

How to Use the Internet as the Most Cost-Effective Advertising Medium *EVER*

Now is a critical time to change how your dealership thinks and spends advertising dollars.



Today's Objective

- Understand the Internet as advertising. (and it's not really just about how many emails you get.)
- Why your web site is the most important advertising for your dealership.
- Types of online advertising and how to measure them.
- Re-inventing the Internet Department as the focal point of all dealership activity, including and especially advertising.
- Putting it all together



On the Economy: Which One Are You?

Pessimist –

Glass is Half Empty

Optimist –

Glass is Half Full



On the Economy: Which One Are You?

The Rationalist -

The glass is twice as big as
it needs to be...



Let's Get Real

Credit was given too freely and much of historical market gains were based on pretend money.

What does this mean for you?

People will continue to buy cars. Just not as many or as often.



Where are the car buyers?

FACT: MEDIA HABITS HAVE CHANGED DRASTICALLY, BUT DEALER ADVERTISING HAS BEEN SLOW TO ADAPT.

75% of car shoppers used the Internet	vs.	16.6% Dealer Budget
8% of car shoppers used TV	vs.	16.9% Dealer Budget
2% of car shoppers used direct mail	vs.	10% Dealer Budget
4% of car shoppers used radio	vs.	17.4% Dealer Budget
13% used newspaper	vs.	27% Dealer Budget

**2008 NADA DATA, AutoTrader.com Walk-in Study December 2008, JD Powers 2008*



It may be the internet... but it's **STILL** advertising!

Online advertising should be the **first** place dollars are spent. Dealers can save a great deal of money by engaging in a full-blown online strategy, adding dollars to the bottom line and even making money in a down market!

Sell the Car, Sell the Dealer



Sell the Car, Sell the Dealer

LET'S TALK ADVERTISING



def. *the act of or practice of calling public attention to one's product or service. to get more customers by advertising.*

***Right* Audience + *right* message = customers**



Advertising Overview

Push vs. Pull

Traditional Advertising is “Push” Marketing

– Interruptive, one to many advertising, “Mass Marketing”

- Newspapers
- Radio – (Satellite, HD Radio, Streaming)
- TV – (English, Spanish)
- Outdoor – Billboards
- Yellow Pages – Offline and Online
- Direct Mail
- Magazines
- Banners/Buttons, Mass Email, Sponsorships



The New PARADIGM

Pull v. Push

Permission Marketing – “Pull” Marketing

One-to-one advertising, consumers come to you and ask for your ad (hand-raisers)

- Your Own Engaging Web Site/SEO
- Classified Sites like AutoTrader.com, Cars.com, EbayMotors, Edmunds.com
- Search Engine Marketing
- Permission Email/Texting
- Social Media Marketing/Blogging
- Use of your CRM as a follow-up tool

ALL THROUGH THE INTERNET



Have you ever heard...

“I know that half of my advertising is wasted. The problem is, I don’t know which half.” - John Wanamaker

With all the tracking available from phone, chat, email and Internet quantifying reports...

Now is the time to figure it out!



Why Should You Care?

Because embracing the right kinds of Internet advertising is crucial for survival in today's economy.

You could be missing the boat! Dealers have a wealth of online options providing the most targeted advertising available today; many have little to do with the number of email leads received.

It may not be “cheap” anymore, but online advertising is the ***most valuable and critical*** tool in a dealer's ad strategy.



Consider This...

Ad Clutter is OUT OF CONTROL - it's more difficult than ever and expensive to get through all the noise (we see 1,000,000 ads per year or an average of 3,000 per day).

Technology allows people to avoid commercials (Satellite Radio, TIVO)

Media companies are dropping their rates because market share and accountability are down



