

Adapt or Die

The Auto Dealer's Digital Adaptation
Survival Guide



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Introduction

I think Darwin may have been on to something when he said, “It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change.”

If one thing remains constant in the automotive industry, it is that change is inevitable. Change will never cease to come along and disrupt the way we play the game. Dealerships are continuously pressured to transform and adapt. Luckily, if you’ve been in the game as long as I have, you know we have a rock-solid record when it comes to survival. Over the last century, car dealers have outlived wars, economic downfalls, and bankruptcies. Resilience flows through our blood.

Today, we face new types of challenges. Competition is more turbulent than ever before. The Internet as we know it has changed everything. Then, mobile came along and changed everything yet again. We can only speculate on the next big disruption. Is it the movement towards e-commerce sites and online vehicle sales? Will autonomous cars replace drivers entirely? Will Millennials all move to the moon? It’s too soon to tell. All we know is that whatever it is, it’s absolutely coming.

The best part about change is that it exposes problems that force new players to enter the game and more efficient solutions to emerge as a result. No industry is immune to change. Not even Major League Baseball. Just this year, America’s pastime introduced some new rules:



The Slide Rule, and two additional rules, to speed up the pace of the game.

Some players and managers expressed skepticism or even anger about the changes, but these new rules were not created without purpose. They ultimately improve the way the game is played. The slide rule protects infielders from unnecessary injuries. The MLB’s continued initiatives to improve the pace of the game will eliminate wasted time and more importantly, positively impact the viewing experience of the fans.

Just like baseball, dealerships and OEMs continue to introduce new rules into their playbook due to the inescapable realities of change and evolution. This eBook will provide automotive marketers with four vital rules that will give you the adaptation skills you need to prepare for the imminent digital disturbances of the future.

David Metter
President,
AutoHook powered by Urban Science

RULE 1

Constantly Reevaluate Your Game Plan



Evaluate. Reevaluate. Repeat.

You can't fix a problem if you're unaware it exists. Real survivors are also eternal students, always searching for opportunities to learn, grow, and evolve. Given the pace at which new technologies are entering the marketplace, no strategy is safe from obsolescence. Success is neither stagnant nor is it permanent. Success is a direct result of growth. Growth comes from questioning and evaluating the current way the game is played and creating a *better* way.

Adaptable leaders communicate why they do what they do, rather than focusing on what they do. When evaluating your marketing strategy, start with the emotions that motivate and inspire you to sell cars. If you think about it, it makes perfect sense. *Why* a customer should buy a car from you is ultimately more important and more impactful than the point that you do in fact sell cars. Your sales and marketing strategies need to communicate the greater cause your business stands for. Winning always starts with why. This "inside out" approach is the only way to outperform competitors in today's marketplace.



*“People don’t buy what you do, they buy why you do it.”
– Simon Sinek*

As we all know, marketing trends come and go. Since the smartest players are in constant reevaluation mode, they are the first ones to implement new technologies, AND they’re the first ones to realize when trends begin to lose their stamina. For example, over the past several years, there has been a huge emphasis surrounding the importance of driving more traffic to your website. It seems like all anyone cares about these days are more website visits and more page views. But remember to always start from the inside out, never the outside in. Website traffic and page views are important, yet completely meaningless if your website does not convert visits into sales.

If you start with **conversion** first and foremost, the thousands of dollars you spend driving traffic to your site each month will actually be validated. [eMarketer](#) reported \$61.5 billion will be spent on search and display alone in 2016. If the majority of your digital ad budget goes into SEM and banner ads that drive shoppers to your website, but you don’t first ensure your site has the ability to convert at a high rate, you are willingly throwing money in the garbage. It’s like throwing a pitch to home plate without a catcher. It just doesn’t make any sense.

Keep in mind the importance of taking a step back every once in a while to evaluate the tangible effectiveness of your strategies in play. Survivors are skeptics. They question everything and factor in all variables, including elements that are out of their control.

