

DIGITAL Dealer



**LINDSEY
TOSCANO**

**Director of Business
Development
Nelson Mazda**

page 32

**Internet Sales:
The Current
Internet Dilemma**
page 12

**e-Marketing:
How to Crank Out
Content for your
Dealership Blog**
page 20

**Web Site
Strategy:
It's 2007 – Take
Some Time to
Think About
your Web Site**
page 16

**Pre-owned:
Unleash the Power
of your Used
Vehicle Inventory**
page 40



Lindsey Toscano

Director of Business Development Nelson Mazda

Tulsa auto dealers serve a car buying population of over 365,000 and being in the northeast corner of the state, the area pulls in auto buyers from Kansas, Missouri and Arkansas. The Internet helps Tulsa dealers reach out to their fringe markets and creates both opportunity and challenges. Nelson Mazda, a single point Mazda store jumped into the mix with some creative solutions to target the Oklahoma “Zoom Zoom” customer. Lindsey Toscano at Nelson was new to the automotive market, but experienced in the retail channel.

WHAT IS YOUR CURRENT POSITION AND BACKGROUND IN THE AUTO BUSINESS?

I am the director of business development at Nelson Mazda, and I started out as an Internet coordinator, coming on board with several years of retail management in my background. I knew the general manager and he told me a new position was opening up at the store. I stepped in and started out as a coordinator, just making phone calls, getting to learn the Internet process. As we've grown and the need has grown with it for more people, I've been able to move up and have been able to fulfill the role of the director of the department, overseeing Internet, as well as business development tasks. This includes service customers, all sorts of customer relationship management, and full showroom traffic, as well as handling our sold customers and anything and everything that has to do with our customers in every facet.

You said you had experience in retail management. What type of management was that?

I was a manager at several different clothing stores. I worked for Ann Taylor for over a year, and also I worked for The Children's Place during college. This experience gave me a solid customer service perspective that has served me well in the retail auto market.

Did the store have an Internet department when you arrived?

We actually started the formal department structure on my first day. There was one salesman that would take the Internet leads and work them for a little bit, to see if he could get a hold of the customers as the e-mails came in. But there wasn't any kind of process in place or department. During those early days and with our minimal effort we were doing about seven Internet sales a month. Our management team did some research to find a company that could help us set up a proper department and process. We engaged a company from Philadelphia, Dealer Synergy, to help with our effort. They came in, did an analysis of our people, our needs and the market. My position as Internet coordinator was solidified and we brought on two Internet sales managers for the department. These were salespeople who were promoted to the level where they would do nothing but handle Internet leads.

We started off just in a small room with two computers, just fielding the leads, trying to get in touch with the customers and just trying to establish contact and follow-up. From that point, we've moved into a very strong process of e-mail and phone call follow-up before, during, and after the sale.

How is your business development center or Internet department structured at this point?

Right now, we have me and two other ladies that are coordinators. We do all of the e-mailing, calling, and scheduling of appointments for Internet sales, as well as service appointments and customer inquiries. For the Internet, we make sure that one of our two Internet sales managers takes those leads. Then our walk-in traffic prospects generated from offline efforts are rotated to the floor on a traditional up basis.

What is the role of a coordinator?

The coordinators field all incoming and outgoing phone calls, as well as the e-mails. They are in charge of calling the customer

twice a day, complemented by an e-mail until they get in touch with him, using phone scripts to set an appointment, and then from there not only solidifying the appointment and confirming it, but making sure that the customer is introduced to the right person once he gets here, as well as making sure he has the right directions and everything prior to the appointment. Then they facilitate the introduction. Also, if the customer doesn't show up, they're the ones that really just hammer the phones to get him here. Their sole purpose is to put people in front of our salespeople all day long.

What percentage of the dealership's overall sales is generated from the Internet, and how do you see that trending?

On average, we make up about 25 to 30 percent of the total sales for the dealership. As we kind of evolve into a full-blown business development center, we really see ourselves probably a year from now having our hand in almost every bit of traffic, opposed from the people that just show up. Even then, we will be the ones that are following-up with them after the visit or after the sale, whichever one. So we really see it going nowhere but up.

