

Crawl – Walk – Run

Understanding the 3 Phases of Internet Marketing Growth

Dealers have a lot of decisions to make when it comes to online marketing. One of the first decisions is to know where to start. A common phrase that helps to guide a lot of businesses in the growth area is crawl – walk –run. With the growing cost of on Internet Marketing a dealer must be cautious in their decisions and make sure they start off right and expand when the metrics tell you it is right. If you plan to get the best possible return on your Internet marketing investment I encourage you to follow this framework. Let's explore what each means.

Crawl

Any dealer planning to make the commitment to market online should consider some these foundational elements:

1. Basic Dealer website
2. Manufacturer lead source
3. Used Vehicle lead source
4. Lead management tool

A dealer website to start out with can be one that is created by your vehicle manufacturer. These factory controlled sites are a good place to start and although they limit individual dealer branding elements they allow you to display your inventory to your prospects and to be show up in search engines. The most important aspect is to keep your inventory and specials up to date.

Most manufacturers are now in the lead generating business either on their own website or they participate in some form of lead aggregation from third party sources to provide leads to their dealer body. Sign up for these leads since they are usually a good quality choice

Although manufacturers do a good job generating new leads (no surprise here) they usually do not provide the kind of assistance dealers need to generate prospects for selling used vehicles. There are some exceptions but for the most part dealers need to fend for themselves in this area and establish a relationship with an online classified source for used vehicles.

An important early action dealers should take is purchasing a lead management tool to manage the leads they purchase. These tools make your investment in lead generation worthwhile and also serve as the foundation for sales growth and metrics.

Walk

The walk phase should be explored when you are confident you have a solid foundation of results from your crawl phase. Dealers entering this phase should recognize that every dollar spent on Internet Marketing should have a return factor of at least 5 x. This simply means that if you spend \$1000 you should seek a return of \$5000. This is pretty easy to achieve when you have a close rate on your leads in the 10% range.



Marketing elements to consider in this phase include the following:

1. Independent Dealership Website (not the manufacturer based site)
2. Search Engine Marketing
3. eNewsletter
4. Click to call

An Independent Dealership Website will allow your dealership to create their own online brand independent of the manufacturer. Many dealer groups are finding this particularly attractive as they find it helpful to market their various brands using their own portal. Even single point dealers benefit from an independent website so they can communicate to their prospects what makes them unique.

Search Engine Marketing (SEM) is the step above Search Engine Optimization (SEO) which I did not mention earlier because in my opinion every good website builder makes SEO part of their fundamental ingredients. SEM gives your dealership a leg up in the marketplace where recent studies have shown 89%* of Auto Shoppers use a search engine.

An eNewsletter is an excellent way to keep up with your buyers and prospects long-term. This form of marketing is a gentle method of building brand awareness and is essentially like emailing your website to your database each month.

Click to call is a wonderful technology that allows your website visitors to have the dealership call them when they are ready to talk. Your website should generate a large volume of phone calls to be the best benefit to your sales and service operations.

Run

Dealers will know when they are ready to accelerate into the Run phase by the metrics and the marketplace. If you are closing at a rate above 10% consistently and you are becoming known as the place to buy online you are certainly ready to take it up a notch. Recommended elements of the Run phase include the following:

1. Online Chat
2. Video emails
3. Online Auctions
4. eNegotiation

A dealership website to many consumers has become "The Showroom". Online chat allows your sales team to virtually "walk the lot" with your online prospects and stimulate a dialogue. Many dealers find this an excellent method to start a dialogue with prospects who are perhaps too tentative to submit a request.

Video emails are the best personalization tool available. Recent advances allow dealers to literally record a walk-around of their prospects vehicle of interest and then send it in an email.

Online Auctions are a bit complicated for the average dealer and therefore are in the Run phase. First a dealer should decide if they are going to use online auctions to



retail or wholesale their inventory. Once this decision is made it is important to assign someone to specifically operate this function. Given the instant CSI ability of auctions a dealer must be vigilant in taking care of their auction prospects. An excellent tool for growth that should be explored with open eyes.

eNegotiation is a term used to describe a technology that allows the dealer to offer back and forth negotiation very similar to a showroom negotiation. This happens in real time and the consumer can make an offer, receive a dealer counter, up their offer and negotiate to a middle ground. Still in the beginning stages but certainly a technology to keep aware of because it could shake up the dealership negotiation process.

Certainly there are many more marketing actions that could have been considered for this Crawl – Walk – Run scenario but this serves to explain the main marketing elements that every dealer should consider.

Best to you as you work your way through the phases.

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