

# IN YOUR FIRST YEAR OF OWNERSHIP? ...

## We've Got Some Advice For You



By Lori Straus

*A key component for a successful dealership is having an online strategy in today's wired world that includes old school techniques*

Opening a business of any kind can be nerve-wracking. You wonder who'll buy from you. You wonder if you've spent too much money on inventory. You wonder if you haven't spent enough money on inventory. Are you in a good location? Will people trust you enough to buy from you?

Only time can answer these questions. But there are other questions that can be answered now that will help answer those first ones in the future. For example, do you need to spend \$300/month on your website? How do you manage your leads? What qualities make the best salespeople?

Those are the questions we'll answer in this article. You've got a lot on your plate right now, and you're maybe even working late into the night and missing out on family events. There

isn't a single member of the UCDA that started out working 9-5.

We've spoken with Shane Hambly and Kyle Orlando from eDealer, who discuss efficient online marketing practices, and Bill Wittenmyer from ELEDIONE, who explained the best ways to get the most of your customer relationship management (CRM) software.

To answer questions about sales staff, we spoke to two experienced industry retirees: John Heffner Sr., founder of Heffner Lexus Toyota in Kitchener, and David Tait, who sold vehicles for over 30 years in Ontario, having worked at independents and OEMs alike.

### **Make Your Website Manageable**

Perhaps one of the biggest challenges today compared to just ten years ago is that fewer customers start their car

buying by visiting the lot first: they'll likely find you online or through traditional advertising.

"Five years ago, the average consumer went to five automotive dealerships in their purchasing cycle," says Bill Wittenmyer, a partner with ELEDIONE, a multi-functional software solution for automotive dealers. "Now it's down somewhere to 1.5 to 1.2."

So, let's focus on the website.

You do have one, right? Even if it's a cheap one like Wix or Wordpress, you need a website.

Kyle Orlando is the manager of marketing and product development at eDealer, and Shane Humbly is vice-president for the online platform for car dealers. They both agree that if you're starting out small, e.g., with only 10, maybe 20 cars on your lot, a fixed website is fine.

"If your threshold is below 20 vehicles, it's likely not going to be cost-effective or efficient for you to sign up with a company like ours at a rate of \$200-\$300 a month," says Orlando.

However, this means you have to upload each vehicle to your website, over to Kijiji, over to Autotrader, over to Carguru, etc. manually.

"While the dealer will be spending more time managing the site alone, he also won't be putting out money. You're supplementing that with your actual time," Orlando says.

However, once you reach that threshold, it pays to look at software that can help you make more use of your time. eDealer, for example, allows you to enter the VIN, and with the click of a button, broadcast it to multiple sites. Additionally, instead of inputting each option, the VIN will

auto-populate the options, again saving you valuable time.

You'll read a lot about website design, and indeed, it can get very intricate, and you'll find disagreement about even the most basic things. For example, do you put your social media icons in a prominent spot?

One side to the argument says yes: putting those famous logos where site visitors can see them will make it easier for them to connect with you on social media.

The other side says no: social media icons placed somewhere like the top



right-hand corner of the page is like pasting a huge exit sign that encourages people to leave right away instead of surfing around your site.

However, one thing marketing experts across the board agree upon (and something *The Ontario Dealer* has written about in previous issues) is that there is no way to guarantee that your site will appear in position #1 on Google.

An old tactic to guarantee that you ranked high on Google search results was keyword stuffing, i.e., taking a word or phrase you think people will search for in Google and filling a page with it.

An example might look like this: "Bob's Automotive in Chelsey is the

place to go for used cars. If you're in the market for a used car, Bob's Automotive in Chelsey has the selection of used cars that's second to none. You won't regret getting your used car at Bob's Automotive in Chelsey."

No one wants to read that.

Written for today's SEO world, that same copy might look like this: "Bob's Automotive in Chelsey is the place to go for used cars. We look after our customers from the moment they walk through our front door.

We offer vehicles for almost any budget, in-house financing, and competitive trade-in rates. Not entirely sure? As you look at our inventory, also read the customer testimonials on each page: you'll soon see why we're the top used car dealer in town."

Humbly has heard that dealers are still being encouraged to list all the surrounding cities on their website for SEO purposes. Orlando agrees: "I know Autotrader consultants tell

dealers all the time to add in 50 different cities into their descriptions for SEO purposes, again, another fallacy [like keyword stuffing] that did work six years ago but that does not work today. And I see dealers doing it across Canada."

Instead of putting effort into keyword stuffing and adding dozens of cities with each inventory listing, go back to the basics. Both Humbly and Orlando strongly advise to not forget merchandizing practices and traditional advertising.

Merchandizing refers to things like making sure your pricing is on par with the competition's, writing really intriguing descriptions about the vehicle, and also mentioning something

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about the vehicle's history. Orlando says that, no matter if a car lot has 10 vehicles or 500, he feels there's a strong tendency to just get the vehicle listed on as many websites as possible.

"A lot of dealers felt that merchandizing was no longer important, or somehow it was lost in translation," he says.

Because so many more vehicles are available online now than ever before, not paying attention to your entries can have a negative effect on your sales. In fact, Orlando says, merchandizing is ten times more important now than it was 20 years ago.

In the end, remember that you're marketing to the human being behind the computer, not to the computer itself.

One thing Orlando wants new dealers to remember is that traditional media is still incredibly important and needs to be part of your marketing strategy.

