

Creating a Market for Quality

Probably the most common communication I receive is about the Parts Quality Problem that we all face. It is usually followed by some accusations and nasty comments about some (or one) of our larger suppliers. Often, four letter words, name calling, and other insulting language are part of the discussion.

Suggested remedies usually include a feedback loop: telling these suppliers what is wrong and then expecting them to either destroy or repair existing stock on hand, then correcting the problem with new stock. In a perfect world, this would work. But our world is not perfect.

The BMTA continues to pursue parts feedback loops as described above and has made some improvements to a few products as a result. But it has been very time consuming and not very effective. There are still thousands of low-quality parts out there. We'll keep these feedback loops in place, but I want to emphasize a different tact.

WE NEED TO MAKE QUALITY PROFITABLE

"Follow the money." That's what you hear in a lot of problem-solving circles. It may make people feel good to offer quality products, but that doesn't put food on the table. Those quality products need to be profitable to put food on the table.

Is asking a supplier to scrap or modify existing product and still charge the same price for the improved product going to produce profits? Almost certainly not. No wonder this method has not been particularly successful.

It's difficult in a few paragraphs to describe a better way to make quality profitable, but I'll try anyway.

Some people think quality will only cost pennies more. Or 10% more. It won't. It will often cost 200-500% more. Or more still. Is it worth it? In many cases it is. What's more expensive, a \$90 turn signal switch for early MGBs that fails the third time you use it, or a \$350 switch that works and lasts?

Let's look at some examples. A new Chevy Aveo is about \$10,000. A new Cadillac STS is \$50,000—about 500% more. A Sears Craftsman 1/2" combination wrench is about \$3. A Snap-on 1/2" combination wrench is about \$25—800% more. A quick backyard body/paint job is \$1,000-2,000. A quality job is \$10,000-20,000—up to 2,000% more.

If we really want to fix quality, we have to create a market that will pay for quality. Just like Cadillac did. Just like Snap-on did. When they created these markets, they focused on quality first, then price. Included in the price was a profit—without the profit, they couldn't produce the quality product for very long. People buy these things because quality is worth it to them. They will pay 100-1,000% more for this quality.

How are we going to solve the Parts Quality Problem? We're going to do it in a lot of ways, including parts feedback loops and supplier suggestions. But I believe the most important step every member can do, and I'm putting this in bold print, is:

DEVELOP YOUR BUSINESS AROUND QUALITY AND CHARGE ACCORDINGLY

If we all do this, we can change the culture of the British Motor trade business. Our business is probably more defined as a bunch of cheapskates with cars that break all the time than it is defined as a bunch of enthusiasts who want to keep their cars fun and reliable. We can change this—our customers just need us to take the lead.

We can do this more quickly than you think. As an example, look at the market for performance parts. Until the Moss supercharger came out, many people thought a \$500-1,000 performance upgrade was expensive. The performance market was weak. Thanks to the supercharger and many other companion products like wheels and tires, brake kits, and more, people will drop \$5,000 pretty quickly and willingly. Performance parts suppliers created and developed this Performance Market, and we can do the same thing with a Quality Market.

So how will this happen? Here are a few ways:

1. When you participate in a parts feedback situation, make sure to tell the manufacturer what a quality part is worth to you in \$\$ and that you would truly buy it at that price. If they produce it, follow through and buy it.
2. If you are in a position to manufacture a quality part, feel comfortable charging a price that lets you make a quality part at a reasonable profit, then market it like crazy as a quality part. Do not consider the price of competing inferior parts. When you produce the part, announce it boldly to the BMTA and everyone else.
3. If you are aware of higher quality parts, buy them! Boldly tell your customers that they're worth the additional expense. Remind them that the reliability of these parts is nearly priceless.

We'll be discussing the quality problem in much more depth at the Trade Conference, on-line and probably with a "Quality Summit" of key and interested businesses. Please give this some thought, and give me your feedback!
--Carl Heideman

Making the Most of Your Advertising Dollar

Joe Gearin, *Classic Motorsports Magazine*

As citizens of the Classic Car community and the BMTA, most of you are either currently running print advertisements or are considering running ads in the future. Creating an ad campaign can be a daunting and expensive task. However by following a few simple tips you can create effective ads with results that are trackable without breaking the bank.

The first rule in effective advertising is the old K.I.S.S. principle: Keep It Simple Stupid. When designing your ad, try to lead the customer to your website, or have him pick up the phone instead of cramming every detail about your shop into a small ad space. A picture is worth a thousand words, so use images in your ads. Show your potential customer what they will get if they do business with you. For example, a supermodel holding a crankshaft is less an advertisement for the crank than it is for sex. Show the crankshaft in your ad, and let the supermodel find a job at Sports Illustrated. We have found, at least in this market, that overt sexual ads don't produce good results.

Try to emphasize what you do differently than your competition. Are your rates or prices lower than your competition? Show how much in the ad. Have you been in business for 35 years? Let the customer know how long you have been serving folks like him. Are you a member of the BMTA? Use the logo in your ad. Many of the enthusiasts you are looking to serve hold strong emotional ties to their machinery, and they only want to do business with others of the same mind. Let them know you care about our hobby.

Have a call to action in your ad. Instead of saying "Weber Carburetors" put "Weber Carburetors Add Power to Your Car!" By including bullet points, or bubbles with captions like, "mention this ad and get 10% off all orders," you not only create immediacy to your ad, you can now track the results.

