

# Fixed ops *Magazine*

## TARGETING YOUR MARKETING MESSAGE



Maximizing a Down-Sized  
Ad Budget

Inspection Diagnostics  
and Increasing Profits

Ten Things To Know  
About E-Mail Marketing

# Five Steps To Maximize A Down-Sized Ad Budget In 2009

## Doing More With Less

By Richard E. Ipsen & Ellie Eliopoulos

It's tough to deal with the pressures of improving sales when you've been given very limited marketing dollars to get the job done. Now's the time to refocus your Service Department advertising budget with a strategy that can pull new revenue dollars out of an often over-looked source ~ your existing customers. In fact, the most cost-effective form of "advertising" is right in front of you ~ in the dealership.

### First – Get the Most Out of Your Vehicle Inspection Forms

The best advertisement is for a product that you know the customer needs right now ~ when they need it. Vehicle Inspection Forms give you just that ~ a checklist of your customer's immediate needs. The Vehicle Inspection Form can be one of the most effective ways to advertise your dealership's services if you simply use it consistently and persistently. Customers in your service lane have already driven to your doorstep; now, all you need to do is invite them to buy today.

If they decline your invitation, simply remind them at a later date to come back for services that were identified initially on the vehicle inspection form. Here's one way. Two weeks after the customer's visit, send a targeted reminder ~ with an attractive coupon ~ to customers who declined a recommended service on your 27-point inspection form. Many times, the customer declines the service because they were not prepared to pay for that repair on their visit. A simple letter or e-mail to remind them of the needed service will be an effective tool to bring the customer back in. Through our research, we've found that dealers who follow-up consistently realize as much as a 29 percent response rate and generate, on average, \$6,000 in additional monthly revenue.



## Second – Take Advantage of Point-of-Purchase Advertising

Dealers rarely use the best advertising space on their lot – the customers' vehicle! Point-of-Purchase advertising is another great example of placing an advertisement directly in front of the customer for what they need, when they need it.

For example, a customer comes in for an oil change. On a 27-point inspection, the Service Advisor finds that the customer needs new tires, but the customer declines. When the customer comes back to pick up their vehicle, they find a \$50-off advertisement for tires in their car included with a notice about their vehicle's low tire tread. Even if the customer decides not to purchase tires today, they will likely save the coupon and, when they are ready to buy tires, they now have a reason to return to the dealership to redeem their valuable coupon.

## Third – Join Forces with the Sales Department to Promote Customer Retention

Point-of-Purchase advertising extends beyond recommended and declined services. What about using Point-of-Purchase advertising to join forces with the sales department?

Our statistics show that at any given time 3-5 percent of customers who are in your store for service have someone in their family who is actively shopping for a new vehicle. It is crucial that the Service and Sales departments work together to identify service customers who are in the market for a new vehicle. It's a fairly simple matter for the Service Department to survey customers concerning their next vehicle purchase intentions at their point of sale – right in the service lane. After all, this is a new car prospect that's already in your facility!

An easy way to identify customers who may be in the market for a new vehicle is to add a Sales Lead question onto your internal customer comment cards: "Are

### When will your family be in the market for their next vehicle?



Average response rate from surveyed Service Department customers.

you or a friend in the market for a vehicle?" The answer is either "yes" or "no." Pass those leads on to the Sales Department to close.

Don't forget that Point-of-Purchase promotions can go two ways. Promote customer retention from Sales to Service by including a static cling sticker in every used vehicle for "\$10 off the first oil change," or "\$20 off the first maintenance visit." When the number of customer visits and sales drop, it is important to be effective at the point of sale – maximize your customer contact points to promote retention and to increase sales, even among often-overlooked used car buyers.

## Fourth – Pay Attention to Affordable Direct Mail Tactics

Now is not the time to send blanket direct mail to those in the up-to-9-month active portion of your database. But it is a perfect time to use a selected, targeted approach to direct mail as part of your 2009 Marketing Plan.

Your customer database is a literal gold mine – if "mined" correctly. Use your database – not a purchased list – to send strategic direct mail. Your goal is to solicit to that slice of your database that needs some additional encouragement to come in. A hot spot we've found is the 7-month inactive group. This wedge of your database is not big – usually around 200 names – but can be very profitable. In our studies, we've found that the typical mailing to a group this size costs just under \$125, with a return on investment of \$4,420. That is a 35-to-1 ROI.

## Fifth – Service Reminders

Regardless of your advertising budget, an affordable Service Reminder program is a necessity. The return on investment from these programs is proven and repeatable. In hard economic times, even your loyal customers are shopping around for the best price. Providing your customers with a timely reminder of service due, accompanied by an easy to understand coupon for additional services, will go along way toward maintaining a healthy database with dollars well-spent.

Your customers are the lifeblood of your business and no one should understand them – or be able to reach them – the way you do. Consider the things your business can do to make your customers satisfied and more open to coming into your dealership. Saving them time, saving them money, and showing them the personal attention they've come to expect by being your customer is just the start. A little follow-up will do wonders to sell those services to the people who have already agreed to be your customer. After all, treated right, your customers today are the ones who most want to continue to be your customers tomorrow. All you have to do is invite them to continue.



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