional traffic building promotions with the accent on remote radio broadcasts from the showroom.

Gospel singers steal show

One such promotion, which upstaged the nearby Chevrolet dealership, featured the week-long appearance of a popular Gospel-singing trio. The group performed twice a day inside the showroom with a remote radio broadcast.

According to Campbell, the crowds were tremendous during the week. It



Campbell (left) and General Manager Ken Cummings check the unloading of Pintos for truck caravan sale

wasn't accidental that the event coincided with a Chevrolet sales contest. That dealership didn't win the contest this year for the first time in many years.

Earlier this year, Cummings staged a Pinto truckload sale in which three semi-trailers arrived at the dealership at the same time loaded with specially equipped units. During the weekend of the sale, Cummings hired a group of semi-professional clowns from Nashville to entertain showroom visitors. The clowns' performance was broadcast live from the dealership's showroom on Saturday afternoon.

To move overaged and other designated units, such as demonstrators, Cummings puts extra bonuses on them. To hit the July sales objective, he held a sales contest whereby extra bonus money was awarded for selling specific units. He put \$350 into a special kitty and whenever a salesman sold one of the tagged units, he was entitled to select an envelope pinned to the wall.

Each envelope contained a slip of paper with a dollar figure, ranging from a minimum of \$5 to a maximum of \$25. The salesman could then redeem the slip of paper for cash upon presentation to the business manager.

Managers on own

It is no accident that Campbell Ford is one of the Cincinnati District's top profit dealerships. Campbell adheres to the concept of giving department heads complete freedom

to do their job as long as profits are forthcoming according to his objectives. Whenever sales and profits begin to lag, managers must be ready with an explanation.

"I don't wait until the end of the month to find out we're behind," said Campbell. "By then it's too late to do anything about it. We have weekly staff meetings for all management personnel. They air their problems and we discuss solutions. As a rule of thumb, I expect a 10 percent revenue increase in all departments based on the same month of the previous year.

"Realistically, this cannot always happen, but having a goal gives managers something to shoot for. Whenever they fall behind they know I'll want to know why, plus their plans for improving. My main job is managing people. They're a dealer's biggest asset."

Campbell's efforts seem to be paying off. The dealership's new vehicle sales are up 132.6 percent this year. The body shop's monthly gross has risen to \$13,000 compared to \$7,000 when Campbell took over the dealership. The used car department's performance—in units and gross—has shown marked improvement this year. Both department managers are new.

The dealership's parts and service departments are outstanding. During the first six months of this year, Campbell Ford sold \$475,164 worth of parts and \$217,000 worth of customer paid labor. Both are above the district's PUIO averages for similar size dealerships.

Zweifel Stages One-ACT Play for Customers

Milwaukee dealer uses
Ford Division's
computerized owner
contact system to
develop prospects

by Hal Watts

"GETTING A SALESMAN to make a phone call is like getting a greenhorn paratrooper to make his first jump."

That statement sums up dealer Tom Zweifel's feelings about the benefits of Ford Division's new Assigned Customer Telephone (ACT) contact system. ACT provides dealers with a free listing of 1968 to 1972 model owners who bought from the dealership, along with owner verification cards, contact record cards, anniversary prospecting reminders, telephone action pads, and a system explanation booklet.

Dealers who subscribe to the program then receive prospecting aids every 60 days.

"This program really solves the problem of motivating your sales-



men to phone prospects," said Zweifel, who hired three part-time girls to help put the plan into effect immediately after Tom Zweifel, Inc., Ford dealership in Milwaukee, Wis., received the program materials.

"We've always stressed the importance of customer contact, but this method has triggered an all-out effort by our sales force. In our case, we had a real need for this type of program. Our sales staff is relatively new—only two of the men have been with us for more than two years.

"Naturally, the newer salesmen don't have as many customers to call. With the ACT system, they can call former dealership customers who bought cars from salesmen who

are no longer with us. That kind of call is better than a cold call, and it lets the customer know that there's someone at this dealership who is still interested in his business."

Zweifel estimated that a new salesman could boost his customer files from 100 to 500 on the basis of this program alone.

Hired temporary help

When the dealership received the computer printout from Ford Division, General Manager Art Shirk hired three part-time girls (who worked 6-9 p.m., Monday, Wednesday and Friday) to verify the owner names and fill in the salesman's name, social security number and

Sales Manager Joe Dienberg (left) hands out ACT prospecting cards to salesman Jim Wink

Salesman Pat O'Brien praised the follow-up system for producing good prospect leads



customer's telephone number on an owner verification card — also supplied in the program package.

