



“Adam Answers Advertising Questions”

Mega Dealers and Television Advertising...How do you make it Work?

Last week I received a call from the principal of a mega dealer group in the Southeast who was considering advertising on television. With his use of radio, print, direct mail and Internet advertising his PVR in advertising cost had climbed each of the past three years and now reached almost \$600 per unit sold.

The president knew that he had to do something to reduce his overall advertising cost without giving up his 1,000 unit per month total sales volume. The good news was that his collection of 11 stores has a brand name recognition level of 60%. This is a real benefit to him since his stores cover a three city area.

The main question the president had was how to make local broadcast television advertising work for a large collection of dealers.

Should he just produce one commercial for all dealers?
Should he just buy cable TV advertising around his dealerships?
Should he just let each GM do “their own thing” when it comes to TV advertising?

Well, in the GO-GO sales years I guess any advertising works. However, when sale are projected down and market share is sure to tighten up, then a much smarter strategy is needed.

First off let’s address the issue of GM control. Mega dealers usually employ Power General managers that are experienced in running high volume stores, are compensated on net performance, and have already been promised advertising control over their individual store.

So from the get-go there is an internal political issue over who is in charge of advertising. Assuming this issue is handled up front (It needs to be!) then most of the process to television should be smooth sailing.

First off I do not recommend producing only a single “branding” commercial to be used for all of the dealerships. This has been tried unsuccessfully so many times that there is a term for it. It’s called an “Apple Pie” ad. This type of ad looks great, sounds great, even tastes great...but does nothing good for you! You-Tube is littered with hysterically funny branding ads for dealerships that had were total bombs in terms of lead generation.

Avoid the apple pie and instead consider the following exercise:

First, what are the real advantages of being a mega dealer group?

1. Having stores all around a region creating instant name recognition by the buyer.
2. Depth of Product and Brand Choices
3. Massive Used Vehicle Inventory
4. Efficient Sales Management Processes: (BDC,Software,Phones etc.)

So clearly all of these things must be demonstrated in each television commercial.

But we are only half way there.

Second, what matters to the buyer right now?

1. Price Perception
2. Added Value
3. Great Salesperson Phone/Web/In-Person Treatment

So in the end a mega dealer needs a message that serves each dealer brand individually since most buyers have already selected a specific brand when reaching dealer level. But within the campaign all of the mega dealers must be mentioned to create that massive sense of scale.

Bottom line. I recommend two commercials be produced.

The first ad called a Branding Ad will run 20% of the time and feature:

- a. Names of All Brands / Dealership Logos
- b. Experiential promise (IE: "You're Gonna' Love Buying Here!")
- c. Full Screen Logo
- d. Web Site Driver
- e. Jingle or Slogan

The second ad called a Retail ad will be reproduced as many times as necessary so that each store gets each own version. It will run 80% of the time so frequency is important. Often we will employ the use of :15 second ads as well to generate even higher awareness. Each of these Retail ads needs to include the following:

1. Mega Dealer Name
2. Dealership Name and Location
3. Product
4. Price
5. Payment
6. Added Value
7. Sense of Urgency
8. Web / Phone Call Driver

Case in point. A dealer group I consulted a few years ago bought in to this concept and launched in 2003 with local broadcast television. Success started to build but along the way many local ad agencies contacted this dealer group and suggested that they abandon the campaign in favor of the agencies new ideas. But to the dealer's lasting credit and financial benefit, the dealer stood firm in his television decision. This mega dealer is one of the most dynamic campaigns on the west coast and it is instantly recognized by millions of people every day. During the campaign their name recognition level increased from 20% to 92% over just two years, plus, sales and profits continue to grow.

And *that's* the power of mega dealer television, done *right*.

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