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# DEALERS FINANCIAL TIMES

## DEALER TIPS

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Five business promotion ideas that will help generate dealership traffic.



When it comes to the financial picture for today's auto consumer it's tough to tell if the gas tank is half empty or half full. Most sub-prime consumers are struggling to even begin to fill the tank, much less to the halfway point. Times may be tough, but that doesn't mean your dealership can't be successful in this marketplace. It's no secret that business promotions are a great way to drive traffic to your lot. The trick is find effective and inexpensive promotions. In this issue of the Dealers Financial Times we have found five promotions for your consideration.

One thing to keep in mind when running a promotion is to limit the time window. An effective promotion will last no longer than six weeks. This will help create buzz and stimulate a good call to action with your customers. Here are five great promotion ideas to help attract customers to your auto dealership.



### #1 – Sponsor an annual scholarship.

Your best customers are typically local residents. One great way to reach them is to create a scholarship promotion for a deserving local student. You decide how the scholarship is applied, i.e. college tuition,

trade school fees or even a cultural trip to a foreign country. Make sure there's ongoing promotion of the scholarship at your dealership during the application process. To increase awareness of your scholarship you can also team up with a local celebrity, politician, newspaper, or even a local news station. Host an awards ceremony and make sure to invite community leaders and all members of the press. To help make your event newsworthy consider hiring a local promotional company to handle the ceremony details. This will increase the odds that politicians and community leaders will want to be present at the ceremony. Your ultimate goal for this type of promotion is to receive local press attention on all mediums (radio, television, and print).

Promote the scholarship and any of your special offers with well-positioned posters and banners on your lot. Make sure your dealership is looking its best for the news cameras. For ongoing results create a scholarship news section on your web site to follow each scholarship recipient's academic and professional career. This will help keep the local media coming back for more human interest stories and give you more free press.

### #2 - Help local families in need.

These days many businesses, including credit card companies, hotels and car dealers, give away pre-paid gas cards to customers. Take this idea to the next level by incorporating a human interest story in the give-away. One idea is to have



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We like being the friend in the finance business. It's what makes us different from other floorplan financing companies. We believe that excessive fees unfairly drive up the cost of dealer financing. So we will never charge for overnight shipping expenses or for site visits. Plus we proudly offer the industry's only no-fee inventory financing plan, the Gold Plan. We have created our financial products to be flexible and customized to the specific needs of growing dealerships. Simply put, we are a local lender managed by friendly, local people.

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people from the community nominate families that are going through hard times for \$100 gift cards to be used to pay bills such as gas or groceries. You decide how many cards to give-away and how often (monthly, quarterly, annually). Make sure to reach out to all local community organizations and get them involved in the nomination process from beginning to end.

A gift card program is a great way to elevate your dealership's local reputation. And local press outlets are inclined to promote these types of human interest stories, such as helping a family with large medical bills, or providing assistance to a family that lost all possessions in a home fire. In order for this promotion to succeed you will need a lot of media attention. The key will be to make sure the community and local press are involved. You should announce the give-away to all local press outlets via a press release and/or phone call. Your business will benefit from free, ongoing public relations. You should also build the gift card give-away into your marketing campaigns.



### #3 – Sponsor local sports teams.

Become known as the car dealership that supports local sports. Create an area in your dealership to post the team photos and all team trophies. Most sports leagues will allow supporters to post a flyer or a plastic banner at the sports venue. Make sure your banner is easy to read by only using 10 words or less in the marketing message. Too many words on a small banner will discourage consumers from reading and acting on your advertising message. Always keep it simple and easy to read. You can also provide special

offers to members on the teams and their families. You might try to include a call-to-action in your banner ad such as, Mention your league name for free car washes for life. Make sure to incorporate the local sports team sponsorship in your marketing materials.

### #4 – Offer a sports-related promotion.

Sponsor the local basketball team's half-time break with a half-court shot for \$10,000. Or sponsor a hole in one contest on local golf courses. You can also offer your products as a prize which is a great way to introduce your company to new buyers with minimal distractions. To keep expenses low, you should consider contracting with a promotional company such as Odds On Promotions ([www.oddsonpromotions.com](http://www.oddsonpromotions.com)).



For an upfront fee from your dealership a promotional company is responsible for paying the grand prize if the contestants are successful. You can find a list of promotional companies at the Promotional Marketing Association (PMA) website, <http://www.pmalink.org>. Make sure to consider the type of consumer you are reaching with this type of promotion. For example, a hole in one golf contest will typically attract a different consumer than a basketball game. Make sure the event and your contest target the consumer who is most likely to buy your product.

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## EMPLOYEE SPOTLIGHT

### Sara Carver, Operations Assistant

#### Where did you work before Dealers Finance?

I worked at a publishing company that catered to the construction industry. I was a senior researcher in the architectural department, which meant that I published and tracked construction projects from the “drawing stage” to groundbreaking by communicating with over 200 architects in my area.