RULE 2

Seek Out Change *Before* You Strike Out



Being adaptable means always being prepared.

To simply be open to change is not enough. The strongest survivors go out and look for problems that affect an entire industry and find solutions that improve processes. The adage, “if it ain’t broke don’t fix it,” does not apply to automotive marketing MVPs. Start by looking for something that hasn’t been changed in a long time. Remember success stems from challenging current rules and standards.

“Insanity is doing the same thing over and over again and expecting different results.”

–Albert Einstein

Take lead forms for example. The average dealer website lead form converts at a painfully low rate, ranging from only 1-5%. So how can we improve this statistic? Simple! We change the lead form! And, as mentioned above, we first focus on the form’s conversion capacity before landing visitors on a page and crossing your fingers that they’ll complete that same old, low-performing lead form.



***“To kill an error is as good a service as, and sometimes even better than, the establishing of a new truth or fact.”
– Charles Darwin***

Also, consider the reality that identity theft is a very real problem. Consumers are more reluctant than ever to hand over personal information. When you factor in the lack of trust that naturally works against salespeople, the probability of conversion drops even lower. So you have to revert back to *why* people should fill out that form and *why* they should buy from you. Effectively communicating trust is a fundamental element in both selling cars and converting leads. Think of trust as a base you have to cover, as without it, a home run (or successfully converting a lead to a sale) becomes impossible to achieve.

Take a hint from the hall-of-famers. Google is a prime example of a brand that always has their bases covered. Google is a lot of things. Adaptive is unquestionably one of those things. The search giant is so incredibly proactive when it comes to change that it has become so much more than just a search engine. Google is a noun, a verb, and a part of our everyday lives. It is the all-powerful, all-knowing brand of the 21st century. But **even** Google, just like the classic game of baseball, is helpless against change.

Thankfully, Google has bulletproof adaptation skills. They seek out disturbances within the digital space and adjust accordingly. Due to the fact that mobile searches have now surpassed desktop, Google altered the layout of their search engine results pages (SERPs) to better align with mobile's responsive design. In February 2016 they stopped displaying paid ads on the right side of SERPs.

What does this mean for dealers? For starters, a huge potential for increased SEM costs and more competition for top ad ranking. [Search Engine Land](#) analyzed the results of Google's most recent adaptability demonstration: "Looking at the median change from February 8 through March 16 (2016) for a sample of advertisers year over year, we find that first-page minimum bids continue to increase steadily since the removal of right rail text ads."

