

Aug 2009

## Social Media as the New Global Twenty Group: Auto Industry Embraces DrivingSales Collaborative Platform

### Overview

With 67% of the global online population now visiting 'member communities,' including social networks/blogs<sup>1</sup>, it is no secret that social media has "arrived," nor that social media is proving to be a powerful business-to-business tool. By December 2008, 32.5% of business professionals were reporting that they use online social networks for professional purposes daily — with 80% using them at least once a week.<sup>2</sup>

LinkedIn alone has registered over 40 million members, meanwhile consumer ratings on everything from recipes to carpet cleaners are soaring online, with Yelp attracting 20 million visitors a month and racking up over 5 million local reviews a month.

But, until June 2008, the largest industry in the world (the auto industry) lacked a true B2B social media platform or user-generated vendor rating system. Given the stark economic realities of the industry, with its shrinking car sales, disappearing margins and the inability of dealers to turn a profit on new car sales (average industry margins had shrunk to just 1 percent of sales in 2008 and are likely to fall even more this year<sup>3</sup>) - the need for an open, objective collaborative social media forum to help the leading edge of the entire industry — and especially its dealerships — navigate through the crisis and into the future, was clear.

### An Automotive Social Media Platform is Born

Knowing that dealers struggle on a daily basis to make smart spending decisions on the scores of vendors (dealerships report receiving as many as 80 vendor calls a week) and best practices solutions they are bombarded with – and also knowing in spite of the industry's massive adoption of the Internet, that a truly neutral and comprehensive dealer vendor rating forum was notably absent and sorely needed, DrivingSales was launched nationally in June 2008, as the only custom social media platform for the automotive and dealer industries.

### Car Dealers: Luddites...?

The fact is that when people think of consumer social media it is usually tied to Gen Y on Facebook — and in the case of B2B social media, it is the super-high-tech Silicon Valley companies that are seen as jumping into the mix. Certainly, the inaccurate but, unfortunately stereotypical, image of the car dealer industry – and even the auto industry – is that they are late and/or resistant to the Internet/technology game, and not the first 'face' one puts on social media.

### ...or Social Media-ites?

But just one year after launching nationally to the industry, DrivingSales is blowing that image out of the water. DrivingSales has grown dealer by dealer, best practice by best practice, vendor by vendor, to become the automotive industry's leading social media platform and largest online community – with thousands of members, a 30% average monthly growth rate, and a monthly unique readership that rivals that of the industry's major trade publications.

This case study demonstrates how dealers are quickly becoming some of the most passionate, engaged, leading edge B2B social media users, while also showing how dealerships and vendors alike are benefiting from this unique and powerful social media tool.

### How DrivingSales Works

DrivingSales operates as a true online community for the auto industry, where its thousands of members (including dealers, dealership managers, manufacturers, industry experts and vendors), collaborate and share best practices in a twenty group style setting.

Members can create profiles and communicate with each other; build their networks and knowledgebase; post, read and rate timely industry news articles; share and rate proven strategies; and have access to relevant content contributed by fellow industry experts, including blogs, videos, interviews, and more.

Dealer members can rate and review hundreds of vendor products and technology solutions — while vendors have the opportunity to provide feedback on reviews and showcase the value of their products and services.

DrivingSales was created and built from the ground up in 2003 by Jared Hamilton, a third generation auto dealer, as a private automotive business community to network his NADA Dealer Candidate Academy class. The site opened nationally in 2008 and is the auto industry's leading social media custom platform.

<sup>1</sup>Nielsen Research Report 4.2009

<sup>2</sup>Biz Info & Blackline Survey 12.2008

<sup>3</sup>NADA Chief Economist in Chicago Tribune, 3.2009



Andrew DiFeo, General Manager,  
Hyundai of St. Augustine

## Dealers: Making Connections, Sharing Best Practices, and Improving Sales

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### **Hyundai of St. Augustine, St. Augustine, Florida**

Andrew DiFeo, General Manager of Hyundai of St. Augustine, opened up his dealership right around the time that DrivingSales launched to the industry – in June 2008. Part of a Florida dealer group that operates two very well established Hyundai stores, when DiFeo opened his doors, St. Augustine had never had a Hyundai presence.

While the auto group's other dealerships were heavily focused on traditional marketing, devoting significant budgets to print, broadcast and direct mail, DiFeo was determined to

make his store successful by embracing more cost-effective and targeted marketing platforms – focusing on the Internet, CRM, and other new media. Initially, his Hyundai co-op ad deal mandated an emphasis on traditional marketing for new dealerships, but those funds ran out in September 2008 – just as the economic crisis was hitting a boiling point.

