GOT SPECIAL TOOLS?
Introducing Honda's Special Tools Department

A GUIDE FOR THE SERVICE DRIVE
Check out the all new Service Advisor eFAB Sales Guide

SPECIAL FEATURE
The Honda Smart Home = Blue Skies for Our Children
American Honda cares deeply about the safety of our customers. In the Summer 2013 edition of Looking Down the Road, we published an article titled “Counterfeiters Beware!” In it we explained our efforts to reduce counterfeit airbags. The U.S. Department of Justice recently wrapped up another case in which the defendant faces 10 years and a $2 million fine. Pretty stiff, but to the person driving a vehicle with an airbag that didn’t deploy properly, maybe not stiff enough. We’ve been very focused on this issue because the ramifications are so severe. Of course, it’s not just airbags that we have to address and there are many other parts that we should be concerned about. We have focused resources to promote safe vehicle repair and are adding more content to our website collision.honda.com. I’m sure you’ve all seen the infamous “watermelon” video on our site. We recently added another outstanding video called “Can Body Parts Affect Safety?” I encourage you to watch this if you haven’t yet.

Customers trust their valuable cars to dealers who ensure that repairs and maintenance keep them operating as originally designed. This means Honda Genuine parts installed by factory-trained technicians. This is the message our Service Marketing group is developing to support your request for national advertising – we agree with you and are in development of the first commercial, which should be available late this year. We’ll keep the Dealer Advisory Board aware of our progress and work with them to develop the best message for your use. We have laid out a series of messages that will be developed over the next three years, and I believe you’ll be pleased with the results.

This year we brought back the TOPTECH and TopAdvisor competitions, and completed the Zone rounds in early October. Congratulations to the finalists; I look forward to seeing you at the National Competition in Ohio the week of November 3. I encourage participation in this special event, for which we work very hard to make fun and enjoyable for the contestants while recognizing the best of the best. If you didn’t participate this year, I encourage you to become involved next year. I’ve even asked our staff to look into how we can bring body repair into next year’s contests.

I hope you enjoy this edition of Looking Down the Road. If you have comments, suggestions, or questions, please let me know.

Sincerely yours,

Bruce Smith
Senior Vice President
Parts, Service and Technical Division
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Submit article suggestions or comments to: Jennifer_Macdonald@ahm.honda.com

Contents of each issue will be at the discretion of the editorial team. Not all contributions can appear in the magazine.
Parts & Service Media for the Masses

by Lynda Sakamaki-Shepard

Dealers have faced the customary challenges when marketing their Parts and Service departments to their customers. And national advertising has been a longstanding request from the National Dealer Advisory Board (NDAB). Dealers would like Honda to commit to national Parts and Service advertising, and Honda’s Service Marketing Department is rising to the occasion to provide dealers with content for advertising.
Service Marketing has started working with Honda’s national ad agency, Rubin Postaer and Associates (RPA), to develop a national advertising campaign and strong Parts and Service branding for Honda Parts and Service. Service Marketing is pleased to announce a new creative platform for advertising, which will be launching later this fall. The new platform will include a logo, tagline, and ad campaign.

“Just as a Honda sales commercial can easily be identified with a mnemonic tone at the beginning and bears the tagline ‘Start Something Special,’ Honda Parts and Service will strive to produce a unique and strong identity for our side of the business,” said Meliza Humphrey, manager of Honda’s Service Marketing department.

The creative concepts, which will convey the notion that “everyone sells parts and service, but Honda dealers provide an ongoing relationship and are factory-trained” have been presented by RPA and are in the legal review process.

“The new ad campaign will include a TV spot, radio spots, digital advertising, social media extensions, and, of course, print support,” Humphrey said. “In the meantime, don’t forget dealers still have access to a 30- and 15-second TV spot for Express Service that can be tagged with the dealer’s offer and their logo at the end and can be accessed through Ad Builder.”

The existing commercials were originally produced with a humorous sentiment to educate customers about where to go when their Maintenance Minder wrench icon appears on their dash (to their Express Service-certified Honda Dealer, of course). Several dealer groups participating in an Express Service Metro Mailer campaign have included the broadcasts to reflect and reinforce the “wrench” concepts with encouraging success.

“Ad Associations have used our current commercials in conjunction with our direct-mail metro mailer campaigns very effectively,” said Humphrey. “The full-court blitz of broadcasting and direct mail helps punctuate Honda dealers as the place to go for uncompromising service.”

"Honda Parts and Service will strive to produce a unique and strong identity for our side of the business."
There’s an App for That.

by Lynda Sakamaki-Shepard
Misplaced your cell phone? There’s an app that can help you locate it. Want to identify the constellations in the sky? There’s an app that’ll allow your phone to identify stars, planets, and even satellites. Don’t forget the apps for determining how long the lines are at Disneyland, finding a restaurant just about anywhere, and identifying the best seat at certain ballparks from which one can snag a foul ball.

