

# Data is the key to greater profitability



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Jeremy Evans, managing director

So what ‘should’ dealers be doing when it comes to their data, arguably their most valuable asset after their employees?

That’s relatively easy, according to Marketing Delivery, which provides digital marketing services to some of the biggest and smallest names in the automotive retail sector (as well as many more in between).

“Automotive retail is process-driven, with everything recorded onto one system or another, or at least it should be,” explained managing director Jeremy Evans.

“Every customer, transaction and key date has to be logged in order for the dealership to function at its optimum along with every potential customer.”

“We all know existing customers are the most valuable but, despite the evidence, we still find holes in dealers’ data making it impossible to communicate with them effectively.”

Research based on data from its dealer group client base shows contacting customers ‘at the right time, with the right message, delivered in the right way’ results in higher levels of engagement and ultimately increased sales and profits, although the digital presence needs to be reflected in the dealership itself with great customer service to increase the likelihood of a sale, followed by recommendations to friends and family and exemplary comments on social media and review sites.

“Increasingly, our dealer clients are recruiting their marketing professionals from other sectors and they are staggered at the amount of data available on customers and prospects,” said Evans. “Unfortunately, these same marketers are even more astounded at the level of inaccuracy and missing data. It never ceases to amaze us how much incomplete or out-of-date data we see.

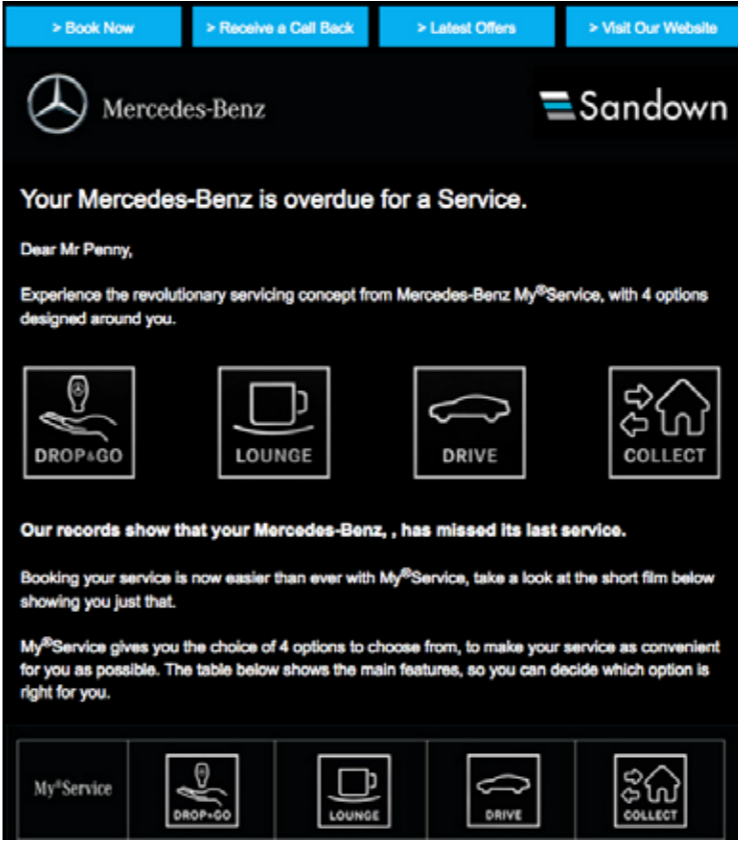
“Dealerships looking at ways to increase their profitability should not only evaluate their existing contact cycle, but the data behind it – one cannot succeed without the other.”

Marketing Delivery’s experience with two of its clients illustrates how ‘filling in the data gaps’ reaps immediate rewards. The agency has worked with Sandown Group, which operates six Mercedes-Benz dealerships in the south, for almost two years, and went live with eight-strong dealership group SMC in October last year.

## SMC

An automated communications plan was implemented whereby three emails are sent within 72 hours following no response to an initial enquiry, with a further one at two weeks. Messages are highly personal – as well as addressing people by name, for example, if the enquiry is for a Fiesta, this will be the image used. So-called ‘lost sales’ are also contacted while those who do buy receive a new set of communications to ensure the service has met expectations.

Marketing director Sonia Hobbs said: “From the start, we saw a positive impact. What has taken most people by surprise is the volume. We commu-



nicate with people far more regularly. In the past, we would have sent a ‘thanks for your enquiry’ email and they wouldn’t have heard from us until they took delivery of their car. The communication strategy was pretty much non-existent.”

