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# DEALER DOMINATES CASH FOR CLUNKERS MARKET

Paragon Honda and Acura of Queens, NY had already collected over 1,000 leads before President Obama signed the "Cash for Clunkers" bill into law, and they have continued to collect thousands more through their targeted marketing strategy.

"These customers have a \$4,500 advantage, so they are a great customer to target," said Paragon GM and Vice President Brian Benstock. "While other dealers are waiting for July 23, we have already contacted all the qualified consumers in our market."

As is widely known by now, the federal government is allocating between \$1 to 4 billion to provide consumers \$4,500 vouchers towards the purchase of a new, more energy-efficient vehicle. The program is scheduled to run between July 1 and Nov. 1, 2009, or when the funds run out, whichever comes first.

If there are a lot of dealers like Paragon, the funds will most definitely run out before the Nov. 1 deadline because of the aggressive marketing campaigns aimed at getting more than their fair share of the \$1 billion in rebate money.

The official name of the bill that was passed is the Consumer Assistance to Recycle and Save Program (C.A.R.S.). You can visit [www.ConsumerAssistanceToRecycleAndSave.org](http://www.ConsumerAssistanceToRecycleAndSave.org) to view legislation and a summary of the rules. The program is being implemented by the NHTSA, which will post the rules on July 23<sup>rd</sup> at [www.cars.gov](http://www.cars.gov), the only official government Web site. Figure 1 shows a summary of the program.

The dealerships reaching these consumers first not only will take advantage of the dramatic increase in demand that this bill is designed to create, but will also build a large local database for future

marketing, and that is exactly what Paragon has done.

**National and Regional Strategy**  
Paragon positioned themselves as the go-to resource for "cash for clunkers" information in their market. Their Web site, [www.CashForClunkersNY.com](http://www.CashForClunkersNY.com), is an information portal that helps consumers learn about the program and connects them with the dealership to get pricing information. The Web site was built for free by their national "cash for clunkers" network partner, [www.CashForClunkersInformation.org](http://www.CashForClunkersInformation.org), a consumer information site that educates consumers and helps them find licensed dealers in their markets.

By partnering with [www.CashForClunkersInformation.org](http://www.CashForClunkersInformation.org), Paragon receives all the national leads from the site, and has benefited from their three celebrity spokespeople (Mexican actress, singer and comedienne Angelica Vale, "Dancing with the Stars" actor Cristian de la Fuente and former Chief of the U.S. Office of Citizenship Alfonso Aguilar), who have promoted the organization on the biggest news outlets in English and Spanish. While Paragon does not get all the leads from the

search marketing, e-mail marketing, banner ads, print, PR, radio, point of sale merchandising and, of course, the aforementioned Web sites.

**Paragon's Targeted Marketing Plan**  
On average, approximately 10 to 15 percent of a particular market qualifies for the program. Paragon used [www.ClunkerList.com](http://www.ClunkerList.com), a list of the top-200 markets that shows the numbers of vehicles that qualify for the program, along with another sub-list that shows customers who qualify for the program and have a higher probability of qualifying for financing. Paragon implemented a targeted campaign to all the clunker prospects in their market before their competitors because they had the campaign ready to go before the bill was passed.

### Web Marketing

To inform everyone who visits their dealership Web site, Paragon added the "Cash for Clunkers" logo on their home page, which leads consumers to [www.CashForClunkersNY.com](http://www.CashForClunkersNY.com). Paragon appears first for people searching "Cash for Clunkers NY" in their market (you can test this for yourself with Google). They are also in many articles that appear first in the top

## SUMMARY OF CASH FOR C.A.R.S. PROGRAM

New Vehicle	Minimum Fuel Economy for New Vehicle	\$3,500 Voucher	\$4,500 Voucher
All Passenger Cars	22 mpg (EPA Combined)	Mileage improvement of at least 4 to 9 mpg	Mileage improvement of at least 10 mpg
Light-Duty Truck (1)	18 mpg (EPA Combined)	Mileage improvement of at least 2 to 5 mpg	Mileage improvement of at least 5 mpg
Large Light-Duty Truck (2) (up to 8,500 Pounds)	15 mpg (EPA Combined)	Mileage improvement of at least 1 mpg	Mileage improvement of at least 2 mpg
Work Truck (3) (8,500 to 10,000 Pounds)	N/A	Trade-in must be similar in size or smaller	N/A

national site, they get the leads for their particular market. In addition, Paragon has licensed the entire marketing campaign to promote the program to qualified consumers through targeted mail to the clunker list,

search phrases in New York. Paragon also has banner ads that have remarkably high click-through rates and lead conversions. Finally, they sent an e-mail campaign to their customer base to inform them of the



program and to remind consumers who don't qualify for the government's program that they can qualify for the manufacturer and dealer incentive programs.

### Publicity

If you Google [www.CashForClunkersNY.com](http://www.CashForClunkersNY.com) you will see some of the press Paragon and their Web site has received in the last few weeks. The national site, [www.CashForClunkersInformation.org](http://www.CashForClunkersInformation.org), generated all of the local press, and positioned Benstock as the subject-matter expert with the local media. As a result, he did both national and local TV (NY1), radio, print and online interviews. As a result of the publicity, consumers who are learning about the C.A.R.S. program for the first time are only one click away from their information portal, which sends leads directly to their dealership.

### Traditional Advertising

Paragon used a half-page print ad and limited radio. All of the ads had the same credible message that positioned Paragon and its consumer portal as the "cash for clunkers" resource for information. Paragon's radio ads are short news updates that inform customers about the government rebate program and drive them to [www.CashForClunkersNY.com](http://www.CashForClunkersNY.com) for more

information. After consumers learn about the program, dealers will have to highlight the incremental incentives offer above and beyond the \$4,500 rebates.

### Point of Sale Merchandising

Consumers who visited Paragon immediately saw their in-store merchandising that confirmed they were a participating "cash for clunkers" dealer. The in-store merchandising also clearly explained the program. The merchandising includes posters, placemats, hang tags and a brochure.

### Dedicated Team and Process

The above average response rates have generated call volume that is beyond Paragon's BDC capacity, so all Paragon's leads are being directed to the campaign call center. The call center schedules the appointments and sends a confirmation e-mail with instructions and directions. The dealership then confirms the appointment and sells the car. Follow-up on no-shows and unsold prospects is done by their BDC and sales staff.

### Vehicle Disposal & Receivables

Paragon has set up processes that start on the initial call to get the

required documentation necessary to receive their funding from the government. To get the funding within 10 days of the application, dealers must prove the vehicle was operable, has been owned, registered and insured in the buyer's name for a minimum of one year, and was salvaged according to program guidelines that will be published on July 23, 2009 on [www.Cars.gov](http://www.Cars.gov).

This thoughtful marketing campaign has given Paragon a head start in the New York area. Paragon's early success has already sold them more than 40 new vehicles and hopefully this article will help other dealers create a winning strategy to maximize this historic opportunity in their market.

### For More Information

- To view Paragon's regional Web site, visit [www.CashForClunkersNY.com](http://www.CashForClunkersNY.com).
- To view a summary of Paragon's strategy, visit [www.ClunkerCampaign.com](http://www.ClunkerCampaign.com).
- To view the government's Web site, visit [www.Cars.gov](http://www.Cars.gov).

For more information about the Cash for Clunkers program, visit [www.CashForClunkersInformation.org](http://www.CashForClunkersInformation.org).

## CAMPAIGN MATERIALS





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