And now, there are apps that can help Honda owners transform their boring daily commute into an interactive experience.

“With the HondaLink® suite of apps and the cable kit, a customer can stream music or news, schedule a service, and even check their Facebook account – all while seated comfortably in their parked vehicle,” said Rich Shannon, manager for Strategy and Planning in the North American Telematics Division. “When you think about it, there’s no better time to schedule your next service than when you jump in your car and it flashes a ‘Service Due’ message.”

Owners of 2014 Civic, 2015 CRV, and 2015 Fit (EX and above trim levels) can download the HondaLink® suite of apps from the Apple iTunes store. It’s available for iPhone models 5 and above. Included in the suite is the HondaLink® Connect app, which allows the customer to schedule service right from their car seat. (Appointment availability via HondaLink® is dependent on Honda Service Connect – the exclusive Honda-designed system that interfaces with the dealer’s DMS and can be accessed 24 hours a day, 7 days a week. Thus, it’s important that the customer’s dealer be enrolled in Honda Service Connect.)

Customers can also check weather information, point of interest (POI) information and quick tips, accessed through the vehicle’s 7-inch display audio screen using the Connect app.

When a customer schedules an appointment on the app or in-vehicle, their appointment will sync with the dealer’s Service Connect online scheduling website. An e-mail reminder will be sent to the customer confirming the appointment. Also, the customer can make appointment changes, which will sync with the app and the display audio when connected with the HondaLink® cable. This keeps customers connected to their dealers when it’s convenient for them.

“The Features Guide and Quick Tips messages allow American Honda to push helpful information to a customer’s in-dash display,” said Shannon. “It's a faster venue to alert the customer to tips like how ECON mode can improve fuel economy, or maybe a service update that's recently become available.”

Another app in the HondaLink® suite is the smartphone Navigation app, which allows a customer who didn’t opt for the on-board navigation system to reproduce an on-board setup through their app and their 7-inch display audio screen. It features the first manufacturer-developed navigation app allowing a customer to plan their journey in or out of their vehicle and then navigate the roads in real-time.

The HondaLink® Aha app allows customers the ability to access their music, podcasts, audio books, and more through the vehicle’s 7-inch in-dash display audio screen. It lets the customer link to everyone and everything that’s important to them. Finally, the HondaLink® Launcher app is the transparent app that allows the other three to be displayed on the in-dash screen.

“HondaLink will provide customers a new level of connectivity,” said Shannon, “one that offers Honda’s unique brand of convenience and affordability.”
Have you ever been consulting with a customer on needed repairs or maintenance and wished there were a quicker and easier way of showing something in greater detail, instead of merely explaining it? For example, you might be working with a customer who wants all of the details or someone who is a bit skeptical and needs to be educated on the reasons for saying “yes” to your recommendations.
Customers who understand the full value of their money spent are much more likely to be satisfied and loyal, and will want to return to you and your dealership for future service. Customers can usually recall exactly how much they spent at your dealership, but they have a difficult time describing why the work was needed and how it benefitted them. However, when you take time to properly educate your customers, they are going to be much more comfortable, trusting, and pleased overall.

To educate today’s customers, you need something that is exciting, dynamic, and visually appealing. After all, a picture is worth a thousand words and can help you communicate key details quickly and easily. You also need to be able to communicate the features, advantages, and benefits (FABs) of the Honda Genuine parts and services you are selling during the Service Transaction Process.

To support your efforts in selling additional needed parts and services, AHM Dealer Development is creating a completely new Service Advisor eFAB Sales Guide that will give you a competitive edge like never before. It’s designed to enrich your interactions with customers by providing you the ability to demonstrate the “why” behind parts and service recommendations. This will help improve communication, increase understanding, and build trust between you and your customers.

It’s true that “a picture is worth a thousand words.” But a picture that is animated, portable, and contains highly practical FAB descriptions is worth a whole lot more. We are confident the new Service Advisor eFAB Sales Guide will serve as a significant tool to strengthen consultations with customers and elevate their levels of trust, comfort, and satisfaction with you and your dealership. Stay tuned for more exciting details in the first half of 2015!