Is there a separate budget allocated for the Internet initiatives and marketing of the Internet?

We don't really have a separate budget. We have kind of an average, and we usually make up about 15 to 20 percent of the total store budget. We have an idea of what we spend on average with each of our lead source providers and that sort of thing, so it usually makes up about 20 percent.

How much competition is there in your market?

Between the Big Three, Toyota and Honda, there are about 34 dealerships we compete with in our market. There's probably six to 10 that really dominate the market as far as the most advertising. Our company has two stores, Nelson Mazda and Nelson Nissan. That compe-

tion means we can never take our eye off the ball and have to be very diligent on following up with every lead we touch.

By using the Internet to promote your dealership how broad of an audience do you cover?

The good news is we are the only Mazda store for about 100 miles. We actually sell a good deal of vehicles to customers in both Oklahoma City and the border area of Arkansas, just because we are so quick to respond and we really follow through. As a large Mazda dealership, inventory is not a problem for us. But aside from that, we're really consistent as far as getting in touch with them right away. And it is to our advantage that we're a stand-alone store, we sell just as many vehicles to out of town customers because of the way we do business.

In addition to your web site, where are your leads coming from?

We use a combination. We use Dealix, Cars Direct, Autobytel, Auto Trader and cars.com. We get the most success from the leads that actually come from our web site. The closing ratio is always higher. But we do use several third-party lead source providers to make sure that we have enough opportunities to make our department successful. At this time the majority of our leads are from third-party sources, but we have an initiative underway to build the traffic to our web site. We recognize that you get a higher closing ratio with leads from your own site, so our goal is to move traffic there.

What types of marketing will you do locally to drive traffic to your site?

We are considering a number of options and our new marketing director will be driving this initiative. Some of the items we talked about were developing a dealership jingle, billboard advertising in selected parts of the city, and a general brand building campaign including commercials for the dealership. We currently run radio commercials and they have helped with visibility and in generating sales.

Dealership partners in profit:

Dealership name:
Nelson Mazda

Web site URLs:
www.nelsonmazda.com



Web site provider/hosting:
Dealerskins

Web site vehicle photos taken by:
Dealer Specialties



DMS provider:
ADP

BDC software/vendor:
Autobase/AVV (MDOL)

CRM program:
Autobase/AVV (MDOL)

Vehicle valuation tools:
Black Book



Online lead generators not including the OEM sources:



AutoUSA
Autobytel



cars.com
CarsDirect



Dealix
NewCars.com

List any third-party sites where inventory is posted:



AutoExtra.com
AutoTrader.com



AutoMart
cars.com



CarSoup



CarsDirect.com
eBay Motors

Vehicle history reports:
Carfax

Training company:
Dealer Synergy

What's most of your Internet sales – new or used vehicles?

It's really more new. We get 55 percent of our leads for new and 20 percent of those are for used units. About 25 percent are undecided; they can go either way. So we really do a lot more new business at this point than used. One of our strengths is the size of our new vehicle inventory. If you go to our web site we have about seven pages of Mazda CX7s, from base models to ones topping out at \$33,000. This allows us to really provide vehicles across a wide budget spectrum. Our new car manager is great about the inventory and if we don't have a vehicle on our lot, we can get it here in a matter of 24 to 48 hours.

Who provides your web site?

We have a Dealerskins web site and it is great, but the secret to using the site and our success lies in the initial training and support we got from Dealer Synergy. From day one, they were here and they really got us started off as far as helping not only with the redesign of our web site, but also just the processes that needed to be put into place. When I first came on board, the dealership had never sold more than seven vehicles through the Internet. After we put the process in place and set up our team structure we have been consistently averaging 35 to 45 cars a month. They really showed us how to do everything from our daily action plan to our phone scripts to our e-mail templates and follow-up process. I really have to give them credit from making us the success we are today.

Do they provide any ongoing follow-up?

They did. We talked to them on a weekly basis, two and three times a week, for the first couple of months. Thereafter, we talk at least twice a month. They help us review our reports, review our statistics for the month and stay on track. If we ever hit a rough spot, they definitely are right there to help us get that adjusted. Even now, as new things are coming into the market, they're very good about breaking things down for us. If we are ever trying to decide about new programs to implement, they give us their advice on what they have found works and what doesn't work. They have been an invaluable asset to the success of our department.

