

Unlocking the True Value of a Lead

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Many dealers know the average price of an Internet lead, whether it comes in from a third party web site, their own web site or through search engine marketing. But do they know the real value of every lead? Keeping cost per sale down is important, but once the sale is completed many salespeople set the lead aside, failing to recognize it may have anything more to offer.

To unlock their true value, dealers should be tapping into Internet leads as a revenue source for other departments. It's common knowledge that nearly half of online used car sales come from new car leads. So why not use those same Internet leads to increase service traffic?

According to a recent press release by J.D. Power and Associates, "dealer service traffic volumes are expected to decline by approximately 20 percent between 2009 and 2013, resulting in a 25 percent decrease in service dollars..."

To prevent this decline in revenue, service managers can collaborate with the Internet Sales Manager and the sales department to turn Internet leads into service business. Three examples of how to accomplish this include:

- 1) Internet leads that close. Whenever a customer purchases a new vehicle, the salesperson should offer a service special, package or coupons. It's surprising how many times customers leave the dealership with absolutely no information about the service department or incentive to return. A best practice is to introduce the customer to the service department as part of the delivery process. Proactive service departments should contact these customers in a timely fashion to schedule the next oil change.

- 2) Internet leads that don't close. Instead of discarding leads that don't turn into sales, salespeople could e-mail information about service specials, testimonials and coupons. A customer may be wary of giving their e-mail to a salesperson, but may be willing to do it for a "deal" on a service. And if people redeem their coupons and end up being happy with the service, they may become repeat customers and eventually be more likely to purchase a vehicle there.

3) Old Internet leads. Service and sales managers could team up to create an incentive program to reward salespeople that sort through older leads and offer customers a special to bring them into the service department. For example, a special service package could be created for people whose warranties have expired on certain makes and models. Salespeople could contact these customers with the legitimate reason of trying to sell them an extended warranty or the service package. This tactic may even turn up some new car leads!

If the service department successfully turns a percentage of Internet leads into new business, dealerships may even want to expand the scope of the leads they purchase. For instance, Internet sales managers could do a 'one time' sweep of leads outside their typical geographical area, then forward those leads with all the contact information to the service department for a mailing or e-mail campaign. The Internet department may also be able to increase their leads budget when the Service Manager discovers the additional value of these leads.

With creative collaboration, dealerships can unlock the true value of Internet leads by turning them into a source for new service department revenue.

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