**The way advertising has worked in the past
is not viable if you're struggling to survive!**

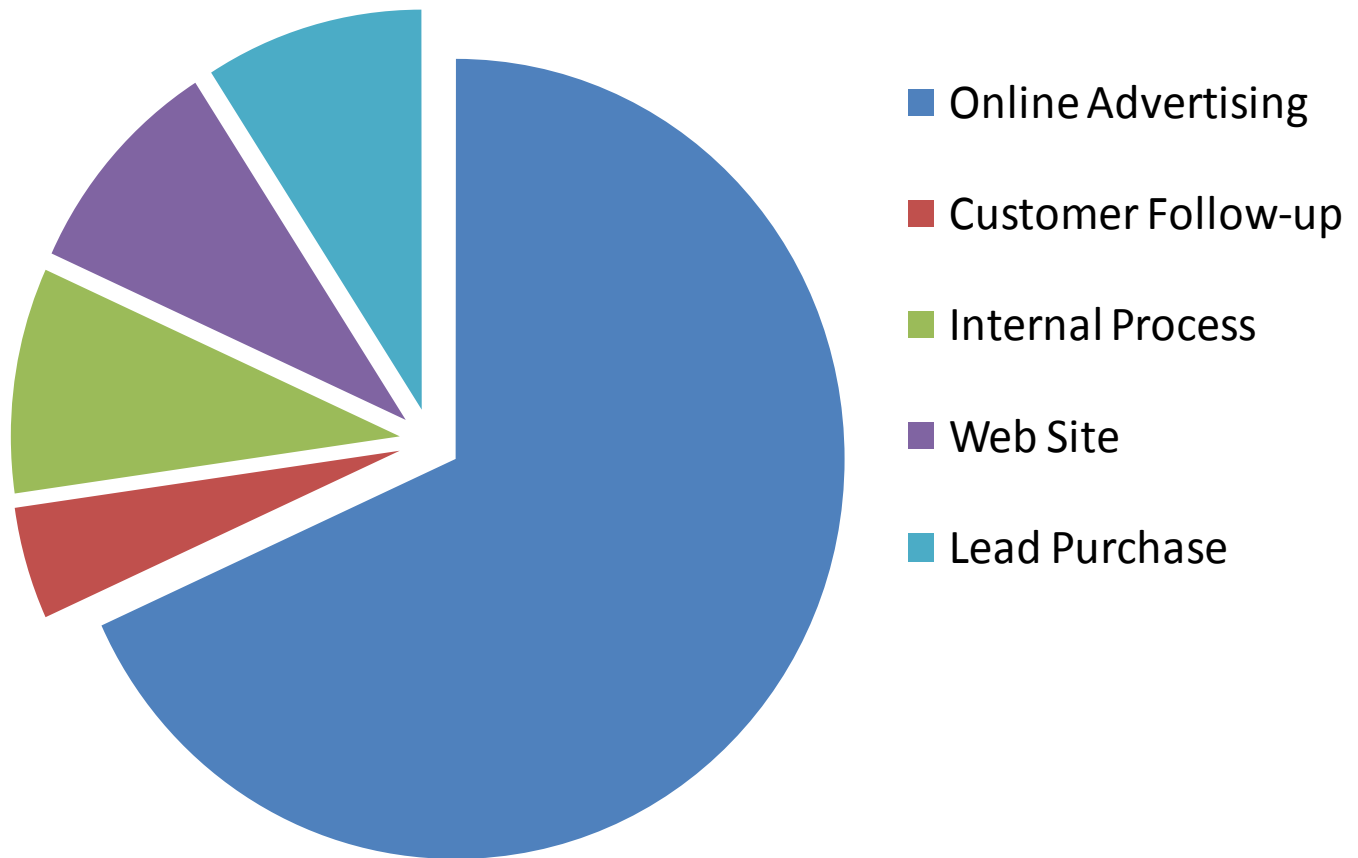
**There's a definition for doing the same
thing over and over expecting different
results...**

INSANITY



The Internet Pie

**Components of the typical “Internet Department”
or BDC**



Advertising & the Internet

Most important of all, the **Dealer Web Site** is the
Culmination of all your advertising

AND

An **Online Representation** of Your Dealership

WHAT DO YOUR CUSTOMERS SEE?



A 3-Ring Circus?



Or a Well-Orchestrated, Advertising Tool?

Easy, Clean
Navigation

Tracking
numbers

Conversion
Tools

IM/Chat

Forms

Specials –
Video and
Online



Web Site Must-Haves

Simple, easy navigation – Don't give consumers too much credit for knowing where to go and what to do.

Interactive Specials – Tied to offline marketing, updated often. What better place to put advertising in front of people than on your web site? Video and Graphic, even “interruptive”.

Multiple Conversion Tools – Chat, Coupons, Value Your Trade, Forms, Phone Tracking, Credit Apps



Online Specials...The Modern Day Newspaper Ad

PattyPeck
HONDA

Online Specials

HOME 555 Sunnybrook Road • Ridgeland, MS 39157 • CALL TODAY! 888-902-1166

Special AHFC A.P.R. Financing

2.9% apr for 24-36 months **OR** 3.9% apr for 37-60 months

All new 2009 Accords* All new 2009 Civics (excludes natural gas models)* All new 2009 Odysseys*

2009 HONDA CIVIC LX SEDAN AUTOMATIC **\$249/mo.** \$249 due at signing

2009 HONDA ACCORD LX AUTOMATIC **\$279/mo.** \$279 due at signing

36 MPG HWY* **30 MPG HWY***

25 mpg city model no. FA1659EW 21 mpg city model no. CP2639EW

SEARCH NEW VEHICLES

2009 HONDA CIVIC HYBRID **\$259/mo.** \$259 due at signing

2009 HONDA CR-V LX 2WD **\$319/mo.** \$319 due at signing

2009 HONDA ODYSSEY LX **\$349/mo.** \$349 due at signing

2009 HONDA PILOT LX 2WD **\$379/mo.** \$379 due at signing

model no: FA3629EW model no: RE3839EW model no: RL3829EW model no: YF3829EW

SEARCH PRE-OWNED

SAVE \$500 OFF MSRP...INSTANTLY!*

PRE-OWNED VALUE STORE

2004 HONDA ODYSSEY	\$10,995
2002 HONDA ACCORD	\$12,495
2004 HONDA ACCORD	\$12,995
2007 HONDA CR-V	\$19,495
2006 HONDA ACCORD	\$19,995
2006 HONDA ODYSSEY EX-L	\$19,995
2007 HONDA RIDGELINE	\$20,995
2006 HONDA ACCORD	\$20,995

Honda Certified Used

APR Special HONDA ACCORDS

3.9% APR for 24-36 months **or** **5.9% APR** for 37-60 months

CALL TODAY! 888-902-1166

- Interactive
- Compelling
- Professional
- **Tied** into Offline Advertising for Synergy
- **EVERY** Profit Center Needs Specials



Online Advertising Opportunities

In ORDER of IMPORTANCE



Dealers have great online choices...