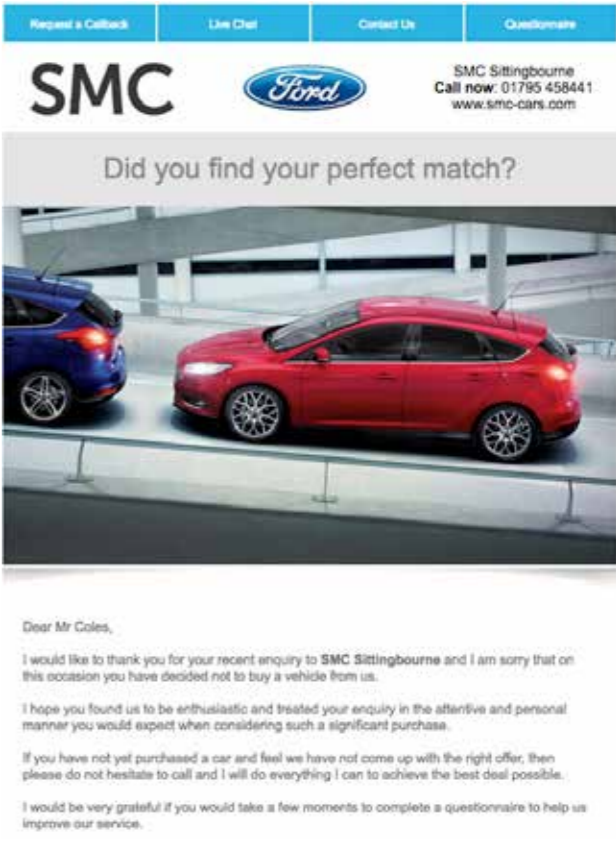
The results speak for themselves: from January to March this year, the group sent 18,166 emails and enjoyed a 59% open rate, compared to their previous open rate which reflected the industry average in the 20-30% range.

The total number of enquiries logged in the same period was 8,843, although an audit concluded that this figure represented 80% of all enquiries, meaning a fifth go unrecorded. A total of 2,205 sales were concluded, a 24-25% conversion rate.

However, an analysis of sales with accompanying accurate email addresses and, therefore, part of the Marketing Delivery eCRM programme, found a conversion rate of 27%, compared to 16% for those without emails. In addition, the ‘lost sales’ follow-up email resulted in a further 87 sales.

“If you are persistent, but relevant, and follow up after the first enquiry, you will have a higher success rate,” said Hobbs.

The key to its success is the data. The group’s email capture rate is now 89%, compared to 50% previously, and monitoring means sales executives are aware of the focus and weaknesses are quickly identified. The data can be analysed in different ways, including by site and individual, enabling the senior team to plug any gaps that may emerge.



## Marketing Delivery’s top tips:

- Monitor data quality for missing customer emails, mobile numbers and overdue vehicle service and MOT dates
- Check that email permissions are recorded as well, to ensure captured addresses can be legally used
- Use email and SMS as early as 60 days before the service due date to catch the early bookers
- Have multiple email and SMS steps during both the sales and aftersales contact plans
- Use daily updated data to drive the next contact

Hobbs added: “Frequency is really important and it shows the data can be worked hard. It’s expensive to acquire in the first place, so we shouldn’t be brushing it to one side too early on in the process.”

## Sandown

Marketing Delivery was appointed to undertake an aftersales communications programme but first varying levels of data accuracy including missing email addresses, mobile numbers and vehicles with missing or overdue service and MOT dates had to be addressed. The Sandown team began updating the information internally whilst Evans’ team used insurance industry lists to find email addresses and mobile numbers. Missing MOT dates are now being ran through DVLA lists to bring them up-to-date.

Almost immediately, the customer relations

centre reported more time being spent on incoming calls generated from emails and SMS messages, with less time on outbound calls. When outbound calls were made, customers who had received an email or SMS were more likely to make a booking. As customers were engaged earlier in the process, print and postage costs dropped.

In June alone, the overall data quality score for customers and vehicles increased to 70%. Email open rates regularly sit in the 60% range while click-through rates to request bookings are often in the region of 30%. The focus on data-driven communication resulted in over 5,000 additional service bookings during 2015 and a recent VIP sales event saw a 30% year-on-year increase.

Head of marketing and CRM Keith Jackman said: “I’ve been delighted with not only the results but also the support and insight the team provides.”

If you want to find out more, visit [www.marketingdelivery.co.uk](http://www.marketingdelivery.co.uk) or call 01892 599 913