The Service Advisor eFAB Sales Guide will contain the following features:

- Availability in multiple formats, on a broad array of devices, including smartphones and tablets (Apple and Android operating systems), as well as through a variety of commonly used web browsers (Internet Explorer, Google Chrome, Firefox, etc.)
- Content focused on common repair and service items found in the multi-point inspection form, since it serves as the focal point for conversations during key steps of the Service Transaction Process
- Capability to push (send) information to customers via e-mail, text, or other means for those who would like additional information before making a purchase decision (especially helpful when dealing with customers over the phone)
- Talk/word tracks with feature, advantage, benefit (FAB) statements, including descriptive language to cultivate conversations with customers
- Relevant 3D images, videos, animations, and interactivity to increase understanding of vehicle maintenance and repair needs
Building High-Performance Teams

by Recruiting, Engaging, & Retaining Top Talent

by Matt Bown

In July, AHM Dealer Development introduced a groundbreaking new workshop aimed at strengthening a manager’s ability to create a thriving workplace with highly skilled employees and low turnover. Building High-Performance Teams by Recruiting, Engaging, & Retaining Top Talent helps parts, service, and sales managers attract, select, motivate, and manage employees more effectively with the end goals of increasing employee retention and decreasing turnover.
Employee turnover is a direct indicator of business performance and, generally, the lower the turnover, the better a business performs. In fact, when discussing service, Honda customers consistently rank the ability to see their regular service advisor as the number one reason they are committed to the Honda brand. Turnover research from NADA’s annual Dealership Workforce Study supports the case for employee retention and shows a strong correlation between employee turnover and gross profit. The study also finds that, on average, only about half of all dealership employees in the industry make it to their three-year service anniversary. For Honda nationwide, the three-year retention rate for Sales Consultants is 38%; for Service Advisors, 53%; and for Parts Counterpersons, 70%.

Building High Performance Teams takes a comprehensive approach to this topic with three elements:

- **Web-Based Training** – a foundational self-study Online University module that previews key workshop content and the business reasons behind it.
- **Workshop Training** – an interactive, two-day experience with electronic tablets.

The workshop experience spans two consecutive days and covers a variety of topics. In day one, managers start by calculating the cost of turnover using individual dealership data and a specialized calculator, found on the MLRE. The turnover calculator is designed to give an estimate of turnover costs for three income-generating positions: Sales Consultant, Service Advisor, and Parts Counterperson. From there, managers will identify proven practices for employee retention, learn options for effective pay plans and incentives, and determine how to use impactful rewards and recognition.

Throughout the course, there are best-practice ideas from *Automotive News*’s “100 Best Dealerships to Work For” report about how to position your dealership as an employer of choice – a place sought out by talented, high-performing individuals. In determining its annual “100 Best Dealerships’ list, *Automotive News* commissions a survey of more than 50,000 employees to find out what they think about their employers. Dealerships with the highest levels of employee engagement make this list. Preparing real-world job descriptions, utilizing innovative recruiting techniques, and conducting effective screenings and interviews are the topics that finish out day one.

Day two picks up with how to provide employee onboarding that fosters high performance. There is also a unique, never before seen DiSC® behavioral style assessment tool, designed specifically for managers to use in managing and motivating employees. Other topics include applying Situational Leadership (SL-II) knowledge and skills in managing and developing employees, and improving leadership skills for directing, coaching, supporting, and delegating. Along the way, you’ll be recording notes on your tablet in your personalized training portal and create a complete action plan of improvement and development goals.

For questions or more details, talk with your DPSM. These workshops are filling up fast, so reserve your seat today!
Can A Body Part Affect Your Honda’s Safety Systems?

by Gary Ledoux

“Can a body part affect your Honda’s safety systems?” is a poignant and pointed question asked by the newest video posted on American Honda’s consumer website, collision.honda.com. The video points out that Honda is a world leader in automotive safety, which is one reason many people buy a Honda. However, making collision repairs using something other than Honda Genuine parts could compromise that level of safety – turning a car with a 5-star collision rating into … something less.

We’ve all heard the phrase, “The whole is greater than the sum of its parts.” This is very true for a Honda from the way it is designed and manufactured to the materials used, including new high-strength steels and aluminum. The inner structural components – including front and rear bumpers as well as the outer body panels – all work together as a system with the vehicle’s collision sensors and control units to deploy airbags at precisely the correct instant to help mitigate occupant injury. The video explains, in layman’s terms that everyone can understand, how a Honda is designed and how all the parts and systems work together to protect passengers in the event of a crash. It shows how use of aftermarket parts can compromise the vehicle’s crashworthiness and, how use of alternative parts can affect an airbag’s deployment, possibly causing injury to the driver and passengers.

Please take a few moments to review the new video at collision.honda.com, and encourage others at the dealership to watch it. Share the site’s URL with customers at your dealership and with your wholesale body shop accounts. And, while they are at the site, invite them to review the pages and pages of useful information at one of the most lauded OE collision safety-oriented sites in the industry.

So … “Can a body part affect your Honda’s safety systems?” After reviewing the new video at collision.honda.com, we think you’ll be able to answer with a resounding “yes!”
When Honda measures Customer Loyalty, there are many different measurements: New Car Repurchase Rates, Lease Loyalty, and Service Retention, each of which is critical to the future of the Honda Brand: From manufacturing to retail sales! While each measure is important, the measurement that benefits the greatest good of Honda is: Repurchase Intent!

