



‘Dirty data’ squanders millions in missed profits for dealers, research shows

Dealer database analysis reveals the cost of failing to keep track of customers

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MORE THAN HALF of all customer records in dealer databases may be incorrect, according to new research by data experts, Auto Data Solutions (ADS).

It means that dealers are routinely wasting time and money in their communications, letting down customers and squandering chances to increase revenue.

ADS found that a surprisingly high proportion of basic customer details are rarely updated in many dealer databases, suggesting that the true magnitude and cost of the problem is little understood in the industry.

In one typical database analysed by ADS more than a third of MOT details were incorrect – with other discrepancies taking the total number of flawed records to more than half.

It suggests that the industry is responsible for countless irrelevant communications going out annually to the wrong people, at the wrong time or to incorrect addresses, with dealers also neglecting the right customers and ~~squandering missing~~ opportunities to increase their own workshop and sales business, says ADS.

ADS even found that a significant number of dealer communications are sent to deceased customers.

The analysis saw ADS delve into the databases of several major dealer groups by using its advanced real-time data checking system.

ADS tracks real-time changes across all of the most important stages in a vehicle's ownership history and enables comprehensive database updates, such as changes of keeper, owner's address and other details so that dealers can more efficiently contact and strengthen their relationship with a customer.

They found dealer databases not only containing a high proportion of incorrect addresses and customers who no longer have the car originally supplied, but also failing to reflect VRM changes, MOT dates, alerts to written-off, scrapped or stolen vehicles and even the deaths of some customers.

ADS found that 74.1% of 424,000 customer records in one dealer group database were inaccurate.

~~Examples included~~ In this same database, 112,550 customers no longer owning the car and 61.2% had incorrect MOT dates.

ADS believes that the UK automotive retail sector is still a long way behind other industries, such as food retail, in terms of customer data quality, which means millions in potential revenue is available simply through properly managing their databases.

Based on the experience of dealers who have opted to cleanse their databases ADS estimates that correcting 1,000 MOT data discrepancies alone can bring an additional £40,000 of workshop revenue, based on just a 30% booking rate at 35% profit margin.

"There are many reasons why dealers often fail to grasp the nettle of cleansing their customer databases," said **Jon Sheard, Operations Director of ADS**.

"These range from simply not realising how poor their records are, to difficulties in re-importing a fully accurate customer database into their DMS without expert help, or mistakenly believing that they can only perform the data cleansing themselves."

ADS argues that timely data cleansing – most ideally in real time - answers those problems and points out that the boost in revenue from more efficient customer contact far outweighs investment costs in ensuring database accuracy.

Jon said: "Our analysis reveals a lot of low-hanging fruit available simply by knowing the basics, such as where people live, whether they still have the car and when its MOT is due.

"Research consistently demonstrates that if the right customers are contacted at a relevant moment a significant proportion of them will book service work or begin a conversation about changing their car.

"But that's not possible if you've lost track of them.

"By allowing customers to drift away, while wasting time and money sending communications to incorrect addresses or to customers who have moved on to another dealer, countless opportunities are missed every day."

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ABOUT ADS

ADS - auto data solutions - connects motor retail businesses with market and customer data that increases efficiency and boosts revenue. Founded by a team of former senior CAP-HPI managers, ADS partners with all of the leading data and system providers to provide a unique set of services designed to drive growth and profitability for dealers.