

Smartphone app, onboard device link dealers and service customers

What does a veteran auto executive do after a 30-year career in the Rust Belt? Steve Torok is working with a Silicon Valley expert in wireless systems to help franchised dealerships get a bigger slice of their customers' service business. Torok, a former senior vice president of DaimlerChrysler, is CEO of Autonet Mobile Inc. in Santa Rosa, Calif. The company is marketing a product called Dealer Connect, which enables dealerships' service departments to communicate with customers about service issues via a smartphone application.

"He's focused on sales and dealer relations," Autonet Mobile President Sterling Pratz, said of Torok. "That allows me to spend time on the human element -- how people use the app -- and on technology integration."



Pratz: Don't cut dealers out of service cycle

When Pratz launched Autonet Mobile in 2005, onboard diagnostics were widespread in the auto industry. His contribution was an in-vehicle system that enabled automakers to install Wi-Fi service, allowing customers to connect to the Internet. A later version connected a car wirelessly to automakers' parts and service operations, which could notify the customer when service was needed.

Last year, Pratz sold Autonet Mobile's platform -- whose customers included Chevrolet, Nissan and Fiat Chrysler's Mopar unit -- to supplier Lear Corp. Even before the sale, he said, "in the back of my mind, I had another market": dealers, who were cut out of the vehicle-to-automaker loop.

The Dealer Connect device plugs into a port under a vehicle's dashboard to connect to a 4G network. It enables dealership service departments to monitor diagnostics in real time and notify a customer through the downloaded app about service matters and recalls.

The service department also can use the app to set up appointments, schedule recall work once parts are available, and push targeted offers. Autonet Mobile charges dealers \$75 and suggests a \$200 retail price for Dealer Connect when sold to vehicle owners. The company does not sell directly to consumers. Dealer Connect comes with a free two-year subscription.

Connecting with dealers

Autonet Mobile's products had given Pratz experience in consumers' use of in-car Internet service. But to develop Dealer Connect, he needed an executive with experience working with dealers.

Torok had been an automotive consultant after he retired from DaimlerChrysler in 2004. He already had agreed to look into Autonet Mobile on behalf of clients. Torok and Pratz got to know one another and decided their skills were a good fit. Torok joined Autonet Mobile early last year.

In the loop

Dealer Connect links dealerships to customers' vehicles in 4 ways

1. Lets customer know when vehicle needs repair
2. Sets up service appointments by text message or email
3. Sends service and other messages by smartphone app
4. Tracks vehicles on dealership lot

Source: Autonet Mobile

During his career with Chrysler, which began in 1973, Torok held senior positions in sales, service, corporate strategy and business development. He was general manager of Chrysler-Plymouth and of the automaker's Mopar parts division. He spent four years in Japan as a senior executive of Chrysler's alliance partner Mitsubishi Motors.

Torok was introduced to in-vehicle technology in the mid-1990s, through a Chrysler program that provided customers with information about onboard diagnostics. But most connected-car functions didn't involve dealerships, he noted.

"Automation [of information] is one of the last bastions of tightly controlled distribution channels," Torok said.



Torok: Dealers are best source of fresh ideas

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Carmakers generally have refrained from installing hardware that feeds information directly to dealers. Using their own onboard systems, automakers may suggest to customers a handful of places to get service for diagnosed problems -- usually a local dealership and several independent shops, Torok said.

Ideas from front lines

Potential competitors of Autonet Mobile were "scared to death of the dealer network" because they aren't familiar with it, Torok said. "So they tried to go around it," which didn't work, he said.

Torok estimated he spends about one-third of his time talking to dealers. He has hired several ex-Chrysler colleagues, including Bob Williams, a former National Automobile Dealers Association executive who once headed dealer relations for the automaker.

In addition to convincing dealers and fixed operations directors that Dealer Connect can help them build service volume and customer loyalty, Autonet needs dealership sales, finance and insurance, and service employees to tout the device to customers, Torok said.

"We get most of our ideas from talking to dealers," he said. "They come up with stuff we hadn't even thought of."

One example he cited is a dealership using Dealer Connect to keep track of mileage and service on leased vehicles. Knowing when a vehicle is close to hitting its mileage ceiling enables the dealership to offer a new lease before the current one expires.

"We originally envisioned this as a new-car service," Torok said. But some dealers want to install it in used cars -- something most automaker systems don't do, he added.

Dealer Connect's pilot program includes Chrysler, Ford, Toyota and Lexus dealers. The company plans to market its services, at least initially, to large dealership groups, Torok and Pratz said.

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