

# DIRECT MARKETING

## AUTO FINANCE TRIGGER CAMPAIGN

INNOVATION

COST EFFICIENCY

CUSTOMER LOYALTY

INCREASED ROI

**CLIENT:** Auto Finance Company

**PROJECT:** Manage Lifecycle Communications to new and pre-owned auto buyers who finance with our client

### OBJECTIVES:

Sandy Alexander was challenged with improving quality and reducing costs of Lifecycle Communications for the finance division of a major automaker. These communications ranged from Welcome Kits to Owner Off-Lease and current customers who were projected to be "In-Market" for a new vehicle within six months. The program included a total of seven different communications triggered by a daily consolidated data feed supplied from the customer's ERP system. Of the seven different communications – two were triggered daily, two were triggered weekly, and three were triggered bi-weekly. Sandy Alexander's goal was to reduce cost and improve the quality of the direct mail pieces and the overall customer experience.

### SOLUTIONS:

**Cost Reduction Strategy:** The first step was to evaluate the base specifications and objectives of the campaign to determine where efficiency could be increased without sacrificing the quality of the customer experience. Sandy Alexander was able to find significant savings by focusing on a number of key areas.

- **Frequency** – Several communications for Owner Off-Lease and In-Market Customers needed to include offers that changed every 60 days. However, because they were being produced bi-weekly certain offers were excluded. We recommended establishing a monthly production cycle to ensure that offers could be included and in market soon enough to be effective. This solution saved approximately \$40,000 annually and improved the effectiveness of the communications.
- **Project Specifications** – The largest opportunity for savings was increasing the efficiency of the mail pieces. There were a number of areas where we found significant savings:
  - » **Paper Stock** – The client was using a number of expensive stocks specified by a design agency. We were able to replace two of the primary stocks being used. For one stock, our partnership with Mohawk allowed us to identify and adapt a custom stock for our client. For the second stock, we changed the brightness used and passed on to the client our company's volume discount pricing. Once the new stocks were identified Sandy Alexander ran several tests to ensure that the client was happy with the quality, feel, and integrity of the mail pieces. The total savings by making these changes was \$200,000 annually.

» **Size adjustments** – One of the major components of the largest welcome kit format was a fully variable and digitally produced multi-page saddle stitch brochure. The DM insert was portrait orientation and the size specified required production as two separate forms that needed to be matched and stitched together. Because of our HP 10000 technology Sandy Alexander was able to offer a landscape format that was slightly smaller and allowed us to produce the variable brochure piece as a single sheet. This size change not only created cost savings but it also achieved other key objectives:

- Reduced likelihood of error and mismatches
- Improved production speed to market
- Due to the landscape orientation we enlarged the vehicle images resulting in a more eye-catching and engaging communication.

Another challenge was that the client needed to make changes without having access to the original design agency because the piece had been designed several years before. Also, the content was updated annually based upon Model Year Change Over or regulatory changes to the terms and conditions. To solve this challenge, Sandy Alexander's production designers utilized the existing content and adapted it for the new size. The client was pleased on the first creative review and it took only a few minor adjustments to finalize the design.

The total savings in paper (due to smaller size), postage (lighter weight), and manufacturing efficiency achieved by this change was \$250,000.

## ADDITIONAL OBSTACLES:

We had three months from the date the contract was awarded to launch. During this time our recommendations were proposed, evaluated, and put in place even as the project was being moved to us from another vendor. In addition, two of the communications were shortened from a three month to six week launch window, and an eighth communication was added within the launch window.

## RESULTS:

By re-engineering the existing campaigns Sandy Alexander was able to save the client almost \$500,000, reducing their total cost by 20% and increasing the campaign ROI. Working together with our client we made major improvements in their campaign, facilitated a seamless transition from the previous vendor, and delivered a campaign that was on time and under budget.

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