



AutoHook Helps MileOne Drive Showroom Traffic and Sales with Lead Marketing and Consumer Incentives

Challenge

MileOne, one of the nation's largest networks of automotive dealerships, has built a successful business through a strong focus on the customer. Knowing that its customers increasingly start the vehicle purchase process on the Internet, MileOne is at the forefront of using innovative, web-based solutions to improve the sales process. In fact, for the past few years, MileOne has partnered with two industry leaders on online initiatives: Polk and AutoHook.



Working with Polk gives MileOne a consistent, analytics-based method to prioritize Internet leads based on their likelihood to buy, enabling dealership sales personnel to follow up immediately with top prospects. AutoHook's targeted test drive incentive management solutions give MileOne an effective and proven way to get more leads into the showroom with minimal effort from dealership sales teams.

MileOne saw an opportunity to bring these two powerful solutions together. Using AutoHook's incentive management tools in conjunction with Polk's Lead Marketing would enable MileOne to identify the consumers who were most likely to buy and then motivate them to visit a showroom. And, as a result, the dealership group would be able to increase "lead-to-show" ratio (percentage of leads who visit a dealership) and "show-to-close" ratio (percentage of dealership walk-ins that purchase).

Strategy

MileOne turned to two industry leaders – Polk and AutoHook – to provide an automated and integrated solution designed to drive the right prospects into the showroom...right away. They decided to test the program with a pilot group of 12 dealerships over a two-month time period before rolling it out to MileOne's network of 60+ dealerships. Half of the dealerships used the integrated lead scoring and test drive incentive solution; the other half did not.

The Lead Marketing process begins when Polk's sophisticated predictive models assign a score on a 1 to 10 scale (with 10 being the most likely to buy) for each lead that comes to MileOne via the Internet – whether it's from an OEM site, a dealer website or a third-party source. The scoring system takes into account a number of factors, including in-market timing, past buying behaviors and household demographic data. MileOne's sales teams have instant access to lead scores via their CRM system so they can track and communicate with prospective customers.

Top prospects (Polk score of 8, 9, or 10) then receive a personalized email from AutoHook featuring a targeted, limited-time offer for a gift card (e-coupon) that can only be redeemed in person when the recipient visits a dealership to take a test drive.

AutoHook's managed incentive programs are designed to give dealerships a competitive edge. The incentive motivates consumers to visit a MileOne dealership first, before other local showrooms that might be selling a competitive vehicle. The value and type of incentives offered have been extensively tested to maximize a dealer's ROI. For this particular program, a \$25 cash card was chosen. Incentive redemption at dealerships and incentive fulfillment is managed through the AutoHook platform.

Figure to right: Example of email incentive sent to top online leads.



Results

During the two-month pilot program, MileOne saw significant benefits from using the joint solution offered by AutoHook and Polk. In fact, the success of the program led MileOne to roll out the solution across its entire dealership network. Significant, quantifiable results experienced by MileOne include:

- **High level customer engagement**

Nearly 23 percent of prospects who received an incentive not only opened the email, but clicked to print the e-coupon, almost twice as high as MileOne's typical email "open" rates.

- **Increased "lead-to-show" ratio**

Seven percent of online leads ranked as "most likely to buy" visited a dealership and redeemed the gift coupon.

- **Higher "show-to-close" ratio**

The incentive resulted in a 12-percent increase in this critical ratio as compared to MileOne's average "show-to-close" ratio

- **Strong sales close rate**

The campaign resulted in a 20% lift in overall lead-to-close rates.

- **Increased sales at low incremental cost**

During the pilot period, the group of dealerships that used the incentive sold 40 more vehicles than those that did not. Moreover, the incremental cost-of-sale was less than \$185 per vehicle.

- **Revenue gains**

Based on an average of \$1,500 per vehicle, MileOne dealerships that used the incentive realized \$60,000 more in gross revenue than the control group of dealerships.



Polk is the premier provider of automotive information and marketing solutions. Polk collects and interprets global data, and provides extensive automotive business expertise to help customers understand their market position, identify trends, build brand loyalty, conquest new business and gain a competitive advantage. For more information, please visit www.polk.com.