Tasked with working out a media plan that had to grow his business with minimal expense, but in the worst economy for the auto business since the Depression, he turned to newly-launched DrivingSales to immerse himself in what the highest-performing dealers were doing and establish his game plan for success. The blogs, forums, and best practice articles he found there validated what he instinctually knew: no amount of marketing dollars could convince people who weren't, or couldn't be, in market, to come to market - and that the best strategy was to aggressively reach in-funnel, active car shoppers where they were living: *online*.

“ BECAUSE OF THINGS WE’VE LEARNED AT DRIVINGSALES’ BLOGS AND FORUMS, WE’VE NEARLY DOUBLED OUR MONTHLY SALES. WE’RE NOW DOING 80 VEHICLES A MONTH (UP FROM 50), AND ARE HAVING ONE OF OUR BEST MONTHS, WHEN THE INDUSTRY IS EXPERIENCING ONE OF ITS WORST”

Over the next year, DrivingSales' knowledge base would impact his marketing and operational decisions in diverse, profound ways: from unleashing cutting-edge online campaigns, to helping reorganize his sales process, to selecting and learning from vendors – even to navigating the confusing processes of Cash-for-Clunkers to maximize the historic sales opportunity.

“We opened a dealership at the worst possible time...but I looked at it as a real opportunity, because the way our industry was doing business was changing dramatically, on all levels, before our eyes,” said DiFeo. “The challenges allowed us to really experiment with new ways of marketing - and the forums and blogs on DrivingSales were instrumental in our effort.”

### **DRIVINGSALES' IMPACT ON HYUNDAI OF ST. AUGUSTINE**

#### **Transforming Their Online Reputation**

DiFeo has always been a true believer in the power of real-world customer endorsements, and had closely watched the growth of consumer reviews for movies, books, restaurants – and, on DrivingSales, of vendors. This, in tandem with an expert blog on the growing impact of online customer reviews on dealers he read at DrivingSales, spurred DiFeo to implement his own online review strategy. As DiFeo noted, “If a consumer is given the opportunity to comment on their dealership experience and provides a positive endorsement... it's like gold.”

Through DrivingSales, DiFeo identified a vendor that implemented an unbiased online consumer review platform for his dealership, and he reports it's positively transformed both consumer perceptions and sales, as well as driving the whole 'personality' of his store.

### Hyundai of St. Augustine (continued)

“Our online reputation is something we are most proud of. Our whole staff embraces customer testimonials and it has become part of our culture,” said DiFeo. “One of our industry’s biggest challenges is consumer trust, and our high volume of positive customer reviews provides us with tremendous credibility.” The ‘online reputation management’ campaign that was spurred by resources at DrivingSales has since been a core component of their success.

### Restructuring Sales Operations

Following the best practices of several successful peer-dealers who posted strategies at DrivingSales, DiFeo made the decision to organize the whole dealership as an Internet dealership, rather than opting for a segregated Internet department. And a key element was eliminating a separate Internet and Showroom price, providing consumers with a far better process and far greater transparency – which has led to increased sales.

“Because of things we’ve learned at DrivingSales’ blogs and forums, we’ve nearly doubled our monthly sales. We’re now doing 80 vehicles a month (up from 50), and are having one of our best months, when the industry is experiencing one of its worst,” said DiFeo.

### Keeping Abreast Of Fast-Moving Technology

DiFeo was committed to implementing the best SEO, but such a fast-moving technology changes on a near-daily basis. DrivingSales kept him ahead of the curve: “While I still love my industry publications, the terrific thing about the site is the real-time information...Every morning I kick off my day at DrivingSales to see what’s new out there – and it has really helped me keep up with SEO.” For instance, a DS blog convinced him that building microsites significantly boosts brutally competitive organic search rankings, generating more leads and providing content flexibility. And research at the vendor reviews enabled him to identify the vendor to build that microsite – which has increased his web traffic by close to 40% and is generating roughly 10 to 15 additional sales a month.

**“While I still love my industry publications, the terrific thing about DrivingSales.com is the real-time information...”**

### Maximizing Vendor Results:

DiFeo notes that one of the biggest contributors to vendor dissatisfaction is poor or under-utilized technology or products. But DrivingSales peer-to-peer online forums have helped him pick up tips and tricks to maximize his vendor results. He also checks in on his vendors daily, following many of their informative posts for actionable information. He further notes that a vendor’s active participation at DS has impacted his decision to work with them, and has selected one vendor over another because they revealed their day-to-day engagement in the retail world at the site. “They were talking to their clients and listening to them - and making improvements based on what their clients were expressing at DrivingSales’ forums and blogs.”