RULE 3

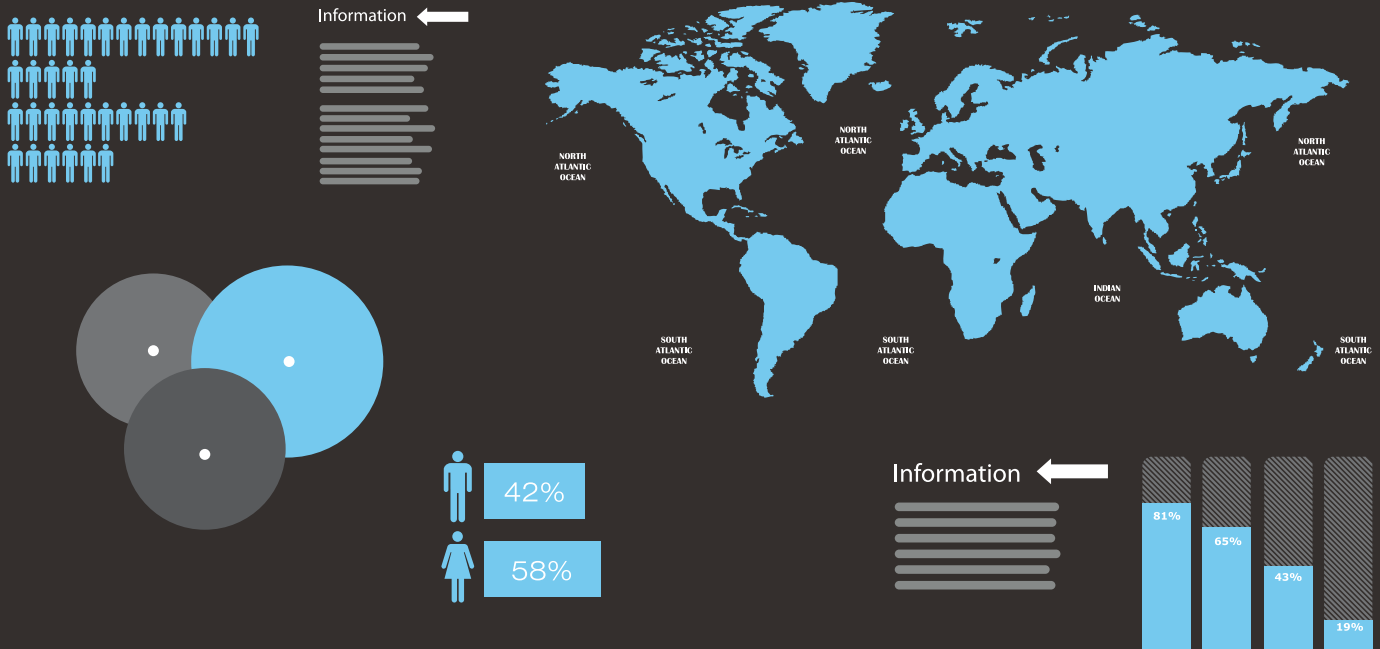
Never Settle For Mediocre Players



The best players consistently prove their worth.

Unfortunately, the digital marketing playing field has been infiltrated with both rookie players and vague, irrelevant metrics. Inadequate vendors have manifested certain “vanity metrics” that do nothing but distort the line of sight that extends from one touchpoint to an actual sale. The good news is that pros exist in the vendor space that know the true meaning of accurate sales attribution. In other words, they keep their eye on the ball. The worthy players, vendors, and partners repeatedly prove their worth with reporting that validates that their solutions or services directly led to vehicles sold.

If you don't know what attribution means, you could be at risk for adaptation failure. But just to clarify, attribution equates to the single event that led to a desired outcome – the one touchpoint that resulted in a sale. Attribution is how you measure your digital return on investment. Don't get me wrong. It's not an easy task. Obtaining truthful sales attribution statistics is plagued with roaring complexity. We have access to big data, and the advanced players have the weapon of real-time data. The problem is not the data. The problem is the lack of players in the game that are capable of telling us what to do with the data and how it connects. What use is big data when you can't put it into perspective and draw logical, useful conclusions?



“Attribution allows you to understand which elements of your marketing mix were involved in the purchase decision process, and ideally, which were the most effective.” – DrivingSales

Digital marketing MVPs focus on conversion metrics and let all the other KPIs take the bench. Beware of these “vanity metrics” as they can severely cloud your judgment. Think of it this way: do you want to know how many people saw your ad, or do you want to know how many people purchased a vehicle from you as a direct result of your ad? It sounds like a ridiculous question, but when there are so many avenues to connect, some vendors tend to push their best-performing KPIs to the dealer instead of the ones that actually mean something.

Why would you spend the majority of your ad budget driving potential opportunities to your site where only 1-5% convert? Wouldn't you rather spend money on the more valuable part of that sentence...the *convert* part? It's like choosing to put a 200 hitter at bat when you have a 400 hitter available. The 400 hitters don't only make you money and help you sell cars, but they show you exactly how they do it.

Website traffic and visitors are great, but also irrelevant and quite frankly, useless if they don't take action. **Likewise, vendors are useless if they can't prove their solutions resulted in site visitors taking action.** The major league players have the good stuff: clear, proven, and complete attribution models. However, it is your responsibility to key up your bases with only major league vendors, and it's your responsibility to hold them accountable.

