

# The Car Dealer's Guide to **Online Retail**

*How to prepare your dealership for  
successful online car-buying*

Presented by Michael Cirillo, CEO at FlexDealer.com





## About Michael

As FlexDealer's CEO, Michael has accumulated over fifteen years of experience creating and implementing successful marketing solutions for dealerships.

He is also the host of the popular automotive podcast, The Dealer Playbook, a #1 bestselling author, keynote speaker, and a prominent thought leader in the global automotive industry.

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*Pssst! Subscribe to The Dealer Playbook (on your favorite podcast app) for weekly interviews about car sales, marketing, leadership, culture, and marketing.*





# Introduction



Thanks for downloading the Car Dealer's Guide To Online Retail.


It should come as no surprise that online retailing is a topic that won't go away. In fact, Google's recent Think Auto Data has shown that 10% of customers in 2020 completed an end-to-end vehicle purchase experience online.

In a recent interview on The Dealer Playbook podcast, Lissette Gole, head of Automotive Retail at Google, explained that the shift to online retailing has already happened.


It's our responsibility as an automotive community to make preparations, and take actions that will help bridge the gap between where we are today and where consumers would like us to be.

In another interview on the podcast, Bob Lanham, the director of autos at Facebook, spoke to the importance of a full funnel automotive advertising strategy that drives demand and interest to be present across multiple touchpoints.


## In this guide, you'll learn:



The mindset required to implement an online retailing model.



What actions you can take today, and what processes should be implemented.