### Negotiating Unfolding Industry Challenges Like Cash-for-Clunkers

As anyone who has followed the Cash-for-Clunkers saga knows, while it has been a major boon for car sales, it has also been a maze of confusion for dealers who have to facilitate the sales, trade-ins, rebates and a confusing mass of paperwork. DiFeo reports DrivingSales has been a critical resource in helping him navigate these uncharted waters – because with the government helpline so difficult to reach, it functions like a 24/7 virtual help desk. Searching for info, and posting questions in forums, he’s found the key info he’s needed. “The community was letting people know the pitfalls. For example, someone posted that a deal was rejected because of missing form data, and we knew not to make the same error. It was comforting to see we were all facing these challenges together, and helping each other face them.”

## Dealers: Making Connections, Sharing Best Practices, and Improving Sales

### Hyundai of St. Augustine (continued)

#### Summary

DiFeo's salespeople and managers also utilize DrivingSales every day, spreading the benefits across the whole dealership. He notes that it "validates strategies I suggest and gives them a peer community, and a real opportunity to make a contribution."

DiFeo hopes that as DrivingSales and social media expand throughout the auto industry in the months and years to come, that increasingly dealerships, manufacturers and vendors will benefit from listening to each other and contributing knowledge at the site's forums. As he puts it: "Say an OEM rolls out a new program, and there are challenges with it...the best place to get feedback is from real users of their products discussing the issues in an open, honest platform, rather than some managed reports from their sales reps. DrivingSales provides the real deal, and OEMs will be able to better act on, and strengthen, their offerings."

Concludes DiFeo: "In fact, I wish the people from NHTSA were combing through the DrivingSales' forums so they could understand first-hand, from those on the ground, the unique challenges of Cash for Clunkers!"

#### Prestige Volvo, Hanover, New Jersey

Matt Haiken serves as General Manager of Prestige Volvo in Hanover, New Jersey, one of the top ten dealerships in the U.S. Always an Internet-savvy marketer, Haiken had consistently made a significant investment in the company's website and diverse online marketing strategies — with the result that roughly 40% of his dealership's sales are generated online. By late 2008, Haiken was pleased with the results he was getting from



Matt Haiken, General Manager, Prestige Volvo

his online efforts, and his dealership was performing well despite the economic challenges facing the industry. But, in an economy leaving few unscathed, Matt was determined to optimize wherever possible, and felt he was not getting the ROI he should from some of his third-party providers. "In this economy, I knew that I had to focus on the things that I could control — effective marketing and optimized ROI — and, although I knew little about SEO, I wanted to drive more calls and leads directly to our site and store more cost-effectively, and I knew it was going to be a key element."

With Search touted as the holy grail of online marketing and a dizzying array of vendors offering dealer solutions, the first thing Matt did was turn to DrivingSales to analyze what fellow dealers were saying about SEO. Not only did he find a listing of all the major SEO providers, he was able to use its unique vendor ratings system — in particular, the detailed, individual comments about each vendor — to narrow his list. Haiken also reports that he found the site's blogs extremely useful...in fact, his final vendor choice was significantly influenced by a DrivingSales blog devoted to an Infiniti dealer who was reaping extraordinary results by deploying SEO with one of the listed vendors.



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### **Prestige Volvo (continued)**

“With all the forums and postings, not only was I able to get more educated about SEO in general, the precise vendor ratings gave me an invaluable industry reference point to see what was going on with SEO, what kinds of campaigns were available, how each vendor was performing and who I should be talking to,” said Haiken. “Armed with all this information, I knew exactly what to talk to each vendor about — which not only saved me time, but also led me to make an excellent vendor choice.”

This kind of research, before the existence of DrivingSales’ collaborative platform, would have involved endless emails, phone calls, and research in trade publications – or waiting for the next twenty group meeting — but Haiken was able to do his homework quickly and, within hours, he was on the phone with the vendor who ultimately became his SEO provider.

The ROI and results were overwhelmingly positive. Since signing on with the vendor Haiken identified and evaluated via the nationwide dealer community on DrivingSales, Prestige’s web traffic has increased by over 1,000%.

