

Dealership Web Sites - Is One Enough for Digital Marketing Success?

Posted by [Ralph Paglia](#) on January 17, 2008 at 3:00am

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I would like to start this blog posting by suggesting that the Internet should be considered more of an environment, rather than a communications and advertising medium... An environment capable of delivering multiple forms of media through a myriad of communication channels.

By Ralph Paglia

Think of it this way: If you advertise on the radio, then people have to listen to a radio station to hear your spot. If you advertise on TV, then prospects must be watching TV in order for your dealership to receive an opportunity. This marketing conundrum situation is the same for newspapers, magazines and outdoor. With the Internet, we now have a place where over 75 percent of car buyers spend far too many hours of their time. A place where over 65 percent of new car buyers go to look for information that helps them decide what vehicle to buy, and where to get it.

Through my experiences in the automotive industry, I have worked for a very progressive old-school family-owned dealership that asked me to maximize their Internet sourced sales opportunities. We experienced marked increases in Internet generated leads as we implemented more and more Web based properties. Within sixteen months time, our Internet-based sales opportunities originating from Web sites controlled by the dealership had increased by 400 percent. All this activity was driven by a single-point Chevrolet dealership.

We worked diligently to improve both our BDC and Internet Sales Teams so that the store could better capitalize on the Internet sales opportunities being generated. Before long, the eBusiness Department hit their all-time peak with regard to appointments set by the Business Development Center (BDC) and sales results with more than 400 new and used vehicles sold by the Internet Sales Teams. Shortly thereafter, we increased the store's Internet sales by more than 200 percent while increasing Interactive marketing expenses by 40 percent. Process execution improvements contributed to about 30 percent of the sales increases, but marketing efficiency improvements generated far more sales increases than our improved processes did.

Along the way, we have learned that having a single dealership Web site is the equivalent of having a single outdoor billboard and calling it a "campaign." One dealership Web site is simply not adequate enough to support a true online marketing campaign. While growing into this highly effective lead generation "monster," most of us did not intend to create a strategy that included a wide array of various Web sites, micro-sites and landing pages. It just became so apparent that multiple Web sites were more efficient and cost effective at producing large volumes of high-quality exclusive leads than is possible with a single Web site. In some ways, this effect reminds me of using a multiple-choice closing technique. It is always more effective to ask, "Which one of these terms and payments better fit into your budget?" than it is to show a single monthly payment to a car buyer and say "take it, or leave it." Let me share with you an experience that illustrates how effective multiple Web sites can be from a purely financial perspective.

With a long-standing and successful relationship with our CRM provider in place, we were approached by another Web site provider that told us we "had to purchase" a GM-approved Web site from them if

we wanted to be a GM Certified Internet Dealer. It turns out that if we wanted a direct hyperlink from the dealer search results within the Chevrolet.com Web site to a dealership Web site, then that site had to be from a specific provider in order for GM to provide a link from either the GM or Chevrolet Web sites. When we asked about the cost, we got a range of answers, but ended up leveraging our contacts at GM to compel the sales representative to sign us up for the minimum GM Web site package.

Despite the fact that we never had any desire or intent of buying a Web site from this provider, the site averaged about 20 leads each month and approximately 2 to 3 sales from those leads. This is certainly nothing to brag about for a large Chevy dealership, but from a financial perspective, it does boil down to an average lead cost of less than \$20 each and an average cost per vehicle retailed (PVR) of less than \$200 each. Granted, the volume is nothing to write home about, but the concept of having more than one Web site intrigued us from a cost-effectiveness perspective. This successful Chevy store, along with other top-performing dealers, are capitalizing on the increased results of launching multiple Web sites and micro sites, each focused on specific topics and customer segments. This strategy of developing a portfolio of online properties has proven to be much more cost effective in selling cars than if those same dollars were redirected into buying leads or any other form of advertising.

The bottom line is that creating and launching multiple Web sites targeted to specific customer segments, multiple micro sites that are hyper focused on specific models or parts of the buying process, and landing pages are all designed to achieve the highest conversion rates from clicks to phone calls and leads. All of them are a far more effective use of marketing dollars than that same old full-page ad in a newspaper, direct mail campaign or series of radio spots. Who's going to figure it out first: You or the dealer down the road?