

PROSPECTING: THERE'S GOLD IN THAT THAR DATA

Having the right data at the right time can help you increase sales and grow your dealership.

Wouldn't it be great if every day at least one new customer showed up at your dealership? But ask yourself, when was the last time a prospect just presented himself at your door?

For most of you, the answer is never. And even for those of you who have been fortunate enough to have it happen occasionally, the event is so rare that you can't count on it as a way to feed sales.

In order to keep the pipeline full of potential customers, you need to be aware of purchasing activity in your market area. But having volumes of data is not enough. What you need is the right data at the right time. And you must follow up and use the data once you receive it.

DEFINING PROSPECTING

Everyone has a different idea of what prospecting is. Most people think prospecting consists of having a list of potential buyers. While that is true to some extent, effective prospecting is more than that.

According to Mauricio Jurin, product manager, Equipment Data Associates, (owned by Randall-Reilly


Publishing, publisher of **Successful Dealer**) prospecting is the act of searching for the right buyer at the right time. "It is not just knowing that someone owns a truck or has a large fleet. It really means they are a prospect today. You need to know when the time is right to call on a specific account."

Gary Meteer, account director, commercial vehicle aftermarket groups, R.L. Polk & Co., defines prospecting as "looking for a very specific target customer within a certain geographic range in a level of detail that says they have the highest propensity to buy your product at a given point in time."

Depending on the dealer's intention, the time element can be important. "There is a time for relationship building and there is a time for defining a prospect who is going to turn into a sale in a short period of time," Meteer says.

He cautions dealers that salespeople get frustrated when they can't turn a prospect into "current, actionable, measurable results" quickly. Therefore it is important to have a list of prospects who are nearing a point when they will be making a purchase.

continued on page 30

A hand is shown holding a black bowl filled with muddy water. The bowl is tilted, and the water is pouring into a hole in a wooden boardwalk. The water is dark brown and contains some debris. The background is a wooden boardwalk with a hole in the center. The lighting is dramatic, with a strong yellow light source from the right, creating a bright glow and long shadows. The overall mood is one of persistence and focus.

To successfully prospect takes commitment, understanding the data and not getting discouraged when you don't close a deal right away.

When prospecting for customers who might be ready to purchase a new truck, you need to look at when they previously purchased a vehicle and also what their typical trade cycle is.

“If you have good knowledge of your market and you understand how long people hang on to their trucks for, you can start predicting when they might enter the next buying cycle,” Jurin says.

“If you base your list on time, you can get closer to that period when an actual purchasing decision is going to take place,” he explains.

One of the things that using a prospect list does is allow the dealer to become aware of what Meteer calls emerging customers. “Dealers may not know the guy who a year ago had only one vehicle, but today is operating five.”

For prospecting to be truly effective, it has to be done consistently. “Unfortunately, most dealers do it when business gets bad and they are trying to hit numbers,” Meteer says.

“The truth of the matter is the good, successful dealers are doing it 24/7, 52 weeks a year because they always are looking at who they should be talking to.

“A successful dealer will build a prospecting list that has some near-term prospects and some long-term ones where you are working on building relationships, talking about the benefits of your dealerships and explaining why they should buy from you.”

Jurin too believes prospecting needs to be done on a regular basis, and he advises sales managers to take the lead and put together a plan for the salespeople to follow.

He explains that some accounts need to be called on 12 months ahead of their lease expiring and your sales staff should be calling on those prospects in plenty of time to make sure you have the opportunity to make the sale.

“But then the next month, you will have a whole new list of prospects whose leases are expiring in 12 months,” he says. That is why prospecting must be on-going. There always are customers coming into the buying cycle.

DEALING WITH DATA

Both Polk and EDA, as well as other firms, can provide detailed information about companies operating commercial vehicles. While the companies gather their information from different sources, such as department of motor vehicle records and Uniform Commercial Code (UCC) filings [a UCC filing is a legal document used when capital equipment is financed, refinanced, leased or rented-to-own], Jurin and Meteer agree that having detailed information is critical.

The dealer needs to know as much about the purchaser and the vehicle purchased as possible. When you are looking to purchase data from an outside vendor, you will want the data to include the name of the company making the purchase, what business it is in, the number of vehicles in the fleet, the make and model of the vehicles and, according to Meteer, “importantly, the age of the vehicles.”

Ideally, you also will want the name of a contact person who has decision-making authority along with address information and even telephone numbers.

