

Dealer

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Sales

Boyd Warner

Dial Up Existing Customers and Drive More Repeat Sales

Across America dealerships are mining their existing customer base for unique opportunities and then using old but trusted technology, the telephone, to sell more vehicles, service, and F&I products, often significantly increasing their market share.

Dealers are:

- Fulfilling their need for high-quality trades from their own customer base – they pick the year, model and mileage
- Selling additional vehicles at improved gross profit
- Retaining more customers by getting ahead of other marketers courting them as their lease- or finance-end and re-selling them first
- Increasing service contract penetration
- Reducing marketing costs by contacting their previous customers

Dealers who embrace this strategy wholeheartedly are creating tremendous opportunities for their dealerships. Consider Paragon Honda in Queens, NY, which is selling 95 additional units a month to existing customers using this approach. Fletcher Jones Motorcars, Newport Beach, CA, the nation's number-one Mercedes-Benz dealer, sells up to on average 200 additional vehicles a month to its existing customers.

Two important reasons make the outbound telephone and its supporting e-mail and regular mail marketing to existing customers so potentially successful for virtually all dealerships.

- Existing customers have an established relationship with the dealership. They have purchased from you and have returned for service. As an existing relationship, they're more inclined to be receptive to your call and to listen to your offer.

- They are your customers; you already know a lot about them – who they are, what

they drive and the status of that ownership, plus their service history and more. You can have access to incredibly detailed sales opportunities with powerful analytical tools that can deliver, to your computer screen, a vast number and variety of new and previously undiscovered sales prospects.

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- Admittedly, assembling detailed customer opportunity profiles can be a challenge; it is extremely time-consuming unless one has a process or software for extracting customer profile data in an actionable format directly from the dealer management system. If these profiles can be assembled according to categories of action alerts -- and easily available in a usable format -- sales associates can get right to contacting customers knowing exactly what need the particular customer likely will respond to.

Here are the scenarios to look for; dealers having success with this calling process find the most receptivity with customers in one or more of these categories:

- **Trade early and often:** Source customers whose vehicle equity, mileage, model type or year might let you move them into a newer model without any money down while retaining a similar monthly payment. Bring trades into your lot as high-quality, one-owner late model certified units.

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TOGETHER THEY ARE BETTER



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- **Lease- or finance-end:** Start marketing to lease-end or finance-end customers earlier than the finance companies, banks or other dealers typically do and capture that business and move your customers into newer models for little payment difference.

- **Avoid high-mileage penalties:** Identify customers whose leased vehicle usage shows they will likely incur high-mileage cost penalties at termination and offer to move

them into another leased or finance vehicle to avoid those penalties

- **High service needs:** Identify those vehicles that fit certain customer-pay metrics and offer to help them avoid those costs in the future by offering re-purchase opportunities

- **Warranty expiration:** Identify warranty-end customers and invite them to extend their peace of mind through a service contract through your dealership.

Who's your caller?


Because of the high quality of these conversations, often salespeople are learning to love making these calls. The key is to find someone who is comfortable using the telephone to speak with people, who can learn calling fundamentals and the basics of the car business. Consider professional outbound sales phone skills for this staff.

Establish your own department and give the authority and responsibility for working your existing customer database into a gold mine of new sales from existing customers.

For instance, Sunnyvale Acura, Sunnyvale, CA, set up its receptionist and warranty administrator to call customers who had not had their vehicles in for service in 18 months or longer. As a call teaser, they created a "Welcome Back Special" offering a discounted oil change, a free inspection and free car wash.

Within two weeks of making those calls, the dealership service department booked 68 verified appointments that converted into an average repair order value of nearly \$490 parts and labor producing more than \$33,000 in two weeks! The following month the service department set up a total of 84 verified appointments, producing almost \$42,000 in parts and labor sales.

Sunnyvale Acura said it liked these results so much it hired a full-time employee, whose sole job is to data mine for the service department using this approach to increasing sales.

Using the good-ol' telephone to reach out and touch customers these days may be an antiquated technology and quaint approach. Yet, the strategy of calling to the right customers with the addition of modern high-impact technology, can help dealerships like yours sell up to several hundred additional units a month; bring high-quality trades onto your lot; sell more service, parts and even increase F&I penetration. 

Boyd Warner is CEO of AutoAlert®, Inc. (www.autoalert.com), the most advanced lead generation solution available on the market today. Contact him at bwarner@dealer-communications.com.

Call fundamentals

For many of us, the telephone becomes a six-ton anchor when it comes to dialing someone we don't know and pitch business to them. Making calls to existing customers needn't be so traumatic. After all, we've done business with these individuals before; let's assume that relation is good or perhaps neutral, and start from this premise.

Dealers using this technique use a pattern-breaking call -- instead of calling to sell the customer, which everyone does -- the key is to let the customer know right away:

1. You're calling to buy something from them – their existing vehicle. You have someone interested in that quality trade – would they sell it to you if you could put them into a newer model for about the same monthly payment?

2. You're calling to help them avoid making a costly mistake. Your records show their leased vehicle mileage is going to exceed their contract limit, costing them significant dollars in future mileage penalties. You can save those fees and keep their payment about the same on a new model.

3. You're calling to help them retain their peace of mind – their factory warranty is expiring soon and you can offer a vehicle service contract that will keep them motoring confidently for many more years to come.

4. You're calling because your records show their older vehicle has become increasingly costly for them to properly maintain and there is a fine selection of certified pre-owned units they might want to consider. You might offer newer vehicles complete with the balance of factory warranties and fewer miles or with vehicle service contacts included.

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