

No. 1 dealer still trying harder

McDorman focuses on customers

By DAN WALLACH
THE ENTERPRISE

NEDERLAND — Car dealer Robert McDorman doesn't believe in the hard-sell, loud announcers in TV ads. Nor does he believe in tasteless comedy to grab customers.

McDorman said he wants to treat customers the way he wants to be treated, and it's helping to make McDorman Motors one of the biggest-volume dealers of used cars in Southeast Texas.

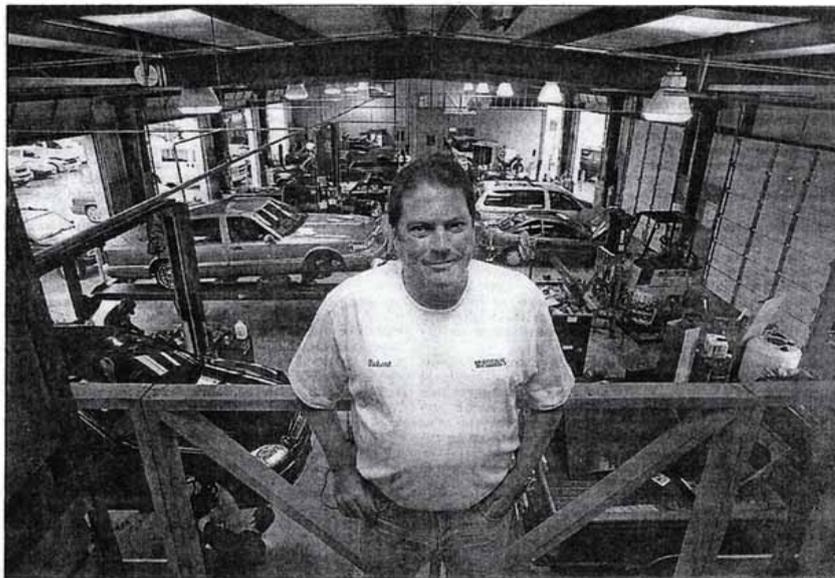
His three locations — First Choice Auto Sales in Vidor, and McDorman Motors in Beaumont and Nederland — generated 160 sales of used cars in July.

McDorman said state vehicle registration records for used cars for July showed 140 used-car sales at Mike Smith Autoplex and Mike Smith Autoplex 2000 in Beaumont; 121 used-car sales at Philpott Ford Sales in Nederland, and 73 used-car sales at Kinsel Auto Mall in Beaumont.

According to the 1999 market report from the National Independent Auto Dealers Association, fewer than 12 percent of dealers in the U.S. have two to three locations.

There are more than 110 used-car dealerships listed in the telephone directory for Beaumont. McDorman said he has counted 160 used-car dealerships in Southeast Texas telephone directories.

McDorman next plans to



AP photo

Robert McDorman is the principal owner of McDorman Motors. Based on the number of vehicles sold, the company has become one of the largest sellers of used cars in Jefferson, Orange and Hardin counties.

acquire a new-car dealership, in about two months away. The negotiations are still confidential, he said.

That will put McDorman in the company of fewer than 1 percent of dealers — those with four to six locations.

Entering a relationship with a manufacturer confers a status on him that he didn't have as an independent dealer, McDorman said.

And he's not entirely comfortable with that idea.

"It's like me considering a person whose credit isn't that good less of a customer," he said.

He accepts customers with a credit risk that other places won't consider. McDorman is carrying 1,114 loans worth \$8.7 million combined.

From the time he began business in 1992 with First Choice in Vidor, selling cars valued at \$1,900, McDorman sought to build his customer base by helping his buyers trade up to better cars.

Now, 90 percent of his business is in acquiring trade-ins from dealers in major metropolitan areas such as Houston, Dallas, and San Antonio, and reconditioning those cars for resale.

Those markets are desirable places from which to acquire vehicles because buyers there are trading in cars more rapidly than they do in Southeast Texas, he said.

Most of the cars are, more than 6 model-years old.

with 50,000 or fewer miles, he said.

McDorman said he shows his prospective customers how much he paid for the vehicle, and the repairs his technicians make on the vehicles.

Anything more than \$800 for repairs requires a good deal of consideration before McDorman will allow it to be sold.

However, most of his

CAR SALES: 'We survey the buyer if they buy elsewhere so we can see what we did,' dealer says

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attention is on the customer, and McDorman has developed a sophisticated software program to track how well his dealerships fare with customers.

"We survey the buyer if they buy elsewhere so we can see what we did," he said.

Some buyers might feel a salesperson is intruding on them with questions about why they bought elsewhere.

McDorman sends them a gift certificate for \$50 at a restaurant for helping him out with information.

"The tracking program resulted in my No. 1 position of late-model used-car sales in Jefferson, Hardin and Orange counties," he said.

He said he's had a response rate of 86 percent to his customer surveys.

He will apply the same technique at the new car dealership — a Daimler-Chrysler outlet — which he called low-performing. He said it has not marketed outside of its local area.

McDorman uses state registration records to find out where Southeast Texas buyers of Chrysler products are going for their new vehicles.

Many are traveling more than 70 miles outside the region to purchase a new vehicle, most of which are the company's popular Dodge pickups and vans, the high-profit units that manufac-

turers want to sell.

"Increasing sales is a matter of customer focus," he said. "Our buyer research is innovative."

McDorman also does not advertise prices.

"If you can justify what you do, and support it and back it up, someone will pay you what you ask," he said. "It has to be fair."

He said a major aspect of his success in used-car sales is on-site reconditioning by certified technicians.

It includes such services as flushing the transmission fluid if the vehicle has more than 50,000 miles, changing the timing belt in vehicles with overhead cam motors, flushing the radiator, checking all electrical systems and the air-conditioning unit.

"We show customers the repair ticket," he said.

McDorman began in 1992 by buying what became First Choice Auto Sales in Vidor.

His Beaumont location opened in June 1999 and the Nederland location opened in December.

He is in partnerships in all three locations with investors.

He now employs 98 people, about 20 percent of whom are family and extended family.

"At least half of our business is repeat. In Vidor, it's 80 percent. A lot of our customer base in Vidor has referred us," he said. "If you're giving more of a family image to your company, people will feel more comfortable coming here."