Purchasing lists outright or taking advantage of data subscription services is only the first step in the prospecting process. Just having the data at your dealership is not enough. “The key of the data is not the owning it, but the getting it to the right people,” Jurin says. Those right people include the sales manager, salespeople and marketing people as well.

Taking a systematic approach to using the data you’ve obtained is likely to get you the best results. “The first thing dealers have to do is have a follow-up program in place,” Meteer says. “Dealers need good communication with their salespeople and must establish expectations upfront for what they want to come out of the list.”

Jurin says that given the current economic conditions and increased fuel costs, it is not efficient for salespeople to go out knocking on every door. Just because someone owns a fleet, does not mean they are a good prospect at this time, he explains.



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“When you prospect the right people at the right time, your staff can set up calls lists and plan what they are going to do next week and the week after that.”

And, he adds, “When you have a targeted list of accounts that you know have a high likelihood of making a purchase in the near future, those are the people you need to focus on instead of spinning your wheels on deals that might not come up anytime soon.”

In addition, Meteer recommends checking with salespeople on a regular basis to see what kind of response they are getting from the people they have contacted.

“It is a learning experience and by monitoring results you can discover how to make the list more useful the next time,” Meteer says.

Jurin agrees and adds, “If you are convinced that the data has value, you need to spend time with it so you can understand how to use it.”

He explains that if you run a query for a certain type of customer and come up with a list of 50 companies, it is up to sales management and sales personnel to visit those accounts, establish relationships and learn more about their businesses and equipment.

“To successfully prospect takes commitment, understanding the data and not getting discouraged when you don’t close a deal right away,” according to Jurin.

“If you put the time into it, you are going to find the sales opportunities.”

NOT JUST FOR NEW VEHICLE SALES

When many dealers think of prospecting, they think of new vehicle sales. However, that is not the only way to use the data.

“Prospecting needs to be used across the organization,” Jurin says. For example, if someone has financed 10 or 15 used trucks, you know those units will be requiring service in the near future. You can take the information from your prospecting list and call on the account to let them know how many service locations you have convenient to their operation, what services you offer, your hours of operation, the extent of your parts inventory, etc.

Meteer concurs and adds that having information about the type of engine on the trucks, for example,

The Funnel

More is not always better. This is true for data that you are planning to use to prospect for new customers.

According to Gary Meteer, director, commercial vehicle aftermarket groups, R.L. Polk & Co., the more targeted your list, the greater the likelihood of success.

Polk has approximately 12 million records in its database and obviously that’s much more data than any dealer needs.

To make the data more manageable, Polk suggests dealers narrow the scope of what they are looking for.