CLASSIFIED ADVERTISING SITES (MANDATORY)

- Ebay Autos, Cars.com, AutoTrader.com, Edmunds.com
 - Merchandised car ads, pictures, overlays and use of video are particularly helpful

SEARCH ENGINE MARKETING (MANDATORY)

- You must dominate the search engines! Not just your make, but used, service, conquest makes, competitors, parts. It's the only advertising for dealers which is 100% PERFORMANCE DRIVEN.



Types of Online Advertising

VIDEO SEARCH ENGINE MARKETING (SUGGESTED)

Optimizing engaging video advertising instead of only information.

- Car Buyer's Engine, Unity Works Media

DEALERSHIP REPUTATION MANAGEMENT (SUGGESTED)

ONLY UNHAPPY PEOPLE COMPLAIN UNLESS YOU INVOLVE YOURSELF!

- Dealer Rater, Blogging, Video Testimonials

SOCIAL MEDIA MARKETING (~~UP and COMING~~)

- Uses of Facebook, MySpace, YouTube, Twitter, Blogging



Types of Online Advertising

RE-TARGETING/CONTEXTUAL BANNERS

- Using Re-targeting and contextual banner advertising to create awareness during the shopping process

SPONSORSHIP ADVERTISING

- Partnering with local media sites to sponsor content, with ads included



HOW TO EVALUATE ONLINE ADVERTISING



Web Site Conversions

Unique Monthly Users/Visitors	8,045
Site Forms	171
Tracked Phone Calls	703
Chats	185
Black Book Leads	55

Conversion = All tracked areas divided by unique users

$171+703+185+55 = 1,114$ tracked activities

$1,114/8,045 = 13.8\%$ conversion



Evaluating Classified Ad Sites

Inventory Detail Pages	11,645
Phone Calls:	43
Emails:	16
Credit Apps:	5
Printable Ad Requests	42
Map Views	28
Visited Web Site/Viewed Inventory	229
Banner/Find a Dealer Click-Thrus	34
TOTAL ACTIVITY	397



**Actual
inventory was
viewed (clicked
on) over
11,600
times! Where
else can you
do that?**



**397 trackable
activities – this
doesn't even
include walk-in
traffic**

Evaluating SEM

Compare Pay Per Click Traffic to Unique Visitor
Report and Budget

Example:

March, 2009

3,567 Search Engine click-thrus

7,041 Unique Users

PPC/Unique Users = % of Online Traffic

$3,567 / 7,041 = \mathbf{50.7\%}$ of Online Traffic



Evaluate SEM vs. Offline

SEARCH ENGINE MARKETING:

7,041 Unique Users

3,567 Search Engine click-thrus **COST: \$8,400**

OFFLINE ADVERTISING:

Remaining 3,474 Users **COST: \$50,000**

(Can you see the opportunity to save money and add it back to the bottom line just by following the data?)



It may be the internet... but it's *STILL* advertising!

Everything you do online should be evaluated in the context of advertising. From how many pictures you take, to how often you update your specials, to how easy it is for customers to contact you. It's all advertising and needs to have a strategy behind it!



What Can You Do?

Inject yourself into the advertising process.

The Internet Department absolutely should be a key component in planning and executing ad strategies for the dealership as a whole.

Use the data available to make smarter, data-supported decisions.

There is so much data from all the various online sources you can use; use the metrics to determine the effectiveness of your online advertising ventures.

Audit your Internet Expenditures

Make sure that you are spending wisely, look for duplication or inefficient programs.



What Can You Do?

Understand the dealer's perspective on the Internet as “cheap”.

How much Internet advertising should cost is based on history (how old is the internet vs. print or TV?), rather than an objective analysis against other more expensive efforts.

Differentiate between the type of online advertising to make targeted choices.

Understanding the difference in response to a banner ad on a television station web site as compared to a 3-line ad on Google is a critical piece of the puzzle.



Benefits of Targeted Online Media

Unbelievably Targeted – Out of all media choices, the Internet efficiently targets who the advertiser “talks” to better than any other. There is very little waste.

Performance Driven – Everything is trackable. You can see for yourself what activity is happening both on your end and the advertisers. No other medium can do that (or is asked to).

Ultimate Call to Action – The best place to advertise your best offers.

Level the playing field – The smaller advertisers can compete right along with the mega-dollar advertisers.

The ***quantifiability*** of it is changing the way traditional advertising is measured.



In Summary

What % of an ad in print, on radio or television is wasted on people not interested in your product at any given time?

– Answer: **A LOT**

What % of an ad seen on a search engine, classified site or your web site is wasted on people not interested in your product at any given time?

– Answer: **NONE**