We all have seen the statistics, marketing efforts to attract a new customer are extremely expensive as compared to retaining current customers. When a Honda Owner is active to the dealer, the New Car repurchase intent is estimated at 36%; compare that to much lower 25% when the Honda owner services outside of the dealer network! Service Retention is not just an important part of dealer business, it is critical!

Did you know that Honda is forecasting Total UIO counts of over 20,000,000 by the end of 2017? Yes, twenty million! That is a 12.5% increase over our current volume and should be GREAT news for your future as a Honda dealer. This means that we must have a service capacity plan in place to effectively service our customer and achieve the Honda goal of Lifetime Customer Loyalty!
Honda understands the importance of customer retention as demonstrated in our stated goal of Lifetime Customer Loyalty. To contribute towards the Lifetime Customer Loyalty goal, the Parts & Service Division strongly supports the dealer network by making the following service capacity solutions available:

1. Express Service – our first line of OFFENSE! Integrated into the main service department, effective Express Service operations increase light maintenance throughput and customer loyalty! How could it not? Timely, convenient, and value added to the customer.

2. Dedicated Express Service Facilities are popping up around the country. These facilities are both on and off site, specifically designed with the customer in mind to address their light maintenance needs.

AND

3. The Honda Automobile Service Center – a unique industry concept that takes Genuine Honda dealer service closer to additional customers!

As the following chart depicts, statistically, Honda owners have a greater likelihood of servicing outside of the Honda dealer, the further they are away from the dealer:

In addition, we all know that there is an Independent Repair Facility located on what seems like every street corner in America, while the Honda Dealer is an average of 9.4 miles distance to the Honda Owner. The solution: The Honda Automobile Service Center!

The HASC concept and goals are to help a dealer increase Lifetime Owner Loyalty in their market by expanding their presence in their market by bringing quality dealer service with great value, to a convenient location for the Honda owner.

Currently, nine Honda Dealers around the country operate a satellite Honda Service Center, and those operations average 2,954 active customers in their markets; and, the Honda Service Center is not just a great retention tool: The average service center contributes $521,521* in NET PROFIT!

For the customer, they receive all of the benefits of servicing at a Honda dealer: Honda Certified Technicians, installing Genuine Honda Parts for the Express, Repair, Warranty and Campaign Services; and, by the way, all performed at a location convenient to the customer!

Now, what are YOU going to do to prepare for the increased capacity demands at YOUR dealership?
Meet the Special Tools Group

by Lee Esten

- Special Tools
- Honda Tool and Equipment Program
- Electronic Service Systems
SPECIAL TOOLS

What are special tools? Why are they needed? Where do they come from? How do I get them?

The Special Tools Group is here to address these questions and give you an inside look at the Special Tools department at American Honda.

Special tools are service tools developed and designed and tested by Honda when a service solution is not available in the commercial market. Special tools can vary from hand tools, to pressure gauges, to electronics tools that cover various automotive systems. You can find special tools listed in the service manuals and in campaign bulletins.

Special tools are produced so that Honda technicians can safely, efficiently, and effectively service Honda vehicles. This means no breaking, bending, cutting, or improper removal or installation of parts during service. Special tools set Honda dealership service apart from the aftermarket by ensuring our customers factory-quality repairs that won’t cause problems down the road.

Special tools are designed both in Japan and the U.S. Most special tools sold in the U.S. are produced in the U.S. by Honda suppliers to Honda specifications. These vendors include machine, bending/welding fabrication, electronics, stamping, hose assembly, and even printing shops. The Honda Special Tools group goes through research, development, and testing processes when considering the design of a new special tool.

You can identify a Honda Special Tool by its unique part number beginning with the prefix “07”. These tools can be ordered directly through the Honda Parts System administered by your parts department. Honda Special Tools can be ordered for the dealership, or individual orders can be placed for technicians who prefer to own their own special tools.

TOOL & EQUIPMENT PROGRAM

The Honda Tool and Equipment Program is a subset of the Special Tools Group. It is an online catalog for tools made by commercial suppliers, as well as shop equipment such as tire balancers and alignment racks.

How does an item end up in the Tool and Equipment Program? It all starts with a new model/system, service or repair need, or improved process and efficiency. After extensive research, equipment is selected to meet these needs. Evaluation is performed on actual Honda products to ensure the equipment performs the task quickly without damage, while maintaining the highest quality of service.

American Honda works extensively with suppliers to address any performance or design issues to achieve a quality product capable of performing proper services or repairs. The goal is to bring our dealers the best possible program to equip their parts and service departments.

Product Evaluation Goals:

- Ensure that the equipment is the right one for the job
- Reduce cost of ownership through extended warranties and custom configurations whenever possible
- Equipment available at the earliest opportunity
- Ease of use
Pricing is always a concern, and American Honda strives to bring the best product at the best possible price.

We strongly encourage feedback from users through the Contact Us link on the Tool and Equipment website.

