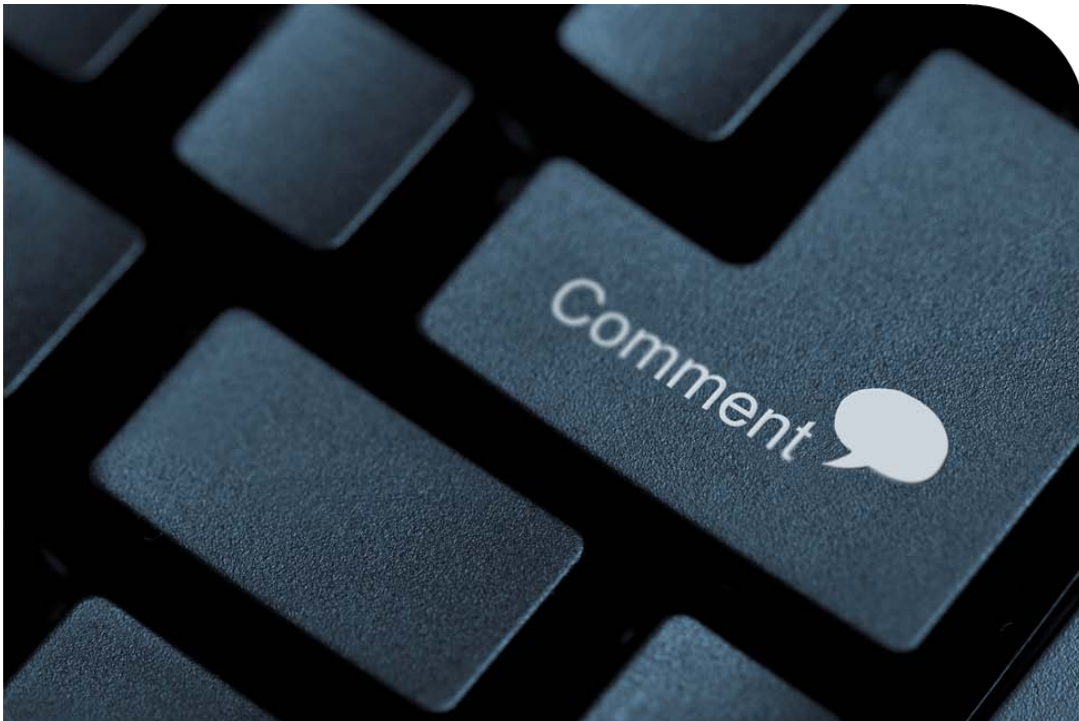


White Paper

The value of strategic automotive social marketing and reputation management

ADP Dealer Services

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Over the last few years, automotive retail marketing has changed dramatically. Gone are the days when dealerships could limit advertising to the newspaper and get desirable results. Today's marketing strategies are much more complex, involving traditional media, the Internet, email, and most recently, social media. Many dealerships are still shifting marketing budgets to digital channels, but more progressive dealerships have begun allocating their digital marketing budgets to social marketing. They're getting "bankable results" that attract, convert, and retain more customers in today's new economy.

Strategic social marketing defined

Social media is made up of Internet-based tools designed for people to share information, ideas, photos, videos, and so on among each other. Sites like LinkedIn, Facebook, and Twitter rank as some of the most popular social media, or social networking, sites today. In the automotive world, DealerRater, CarTalk, Kelley Blue Book, and Edmunds are leading the way. The key concept behind social marketing is that the content is created and published by users of a given website. That is, a site's content may not have been written by professionals or fact-checked by a research department.

This "user-generated content" has a powerful influence on consumers, whether they make their purchases online or offline. Today, the majority (70%) of consumers have visited social media sites to get information on a company, brand, or product, and 49% of these consumers made their purchase decision based on that information¹. Among Internet users who refer to online automotive reviews, 78% say that the review had a "significant influence on their purchase."² In other words, it's easy to see understand why dealerships are entering the social media world, such as creating a Facebook page or Twitter feed, to stay in touch with customers.

