

Reinventing
**EQUIY
MINING**

Version I



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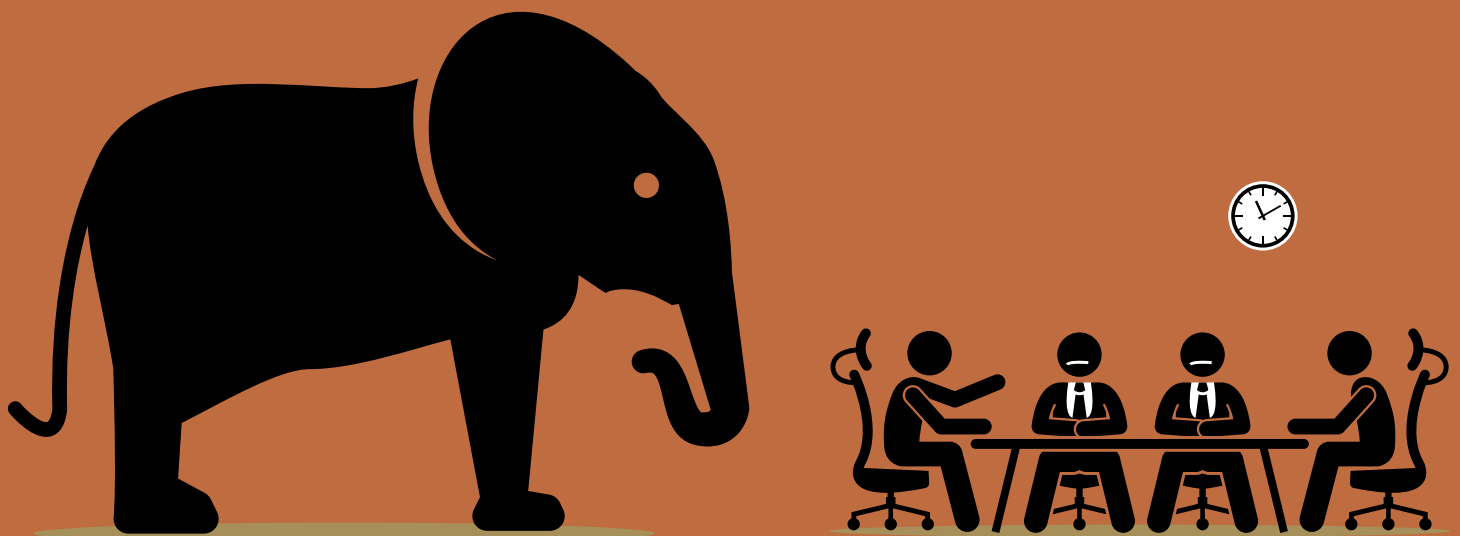
Where Equity Mining Fails

The elephant in the room

PEOPLE

The sales agents are to blame! Right? That is what the equity mining solutions typically say.

FRIKINtech is here to argue it fails because of the technology; not the people. People have something to do with it, but when the technology sets the stage properly the people have greater success.



Small Target

The purpose of equity mining solutions is to know when to intelligently apply proactive offers to customers and accelerate the purchase cycle.

Most equity mining solutions only process sold customer data from years ago depending on how the vehicle was financed. It then guesses at the current mileage on the car and computes approximately where the customer's payoff is based on the interest rate and term at the time of purchase. Then it compares that customer's estimated payoff to the current value that car may be worth today. A list is generated of the customers who may be in enough equity to get into a new car without any money down.

These sales-data-only solutions miss the main revenue generation department of the dealership: the service drive. The service drive is where the customer last spent money and that also comes with the most up-to-date data about that person and their car.

The additional benefit comes from accessing customers that did not buy or finance from the dealer. This is especially useful when sourcing inventory to sell is tough.

Service data contains the most up to date contact information, vehicle mileage, and last service history with the amount spent.



