

Data Mining/Target Marketing

Individualized, Target Marketing through Data Mining is Essential to Main Auto Dealer Customers

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A common misconception is that, since email marketing is low cost or free, there's no harm in sending an offer to an entire email database. There are vast negative consequences that far outweigh the small revenue that casting such a broad net might acquire. Realizing that target marketing produces higher ROI, many marketers perform market segmentation by demographics such as age, gender and income.

Key Benefits:

- Mass marketing is inefficient and sometimes harmful for dealerships.
- Targeted, individualized marketing is essential to customer relationship management (CRM) and increasing profitability from an existing database.
- Data-mining software alerts dealerships to customers in positions to spend, saving staff hours of tedious research.
- Data mining allows dealers to efficiently communicate the right message to the right person at the right time.

Auto dealers must go a step further by targeting customers in accordance with the "Three Rights:" right person, right message, right time.

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DealerSocket provides auto dealers with comprehensive Customer Relationship Management (CRM) training solutions, allowing dealers to save time and money, and improve sales staff effectiveness with one product. With the power to manage sales, service, CSI, marketing and training, DealerSocket is the complete source for all customer-facing automotive dealership departments.

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DATA MINING & TARGET MARKETING

Individualized, Target Marketing through Data Mining Essential to Maintaining and Retaining Auto Dealer Customers

Mass marketing campaigns are expensive and produce notoriously low returns on investment (ROI). A common misconception is that, since email marketing is low cost or free, there's no harm in sending an offer to an entire email database. There are vast negative consequences that far outweigh the small revenue that casting such a broad net might acquire. Realizing that target marketing produces higher ROI, many marketers perform market segmentation by demographics such as age, gender and income. Auto dealers must go a step further by targeting customers in accordance with the "Three Rights:" right person, right message, right time.

Problem:

Mass marketing to auto dealer database customers is ineffective and often counter-productive.

Example:

Email blasting an entire database

Negative Consequences:

Emailing people messages that do not apply to them can annoy, anger, and turn people off to your brand. Those vexed individuals may also tell others about the experience, or they may spout off online, doing your company harm. An individual may also consider your emails spam. Your relationship with that individual suffers, as your legitimacy and reputation decreases in that individual's eyes.

Problem:

Most do not apply the Three Rights

Solution:

Targeted campaigns

Auto dealers are fortunate in that gathering and inputting customer data is not difficult. An individual calls, walks in, or submits online for information. The auto dealer logs this information into a database. But, auto dealer customers have very different needs that are highly reliant on timing.

Reaching out to people who are open to hearing your message helps increase your ROI and CSI. Citing the Three Rights (right person, right message, right time) may be cliché, but you cannot afford to dismiss its relevancy. It sounds intuitive, but few actually follow the Three Rights mantra and resort to mass emails.

Problem:

Three Rights ignored are likely to go very wrong.

Example:

Joe Smith purchased a vehicle from your dealership three weeks ago. Joe opens his email inbox to find an offer from your dealership to bring his vehicle in if his lease is nearing term. As it has only been three weeks since his purchase, Joe Smith might think he made a bad decision purchasing from you. He might tell his friends your dealership does not have it together. He may even write negative views on consumer review websites. On the other hand, if it has been 83 days since he drove off the lot, and he receives an email saying that his 90-day service checkup is near, he's going to feel good about your dealership. Back that email up with a phone call and a mail piece, and Joe's going to feel like you really got his back.

Problem:

How do you identify Joe Smith at the right time?

Solution:

Data mining

What is data mining?

Traditionally, marketers use demographics, such as income, education, age, and gender, as tools of "market segmentation" and tune their pitches in response.

In the auto dealer realm of customer relationship management (CRM), you are performing a similar task, but turning those traditional demographics into dealer-specific ones, including customers in equity, declined service, lost service customers, customers with missed appointments, service reminders, lease renewals and finance ending. But, you must take the "segmentation" a step further: you must target your marketing efforts to individuals. You must also have your timing correct. You must contact Joe Smith 83 days after he bought his vehicle from your dealership.

Why data mine?

Data mining can be compared to the old adage: "Think before you speak." Most know a person they wish would take a moment to think about what they are going to say. If that person did, that person would probably cut their words spoken by 80%. Apply this concept to your dealership's communication with customers and prospects. Your mass emails are the equivalent of the person who is constantly speaking, regardless of whether anyone cares to hear what they have to say. If you are constantly sending emails that do not apply, people will tune you out.

Data mining allows you to make the right offer to the right person at the right time. You may not know the right channel, so it might pay to utilize multiple channels. The right customer means an individual is in need of your offer. The right offer means the individual is in a position of benefitting from your offer. The right time means the person is open to the idea of spending money for your product or service when you reach out to them. It also means eliminating, or at least minimizing, irrelevant offers, which can serve to vex a customer and delegitimize you in their eyes.

Now, you know what you're looking for: customers, like Joe, who are ready to spend money. How are you going to know Joe's 90-day service time is near?

If you sell five cars a year, you might have it written down on your mother-in-law's Christmas gift of a calendar featuring an entire year of Snuggles the cat. If you're selling more than five cars per year, and you already put Snuggles where she belongs, in the recycle bin, it is essential to have software that will alert you when the Joe Smiths are in positions to spend. If you fail to contact Joe at the right with the right message, you risk losing Joe. If you contact Joe with the wrong message at the wrong time, you risk undermining your legitimacy. Also, it is often far more expensive to get Joe back than to keep him around.

Problem:

How to data mine

Solution:

DealerSocket RevenueRadar is a powerful data mining tool that will find Joe Smith and provide you with all of his details.

Problem:

How to send Joe Smith the right message, now that you know the right time

Solution:

DealerSocket MarketPlace

Streamline your customer communications by coupling your data mining software with a robust and cohesive marketing engine. Different customers respond to different messages. MarketPlace consists of eight marketing tools to drive sales and service customers into your dealership, as well as increase CSI scores. MarketPlace is revolutionizing automotive marketing with creative, agency-quality bundled marketing campaigns that are - follow us here - TARGETED.

With individually targeted marketing campaigns, expect your return on investment (ROI) to rival that of what your mother-in-law estimates the ROI of Snuggles' weekly grooming appointments.

For more information about DealerSocket and its products, please visit DealerSocket.com, or call (866) 547-2366.

About DealerSocket:

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