

AD-FX Case Study

Managing actions that bring results.

Opportunity

GM's Baltimore BPG Local Marketing Association (LMA) recognized a need to spend their marketing and advertising dollars more effectively. Equally important, they wanted to improve their handling of digital leads, phone calls and lead conversion process in order to bolster weakening sales.

Citing successful results from a GM-sponsored pilot study and other dealers employing Dealer-FX's unique approach, the Baltimore LMA voted to implement the AD-FX program for each LMA dealer.

Challenge

The LMA vote was not unanimous. Some dealers were concerned the program would not have the desired effect of changing the behaviors of dealership personnel.

Rationale

Noting undeniable pilot study results (from the Denver and Dallas markets) during tough market conditions, combined with the Baltimore and Washington areas facing a similar economic climate, the majority of LMA dealers felt it was essential to move forward with the program. They recognized that effecting change within their dealerships was critical to the internal process improvement they desired, which is at the core of Dealer-FX's approach with AD-FX.

GM Pilot Program (July 2007 - March 2008):

- Denver pilot dealers outperformed the market in year over year sales increase by **198.03 %**
- Dallas pilot dealers outperformed the market in year over year sales increase by **89.07 %**

Other dealerships throughout the US who initiated the program after the pilot achieved similar results. Specifically, they observed an across-the-board improvement in their digital marketing results, a higher return on their marketing and advertising spend and a lift in new vehicle sales performance.

Dealer-FX Solution

When the Baltimore LMA implemented AD-FX in December 2008, Dealer-FX rolled out the program by conducting in-depth analysis on each dealer's marketing/advertising, digital efforts, lead conversion process and service retention strategy to highlight areas of opportunity, gaps in dealer

processes and areas where they could increase sales opportunities. Each session, personally attended by Dealer-FX automotive experts, focused on solutions that would have the quickest and most impact to the dealer's bottom line and overall effectiveness. Sessions were designed to:

- Review and analyze the dealership's historical advertising efforts and their marketing initiatives and the results
- Engage the dealership staff to focus on increasing sales opportunities/appointments and help identify the strengths and competitive advantages of doing business with the dealership
- Establish goals and standards for the dealership to achieve, with a focus on response time, quality of responses, handling of inbound calls and retaining service customers
- Review of the AD-FX dashboard, using the analysis to guide marketing efforts and introduce best practices



Results

After the first six months of the program (which coincided with one of the darkest periods in the auto industry), the Baltimore LMA **unanimously** voted to renew the AD-FX program for another year. Dealer-FX was commended for their professionalism, value of sessions, quality of exercises, analysis and relevancy of the ideas and best practices .

LMA dealers have realized outstanding results (Dec.09):

- Reduced **Internet Response Time** from **19 to under 1 hour**
- Despite increased tracking, **Closing Ratio** up from **10% to 19.5%**
- Despite decreased Ad Spend, **Lead Volume up 65%**
- Despite decreased Ad Spend, **Call Volume up 77%**
- Increase in **Advertising Effectiveness by 28%** (from 5.2% to 6.7%)
- Increased **Internet Sales by 114%**

Each member of the Baltimore LMA was won over by Dealer-FX's ability to customize materials specific to each dealership's requirements, "in the trenches" attitude, dashboard reporting tools and emphasis on digital marketing.



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