60%
Of Service ROs
Did not buy the car being
serviced from that
dealership



Human Process

Some tools send an email and a piece of snail mail to the last known address of that customer. Most of the time that is the same address they used at the time of contracting. Few equity solutions are checking the service DMS or dealership CRM to determine if there is new contact information. Some will do a household mail address lookup.

To get around this problem, a few equity mining solutions require someone at the dealership to hit the “send” button. The thought is that dealership employee will cross-reference other dealership data sources to update the proper physical address and email address. There is no information on how many dealerships actually do this, but the authors of this article are willing to bet it is not a large number.

Significant monthly investments in software that requires management of human processes add friction to a salesperson’s day.

- Anything deemed as “difficult” is avoided.
- Anything deemed as inaccurate is avoided.
- Anything that doesn’t provide a high likelihood of success is avoided.

Because so many equity tools rely on humans to begin the customer engagement process, they are avoided.

Many customers miss the equity offer because the contact information is old.



The Customer WIIFM

WIIFM = What's In It For Me?

“Save a few dollars a month to buy a newer version of the car you’re already driving!”

That sounds enticing, right?

Few customers repeat the same purchase every buying cycle. And yet, so many efforts focus on putting the customer back into the same car.

Let's stop making life so boring! Show the customer some variety. It is about new and used cars. Dealers, you just want to sell them a car and get a good trade. You don't really care if they buy the same model again.

Can this be done via mail?

Equity upgrade messages are usually started via snail mail and then followed by an email. Often, the email has that same piece of mail as an attachment with the body of the email asking the customer to open the attachment. The email itself has very little personalization to entice the customer.

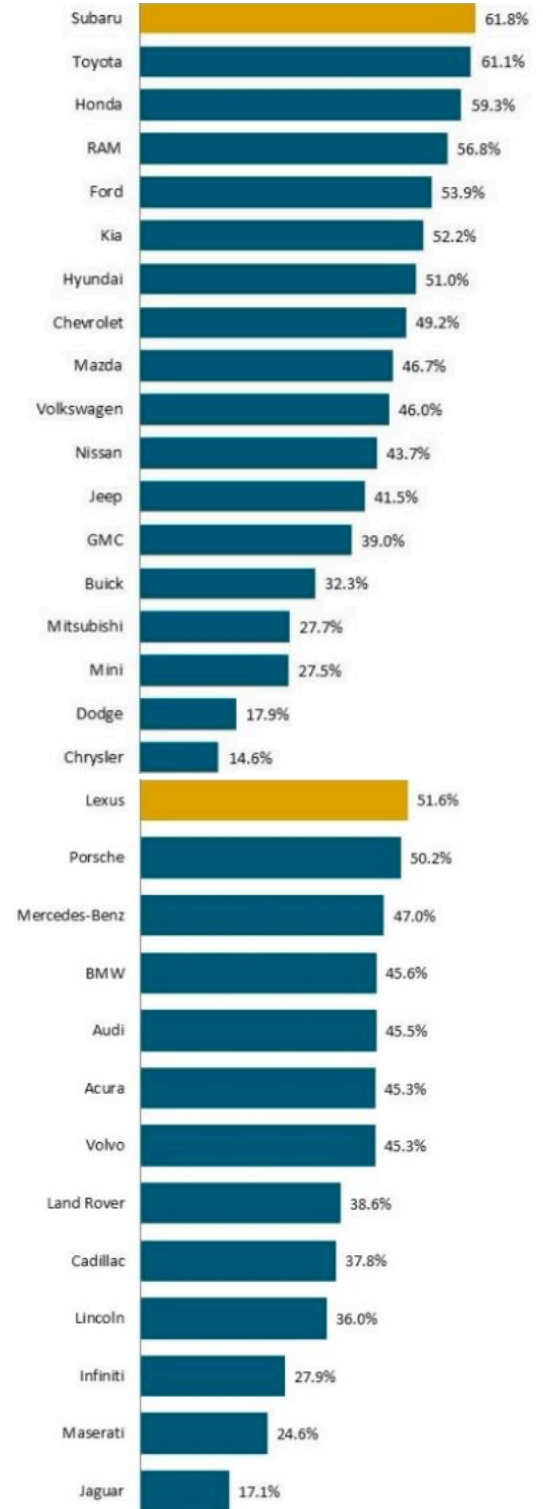
The call to action is what?