The Honda Tool and Equipment Program catalog can be found in the Service section of the Honda Interactive Network (iN).

ELECTRONIC SERVICE SYSTEMS

The Electronic Service Systems, or ESS, group controls software deployment for the Honda Diagnostic System (HDS) software to U.S. dealers. The HDS is essential in helping technicians properly diagnose and repair vehicles. It is also used to update vehicle control modules. The HDS automatically displays repair information, such as service bulletins, to the technician if DTCs are found on a vehicle.

The ESS group works closely with other Honda groups, such as ISD, Warranty, and Service Publications, to ensure that HDS customers receive the highest level of service.
Honda Smart Home US opened its doors March 25, 2014 in Davis, California. The super-efficient "living laboratory" seeks to address two major sources of U.S. CO2 emissions: cars and homes.

Honda Smart Home
Pioneers Technologies for Energy-Efficient Buildings of the Future

by Matt Sloustcher
For decades, Honda has been motivated by a sense of responsibility to the environment. This commitment is reflected in the products we develop and throughout our operations. With the establishment of the Environmental Leadership Award in 2012, our dealers also got involved.

We’re always looking for new ways to make our operations more environmentally friendly and efficient, and recently commissioned a living laboratory that will help us evaluate some of the most cutting-edge green building and energy technologies on the market – and some still in development.

In March, American Honda Motor Co., Inc., unveiled Honda Smart Home US, located on the West Village campus of the University of California, Davis. The energy-efficient home is capable of producing enough electricity on-site from renewable sources annually to meet all its electricity needs, including enough energy to power a Honda Fit EV for daily commuting.

Electricity generated from a 9.5 kW solar photovoltaic (PV) array mounted on the roof is intelligently distributed throughout the home’s microgrid by Honda’s home energy management system (HEMS). Honda’s HEMS is a proprietary hardware and software system that monitors, controls, and optimizes electrical generation and consumption, while automatically responding to demand response signals and providing other services that improve grid reliability.

In the ground beneath Honda Smart Home’s backyard, eight 20-foot deep boreholes allow ground-source heat pump to harness the earth’s relatively stable thermal sink to provide radiant heating and cooling through the home’s floors and ceiling. The LED lighting used exclusively throughout home is not only five times more energy-efficient than conventional lighting, it is also designed to support the health and wellness of the home’s occupants by emitting hues throughout the day that mimic the body’s circadian rhythms.

The project achieves more than 11 tons of CO2 reduction per year relative to a conventional home and vehicle, and surpasses California’s 2020 target for zero net energy residential construction. In addition to showcasing Honda’s vision for sustainable, zero-carbon living and personal mobility, the home will function as a living laboratory where the company, along with researchers from UC Davis and Pacific Gas and Electric, will evaluate new technologies and business opportunities at the intersection of transportation, energy, and the environment.
Introducing the All-New MY2015 Owner Information Kit

Slimmer Kits Deliver the Same Information, at a Space Savings for Vehicle Glove Boxes

by Kimberly Delafuente

Much fanfare surrounds a new model introduction, with highlights such as advanced technology, a stronger engine, smoother handling, and a sleeker profile.

Not much fanfare at all would typically accompany an owner’s manual makeover. However, the upcoming revamped Honda Owner Information Kit packs more into a slimmed-down package, which makes it deserving of kudos!

This svelte kit introduces one printed “owner’s guide” that is much smaller than the owner’s manual and replaces the Technology Reference Guide. It’s a visually-driven primer on how to operate all of the vehicle’s technology, audio, and convenience features, and it also includes safety, emergency, and specification information. American Honda’s Parts and Service Communications department took great care in developing the best reference booklet for Honda vehicle owners, improving upon the already well-received Technology Reference Guide, which the department produces in-house.

Also included is a CD containing the full owner’s manual, navigation manual, and vehicle and tire warranty booklets – all of which can also be viewed at no charge at the Honda Owners website (owners.honda.com). The Consumer Information booklet and the XM brochure will still be provided in print.

Finally, in a change that was introduced with the 2015 Fit, the Service History booklet was replaced by a standalone PDI and Final Delivery checklist. (The Maintenance Record sheet is available on ISIS, via the Technical Library, and can be printed, completed, and embossed if the customer requests it.)

The overall size reduction is striking: The new portfolio takes up only a third of the space of the old kit, with a weight reduction of over 70% for some models!

Owner information will also be expanded on the Honda Owners mobile site, so that customers can instantly access content about vehicle features from their mobile devices.

The slimmed-down Owner Information Kit is appearing first in the 2015 Odyssey, which went on sale in August, followed by the CR-V and Civic. Full implementation will result in reduced printing costs of over 50% – not to mention supporting weight reduction and environmental initiatives.

It’s a win-win for everyone – especially your customers, who undoubtedly will appreciate being able to put more than a pair of gloves in the glove box.