"The girls started with the computer printout," Shirk explained. "Checking the names on that list, they looked through our owner files to get the information needed for the owner verification card. Once they printed that information, they passed the owner verification cards along to our sales manager, Joe Dienberg."

10 calls a day

At the first sales meeting after the cards were completed, Dienberg distributed 50 owner cards to each of his five new car salesmen. "I asked them to return the cards to me within a week," he said. "The program is still new, so it's hard to come up with any concrete results right now. But, I'll say one thing—it has sure helped to get our salesmen on the phone."

"We've scheduled 10 calls a day for each man. I think that's a realistic figure. We know that very few people like to make cold calls, so we gave them a number that would be small enough for them to make an honest effort. It can get very discouraging when you are forced to make an unreasonable amount of calls—especially when you get busy signals or no answer."

Praises program

One of Zweifel Ford's newer salesmen, Pat O'Brien, was quick to laud the follow-up system: "It looks like it could really help a salesman who isn't getting repeat business yet. We can get good prospect leads on peo-

ple who already have shown they like doing business here at this dealership."

The leading salesman on the Zweifel Ford staff, Al Price, also praised the new program: "The system saves us some paperwork, giving us a chance to do what we know best—sell cars."

Although Dienberg hasn't had concrete results, he did point out that he was pleased the dealership's customers were being contacted, proof to the customer that the firm is still interested in his return business.

Shirk added, "It was a coincidence that Ford came out with this program at this time. Tom Zweifel had been talking to me about a customer contact program, and we were in the process of starting one of our own. The ACT system fitted our needs and that's why we're so glad this program got started when it did."

More ACTs to come

With the clerical part of the program out of the way, Shirk is ready to embark on another phase—used car customers. "We figure the program might as well be continued," he said. "We can get all our salesmen involved in calling all our customers. Every call we make is a potential sale."

Shirk has retained two of the part-time girls to bring the used car owner files up to date and write down the same information as the ACT program requires.

"Then, the salesmen take over," said Shirk. "And, we stage our own ACT with used vehicle customers."

How To 'Click' On The Phone



AS PART OF FORD DIVISION's new Assigned Customer Telephone (ACT) contact system, the following examples of telephone techniques are offered to salesmen.

Here are some helpful telephone technique suggestions.

SALESMAN: Do you still own that '69 Torino, Mr. Benson?

CUSTOMER: Still own it and still putting milcage on it, yes sir.

SALESMAN: Reason I asked is that we need '69 Torinos for our used car inventory, Mr. Benson. We're out looking for them. So we can offer you a very good deal on yours this week.

SALESMAN: This is Charley Knox of Downtown Motors, Mr. Amsterdam, fellow who sold you your '71 LTD last June. Our records show that you bought three cars from Downtown Motors since 1968.

CUSTOMER: I guess I did.

SALESMAN: Do you still own all three, sir—the '68 Galaxie, '71 LTD and pickup truck?

CUSTOMER: I traded the Galaxie, but I still have the other two.

SALESMAN: Have you considered replacing the LTD? The '73's will be out soon and they are going to have features . . .

SALESMAN: I notice, Mrs. Eaton, that you bought a '68 Mustang from us. Do you still have the car?

CUSTOMER: That's right.

SALESMAN: You must have pretty good mileage on it by now. Have you thought of trading it in for a new one, Mrs. Eaton?

CUSTOMER: We *think* of it. But the way prices have skyrocketed, we're not encouraged.

SALESMAN: Maybe I can help. You could get a much *newer* Mustang without too much money. For instance, we have a perfect one-owner 1971 Mustang on our used car lot with very low mileage on it . . .

How They Do It in Boone (N.C.)

Competition can be rough even in a small town, report dealers Wayne Johnson and John Cook. They made several changes when they took over the dealership—and sales and profits soared

by Richard Klein



MOST MULTI-POINT DEALERS believe their markets are the toughest. But in a small town, single-point dealerships are susceptible to the same forces of competition and business failure as their big city counterparts?

Wayne Johnson and John Cook, co-owners of Johnson-Cook Ford, Inc., Boone, N. C. (pop. 8,000) offer strong evidence to dispel the myth that operating a small town dealership is a breeze.