Call the dealer. Visit the dealer. Few customers are going to drop everything, jump out of their chair, and drive right down to the dealership. Some might pick up the phone to call the salesperson they are very familiar with.

If they do find the offer compelling, they may visit the dealership's website and play with the inventory. But how does one see their equity applied to the inventory on the dealership website?



J.D. Power 2021 Brand Loyalty



Source: J.D. Power 2021 U.S. Automotive Brand Loyalty Study

Sales people need Confidence

Asking an old dog to do new tricks takes a special kind of trainer. It takes rigorous follow-up with that trainer and the owner needs to be fully bought-in.

Equity mining tools rarely integrate with the CRM salespeople are asked to work in. This is due to not being able to track results that are logged in the CRM. It makes the equity tool cumbersome on the sales agent by not only being a foreign interface, but also a new source of training need. Equity mining tools most often fail from poor utilization by the sales staff.

Why ask the sales staff to change?

It's hard for a salesperson to confidently complete blind outbound equity communications. It's why so few attempts are completed. The game completely changes when the initial proactive outreach is completed successfully via automation and the customer is already engaged when a human is adding to the communication thread and process.

Technology can breed confidence when it integrates directly into tools sales agents already know. Modern equity tools can enhance the customer record to give sales agents an advantage that takes confidence to another level!

Confidence blossoms by doing what comes naturally and being successful in doing it.



Why so static?

Static offers in the mail or a PDF attachment only show the customer one option: buy the same car they are already driving. It is a digital world; this static view is unnecessary.

When inventory is short, a static offer on a car that may not be in stock can lead to upset customers. Nearly all current equity solutions are based on a static experience and offer. Dealers with live offers on the entire inventory, delivered from a live interactive user experience, will engage more far more customers.

What about making that payment savings even deeper by offering a lease? Most equity tools are programmed to make simple car payment calculations and may not have the capability to show a lease on a new car.

What about used cars? Sometimes, people step-up to that SUV they dreamed about when they can afford the used one. And when inventory is short, some dealers may have a larger selection of used cars to offer. Also, when inventory is short it may be time to offer used car leases.

If you know who the customer is and where they live, then you can include taxes and fees in any offer. This is an added value to show you are honest and another reason they should buy from you again.

If you have their last repair order from service, you can make a more intelligent offer based on the miles they actually drive.

A live experience opens up conquering where conquered customers can interact in real-time to get immediate results on your full inventory. These HIGHLY engaged shoppers can dramatically increase market share.



0.5%

Is a good return on direct mail and
1% is a good return on email marketing



15x

More response over email with FRIKINtech SERVICEiQ texting.
30x more over mail.

based on Dec 2021 results



How to win with Equity Mining

Entice the customer with a dynamic offer, via a medium that gets their attention, and let their actions create leads for your sales team to work from your CRM.

Conquest your service drive and retain past sales customers at the same time! Instead of limiting your fishing net to the 200 deals you delivered this month 3 years ago, add another 1,000+ service repair orders that were closed this month too. Your chances of selling more cars are much higher when you engage with more customers.

The power of a dynamic offer that allows the customer to tune their payoff, credit tier, and add additional downpayment on top of EVERY car they can buy - new and used - changes the entire equity mining game.

- It does not have to know every detail of how they bought their last car.
- It enables the service drive where they just spent money with you and has the exact miles & vehicle.
- It kills the need for mail and allows for mediums like texting.
- It eliminates the need for your staff to log into another tool.
- It integrates with your CRM.
- It generates way more 1st Party Leads.

FRIKINtech's SERVICEiQ Equity Engagement Engine is how equity mining will be done from this day forward.



[Get a demo now](#)

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 **FRIKINtech**
is FRIKTIONLESS technologies