

## **Chapter Five**

### **In the Marketplace**

(excerpt from Chapter Five)

#### **Start Your Engines: Transforming the Automotive Industry**

You don't have to look far to find women who have had a bad car buying experience. "One of my colleagues was buying a car recently, and she became more and more irritated because the car salesman was talking only to her husband," says Mary Lou Quinlan of Just Ask a Woman. "So she said, 'You know, I feel like you're not paying any attention to what I say.'" The car salesman, surprised, insisted he was paying attention to her. "Oh yeah?" replied the buyer. "What's my name?" The dealer—who had made a point of using her husband's name repeatedly—was speechless.

It's true. Women buy 52 percent of all new cars sold in the US, and influence more than 85 percent of all car purchases, and they're the fastest growing segment of buyers for new and used cars. All told, women have full or partial say over a staggering \$80 billion worth of spending on cars.

But car dealerships do a terrible job communicating with women. Seventy-four percent of women say they feel misunderstood by car marketers.

"The auto industry today is in trouble, and automakers are struggling so hard," says Jody DeVere, president and CEO of Ask Patty, a site staffed by women car experts who advise other women on car purchases and service. "Yet they're only doing lip service to women in terms of

marketing and selling. When what they need to do is change, and create an environment where women don't equate buying a car or getting it serviced with going to the dentist."

It's an industry that's owned and operated by men. Some 95 percent of the country's 20,000 auto dealers belonging to the National Automobile Dealers Association are male. And it shows.

"It's a very male culture. They're family businesses, and they've been owned by men for a long time, so that's part of the culture," says DeVere. As part of her job, she travels around the country, training car salesmen to build better relationships with women. She's used to the boys' club vibe—she worked in the male-dominated technology industry for years before moving to the automotive industry in 2000. She became president of the Women's Automotive Association International, and later launched AskPatty.com.

Still, she wasn't prepared for the locker-room antics of car salesmen. During one training presentation to a large group of salesmen recently, she explained the importance of careful listening with women customers. "Men and women communicate differently and can misunderstand cues and signals," she said. "Men need to learn how to listen, and why. It makes women trust you and creates a relationship." Meanwhile, a group of salesmen in the back was whispering, shuffling papers and giggling.

"When the Q&A time came, they asked me inappropriate questions, which I'm used to. I used humor to deal with it." At the end, she cleaned up the literature, and found the men, all in their 40s, had drawn crude cartoons of her with labels like "Manhater.com."

She was angry at first, but then thought, "at least the management is smart enough to know they have a problem and they need me." Two weeks later, she received a surprise gift--a

\$275 Mercedes-Benz branded handbag she'd mentioned during the speech. The note read, "Dear Patty. Just wanted you to know that some of us were really listening."

Isn't it nice to know that the day is coming when the guys in the front of the room—the ones who sent her the handbag, the ones who sincerely *want* to listen to women with respect—will get their reward? The market's already changing in ways that the cavemen in the back will never keep up with. The industry's so out of touch that GM, after struggling for years, sought bankruptcy protection in 2009, shutting down some 2400 dealerships around the country and laying off tens of thousands of people. Although the company emerged from bankruptcy later that year, their struggles, and those of other U.S. car manufacturers, show how poorly the auto industry has kept up with the times—perhaps nowhere more clearly than its failure to acknowledge the power of women buyers. –

One obvious solution to the auto industry's women's problem would be more women car salespeople and dealers, which some manufacturers are trying to promote. In 2001, GM launched its Women's Retail Initiative to support and encourage female dealers. In 2008, it morphed the initiative into a deeper, more far-reaching network of women dealers, encouraging women dealers to connect, meet, and support each other. The company continued these efforts, even while it was closing dealerships and filing for bankruptcy.

"The current struggles in our industry are actually helping us fortify our women's network by rationalizing for women dealers why it's important to get and stay connected with each other," says Marina Shoemaker, director of General Motor's Women's Retail Network. "From my vantage point, this also gives us the opportunity to mobilize and marshal these women dealers to do great things for their individual dealerships and GM overall. We're exploring strategic ways to have women dealers help us grow their market share among women vehicles

buyers.” Today, GM has about 250 women dealers in its network. They contribute more than \$6 billion (yep, billion with a B) in sales revenue to GM. The company expects its network of women to grow, partly because more dealer parents are tapping their daughters to take control of the business.

Other solutions to the rift between the auto industry and its primary – yet unhappy – top consumer could include designing cars around women’s needs. I’m not talking about more purse hooks or adding a hole in the headrest for ponytails. I’m talking about more attention to women’s core values, making cars safer, practical, affordable and stylish. Look at GMC’s Acadia, a seven-seater crossover between a station wagon and a minivan. Introduced in 2006, the Acadia was designed for moms, by a mom: Chief engineer Grace Lieblein, mother of a teenage daughter, headed an all-female design team to dream up a car that’s been lauded for such family-friendly conveniences as seats that slide around with one hand instead of two, interior space that’s easily reconfigured for people, car seats and cargo, and more than two dozen storage compartments. In its first year on the market, 53 percent of the Acadia’s primary drivers were women (compared to 40 percent for crossover vehicles overall). GMC had to cut TV advertising in the car’s first year because demand exceeded supply. Clearly, if GM’s salespeople still don’t quite get the female market, it’s clear that its engineers (at least the female ones) *do*.

Simpler, quicker solutions could also make a big difference. When Cheri and Don Fleming opened Valencia Acura in 1997, the dealership ranked last among national Acura dealers in sales and customer satisfaction. Cheri Fleming quickly turned that around, adding personal touches to the showroom including freshly baked cookies and gourmet coffee, manicures on Mondays, massages on Wednesdays and shoeshines on Fridays.

Think Manicure Mondays sound annoyingly pink? The results have been nothing but green. Today, the company's customer satisfaction scores are above Acura's national average, and more than 75 percent of its business is repeat and referral.

But car dealers don't have to offer cookies and manicures to improve the buying experience. The most important thing they can do is change the way they listen, DeVere says. "Women like to tell stories. We don't talk in bullet points. When I come in to get my car serviced, I want to tell you the whole history. But men tend to interrupt and cut to the chase, and that makes me feel bad, like they're not respecting me. Men need to learn how to listen," she says. Not because it's polite, but because real listening will sell more cars.

Can small changes, like better listening, really help? Marti Barletta thinks so. "When you're starting from zero, doing even a little bit to appeal to women in general can make a huge impact. That first 20 percent of your effort will get you 80 percent of your value. Most companies are not even in the beginning of the curve."