Auto Businesses Creating New Customer Loyalties in Transient Society



New Mover Marketing: *You Auto Try It!*

Auto Laundry News (March 2016) – The neighborhood welcoming party for new movers sure isn't what it used to be. Most Americans are so busy in today's world that they hardly have time to say "hello" to neighbors they've known for years, let alone deliver pies, flowers, and other gifts to the door of their new neighbors.

Moving is difficult and stressful for the millions of Americans who relocate each year and it's local businesses who have the opportunity to pick up the housewarming slack through Direct Mail Marketing targeting new movers. And with so many new movers in the market for auto services like car washes, tune-ups, and even new/used vehicles, auto service providers who make New Mover Marketing programs a priority often reap serious rewards.

NEW MOVER MARKETING WILL THRIVE IN 2016

New movers represent a massive target audience. The U.S. Census Bureau reports that 15 percent of the population moves every year — that means 40 million people are searching for a new set of favorite businesses each year as they adjust to a new community.

And those numbers are growing. The housing market has made a strong recovery since the economic recession, meaning more people are buying and renting new homes and apartments. In fact, according to Bloomberg Business, sales of new homes reached a seven-year high last August, indicating that demand among buyers is once again healthy. Additionally, according to HomeInsight, the average person will sell a home every five to seven years, moving roughly 11 times in a lifetime. This makes the window of time that these new residents spend learning about their area and deciding between businesses an important opportunity for marketers.

While a moving population does present new business opportunities, many people forget that it also means your current customers might be leaving the area. To preserve a large and loyal customer base, new customer acquisition needs to be a focus because the people moving need to be replaced. Customer churn of this nature is nearly impossible to avoid; therefore, business owners should plan for it by consistently reaching out to new customers.

New movers are a unique segment of consumers because their behavior is radically different during this period than at any other time. National Association of Realtors (NAR) studies have shown that the average new mover will spend more in the first few months after their move than a typical family will spend in three to five years. Additionally, a recently released Epsilon New Mover survey suggests that most new mover purchases (63 percent) occur after a move, not before, with the vast majority of those purchases made in-store (76 percent) versus online.

To increase the power of these purchases, new movers will seek out information about the businesses in their area, which will likely come from services like Yelp. These can be helpful to customers, but business owners have no voice in this arrangement. With a personalized one-time free offer sent to a newly settled family, a business can set itself apart and give a family a compelling reason to shop there.

A GAME-CHANGER FOR AUTO BUSINESSES

Not only do new movers spend a disproportionate amount of money in the first few months after their move, but they spend their money on very specific products and services, including furniture and appliances, new home services… and, yes, definitely new/used cars, auto parts, and auto services. According to a survey

commissioned by Zillow, the average new mover is 90 percent more likely than a settled resident to purchase a new car within the first six months of their move, and 209 percent more likely to purchase automotive services and accessories. The only question remaining for all local auto business owners: will those movers purchase these products and services from your business or a competitor? The likely answer? Whichever business reaches out to them first with a valuable offer.

That's why countless automotive businesses have seen success with New Mover Marketing programs. As the first auto business to get in front of new movers with a personalized and valuable deal that welcomes them to the neighborhood, these businesses built the foundation for positive, mutually beneficial customer relationships. Here are some examples of businesses that saw huge gains in customer acquisition as a result of their personalized new mover marketing programs:

• Ralph Scaramella, owner of Big O Tires in Glendale, AZ, signed on with a New Mover Marketing program more than eight years ago and has since encouraged eight of his fellow local Big O Tires owners to sign up as well. The key to the program's success, in Ralph's mind, is the difference between New Mover Marketing and daily deal sites: "Groupon customers stay loyal to Groupon, whereas New Mover Marketing program customers become our loyal customers." He has the numbers to prove it as he generates 50 new customers a month with the free oil change and 40 point inspection offer he delivers to new movers through the program. And out of those 50 new customers a month, he says more than 50 percent come back for a second visit.

• Frank Trilla launched King Car Wash & Detailing in Westmost, IL more than 25 years ago. In 1997, he signed up with a New Mover program and began offering new movers a royal treatment car wash — a $20 value — for free. He says the program has been the best advertising value he's seen since opening his business because it's capable of generating monthly response rates as high as 16 percent. And as recently as September 2015, the program brought in more than 50 new customers in one month.

• And lastly, one North Carolina-based auto dealer, whose offer is one free oil change and free alignment check plus employee pricing on any new or used car, not only brought in dozens of new customers through the door each month, it also led directly to multiple car sales on the lot.

The reason for this type of success? As impressive as these response rates are, the New Mover mailings did something even more important — they built the foundation of a trusting relationship by welcoming these new movers to town with a personalized and free first experience at their store. That kept many of these folks coming back for more long after the initial visit — leading to important incremental revenue for years to come.

HOW TO IMPLEMENT A WINNING STRATEGY

Clearly, New Mover Marketing can be a powerful tool, but only if local businesses are sending out targeted, personalized, and timely offers that reach movers as soon as they come to town. Here are some tips auto retailers should implement when considering New Mover Marketing programs:

1) First, nothing is more important than a personal and valuable offer. There is a measurable difference between sending out an impersonal coupon/rebate and a personalized gift certificate that allows movers to try out your products and services for free.

2) Make sure your list of new movers is accurate and complete. Don't forget: nearly 1/3 of people who move don't report their address change to the U.S. Postal Service, making it tough to access accurate and updated lists. That's why it's important to partner with a New Mover Marketing company that builds its own quality lists from various credible sources.

3) Don't forget to follow up. True New Mover Marketing professionals help their sponsors (those who use their services) create a follow-up offer that thanks/rewards new movers for trying them out for the first time. This helps get these folks back in your store and gives your staff another opportunity to make a customer for life.

These three simple steps will help you, the business owner, implement a New Mover Marketing program that will pay dividends for your business and solidify your place in your community. It is well worth the investment to build a loyal customer base that will grow your business. According to Frederick F. Reichheld, the founder of Bain & Company's Loyalty Practice, a 5 percent increase in customer loyalty can generate an increase in profit of anywhere from 10 percent to 25 percent.

While it may sound counter intuitive, in today's increasingly technology-driven world, New Mover Marketing is more powerful than ever before.

The massive amount of data available to marketers means they can reach people at the exact moment they need certain services and they can create a level of personalization that makes deals and offers more relevant (and thus, more likely to be used). And, of course, New Mover Marketing messages reaching folks at the right time with the right message leaves a lasting impact as the business owner connects with new movers when they're feeling stressed and disoriented in the immediate aftermath of a move.

So for any business owner running a car wash, an automotive dealership, or accessory shop, we recommend targeting new movers as your first marketing consideration in 2016. Ensure that you and your business are the first to welcome your new neighbors to the area to acquire and retain customers who appreciate your business.