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7 ways dealers can polish social media skills

BY **AYRALD HUBERT**
CLUTCH

Dealers are using social media to build customer relationships and, in turn, improve the bottom line. But you have to do social media right to get the rewards.

With that in mind, here are the elements to include in a dealership social-media initiative.

Business information

Many businesses forget the basics. Make sure to list your dealership's phone number, customer support email address, and even driving directions on your Twitter profile, Facebook page and other social-media accounts, as well as on your website.

Link between your social media channels, as well; your Facebook followers may jump at the chance to follow you on Twitter, Google+ and LinkedIn, and may also wish to read your blog.

Give your followers links to all your social channels. If possible, include a link to Google Maps that shows your location. Make it as easy as possible for customers to find and contact you.

Highlight hours of operation. You don't want shoppers to drive across town – or farther – only to discover you are closed.

Customer service

Use your public channels to handle

some (or even all) customer-service engagement. Many dealerships are leery of dealing with problems or complaints publicly, but if handled properly, what begins as a negative can ultimately turn into a win for you and your company.

For instance, when an unsatisfied customer inevitably reaches out to you on social media with a complaint, respond quickly, show concern, address the problem and try to come up with a solution that mutually works.

If you show genuine goodwill, the customer should end up at least partially mollified. Others will see you tried your best.

Vehicle photos and videos

Include inventory images on Facebook and Twitter. Entice shoppers with quality photos that show your stock to its best advantage.

To do that, make sure photographed vehicles are clean and polished. Use good photo equipment, not cellphone cameras. Schedule morning or late afternoon shoots to give photos a warmth, not a high-noon glare.

Clear off any accumulated snow or ice. Dry and polish exteriors before taking photos.

Try to include shots of the vehicle's interior, as well. This might be hard if you are including hundreds of images

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What happens in Vegas

BY **JEFF CARLSON**
NADA CHAIRMAN-ELECT

What do Cirque du Soleil, Chris Angel, Celine Dion and the National Automobile Dealers Association all have in common? We'll all be in Las Vegas next weekend.

But from March 31 through April 3, what happens in Vegas won't stay in Vegas. Because with an estimated turnout of 10,000 dealers and managers converging on the entertainment capital of the world, you will not want to miss the NADA's annual Convention and Expo in Las Vegas!

We invite you to try the all-new Exchange pavilion located in Hall N3 of the Las Vegas Convention Center. Based on feedback that we received from attendees during the registration process, Exchange will feature round-table discussions and short presentations on the most trending industry topics today.

If you've been waiting to have an interactive discussion on "employee generational gaps," "prepaid maintenance," "grassroots engagement," "online sales strategies," and more, put the Exchange on your agenda.

As always, you can expect the latest and greatest automotive products all around the expo floor. In conjunction with the American Truck Dealers con-

SEE **CONVENTION**, PAGE 2

Dealerships are hot properties, thanks in part to Warren Buffet

U.S. dealership buy-sell action reached record highs in 2015. New-entrant activity outpaced public-company acquisitions more than four to one, according to “The Blue Sky Report” from Kerrigan Advisors.

The report said store valuations rose to historic highs, the new players made sizable acquisitions, manufacturers approved several multi-dealership transactions and real-estate prices rose to pre-recession levels.

Key findings include record high valuations, partially driven by attractive acquisition financing and the increased importance and price of dealership real estate.

The first half of 2015 was marked by Warren Buffett’s Berkshire Hathaway acquiring the Van Tuyl dealership group, auto retailing’s single-largest acquisition. The 95-store network is No. 6 on the WardsAuto Megadealer 100 list.

The Berkshire-Van Tuyl deal stirred interest from new non-traditional buyers. In 2015, non-traditional entrants ended up buying more dealerships than did publicly traded companies. Traditionally, the latter have been the biggest buyers.

“A number of iconic multi-dealership groups came to market in 2015 and were acquired by both established consolidators and new entrants,” said Erin Kerrigan, Kerrigan Advisor’s managing director.

“Faced with this stiffer competition, the publics found it more difficult to compete for larger group transactions, and represented just 7 percent of the buy/sell market in 2015,” she said.

Rookie dealership buyers, including family companies, private-equity firms and public conglomerates, acquired 29 percent of the franchises sold.

That’s “stunning” and indicative of what’s to come, Kerrigan said. “We

believe new entrants will increasingly shape dealership consolidation and meaningfully impact the future of auto retail.”

Still, the buy-sell activity of 2015 will be hard to top this year, she said, citing a predicted cyclical easing up of the auto industry.

“While the 2016 buy-sell market is expected to be as active as 2015, we anticipate the proportion of sellers completing a successful sale could decline as industry growth plateaus and dealership earnings come under pressure.”