70% Weight Reduction
50% Printing Cost Reduction
Looking at NDAB

American Honda’s Response to the Recommendations of the Parts and Service Subcommittee

The National Dealer Advisory Board Spring Meeting was held on June 18, 2014 in Beverly Hills, California. Listed below are selected recommendation and American Honda’s responses that we wanted to share with everyone in this issue of Looking Down the Road.

Honda Service

**Recommendation:** Dealers request Honda implement a 5/60 bumper to bumper and 10/150k mile powertrain warranty to attain a leadership position in our industry. This will create a strong benefit to our brand and allow us a unique marketing advantage to make Honda best in industry.

**Response:** We understand the request. As Extended Warranty gains more interest throughout our U.S. operations, we continue to refine our calculations to ensure we have a very accurate estimate of the costs involved, as well as a complete analysis of warranty terms that would help us achieve Best in Industry. We will provide an update at our fall meetings.

**Recommendation:** Dealers request that initiatives be put in place to return Honda to top tier quality standards in the industry. The IQS Survey should always reflect Honda as a top contender in quality levels that are expected by our customers.

**Response:** We agree, and are diligently working across Honda SED (Sales, Manufacturing and R&D) to improve the quality of our vehicles and, in turn, our ranking in the IQS survey.

**Recommendation:** Dealers request override to Navigation system when passenger is detected. Our customers are very frustrated by the driver distraction constraints on our navigation system. Please implement ways to better balance the customer’s needs with distracted driver requests.

**Response:** We are currently investigating the feasibility of this request, including an assessment of competitors to determine if, and how, any other OEMs have implemented this. Additionally, we are working with R&D on two fronts. First, to improve our HMI (human-machine interface) usability so navigation tasks are easier to perform and, thus, can be done within the driver distraction guidelines. Successful improvement in this area will result in locking out fewer tasks. Second, R&D is assessing the impact of using an alternative driver distraction testing method supported by the Alliance of Automobile Manufacturers.

**Recommendation:** Honda has addressed several issues related to maintenance minder with the exception of Low Oil Indicator Light. We feel this is an important feature that needs to be implemented because customers confuse oil life with oil level.
Response: We'll investigate the feasibility of this request and the impact it has on vehicle cost. In the meantime, we will work towards finding ways to better educate/inform our customers that they need to check their oil level between Maintenance Minder prompts.

Recommendation: Dealers request Honda to explore options in the future for alternative providers for on-line scheduling. Anytime there is only one vendor they are not competitive in the market. (Xtime)

Response: Honda needed an online scheduling presence and decided to partner with Xtime, recognized as the industry leader, for our initial launch. The Honda Service Connect platform that is powered by Xtime has several custom integrations that are specific for Honda dealers. Custom integrations can be costly, so we wanted to keep costs to a minimum during our launch. As our program matures, we will look to add additional vendors as options for dealers.

Recommendation: Dealers request battery testing at delivery be waived if done within past 30 days.

Response: We will investigate the possibility of changing our current battery policies to accommodate this request. One key investigation item is the determination of the appropriate time interval between the last battery testing and delivery required to ensure that our customers are delivered a new vehicle with a good battery.

Recommendation: Dealers request Honda accept Dealer's DMS electronic records in lieu of individual dealer certification requirements for all record keeping purposes, i.e., warranty, warranty audits, sales records, etc.

Response: AHM agrees to evaluate the potential usage of archiving solutions contained within DMS systems such as R&R and ADP.

Recommendation: Dealers thank Honda for moving CSE to email and getting 3 times the number of customer responses.

Response: We appreciate the feedback, as we want to work together to create the strongest customer satisfaction program in the industry. With the discontinuation of the rapid response follow-up, we have seen a drop in our overall CSE scores. It is important that dealers follow up with customers, and we have found that an email follow-up is just as effective as a phone call.

Recommendation: Dealers request Honda to utilize current warranty or Honda owner data to drive non-active Honda customers back to the dealers for service with some type of “welcome back” offer.

Response: We have realized there are “sub-segments” of our customers who, even though they may have been to your dealership for service, they may not be your traditional active customer. For example, customers who come in for warranty or recall repairs only, or those who came in from a prospecting communication with a really good price. In July, we announced to all dealers these customer “sub-segments” and how we want to communicate and target these customers differently to get them back to the dealer for customer-pay service. Right now, the communication will be a part of the LCC program and will be a replacement of a current reminder communication, so there will be no added expense.

Response: We know that National advertising has been a longstanding request. We have already engaged in work with Honda’s national ad agency to develop the brand for Honda parts & service. The creative direction was presented to Honda at the beginning of July. The first step is to provide dealer-level assets for use in TV, radio and digital advertising where dealers can leverage their DAA funds that have recently been approved for Parts, Service and CPO.