Haiken continues to spend a lot of time on DrivingSales: he visits at least three times a week and has made the site “required reading” for his entire Internet sales team. “I am constantly on DrivingSales, connecting with other people in the industry, sharing and reaffirming best practices or to get a quick pricing opinion,” said Haiken. “DrivingSales represents the future of dealer collaboration — and perhaps even our survival – because it’s a platform where we can share ideas, communicate, see what’s working and what’s not – far more quickly and effectively than we ever could before.”

*“How will consumers interact with dealers in the next ten years? That is what we need to understand. By utilizing and participating in a sophisticated social media platform like DrivingSales, we are actually experiencing what the future of the consumer experience in automotive could, and most likely will, be like...”*

### **LorMar Auto Group**

LorMar Auto Group is the premier auto group in the Midwest and generates about 30% to 40% of its overall sales via the Internet. Andy Warner, the Group’s Internet Sales Manager, was already exploring implementing social media on his dealership websites (having just added blogging technology), when he made a best practices and vendor connection through DrivingSales.

While LorMar Auto Group was growing overall (having added a GM store, as well as a used dealership and tractor store), and performing well online, Warner knew there were still powerful, untapped opportunities to drive more traffic to the dealership websites, as well as better strategies available to make his used store listings more search-friendly. Following the DrivingSales trail, he communicated with several peers on best practices around these issues, ultimately connecting with Paul Rushing, an independent dealer consultant, and bringing him onboard. Within months of that connection, Warner was able to rev up his website traffic and page views by over 30%, while significantly increasing his conversion rates.

As a result of this direct vendor connection, DrivingSales’ most immediate and tangible benefit to LorMar Auto Group has been to improve its bottom line, with the increased traffic, conversions and ROI that came from that new relationship. Additionally, LorMar Auto Group has benefited more widely from the DrivingSales platform that provides connections, shared best practices and vendor assessments. Warner’s team regularly checks the DrivingSales’ vendor ratings to see how their providers are faring and to discover new vendors who might be delivering greater value. However, Warner, who blogs and posts comments on DrivingSales every week, believes that the impact of DrivingSales is potentially even more profound, and that one of its key industry benefits is to help automotive professionals experience the breadth of the online social media experience and what its potential applications to consumers can be.



Andy Warner, Internet Sales Manager,  
LorMar Auto Group

## Dealers: Making Connections, Sharing Best Practices, and Improving Sales

### LorMar Auto Group (continued)

"How will consumers interact with dealers in the next ten years?" Warner asks. "That is what we need to understand. The industry has been in a box for too long, removed from the consumer and how he/she is actually operating online. Automotive online professionals need to experience and immerse themselves in the total online environment. By utilizing and participating in a sophisticated social media platform like DrivingSales, we are actually experiencing what the future of the consumer experience in automotive could, and most likely will, be like. It makes us more ready, more adaptable, more in tune with our customers who come to us looking for a similar open, honest, direct experience."

Although his ramped-up web traffic keeps him busy, Andy visits DrivingSales at least three times a week, looking for and sharing new and effective ideas to help his business, as well as other dealers, through the current crisis. And, to reflect his belief that social media platforms represent the future of dealer interactions with consumers, he makes sure that his staff regularly visits DrivingSales to 'live' the experience he believes their future customers will demand.

**"Forrester estimates that \$716 million will be spent on (social media) this year, growing to \$3.1 billion in 2014. At that point, social media will be a bigger marketing channel than both email and mobile."**

## Leveling the Playing Field for Vendors: Opportunities to Connect Through Free Expert Advice — and Shine Through Performance, Rather than Big Marketing / Sales Budgets

### Brian Pasch, Pasch Consulting Group

Brian Pasch founded Pasch Consulting Group in 2005, and has since been using his expertise to help dealers with Internet marketing, social networking and search engine optimization strategies. A frequent blogger and poster on DrivingSales, he is a true believer in the value of social media as a B2B marketing tool. He also is a true believer in the value of a vendor-neutral collaborative platform to share dealership best practices, particularly in the current challenging economic climate.

**"DrivingSales is on the cutting edge of digital marketing and it attracts members on that cutting edge who are helping each other by sharing opinions in an open and neutral way."**

"Car dealers have not grown up with the Internet, and the full scope and power of Internet marketing — that which goes beyond posting a website and using a third party lead aggregator — is still very new to them," said Pasch. "A site like DrivingSales is so valuable because — where else are they going to go? There are not many free channels set up to train dealers on social media strategy (Digg, Twitter, Facebook, etc.) — or SEO, or even how to best run your Internet department. DrivingSales is on the cutting edge of digital marketing and it attracts members on that cutting edge who are helping each other by sharing opinions in an open and neutral way."

