



Digital Marketing Analysis

“Digital Marketing is a dynamic and fast changing environment and as such, advertising practices pack less punch than when print media was king.

For that reason, to ensure that your dealership’s digital marketing efforts remain effective and efficient, it’s important to regularly review and adjust your analysis based on changing market conditions.

By conducting a digital marketing lead source analysis, the General Manager can identify the most effective channels for generating leads and allocate the marketing budget more effectively.

Ed French updates us on key steps and strategies to maximize your ROI, streamline expenses, and steer your dealership toward greater financial success.

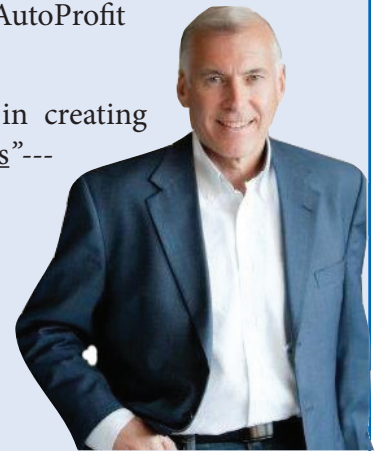
On Thursday, March 21, 2024, Ed French President, and Erich Black of AutoProfit joined us to explore how get the most from your marketing budget.

AUTOPROFIT is an Automotive Performance Company specializing in creating increased NET profit by assisting dealers with filling the:” Three Glasses”---
Human Capital---Effective Inventory Management, and Creative Marketing.

Many clients enjoy seven figure profit growth by using these methods.

This report is a summary of Ed’s comments and suggestions.

.....see Ed & Erich’s Contact Details on the last page.



“Eliminate all the clutter and all of the things that are going on outside and focus on the things that you can control with how you go about and take care of your business.”

Nicholas Lou Saban Jr. - Former Alabama football coach

The takeaways from today's workshop are:

- ✓ Evaluating various marketing channels
- ✓ Highlighting strategies
- ✓ Illustrating marketing effectiveness driving conversion and sales
- ✓ ROI determination

The Why

These are the top five controllable (or at least somewhat controllable) expenses within a dealership.

1. People
2. Commissionables
3. Inventory
4. Facilities
5. Marketing / Advertising

Because it is among the most controllable, today's workshop will focus on marketing and advertising.

Tools

- Google Analytics
 - Understanding GA will improve advertising effectiveness
- Website
 - Too often overlooked by Dealership management – but not your customers.
- Social Media Business Page
 - Often overlooked and often incorrect.
- Lead Source ROI from CRM
 - Breaks down lead source and vital information about internet leads.
- Attribution Tool (if you have one)
 - Attribution tools pinpoint the one source responsible for getting a user to convert.

Things to consider when evaluating each source

Thing #1: What is your goal? - Is the lead source to:

- ? Drive leads?
- ? Create brand awareness? – What is your brand and who are you?
- ? A long-term or short-term strategy?

Paid Advertising Channels SEM (Search Engine Marketing)

All channels can be measured in cost-per-click (CPC), a metric that determines how much an advertiser pays for each click on the ad, based on the number of clicks the ad receives

CPC cost is dependent on the competition for keywords, ad quality score, and bid amount

When asked about how to manage the cost of keywords, Erich noted that Google Analytics will help identify what words are working for you as well as the relative cost of words.

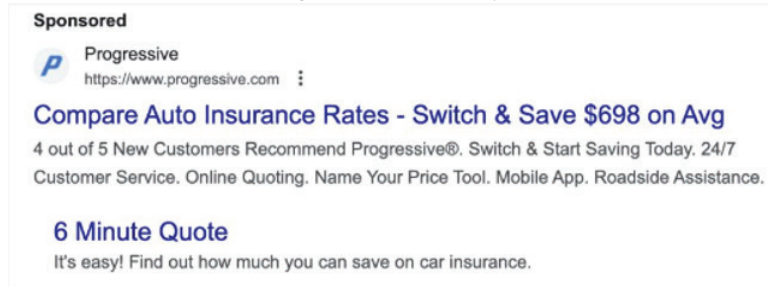
Erich also recommended that “long tail” multi-word strings be used to fine tune search results and bring down the bid cost.

This approach also has the benefit of more efficiently getting your vehicles in from of the right buyers.