Recommendation: Dealers request Honda to commit to Parts and Service National Advertising TV/Radio commercials.
Recommendation: Dealers thank Honda for allowing DAA to advertise Parts and Service.
Response: Dealers currently have access to 2 TV spots for Express Service, one 30-second spot that can be tagged with a dealer offer and their logo at the end, and a 15-second spot. As our Parts & Service brand image is developed, look for more assets on AdBuilder in the fall.

Recommendation: Dealers request Honda to expand spin incentives for Service Advisors.
Response: Retail Parts Marketing will once again offer a battery incentive this fall, and look for other opportunities to reward Service Advisors for behaviors that lead to sales of needed parts and services.

Recommendation: Dealers request Honda continue to expand/update their training curriculum.
Response: Dealer Development is working diligently to understand the dealer’s training needs and expand the curriculum accordingly. In this fiscal year, Dealer Development has launched Building Lifetime Customer Loyalty 401 (web-based training, workshop, and mobile resources), which is the capstone course for the Building Lifetime Customer Loyalty series; Building High Performance Teams (web-based training, workshop, and mobile resources), which addresses the need to minimize turnover and retain top talent in the dealership; and the Fixed Overhead Coverage (FOC) Tool web-based training, which is a comprehensive module that teaches dealers how to utilize the tool to uncover profit opportunities within the dealership’s Fixed Operation, create action plans and implement those plans. In addition, Dealer Development is currently working on Parts Counterperson training, as well as an electronic technical resource for the Fixed Operation, which will enable service advisors to have deeper, more complete conversations with customers during the service transaction process, and provide customers with the information they need to make more informed buying decisions relative to parts, maintenance and repairs.

Recommendation: Dealers request patches should be provided to technicians that reach Master Level.
Response: Patches will be available late fall of 2014.

Recommendation: Dealers request Honda to change the remote start accessory, so it does not shut off when vehicle doors are opened. Also fob should be smaller and system competitively priced.
Response: We are adopting the unit-side system that doesn’t require engine shut off as it is applied at FMC timing. Until that time we will continue to offer our

Honda Parts

Recommendation: Dealers request that Honda develop more items under the HFP accessory line, to cover the full line of vehicles.
Response: Accessory Marketing is currently investigating expansion of the HFP brand of accessories across other models in the Honda lineup. In the short term, we are expanding the list of available HFP items for FMC Civic 2-Door/4-Door and Accord 2-Door for 16MY. We will continue to refine the concept of the HFP brand and consider application of HFP-specific accessory items and packages as appropriate.

Recommendation: Dealers request Honda to continue expansion of our Social Media presence for Honda Parts & Service.
Response: Honda is focused on representing parts and service in social media each month. Each month Honda will have at least one Facebook post. These posts will support service and parts marketing active campaigns. The month of June consisted of a post each week to support National Tire Safety Month. Facebook offer pilots have also been conducted in 3 markets (Minneapolis, South Florida and San Diego), posting priced offers on Facebook. Honda was the first OE to post a service priced offer. Honda will continue to leverage social media as part of our bigger mass media strategy for parts and service.
Recommendation: Dealers request accessory discount packages for display vehicles. These should not be limited to new model launch.

Response: In the past, we have offered discount packages for vehicles that were not part of a new model launch because we understand having accessory parts installed on a vehicle is the best way to reach the accessory sales targets. The promotions were sometimes referred to as “Display Deals” or “Showroom Packages,” and after the accessory parts were installed on a demo vehicle that remained in use for a minimum of 60 days, then a credit/discount would be provided for those accessory parts. As a way to increase accessory sales business, we are currently investigating opportunities to bring back similar programs that will get accessory exposure on vehicles.

Recommendation: Dealers request the Honda Link iPhone cable be made available to order from Parts Center at a lower cost.

Response: We entered into an agreement with the same provider that handles our Navi disk to distribute our iPhone cables. These are available directly from the Navigation.com website. We will investigate bringing sales of this item in-house so that it can be ordered along with the rest of your parts needs.

Recommendation: It is taking too long to receive credits once parts are sent back. Dealers ask Honda to investigate this problem.

Response: On July 7 a team was formed. Their objective is to map the current process and identify obstacles affecting the timeliness of the core credits.

Recommendation: Dealers request the quality of graphics in the parts catalog be improved, and parts descriptions in Parts Catalog vs. Shop Manual should be consistent.

Response: The parts catalog graphics were upgraded 2 to 3 years ago, and at that time it was a significant improvement. In order to further improve the images, larger file sizes will be required, thus compromising the speed of the catalog on IN. In regards to aligning the descriptions between the parts catalog and the service manual, a team has been formed to assess the scope of this activity. Currently there are two different sources for the information contained in each. We will work to address this.

Recommendation: Dealers request for SRA to have an option of taking 50 cents/dollar or allowing SRA to carry over.