Become friendly with your ad salesperson. They may be sales people, they may be annoying, but they can be a real help in getting your message out. By treating these folks fairly and with courtesy, you will have a much better chance of having success with your ad. Most publications feature new product reviews and featured products sections. By staying in good standing with your ad salesperson, the chances of having your products featured in print increases greatly. Also, by staying in contact with your salesperson you will have a better idea of what is on the horizon editorially. If you sell Morgan Parts, and they have a Morgan story in the next issue, it may be time to try a bigger ad for that issue, or try adding

color, or a different placement for your ad. If you aren't in contact with your ad salesperson you won't know about the issue until it reaches your hands, and by then it's too late to capitalize on a good opportunity.

Finally, don't be afraid to ask the publication you are advertising with their opinion of your ad. Instead of asking "Do you like the ad", ask "How can I make my ad better?" They want your ad to succeed as well, and are usually good sources for advice. They also see hundreds of ads, and have a feel for what works and what doesn't. Frequently they can even help design your ad, saving you time and frustration. Hopefully by using these guidelines you can produce an ad campaign that is trackable, effective and cost efficient.



British Car Specialists recently updated their ad. They put a picture of a car in it, shortened the text, made it easier to read and included the BMTA logo. It's a great ad.

Put the BMTA Logo in Your Advertisements

More and more members are including the BMTA logos in their ads. This is good for everyone and I encourage you all to do this. Putting the BMTA logo in your ad compliments the BMTA group ad and compliments your business as a quality business. If you have questions about getting the logos in your ads, call or e-mail me or have your advertising rep go to the BMTA website (<http://www.britcar.org/logos.html>)



3rd Annual British Trade Conference

Our first British Trade Conference was at a Shop during some cold winter days. Our second conference was at a Supplier during some peak California comfort weather. Our British Trade Triangle is founded on three corners: Shops, Suppliers and Media/Events. So it only makes sense that for our third conference, we'll be at an Event. Feedback has been clear that nice weather beats bad weather, so we should be in for some nice days in Atlanta in early May.

We've got some real challenges for this year's conference...

We've moved it later into the season.

While this may seem like an inconvenience and may cause some downtime for your business, consider this: There is incredible opportunity to meet and market to a large enthusiast base with this timing. During the winter months, many British car enthusiasts have stored their cars and are not thinking about them. In the spring, they're making repairs, updates, and getting ready for a season of driving and purchases. This is the time to meet them and show them who we are.

We've shortened the conference by one day.

We're sensitive to the fact that many members cannot afford to be gone from their businesses too long. We're holding the conference on Sunday night and Monday, May 1-2 and this is one day less than in the past. We picked Sunday and Monday so that members who want to vend or display for the public can do so. Even if you don't want to vend specifically, we encourage you to bring some sort of display or car for the BMTA area.

We're not marketing the conference as heavily.

The first two conferences occurred as a result of extensive marketing to key businesses and it paid off—we had great conferences with great thinkers. This year, we feel we've got most of the great thinkers in the BMTA already and we're not actively seeking more people. This may lead to slightly smaller numbers, or worse, the perception that the BMTA has turned into a snobby organization.

Nonetheless, this conference promises to be great.

Why go to the conference?

If you just look at the costs to travel to the conference, stay at the hotel, and then add in lost revenue while you're gone, you're missing the point. The conference will more than pay for itself in numerous ways. You are guaranteed to hear some ideas or tips that will help you run your business better. You are guaranteed to meet someone who will prove to be a resource to you in the future. You are likely to increase some aspect of your business as a direct result of these ideas and contacts—just ask anyone who has actively participated in a previous conference.



What's on the Agenda?

As you look at the conference agenda, you'll see a lot of similarities to past conference agendas. Does that mean it's turning into a broken record? Absolutely not! This year, we'll be taking a look at the size, strengths, weaknesses and outlook for the British Motor Trade industry. We'll be discussing marketing, management, staffing, parts quality, how to bring new people into the hobby, how to keep existing people excited and how to develop new markets for parts, services, and events. While some of this happens during the formal agenda, most of it happens in the discussions between presentations or during other social times. Please go to the conference—it is worth it!

BRITISH TRADE CONFERENCE
SUNDAY & MONDAY
MAY 1-2, 2005
ATLANTA, GEORGIA

See <http://www.britcar.org/conf2005.html>
for more details.

**Encourage Customers To Join Clubs:
Pay their First Year's Dues**
Michael Engard, *Ragtops and Roadsters*

We're always looking for ways to get our customers more enthused about their cars and drive them more. As a result, we offer to pay their first year membership to the local club. This offers multiple benefits. For the customer, he/she becomes a club member for free, has increased opportunity to meet other enthusiasts, participate in events, use and enjoy the car and finds out about other shops. For the club: gains new, hopefully active member and increased revenue. For the shop, we gain goodwill from club and customer, good PR to other club members and the bottom line is that the customer will use the car and need more service! Everybody wins.



So here it is, our **CUSTOMER POLICY #0032**

'GIFT' CLUB MEMBERSHIPS

Ragtops & Roadsters will offer to pay for a first year membership to the British Car Club of the customer's choice (or our recommendation).

We will qualify the offer by;

- The customer is currently not a member of a car club. They may have been in the past, but have let the membership lapse.
- We need to establish enthusiasm on the part of the customer;
- How long have they owned the car?
- Have they had LBCs in the past? Family members?
- How willing are they to fix the car?
- Will they be active in the club & participate in events?

This determination is necessarily subjective, but we want to establish and then encourage the all-important 'emotional attachment'.

We will contact the membership person for the clubs, fill out a membership form and send it in. We will then follow up with customer (Are you getting the club newsletter? Will we see you at meetings, events?) to ensure that they are getting some value from the membership.