For example, rather than using “Used Cars” as a key word, consider “Used Ford Explorer XLT”

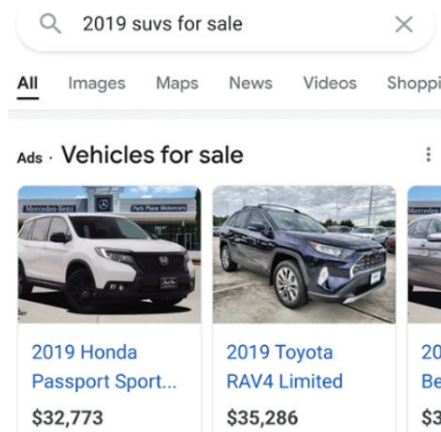
Pay-Per-Click (PPC) -

- Keywords that you pay for on Google or Bing that brings you up to the top of a search results page.
- PPC advertising is identified by the word “Sponsored.”



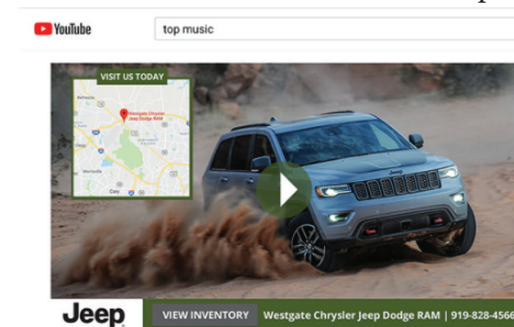
Display Ads

- Not too long ago, Google introduced the carousel display ads that apper across the top of the mobile device and make it easy for users to scroll relevant search results.



Video Ads

- You Tube has become an effective platform for longer duration productions such as product reviews, vehicle walkaround, performance demonstrations, etc.



Search Engine Optimization (SEO)

Organic Searches are those that appear after the “Sponsored” ads and have the benefit of being FREE!

Getting maximum performance from organic ads depends on how well the ad meets certain criteria.

Keyword Search

It can consist of short keywords but those are highly competitive.

Long trail keywords is a much more efficient way to gain traction due to less competition since you are using a multi-keyword search

For example, “Used Subaru Philadelphia” will create specific traction because there is not as much competition for that keyword string.

On Page Optimization

This is anything you can do on your website to increase your rankings.

Website features that don't work efficiently negatively impact SEO rankings.

Some examples include

- Internal links are functioning
- Keyword is in your URL
- Use headers
- Include keywords in your body copy
 - This includes surrounding cities and communities around the store.
- Mobile responsiveness
 - Since approximately 70% of customers use mobile devices, how well does your site render?
- Site speed.

Ed noted that because the internet environment is constantly changing, dealer websites require frequent auditing to ensure that they are not negatively impacted at the moment when people are forming their impressions about whom they want to include in their purchase decision.

Social Media Marketing

Social media marketing has been around for a while, but is still an under-utilized resource.

- Generate Website Traffic
 - Through static ads that direct customers back to your website
- Generate Leads Directly
 - Through videos such as walk arounds, etc. that generate direct leads from Facebook, Instagram, Tik Tok, etc. and allow the consumer to communicate with you on social media
- Create Brand Awareness
 - Through sold pictures, customers enjoying their experiences, employees enjoying their experiences and creating positive vibe.
 - At the end of the day all content is good content, so be careful about your social media to the point it feels disingenuously perfect.

- Remember, customers crave authenticity so think of “Jersey Shore” and blopper reels and make that human connection.

Email Marketing

Email marketing does not take a whole lot of thinking and runs silently in the background. It does however take a bit of work to do properly.

Different types of email marketing campaigns

- Sales vs Service
 - Each has a different cadence.
- Buying vs Selling
 - Different messaging

Review email marketing campaigns to determine if results are satisfactory.

Campaign	Schedule	Customers Marketed	Email Open Rate	Click Through Rate	Email Engagement Rate	Email Tasks Completed	Phone Calls Made	Phone Tasks Completed	Appts Made	Showroom Visits	Sales Leads	Sold #	Sold \$	ROs #	ROs \$
<input type="checkbox"/> Back To School (Unsold Leads)	08/08/2023-08/08/2023	3,717	28.87%	0%	0%	0	36	0	5	4	19	7	\$22,009.00	3	\$2,799.00
<input type="checkbox"/> Buy Back Campaign (Equity Mining)	08/07/2023-08/07/2023	5,266	35.17%	0%	0%	0	25	0	7	6	30	5	\$20,400.00	6	\$10,000.00
<input type="checkbox"/> Buy Back Campaign	12/11/2023-	5,454	38.86%	1.55%	5.25%	0	28	0	3	9	17	4	\$14,801.00	2	\$1,488.00