When they became principals of this 282 PV dealership in August, 1969, it was selling an average of 17 new vehicles a month. The company's profit for the first seven months was under \$30,000.

Despite the fact that the dealership was in old downtown facilities, operating expenses were high, chiefly because of excessive manpower required to maintain four separate buildings and low employee productivity.

It was necessary for other employees to jockey service customers' cars to accommodate new arrivals. Additionally, there was little on-street parking for prospective customers. Lack of space to display used cars forced management to wholesale the bulk of the trade-ins, which seriously reduced the dealership's trading opportunities and limited profit possibilities.

But there has been a boom, of sorts, in Boone (the town is named after Daniel Boone, the legendary frontiersman who blazed trails through the hill country), at least as far as Johnson-Cook Ford, Inc., is concerned.

Dealers John Cook (left) and Wayne Johnson built their new dealership facility on the top of a sloping hill

The dealership's financial position has improved greatly since August, 1969, when Johnson and Cook assumed control of the company. Profits during the first six months of 1972 were \$62,000, for a healthy 108.6 percent return on GDI.

Market penetration also has vastly improved—134 percent on Chevrolet on cars and 173 percent on trucks (YTD through May). Last year, the dealership had 125 percent on cars and 126 percent on trucks and a 57.6 percent return on GDI.

Clearly, the dealers have demonstrated how the application of sound

business management principles, plus aggressive merchandising and participation in community affairs, can transform a 17-unit-a-month store into a 54-unit operation and *make money in the process.*

Johnson-Cook Ford is now the largest franchised car and truck sales outlet in the town (which includes 8,000 students at Appalachian State University) represented by every domestic nameplate and several imports.

It didn't take the dealers long to establish themselves in the community (both came from West Jefferson,

N. C., 30 miles south of Boone). Johnson became a member of the Lion's Club International, president of the university athletic department's Mountaineer Club, a director of the city's Chamber of Commerce, a member of the President's Committee at Appalachian State University and Lees McRae Junior College and a church deacon. Cook belongs to Optimists International, is also a member of the President's Council of the university and college, and is a deacon of the church.

The dealer's stature in the community was further enhanced when

they spearheaded a community project—which included other businessmen—to purchase an expensive life-saving machine for a resident suffering from a fatal kidney ailment. The fund-raising crusade was started by Norman Cheeks, Top Hatter salesman at Johnson-Cook.

Moved into new facilities

Realizing that growth was impossible at their antiquated downtown facility, Johnson and Cook purchased 5½ acres of land on the outskirts of town soon after they became the dealer principals.

Dealer Wayne Johnson (right) listens attentively to David Spainhour, a prospective customer for a 1972½ model four-door Maverick



Dealer John Cook talks with a Bronco owner awaiting service. He oversees the parts and service departments while Johnson manages the sales operation



Within a year and a half, they relocated into new quarters, set on the side of a hill (new and used vehicles are displayed on four different levels fronting the showroom on top of the hill). Access roads between each tier allow prospects to drive around the rear of the cars while selecting their model.

The dealership's grand opening late last year has been the dealers' only major promotional effort. Showroom visitors were given silver dollars (every half hour) and there were many door prizes, including a color TV set as the grand prize.

More than a third of the town's residents came to inspect the most modern dealership in Boone. It has a 20-stall (three for internal work) service department and a separate six-stall body and paint shop at the rear of the dealership. Total cost of the facility was slightly more than \$210,000.

One of Johnson's (he runs the sales operation while Cook oversees the service part of the business) first moves was to improve the company's image as an aggressive merchandiser.

The dealership uses commercials on the local radio station on a regular basis and large display ads (half and full pages) in the town's weekly newspaper. Johnson prepares his own ads with the help of media representatives.

He shuns price ads in favor of institutional ads that promote everything the dealership offers, including daily rentals and recreational vehicles. Johnson always stresses service, which he insists is "the best in town."

Some of the dealership's vehicle sales are registered out of state. The area is a popular year-around tourist haven. Because of this, the dealership enjoys a brisk service business. Pleased service customers often trade their cars for new ones during their stay in town.

Customers salute service

"We get many complimentary letters from out-of-state owners praising our service," said Johnson. "This pleases us and our technicians. We have regular customers from Pennsylvania, New York, Georgia and Florida.

"Some of these people spend the summer here and buy new cars and trucks before returning home. I'm sure they can get as good a price in their hometowns, but because of our excellent service, they prefer to buy from us."

