

## Overview

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Outsell's iBase research is focused on helping retailers understand the role of digital media and engagement to drive sales and profits. This study examines the role of email engagement in the automotive sales process. Outsell matched consumer email data to the retail delivery records from 200+ US Automotive Dealers as well as leveraging an Outsell ROI Analysis and *The DMA Economic Impact Study 2008* to examine the effect of retailer's digital messaging on consumer engagement and automotive purchase decisions.

## Key Insights

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### Insight 1

**Depth of Engagement is Key:** There is a strong link between consumer email engagement in the form of actual clicks on the message content (verses merely opening the email) and the likelihood of purchase. Consumers that clicked on an article or link in a dealer marketing message bought vehicles at 1.5 times the rate of those that only opened an email

### Insight 2

**Repetition Generates Sales:** Repeated opens and clicks over an extended period of time directly translated to a higher volume of sales- Consumers with repeated open and click behavior on additional dealer communications over a number of months bought vehicles at a 2.7 times higher rate than those who did not display the same consistency.

### Insight 3

**Multiple Communication Channels Produce Greater Returns:** Web 2.0 Live Interactive Marketing (LIM) programs can generate significantly greater ROIs at a much lower price than direct mail and basic email campaigns. The latest Live Chat enabled Email Marketing programs produced a 10:1 ROI on average as compared to 1.6:1 for Direct Mail and 4.5:1 for basic email.

## Key Recommendations

- **Strive for Meaningful Engagement:** It is important to drive repeated and meaningful email contact with consumers to maximize sales. By delivering ongoing highly targeted digital communications that are personalized to the consumer, automotive retailers generate greater levels of engagement with their consumer base giving them the competitive edge needed to get them into their stores and buy.
- **Focus on Consistency & Quality:** The consistency and quality of information delivered to consumers is important. Simply delivering content to a consumer base is not sufficient to drive sales- higher sales volumes are derived from consumers actually being engaged by marketing content on a consistent and ongoing basis, building a relationship with an organization.
- **Integrate Channels of Communication:** Providing avenues for direct consumer response from marketing communications like Live Chat and Click-to-Talk will drive greater ROIs as they present the consumer with the opportunity to respond immediately based on their emotional response to the content presented to them.

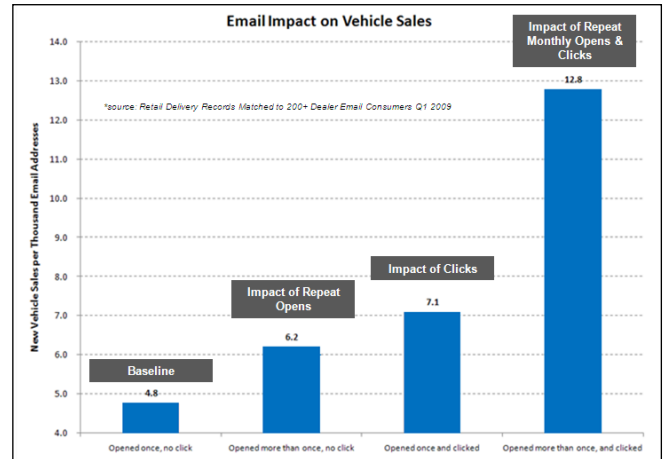
## Data Analysis

### Insight 1

There is a strong link between consumer email engagement in the form of clicks on message content and the likelihood of purchase. Consumers that clicked on an article or link bought vehicles at 1.5 times the rate of those that only opened an email.

On matching the retail delivery records from 200+ US Automotive Dealers to consumer email records for Q1 2009, Outsell found the following impact of email on new vehicle sales (per thousand email addresses):

- Opened once, no clicks: **4.8 sales**
- Opened more than once, no clicks: **6.2 sales**
- Opened once and clicked: **7.1 sales**
- Opened more than once and clicked: **12.8 sales**



### Insight 2

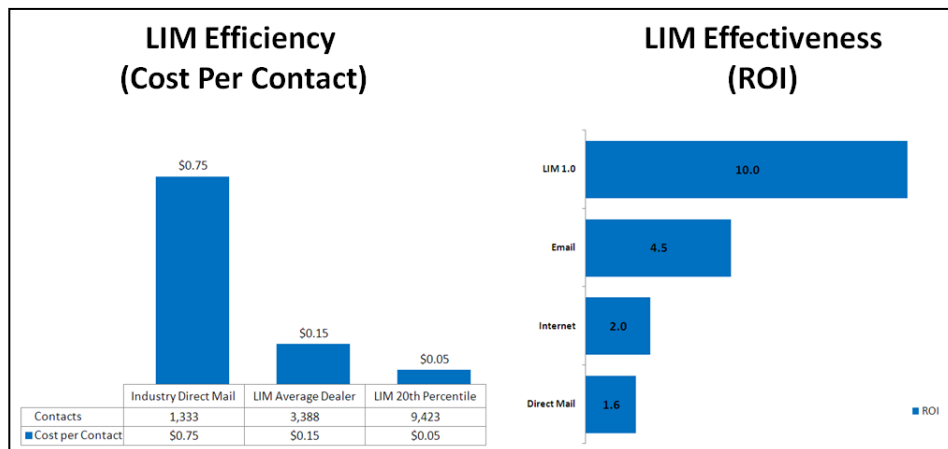
Consumers with repeated open and click behavior over months bought vehicles at a 2.7 times higher rate than those who did not display the same consistency.

Awareness and previous experience with a retailer's emails are major influencers to a consumer's decision to repeatedly engage with the messages being delivered. By delivering consistent and regular value from the consumer's perspective, an organization can build a strong ongoing relationship with individuals in its target market, generating higher long-term ROIs rather than merely a short-term boost to sales.

### Insight 3

Web 2.0 Live Interactive Marketing (LIM) programs can generate significantly greater ROIs at a much lower price than direct mail and basic email campaigns.

The study found that the average cost per contact (CPC) for Direct Mail campaigns tend to be in the \$0.75 range. In comparison, the CPC for LIM campaigns tended towards \$0.15 per contact, with the top 20% of automotive dealers (by email volume) seeing a \$0.05 average CPC.



The study also found an ROI characteristic of 10:1 for LIM campaigns, as compared to 4.5:1 for simple Email Communications and 1.6:1 for Direct Mail.

## iBase Survey Methodology

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- The iBase data analysis was conducted in May 2009.
- The data was sourced from:
  - Direct Mail, Internet and Email ROI from *The DMA Economic Impact Study 2008*
  - Results based on Outsell Q4 2008 ROI Analysis

## What is the Outsell iBase?

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The iBase refers to a knowledgebase gathered by Outsell focused on the role of the digital media in the retail process. It includes data on the behavior, perceptions, needs, and expectations of internet shoppers. It also contains information regarding how retailers view and use digital communications in their marketing and sales process. The iBase has been created based on consumer and retailer interactions and strategic research studies that capture quantitative and qualitative information which is then analyzed in an objective manner.

## About Outsell

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Outsell ([www.outsell.com](http://www.outsell.com)) is a digital marketing firm that helps market leaders effectively engage consumers. We execute intelligent, data-driven digital marketing campaigns that change consumer perceptions, drive incremental measurable sales and deliver more revenue per ad dollar spent.

**Outsell** *The Intelligent Marketing Company*™

For More Information:

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