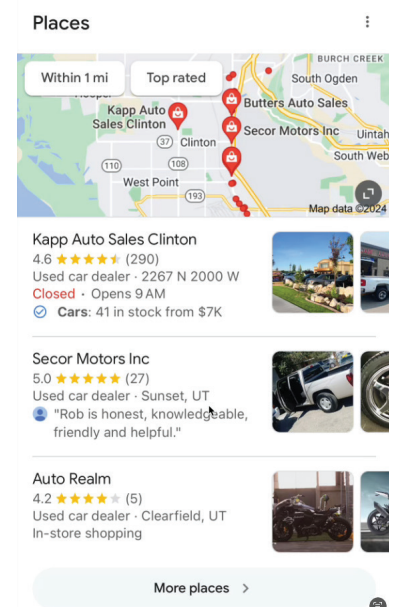
- Frequency – too often or not enough?
- Open rates
 - Poor quality subject lines often result in low open rates
- Click through rates
- Conversion (sold) rates
- Opt-out rates
 - When customers opt-out, you lose the ability to possibly ever market to them again.
 - Over aggressive campaigns tend to have higher opt-out rates.
 - Poor email hygiene tends to have higher opt-out rates

Local SEO and Listings

Ensures your dealership appears in searches that are relevant to your location and makes it easier for customers to find you.

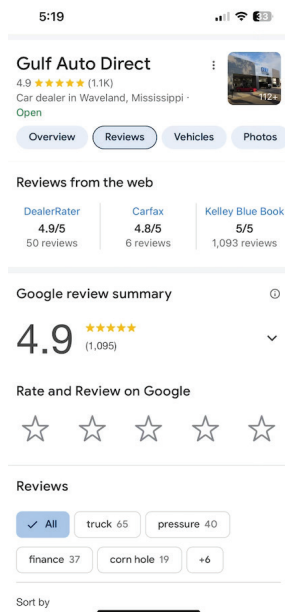
Additionally, it can provide you a competitive advantage over your local competitors if they aren’t investing in this strategy.

Search for businesses “near me”. This helps stay “included” in their decision when they first start searching

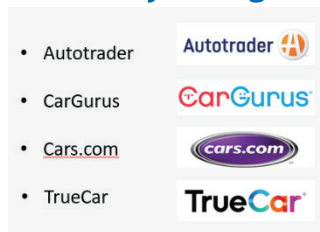


Responding to all reviews can be a full-time job but it is important for building credibility and first impressions.

The more reviews and the higher the rating, the more trust prospective customers have.



Third Party Listings



Listing providers have their place in your advertising budget.

These providers help give you a wider reach, helps your customers easily compare vehicles, have an established brand, to give consumers a safer environment, give a level of legitimacy to your vehicles, and most importantly it's a convenient way for the consumer to shop.

They all have their own package offerings and pricing. At the end of the day, you need to measure their performance in lead generation.

Lead Source ROI

Your CRM Lead Source ROI Report that breaks down how you spend your money.

Examples of helpful data are;

- Total Lead Count
- Appointment Progress
- Total Gross
- Total Cost
- Cost per Lead
- And much more!

Lead Source Group	Total Leads	Good Leads	Bad Leads	Duplicate Leads	Bad Other Leads	Customers Influenced	Cox Auto Buying Signals	Sold in Timeframe	Sold in Timeframe %	Sold from Leads	Sold from Leads %	Avg Days to Sale	Internet Attempted Contact	
AutoTrader	771	463	308	111	197	92	477	14	3.02%	14	3.02%	1.9	431	
Dealer Inspire		163	145	116	29	102	39	22	13.50%	21	12.88%	2.5	158	
Finance Page - Credit App		23	80	79	1	79	10	16	69.57%	16	69.57%	1.0	23	
Phone Up	65													
KSL	65	Internet Attempted Contact %	Internet Actual Contact	Internet Actual Contact %	Avg Attempts to Contact	Appts Set	Appts Set %	Appts Scheduled	Appts Scheduled %	Appts Confirmed	Appts Confirmed %	Appts Shown	Appts Shown %	
Cars.Com	62													
Dealer.com/Accelerate	52	96.85%	250	56.18%	2.1	27	5.83%	23	97%	7	30.43%	16	69.57%	
Ungrouped	40	96.93%	118	72.39%	2.1	39	23.93%	36	99%	12	33.33%	32	88.89%	
Repeat Customer	26	100.00%	23	100.00%	0.4	7	30.43%	7	100%	4	57.14%	7	100.00%	
AI Buying Signal Leads - Previous Sold Customers	25	0.00%	0	0.00%										
Referral	21	90.00%	14	70.00%										
Carfax	18	97.67%	31	72.09%	\$12,870.25	\$919.30	\$10,908.87	\$779.21	\$2,270.00	\$1,698.51	\$2,073.99	\$148.14	\$21,705.13	
Facebook	17	100.00%	6	100.00%	\$28,263.26	\$1,284.69	\$29,205.42	\$1,327.52	\$5,000.00	\$2,612.21	\$0.00	\$0.00	\$57,468.68	
CarGurus	15	100.00%	16	66.67%	\$13,549.89	\$846.87	\$18,647.60	\$1,165.48	\$3,000.00	\$2,012.34	\$0.00	\$0.00	\$32,197.49	
Edmunds	1	100.00%	1	100.00%	\$11,372.32	\$874.79	\$10,280.99	\$790.85	\$21,653.31	\$1,665.64	\$0.00	\$0.00	\$21,653.31	
					\$24,580.44	\$1,293.71	\$16,498.67	\$868.35	\$41,079.11	\$2,162.06	\$4,388.46	\$75.66	\$230.97	\$36,690.65

