

REPEAT SALES

TRENDS IN 2019



Keep good records of your sales to repeat customers.

According to the U.S. Chamber of Commerce, 80 percent of your future revenues will come from 20 percent of your current customers.

Much has been written about the Buy Here-Pay Here industry having 50 percent repeat business. Customer loyalty never seems to change.

However, the trends in business seem to heavily impact what creates loyalty.

Our experience in working with thousands of dealers across the country has highlighted a few of the trends for creating loyalty in 2019.

CREATIVE DIGITAL MARKETING

The first step in launching a successful digital campaign is to collect good email addresses and contact information. The greatest campaigns in the world will do no good if they don't reach your customers.

Given the loyalty statistics cited, start with your current customer base.

Social media campaigns remain the top method of small business digital

marketing, but email seems to be the method of choice for Buy Here-Pay Here dealers. We have seen very creative email campaigns directed toward current, past and even (select) defaulted customers.

Email is all about timing and consistent messaging. Odds are you will eventually time your message to the customer at a point when he or she is looking to make another purchase.

Even second-chance messages to defaulted customers can hit when the customer has turned things around.

Messages that are personal, to the point and creative have the highest open rates.

Never message on Monday morning or Friday, as open rates are the lowest.

There are a significant number of companies that can help manage such campaigns and can provide comprehensive analytics on open rates and clickthroughs.

With the competition in digital marketing, rates are very attractive, and they can help deliver your message in a professional manner, including giving customers the option to "opt out."

DEALERSHIP CULTURE SHIFTS

During a recent Friday dealership visit in South Carolina, I was shocked by how fun and upbeat the culture was.

It was during college football season and the dealership was decorated accordingly, with loud music, tailgating food and plenty of beverages.

The environment was not only fun for the employees but also for the customers coming in to make payments.

It does not require a statistic to know customers do business with people and places they enjoy visiting. I have seen that trend more in 2019 than in my previous 25 years of visiting dealers.

In conversations with Tere Phillips, president of Drive Away Motors in Virginia, she said, "With competition growing, we need to develop programs to keep our current customers. That's why we place such emphasis on continuing to collect our payments, so we have that opportunity to develop relationships with our customers."

SDA supports that technique. It is one of the cornerstones of our business – our dealers continue to collect their customer payments to encourage repeat business.

We encourage our dealers to maintain the customer relationships and continue to build on those relationships by collecting payments directly – not through a third party.

REFERRALS (SHARE)

Having described two trends – digital marketing and fun dealerships – it became apparent that the third trend spreading in the Buy Here-Pay Here industry is the use of "sharing" digital media.

The Friday college day at the Virginia dealership was announced via an email – nothing new. But at the bottom of the email was a request to "bring a friend" to enjoy the fun.

I can only assume the dealership began collecting emails and contact information on the friends as a means of expanding their digital campaigns.

With social marketing and email campaigns, referrals are easy as long as customers are encouraged and potentially rewarded.

Watch your email. I suspect you will see more requests for referrals in 2019 than you have in the past. The benefits are very productive and profitable. ■



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