

Auto Dealer Best Practice: Welcome Newcomers to Town



Automotive News Magazine (October 2016) - The average American will move about 11 times in his or her lifetime, according to the U.S. Census Bureau.

For auto dealers, that statistic represents an opportunity to connect with newcomers, potentially bringing in new revenue and building loyalty.

The question for dealers, though, is how to bring those newcomers into the showroom or service center.

Dick McKean, executive manager of Lake Norman Infiniti in Cornelius, N.C., about 20 miles north of Charlotte, found an answer through Our Town America, a direct-mail provider of New Mover Marketing.

Our Town America works with businesses to deliver discount offers and gift certificates to a recent mover's new address. Those deals are delivered every couple of weeks to new residents within a radius set by the business.

'Best return'

McKean said his dealership has used Our Town America's services to great effect over the past 14 months, sending gift certificates for 10 percent off service costs, free oil changes and no-cost alignments to new residents in the region.

Our Town America charges its clients only for the gift certificates it sends to new residents. A franchisee who serves the area including Lake Norman Infiniti said the price varies depending on possible options, but generally comes to approximately \$1 per household. That includes not just the mailing, but also social-media postings and follow-up, such as surveys.

“For what we’re paying, this is by far the best return rate we’ve gotten,” McKean said.

New Mover Marketing has proved particularly effective for the dealership thanks to the region’s rapid population growth. The population of Cornelius, a suburb of Charlotte, surged to an estimated 28,092 people in 2015 from less than one-tenth that number, just 2,581, in 1990, according to the census bureau. The Charlotte metropolitan area has grown 9.2 percent since 2010 to an estimated 2.4 million people in 2015.

McKean said New Mover Marketing not only has brought customers in for the first time, but has brought them back. “We’re really starting to see customers return, which is important,” he said.

Michael Plummer Jr., CEO of Our Town America in Pinellas Park, Fla., said New Mover Marketing can benefit any business by bringing in new customers and hooking them early, helping them to build loyalty.

That’s especially true for auto dealers, Plummer said. He said gift certificates for auto dealers and repair shops rank among the most desired of any of the packages Our Town America sends to new residents, with free oil changes and car washes ranking among the most popular offers.

Response rates for auto retailers average around 12 percent per month, Plummer said. That relatively high rate is because New Mover Marketing is a targeted program, he said. While other forms of marketing are more broad-based, Our Town America’s New Mover Marketing allows businesses to target a specific, highly receptive audience in a given area.

“Other programs are a shotgun approach,” he said. “We’re a rifle.”

Building loyalty

Plummer said recent movers are far more likely to spend money at local

businesses and are more likely to become loyal to a business if they are targeted within their first few weeks at the new home.

He said that could provide a huge opportunity for auto retailers, pointing to a study by Zillow, an online real-estate database company, that found new residents are 90 percent more likely than the average resident to buy a new vehicle within a year of moving.

“We’re different than Groupon because that’s for deal-chasers,” Plummer said. “We’re here to build loyalty.”

In that sense, Plummer said local businesses aren’t much different from neighbors who welcome a new family to the neighborhood with a housewarming gift. Just as a new resident might be more inclined to get to know that welcoming neighbor, he says, that new resident also may be more willing to try a new business if the newcomer receive a targeted offer.

Plummer said, “The person that brings gift certificates in is a much better customer for the business.”

For more information on Our Town America New Mover Marketing, please visit www.ourtownamerica.com, complete a **Contact Form**, or give us a call at 800-497-8360 and mention the ‘Automotive News Magazine article’.

Source: Automotive News Magazine