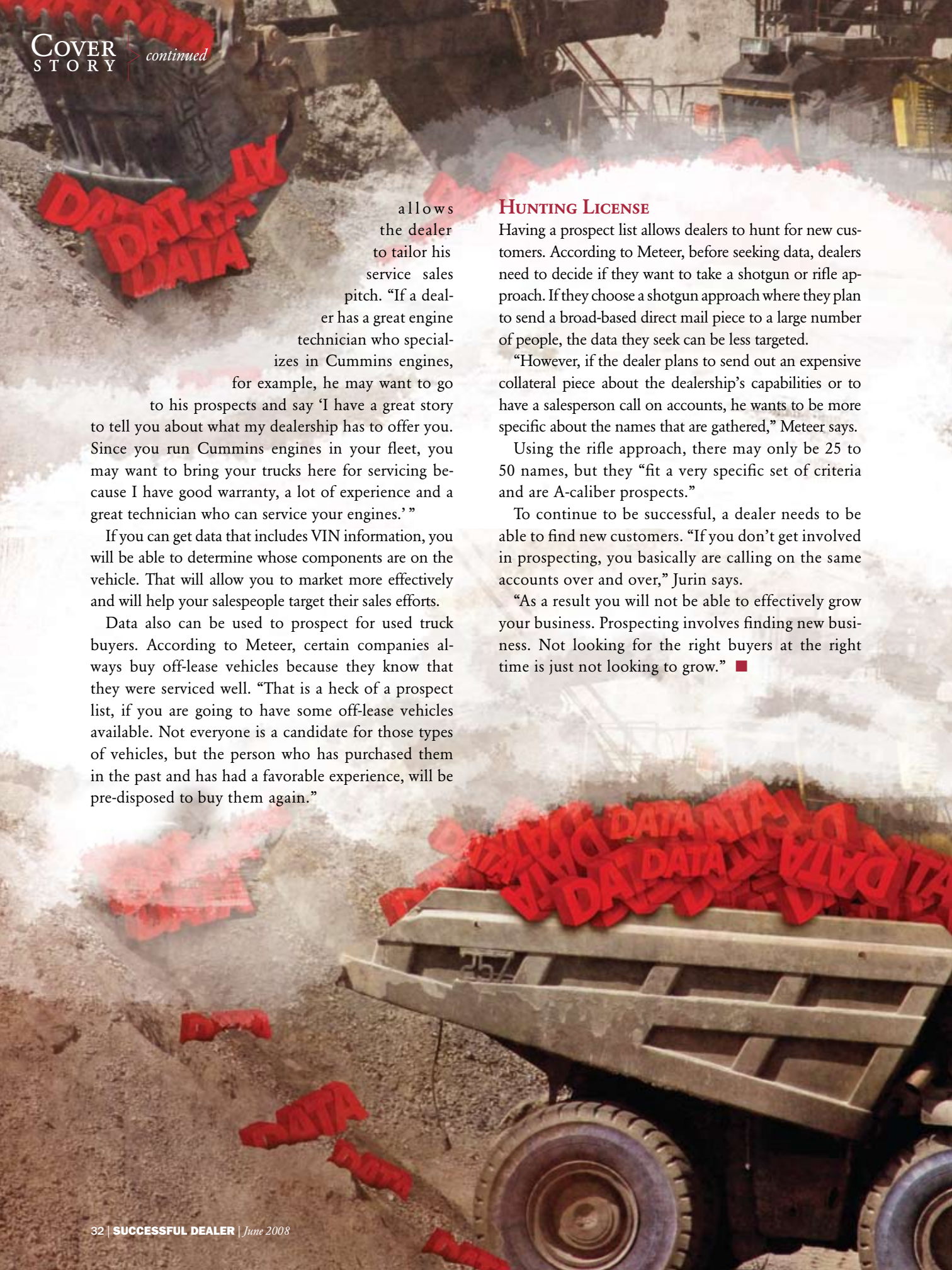
“We talk to dealers about who they are going after. We ask them to tell us what their best customers look like,” Meteer explains.

This information is used to find prospects that mirror the dealer’s best customers “right down to the number of vehicles they own, the type of vehicles, the type of company, the business they operate in, etc.”

By doing this, the 12 million records at the top of the funnel, get filtered to “a small list of names that are spot-on targeted to match the dealer’s best customers.”

As an example of targeting, a dealer who is looking to sell snowplows would start by asking for a list of all the businesses in his area that use snowplows or are in the landscaping business. To further refine the list, he might then ask to select from that list only those companies that own a certain make and model of trucks. And if he wanted it targeted even further, he would ask for companies that own three or more trucks.

According to Meteer, the best way to be successful with data is to say, “I know where I have done well in the past. I just need to find more people like that and go after their business.”



allows the dealer to tailor his service sales pitch. “If a dealer has a great engine technician who specializes in Cummins engines, for example, he may want to go to his prospects and say ‘I have a great story to tell you about what my dealership has to offer you. Since you run Cummins engines in your fleet, you may want to bring your trucks here for servicing because I have good warranty, a lot of experience and a great technician who can service your engines.’”

If you can get data that includes VIN information, you will be able to determine whose components are on the vehicle. That will allow you to market more effectively and will help your salespeople target their sales efforts.

Data also can be used to prospect for used truck buyers. According to Meter, certain companies always buy off-lease vehicles because they know that they were serviced well. “That is a heck of a prospect list, if you are going to have some off-lease vehicles available. Not everyone is a candidate for those types of vehicles, but the person who has purchased them in the past and has had a favorable experience, will be pre-disposed to buy them again.”

HUNTING LICENSE

Having a prospect list allows dealers to hunt for new customers. According to Meter, before seeking data, dealers need to decide if they want to take a shotgun or rifle approach. If they choose a shotgun approach where they plan to send a broad-based direct mail piece to a large number of people, the data they seek can be less targeted.

“However, if the dealer plans to send out an expensive collateral piece about the dealership’s capabilities or to have a salesperson call on accounts, he wants to be more specific about the names that are gathered,” Meter says.

Using the rifle approach, there may only be 25 to 50 names, but they “fit a very specific set of criteria and are A-caliber prospects.”

To continue to be successful, a dealer needs to be able to find new customers. “If you don’t get involved in prospecting, you basically are calling on the same accounts over and over,” Jurin says.

“As a result you will not be able to effectively grow your business. Prospecting involves finding new business. Not looking for the right buyers at the right time is just not looking to grow.” ■