A Look at How Social Media Empowers Dealers Through Increased Exposure and Interaction With Consumers.
This whitepaper offers a closer look at how social media gives automotive retailers more power to connect with consumers, including:

✓ **Why social media is important to business.**
✓ **What social can do for businesses.**
✓ **How automotive dealers lose by not being social.**

Thanks to technology, today’s car buyers are more equipped than ever before with information about the cars they want to buy and where they want to buy them. Before the Internet, gathering information about vehicles for sale was often much harder to do. People had to visit a car show or physically visit a dealership to gain information on cars. Now, beyond traditional marketing and advertising methods, consumers can check a number of digital channels, including the dealer’s website and the OEM’s website, product and company review sites, forums, blogs, social media websites, and more – all in an instant and prior to even stepping foot into the dealership. Not only does this give consumers more knowledge, but it also gives them more power.

At the same time, consumers’ access to more information also gives dealerships more power. How? Because consumers rely heavily on these new mediums, and dealers have the ability to control what message they send. Due to technology, dealerships can interact with consumers like never before; communicating, responding, and informing customers in real time, from anywhere. Social platforms exist to help people build relationships, something that dealers have long been dependent on and demonstrated success in doing in their businesses. Dealers that embrace social media and its power to build relationships can, in turn, regain the power they might have once considered lost to the ever-evolving digital revolution.

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*2012 Chief Marketer Social Marketing Study*
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Why Social is Important

Social Media is not a marketing fad; it is a force that’s here to stay – and grow. Here are the facts. The 2012 Chief Marketer Social Marketing Survey reported that, of the businesses it polled, 76% are currently conducting some level of social media and another 16% reported they plan on starting. That’s more than 9 out of 10 businesses that will use social media in 2012 alone.

Powerhouse businesses such as Nike, Whole Foods, Starbucks, American Express, and Pepsi are included in this and actively engage with consumers on social media platforms on a daily basis. This is not a bandwagon activity for them; they are not doing it just to give their marketing team something to do. Rather, these brands recognize the benefits of social media to their business and are using it to help them build brand awareness and loyalty, interact with customers, monitor ad spending, and drive SEO. These are the same tactics dealers should be using, too.

Social media is an important part of how today’s businesses can build brand awareness. To do this, businesses can choose to participate in as many social platforms as they prefer, so long as they have the time and resources and the quality of work holds steady. In some instances, this may mean enlisting the help of a third-party vendor to manage the company’s social program, either independently or in conjunction with the business’ marketing and advertising strategy.

When it comes to social and brand awareness, keep in mind that consumers need to experience a message seven times on average for the message to resonate. Social sites, used as a key component of a dealer’s digital marketing strategy, are one tool that dealers can use to help reach customers across multiple channels to highlight the dealer’s brand and reinforce the messages the dealer wants to convey to customers and prospects.

Building customer loyalty can take longer to accomplish with social media, but can be earned over time through the dealer’s strong presence and participation on social sites. Social sites provide businesses with a channel to engage customers, share product information, industry news and updates, and respond to customers’ comments. If a business continually connects with customers through social channels, trust will begin to form. When a customer trusts a business’ expertise, they are more likely to purchase a product or service from that business. And, if the business continues to offer quality service throughout
the buying process and after, there is a much higher chance those customers will be repeat buyers in the future.

Many in-market car shoppers will turn to social media channels to interact with dealers and obtain the information they want to know about a dealership and its products. This provides dealers with an additional place to connect with consumers and the opportunity to present the dealership professionally.

Dealers need to keep the information on their social sites current and relevant to consumers’ needs. They also need to anticipate the consumer’s specific questions and have that information readily available on their social sites. That information can range from industry news and product information to hours of operation, driving directions, coupons, or even a forum to ask questions or relay concerns. Finally, dealers also need to respond in a timely fashion to consumers’ questions or concerns to meet their expectations for instant information.

Social media also helps businesses monitor and adjust ad spending in ways that traditional media channels do not. For example, when businesses place an ad in the paper or a commercial on TV, the number of impressions – or people those ads have reached – can be tracked overall, but not down to the specific individual. With social media, the individual who liked, shared, or commented on a status can be pinpointed. This allows the business to know who is paying attention to what, and whether the intended message is achieving its goal.

Lastly, social sites help businesses build organic SEO rankings. With the release of Google Panda, higher quality sites – sites with original content and information – receive better rankings. When a business has strong social sites and links to its website from these pages, the website will be ranked higher thanks to its validity and quality score. Google places a large amount of importance on social sites when determining businesses’ organic rankings, including those for dealerships, based on their social involvement.

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What Social Does for Business

One of the biggest complaints dealers have with social media is that “it doesn’t sell cars.” Yet in order to sell any car, dealers need to sell to people – people that the dealer interacts with. And, today, those people are using social media.

As mentioned earlier, building customer relationships takes time. People following the dealer on Facebook, Google+, or LinkedIn are choosing to take time out their busy lives to spend time interacting with the dealership because they see value in what the dealer has to say and offer. That interaction can be used to the dealer’s advantage. Dealerships that are able to develop strong relationships with consumers through social media, over time, ultimately will sell more cars.

Consider just one segment of the population: There are 79 million people who make up the Millennial Generation. This is a term used to describe a segment of population born between 1980 and 2000. This generation wields an annual spending power of $200 billion and are more likely to look at brands on social networks, research products and compare prices, and use mobile devices according to the Wall Street Journal.

According to NADA and the Deloitte’s 2012 Gen Y Automotive Survey, “Experts say it’s the Millennials – masters of mobile technology – who will be reshaping the auto buyers’ market in coming years. Already, they’re buying one in four cars sold in the U.S.” By 2025, it is estimated Gen Y will be purchasing three in four.