What are your targets for your gross profits on your Internet sales?

Naturally, we like big grosses on every sale, (laughs) but we take each transaction and work it the best we can. We like to see an average of \$2,000 per unit. We've hit that several times since the start of our department. The way we maintain that is by trying to establish a really good relationship with the customers before they even get here, using the objection and rebuttal methods that we've been trained in; we definitely don't make price an issue. We typically find that's one of the first things people say when we ask them why they've gone online. Just by using the rebuttals that we've been taught to use, we are able to move past the price issue. Then when they come in, they're already excited about whom they are going to be working with and the vehicles they are going to be test driving. I really think it sets up my two Internet sales managers with the potential to make a much higher gross – because they've got a lot of really good rapport already built before the customers even hit the door.

What lead management or CRM tool are you using?

We use a combination of tools. When we get walk ins, they of course go into Auto Base under the salesperson's name with all of their information included. All of our leads come in through AVV, which is MDOL (Mazda system). The leads come in through it, and we manage everything as far as keeping records of all the e-mails the customer receives, as well as every phone call we make. Once contact is made, detailed notes are also put into the system.

Does the system provide templates and an auto-response mechanism?

Mazda has some generic templates in there, but we got most of our templates from Dealer Synergy. They set us up with a monthly schedule and the e-mails that we were to use. As we've grown and learned more, we've added and adjusted them to fit our own style. We've got the templates in there and MDOL does feature the auto-response mechanism. When an e-mail first comes in, customers get an immediate auto-response from my general manager. Then we immediately follow-up if it's first thing in the morning or if it happens to come in over the course of the day, they immediately get a template e-mail from one of the coordinators. It's personalized enough to not look like it's automatically generated. We do those manually ourselves, just to double-check all the details before we hit send. It's important that the e-mails are 100 percent accurate, look professional, and appear personable.

How does the flow for this work?

When the leads come in, they immediately get the auto-response and then they get a day one follow-up from one of the three of us. That is immediately followed by a phone call. We do all of that; we do our first calls top to bottom from 9:00am to noon. During the middle of the afternoon, we're doing incoming phone calls, following-up with future prospects, performing other BDC-related functions, talking to service customers or talking to unsold showroom traffic. In the evening, we usually go through that entire list from top to bottom again in an effort to try and reach the customer. We do that every day for 30 days until we reach them. They get an e-mail and two phone calls every day until we reach them.

Did you say your coordinators call service department customers as well?

We do. We do all of the service CSI

calls. Every person who comes in and gets their vehicle serviced will be getting a call from us the next day to see what we can do in an effort to be better and make sure that they were very satisfied.

Has that helped uncover any issues?

Absolutely. It's amazing how some people will shy away from a complaint. My general manager is awesome, and he really has a personal interest in our department and the success of it. He gave us a book called *A Complaint is a Gift*. It talks about when somebody's complaining or has had an issue, in an effort to fix that, you are just bettering yourself and bettering your department by making sure that's not an issue again. You naturally get better by just addressing those issues or complaints. Customers are 10 times happier when they've had a problem and you've addressed it and fixed it. One of our team members recently made a regular CSI call and she happened to talk to the wife of the customer. The wife asked, "Do you call every single service customer that comes into your store?" Megan replied, "Yes, we do." The wife was taken by surprise and shared with us, "I'm a BDC director at another dealership in town, and that is just very impressive." We were so excited to hear this story.

I see on your web site you have toll-free numbers. Do you use one of the call-tracking services?

We do. We have used Who's Calling directly, and then several of our different lead source providers provide us with Who's Calling numbers. We definitely track by those phone calls and by the different lead source providers where the most of our phone traffic is coming from, and use the recordings for training purposes. We find it very helpful.

What metrics does your dealership and your department track?