Creating a social media "presence" is not much different than dropping an ad in a newspaper or on tv, and hoping the mere placements generate new sales. The proliferation of social networking sites allows your dealership to be wherever your customers are. When implemented correctly and supported on an ongoing basis, social media as a *strategy* influences in-market automotive buyers, facilitating your dealership's interactions with customers on a very personal level—a level never before allowed by traditional advertising media.

It's not what you say about you that's important. It's what *they* say about you.

Social media influences the conversations about your dealership, your brand, and/or your competitors, and clearly, people are reading online reviews and taking those recommendations seriously. The key is to make sure *you* influence those conversations—and ultimately the buying decisions—rather than permitting your competitors dictate this process.

For better or for worse, your customers are already talking about your dealership and posting reviews, and that's where a reputation management strategy becomes crucial. Because the content is user-generated, you can't simply "take down" negative reviews of your dealership, whether the information is true or false. Ongoing, well-implemented reputation management will help your dealership manage that negative feedback while broadcasting positive reviews throughout your online communities.

Why should you add social media to your digital marketing strategy?

At the end of the day, a dealership invests in marketing and advertising for one reason: to sell more cars, parts, and service. Until recently, the dealership advertising mix was simple: newspaper, radio, and TV. Occasionally, a direct mail campaign would enter the mix. In 1998, the average dealership spent 52% of its advertising budget on newspapers. In 2008, dealerships devoted 23% to the newspaper and just 17% to the Internet⁴, despite the fact that newspaper readership continues to fall, and the number of consumers who rely on the Internet for research is rising. Looking toward the next few years, we should expect to see even more of a dealership's advertising budget shift to a digital marketing strategy. And while marketing budgets may not increase, funds should be reallocated to the new media market place.

Today, strategic social marketing needs to be an active part of any digital marketing program. Why? Because 24% of people who read an automotive review online went on to purchase the recommended vehicle². Right or wrong, people tend to believe the opinion or recommendation of a friend over claims made in an advertisement, and therein lies the power of social marketing.

In addition to putting your brand in front of consumers, social marketing lets you:

- Influence conversations about your dealership, brand, and franchise
 - Create a direct, opt-in communication channel that bypasses artificial filters
- Maximize your brand recognition among local, in-market buyers
- Drive traffic to your website, where you can further engage potential buyers to create a positive and complete online consumer experience
- Track results and repeat successful campaigns to maximize return on investment

Many dealerships are still trying to figure out how search engine marketing (like Google AdWords) works. But with so many consumers relying on social media for information, a dealer must coordinate a strategic social marketing plan with your overall digital marketing strategy.

User generated content delivers search engine results

Search engines like Google and Yahoo favor user generated content on social networks and index that content for search results. The more often your dealership's content appears on social networks, the more listings you'll see in search engine results pages. When potential buyers search your relevant keywords, your content is likely to appear more often, driving traffic to your social sites as well as your main dealership website.

By the numbers...

70% of consumers have visited social media sites to get information.²

24% of people who read an automotive review online went on to purchase the recommended vehicle.²

Facebook has more than 500 million users.

The average Facebook user spends 7.3 hours per week on the site.³

Strategic social marketing and reputation management require both expertise *and* experience.

Although a social “push” marketing campaign (i.e. buying ads on targeted social networks) delivers leads for a relatively low cost, implementing and managing a successful social marketing strategy requires a significant investment of time and extensive expertise in many areas. While user generated content is valuable, it is unpredictable. It’s content that your dealership neither owns nor controls, and should a negative dealership review slip into the mix, it can create a host of challenges for your business.

The solution is to create your dealership’s *own* social community, making members your “brand evangelists.” This community then provides you with the ability to influence positive reviews and conversations, and then *syndicate* that content to hundreds of social networks like Facebook and Twitter. This strategy eliminates the need to manage content on hundreds of sites and lets you have greater control over the content that gets indexed by the search engines.

The social community you create will require an almost continuous stream of new, fresh content to make sure you’re staying relevant to your members, potential buyers, and the search engines. Content is king, but the wrong content can turn off members if they feel they’re only there to receive advertising messages from you. High value content, like articles, photos, videos, and more, will drive traffic and customer engagement.