Response: Thank you for your recommendation. We believe our terms are very effective, and that perhaps most dealers may not realize that expired SRA automatically turns into cash value after two periods of non-use. We believe that most dealers appreciate the cash inflow, and the program has been effective in helping dealers manage parts inventory obsolescence. At this time, we feel the program is adequate and change isn’t necessary.

Recommendation: Dealers request that the processing time for core credits be expedited.

Response: This will be an ongoing countermeasure for the Reman department. As reported at the June 2014 meeting, the recent improvements included wheel and catalytic converter core processing credits reduced from 10 to 3 days. As the Reman group continues to offer advances to core return credits, we will continue to communicate the improvements.

Recommendation: Dealers request DSO cut-off time be extended by one hour.

Response: Parts division will be reviewing this request in FY16. A feasibility study will be completed to review pushing the ordering window as far back as possible. We will communicate back to the DAB.
Recommendation: Dealers request that Honda expand POP sales tools for maintenance and light repair parts, i.e., the new brake pad sales aid.
Response: Work has begun on identifying additional sales aids such as the one for brake pads. In addition, development is underway to convert our paper-based technical guide to a digital version, which will provide service advisors an engaging and credible method to demonstrate to customers why parts need to be replaced.

Recommendation: Dealers feel the Collision Select program is effective and we ask you to add additional funds and parts.
Response: Effective July 1, 2014 AHM has added an additional 1% to the Collision Select program, which increases the funds a dealer can earn from 7% to 8%. In addition, this year we added taillights to the program. AHM will continue to monitor fund usage and evaluate parts that may qualify for the Collision Select Program in the future.

Recommendation: Dealers applaud Honda for their in-dealership training. Continued expansion of these programs would be beneficial.
Response: Dealer Development is currently researching how to best provide the dealers training, which will allow them to remain in the dealership.

Recommendation: Dealers request Honda to develop entry level training for Parts Counter Personnel.
Response: Dealer Development is currently in the process of developing additional Parts Counter Person training. Once we have completed the vendor selection process, Dealer Development will engage with key dealership personnel and Honda stakeholders to ensure that the appropriate feedback relative to the training need is captured and the dealer’s voice is heard. Currently, the following web-based training, which is specific to Parts, is available to Parts Counter People through the Interactive Network/Online University: Parts Counterperson Training (PCTSS).

Recommendation: Dealers request Honda to continue to educate consumers on the benefits of Genuine Honda Parts on Social Media.
Response: Retail Parts Marketing agrees and has begun investigating the use of social media to promote the benefits of Honda Genuine Parts, along with tweeting out a variety of upcoming seasonal promotions. The first potential use of social media will be to promote an upcoming tire promotion in July.

Recommendation: Dealers request that Honda add Pay Pal to e-store as a form of payment.
Response: We agree and we will request funding to add this functionality.
Express Service Elite is the highest achievement in the Express Service Program. Elite status recognizes those dealers who are ranked highest in customer satisfaction.

Congratulations to those dealers who have achieved Express Service Elite this quarter (April 2014 - July 2014). We would like to thank you for your dedication and continuing efforts to delivering a Quick, Easy and Affordable customer experience.

ZONE DEALER NAME
4 ART MOEHN HONDA
5 BETTEN HONDA
6 BILL COLE HONDA
7 BILL KAY HONDA
8 CARL HOGAN HONDA
3 CAPITOL CITY HONDA
4 CARL HOGAN HONDA
5 C. HARPER HONDA
6 CHAPARRO HONDA
7 AUTO NATION HONDA A1 BEL AIR MALL
8 AUTO NATION HONDA CLEVELAND
9 AUTO NATION HONDA COVINGTON PIKE
10 AUTO NATION HONDA HOLLYWOOD
11 AUTO NATION HONDA LEWISVILLE
12 AUTO NATION HONDA SOUTH BAY
13 AUTO NATION HONDA WEST KNOXVILLE
14 AUTO NATION HONDA AT BEL AIR MALL
15 AUTO NATION HONDA COVINGTON PIKE
16 AUTO NATION HONDA HOLLYWOOD
17 AUTO NATION HONDA HOLLYWOOD
18 AUTO NATION HONDA LEWISVILLE
19 AUTO NATION HONDA WEST KNOXVILLE
20 AUTO NATION HONDA AT BEL AIR MALL

ZONE DEALER NAME
1 C. HARPER HONDA
2 BILL KAY HONDA
3 BILL KAY HONDA
4 BILL COLE HONDA
5 BIANCHI HONDA
6 CARL HOGAN HONDA
7 CARL HOGAN HONDA
8 CARL HOGAN HONDA
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BECOME PART OF THE ELITE TEAM!

Upon achieving Elite status, dealers receive exclusive Express Service Elite gear! Work with your DPSM to build a plan to help your dealership reach Express Service Elite!