For Pasch, the ability to initiate a dialogue and make connections by sharing his expert advice on DrivingSales has been every bit as valuable to his consultancy as a marketing tool as the site's vendor ratings system. The immediacy of the DrivingSales platform enables him to provide step-by-step best practices to DrivingSales' many engaged visitors. Pasch believes that 20% to 30% of those who read his blogs will implement his advice themselves, but has found there is a critical other group that will simply pick up the phone or email him for more information or to request his services.

For example, Pasch recently posted an article on the importance of page titles in organic search, along with a lesson in how to change tags. Simple best practices anyone can undertake, but rarely implemented because of a basic lack of education. A dealer followed Pasch's instructions from his DrivingSales post and reported a huge difference — a 25% increase in organic traffic. The dealer was so surprised and pleased by the results that he subsequently hired Pasch to fix all his page titles — and more. "This whole business connection came about as a result of a free tutorial, and not from any kind of a sales pitch or marketing spend on my end," said Pasch.



## Leveling the Playing Field for Vendors

### **Brian Pasch, Pasch Consulting Group (continued)**

Pasch also happens to have a five-star rating on DrivingSales vendor ratings, something he finds very effective in marketing and validating his services. “The site offers true peer reviews, and yes, it can be a double-edged sword if someone reviews you negatively — but it also means positive reviews have tremendous credibility. If you’re good at what you do, your positive reviews are going to always far outweigh the negatives.” Pasch further noted, “The fact is, across all industries, review sites and social media are the new ‘Consumer Reports’ — whether you’re a vendor, a dealer, a restaurant or a hotel, this is our new reality and it should — and will — spur us all to provide better services and to discover where we can improve.”

Pasch, who visits DrivingSales every other day and blogs on DS three times a month, believes the current economic crisis has been a huge catalyst for greater Internet marketing adoption by dealers, and this new focus has provoked many discussions on the DrivingSales forums, specifically around the topic of measurability and the new dealership mantra: ‘Show me the Data!’ “Dealers are really zeroing in on the Internet, while cutting their radio and newspaper spend. The Internet is increasingly their number one survival tactic, and DrivingSales is absolutely in the right place at the right time for dealers.” said Pasch. “DrivingSales is talking to a topic that people are waking up to, particularly as it relates to the cost efficiency and measurability of Internet marketing.”

As Pasch sees it, DrivingSales is an invaluable proving ground for marketing strategies and its forums are so well visited because, for dealers and vendors alike, professional feedback is readily available at no charge. “On any topic, more and more auto professionals are saying, let’s see what the experts have to say on DrivingSales. It’s a great place for vetting opinions and that is truly valuable.”

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**“DrivingSales operates like an eHarmony for dealers and service providers.”**

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### **Paul Rushing, ismintraining.com**

Paul Rushing is an independent dealership consultant operating out of Georgia, specializing in customer online marketing programs for dealerships. He launched his business in November 2008 and has engaged in no mass marketing. He does, however, have a DrivingSales profile and is a regular blogger on the site, which he visits at least two to three times a day.

According to Rushing, DrivingSales’ neutral, collaborative environment provides the perfect matchmaking platform between consultant and dealership. And while it’s a great place for large vendors to further enhance their visibility and make new connections, it really levels the playing field for smaller, localized consultants like Rushing, who simply don’t have the marketing resources — or desire — to go head-to-head with the big national players.

“DrivingSales makes my voice as strong as the bigger voices in this niche.” says Rushing. I can’t compete with the big guys when it comes to sales forces or marketing spend, but I have an equal opportunity to showcase my expertise to all the members of DrivingSales. And I have a fully equal opportunity to connect with those who can most directly benefit from it.”

Rushing also believes that DrivingSales is critical in raising both vendor and dealer awareness of what constitutes industry and technology best practices. “DrivingSales operates like an eHarmony for dealers and service-providers,” says Rushing. “And someone who contacts me through DrivingSales is prequalified: they have a specific need and a degree of understanding about the power of the Internet, otherwise they wouldn’t even be there. And most importantly, the transparency of DrivingSales means that when they do contact me, they’ve already vetted me and want me.

In the six months since his business launched, Rushing has been extremely busy with dealership clients, 90% of whom were the result of his presence on DrivingSales. And Rushing reports that roughly 50% of those dealers reached out to him as a direct result of either his blog postings or his social networking on DrivingSales.



**For More Information on this Case Study, contact Melanie Webber at [Melanie@mwebbcom.com](mailto:Melanie@mwebbcom.com), or visit [www.drivingsales.com](http://www.drivingsales.com).**