Case Studies

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‘You need to get close to a Renault to appreciate its beauty’: Summer test drive DM/online/e-mail campaign

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Achieving increasingly difficult sales

Style and safety matter

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Background

The automotive market in the UK is extremely competitive, with car buyers having much more choice now than they did ten years ago. Thus manufacturers have to be more adaptable to the needs/demands of consumers and competitors.

In the UK there are two significant dates for the automotive market — March and September — when the number plates change sequence. Being the first to have the new season’s number plate has a certain cachet and generates significant sales within those months for the manufacturers. As a result, automotive manufacturers look to generate a significant proportion of their annual sales figures during these two critical sales periods.

But this is easier said than done. Being a critical sales period, there is considerable noise in the market, as every manufacturer is doing the same thing, trying to get car buyers to buy its particular car. Adding further consumer confusion comes in the form of marketing spend.

Success is critical, failure is not an option! Each manufacturer is keen to succeed and car buyers are in control (really!). So manufacturers are desperate and will offer financial discounts, special edition value models and personal incentives to encourage dealer traffic, test drives and ultimately sales. Achieving stand-out in such a noisy market is paramount.

Such a high-value, high-involvement purchase decision is not made lightly, and therefore test drives are crucial to making an informed decision on the car that best suits one’s needs. Manufacturers rely on dealer test drives, as on average one in four test drives lead to a sale.

Renault UK’s current market share of 7.4 per cent places it in third position in the UK car market. Consideration for a Renault is at 6.7 per cent and, in both sales and consideration, Renault is ranked behind market leaders Ford and Vauxhall, which are viewed as traditionally ‘British’ marques despite their US heritage.

Renault is seen to be a brand that is well styled and makes safe cars that perform well — to retain this positioning and market share in a competitive mass-market environment, marketing to motivate consumers to trial a Renault is essential.

Objectives

The objective for the September 2005 plate change was simple! It was known that one in four test drives leads to a sale, thus it was necessary to focus on generating test drives. Publicis and Carat were tasked with consolidating all Q3 activity to generate 3,000 retail test drives by competitive owners during a single month, August 2005. This was an increase of 300 per cent against the number of conquest test drives (1,000) that had been the objective for August 2004. The test drive campaign in 2004 did not only have a lower target, but also generated only 350 test drives.

Achieving significant increase

For 2005, with an average cancellation rate of 25 per cent, a minimum 4,000 test drives need to be booked. Increasing the number of leads generated threefold would be tough to achieve.

At the same time, Renault needed to circumnavigate its existing prospect strategy and combine brand awareness/familiarity and brand consideration to trial (the test drive) — no mean feat given the value of the purchase and an individual's preference.

Strategy

Reduce incentive responders

An incentivised test drive programme (respondents received a £15 M&S voucher upon completion of the test drive) was crucial to ensure consumers booked and turned up to take their test drive. The incentive was sufficient to entice interested car buyers into booking a test drive with Renault and weed out 'tyre kickers' or incentive responders. This type of incentive had been effective in past communication and ensures that the truly committed car buyers are booking in for test drives.

This was a simple and previously proven approach to test driving, enabling Renault to compete with mass-market competitors and get competitor 'bums on seats'. The differentiation to motivate the consumer to choose Renault over competitors came through the experience of driving a new Renault — letting the car do the talking.

The creative thought embraced this with the proposition 'You need to get close to a Renault to appreciate its beauty', which was translated across all targeted direct mail, e-mail and internet marketing in July and August.

Direct mail and e-mail were used to reach consumers likely to be shopping for a new vehicle and likely to be interested in Renault based on previous performance. This included reaching consumers through tried and tested lifestyle lists such as Experian and Claritas, as well as Data Media Retail (IMF Insurance and Carfinder) and affinity lists aligned to the Renault Segmentation (CCS) to support targeting for the higher-volume models such as the Clio and Mégane.

The direct marketing and e-mail campaign also included tailoring by model family (by vehicle owned or propensity to own) to generate greater resonance with the consumers when they received the mail pack.

