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CRM'S BEST KEPT SECRET

CRM, CSI, BDC, CDC, DMS....When is someone going to take this confusing alphabet soup and turn it into car and truck sales? The good news is that someone finally has!

Wasn't the whole point of focusing on customer satisfaction and customer relationship management, *customer retention*? Millions of dollars have been spent on cookies, calendars and flowers with no measurable results. Even more millions have been wasted on software that has been misunderstood and has gone unused. Countless hours have been spent by dealership personnel on ineffective phone campaigns, renewal departments and business development. When is someone going to turn all of this motion into profits? It looks as if a small company in Phoenix has finally gotten it right.

ProResponse is a database management and marketing company that specializes in assisting the automobile industry with prospect and customer follow up. They currently service over 300 dealers nation-wide and have experienced steady, systematic growth. During my visit to Phoenix, CEO David Goodison explained, "Plumbers plumb, bakers bake and car dealers sell and service cars. Lately, they have wasted a lot of time and money messing with software that was supposed to bring customers into their showrooms and service departments. ProResponse clients threw away all of the expensive software and now employ an offsite database marketing department."

Goodison is a meticulous taskmaster who spent time as a United States Marine Corp drill instructor, a fact that all ProResponse employees are keenly aware of. "Half of the phone calls that I get from Dave are in that D.I. chatter," laments CIO, Dan Coker, "He's convinced that it makes me type faster!" Coker leads a team of accomplished programmers, dedicated data entry people and a top-notch customer service staff at the ProResponse the operations center located in Phoenix Arizona. "We are a 24 hour a day facility processing 25 to 30,000 records a day. It's chaos but it's a dry chaos!"

As we sat in his office, Goodison quoted from a book titled The Automobile Dealer. "The author, Mr. Bury, states that 'Salesman have become lax in their follow up of both owners and prospects. Even the most successful salespeople are unmethodical in their follow up and many sales are lost because of a lack of a coordinated plan.'" Nothing to argue about there. Joe Verde, one of the most recognizable sales trainers in the automobile industry agrees. In a recent article, Verde referred to follow up as "critical" and outlined some of the skills that salespeople needed to improve upon in order to successfully follow up with prospects and current customers. Verde listed organizational skills, writing skills, spelling, punctuation, time management, persistence and self-discipline as traits that sales managers needed to instill in their salespeople. Say it ain't so Joe! Sales managers are going to hold spelling bees in order to increase customer retention? But Goodison is quick to point out that The Automobile Dealer was first written and published in 1956 and the problems with follow up that existed then, have actually gotten worse. And spelling bees aren't the answer. State of the art tools combined with the staff to use them are.

I also met with ProResponse's National Sales Manager, Craig Colender. Colender spent 15 years

in automotive sales and sales management in the competitive Philadelphia market before coming on board with ProResponse. When asked what the key feature of ProResponse services is, Colender replied, "Top performing salespeople are hired for their people skills not their secretarial skills. ProResponse enables the persuasive people person to have flawless follow up in less than 10 minutes a day. Without ever turning on a computer!" The key to any follow up process lies in the data. If only a percentage of the total prospects and customers are followed the results will be predictable, inconsistent and unprofessional. ProResponse's flexibility regarding data capture encourages 100% compliance simply because of the ease of use and the adaptation to the dealerships current processes. "We can download directly from the DMS, install a driver's license scanner, provide a web based data entry screen or do the data entry manually, in Phoenix, by utilizing a faxed log form or work sheet. We've taken away all of the excuses", says Colender.

Open any newspaper's Sunday automotive advertising section and try to find any evidence of profitability. Why in the world would automotive management teams spend tens of thousands of dollars, every month, on ads designed to attract the least loyal, most price conscious and difficult prospects into dealership showrooms? Could it be fear? Fear of being left out? Fear of trying something different? How about the fear of accountability? Who is responsible for that Cavalier owner that your dealership sold four years ago? Why is it that we regularly ask sales managers for up counts and advertising feedback but rarely discuss our most valuable asset, our customers? Who let the four-year old Cavalier owner know that there is a \$2500.00 rebate or 0% financing on a new one? Chevrolet? GMAC? Our newspaper ad? A competitor's? I recently asked a Chevrolet salesperson about how he had informed his lease customers about last year's "Pull Ahead Program" and he told me "Chevrolet handled that." This salesperson had over 30 customers that were prime candidates for a new vehicle and he was waiting for Chevrolet to bring them in the door.

