

Auto Dealers Report Targeted Direct Mail Marketing Campaigns are Most Cost- and Time-Efficient Way to Retain Customers

New Study of Over 200 US Dealerships, by Prospect Vision, Reveals Direct Mail Campaigns Deliver Dramatic Conversions/ROI; In-Equity Customers are Ready-to-Buy and Their Trade-Ins Sell Faster

Hickory, North Carolina - January 13, 2015 – A comprehensive study of 200 US dealerships has revealed that old-fashioned postal mail, when used strategically, still packs a punch, delivering much stronger results than other marketing channels.

The study, by Prospect Vision, the pioneer in automotive equity marketing, showed that each targeted direct mail marketing campaign delivered, on average, thirteen incremental sales at a cost of just \$112 per vehicle sold. This is almost 80% less than NADA's current \$616 estimate of the amount dealers typically spend advertising each car they sell.

“Most of a dealership's marketing spend goes to attracting new customers, while the potential incremental profits sitting in their databases are often overlooked,” said Allen Levenson, Vice President of Sales and Marketing, Prospect Vision. “This study shows that one of the oldest, tried-and-true marketing methods in the book - the humble direct mail piece – leads the way when it comes to ROI and retaining current customers.”

In addition to the incremental sales, dealers also saw an increased gross profit per car sold to these customers, on average the gross profit was \$422 more than that of a first-time customer sale.

And, because equity marketing nearly always results in a customer trading their one-owner vehicle back to the dealership, trade-ins generated from targeted direct mail campaigns are highly profitable and sell through faster than typical pre-owned vehicles: 64% of trades sell within 30 days of being on the lot vs. 37% for non-repeat sale trades.

New York-based Honda dealership, Friendly Honda's general sales manager, Michael Glynn says, “Because the direct mail pieces accurately tell customers the value of their car and impress upon them that there's a high need for their current vehicle and, when applicable, a great incentive to ‘buy now,’ customers are very receptive to the offer.” Glynn reports, on average, that Friendly sells 23 cars per targeted direct mail campaign at a \$54 cost per vehicle sold.

Today's “big data” opportunities deliver a wealth of data on each customer that can be turned into actionable marketing information to drive them back to the dealership. The biggest opportunity here is the low-hanging fruit of customers who are currently ‘in equity’ in their vehicle. Using complex data mining processes to create targeted direct mail with personalized messages about the customer's current vehicle and equity position reaped significant, measurable results for all 200 dealerships, regardless of make, model or territory.

In the study, dealers report that using turnkey solutions, like Prospect Vision, work so well because the campaigns are customizable and able to deliver results on a dealership's objectives – whether moving specific inventory, generating sales or bringing in specific trade-ins.

The full case study can be accessed [here](#).

About Prospect Vision

Based in Hickory, North Carolina and staffed by a team of retail automotive veterans, Prospect Vision pioneered equity data mining and marketing in 2001 to help dealers target market to customers whose current vehicles are in-equity in order to cost-effectively increase sales and retention. Today, the company offers dealers the highest ROI in its space and is the industry's only full-service equity marketing system, delivering customers to a dealer's showroom without the need for labor intensive systems or dealership training, utilizing direct mail, e-mail, phone follow-up, and a service drive solution. Prospect Vision's mission is to make equity marketing simple and painless for the dealer and to create irresistible offers for the in-equity consumer, and the results, including measurable increased ROI and incremental sales, prove it. Hundreds of dealerships, including AutoNation, Penske Automotive Group and Asbury Automotive group, as well independent dealerships, are loyal Prospect Vision customers.

Prospect Vision Media Relations:

Melanie Webber, mWEBB Communications, (949) 307-1723,
melanie@mwebbcom.com

Cassandra Cavanah, mWEBB Communications, (818) 397-4630,
cassandra@mwebbcom.com