This segment of the population uses social media more frequently and for more than just socializing with friends. As Millennials increasingly turn to these sites to research and obtain information, having a strong presence on these platforms can ultimately make or break a sale for dealers. In order to capture the hearts and minds of Gen Y, Millennials, and beyond for the long term, dealers need to begin harnessing the power of social media now.

Still, the power that dealers can gain from using social media doesn’t stop with Millennials. Google released a study, “The Zero Moment of Automotive Truth” (ZMOT), to show where influence takes place from moving all automotive shoppers from undecided to purchasing a vehicle in a dealership. The first thing Google discovered was that the average shopper used more than 18 resources for information to research a car purchase. The study also discovered seven of the top eight influences happened online, with social media being one of those influences.
As dealers build out their digital strategy, the importance of social media in reaching all consumers, regardless of age, is underscored by the Google ZMOT study.

**How Dealers Lose by Not Being Social**

It’s clear there are benefits to using social media for the dealership. Conversely, there are risks for dealers who choose not to use social media for their business.

Social media cannot be looked at in a vacuum. It is an integral part of any integrated marketing strategy, with the key word being “part.” Much like the “Butterfly Effect” in which one small change in one area can result in a large difference in another area, dealers who leave social media out of their marketing equation can wind up with loss of business. To illustrate: A dealer sends a direct mail piece that generates consumer interest. The consumer goes online to search for the dealership name, but it’s not in the “golden triangle” (the top three spots on the first page of organic search results). The individual then decides to keep searching online and finds the dealer’s Facebook page, but also discovers a number of negative comments about sales and service. At that point, the consumer moves on to the competition. Plus, that individual also tells several friends to stay away from the original dealership. For every online action, there is a net effect, positive or negative, but it begins with the decisions of the dealership.

Still not convinced? Let’s look at the numbers: YouTube reached over 1 trillion views in 2012. Instagram acquired 50 million users in its first two years. Pinterest boasts 18 million visitors each month despite the site’s overall newness. Even when dealers target a small fraction of the trillions of potential consumers using social media, it’s easy to extrapolate the potential exposure gains – and losses – for dealerships.

Consider specific applications of how not using social media can negatively impact the dealer’s business. First, consumers are increasingly turning to Facebook instead of search engines as the first place to look for information. In fact, 75% of people following a brand indicate they turn first to Facebook for company and product information according to Edison Research. Here’s a scenario of what that means in lost business: A dealership runs a television spot that inspires someone to seek more information about the dealer’s products. Upon looking at Facebook for that information, the consumer realizes the dealer’s page is either nonexistent, or more commonly, hasn’t been updated in
weeks. The dealer has just given that consumer one more reason not to shop with them. Worse, the dealer may have lost that consumer to the dealership down the street or to a dealer in the same city who carries the same brand simply because those dealers had up-to-date Facebook pages.

Second, even if a dealer sells a car without social, it is an important part of the after-sale process. When consumers post positive comments and pictures about their vehicle purchase experience, dealers can benefit when the next group of consumers does their research.

A new study by J.D. Power found that nearly one-third of consumers check online reviews and ratings when selecting their dealer. It also determined that males are more likely than females to consult ratings and review sites, whereas females are significantly more likely to consult social networking sites.

Moreover, while a dealer’s use of social media is important, monitoring what people are saying on social sites and review sites is important as well. Capgemini recently surveyed 8,000 car buyers across the globe. More than 70 percent of the respondents stated they would purchase a vehicle from an automaker or dealer again if they found positive comments on social media sites. When dealers fail to take into account how their dealership and the consumer’s experience will be shared online, they also can fail to capture additional exposure and goodwill.

Finally, the benefits of consumers’ online comments, videos, and photos reach beyond the initial post. When determining search result rankings, Google’s algorithm takes into account data collected from a variety of social media sites (Facebook posts, tweets, comments, Google+ posts, and more) and considers the traffic these sites generate as part of the calculation. Considering that most consumers do not look past the “golden triangle” as described earlier, dealers who do not have a strong social presence also can count on weaker search results and higher spending on paid search to get noticed.

While the ever-changing digital world can feel overwhelming, there is much for dealers to gain from a strong social presence. Dealerships have the power to place meaningful messaging across multiple channels, including social sites, to drive SEO, build brand awareness, engage customers, and build lasting relationships. Creating an integrated marketing strategy that thoughtfully includes the use of social media can give dealerships the power to truly make a difference in their marketplace and their business results.
As social media continues to evolve and grow, so does the importance of businesses taking part in it. Social media helps businesses share meaningful messages across multiple channels, which can lead to better SEO, increased brand awareness, higher customer engagement, and the foundation for lasting relationships. As a result, automotive retailers need to embrace the power of social media now to make a meaningful difference for their business today, as well as into the future.
For dealerships who recognize the power of social media in helping them get noticed by consumers, but who need a partner to help them harness that power, Naked Lime Marketing offers a complete suite of social media services and does the heavy lifting on behalf of the dealer.

The dealer’s certified specialist will:

- Create page build outs and link naming to help the dealer’s website rank higher in search results.
- Manage the top 20 social media sites.
- Manage a dealership blog.
- Create monthly press releases.
- Send keyword and link submissions to the top third-party directories.

In addition to social media services, Naked Lime also provides marketing, traditional advertising, digital advertising, mobile, reputation management, and web services for dealerships.

To contact Naked Lime, call 855.NKD.LiME, email info@nakedlime.com, or visit nakedlime.com.