You’re Wasting Money and It’s Time to Stop

by Denny Long

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You pay good money for the leads you purchase. It doesn’t matter if they come from direct mail, Internet, television, radio, newspaper, or any other source. The “perceived” quality of the leads doesn’t matter either. These people all made a call, filled out an application on the Internet, or stopped by a dealership for one reason – they need or want a new vehicle. Unfortunately, most of the leads many dealerships receive get worked once and then tossed in a pile, never to be touched again. I hope this isn’t the case at your store, but if it is, you need to read on.

I have been in the Special Finance business for close to 30 years. During those years I have had the extreme pleasure of working with some of the best in the business and, at times, some of the worst. Those who have endured don’t ever get full of themselves and start to believe that they “know it all.” They’re always looking for new ideas and trying better methods to get more sales. If you’re looking for easy money, Special Finance isn’t the place to find it. I’ve said this many times before and I’ll say it again – Special Finance Managers are some of the hardest working people in the automotive business.

So, we reached out to some of our hard-working friends to see how they maximize every lead. One of the most important elements to the success of a Special Finance department is an owner who’s committed to its success. You also need a great appointment setting system. That’s step 1 to making sure his leads aren’t wasted, but he doesn’t stop there. You must also have a great lead follow up process. Let’s walk through the lead follow-up process used by some of the best in the business. It all starts from the day the lead arrives.
The follow-up process involves seven letters. These letters can be sent via first class mail or email. I would highly recommend that you do both. Most CRMs will allow you to set up these letters once and schedule them to be automatically sent. You’ll find a link to download these letters at the end of this eBook.

**Day 1** – The lead is sent directly to an appointment setting master. That person or team immediately calls the prospect to make the first attempt at setting an in-store appointment. Now, we all know that you don’t get through to 100% of the leads on the first attempt. If they don’t get through on the first attempt, they will continue to call until they make a personal contact. The lead does not go into the “dead file” until personal contact is made and a disposition (interested or not interested) can be made. This means no limit to the number of attempts! And please, make sure the attempts are made at different times throughout the day.

On the same day, the lead is entered into the Customer Relationship Management System. Knowing that hot leads must be contacted immediately, the team sends the first letter the same day. This letter acknowledges the prospect’s information has been received and this dealership seriously wants their business. It covers the bases on financing options and inventory selection.

**Day 7** – If an in-store appointment has not been set and kept, letter #2 is sent out. This letter covers the reasons the dealership and the prospect may not have been able to get together yet and offers new and compelling reasons to call for an appointment today.

**Day 14** – Most dealerships have long forgotten about this lead by now and most prospects have started shopping elsewhere, assuming the dealership never received their application or doesn’t
want their business. But the best dealerships are just getting started working these leads. It’s time for letter #3 which reminds the prospect that this dealership wants their business and even has a special gift waiting for them at the dealership. Not relying on just a gift, the letter also reminds the prospect why this dealership is the right dealership to help with their credit situation.

Day 30 – Letter #4 goes out on this day with an urgent message that now is the time to make that purchase. Special Financing options and new inventory selection are discussed.

Day 60 – It’s time for letter #5 to hit the mail. This letter offers a free oil change and, while the prospect waits, the opportunity to explore options for replacing that vehicle.

Day 90 – You guessed it, it’s time for letter #6. Fear of rejection is the main reason why people ignore offers of help for this long. In this letter the dealership explains how easy the credit interview appointment is in an attempt to remove that fear.

Day 120 – Letter #7 offers the prospect automotive financing and the opportunity to get a nationally accepted credit card. The dealership again stresses that they want the prospect’s business and are willing to work for it.

Now that’s how to work every lead to the fullest extent! The owner of the dealership tells me the extra work is well worth it. “You would be amazed at how many extra
vehicles we sell from this series of follow-up letters,” he said. What really amazes me is that all dealers don’t use this same system for following up on leads.

Let’s do a little calculation to see if we can’t convince you that this makes sense. Let’s say that each of these 7 letters costs $1.00 apiece to send out including postage. That means if you send all seven letters to 100 leads -- that most dealerships would give up on -- you have invested just $700.00. If ten of those people succumb to this relentless follow-up and purchase a vehicle, you have an advertising cost of just $70.00 per vehicle sold. I know what you’re thinking: “What about the original cost of the leads?” Well, since most dealerships would have tossed these leads anyway, I figure that money was already written off and spread out over the vehicles sold when the leads came in originally. This is found money!

Before I close, let me just share one more story from this dealership. At the end of each month they do a Call Blitz where they take one more shot at the leads received that they were not able to reach before. In a recent month, that stack included 180 leads. From that call blitz, they set 20 additional appointments. Now let’s use the standard numbers. If half of those 20 people keep their appointment and they can deliver vehicles to half of those that keep their appointment, they will deliver 5 additional cars. If they make a $2,500 gross on each of those vehicles, that’s an extra $12,500 in total gross! Again, well worth the extra effort.

The question I hear from dealers more than any other is, “I’m selling X number of cars per month right now. How do I go to the next level?” The answer is right here. I hope I’ve convinced you that you’re wasting money if you’re not relentlessly going after every lead. It’s time to stop allowing your leads to become orphans. Go for it and make more money.

Good Luck and Good Selling!
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