Other report highlights include:

- The new entrants continue to seek platform acquisitions.
- Return on investment drives valuations, particularly for larger transactions.
- Blue-sky multiples are firmer and less dependent on profit potential.
- Stock prices drive the public dealerships’ capital allocation.

Convention

CONTINUED FROM PAGE 1
vention, we’ll have more than 25 dealer/OEM meetings, with 64 workshop topics in 120 sessions. The NADA also is bringing its own impressive lineup of celebrities and political figures to Las Vegas.

We also have an amazing array of speakers: GOP

strategist Karl Rove and former Vermont governor and Democratic presidential candidate Howard Dean will analyze this year’s historic campaign; 2016 Super Bowl-winning quarterback Peyton Manning will motivate with his theories of leadership, something he’s clearly an expert on; and comedian Jeff Foxworthy is sure to make

you laugh.

Finally, don’t miss 2015 NADA Chairman Bill Fox, who will recap his year and hand the torch over to the 2016 NADA chairman, yours truly.

If that’s not enough, your association will be celebrating its 99th year of serving dealers — here for you since 1917. We invite all our

members, international dealers, OEMs, industry allies, and the media to celebrate with us in Las Vegas before we turn the big “1-0-0” next year.

Las Vegas has more hotel rooms than any other city on the planet, and we hoped you booked one. See you at the auto industry event of the year!

Marketplace

GM/GSM 27+ years’ auto industry experience and highly knowledgeable in all aspects of dealership operations. Demonstrated history of quality performance, leadership and initiative, proven success in consistently increasing sales. Productive team leader with exceptional communication, organization and negotiation skills. Scott Henneberry, (815) 978-2575.

Résumé on file at the CATA.

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Technology woes continue to drive up dependability complaints: J.D. Power

Problems with technology continue to affect vehicle reliability, a new J.D. Power study finds.

According to the 2016 U.S. Vehicle Dependability Study, the number of problems with infotainment, navigation and in-vehicle communication systems — collectively known as audio, communication, entertainment and navigation, or ACEN — has increased and now accounts for 20 percent of all customer-reported problems in the study.

ACEN now is the most problematic area on most vehicles and is the cause of the industry's 3 percent year-over-year decline in vehicle dependability.

"The increase in technology-related problems has two sources," Renee Stephens, vice president of U.S. automotive at J.D. Power, noted. "Usability problems that customers reported during their first 90 days of ownership are still bothering them three years later in ever-higher numbers. At the same time, the penetration of these features has increased year over year."

The problems most often reported by owners are Bluetooth pairing/connectivity and built-in voice recognition systems misinterpreting commands. "Navigation system difficult to use" and "navigation system inaccurate" are also among the 10 most frequently reported problems.

Building trust in technology

While automakers, suppliers and even the U.S. government are enthusiastically moving toward putting fully autonomous vehicles on the roads, consumers need to have confidence in the technologies currently in vehicles before they will be willing to take their hands off the wheel of self-driving cars.

"If you think about the technology problems from the study in the context of conversations around autonomous vehicles, the industry clearly has more

work to do to secure the trust of consumers," said Stephens. "Right now, if consumers can't rely on their vehicle to connect to their smartphone, or have faith that their navigation system will route them to their destination, they're certainly not yet ready to trust that autonomous technology will keep their vehicle out of the ditch."

Expected reliability remains critical in today's automotive market. More than 50 percent of owners cite expected reliability as one of the most influential reasons for choosing a specific make and model. At the same time, concerns about reliability have risen this year as a reason to avoid particular models.

"The decline in reliability coupled with a record number of vehicle recalls and safety-related complaints affect consumer confidence," said Stephens. "Dependability has a direct impact on purchase decisions and brand loyalty."

Among owners who experienced no problems with their vehicle, 55 percent purchased the same brand again. In contrast, only 41 percent of owners who experienced three or more problems with their vehicle stayed with the same brand for their next purchase.

Additionally, only a third of owners who had to replace a component outside of normal wear items said they would definitely repurchase or lease the same brand again.

Highest-ranked nameplates, models

Lexus ranks highest in vehicle dependability among all nameplates for a fifth consecutive year, with a score of 95 problems per 100 vehicles (PP100). Porsche (97 PP100) follows Lexus in the rankings, moving up from fifth in 2015. Following Porsche in the rankings are Buick (106 PP100), Toyota (113 PP100) and GMC (120 PP100).

GM: 8 segment awards; Toyota: 6

General Motors models receiving an

award include the Buick Encore, LaCrosse and Verano; Chevrolet Camaro, Equinox, Malibu, and Silverado HD; and GMC Yukon. Toyota awardees include the Lexus ES, GS, and GX; and Toyota Prius v, Sienna, and Tundra.