RULE 4

Deliver a Grand Slam Ballpark Experience



Average experiences don't fill stadium seats,

and they don't sell cars either.

Step one in creating the ultimate buying experience is being keenly aware of your audience's expectations. Step two is meeting those expectations, and step three is knocking them out of the park. The expectations of today's automotive consumers are equivalent to those of any other retail industry, only amplified due to the cost and depth of a vehicle purchase decision. In-market buyers don't seek transactions. They seek **memorable, personalized, convenient** experiences and relationships both in-store and across online channels.

“Today's empowered consumers want to shop anywhere, anytime – and they expect nothing less than a seamless experience with all their needs accommodated as they shift among mobile, digital and physical channels.” – IBM

Do not underestimate the power of convenience when evaluating the expectations of your customers. These days, time is money, and shoppers naturally gravitate towards the most convenient option. Convenience trumps everything – including quality and even price when done right. According to Oracle, “81% of shoppers are willing to pay more for a better customer experience.” You can’t survive without the ability to adapt and you can’t compete in today’s crowded market without a convenient customer experience.

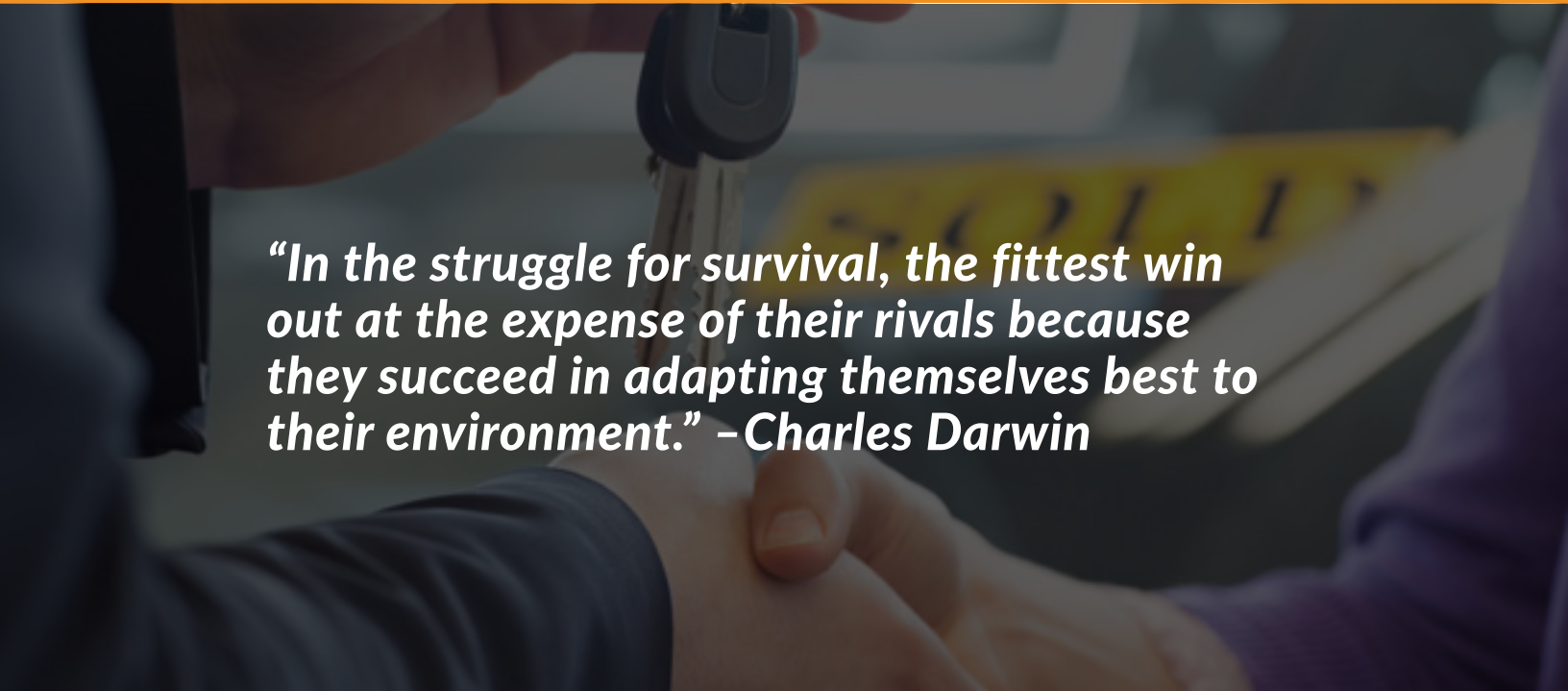
It’s time for dealerships to view their online and physical stores as a single entity in order to eliminate silos or disconnects in the buying process. Penske and AutoNation are two examples of progressive dealer groups rolling out online sales platforms for their dealers. Treat your online customers the same way you’d expect your staff to treat your customers in the showroom. Online visitors also need to be properly taken care of and given undivided attention. They should never have to wait or navigate through irrelevant obstacles to find the information they’re looking for.

