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Positive Results Case Study



Dorsett Mitsubishi: Dealership Cuts Media Budget in Half, Increases New Car Sales 35-40%

Problem

Dorsett Mitsubishi serves the Terre Haute area and a 70-mile radius offering new and used automotive sales as well as automotive repair services on all types of vehicles. Mitsubishi offers a variety of models that appeal to a range of drivers. Dorsett competes directly with all other import and domestic automotive dealerships. Indirectly it competes with all other used car dealerships.

Owner Brian Dorsett said the problem was being constantly bombarded by media representatives and their messages "about their product being the best for you, and they want 100% of your money most of the time." Dorsett said he had to try to figure out what that balance should be, from radio, television, newspaper, magazines, Internet, web site, whatever that is, while "working around a lot of the media coming in unexpectedly, which is their job, but you don't have time to deal with all the different ones."

Adding to the challenges was the fact that this improved approach needed to be implemented on a smaller, more cost-efficient budget.

Solution

"One of the things that I think we were able to do with MillerWhite," Dorsett said, "was have a prospect and a customer survey. There are various ways to get that problem solved in terms of finding out where your money is being heard, if you will, the most, in terms of the messages you're sending out to them."

"You have your customers who every day come in, use our service center, those kinds of things," he continued. "We were able send them eMails, and ask them those questions and let them take surveys, and give them reasons to take those surveys, and they were able to give us back information that we could use. And then certainly we have prospects coming in all the time looking for cars, not sure if they are in the market to buy a car or not, and we can offer them an opportunity as well to take a survey and give them a reason to do that."

Dorsett explained that the survey results that MillerWhite put together, along with the industry averages - the Nielsen ratings and the Arbitron ratings, also provided by MillerWhite - helped him arrive at a marketing budget.

"There's an equation that you come up with, and certainly MillerWhite has helped me do that...they're the ones who introduced me to this, to ask myself, hey listen, there's a place out here that you're going to get to where you're not going to get a return on your investment any more," Dorsett said. "The amount of times you have to get for that message to get out to the masses where it's going to optimize your opportunity at least for selling a vehicle or having that service customer come in."

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The Internet is also an important aspect of marketing. Dorsett said, "We know that folks out there today, they're on the Internet so much more, willing to look at certain eMails. Interactive media is something you can get an instant message from that you can kind of track right away."

And finally, Dorsett cited the importance of public relations in marketing his product. "The PR aspect at MillerWhite, again, is taking that load off of my shoulders of trying to coordinate those kinds of things. And MillerWhite comes up with the ideas, based on what our company's doing, what's happening within our company, or some kind of a message that we won an award that we want to get out there that's more of a public relations type of message, and they then take that to the media and use it wonderfully."

Results

Dorsett said, "We've been able to reduce the amount of advertising that we've spent in 2007 - in the last half of 2006 and in 2007 - and it's been a great help to us, because the co-op monies that Mitsubishi was paying were drastically reduced, so we had to come up with a plan, and the plan has worked wonderfully. We reduced the budget, and any time you do that, it's money in your pocket. A lot of advertising dollars, that's cash flow right out the door that you have to pay every month. And I think it's certainly been a big advantage to us to be able to cut that budget in half, and still be able to get a powerful message out there."

Dorsett Mitsubishi has targeted new car sales. "We wanted to really ramp up our new car sales," Dorsett said, "and fortunately we've been able to do that with a reduced advertising budget. Our new car numbers are up, easily 35 to 40 percent over where they were last year. And we continue to strive to improve that, because we feel like that's a major component to being profitable, is having a strong new car presence."

"And then also with our addition on our service center (14 new bays)," he continued, "we've had a major increase in the amount of R.O.s - service R.O.s - repair orders we're writing. And one of the basic messages we're getting out there is that we have a quick lube express, which is something we decided with MillerWhite, is going to drive people at a price point where we're going to be able to compete with the Jiffy Lubes of the world, because we know we give a higher end of service, have a higher technician rating certification. So we created that message, and we've seen results out of that that have really been a kind of a major surprise when you can reduce your budget and still increase your sales."

Dorsett concluded, "I think one thing that I've found personally that's helped me more than anything is knowing that I don't have to talk to three or four different media people throughout the day, disrupt my day, which allows me to get things I need to get accomplished done in the store. Anybody making decisions, whether you're a business owner or some kind of a manager, loves that."