

Has the Internet outgrown the Internet Department?

Ten years ago when a dealer wished to sell cars online it was actually quite a simple model; Assign a salesperson to the job, buy a computer, buy some leads, make some appointments and sell some cars. This model persisted for the next several years at most dealerships and the marketing actions necessary to compete online in your local market were actually manageable within an Internet department.

When the first dealer and third party websites came along that allowed dealers to post "live inventory" it changed the dynamic completely. Automotive shoppers soon realized they could shop outside their local market with greater ease than ever before. It was always difficult for auto shoppers to go outside their market to purchase when their best option was to "call around" and ask what a dealer had in stock. Posting of inventory opened up the market dramatically and put the consumer in the driver's seat. No longer did the salesperson script "come on in and we'll get on our locator and find it for you" apply. The Internet provided auto shoppers with their own locator and the shopping and buying dynamics have not been the same since.

Internet departments have been evolving ever since and with online sales of new and used vehicles, parts and service increasing every year it has caused a lot of stress and strain on the conventional Internet department model. Initially the role of the Internet Manager was to "sell cars" but more and more of their time today is spent solving IT issues, supervising their sales team, working with their lead management and CRM tools, updating their websites, developing and managing online marketing actions, running reports and meeting with representatives of various Internet product and service providers. With Internet sales counting for more than 30% of total dealership sales at an ever increasing number of dealerships the role of managing the Internet has probably outgrown the Internet department.

To maintain a competitive position in the crowded Automotive Internet market a dealer must participate in a variety of online marketing actions:

- Dealership Websites (both their own and manufacturer sourced sites)
 - Inventory management (pictures, descriptions and pricing)
 - LiveChat
 - eNegotiating
- eNewsletters
- Search Engine Optimization
- Search Engine Marketing
- Manufacturer sourced leads
- 3rd party sourced **New** leads
- 3rd party sourced **Used** leads
- Online Classified
 - Inventory management (pictures, descriptions and pricing)
- Online Auctions
- Community Bulletin Boards
- And on and on and on

Not many dealers have the time or the experience to effectively study each of these marketing actions and understand how they can help them grow their business. As a



result, they have to depend on their Internet Manager to keep them competitive by studying these products and services and offering recommendations on what the dealership truly needs in play to stay at the front of the pack. This puts a great deal of pressure on the Internet Manager/Director to do effective due diligence to ensure their recommendation is the right one since all of these services require money and in some cases lots of it. It does not help that in most cases these services are truly beneficial and could help the dealership sell more cars.

Online marketing has become almost a full-time job in and of itself limiting the amount of time an Internet manager can actually spend supervising and managing the Internet sales team. In order to accommodate the demands of managing the Internet marketing actions the task most often set aside is training of the Internet sales team. Of course, this hurts a dealership both short and long-term and it is critical that the manager have the time to keep their team fully trained on products, processes and tools.

Distributing the Internet load is going to be a key challenge for Dealers and General Managers in the next few years. Dealers and GM's will need to consider adjustments to mission of the Internet department and subsequently to the role of the Internet manager.

Some dealerships have solved this issue by dividing the responsibilities and actually creating the role of an **Internet Sales Manager** and an **Internet Marketing Manager**. In simple terms the Internet Sales Manager is responsible for the management of the Internet sales team and the selling process including database management while the Internet Marketing Manager is responsible for all the Internet marketing activities. These are complimentary roles and require a great deal of coordination by both managers to operate smoothly. Dealerships who have moved to this model have the challenge of developing the right compensation plan to allow both roles to be affordable.

Another method used by dealers to distribute the work load is shifting the Internet marketing responsibility to the GM or GSM while leaving the responsibility for Internet sales with the Internet Manager. This is an attractive model for a lot of dealers because it does not add headcount and it puts the responsibility for Internet marketing with the person who is managing the dealerships traditional marketing.

Hopefully your dealership is experiencing good results online and has to adjust to these growing pains. These growing pains are a part of any normal business operation and the better you plan for them today the more likely your dealership will keep pace with the sales and profit growth opportunities the Internet can provide.

Best to you,

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