What successful dealers are thinking about to prepare for online retailing



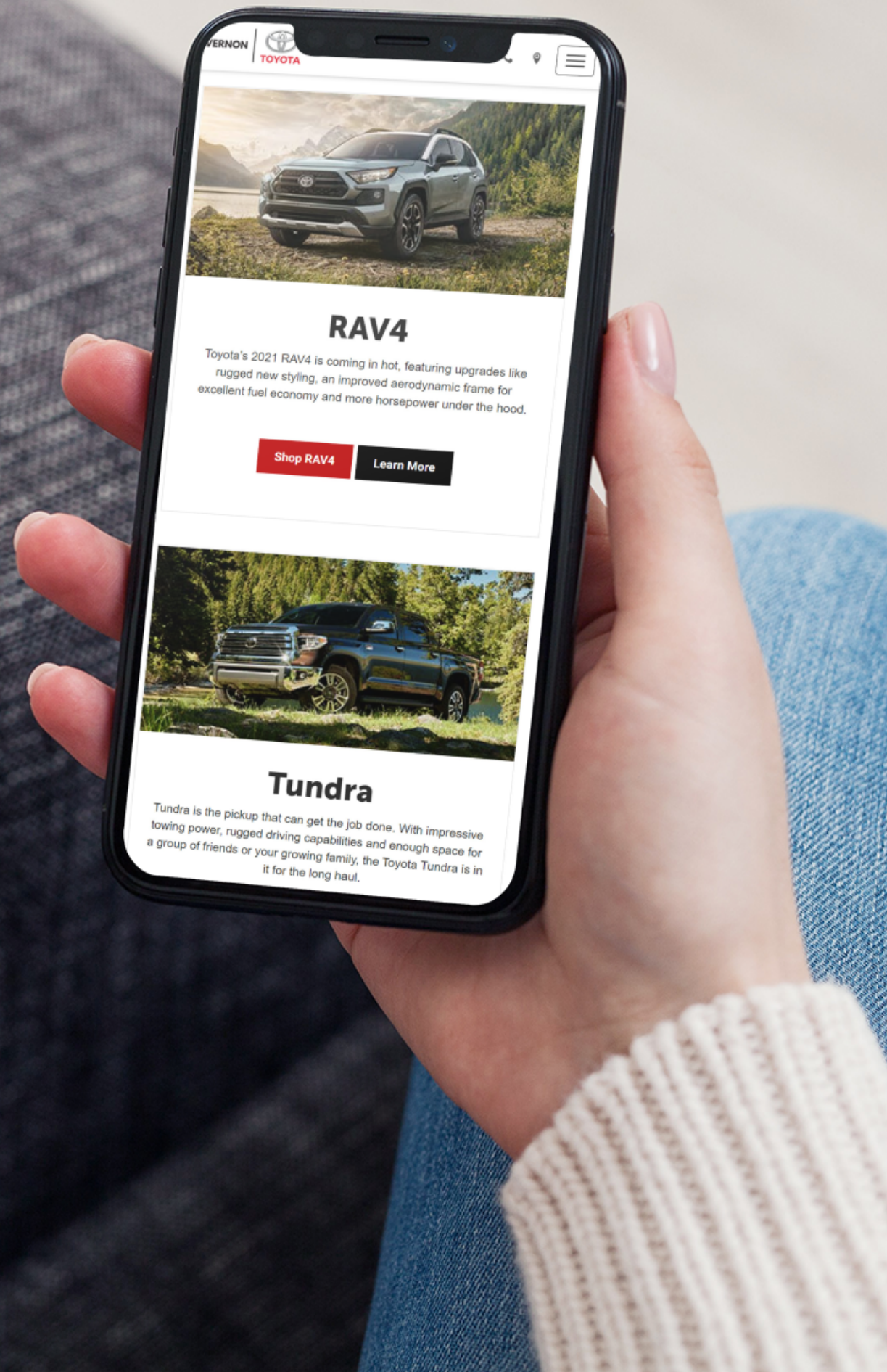
# Get Your Head in the Game

*In order to embrace online retailing, you need the right mindset.*

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You can't hang on to outdated and antiquated ways of doing things just because they are all you know.

Human beings make room for new technologies amidst the things that are already familiar. Smartphones are a perfect example because they are a combination of old and new technologies.







We know that a phone still serves a purpose (old tech), and so we're more willing to adapt to alternate communication methods (the new stuff), like text messages, social media, video conferencing and more.

This is important to understand while adapting to an online retailing method. Rather than fortifying what you are comfortable with, you can expand your horizons by making room for new ways of accomplishing the intended outcome of a transaction, and do so in a way that aligns with customer expectations.

Customer expectations are exactly where you need to focus your mindset. As you work each day to fulfill customer expectations, you will naturally be guided to evolve and streamline the way you conduct business.

The biggest challenges in business are experienced when owners and employees place their interests above those of the customer, resulting in the dealership falling out of touch.

Inherent in growth and expansion is the discomfort of learning something new. That's normal and should be embraced. Leaders should take the opportunity today to set clear expectations and verbalize that the business is about to embark on an exciting journey of learning and growth.

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*"Mindset separates the best from the rest."*

– JO OWEN



# The Best Online Performance Starts Offline

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There is a misconception spreading that online retailing tools and software will solve the challenges of end-to-end online car buying.

As you'll learn from the experts, providing an exceptional customer experience is the key to winning both online and offline. When it comes to online retailing (or any other online marketing activities), if you can't deliver on the promises you make, you'll struggle to achieve success in business.

That's why the best online performance begins offline where it matters most. There's no sense in making big claims if your internal processes don't match, or if your team isn't bought in to take ownership.

A successful online retailing experience is dependent on your ability to understand the needs of your customers, and proactively set into motion a sequence of processes that ensure they are served to the best of your capabilities.

The goal should be to provide a “breath of fresh air” experience that is unlike any other car buying experience they've ever had. You don't have to wait for end-to-end car buying to start creating, practicing and perfecting that experience.

You can begin by setting a clearly defined goal about something you want to enhance or improve right now. For example, let's say that it takes too long to purchase/deliver a vehicle at your store. You could set a goal to decrease the overall delivery time while also establishing clear communication about how it will work.

Inherent in that goal is a lot of work that you can do starting now. For example, you can ‘mystery shop’ your current process and make a note of friction points, communicate your desire to enhance the process and collect feedback on how to do so from your team, document the new process, communicate the process, test the process, and then implement the process.

Additionally, you can market your new process by talking about it on your website, social channels, and so on.

You can take the time you have today to create a path to process implementation that will carry you through the installation of an online retailing experience. It won't be enough to install the tools and call it a day. You'll need to pay close attention to how customers move through that process and ensure that you are delivering on their expectations more than ever. because online retailing will further commodify the car purchase experience.



# Maximize Your Online Visibility

In the previous section I mentioned the importance of making sure your offline experience aligns with your online marketing messages.

Once you have an efficient and streamlined experience in place, you should take every action possible to make sure your online properties are optimized and visible where car shoppers are looking.

For example, it's 2021 and there are still so many dealers who are not properly utilizing an omni-channel approach to online visibility.

