How dealers speed customers' buying cycle

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As the leasing business strengthens, more dealers are contacting customers with offers to get out of leases and loans early — before the customers have begun shopping for their next vehicles.

New vehicles with attractive payment options — often no more and sometimes less than the customers are paying — are being offered to retail customers with equity in their vehicles and to lease customers with good payment histories.

Dealers who use factory and third-party programs to more efficiently identify and reach out to these customers are increasing sales and acquiring better used-vehicle inventory.

Curry Honda of Yorktown Heights, N.Y., sold about 200 vehicles last year to customers it courted through a system from Prospect Vision of Hickory, N.C. The system identifies dealership customers with equity in their vehicles and generates letters inviting them to explore getting a new vehicle at a lower payment or with money back. The dealership, which sold 2,700 new and used vehicles in 2010, started using the system nearly two years ago.

Inviting customers back before they're ready to shop for their next vehicle is a plus, says Mark Finch, Curry Honda's general sales manager. "It reconnects them with you. If you wait, they look at everything."

Fewer than half of customers who bought or leased vehicles last year chose their previous brand and of the more than 4.5 million new-vehicle buyers who returned to the market in 2009, just 30 percent were loyal to a dealer, according to R.L. Polk & Co.

Service customers, too

Curry Honda also uses the system to contact service customers, a huge potential sales market because there are about nine Honda dealers within 20 miles of the store, Finch says.

Prospect Vision systems are in about 200 dealerships nationwide, says Allen Levenson, vice president of sales and marketing. The system costs $500 to $800 a month depending on the size of a store and sales volume, plus less than $1 for each piece of customized mail generated.

Dealers are increasing sales by using factory and third-party programs to reach retail customers with equity in their vehicles and lease customers with good payment histories.