

Ten Things Every Service Director Should Know About E-mail Marketing

Start Counting!

By Bill Ogden

Today, more than ever before, Service Directors need to stay current on a variety of marketing choices. Here are the top ten things that you should know about e-mail marketing.

1. E-mail is the most effective direct marketing tool

Compared with direct mail, e-mail marketing is less expensive AND more effective in terms of results. The total cost of

sending an e-mail campaign to a dealership's customer list can run from \$0.15 per message down to \$0.01 per message, depending on the total number of customers in a dealership's database. Compare these costs to the cost of even the least expensive of co-op direct mail campaigns and e-mail typically comes out on top.

Response rates? Direct mail does well to hit the historical response rate of 2% for an offer. E-mail response rates typically

start at 5% and can go even higher.

If your service department is not using e-mail as a customer communications channel, you're missing out on a tremendous opportunity to drive business into your service bays and create long-term customer loyalty. Ask your direct mail provider what it can provide in terms of a managed e-mail service or consider doing e-mail marketing "in-house".

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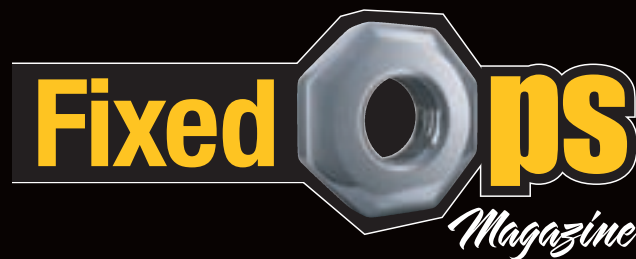
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2.E-mail marketing is “customer-centric”

Service departments that view e-mail as an advertising medium will not likely be able to leverage e-mail's unique ability to build on the pre-existing relationships they have with their current customers.

While e-mail can support marketing efforts like direct mail, it should be considered first and foremost a communication tool which enables a service department to reinforce the value of the dealer's brand with those who are most familiar with it - those most likely to purchase from the dealer again and with those most likely to recommend the dealer to someone else - the dealer's current customers.

3.Permission = Loyalty

Communicating via e-mail requires a customer's permission because the customer needs to provide the dealer with their e-mail address in the first place. Once a dealer has a customer's e-mail address, the concept of “permission” continues because the customer retains the right to “opt-out” of receiving e-mails from the dealer at any time.

In order to get your customer's e-mail address, and more importantly, to retain the right to send messages to them at this address over time, you must provide them something of value in exchange for their permission. So what do your customers want? Service reminders top the list, as well as any information which may impact their specific automobile such as factory recalls or warranty notifications. Next would be special offers which save the customer money in service and parts, or dispense topical advice on basic vehicle maintenance.

Given the ongoing permission required to maintain an e-mail relationship with a customer, service departments would be well-served to

anchor their customer e-mail communications with a loyalty program as it is likely that the customers who continue to give their permission for ongoing e-mail messages are the dealer's most loyal.

4.Collecting customer e-mail addresses is key

The average dealership has e-mail addresses for fewer than 5% of its current customers. While collecting an e-mail address for every single customer is likely to be unachievable, it is very possible to collect addresses for upwards of 50%+ of a dealer's customer base with a coordinated effort in the service department over a 12 month period of time.

E-mail collection activity is the single most important indicator of long-term success with e-mail marketing for a dealership. If a service department can't commit to implementing an initiative to gather customer e-mail addresses and measure the results, it should not even consider e-mail marketing as a viable marketing channel.

5.Think program – not individual e-mail campaign

Plan e-mail marketing campaigns in advance in order to maintain a focus on relevance for the recipients. If an e-mail campaign doesn't contain information which a customer feels is relevant to them, there is an increased likelihood they will choose to “opt-out” and end their permission-based e-mail relationship with a dealer.

A program-based approach is one which “book-ends” sales oriented messages with non-sales oriented messages and focuses on providing content which is likely to be relevant to the largest number of customers.

Given the change in seasonal weather and the corresponding change in driving conditions, it's easy for a service director to craft messages

based on driving in rain, snow, high temperatures or cold weather. The average service customer does not think about tire pressure, tire depth or the condition of their windshield wipers on a regular basis. Take advantage of this fact and your messages will be highly valued by a large number of your customers. Also, by keeping an informational tone in your message, you don't necessarily have to coupon or discount profiled services.

6.The importance of the subject line

The subject line of any e-mail is the single most important indicator of whether an e-mail message will be opened and read. Ensure that the subject line is clear, concise, and, if possible, that it contains personalization so the recipient will distinguish it as being unique. For example, the subject line “Service Specials” will not be as effective as “Service Specials for John Smith from Shoreline Dodge” to ensure that your message is read by the customer.

7.Develop an e-mail template

Studies have proven that consumers are more responsive to e-mail communications when sent in a consistent format, with the same “look and feel” from one mailing to another. Dealers are advised to develop an “e-mail template” which will allow their content to change from month to month but still be consistently identifiable as a message from the dealership over time.

If you decide to use a graphical template (HTML), make sure you take the time to review how users of the most common e-mail domains (AOL, Yahoo, MSN, Hotmail and Gmail) will see your template displayed.

Many dealers deliver text-only messages to their customers and see above-average results with this simple method.

Don't assume that you need pictures to get your customers' attention.

8. Compliance

Add e-mail to the list of compliance issues which face dealerships today. In order to legally send e-mails to customers, there are several provisions of the federal CAN-SPAM legislation which a dealer must comply with or face FTC fines. Make sure you are familiar with these requirements before sending any message to your customer base.

9. Deliverability

Thinking about using your dealership's e-mail server, lead management system, or CRM platform to send e-mails? A little known fact is that the odds are against your messages reaching the inboxes of your customers if you use these systems.

A dealer is unlikely to be successful in sending HTML e-mail messages to AOL, Yahoo, MSN, Hotmail and Gmail users due to content filters that each ISP uses to cut down on the SPAM messages its customers receive. The only way to ensure that your messages are delivered is to contact each ISP and request to be added to its "whitelist" of approved senders.

Consider the use of an E-mail Service Provider (ESP) to handle the delivery of your e-mail messages. While adding to your cost, you will be assured that messages end up getting read rather than diverted to bulk folders or blocked entirely. ESPs take care of white-listing and authentication on behalf of their clients and can also provide detailed information on delivery and read rates.

10. Best Practices

Dealerships which successfully deploy an e-mail communication program for their customers are committed to the development of "best practices" over time. These best practices result from taking the time to review the results of campaigns on a regular basis and to base decisions regarding future campaigns on these results.



Bill Ogden is CEO of Los Angeles-based Gear Synch Inc. Gear Synch provides outsourced customer communication solutions to dealerships

as well as advertising agencies and direct mail companies servicing the automotive retailing space. ■

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