Out-of-state buyers are partly responsible for the dealership's truck leadership (164 percent, YTD through April). A high percentage of these units are four-wheel drive pickup trucks and Broncos. The dealership sells between 55 and 65 new Broncos a year, many of them to part-time residents who use them for skiing and driving about in the hill country.

The dealership also sells trucks and cars to Appalachian State University and Lees McRae Junior College, where they established a foothold among the faculty and students by loaning five LTDs to the athletic departments on a year round basis.

As with its big city cousins, good

expense control contributes to Johnson-Cook Ford's profitability. "We have the same peaks and valleys as metro dealers, and watching expenses is paramount here," said Johnson. "We simply cannot afford dead wood.

"Everyone sells, including myself, Cook, the title clerk and even the mechanics (the dealership has 30 employees). Sales Manager Bill Wink-

ler (son of the dealership's previous owner) doubles as used vehicle manager and salesman Norman Cheeks does all of our vehicle wholesale selling and buying.

"We've sold as many as 19 new vehicles on a Saturday and 67 new and used units in a week. That's pretty good performance from a dealership with fewer than 20,000 people in its trade area."

Johnson-Cook Ford's Top Hatter salesman Norman Cheek (right) chats with service station owner Ray Miller, his best bird-dog for referral customers



Here's how an Indiana dealer's unique customer relations program helps to keep brand loyalty at its highest level for Ford dealers everywhere

by Don Sherman

THERE ARE MANY reasons why customers become dissatisfied with their cars and switch to a competitive make the next time they're in the market. In most cases, the selling dealer is capable—with a little extra effort—of preserving brand loyalty among his customers.

Unfortunately, the selling dealer doesn't *always* have this opportunity—especially during the summer vacation months—and a remote dealership may unwittingly flare the owners' dissatisfaction with the product.

Following is a typical example of this type of owner dissatisfaction: imagine a family on a vacation motor trip far from home when something unexpectedly goes wrong with the car. They call the nearest Ford dealer and he sends a wrecker to tow the car to his dealership.

At this point, the process leading to owner dissatisfaction slowly begins. What, up to now, was a happy event for the family suddenly has become a nightmare. The situation is even more critical if the car needs extensive repair, or parts for a minor

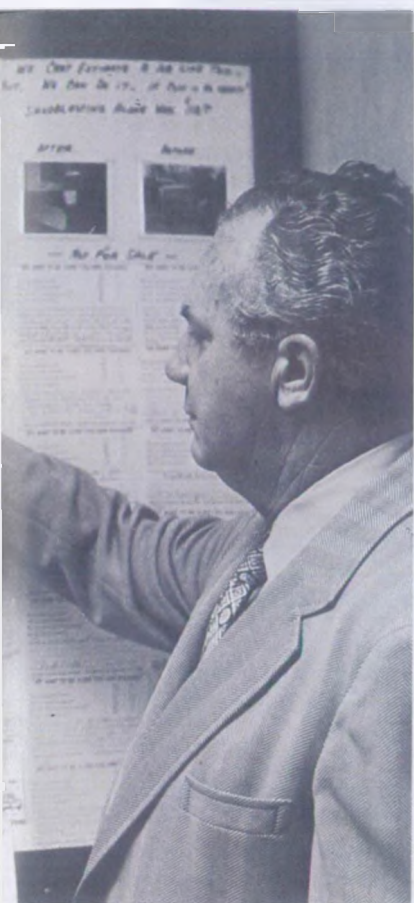


repair are not immediately available. For now, the family finds itself "stranded" in a strange town with nothing to do.

Offers free loaner

It's usually a pretty helpless feeling, but not if the family is fortunate enough to be an emergency service customer at Fred First, Inc., Ford dealership in Richmond, Ind.

In cases like this, dealer Fred M. Nottingham loans the family a new,



Dealer Fred Nottingham displays complimentary customer letters on bulletin board along side service follow-up postcards

during the summer.

"I like to think we've created some good will toward both Ford Motor Company and our dealership. Besides, I'm awfully proud of Richmond and I enjoy having people see what a pretty city we have."

Letters of praise pour in

Since the visiting owner program was set up, no one has ever taken advantage of his hospitality as far as keeping the car too long or abusing it. "It actually costs us very little," he said, "because we use a car from our rental fleet and all the maps and literature are supplied by the Chamber of Commerce."