Without the appropriate amount of eyeballs on your dealership, digital retailing tools won't make a difference. That's a lesson that the largest online retailers have taught us for the last 30 years.

Despite Amazon being the world's largest online retailer, it's estimated that they will spend a whopping \$17 Billion on advertising in 2021. That's a \$2.8 Billion dollar year-over-year increase since 2009. They know just how important it is to be visible, and remain visible, to those engaged in the buying journey.



April 15, 2020

## Amazon's Ad Sales & Ad Spend Are Growing. Why it Matters



By Tana Cofer / Advertising, Amazon

SHARE



When it comes to online retail, all eyes are on Amazon. The company dominates the one-day shipping space and it's taking in about 60% of general product searches made online. There's another sphere where Amazon's growth has been accelerating over the past few years: advertising spend. And it doesn't seem to be slowing down.

### Amazon ad spend growth by the numbers

If you count the numbers, Amazon is completely dominating in the world of general advertising spend. But what does that look like exactly? Here's a quick breakdown.

Amazon's annual advertising expense reports hit \$11 billion last year—that's an increase of 34% and \$2.8 billion year to year since 2009. The company's advertising spending last year outpaced even its net sales—those reached \$280.5 billion in 2019, an increase of just 20%. Amazon noted in its annual report that its total marketing expense was \$18.9 billion in advertising and other related costs.

Put simply, nearly 2% of all global ad spend currently comes from Amazon, according to [Campaign](#). That means the company has outspent Procter & Gamble and Unilever in advertising.

"Amazon is likely the biggest advertiser on Earth," said Brian Wieser, president of global intelligence at WPP's Group M, in Campaign.

### Why is Amazon spending so much?

Amazon's ad spend has steadily increased because the company has boosted its spending on promotional costs to market Amazon products and services around the world. It's four largest markets are the U.S., Germany, the UK, and Japan. Amazon also has many brands under its umbrella to market: Fire, Alexa, Kindle, Prime, and Twitch are just a few.

Amazon uses a number of marketing channels to reach their customers, including sponsored search, third-party customer referrals, social media and online advertising, television advertising—Amazon's become a regular advertiser during the Super Bowl each year—and other initiatives the company is making to attract buyers. Amazon's marketing costs also include payroll for personnel engaged in marketing and sales.

### Where Amazon stands in digital ad sales

While it may be first in the world in general ad spend, Amazon is currently fourth in the world in digital ad sales, behind Google, Facebook, and Alibaba, according to Campaign, but that number may soon change.

Amazon is growing faster than any major ad publisher in the world. Marketplace Pulse predicts that trend will continue as the company introduces more advertising tools and products. It's estimated that [Amazon will spend over \\$13 billion for advertising](#) in 2020 and nearly \$17 billion in 2021. By 2021, eMarketer predicts, nearly one in 10 US digital ad dollars will be going to Amazon, giving the company near dominance in the digital ad space, too.

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I'm not encouraging you to frivolously spend on advertising. Rather, engage a full-funnel marketing approach that helps your dealership increase its visibility online where it matters most — to those engaged in the buying journey.

To do so effectively means that you're not just advertising to low-funnel prospects with a few Facebook or Google Ads. Rather, you're allocating focus to generating education content that answers the various questions of people engaged in research, and then remaining visible to them and encouraging them to take actions that help them through the funnel to purchase and beyond.

It means that you're utilizing tools like Google My Business to keep customers updated on what you're up to, or the new content you've produced. It means you're responding to reviews, and using the feedback you receive to gain insights about how to improve. It means that you're tracking your marketing channels effectively to understand where your money and attention is best spent.

With a great process as the foundation, you should leverage an omni-channel strategy to increase visibility amongst online shoppers.

# Checklist

Take action today so that you are better prepared to implement an online car buying experience.

- ☐ Define your purpose. Why do you want an online retailing experience?
- ☐ Mystery shop your current shopping/delivery process and document friction points or breakdowns
- ☐ Collaborate with your team on how to improve the process
- ☐ Document the new process and communicate it to the entire team (all departments)
- ☐ Test the new process in a live environment
- ☐ Communicate the process online through omni-channel marketing activities
  - Social messages, Google My Business updates, website landing page, explainer videos, advertising, etc.
- ☐ Implement an omni-channel, full-funnel marketing experience
  - ☐ Research the questions that customers are asking
  - ☐ Create content that answers their questions
  - ☐ Setup Google Analytics tracking with appropriate goals and events
  - ☐ Update Google My Business with new content
  - ☐ Install advanced tracking to measure the effectiveness of all marketing channels, ad placements, phone calls, webforms, and transactions.