Obviously, we track all the phone calls that we make on a daily basis. I've heard a lot of dealers say that they want their coordinators to do 150 phone calls a day and nothing less. We're a little bit different in that I would rather my people make 75 phone calls and talk to 60 people than make 150 phone calls and talk to 10. So we're really focused more on the quality of what we're doing, more so than just the quantity of pushing out, dialing, and leaving messages. We definitely measure how many phone calls we're making. We meas-

continued on P-DD50

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ure how many appointments are set. Then we look at how many appointments are showing up and from there how many appointments have sold. We use a spreadsheet and we have a big appointment board that Dealer Synergy set up for us. This gives us a quick snapshot of where we stand at any given time. We're really good about keeping the board updated and making sure that everything is written down and tracked – because that's how we all get paid. We're not out there selling units. We're here to get people here. So we make sure that we keep track of that, and, of course, that we're making the amount of phone calls we are capable of and making sure that we are making every effort to get a hold of our customers.

How are the coordinators compensated? Are they based on salary or salary-commission and how is that structured?

It is a salary-commission. They are paid twice a month, a salary, and then they are also paid based on appointments set, appointments shown, and appointments sold, so it's an accumulative number based on the amount of people that they set up. They're paid \$1 for every appointment that they set. It's not a lot, but it can add up to be a decent amount, but nothing that you can live on. Where they make the bulk of their money is people showing up. They get paid \$15 for every appointment that shows up. Then they're paid \$25 for every appointment that sells.

And that's on top of the commission the salespeople get and everything else?

Yes, these incentives are paid on top of whatever our sales team makes on the sales transaction.

If you could wave the magic wand and change anything about the department, what would it be?

I think I would replicate all of my workers. We're very fortunate to work not only at this store, but to work for the people we do. Our owner and our general manager are amazing, and they set a wonderful example for us and give us the opportunities to succeed. We have learned a lot in the last year and a half. I think it would just be great to keep the leads coming and keep our business up and running. Our team likes to stay busy.

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Dealerships that are recognizing this are seeing the results in stabilizing the sales force, and attracting talented employees that see the automotive retailing and service industry as a long-term profession. These people are seeing that employment in these dealerships as an opportunity to become respected in an industry that typically lacks the respect and credibility within the automotive world.

Change is coming. Dealers need to take notice of the changing attitudes and needs of the retail customer. Never has the general public been so well educated on the purchasing of vehicles. The Internet has provided them with a platform in which they can gather brand specific and competitive like vehicles at the click of a button from the comfort of their office or home. They have been informed as to the dealer cost of vehicles, have been offered zero percent financing, deep financial discounts for purchasing new vehicles and special incentives to be loyal customers.

It's time for the auto industry to become loyal to the most valued asset – the employees who are on the front line and choose to make this a lifetime career. If you can do that, then you will have a much greater chance of developing lifetime relationships with the dealership customers. Let's respect them, train them and reward them for their choice to remain in what is the last of the true entrepreneurial business verticals.

Allan Cooper is the executive vice president, Business Development and International Operations of Call Command. He has over 25 years of global sales, finance and management experience, and is the architect of one of the most successful Internet sales program in the USA. Mr. Cooper was a founding investor of CallCommandT in 2003. During the past four years he has implemented innovative communication solutions and technology services in numerous vertical industries in both national and international markets.

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month. To actually process the RJE, the user simply goes into General Ledger, 8.1.1.2. Once the RJE are entered, the user may run an edit report to verify their entries before they are posted to the GL. Submitted by Theresa Steinhoff, Dubuque Data Services Support Lead Analyst

Jim Skeans is the president of Jim Skeans Consulting Group LLC and has been in the automobile business for more than 25 years. Jim is a former senior consultant for an international automotive consulting group and has served in all of the traditional dealership management and staff positions as well as director position with a large national dealership group.

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DIGITAL Dealer

Advertiser	pg #
5 Square	7
AAISP	21, 47
ARKONA	43
AutoListener	45
Auto Point	3
Auto Soft Intl	49
AutoTrader.com	15, 17, 19
AutoUSA	52
BZ Results	5
Car Jockey	41
cars.com	51
Dealer.com	11
Dealerskins	25
DealerUps	35
Dealix	2
ebay Motors	9
Homenet	27
Kelley Blue Book	13
IMN Loyalty Driver	8
LightSpeed VT	29
Sandi Jerome Consulting	10
TK Carsites	23
VIN Stickers	31