



Sean V. Bradley

Internet Sales 20 Group III

I have to start out by saying “thank you” to all of the readers that have called or e-mailed in response to this Internet Sales 20 Group column. I love reading through the e-mails we receive from Internet Managers and BDC directors as well as GMs and dealer owners. It seems as though this 20 group feature is getting quite the buzz. It’s sometimes challenging to pick out just one or two people or dealerships to highlight in one article. However, I did see a pattern forming that focuses on a primary issue of the transaction — price.

I received an e-mail from Sue Cavanaugh, BDC Manager for Ed Schmidt Auto Group in Toledo Ohio. “We have a big debate at our store on whether to quote a price to the Internet customer right away or hold off a little while. What is your opinion on this? I understand that sales managers don’t like giving pricing without having the customer

in the showroom, but I also understand how challenging the Internet customer is. Thanks for your suggestions.”

Sue, like many managers, brings up a very great question of how do we handle the price situation? Please understand — this is a controversial subject and one that will get folks off their seats and very emotional. You also have to recognize that there is not one correct answer to this question. I talk to some Internet managers and they automatically give a price in the first e-mail or phone call to the customer, saying it differentiates them from other stores that do not provide a price upfront. As you will see in my stats below, that might not be as terrible an idea as it sounds. But, let me share my personal thoughts on this.

Here is my philosophy on the issue. I NEVER quote price in the first e-mail; it just doesn’t make sense to me for several reasons:

- 96 percent of people you quote a price to are going to shop it.
- More than 80 percent of the people that submit an online purchase request will buy something else for many reasons, such as being upside down; they can’t afford it; it isn’t available; they have credit challenges or they grind you for a blue car, blue car, blue car then when they come in they will take the pretty red one. So to blindly quote someone a price on a vehicle they most likely won’t be buying doesn’t make much sense.
- If you give them a bottom line “Internet” price in the first e-mail, you minimize the opportunity to make gross.
- It is very difficult to build value in an e-mail, a seven-percent communication medium.

Just to remind everyone, 87 to 97 percent of

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America goes online first, before they ever set foot in the dealership. That essentially means that almost EVERYONE that walks into your dealership is an Internet customer to some degree. When you greet a fresh "up" from the floor, do you blindly give them a price as soon as you greet him? Probably not. Then why would you ever do that on the Internet? Most dealerships across the country have a six- or eight-step "road to the sale" process. The whole point of that process is to build value with the prospect before the first pencil. You qualify your prospect, you land him/her on the right automobile, you do the demo drive and you complete the rest of the process. These steps are in place to build value with the prospect. If you blindly quote a price to someone just because they send you an e-mail lead, you are not going to be as successful as if you had the chance to properly qualify them. Here are a few points I'd like you to remember:

- For most of your prospects, this is the second largest purchase they will make in their lifetime (next to their home).
- They don't do this every day; they buy cars maybe every three to five years.
- Many customers don't know what questions they should be asking, so they rely on the old standby "What's the best price on that car?"
- Due to the nature of the Internet, lead source providers perpetuate the price focus by using buttons that say, "Click here for a price quote." This just makes your job more difficult when you want to change the conversation to the value proposition your dealership can offer.

Handling price is actually much easier than you think. Facts show that only 20 percent of people are solely price motivated. I am not saying that only 20 percent of people are asking. I am saying only 20 percent of people are solely motivated by price. There are five main reasons why people are going online:

- Price
- Availability
- Convenience
- Hate car salesman / looking for a different way to do business
- Research

Those are the TOP FIVE reasons why people are going on the Internet. Believe me — it's not just about price. Unfortunately, a lot of untrained people believe that is the ONLY thing on a prospect's mind. I hear it all of the time, all of the excuses: "My competition gives cars away," "I have a tier three product line," "that is ALL these people want..." And so on.

And remember: Online shoppers can take up to 30 days or longer to close the transaction. And they are looking at between four to nine other dealership Web sites in addition to your site. What you need to do is start building value in your dealership, start building value in yourself and start building value in your products.

The problem is that a lot of dealers are getting really bad advice from a lot of different directions. Just take a look at your Web site. Does it say anything unique? Take a look at your e-mail templates and phone scripts: Do they say anything powerful or unique? If not, then how can you ever be anything other than the lowest price? If you want it to be something other than price, you need to have something valuable to give to your prospects. It doesn't just stop there, either. You can have this amazing value package, but if you don't or can't articulate it to your prospects, than it is invisible.


The first step in stopping the bleeding at your dealership is changing the paradigm at your stores. If all you believe is it's just about price, and all your prospects want is price then —SURPRISE — that is what you are going to get. It's called the universal law of attraction.

Our Best Idea this month comes from Dana W. Pratt II, the e-Business Director at Bill Marsh Automotive Group. His idea is **Customer marketing and relationship building with regular eNewsletters.**


Starting out with 3,500 e-mail addresses, the dealership wanted a way to stay in touch with existing customers and to reach out to prospects, as well. By acquiring opt in e-mail lists and applying the services of vendors to cleanse and test the list, they grew their list to include about 20,000 e-mail addresses. Dana does service reminder programs and sends information newsletters as well. These programs are trackable, inexpensive compared to traditional advertising and usually non-intrusive. You do need a resource to monitor and help with content to insure you stay focused, and you probably want to use a professional service so that you do not become "blacklisted" as a spammer.

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