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HUGGINS HONDA NEW CAR
SALES
UP **20%** YOY
FOR TWO YEARS STRAIGHT

CONTINUING THE INCREDIBLE CLIMB – YEAR-OVER-YEAR
GROWTH, ALWAYS SEARCHING FOR NEW WAYS TO
SERVE ITS CUSTOMERS



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FEBRUARY
2018
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CONTINUING THE INCREDIBLE CLIMB

Huggins Honda Continues Year-Over-Year Growth, Always Searching for New Ways to Serve Its Customers

“PEOPLE CAN BE RESISTANT TO CHANGE, SO YOU BREAK THAT RESISTANCE DOWN BY EMBRACING IT, UNDERSTANDING IT AND PUTTING FOCUS ON IT. BY EMBRACING IT, OUR TEAM ADAPTS TO CHANGE PRETTY WELL.”

– David Elatrache, 2017

When we last spoke with David Elatrache, general manager of Huggins Honda in North Richland Hills, Texas, in February 2017, his dealership had just put up a banner year. The dealership – which serves Fort Worth, Dallas and the northeastern section of the state – had grown its new car sales 20 percent over the previous year and had put in place some new marketing initiatives to keep that momentum going.

We wanted to check back in with Elatrache's dealership a year later to see if he and his team had been successful in that effort. The result?

“Somehow, we were able to do it again,” he said. Huggins not only posted another 20 percent YOY growth rate in new cars, but climbed up the national charts, as well. “We ended up being 55th in the nation in 2016, so we set a goal on being, maybe, 35th in 2017. We ended up being 25th.”

This increase has made the competition surrounding Huggins take notice. “We also had the highest percentage increase in our district as well, and our retention numbers went up in both sales and service,” Elatrache said. “Then, December was a high-water mark for us against one of our competitors, Toyota. We outsold every Toyota store in the metroplex individually. Everyone was really excited because we hadn't achieved that yet.”

While marketing, setting goals and other sound business policies have been key to this continued and increased growth, Elatrache said there was one factor that shouldn't be overlooked – fun. “I think that's been the biggest common denominator of it all, is just that; we've all had a whole lot of fun trying to achieve goals,” he said. “Everybody was just super pumped and excited. Everyone is aware of the store's successes, opportunities and the failures that we've learned from. We all take pride in it and it's been a lot of fun.”

TEAM BUILDING

The idea of building a team instead of a collection of employees is one that Elatrache is very careful to keep in mind and put into action. With a staff of almost 200 people, he doesn't want his people to become faceless cogs in the machine; the Huggins staff is one that sees that success for one is success for all.

“I give the credit to managers we have in place,” Elatrache said. “We try to hire people who not only truly care about our staff but invest in them. We build a relationship with our staff. We spend so much time with them that what's important to them becomes important to us. We recognize that we have certain goals here at the store and the only way to achieve them is by working together. I read an article not too long ago that said ‘leadership is a total sum of all the different departments,’ and I believe that's a very true statement.” Elatrache said this also holds true for the Huggins family, who have supported him and his team through the evolution of the dealership. The dealership, started in 1983 by Gene Huggins who worked with sons Craig and Ron, has always focused on what's best for its team and its customers.

Sometimes, though, management has to be careful with what they say. “We had a manager say he would shave his head if the team hit a certain goal. Guess what we did when we hit that goal? We brought a barber in and shaved him bald. Everyone got a big kick out of it because it showed that we were willing to put our head where our mouth is, so to speak. We had a lot of fun with that. We try to make a hard job a fun job.”

COMPETITIVE LANDSCAPE

It's essential for everyone at the dealership to work together, because Huggins is in an extremely competitive market. “Our biggest competitors are Toyota, Ford and Nissan,” Elatrache said. With experts projecting that car sales might be slowing down in the coming months, Huggins wants to ensure that they make the most of every opportunity with customers they have, and Elatrache believes they have the brand to beat. “We have great products,” he said. “Honda has probably some of the sexiest sheet metal I've ever seen. They deliver us not only a great



product, but they make it look beautiful. That's helped us a lot, I think, in our quest to outdo our competitors."

What also helps is the willingness of other area Honda dealerships to pull together. "I think all the Honda dealers know that we're not competitors of one another," Elatrache said. "We're competitors of the other manufacturers. I think that helps, at least as far as relationships and trading vehicles, and to make sure we put as many people in Hondas as we can."

PROVIDING OPPORTUNITY TO THE CUSTOMER

One of the areas Huggins has focused on to maintain and increase marketshare is through the vehicle upgrade program in their service department. "A lot of the growth we've seen is due to our team, the support of the Huggins family, and our strategic partners, like Team Velocity," Elatrache said. "They've partnered with us for our upgrade initiative, for example, and that's been something that's evolved over time. I can't say enough about that group of people. They get in there, roll up their sleeves and get to work alongside us. Their success is our success, and vice versa. In December, we sold 80 new cars as a result of that initiative. Other initiatives have been in our quick service area, where we hope to again see double digit growth. Opportunity begets opportunity, so it's just been a great thing."

