

eXtères: How a New Organic Search Solution is Putting Dealers "First in Search"

Overview

Automotive dealers have always understood the importance of "home run" media placement. A decade ago that meant aggressive advertising in traditional media—a prominent full-page ad in the local paper, a local TV commercial, or a big spread in the yellow pages.

But reaching car shoppers has completely changed in our Internet Age, in which so much of car shoppers' pre-purchase research is done online at search engines. For *today's* dealers, the new "home run" in media placement is coming up first on the big search engines when a consumer types in, say, "Honda dealer Miami" or "Honda service San Francisco." That's because either of the keyword searches cited above will net about 300,000 hits on any given day; yet 80% of searchers never go beyond the first page of results

Simply put, if a dealership is not "coming up first," it might as well not come up at all.

Business Challenge

Search engine marketing (SEM) can basically be defined as *any* means by which websites are promoted by increasing their visibility on search engine result pages. But it consists of two very different components: 'paid' and 'organic' search or 'natural' search.

Considering the hype surrounding search engine marketing, and aggressive sales efforts by major search engines, it's not surprising that dealers have flocked to paid search advertising (or pay per click advertising) where advertisers pay fees to search engines to have their sites featured as an ad on relevant search results pages (e.g., the sponsored ads that appear on the right-hand side of a Google search). The result is that automotive search terms at the big engines have soared in price in recent years—skyrocketing 300% in 2007 alone.¹

However, the fact is that 82% of consumers go straight to the organic or natural search results first, while only 6% initially go to the sponsored/paid listings, primarily because consumers perceive the natural/organic results as "independent," with much greater objectivity. (An independent research study² also found that searchers viewed the top-three results in the organic results 100% of the time, while only 50% viewed the #1 top ranking side paid ad.)

How important is search for dealers? The facts speak for themselves:

88% of car shoppers research online before walking into a dealership; 79% of consumers now use search engines to locate/research auto dealerships, and 72% rely on search engines to help them *choose* the dealer they will visit.
(Yahoo!/Cobalt Study 11/2007)

Online search now trumps all traditional media as the #1 most-used source consumers use to locate dealers.
(Yahoo!/Cobalt Study 11/2007)

49% of automotive Internet users found the dealer websites they ultimately purchased from via a search engine.
(JD Power 2007 New Autosopper.com)

Organic or natural search is the free, unbiased results that come up when a consumer enters a keyword in an online search. The process of improving a website's ranking is called SEO (search engine optimization), which involves managing sophisticated technology to make a website more easily found.

eXtères Simplifies a Complex Process for Dealers

With these new marketing realities in mind, a California-based company called eXtères has developed a proprietary *Organic Search Marketing System (OSMS)* that automates and simplifies search marketing by making ongoing adjustments in response to the constant changes being made by the search engines. eXtères also offers exclusive territories so that auto dealers can best profit from the benefits of being part of an organic search program designed to place participating dealerships at the top of the *first* results page.

And once a dealership solidifies its presence at the big search engines, and the search engine begins to register that that the dealership site "owns" the space in the top positions, it becomes increasingly difficult to be displaced by the competition. So, early dealer adopters of a winning organic search strategy establish their search turf and solidify their position 'coming up first' and ahead of the pack.

eXtères has spent a full year testing and refining its solution through due diligence with a group of dealer early adopters –62 brands nationwide - whose experiences and feedback have helped perfect the solution. Not surprisingly, their improved search results translated into more customers and sales.

Tustin Auto Group

Mark Parkinson is in charge of five brands and two dealerships at the Tustin Auto Group in Southern California, where he sells on average of 350 new and used vehicles a month. eXtères is used exclusively to drive search-generated business for all five brands – Buick, Pontiac, GMC, Nissan, and Hummer.

Parkinson's stores had never done any organic search or SEO prior to eXtères, mostly because of a lack of trust in the search services companies that were trying to sell to him. "I talked to a lot of SEM and SEO companies and felt like I got 80 contradictory stories," recalls Parkinson. "I had a sense that people were trying to pull the wool over my eyes; I just couldn't trust them."

As little as he knew about the technicalities of organic search, one thing Parkinson did know was that any valid dealer SEO solution had to offer exclusive market territory. "All those SEO companies that do the same thing for all the competition in your market are lying if they don't admit that there's a conflict of interest. How can you possibly be working to put the same brand at the top of the same list?"

Then he spoke with a long-time dealer friend who strongly recommended eXtères based on his own experience. When he learned that the program came with exclusive territories, he decided to give it a try.

eXtères drove massive gains, as reported by ... Cobalt

Like every SEO program, eXtères requires a certain incubation period – generally 2-6 months – before starting to show measurable results. The Tustin Auto Group implemented eXtères in December 2007, and began to produce results in early February.

Around the time he had implemented eXtères, Parkinson was going online with his new dealership web sites through Cobalt, a major Internet service and technology provider. Although he declined SEO services from Cobalt, he asked them to provide in-depth reports on search placement and business generation through organic search/SEO. In other words, he enlisted Cobalt to independently track eXtères' performance.

"When I got the Cobalt reports, which were only measuring what eXtères had accomplished, I realized I had a totally objective, third-party affirmation. By nature, dealers are a skeptical lot, but that's when I knew how amazing the eXtères results really were."

Key business results

#1 volume GM dealer in district

#1 volume Nissan dealer in district

#1 volume Hummer dealer in Western Region

Phone traffic

Prior to eXtères, the dealer group had averaged about 170-180 phone calls a month. Since February, two months after eXtères was implemented, the dealerships are now averaging 800 monthly calls.

Service business

A large percentage of those calls are for the service department. In fact, Parkinson's Internet director called him in the third week January and told him they needed to get a direct line posted on the website that would go to the Internet department and service department, because the receptionists were being overwhelmed with incoming sales and service calls.

ROI

According to Parkinson, as far as true ROI, eXtères is outperforming any other form of advertising he's utilizing – by at least 10 to 1.

The bottom line

Prior to eXtères, the stores used to do about 30 to 35 true Internet deals a month. In March 2008, the first full month of eXtères results, his dealerships did over 60 – a 100% growth in Internet sales within three months.

That boost in sales helped the Tustin Auto Group move up from the #3 volume dealer in their GM district to #1, to #1 in the Nissan

And, according to Parkinson, it's also had the effect of recession-proofing his dealership. "I feel I'm in great shape for the sales year because I'm getting a much bigger piece of this market and pulling in more customers that in the past would have gone to competing dealers. The market may be weakening, but my market penetration has risen *dramatically*."

Parkinson emphasizes that he didn't make any other major changes during the period measured – no staff changes, no advertising changes, no Internet ads to drive traffic to their website, etc. – and that the results are clearly and unequivocally the result of eXtères.

"Signing up with eXtères is really a no brainer," concludes Parkinson. "It's all pay for performance, so if you don't achieve the stated results, you don't pay – and that's that. There is nobody in that market that offers that; all of them want one-year contracts and make you pay big money every month no matter what kind of results you're seeing.

Parkinson is spreading the word to other dealers. Not only are all 13 Tustin Auto Group dealerships now on eXtères, he's also leveraging his connections as former President of the Orange County Auto Dealers' Association to get every non-competing franchise in Orange County on the program.

At the time of printing, he only has five left to go.