

••• CAN I REPLACE MY DIRECT MAIL WITH E-MAIL?

By Chuck Patton
CEO, Traffic Builders, Inc.

Before we address the question, let me ask you another.

Did you know that Traffic Builders has an e-mail program? We absolutely do.

We made this move three years ago because we knew that your dealership would be coming to this crossroads. We would need to be your complete communications experts and not just a direct mail company. We have been executing both e-mail and direct mail and are prepared to show you how to make the best out of both.

It comes down to making sure that results drive your marketing. The dollars up front should **NEVER** be figured without the return in the back end. If consumers thought that way, we would rush out and tell our financial advisers to buy only the cheapest stock they could find, and not necessarily the stocks that would yield the best return. So what is the best way to utilize e-mail, and how can its cost efficiency help me in today's market?

E-mail yields a strong rate of return for three reasons: It serves a part of the market that shops and communicates heavily through the digital world; it can be a very inexpensive up-front investment and therefore can yield a strong return on investment; and if you do it right, much like direct mail, it can be tracked.

Our finding is that e-mail is a good fuel additive but is not strong enough to fuel the marketing engine by itself. E-mail has limitations within certain segments of the market. There are three technical or cultural filters that every e-mail goes through - invalid e-mail addresses, junk mail/spam filters and lack of participation with e-mail ads and coupons. Our clients typically receive interaction from less than 10% of their collected e-mails, but that interaction is strong. Here is where your mindset should be:

- Use it as an additive to compliment your other marketing, but do not think that just because the customer gave you his e-mail address that he will automatically respond to your e-mail.
- Use it to drive customers to your website to determine who is interacting with it.
- On your website, make sure you have an easy option to click to schedule an appointment. Provide a discount if the customer schedules online. Remember, tracking is a unique benefit and you need to use it.
- Make sure it interacts and is consistent with your other marketing, including discounts, branding, terminology, customization and expirations.

The Traffic Builders' program automates all the above and more. We have focused on a core group of amenities at a lower price point. Some items that will soon enhance our e-mail product:

- E-mail blasts for a way to fill your service department during slower times
- Name interaction that automatically removes customers who interact with e-mails from your direct mail programs
- Opt-out database interaction is the automation of opt-out names that you have entered into your database.

The real challenge is when you look at e-mail marketing from a larger picture. How many customers have bought from you within the past 1 to 36 months? These are your primary sales and service customers. What percentage of those customers are you effectively reaching with e-mail? How are you marketing to the customers who are not responding to e-mails or do not have valid e-mail addresses? You must have full coverage. If you bought car insurance only on your car's front bumper, then you take the risk of getting hit anywhere but that front bumper and not being covered.

Traffic Builders can promise you two things. We will obsess about what works, and we will be the experts for you so you can manage your shop. Traffic Builders would not have taken on e-mail if we did not believe it was a viable solution. At the same time, we do not believe e-mail is going to take over direct mail, but rather it will focus on a specific consumer niche. There is surely another technological advance coming that will dominate. As soon as we find it, we will let you know.