Part of any new initiative is learning what works and what doesn't. When things aren't going as planned, some leaders feel the need to scrap it before any more time and money is lost. Others, however, look to see if they can learn from mistakes. "When we first started (our upgrade initiative), we fumbled and fumbled and fumbled, and we kept getting it wrong," Elatrache said. "We weren't getting the success, and we weren't getting the return on our investment either. We knew it had to evolve. We now have two people in charge of the program, and we've trained our sales personnel and service drive to embrace it as well. Now it's a win-win for not only us, but mainly for the customer. Our customers are looking at a new, beautiful Honda with more technology, and are able to take full advantage of it if they want to. We're just giving them the opportunity to do so."

Where some would have discarded the program, Elatrache and his team continued to work it until it started to shine. "The true change has been the integration of the two right individuals in our upgrade department," he said, "combined with the integration of both our service and our sales teams to deliver a good customer experience."

The benefits go further than just the one-time sale, as well. "Not every one of our customers utilizing our service lane bought their car from our dealership," Elatrache said. "We were seeing cars



that were sold elsewhere being serviced in our service department. We're able to help those people that have never had a sales experience with us have one, and so that's been a win-win, as well."

In addition to selling from the service lane, Elatrache has tasked Team Velocity to conquest new customers from what many dealers would consider out of market. "A lot of dealerships will try to go outside of their assigned sales area to bring in additional sales," he said. "We realized that there's kind of a shift in what people are wanting to drive, though. They're not as loyal to brands anymore, but more interested in the type of vehicle they want and the experience they get when the purchase that vehicle."

This line of thinking led Elatrache and his team outside the box of conventional thinking. "What we set out doing is conquering within our own assigned sales area with Team Velocity, and those numbers have been tremendous for us," he said. "In 2017, we put a total concentration of staying within our ASA and through Team Velocity's marketing programs, we were able to reach out to those people on a consistent basis to invite them into our new facility we built in July 2015 for a brand-new experience. Team Velocity has been huge for us. They've been a game changer in the largest sense of the word."

Part of the appeal of Huggins marketing team is that they know what's working and what could be improved. "Team Velocity is very transparent," Elatrache said. "They only take credit for what they can show us through their software and our software combined. They make it easy for us. We can go in a 10-minute meeting and basically see everything that's been accomplished in the month prior and the results. With the results overview, we can determine the direction we need to go in for the next month."

Future efforts will include focusing on first-time Honda customers, increasing vehicle leasing rates and a few other items that Elatrache believes will increase service repair orders. "We want to take honoring the customer's time to a whole new level and make it an easy process for them," he said.

CUSTOMER-FOCUSED EFFORT

One of the developments at Huggins in 2017 that Elatrache feels proud of is the increased customer service his dealership is providing. "We've increased our focus on the customer, the attitude of our staff and the atmosphere that a customer feels when he or she walks in our doors," he said. "It's everything. You know how you can walk into a certain store and not feel very comfortable? A customer will never feel that here. We've built a culture that is based on transparency

and trust. Our culture is centered around building a relationship with each and every customer."

Part of that focus is working to educate customers on not only what they need but what they may not know is available. "Educating customers can be hard, and it can be very expensive because it won't bring you that immediate return on investment. It's important to do, though."

Huggins has found that the solution to this issue is actually the solution to most issues at a dealership: getting the team involved in the process. "You educate the consumer through your people," Elatrache said. "The more education you give them, the more you empower them. They then represent you by educating their customers, families, friends and the people they meet. When those 197 employees are on social media, they're able to relay what they know and what our dealership has to offer. That's a very good thing."

MEETING THE FUTURE

While the demands of the modern automotive consumer have evolved — and continue to evolve — Elatrache knows that it's his job and the job of his team to meet those needs. "We don't think about challenges. We think about opportunities. A customer is never a problem; they're our customer. The key is to be in touch or in sync with our customers, and realize they're wanting more of a modern retail experience. Our customers want convenience, speed, efficiency and basically, all they're asking us to do is to keep it simple and easy. That's how we try to make our whole transaction, not only for our customer, but for our sales staff; simple and easy."

It's been a big year for Huggins Honda. What would 2018's Elatrache tell his 2017 self? "I would tell myself, 'Hey, you can achieve so much. It's just a matter of putting together a great team and going the whole nine yards. You all can achieve so much. Believe in the abilities of your people, your organization, your manufacturer and your partners, and just enjoy the ride. Anything is possible. Go get it.'"

To learn more about Team Velocity Marketing and the strategies outlined in this article, email: successtories@autosuccessonline.com.



**For more information
on the strategies and companies used by Huggins Honda,
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Reprinted from AutoSuccess February 2018 for:



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