Attribution

Involves tracking and crediting marketing touch points and how they are delivering leads and converting to sold deals.

Lead Attribution

Lead attribution focuses in on a prospect's actions resulting in a qualified lead.

Examples of prospect actions include:

- Email
- Social Media Platforms
- Online Directories
- Websites
- Google
- Other Search Engines

Marketing Attribution

Marketing attribution is relatively new and provides finer detail of the entire customer journey giving credit to all influential marketing touchpoints through sold conversion.

Examples Include:

- Attributes credit to different touchpoints in the journey
- Weights credit to specific sources based on customer actions (CTA)
- Credits various touchpoints and interactions leading to conversion
- Ideal for a holistic view of your source marketing activities to better your strategy decisions moving forward

Why is Attribution essential for your business?

Improved Marketing ROI

- Identify top performing lead sources you can direct additional investment towards channels your customers prefer
- Identify in real-time primary keywords driving the most ad clicks and conversions so you can

Optimized Resource Allocation

- You can quickly identify recurring patterns that generate high-quality leads.
- Make informed decisions to assign the best salespeople for optimal engagement, with high probability of conversion.

Enhanced Customer Experiences

- Lead attribution modeling can help you understand how your customers prefer to engage with your website.
 - You can use these insights to eliminate any obstacles throughout their experience so call-to-actions (CTAs) are where they may want or expect them to be.

3 Types of Lead Attribution Reporting Models

First Touch Attribution

- Fully credits the initial marketing touchpoint, or first interaction, such as Autotrader, in the customer journey
- A single-touch attribution is ideal to assess the impact of specific marketing channels and strategies

Last Touch Attribution

- When multiple touchpoints are used, this solely credits the final before the potential customer converts.
- This model is used to better understand the impact of specific channels or interactions made in capturing qualified leads

Multi-touch Attribution

- This is proving to be the most effective model.
- Various channels, touchpoints and interactions are credited leading up to conversion
- Different multi-point models involve its own method of credit distribution to touchpoints and interactions
 - Credit closer to conversion touchpoint
 - Equal credit to each touchpoint
 - High credit to first and last touchpoints

Multi-Channel Attribution

Several multi-channel attribution tools are available, do you have one?

- Attribution tools, such as HubSpot, aggregate data from all your sources.
- They give credit to multiple touch points along the customer journey
- They provide insight on how different marketing channels contributed to conversions showing the customer journey and providing ROI metrics
- Marketing strategy can be optimised by allocating budgets more effectively, adjusting email messaging, and improving the customer experience.

