

CASE STUDY: SEARCH ENGINE MARKETING

Tustin Auto Group: Driving Sales to a New Level with “Organic” Search Optimization

Executive Overview

Tustin Auto Group, a large Southern California dealer encompassing two stores and five auto brands, recently implemented a unique search engine optimization system created by eXtères specifically for auto dealerships. This service works on an ongoing basis to increase clients’ website visibility in “natural/organic” search engine results, which have been found to generate considerably more cost-effective Internet traffic and web-generated phone calls from car shoppers than traditional “paid” online listings.

Only three months after rollout, Tustin Auto had begun appearing in the first page of organic search results 69% of the time, up from only 1% before. This online success translated into immediate real world results: Tustin saw an **increase in incoming phone calls of over 350%**, a **doubling of Internet-generated sales**, and **became the #1 volume dealer** for three major brands in their region. Importantly, no other significant changes were made in their marketing or advertising at that time. The source of these results -- organic search engine listings -- was independently confirmed by Tustin’s Internet hosting provider, Cobalt.

Business Challenge: Coming Up First In Organic Listings

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

However, most of today’s car shopping pre-purchase research begins online at search engines. According to a 2007 J.D. Power & Associates study, roughly 9 in 10 online new vehicle shoppers use a search engine in their shopping process, and online search is now the #1 most used source by consumers when locating auto dealers (Yahoo/Cobalt study 2008).

Not all search engine results are alike. Search engine result pages typically consist of two very different components: “paid” search results and “organic” search results. Most dealers have flocked to paid search advertising, where businesses pay fees to have their sites featured as an ad on search results pages (e.g., the sponsored ads that appear on the right-hand side of a Google search). As a result, automotive search terms at the big engines have soared in price in recent years—skyrocketing 300% in 2007 alone and driving up advertising costs significantly.

At the same time, Jupiter Research recently learned that 87% of click thrus actually come from organic search results, not from paid pay-for-click ads. According to a 2008 OneUpWeb Study, searchers are up to six times as likely to click on the first few organic results than any paid result. This isn’t surprising, considering that most consumers perceive the organic results as “independent” and unbiased and therefore more trustworthy.

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 queries such as “Honda dealer Miami” or “Toyota service San Francisco.” Either of these keyword searches will typically net over a million hits, and 80% of searchers never go beyond the first page of results.

So, simply put, if a dealership is not “coming up first,” it might as well not come up at all. In this highly competitive environment, the placement of a website in organic search engine listings is too important to be left to chance.

Organic or natural search

yields free, unbiased results when a consumer enters keywords in an online search engine. The process of improving a website’s ranking is called **SEO (search engine optimization)**, which involves managing sophisticated technology on an ongoing basis to make a website more easily found by the ‘Googles.’

Why is organic search important for auto dealers?

- **87%** of all clicks come from organic search—not pay-per-click ads. (Jupiter Research, 2008)
- **Nearly 7 in 10 searchers** only click on results within the first page. (iProspect/Jupiter Research/NDP Study, 2008)
- Search is the **#1 most used source** consumers use to locate dealers—trumping traditional media like Yellow Pages, TV and newspapers (Yahoo!/Cobalt Study, 2008)

eXtères' 'Smart Technology' Simplifies a Complex Process for Dealers

With these new marketing realities in mind, California-based eXtères has developed a proprietary **Organic Search Marketing System (OSMS)** that automates and simplifies organic search marketing for auto dealers.

eXtères Organic Search Marketing System

- continuously monitors complex algorithm changes at all major search engines, including Google and Yahoo
- proprietary technology
- 24/7/365 operation
- fully automated, realtime updates to client websites
- exclusive territory coverage
- clients pay upon results only
- no binding contracts

At the core of eXtères' 'smart technology' is an advanced automated application (a true trade secret) that constantly manages and modifies website keywords (which can number 1500 or more for each dealership) and makes other programming and text changes in realtime to insure that clients come up first in organic search results. eXtères spent a full year testing and refining its high-tech solution through due diligence with a group of early adopter dealers—62 brands nationwide—whose experiences and feedback helped perfect the system.

Organic search is by nature a moving target: the algorithms at the major search engines like Google and Yahoo are always in flux -- and competitors are constantly making changes to their websites -- all of which affect a dealers' rankings. Only an automated application can monitor and make the necessary website and keyword adjustments 24 hrs a day, 7 days a week. eXtères' proprietary optimization system synchronizes each client website in realtime with the eXtères' advanced off-site search application, allowing immediate response to search engine changes. In contrast, most competitors have to optimize manually, risking the loss of valuable client business during that time.

Importantly, eXtères also ensures exclusive territory coverage to its clients. The company selects one client per territory, as it's impossible to have two or more competitive brand dealerships "come up first" during the same consumer searches.

Tustin Auto Group Sees Clear ROI

Mark Parkinson, Dealer Principal and GM at the Tustin Auto Group in Southern California, is in charge of five brands and two dealerships, where he sells 350 new and used vehicles on average per month. He is a former president of the Orange County Auto Dealers' Association and current president of the Tustin Auto Mall, a major auto retailing destination with 13 market leading dealerships. His dealerships use eXtères exclusively to drive search-generated business for all five brands they offer: Buick, Pontiac, GMC, Nissan, and Hummer.

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 tangible results in early February 2008. The source of these results was confirmed independently by Cobalt, a major Internet technology provider (and SEO competitor), who supplied in-depth reports on search placement and click-thru sources for Tustin's website visitors.

Increased Visibility in Organic Searches: Prior to eXtères, Tustin showed up in the first page of organic searches for queries like "Toyota service Orange County" only 1% of the time. Three months later, they were seen in the first page of results 69% of the time.

Increased Volume Sales: eXtères helped drive Tustin Auto Group to become the #1 volume GM dealer in its district, the #1 volume Nissan dealer in district, and the #1 volume Hummer dealer in Western Region.

Increased Phone Traffic: Prior to eXtères, the dealer group had averaged about 170-180 phone calls a month. Two months after eXtères was implemented, the dealerships began averaging 800 monthly calls.

Increased Internet-Generated Sales: 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.

"With eXtères, I'm in great shape for the sales year. I'm getting a much bigger piece of this market and pulling in more customers that in the past would have gone to my competitors. The overall market is really weakening, but my market penetration has risen dramatically."
-- Mark Parkinson, Tustin Auto

Definitive 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.

Parkinson emphasizes that he made no other major changes during the period measured -- no staff changes, no traditional or Internet advertising changes -- and that the results are clearly and unequivocally the result of eXtères.

"I've only one warning for dealers: You had seriously better get ready and have the proper staff in place to handle all your increased phone traffic."
-- Mark Parkinson, Tustin Auto

A significant percentage of the new calls received were for the service department. In fact, Parkinson's Internet director called him in January and told him they needed to get direct lines to the Internet and service departments posted on their website, because the receptionists were being overwhelmed with incoming sales and service calls.

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.

"eXtères is a dealer's dream," says Parkinson. "It seems too good to be true, but it is true."