Constant vigilance will help protect and enhance your dealership’s reputation.

More than managing content, your community will require constant vigilance. Thousands of users and sites will need to be monitored for comments about your dealership, employees, franchise, and competitors. Positive reviews for your dealership should be highlighted and syndicated whenever and wherever possible. Negative reviews require intervention, resolving customers’ issues as quickly as you can—just like you’d handle an angry customer shouting on your showroom floor. In fact, your angry customer on a social media site carries a good deal more power to do harm than that customer in your showroom. Identifying and addressing negative comments can have a greater impact on sales than a positive review.

Components of an effective social media strategy

Community of brand evangelists built specifically for *your* dealership

Presence in major social venues

Fresh, user-generated content

Automated, systemic process to syndicate positive reviews and feedback

Reputation management to protect and enhance your brand

Coordination with overall marketing strategy

Participation from dealership employees, supported by onsite training and best practices

There are three ways to manage a social media strategy

- **Do-It-Yourself (DIY):** If keeping costs low is a concern, a devoted dealership employee can execute a social media strategy. However, a DIY approach requires a major investment of time to manage content and supervise hundreds of social networks for feedback.
- **Professional help:** Dealerships can get started faster and more effectively by hiring a social media professional to design and implement a strategy. A one-time, up-front expense can reduce your constant investment of time and attention.
- **Outsource to digital partner:** For ongoing support, some dealerships will choose to outsource social marketing strategy and reputation management to a social media or digital partner. The benefits of this method are:
 - Minimal time investment from your dealership and employees
 - Consistent tactical execution and reputation management
 - High-quality, professional content, graphics, and upgrades
 - Continuous tracking of results and analysis of benchmarks

Social media is still relatively new, and there are many inexperienced companies entering this space as “social media companies.” If your dealership looks for professional help or outsources to a full-service digital partners, look for companies with both experience in digital/social marketing *and* financial/corporate stability to manage your strategy for the long-term.

Evaluating a social marketing and reputation management partner

- Automotive retail experience
- Technological expertise
- Financial stability
- Testimonials/referrals from social media clients
- Results tracking
- Training for dealership staff

Strategic social marketing and reputation management deliver value for your dealership.

The staggering number of social media users can deliver measurable, bankable results for your business. Like a well-planned and well-executed digital marketing plan, strategic social marketing can help increase sales throughout your dealership. You'll find more new, inventive ways to find, attract, convert, and retain more customers while having a positive impact on the conversations people are already having about your dealership, employees, and brand.

Join Ed Neues for a FREE Social Marketing and Reputation Management Webinar

Tuesdays at 3:00pm ET/12:00 PT

[Join the meeting](#)

Meeting ID: SocialMedia
Key: ADP
Phone: 800.377.0237

¹DEI Worldwide/OTX®. "The Impact of Social Media on Purchasing Behavior." 2008.

²comScore, Inc. & The Kelsey Group. *Online Consumer-Generated Reviews Have Significant Impact on Offline Purchase Behavior*. November 29, 2007. http://www.comscore.com/Press_Events/Press_Releases/2007/11/Online_Consumer_Reviews_Impact_Offline_Purchasing_Behavior.

³Morpace, Inc. "June Morpace Omnibus Report." Frequent consumer usage of Facebook provides a marketing opportunity for retailers, 2010.

⁴NADA Industry Analysis Division. *NADA Data 2009: Economic Impact of America's New-Car and New-Truck Dealers*. AutoExec 2009.



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About ADP

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Through close collaboration and local market expertise, ADP is dedicated to helping dealers and manufacturers drive measurable results across the business with innovative, user-focused solutions.

We are a division of Automatic Data Processing, Inc. (NASDAQ:ADP), one of the world's largest providers of business solutions. ADP, Inc. is one of only four publicly traded U.S. companies that have an "AAA" credit rating.

Ed Neues has more than 30 years of experience as a marketing consultant to automotive retailers. He has been an Internet marketing consultant since 1995. For questions or to schedule a free private webinar, please call Ed Neues at 303.420.0618.

