

Retooling Recalls: Getting to 100% Completion

Communicating with Customers and Managing Expectations

Breakout Session Notes

April 28, 2015

Objective(s): Discuss the importance of communicating with customers and the potential impact of different ways of communicating.

Background: Communicating with customers does not end with a recall notification letter. How we communicate with customers affects their response. We want to convey the severity of the issue, but we also want to manage expectations in case remedy parts are not immediately available.

Challenges:

- Older recalls – 2nd, 3rd generation customer hard to find
- Retired vehicles/salvaged
- Communication between dealers and manufacturer's:
- Challenge to get parts data from manufacturer (salvage)
- Batch data available would be helpful
- Parts not available
- Franchised dealers think the communication is great with manufacturer's
- Parts availability may not always be accurate but the manufacturer keeps dealers informed
- Daily emails
- But ease of communication is restricted to new vehicles, used vehicles is a much bigger challenge
- Independent dealer does not have communication with the manufacturer
- Initial notifications to customer comes from manufacturer but contact info isn't always accurate – dealers have the customer info and can reach them if manufacturer had inaccurate info
- What percentage of your customers do not know who has the car?
- Can't give percentage but it is a problem. Talking about problem of people screening phone calls. Harder to reach people. Leave a voicemail but don't hear back. Don't know if they got the message. Problem of apathy on part of customers.

- Challenge of finding customer from the manufacturer as well. Mail notices out and get approx. 20% return rate. Even bigger problem for older vehicles. Have to use registration data. 15% return rate using texts.
- Every state has its own proprietary system and some are more willing to work with than others. “Polk” contracts for registration data. Funding is problem with some states.
- What percentage of vehicles on the road get their registration updated? Renew registration. Information is out there but getting it is problematic.
- Always a lag in registration. For example, when people move here, don’t necessarily update registration with new state despite state rules to update within “30” days of moving.
- Tying vehicle registration with recall?
- Potential problems with tying registration and recall. Example – customer gets a vehicle and doesn’t know it has a recall on it, can’t register, needs vehicle to get to work, now you have a very angry customer.
- What do you do if someone shows up for recall and you don’t have parts?
- Just have to counsel with customer, explain nature of recall, try to make sure they understand problem, and then customer can decide how critical it is to drive or not drive car until parts are available. In his experience, people tend to continue driving the vehicle. Rare for someone to stop driving the vehicle.
- What if in this situation, they don’t come back in because they’ve been driving it and the vehicle is fine. Complacency.
- Example of Jeep recall – recall happened in August-December of 2013 but parts weren’t available until August 2014. By the time parts came in, can’t get people to come in. Showed interest at time of recall but interest died by time of parts available.
- Manufacturer sends two letters – one of recall, one when parts available
- What about a tiered recall based on priority/risk level of defect?
- So long as you act within the 60 day window, you could do that.
- When you file with NHTSA (5 days post defect determination), people know about the defect/recall. Then start calling without having received notification letters.
- Don’t want customer to determine level of urgency, NHTSA doesn’t want manufacturer determining level of risk. You can’t say “extremely low risk” or “risk of minor damage” or hold back to avoid distraction from a more “important” recall

- People don't understand the impact of not fixing the recall. How we do help people understand the risk and want to come in for a fix? How the message is directed is important.
- Seasonal use vehicles – hard to get people to pay attention when not in use.
- Recreational vehicles – repair sites different depending on nature of defect (example of engine versus microwave oven) in which case people might say it's not worth it to go different repair sites.
- Revenue generating vehicles – not taking vehicle off the road despite sending parts/instructions for recall. How do we force them to do it? Until labor is done, still an open case.
- Are customers concerned with upsell when they come in for a recall? Yes, especially for older vehicles. People would rather have their personal mechanic do the work.
- What is the sense of hesitancy of giving customer the part and letting them have own mechanic do it? We don't know that it was done. Have to report on how many affected vehicles completed. No way to complete the loop of communication back to manufacturer. Data management issue. Problem of willingness and trust. Dealers have parts numbers and instructions. Why not make it available to independent garages? It's another option for customers to complete. Who do you task to send in completion report? Is it more of a burden to customer? Technician training, tools available, warranty, incentive for independent to file the claim. Tesla – quality control, independent won't be able to repair a Tesla. Dependent on nature of recall, it might be possible to just send out parts and return packaging for defective part.

Possible Solutions:

- Advertising campaign to reach out to broad public to check VIN. OEM. Too soon to tell if it worked.
- Including education on maintenance of vehicles during driving training. Even with autonomous vehicles, people still have to maintain the vehicle.
- Younger people don't know that they don't have to go to original dealer for recall. Maybe public education campaign about recalls and what owners are entitled to. Socializing the understanding of the risk.
- Education on what a recall notice, envelope, letter look like. Should this education be provided at point of sale?
- Recognition of NHTSA stamp – social media?
- Standardized NHTSA brochure with owner's manual.
- Car care clinics provided by dealer

- Buyer's guide
- Education program/messaging to be multi-layered and consistent
- Provide incentive for independent auto mechanics for reporting
- Availability of OEM parts data to salvage yards, independent shops.
- Make VIN recall look up a requirement for state safety inspection
- Would need flexibility if tied to registration/safety inspection based on parts availability
- Consumers know that small percentage of vehicles are affected by recalls – problem of invincibility beliefs
- Data system -- technical issues to complete/make available, of the states not participating, could there be a federal incentive (transportation grants)
- Standardized reporting of customer data
- NHTSA talk to other agencies (e.g., food safety) about how they get recall info out
- Information needed to get out is that it is OK to walk into a dealership and it's free (context: used car owners don't know it is free, and uncomfortable with process)

Actions: What actions can I/we take tomorrow to improve completion rates?

- Public education – brochure to supplement manual
 - Who needs to be involved? NHTSA, OEMs, Used car buyer's guide
 - Doubt that the brochure would be useful – people won't look at it in owner's manual
- Data NMVTIS – NHSTA, DOJ
 - Make parts data needed more available
 - Data coordination really seems like feasible solution but require state, federal, industry, financing, and insurance coordination
- Increase parts data availability – OEMS could be more free with that information which would free up other information that they don't want shared
- Process of getting recall done – sending parts out – doesn't work well with registered importers – issue of accountability and reporting not so much quality of service – mechanics could be trained and accountable to the OEM, send part to mechanic not customer