



They Love Online Leads

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MANHATTAN BEACH, CA — Gone are the days when a dealership's Internet department was like a poor country cousin.

It now is considered the place to work at many stores, and Internet leads are considered hotter and easier prospects than mere walk-ins.

"Our Internet people are more seasoned because it is a job promotion to go the Internet department," says Cassie Broemmer, director of customer retention and marketing for Van Tuyl Automotive, a 65-store dealership group, the largest privately owned one in the country.

She adds: "Our showroom sales staffers stop by the Internet office and beg for leads."

The modern Internet department offers streamlined selling that takes less time and garners higher customer satisfaction, says Richard Fisler, corporate marketing director for the C.A.R. Group, a 9-franchise collection that includes Norm Reeves Honda, the nation's No. 1 Honda store.

"Our sales people strive to get Internet leads because of the process," says Erin Touponse, director of development and communications for Harte Auto Group. "Sales people love Internet leads because once they get Internet customers in, they can usually turn them around."

Broemmer, Fisler, Touponse and Jack Bowen, chief marketing officer for the consultancy firm Urban Science, participated in a panel discussion — "Is Search Engine Marketing the Answer to Declining Sales?" — moderated by Cliff Banks of Ward's Dealer Business. It was part of an E.N.G. automotive conference here.

Advertising on Internet search engines is gaining popularity and sometimes causing controversy when one dealership buys keywords associated with a competitor (such as its name).

For instance, Dealership ABC might buy keyword rights to Dealership XYZ.

So if an Internet user types in Dealership XYZ on a search engine, such as Google and Yahoo, the ensuing search results include Dealership ABC links on the webpages' advertising sections.

"A lot of competitors will buy our keywords and enjoy our popularity," says Fisler. "Why it is allowed on the Web is interesting."

In that regard, Touponse says, "the Internet is like the Wild West, where people can pretty much do what they want."

Broemmer says, "We'd like to see from auto makers a code of conduct for search engine marketing. Is it OK for one dealership to buy another's name? It's going on all the time. We could use a little more ethical behavior."

Yet such tactics, questionable or not, show how important the Internet has become for auto sales. Dealerships ahead of the curve are maintaining interactive websites, continuing to buy leads from third-party lead referrals and increasing their online marketing.

"There's a lot of money in this game," says Bowen.

Broemmer says some Van Tuyl sales staffers complain that leads from keyword searches are not as qualified as leads from third-party aggregators, such as Autobytel, Dealix and Cars.Com.

"My response is, 'I hope not, because we pay \$22 for a third-party lead vs. \$1-2 for the other,'" she says.

Some dealership sales personnel favor prospects from third-party sources with reputations for sending leads more likely to end in sales, says Fisler.

But he suspects it becomes a self-fulfilling prophecy: Staffers work leads they think are better, resulting in better results. In contrast, they don't devote as much effort to what they perceive as questionable leads; and such inattention determines the poorer results.

"I recently suggested masking the sources so our sales staff doesn't know where they are coming from," says Fisler. "We have some (third-party leads) closing at 28% and others at 4%-5%. I wonder how much that would change if we masked where the leads were coming from."

Broemmer says, "I'd like to say Internet sales people don't cherry pick leads, but I think they do a bit. Yet, a lead is a lead is a lead."

As Internet sales efforts expand, they offer "an opportunity to make some money, if you know what you are doing," says Touponse. "These days, most of our customers go online before they buy."