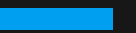
Michael Cirillo • 11:06 AM

Hey man - I'm compiling a guide about online retailing for dealers and would love to get your thoughts:

What are you considering as top priorities when it comes to online retailing?

# Expert Opinions

We asked some of the experts about their top priorities when it comes to online retailing. Here's what they had to say...





## Brian Kramer

General Manager, Germain Toyota of Naples

Funny you should ask. I've been writing a book about that exact topic for a few months, and I'm almost done. This is probably information overload, but this is the road map, from A-Z:

- Identifying and clarifying the need for change (*why does it currently take so long to buy a car?*)
- Online retailing is an evolutionary change, not a lead generator
- Culture & Clarity (the foundation)
- Role Clarity and Prioritization

### **Non-Negotiable Pain Points to Overcome**

- Virtual Pain Point #1 - Vehicle Selection
- Virtual Pain Point #2 - Test Drive
- Virtual Pain Point #3 - Sight Unseen Trade Appraisals
- Virtual Pain Point #4 - Remote and virtual empowerment- Price & Payments
- Virtual Pain Point #5 - Finance & Insurance
- Virtual Pain Point #6 - Streamlined F&I Checkout
- Virtual Pain Point #7 - Pricing & Availability
- Virtual Pain Point #8 - Remote Sales
- Virtual Pain Point #9 - Remote F&I
- Virtual Pain Point #10 - Virtual Compliance

### **Process Integration - Eliminating Top Friction Points**

- Technology Stack Integrations
- Going 100% Paperless- what is required
- Virtual and Remote Cadence of Accountability





# Melanie Borden

VP of Marketing, Celebrity Motor Cars LLC

Definitely buy-in from the leadership/management teams.

If leadership isn't bought in, or the retailing tool isn't aligned with the in-store, digital strategy and overall marketing strategy, the digital retailing tools are not worth investing in.



# Marija Nikolic Cvetkovska

BDC Manager, The Suburban Collection

We both know I am a list maker. So here is my answer to this in the form of a list. Let me know if you need me to elaborate on anything further.

1. Do your research on DR tools.
2. It is ok to see multiple presentations before making a decision.
3. Do inventory on all current processes. Count them and see how much they cost to run.
4. Do vendor and spend inventory. Simple list. You can figure out ROI later.
5. Do a staff and vehicle inventory.
6. Goals. Yearly. Quarterly. Monthly. Weekly. Daily. Goals!
7. Decide who on your team will be responsible for meeting daily goals.
8. Hire a digital marketing manager. If you don't have one in-house, you need one.
9. Create new process that will include DR to run with all other processes.
10. BDC, Sales, and a Management brief on DR and the new process.
11. Train everyone and make sure that DR is the new IPR (in person retail), LRR (lead response retail), FR (follow-up retail) – you get that there is no digital retail, it is just retail with new tool.
12. Hold everyone accountable to use it 100% of the time.
13. DR tool is not fancy form fill.
14. Decide if new process will have BDC+ Sales+ F&I, or is it one point contact
15. Set goals in GA to track this tool. Even the best vendors should be tracked in GA or alternate dashboard. If they have a problem with this – do not hire them!
16. Use a training coach and empower everyone to use it.
17. Match your marketing strategy with the “New Normal”





# Joshua Bennett

The Gears & Grind Podcast

In terms of top priorities, the customer is important, but my staff is also important. Managers, CEOs or others in management have to adopt a mindset of, “How can I improve the quality of service, and care not just for my customers, but also my staff?”

Listening more and talking less is a good start, and making people feel, and reinforcing that feeling, that they are heard.

They need to know that management genuinely cares about every person or asset who comes through our stores, or we come into contact with.



# Nicolas Cossette

Matador.ai

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# Grow, perpetually.

If only there were more hours in the day, am I right?

You know you want all this stuff done, but also want it done properly.

That's why more dealers are choosing to work with team Flex...

We're the creative marketing people behind the automotive industry's most-envied brands.

We help dealers build deeper connections with thoughtful, personalized marketing strategies and flawless implementation.

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*SCOTT CAMPBELL* **DODGE**

THE DEALER  
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