"Digital marketers never want to tell dealers this," he says, "because it doesn't put any money in their pocket."

Traditional media, e.g., billboards, newspaper ads, flyers, etc., encourage people to go directly to your website.



"The problem with the sales reps these days is they never follow up. If the customer doesn't buy when they come in the first time, they don't call them back. When I was in the industry, I talked to lots of people who said, 'They never called me back, David.'"

Wittenmeyer feels that OEM lead acquisition, though, has a slightly different focus from that of an independent: You already have customers through your brand.

"If you're a franchisee, then you're going to have a number of existing customers. They may not be yours, but they're existing from your brand, that are going to be in your area. And it's going to be very important to brand to them so that they're going to come to you for service and sales, because they've already proven that they like the product, right?"

Regardless of your size or how you're starting out, i.e., as an independent dealer or a franchisee, you'll need a CRM, a customer relationship management tool. In its simplest form, this is a notebook with columns for name, phone number, email, and notes.

However, if you want to do any data analysis, using just paper and pencil can be time consuming, and the results will be very basic.

Whatever platform you choose, it will only be effective if you use it properly. Wittenmeyer says the most common error he sees with CRM users is incomplete data. Although there are many ways to automatically feed information into a CRM, it's the customers requiring manual entry, e.g., because they stepped first into the showroom or contacted you outside of your automated feeds, where errors can crop up.

"So I think it's very, very key to begin with that aspect and to make sure that all leads, opportunities, are not only acquired but they're actually put in to the CRM. That's the biggest thing that any dealer can probably do instantaneously."

### The Right Sales Staff (Even If It's Just You)

Once customers are in the door, having the right sales people is key. John Heffner Sr. was a refugee from Hungary in the 1950s. A trained mechanic who spoke German and

"There's no stronger domain authority factor than that," he says. "Immediately, Google says, 'Oh, geez, people know this brand. We gotta know it, too. When somebody's looking for a vehicle in this market or whatever, this is a relevant brand.'"

Orlando can't emphasize this enough: "There's no time more important for traditional media than with a new brand."

### Manage Your Leads

Wittenmeyer says the most important factor a new dealer can focus on is lead acquisition. This makes sense, of course, since without your customers, you have no business. Second comes lead management, which includes following up with potential buyers.

David Tait, who spent 35 years in vehicle sales, agrees.



Hungarian, he had to return to school in Canada to re-learn his trade in English. He started with his own garage, and used car dealers were frequent customers of his. He eventually began selling via OEMs: Simca (eventually taken over by Dodge Plymouth), followed by Austin in the 1960s, Mazda, and then Volvo and Fiat for the first half of the 70s. By 1976, he had settled on Toyota, and in the 1980s, Lexus was added.

(Full disclosure: John Heffner Sr. is my grandfather. I asked to speak with him for this article because of his background as a refugee, which I believe will connect with many readers, and his industry experience. He's now 87.)

Heffner says a successful salesperson must have the right personality:

"To make it as a salesman, you have to have good personality to talk to people. A salesperson has to sell himself and then the product. Because you can have the best product, and if the salesperson's not friendly or doesn't leave the right impression, all those things, then the customer walks out and goes to another dealer."

He further advises that your sales representatives have to know how to speak to customers. This might seem obvious, but both Heffner and Tait have seen a range of salespeople.

"He has to learn how to ask the right questions from the customer," Heffner says. "You cannot right away say, 'This car is so much money. Do you have money?'"

Although it's obvious that the customer uses money to buy the car, he says, he cautions against cutting straight to the chase.

"You have to first try to tell them about the product, how that particular car is."

And don't pressure the customer, says Tait, because that deters them, especially women. He finds that if women start to feel the pressure, they start saying they have to ask someone else before they can make a decision.

Furthermore, Tait says it's important to be concise and explain exactly what the customer is getting with that vehicle.

"A lot of places I found, they don't do that. They try and twist the numbers around this way and that way and everything else so they can get more gross."

Tait also says salespeople need to introduce themselves properly, find out what kind of car the customer is looking for, see if that car matches the customer's needs, and get the customer's price point.

He strongly advises against going over the price point.

"If they say they don't want to go over \$12,000 or something like that, don't show them a car for \$13,000 or \$12,500." The salesperson can ask if the customer's budget includes tax.

As you know, your reputation is what will help build your business in the long run. Being straightforward, friendly, and honest can help you achieve that.

### **It's All In The Information**

In the end, whatever you choose to make more efficient use of your time, a core foundation of systems that are streamlined and not overly complicated will help you manage your first year by giving you data to base your business decisions on. That's why the right website and CRM, scaled to your business size, are critical.

And so is simplicity. Keep your website simple: don't overload it with keywords and dozens of city names. If you're a small operation, don't worry about investing in \$300/month website solutions until you've grown. If you're larger, don't try to save money with a cheap website that leaves you uploading to all your online markets manually.

Find a way to manage your customer information so you can follow up with customers at the right time.

And when customers do come in the front door, treat them with respect: they're more likely to respond to a friendly, straightforward salesperson than a pushy one.

The name of the game today is information. You know your customers will have information on the cars you have for sale, but you also need to have information on your customers.

An effective website, a CRM scaled to your business size, and sales representatives (yourself included) who take the time to get to know your customers: focus on those, and you should have the information you'll need to be more effective and successful in your second year and beyond.

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