Shift to Full Synthetic Drives Revenue Growth

44 Revenue has increased by double digits in two consecutive years, car count continues to rise and our customers are more satisfied. **99**

Don Paxton, Director, Repair Network AAA Ohio Auto Club





Challenge: AAA Ohio Auto Club operates nine Car Care Plus facilities, focusing on full-service car repair, oil changes and tires. To serve the needs of customers, the Car Care Plus facilities historically carried conventional, synthetic blend and full synthetic motor oils in a variety of viscosities that met OEM specifications, including GM's dexos[®]. Customers were mainly attracted to these oil change shops because of the low advertised price for conventional motor oil. However, customers became confused, and at times angry, when they were informed that their vehicle required a more expensive synthetic blend or full synthetic motor oil.

Assessment: Don Paxton, Director of the AAA Ohio Auto Club's Repair Network, has more than 25 years of experience in the industry. He observed the customer service process at all locations and realized that the scenario of confused and frustrated customers was a recurring issue. He concluded that the wide variety of motor oil options offered by Car Care Plus facilities was contributing to inventory management challenges and creating a complex, and sometimes contentious, sales process. So, after an in-depth analysis of the financial implications, he decided to take a different approach.

Solution: Paxton made the strategic and bold decision to stop carrying conventional and synthetic blend motor oils, and offer only Chevron Havoline[®] ProDS[®] Full Synthetic Motor Oils at a single price point. This change in strategy reduced the number of SKUs by 50% and enabled employees to spend more quality time with customers. To achieve maximum cost efficiency, Chevron worked with the Car Care Plus facilities to transition to Havoline ProDS Full Synthetic Motor Oils in bulk as well as PitPack[®]. Additionally, Chevron provided in-person training for the shop managers, focusing on the sales process, customer experience, and the benefits of full synthetic motor oil. The word got out.

Results: In the two years since the transition to Havoline ProDS Full Synthetic Motor Oil, revenue for the Car Care Plus facilities has increased by double digits and car counts continue to rise. This turnaround has been especially rewarding for Paxton as the Ohio Auto Club leads AAA in customer satisfaction scores. "The decision to offer only Havoline ProDS Full Synthetic Motor Oil has reduced customer confusion, improved customer interaction and enabled us to focus our messaging on the benefits provided by full synthetic motor oil," Paxton said.

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