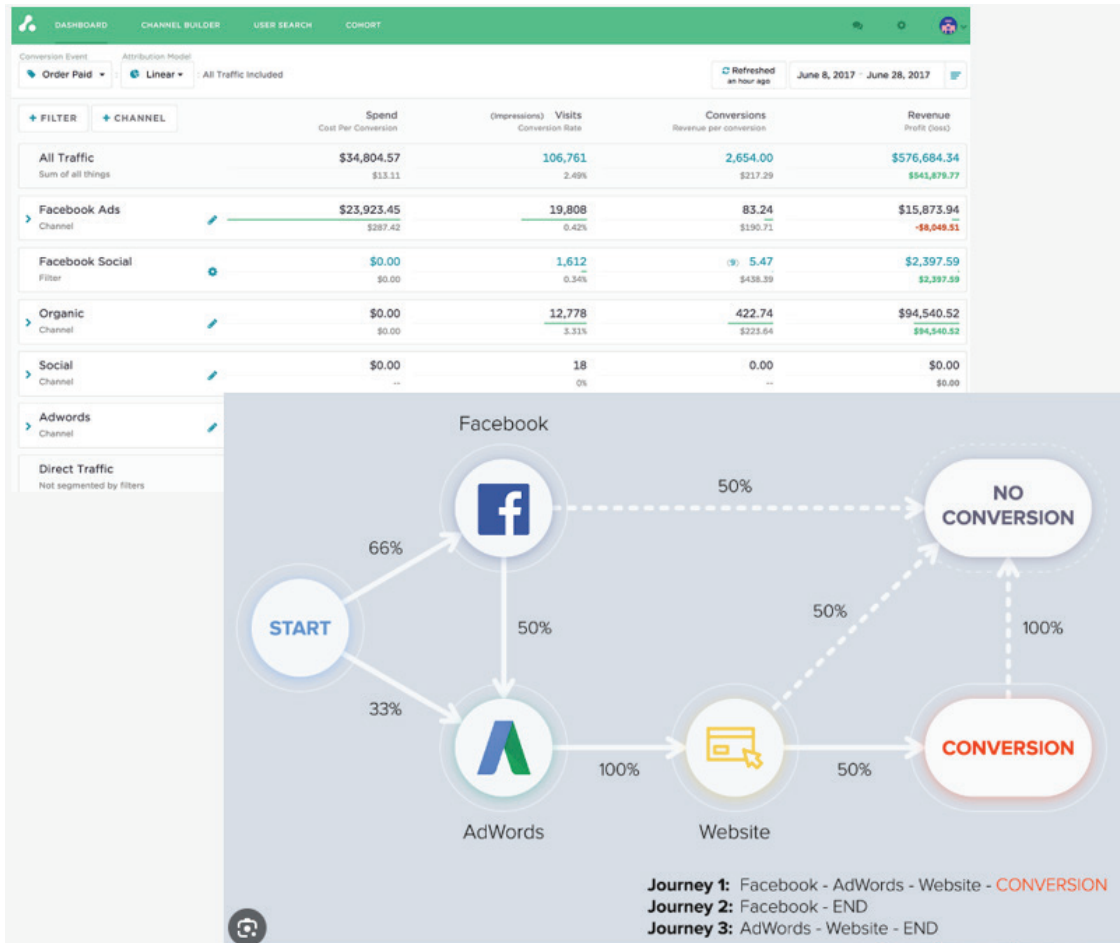
This is an example of what the HubSpot tool looks like and in this illustration it identifies three possible journeys.

Journey 1: Customer goes to Facebook then AdWords and then to conversion

Journey 2: Customer goes to Facebook and their search ends there.

Journey 3: Customer goes to AdWords then the Website and ends there.

Knowing this can improve the targeting of marketing funds.



ROI Analysis

Set Goals Per Channel

- Increase website traffic
- Generating leads
- Convert more sales
- Increase brand awareness

Track Metrics

- Lead conversion rate
- Sales conversion
- Cost per lead
- Customers lifetime value

Evaluate Cost

- Cost associated with each marketing channel
- Include advertising spend and any agency fees
- Content creation fees
- Software expenses

Realize Revenue

- Determine the revenue generated from each channel

Calculate ROI

- $ROI = Revenue - Cost$

- Positive total indicates it generates more revenue than cost
- Negative total indicates cost is greater than revenue

Compare Results

- Identify which channels are most effective
- Reallocate resources to better optimize your

Conclusion

Like anything worthwhile, success requires specific actions.

By the 5th working day of the month, perform a marketing attribution review using the information you just learned about.

This will provide you a better understanding of marketing expense allocation, the positives and the negatives of each marketing channel, and you can make educated decisions with confidence on the strategy your dealership will take moving forward.

You have the tools. You have analyzed your data. Now what?

Strategize and set goals...

Short-term goals are necessary for the needs of your dealership now and the foreseeable future.

Whether you simply need more leads to keep your teams productive, or address aging inventory needing to move quickly, both fit an immediate need.

Long-term goals are a strategized approach for ongoing and future needs of your dealership.

Marketing strategies promoting ongoing brand awareness and potential customer engagement is a great example of a long-term goal.

Remember both are necessary for continued success.

The good news is that as your skills improve, the time required for this type of audit decreases.

spend

Improve

- Use your ROI analysis to refine current strategies
- Consider experimenting new strategies, such as AB testing to improve store performance

Short Term	Long Term
Pay Per Click	SEO
Display Ads	Social Media Content
Video Ads	Local SEO
Social Media Ads	Review
Email Marketing	
Third Party Listings	