With more media outlets available than ever before and new technologies entering the market in near real time, an omnichannel marketing approach is an absolute must for dealers and OEMs. If you’re not sure what omnichannel means, here’s the definition:

“Omnichannel (also spelled omni-channel) is a multichannel approach to sales that seeks to provide the customer with a seamless shopping experience whether the customer is shopping online from a desktop or mobile device, by telephone or in a bricks and mortar store.”
- TechTarget

Omnichannel shoppers are the most valuable to your business. Why? Because when your dealership’s physical and digital efforts conveniently work together, it creates an ideal shopping environment that results in customer loyalty, which these days is becoming harder and harder to come by. [IBM’s recent whitepaper](#) states, “The most sophisticated retailers are enabling customers to convert on any channel. After all, shoppers who buy in-store and online have a 30% higher lifetime value than those who shop using only one channel.”

Conclusion



“In the struggle for survival, the fittest win out at the expense of their rivals because they succeed in adapting themselves best to their environment.” –Charles Darwin

In the end, Darwin’s prophecies of adaptation and survival have become so paramount, the human race would cease to exist without them. Survival cannot occur without adaptation. The concepts are one in the same. No species, no business, and no dealership can survive without the adaptation skills necessary to put the right players in the right positions. If dealers are the players, vendors are the equipment – the gloves, the bats, the helmets – the indispensable facilitators of home run opportunities.

The next time change comes knocking at your door, or driving onto your lot, remember to follow the four vital rules mentioned above. These rules will prepare you for the unknown advancements that will undoubtedly accompany the future of automotive marketing. Instead of fearing change, realize that with change comes refreshing, superior opportunities. Change is so powerful that it can actually save you money by improving the inadequacies of a complex digital ecosystem.

Einstein once said, “We cannot solve our problems with the same thinking we used when we created them.” In order for dealers and marketers alike to adapt and thrive in our ever-changing marketplace, new methods of thinking must be created, followed, and continuously adjusted to ensure the permanent survival of our industry.



About AutoHook, powered by Urban Science

AutoHook, powered by Urban Science provides targeted incentives that convert at every touchpoint. Their conversion solutions integrate across all three automotive tiers to drive more incremental sales, more new to brand buyers, more showroom visits, and optimum conversion rates across channels. AutoHook has shattered the trend of vague industry metrics with concise attribution reporting that proves actual ROI. No other digital endeavor has come close to mastering AutoHook's ability to attribute all showroom visits and sales to a single campaign while delivering show rates of up to twice the national average. Drive Conversion. Drive Showroom Visits. Drive the Experience. Drive Sales at DriveAutoHook.com

For more information, please visit www.DriveAutoHook.com or call (855) 532-3274.