

RESTORING TRUST: NEW TOOL AIMS TO NARROW USED CAR PRICE GAP

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The **'WOW'** factor

Automakers showed off hot new vehicles
at the 2016 Canadian International AutoShow

A gold mine of information

Dig up your customer data to connect with your customers

BY HEATHER HUDSON

Dealers have more customer information available to them than ever before. How they choose to use it can make the difference between growing their businesses and being left behind.

Here are four ways you can use data to get to know your customers even better:

1) Make use of Customer Relationship Management (CRM) software

“Any dealership that runs without a CRM is really at a disadvantage,” said Mo Zahabi, director of sales and product consulting for VinSolutions, a U.S.-based provider of e-software that offers solutions for dealer internal management, sales and service marketing platforms, and more.

“The CRM is the centralized hub of the dealership and is a big component of how you can engage customers.”

Most CRM systems capture data about customers and leads, including sales, service and prospect data and correspondence with customers. “There are multiple service campaigns you can run off of things like op codes, services completed and an unsold customer base,” said Zahabi.

“Many dealerships might have 50,000

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or 60,000 customers in their database but don’t know how to mine it to produce that repeat customer. Once they start working with the data they have, that’s when dealerships start to grow.”

2) Segment data

Parsing the data and separating it into segments is the first step to making good use of the information you have.

“If I want to market to my customer base and send out an oil change offer, I need to break it down based on things like what kind of engine they have,” said Zahabi.

He cautions against sending \$20 oil change coupons to drivers with large, diesel engines because it won’t be as valuable to them as it would be for mid-size car drivers. With an overwhelming amount of advertising barraging consumers every day, what gets their attention is marketing that speaks directly to their needs.

3) Get to know your customers and prospects

One of the keys to building a relationship is making a person feel known and understood. When customers feel like

they’re getting personalized service, they’re instantly more open to dealing with you, said Zahabi.

“Market more effectively with a real offer and make your customer feel like they’re not the same as everybody else,” said Zahabi.

He recommends capturing how each customer prefers to be contacted — and follow up via the communications channel of their choice, whether that’s phone, email or text.

You can really learn a lot about your customers and prospects by checking their presence on social media, said Zahabi. Often, details about their life stages are revealed so that dealers can make communications and marketing more meaningful.

Kalman Gyimesi, automotive/electronics marketing leader for IBM Analytics said his family was ripe for new automotive solutions when three of his four sons started driving.

“Suddenly my wife’s minivan was empty. That would be a really savvy opportunity [for a dealer] to flip her out of the minivan and into something that’s a bit cooler.”



A basic search on social media or a well-timed followup based on a CRM notation about the age of his kids would have tipped off his dealership to demonstrate they understand the family and are able to provide meaningful offers.

4) Put together compelling packages based on data

With so much data available to dealers, there have to be adjustments to the way marketing is done. “The first thing a dealer has to do is put together a more compelling package,” said Gyimesi.

That often means offering creative solutions and considering a wide range of needs, from understanding people’s digital sophistication to their desire for used options.

“Have a product portfolio that includes different types of new cars as well as reliable older cars. Think about the customers’ needs now and in the future,” said Gyimesi.

Some dealers may wonder if snooping around in their customers’ online lives is ethical and/or creepy. To that concern, Zahabi said, “Have you heard of

Amazon? Data mining is alive and well in virtually every industry.”

WHO MINES DATA?

IBM is doing cutting-edge work using analytical modeling and reporting, and streaming data (from sensors in vehicles). It even has an exclusive partnership with Twitter under which IBM has access to all historical automotive Twitter data to harvest and analyze.

“Unstructured data includes things in the past that you wouldn’t consider data, such as unconventional text, blog posts, mechanics’ logs and data from Twitter. Now we have unstructured analytics tools... and you can find out some amazing stuff.”

While IBM’s data is mainly being used by suppliers and manufacturers, the company also works with dealer groups and third party companies trying to optimize and transform automotive sales operations.

While smaller dealers may not have access to the high-level analytics that IBM provides, Zahabi said dealers can take advantage of tools like his

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company VinSolutions offers or embark on a professional partnership with an e-commerce or marketing firm that understand how to properly use customer data.

No matter how much data you have and how you choose to use it, it’s all about that all-important relationship.

“The dealership where I buy my cars knows that I trade my car in every two years on the dot. They know that I pull my wife out of her car and put her in a new lease every 30 months. They get what I want and talk to me when and how I want to be talked to,” said Zahabi.

“I can buy a car anywhere, but I choose to go there and maybe let them make a little money on me because they demonstrate that they understand what I like and don’t like.”

More meaningful marketing may have taken the place of a dealer’s handwritten birthday card, but the basic tenets of appreciating and building trust with customers can be achieved by taking care to understand them via digital data.

How will you use yours?