



Millions of lapsed franchise dealer customers are driving potentially unsafe cars, data experts warn

Dealers risk breaching their duty of care while also missing out on major additional revenue, says ADS

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LOSING TRACK of customers risks dealers failing in their duty of care and also missing out on millions in additional revenue, according to research by data quality experts ADS.

ADS analysis of dealer and industry databases reveals that around 1 in 5 lapsed customers are driving cars with an outstanding safety recall.

Not only does this represent a potential duty of care issue for dealers who lost track of those customers, they are missing opportunities for significant additional workshop and sales revenue, says ADS.

ADS analysis reveals that customers who return for a recall then book appointments resulting in average additional revenue of £309.

With so many uncontacted customers driving recalled cars this represents a potential industry-wide revenue loss approaching £500 million, reports ADS.

Dealers who do bring customers in for a recall typically win further business, while also improving long-term relationships and brand loyalty.

Working with DMS and other dealer service providers, ADS uses its 'Recall Alert' system to analyse dealer databases and cross-refer them with every source of recall data. This enables dealers to re-establish contact with those customers they had 'lost'.

One Recall Alert project, in partnership with Marketing Delivery, boosted revenue for a Mercedes dealer group by more than £450,000 over 12 months.

First, they identified all customers with whom there had been no contact for the previous 18 months.

Having determined that more than 20% of those lapsed customers had outstanding safety recalls, ADS enabled the dealers to re-establish contact.

Many of those customers booked additional services and repairs or went on to buy another car.

Jon Sheard, Operations Director of ADS, said: "Dealers typically lose track of around 15% of their customers a year, as people's circumstances change.

"As well as missing revenue opportunities this also leaves millions of cars on the road subject to an outstanding safety recall.

"In our work we have seen franchise dealer databases where more than 20% of lapsed customers are driving cars with an outstanding recall. Not only should these be booked in as soon as possible, many also need additional work that will otherwise be carried out by competitors.

"Based on real life booking rates and average customer spend we estimate that the dealers in question are missing up to half a billion pounds in total additional revenue, nationally, simply by losing track of customers."

ADS also stresses that customers appreciate dealers showing duty of care by performing recalls, which strengthens brand loyalty, improves relationships and bolsters business reputation.

Working with franchised and independent dealers, ADS (Auto Data Solutions), specialises as a 'hub' connecting all significant data sources for customers across the industry. In a fast-moving and fluid market its focus is on helping to prevent dealers from losing track of customers so that they can build stronger and more loyal relationships.

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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. Working with franchised and independent dealers, ADS (Auto Data Solutions), specialises as a 'hub' bringing together significant data sources for customers across the industry. In a fast-moving and fluid market its focus is on helping to prevent dealers from losing track of customers so that they can build stronger and more loyal relationships.

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.