

How Do I Prioritize My Initial Marketing Budget?

TO CONTRIBUTOR SEAN V. BRADLEY:

I have been reading all your articles and find your information very insightful and helpful. I have been a Subaru dealer for five years and we decided to get out of the new-car business to concentrate on used cars. We are located off the beaten track between two metro markets: Hartford, Conn. and Springfield, Mass. Even when we were selling new Subarus, we were booking about 30 subprime deals each month. We have a decent facility on four acres near an international airport. Advertising will bring customers in, but we used to spend \$30,000 for both new and used.

In "Web-Based Tools for Sales Success" (July 2008), you say that buying leads can become very expensive, and that has been my experience. With an initial marketing budget of \$10,000/mo., will TV and radio advertising result in a better return on investment than buying leads from a third-party provider? What about a CRM, such as ProMax? Any input would be helpful.

Charlie Hernandez
Owner
Rally Motorcars LLC

Charlie, thank you for your kind words. My philosophy is that any department, be it Internet sales or special finance, is made or broken, maximized or underutilized in four key areas: products, people, process and promotions. To answer your question about advertising ROI, let's take a look first at products, then promotions:

■ **Products:** You'll need two Websites: One for your pre-owned business, the other for your sub-

prime business. Many dealers make the mistake of trying to combine the two. We all know that a pre-owned car sale is very different from a subprime sale. It's the difference between selling a car and selling a "second chance" at credit. But just building your Websites isn't enough. They need to have

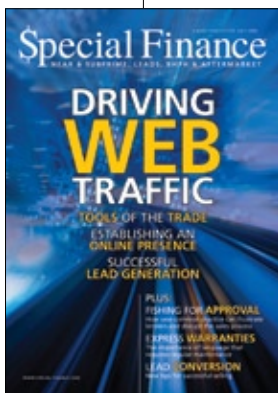
the right content and differentiate your dealership from the competition.

As for ProMax, I think it's a great tool, and my clients who use the system love it. Whichever CRM you choose, it must contain the right action plans (automated protocols), user-defined sources

and statuses, a library of e-mail templates and scripts for voicemail, objections and rebuttals.

■ **Promotions:** There will always be opportunities to buy third-party leads and spend both time and money on traditional advertising media. But in my opinion, your first initiative should be creating your Websites and driving traffic to them. As we discussed in "Video Killed the SEO Star" (Aug. 2008), the highest and fastest ROI on the planet right now is video search engine optimization (VSEO).

Only after you have an Internet-marketing strategy in place should you go into conventional advertising. Dumping your precious advertising dollars into something as dubious as radio or print — especially in the early going — is too risky. When and if you do utilize those media, design campaigns that will get readers and listeners to visit your Websites. You'll notice that companies like AutoTrader, Vehix and Cars.com use TV, radio and billboards to drive traffic to their Websites, and for good reason. If they're constructed properly, your Websites can serve as infomercials that run 24/7. — **Sean**



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Printed in U.S.A.