Harness the role of the internet

It is widely recognised that the internet plays a major role in the research and purchase decision-making process of consumers in the market for a new or used vehicle.¹ Online marketing incorporating

display advertising and search was thus the other significant channel for the Q3 test drive programme.

Contact strategy (tactics)

Integrated contact strategy

Consumers have been showing that they consume communication from all manner of sources and outtake what they need to know, when they need it. Not new 'news', and given the fragmented media landscape and consumer lifestyles, it was necessary to devise an integrated contact strategy that leveraged the various media contact points and communicated Renault's proposition very clearly.

It was imperative that the campaign was targeted effectively and optimised at every vantage point (banners to e-mail, website to call centres) to ensure every contact was maximised.

The contact strategy involved:

- e-mail to IMF Insurance and Carfinder databases driving to a campaign-specific website (www.summertestdrive.co.uk)
- online advertising on run-of-network affiliate sites, portals and automotive sites
- direct mail to competitive owners sourced from lifestyle and affinity databases; a test DM pack against a postcard based on likely propensity to respond was included
- display online advertising and search.

Driven to Renault's landing page

All online communication activity directed enquiries to www.summertestdrive.co.uk as the response channel, ensuring that queries, expressions of interest and test drive requests could be effectively and efficiently managed to provide respondents with an initial satisfactory customer experience of Renault.

Results

Overdelivering prospects

The Q3 summer test drive campaign has been one of the most successful Renault test drive campaigns, overachieving against its objectives. In total 7,499 test drives were booked as a result of the marketing activity, of which 4,348 test drives were actually taken.

The individual campaign activity results highlight the effect of an integrated campaign reaching the desired audience.

Online advertising and e-mail activity

Online advertising and email activity generated 49 per cent of all test drives booked and outperformed forecast by 269.7 per cent (Table 1).

Table 1: Online advertising and e-mail

Online and e-mail	Impressions	Clicks	Test drive bookings
Target	48,124,400	83,459	872
Actual	90,506,984	139,847	3,697
Performance	188%	168%	269.7%

Direct marketing activity

Direct mail was an equally important part of the contact strategy, targeting competitive owners with a brand-responsive message that enabled Renault to send them with tailored communication (Table 2). DM allowed Renault to offer consumers the Renault equivalent of their current model and at the same build a rapport with the Renault brand.

DM respondents were able to respond via website and telephone to arrange a test drive. The website for the DM was www.drive.renault.co.uk instead of www.summertestdrive.co.uk, which allowed Renault to measure the responsiveness of the campaign elements.

Campaign efficiency

When comparing channel effectiveness, e-mail in combination with e-marketing was much more effective in terms of cost per acquisition, while DM generated 224 more test drives (actual show-ups), showing targeted DM activity is as compelling in delivering success for Renault as other media channels.

There was a higher cancellation rate than forecast (6.7 per cent of total test drive confirmations), but the final volume of test drives taken was 45 per cent higher than the initial target.

In addition, Renault UK was able to analyse the effectiveness of its response channels, which, as outlined in Table 3, showed that telephone response (booking an actual test drive) is still a very effective channel for respondents.

Conclusions

The campaign provides information to feed into planning for future activity: the step from low consideration to test drive is a significant one, and Renault is able to analyse response to see which consumers responded and completed their test drive or, conversely, booked a test drive experience but did not show.

It also highlights that empowering prospects through an integrated contact strategy and enabling them to respond via more than one channel provides consumers with options that were previously not available.

In addition, a highly targeted, motivational contact strategy that focuses

Driving contact efficiency

Run of network

Table 2: DM activity

DM	Response rate	Test drive bookings
Target	0.27%	3,250
Actual	0.42%	3,802
Performance	56%	17%

Table 3: Show-up rates by channel

Channel	Show-up rate (%)
DM → telephone	65
DM → online	50
Online/e-mail → online	43

and engages the audience is critically important to cutting through a fragmented media landscape. And the combined effect of online, e-mail and DM working together to deliver communication is more compelling than individual communication activity.

Reference

1. Yahoo! (2005) 'Search, a critical component in the auto purchase process', Yahoo! and Compete Inc., available online at blog.searchenginewatch.com/blog/pdf/0509-yahoo-car-study.pdf.