

The 4 Essential Marketing Tools Every Auto Dealership Needs

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Analytics is the key.



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Executive Summary

While some automotive dealerships think of buyers as just customers or prospects, the best ones remember that they are also human beings. Instead of treating an auto purchase as a one-and-done transaction, these dealerships consider the entire customer lifecycle, then act accordingly to engage customers at every step and strengthen the relationship over time. We've identified these five discrete stages as part of the customer lifecycle for auto purchases and ownership:

- **Discover:** The dealer's objective is to get a person to move from the web to their store – they want to be on a person's shortlist of dealers to visit after they've done their online research.
- **Shop:** Dealers need to be prepared for shoppers visiting their dealership online and in person now that they are on the shopping shortlist.
- **Buy:** The actual purchase – dealers focus on the sale itself as a customer selects their vehicle.
- **Own:** Dealers focus on earning service business, helping customers get the most out of their vehicle, and ensuring customers feel good about their purchase decision.
- **Advocate:** Dealers ask customers to be advocates, both with online reviews and personal recommendations.

Analytics is Key

How can dealers optimize their results at each stage?

The secret is to leverage data to drive insights and individualize their efforts. Analytics help inform outbound marketing strategies.

Dealers can then track responses to those campaigns and use response data to tweak follow up and future campaigns. Analytics can impact any type of campaign: online, offline, mobile and social.

Some types of data that dealerships should be collecting, either organically or via a third-party service are:

- Demographic and psychographic data
- Current vehicle owned or leased, if any



- Responses to offers
- Customer defections to another brand
- Advocates for your brand
- Detractors from your brand
- Customer lifetime spending at your store
- Customer vehicle preferences
- Buyer intent and timeline

Some of this data – such as customer responses to offers, and website cookie data – can be collected by dealers themselves. Others – such as customer preference and competitive shopping data – can be collected or purchased from third parties.

The essential marketing tools every dealership needs

For many years, dealerships could get by with a CRM system with generic email blast capabilities. Today, generic tools don't cut it. In the age of Amazon, Netflix, and Facebook, customers expect personalized, timely and relevant content. Here are the four essential tools every dealership should have in their arsenal.

Tool #1:

Automated, individualized email campaign solution.

Sometimes called email marketing, marketing automation, or campaign management, this tool enables dealers to set up and run multi-stage automated email campaigns.

Follow-up campaigns can also be automated depending on a recipient's response. A customer who clicks on an offer to schedule a test drive would receive a different follow up than one who clicked on a video of a new vehicle model. This helps move prospects along in the sales cycle in a personalized way, with the goal of increased engagement and ultimately getting the person into the store. Email campaign solutions can integrate directly into your CRM, helping facilitate follow up, leveraging data for better targeting, and allowing for cross-channel reporting.



Stages:

Email is highly useful in the Discovery stage, but can also provide consumers with valuable content later in the cycle for Own and Advocate.

Impact:

According to Outsell data, customers who engage with targeted email communications are 6x more likely to purchase from that dealer. Further, the average linked gross profit per dealer per month from those communications is \$22,000. Dealers reported anywhere from 4 to 14 additional vehicle sales per month, plus 50-200 additional service orders per month, ensuring that email campaign solutions more than pay for themselves. Dealers also reported a 22 percent increase in customer retention among customers who engaged.

Tool #2:**Buyer detection solution.**

This is a relatively new category of services and tools that help dealerships determine when a person is actively in market for a vehicle, and what kind.

Buyer detection leverages data from multiple sources – cookie data from across the automotive web and online click data – to give dealerships insight into which brands and models a person is exploring, and how close they are to purchase. This helps salespeople focus their efforts on consumers who are most likely to buy.

Stages:

Buyer detection comes into play in the Discover, Buy, and Own stages (the latter for service and lease campaigns).

Impact:

A recent analysis of dealers leveraging buyer detection methods found 87 average additional in-market buyers identified per dealer, per month. In addition, dealers achieved a 4x percent increase in conversion rates for leads over 90 days old – meaning they were reviving dead leads with little to no effort.



Tool #3:

Third-party prospect lists.

The use of third-party prospect lists – either purchased or rented – is still alive and well. The key is to use lists that are pre-screened to contain only prospective car buyers (rather than, for instance, all residents in a certain zip code).

These lists may cost more to purchase or rent, but because they are highly targeted, dealers will see improved conversion rates. Moreover, service providers in this space can design and execute precision-targeted multi-wave campaigns for dealers, with email deliverability management. Deliverability is often overlooked when evaluating solutions, but provides a huge benefit for dealers, since very few have expertise in optimizing emails for deliverability.

Stages:

Third-party lists are used primarily in the Discover and Buy stages, but can also be used in the Own stage to target net-new customers coming to your store to service even if they purchased their car elsewhere.

Impact:

Dealers utilizing these services achieve average open rates of 3 percent, with a 9 percent click rate – far higher than average rates for generic campaigns.

Tool #4:

Automated social media management

Virtually every car buyer relies on social media at some point in the car-buying journey.

Yet keeping on top of social postings and social media reviews – much less responding to them – would be more than a full-time job if done manually. Fortunately, there are industry-specific tools available for automating much of this work, including 24/7 monitoring of popular review sites such as Cars.com, crossposting dealer content to multiple social networks, and sentiment analysis for determining the tone (positive, neutral, negative) of third-party posts.

Stages:

Social media impacts the Discover, Buy, Own and Advocate stages.

Impact:

Dealers that actively manage social media are able to increase followers by an average of 62 percent. They are also able to increase content shares by 42 percent, and “Likes” or the equivalent by 62 percent. Because social media is often a first stop for car buyers, it’s crucial that dealers stay on top of their online reputation, stepping in as necessary to respond to posts or reviews, and sharing positive content to outweigh the inevitable negative content some customers will post.



About Outsell

Outsell drives more revenue for auto dealers by transforming how they engage customers and prospects throughout their lifecycle. Dealers using Outsell's proprietary technology are tipped off when customers are most ready to engage, buy, or service. Outsell makes dealers' lives easier by keeping them in front of customers on a consistent, individualized basis, and automating follow up. The Outsell multi-channel customer engagement platform manages millions of interactions every month for dealers representing all major automotive brands.