Although the cost to Nottingham is minimal, the amount of gratitude from drivers he has helped is not. He has a large bulletin board covered with cards and letters of appreciation from motorists who not only comment on his thoughtfulness but also praise the work done by the dealership's service department.

"We try to get these people back on the road as soon as possible," explained Nottingham. "If we get a car in here at 4:30 or 5 p.m. and have the parts, we'll keep a mechanic or two beyond normal closing hours to complete the job. Once again, the cost to us is not that much but the customers really appreciate the effort we make."

If overnight accommodations are necessary, the fact that the dealer-

air-conditioned car, supplies them with literature and maps to local tourist attractions, and invites them to tour the city while his service department repairs their car.

"We take owner relations quite seriously here," said Nottingham, "and I think this program reflects our attitude toward our service customers. We came up with idea a couple of years ago and so far it has worked very well for us. We've helped a lot of people, especially



Nottingham hands over the keys to an air conditioned loaner car to distressed tourists with car trouble

ship is located next door to a large motel makes an unfortunate experience as painless as possible, and often it becomes a pleasurable experience for everyone.

"I know there are dealerships that couldn't have a policy like this," said Nottingham, "but I've always been a small town dealer and this is part of doing business in a small town. Besides, I have been in business since 1946, and my emphasis always has been on quality."

He opened his present facility two years ago in the middle of Richmond's automobile row, near

TO OUR OUT OF TOWN TRAVELERS

BE *Fred First's* GUESTS WHILE IN THE CITY
OF RICHMOND.... *May we suggest a tour....*



1. HAYES ARBORETUM
2. WAYNE COUNTY MUSEUM
3. GLEN MILLER PARK
4. NEW CITY BUILDING
5. EARLHAM COLLEGE
6. NEW! DOWNTOWN PROMENADE

A new air conditioned FORD is yours....
No Charge. We hope your unscheduled stop
in Richmond will be enjoyable.

Signed

Fred Nottingham
OWNER

several new shopping centers. The dealership also is close to the main highways, making it very accessible to travelers. The company advertises "quality service" on highway billboards near the exit ramps leading to Richmond.

Nottingham often is asked about the unusual dealership name. He explained that it came from his established advertising slogan, "See Fred First." He used this slogan extensively in teaser ads when he moved to Richmond in 1964, then decided to capitalize on its familiarity by adopting it as the dealership name.

Framed sign in Fred First Ford's customer lounge promotes the major points of interest in Richmond, Ind.

"It has worked out very well, although I still get telephone calls from people who want to speak with Mr. First," Nottingham chuckled.

Emphasis on service is reflected in the dealership's customer paid labor sales which went from \$79,739 his first year as a dealer in Richmond to last year's total of \$265,416. Parts sales have shown a similar growth, from \$146,834 in 1964 to \$377,626 last year.



Public Affairs Report

Bust 'em up . . . auto companies, that is, urges Senator Phil Hart (D-Mich.) Hart has introduced a bill that directs the government to consider whether to break up auto makers and other basic industries into smaller firms which Hart hopes would increase competition . . .

A special commission would have 15 years to think things over and decide whether Ford, GM and Chrysler should be fragmented on the ground that United States auto sales are too concentrated. Having reached a decision, the commission would take its plan for correcting the situation to a special court of approval . . .

While the bill gives the auto companies a chance to prove the contrary, it establishes criteria which, as a practical matter, make such proof virtually impossible . . .

The senator protests that he is not necessarily thinking about breaking up manufacturers since there are alternatives, such as banning single-line dealerships. Apparently, if the commission finds there are too few manufacturers, it could solve the problem by increasing the number of dealers who handle each product. Nonetheless . . . the thrust of the senator's bill is clear: rearrange the existing system of product manufacturing and distribution in key industries.

MOTOR MIRTH



"In addition to the regular warranty, I also give my word!"

"Off hand, I'd say you lost him when you closed the door on his fingers!"



"I told you that 'Don Rickles' sales approach was risky!"



"If it won't interfere with your life style Malcomb, how about selling a car this week?"



"We have the products this year to substantially increase our share of the growing car and truck market."

**John B. Naughton
General Manager,
Ford Division**

"Everyone in the Ford retail business has the opportunity to make the model year 1973 a banner sales and profit year."

**Frank E. Zimmerman, Jr.
General Marketing Manager,
Ford Division**