A recent study concluded that automotive salespeople spend 13% of their time actively pursuing the sale of a car or truck. The other 87% of the time falls in to the "undetermined" category. Managers will lament on the laziness of their salespeople but fail to task them with daily agendas. ProResponse client Tony DeAngelo explains, "For years, I allowed my salespeople to hope that the ad would work or hope that we were busy. The hoping days are over. I use the ProResponse Daily Work Planner to schedule everyone's day. Now we actually make things happen!"

The benefits of customer retention, prospect follow up and targeted database marketing are easily understood but rarely implemented effectively. Those businesses that have gotten a firm grasp of their customer and prospect base have flourished while similar businesses that constantly relied on new prospects have floundered. It seems obvious that any business should take measures to cultivate loyal customers but few ever get it done - even after purchasing expensive software solutions. "It's very easy for dealerships to get distracted," says Colender. "A totally committed and competent sales manager can walk into the dealership at 8:30 AM fully intending to facilitate his or her customer relationship management tasks. A service issue comes up, then a couple of phone calls, an appraisal, the newspaper needs copy changes and all of a sudden it's lunch time."

Unparalleled customer service is ProResponse's competitive advantage. From the initial training and installation to targeted marketing campaigns, ProResponse personnel are intimately involved in every step. A ProResponse field service representative visits each dealership every 30 days to train new hires, uncover opportunities and review dealership results with senior management. Goodison explains, "Our customers start to think of us as a high tech secretarial staff. We are both aggressive and flexible in our gathering of prospect and customer information. We have to

be in order to ensure that we are squeezing the most juice out of each and every opportunity.”

Once the data is collected, the ProResponse team completes all of the data entry, identifies and corrects any duplicate data, performs address verifications and processing in Phoenix and downloads the information every morning to each dealership via the Internet. A simple point and click on an existing PC by the dealer fires up a laser printer that produces daily reports, salesperson daily agendas and presorted letters and envelopes. E-mail contacts are generated automatically by the ProResponse system in Phoenix. ProResponse is also on the cutting edge of solutions for the dreaded “Do Not Call” issues, by cross-referencing all customer data against the Do Not Call registry, identifying Do Not Call customers on the dealer reports, and providing a countdown for customers who can be contacted within a certain window of time, based on the FTC guidelines.

“Considering the substantial cost associated with direct mail promotions, I am totally blown away by the lack of coordination, attention and follow through that are typically associated with them, said Colender. “For years dealerships have targeted zip codes and credit scores, paying no attention to their own customers and prospects, gave away the free boom boxes and basketballs and have been reasonably happy with a one or two percent response rate. Many times the dealerships don’t even get a copy of the list so there can’t be any follow up on the 98% that *didn’t* come in.” ProResponse clients are able to use their data for direct mail promotions so the targeting criteria can be zip codes and credit scores but could also include make, model, date ranges and payment level, and since the dealership has complete access to the data, phone follow up can play a key role. Every targeted prospect can be e-mailed the promotional material and those designated as Spanish speaking receive their correspondence in Spanish. All of this data mining can be accomplished with a phone call to ProResponse and within minutes the list is ready. Copy decisions are made and once approved by the dealership, production is underway!

After visiting the ProResponse facility and meeting their people, I have become a believer. My belief is that the most effective businesses have the most effective communication processes. Why in the world would a dealership buy a list of 10,000 names or spend thousands of dollars on a newspaper to announce a mini van rebate when they haven’t even bothered to tell their own mini van prospects and customers? Goodison put it best, “ProResponse is a tool that enables our clients to efficiently and effectively communicate with their prospects and customers without the wasted motion, effort and money.” For more information on ProResponse’s services, you can visit their website at www.proresponse.com or call 1-800-608-7887.