#### What do you like most about working at Dealers Finance?

I enjoy the diversity of people and situations that we encounter on a day-to-day basis. I love my co-workers, and they definitely make

the office feel like my home away from home. As in any “family” there is sometimes a love/hate relationship, but overall, we have an awesome team! I also enjoy creating relationships with our dealers and making sure that they have a positive experience every time they call.

#### How would you describe your job?

I would consider myself a jack-of-all-trades, but the majority of my time is spent in operations. Primarily, I assist Michelle Nealey (Operations Manager) by monitoring accounts in the Carolinas & Florida. This entails

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## #5 – Free gift with purchase

Everyone likes to get something for free. Just make sure your free gift is exactly that, free. Don't try to trick your customers with a free offer that has small print exceptions. One free gift idea is to offer a free dealership t-shirt valued at \$25

with every visit to your dealership lot. The value perceived by the customer is \$25, but your hard cost for bulk t-shirts should be a fraction of that amount. In the eyes of your customer, this type of promotion is perceived to be more beneficial than a discount. And it's much better for your bottom line than offering discounts or special sales offers. It generates traffic and provides your sales team with potential customers. It also provides more awareness for your dealership as customers wear the t-shirt around town. Another idea is to offer free detailing on your BHPH vehicles. This

is a great service for your customers and could factor in their decision to purchase a vehicle from you. You set the rules on how often the detailing is performed and you also get to check on your vehicles. This gives you a first hand account of whether the customer is taking care of your vehicle and could help minimize costly repairs on some units.

Implementing an inexpensive promotion is a great way to generate traffic to your car lot. With a little bit of hard work one of these promotions will prove to be the right one for your dealership. Keep an ear to the ground and an eye on the horizon and you'll be on your way to maximizing profits in 2008.

- David Ozyp, [www.ozyp.com](http://www.ozyp.com)

# INDUSTRY TRENDS

## Avg. Wholesale Vehicle Pricing

	Q4 07 Avg. Price	Q1 08 Avg. Price*	Percent Change
Car	\$9,644	\$9,682	0.4%
CUV	\$15,169	\$14,765	-2.7%
Pick Up	\$12,345	\$11,936	-3.3%
SUV	\$12,062	\$11,748	-2.6%
Van	\$9,174	\$9,143	-0.3%

Source: AuctionNet Data \* Adjusted for Mileage and Model Mix

## AuctionNet volume – 1 to 3 year old vehicles\*\*

Date	AuctionNet volume
June 2006	213,507 units
June 2007	222,205 units
June 2008	230,893 units

Source: AuctionNet.com\*\* Calendar year 2008 - model years 2007-2005, calendar year 2007 - model years 2006-2004, calendar year 2006: model years 2005-2003

## Top 15 Avg. Lowest Gas Prices by State

State	Gas Price
Missouri	\$3.398
South Carolina	\$3.425
Tennessee	\$3.440
Mississippi	\$3.460
New Jersey	\$3.474
Delaware	\$3.475
Arkansas	\$3.491
Alabama	\$3.503
Texas	\$3.516
Oklahoma	\$3.516
Virginia	\$3.520
Pennsylvania	\$3.521
Georgia	\$3.536
Kansas	\$3.538
Maryland	\$3.569

SOURCE: <http://www.gasbuddy.com/> July 2008

# SPECIAL OFFER

## Benefits to dealers

Dealers Finance is proud to offer the following special benefits to every auto dealer we work with:

1. Reduce curtailments from 20% to actual Black Book value
2. Add non-auction vehicles at 100% of Black Book average value, instead of our competitors' rates as low as 80% of Black Book
3. Eliminate fees for overnight delivery of titles
4. Never pay fees for site visits and lot checks
5. Be automatically signed up with all auctions

For more information on how you can take advantage of these money saving benefits visit [www.dealersfinance.com](http://www.dealersfinance.com) or call 1-800-205-6221.

Employee Spotlight: Sara Carver - continued from page 2

tracking payments, chasing titles, checking paperwork, and being the overall contact for the account executives in those areas. I also serve as the contact for the sales staff in setting up new accounts and assisting in changes to current accounts. Finally, I work with the dealers in setting up their online accounts, along with regular payoffs, adds and just about anything else you can think of.



**Sara Carver,**  
**Operations**  
**Assistant**

### What do you like to do outside of work?

Currently, I have been spending all of my free time planning my wedding. Aside from that, I enjoy spending time with my fiancé, hanging out with friends, playing the piano and working on various "art" projects.

### What do you feel is your biggest accomplishment?

Well, considering that I am getting married in a few days, I would say that that is my biggest accomplishment for this year. I'm also very excited that I just paid off the last of my school loan. I'm working towards being completely debt-free so that is a big step towards that goal.

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