



ONECLICK
LOYALTY

***CUSTOMER
ENGAGEMENT
IS THE KEY TO
INCREASING REVENUE***

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SUMMARY

HOW MUCH MONEY DO YOU LOSE PER CUSTOMER CONQUEST? NOT SPEND. LOSE.

Based on financial statements submitted to the National Automobile Dealers Association and reported by Car Pro USA, car dealerships averaged a \$217 loss on each new vehicle they sold after expenses.

On top of that, new car sales are expected to decline through 2020 and used car inventories are swelling resulting in lower prices and margins.

Customers are also less receptive than ever making advertising less effective.

In today's digital world it's not enough to invest in TV commercials or direct mail as a means to entice customers to return for service or to purchase a new car. **Even emails are opened less than 10% of the time.**

It's no coincidence then that 88% percent of surveyed dealerships admit traditional marketing has not been as reliable for engaging the consumer and achieving the level of sales they desire.

ON AVERAGE 22% OF A DEALER'S BUDGET IS FOR ADVERTISING AND MARKETING EXPENSES.

What's the blueprint for sustainability and revenue growth? Proactive, digital engagement.

Proactive, 1:1 personalization increases retention, allows for aftersales service revenue and converts a car buyer into a customer for life.

HOW DOES CUSTOMER ENGAGEMENT TURN INTO MORE BUSINESS?

IF YOU ENGAGE WITH A CUSTOMER 5+ TIMES DURING THE OWNERSHIP LIFECYCLE, THEY ARE:

2x MORE LIKELY
TO RETURN FOR SERVICE

6x MORE LIKELY
TO PURCHASE A NEW CAR

3x MORE LIKELY
TO REFER A FRIEND

The results from relevant targeting and personalized experiences have proven to lead to stronger customer retention in a world where the buyer is consistently in "search mode."

Through personalized experiences, dealerships can build a relationship and forge a path to consistent, long-term growth. This customer-centric approach is pivotal for revenue growth in today's digital economy.

One of the monetary benefits of retention includes cutting the costs associated with treating every customer like a conquest. Unfortunately, current dealer websites and CRM systems are geared for pre-sales and not post-sales customer communication.

When it costs nearly 10 times as much to acquire a new customer as it does to retain one, doesn't it make sense to have a cost-effective strategy that drives sales through retention?

WHEN ARE CUSTOMERS LOST?

By not proactively engaging the customer immediately after the purchase, the customer loyalty and retention rate diminishes.

A dealer will connect with the lease customer prior to the end of the lease only **50%** of the time.

For new car purchases, retention rates are **49%** after 1-2 service visits.

After the warranty expires, **40%** of service customers are lost.

90% OF RETAILERS ARE STRUGGLING TO PROFIT FROM OR HAVE NO PLANS TO IMPLEMENT AN OMNICHANNEL STRATEGY.

Unfortunately, the purchase or lease of a vehicle is often the final point of interaction between a customer and a dealership until the customer is interested in another vehicle. By then, the customer may have already found their next purchase or lease somewhere else and their business may be lost for good.

DIGITAL ENGAGEMENT

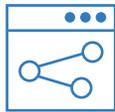
DIGITAL ENGAGEMENT IS INTERACTING VIA DIGITAL MEANS TO ACTIVELY COMMUNICATE WITH THE CUSTOMER AND INCLUDES:



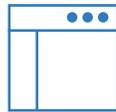
BLOGS



EMAILS



SOCIAL MEDIA



WEBSITE

SOME ADVANTAGES TO DIGITALLY ENGAGING WITH CUSTOMERS INCLUDE:

- › Increasing dealership awareness and brand
- › Receiving real time feedback on customer actions and intentions
- › Offering relevant and timely promotions
- › Positive customer satisfaction rates
- › Higher rates of retention

MARKETING BASED ON A PERSON'S REAL-TIME NEEDS, INTERESTS AND BEHAVIORS CAN INCREASE SALES BY 15-20%

TRADITIONAL MARKETING VS OMNICHANNEL MARKETING

TRADITIONAL MARKETING

Print Ads
Newsletters
Billboards
Flyers
TV & Radio Spots

Designed to reach a broad audience.

OMNICHANNEL MARKETING

Data and Analytics create customer segments.
Seamless message and brand across all platforms (digital, virtual and physical).

Designed to create a seamless customer experience regardless of whether they are in-store, online or using a mobile app.

THE BENEFITS OF OMNICHANNEL MARKETING ARE REAL –

HOW CUSTOMERS USE DIGITAL

88%

**OF THE CAR BUYING
EXPERIENCE IS SPENT
ONLINE**

80%

**USE MULTIPLE DEVICES
SUCH AS DESKTOP,
SMART PHONES AND
TABLETS TO RESEARCH
VEHICLE PURCHASE**

52%

**VISIT DEALER'S
WEBSITE**

79%

**OF SHOPPERS LIKE IT
WHEN THEY RECEIVE
A COMPLEMENTARY
PRODUCT OFFER OR
PROMOTION BASED ON
THEIR PURCHASE HISTORY**

It is no secret that customers are accessing more and more information digitally. Therefore, it is pivotal to develop a digital strategy to ensure potential buyers and current customers experience a seamless transition across all virtual, digital and physical platforms.

A dealership continuing to use a “shotgun blast” approach to deliver a broad marketing message has a lower ROI compared to those selectively targeting the customer.

The reason: Delivering a personal customer experience is no longer a luxury – it is expected. And the number of consumers demanding personalization will only continue to grow.

THE MILLENNIAL GENERATION

Born between 1982-2000, the Millennial generation is the most underserved segment by dealers and yet they are poised to be 40% of the new car buying market in 2020.

Marketing to this generation will be the difference between growth and stagnation.

Millennials are also more likely to recommend a dealership after a good customer experience compared to older buyers:

- **6.2x – younger buyer**
- **5.2x – older buyer**

Millennials are cost-conscious though. 50% believe they will be worse off financially than their parents. They will use digital means to consistently seek out the best deals while also having limitless information at their fingertips.

The benefits of engaging with Millennials can be astronomical but they need to be engaged in the right way. By proactively engaging with and leveraging the social media habits of Millennials, a dealership will maximize retention; and can even increase the number of conquests.

DUE TO THE GREAT RECESSION, IT HAS TAKEN LONGER FOR THE SPENDING POWER OF MILLENNIALS TO REACH THE MARKET.

MILLENNIALS ARE...

70% MORE EXCITED ABOUT A DECISION WHEN THEIR FRIENDS VALIDATE IT.

3X MORE LIKELY TO USE SOCIAL MEDIA TO RESEARCH PRODUCTS THAN BABY BOOMERS.

FOCUSING ON AFTERSALES

Customers are not tied to dealerships for aftersales service like they are for a new car purchase. Yet, the service department is an often-missed opportunity to generate revenue.

Customers can get their oil changed, tires rotated and repairs completed at other service shops and just return to dealerships for warranty work. This means that if a dealership is focusing mostly on conquest, they are setting themselves up for failure.

By interacting with the consumer and ensuring a positive customer experience after a car purchase, a dealership can see steady growth in its revenue due to increased retention and loyalty.

Digital engagement puts real time feedback into the hands of the dealership. Triggered communications are used to reach customers at the most opportune time for them to bring their vehicle in for service – and it works!

***IN THE U.S.
THERE ARE:
16,700+
DEALERSHIPS
VYING FOR NEW
CAR SALES***

***250,000+
AUTO REPAIR
SHOPS
COMPETING
FOR SERVICE
CUSTOMERS***