Others models to receive segment awards are the Fiat 500; Honda Fit; Mercedes-Benz GLK-Class; MINI Cooper; MINI Coupe/Roadster; and Nissan Murano.

Key study findings

The overall industry average is 152 PP100 this year, compared with 147 PP100 last year.

Among owners who experienced a Bluetooth pairing/connectivity problem, 53 percent said the vehicle didn't find/recognize their mobile phone/device. Among owners who indicate having experienced a voice recognition problem, 67 percent say the problem was related to the system not recognizing/misinterpreting verbal commands.

The number of engine/transmission problems decreased to 24 PP100 in 2016 from 26 PP100 in 2015.

Seven of the top 10 problems are design-related. Design-related problems account for 39 percent of problems reported in the study (60 PP100), a 2-percentage-point increase from 2015.

The 2016 U.S. Vehicle Dependability Study is based on responses from 33,560 original owners of 2013 model-year vehicles after three years of ownership. The study was fielded from October through December 2015. The study, now in its 27th year, examines problems experienced during the past 12 months by original owners of 2013 model-year vehicles. Overall dependability is determined by the number of problems experienced per 100 vehicles (PP100), with a lower score reflecting higher quality. The study covered 177 specific problem symptoms grouped into eight major vehicle categories.

Social media

CONTINUED FROM PAGE 1

of different vehicles, but buyers like to see what the interior looks like, especially with pre-owned vehicles.

Do not Photoshop out dings, dents or fabric stains. This can backfire and hurt the dealership's reputation.

Adding videos to social-media pages can provide more engagement and product detail than photos can alone.

While professional photos are important, video need not be of such high quality. Video shot with a smartphone have a local and authentic feel and are affordable to produce. They let you to shoot lots of them affordably, shoot where background noise is minimal, and caption and tag your videos when uploading.

New-vehicle incentives

Social-media campaigns always should include current promotions and incentives.

Mention it everywhere if you are offering low-interest financing, a price rollback or a deep discount on certain vehicles for a limited time. Social media is an ideal spot for that.

Your followers do not want to be bombarded with constant requests to "buy from us!" However, notifying them of specials is a way to interest them without the hard sales pitch. Simply let them know of opportunities to save money or get a terrific bargain, and leave it at that.

Coupons

Citing research, Peter Martin at ServiceDriveToday.com, says, "Eighty-three percent of consumers say they search online for vehicle service and repair information, before taking their car in for service."

So put coupons on social media. But don't make the mistake of simply uploading website coupons, or worse yet, scanning and uploading print material.

Create any service special or coupon specifically for the medium on which you intend to post it.

Beyond FAQs

An FAQ page gives potential customers the information they want without requiring you to staff phones and answer questions directly.

However, another important aspect of your social strategy should be to have responses ready for other, more complicated questions your audience may have that you don't have room to answer on the FAQ page.

These types of responses could include comparisons of two or more popular car models, a video showing how different vehicles handle in the snow or a list of the most fuel-efficient vehicles on your lot.

If you create or curate videos, articles or white papers that provide such information, you have a ready response and a link to share when a follower tags you with a question on Twitter or posts an inquiry on your Facebook page.

Your preparedness not only will impress that person, but many others who also see it.

For an account of a car salesperson who's doing social right, check out tips from Laura Madison, a dealership saleswoman in Bozeman, MT. Her approach offers valuable ideas such as using YouTube and not treating social media as a platform for commercials.

Customer Outreach

Many dealerships treat their social platforms as purely reactive tools, yet the possibilities for proactive customer outreach are boundless. But don't confuse broadcasting your message with outreach. Outreach means initiating conversations with prospects or others on networks where that is permissible.

Social-media marketing expert As-



em Badshah says that before social networks, there were three go-to options for outreach: Cold-calling high value prospects, door-to-door sales and networking and brand ambassadors starting conversations at events.

"However, with all these options, you're not engaging in a conversation your customer is already involved and interested in," he said. "You're not able to see what they've been talking about in real-time or able to get a comprehensive profile about what they do."

Social media lets you engage in customer outreach in a way like never before, he explains. For more of his ideas and tips on reaching out to customers today, click here.

You can learn a great deal about your customer before you even begin interacting.

When you do interact, you can do so in many ways, such as Facebook likes, personal messaging, retweeting on Twitter, connecting on LinkedIn and commenting on blog posts. These interactions make you appear like a person, not a company.

"These are all targeted, one-on-one interactions that are distinctive to social media," Badshah said, adding that it leads to higher conversion rates and "beats going around and knocking on doors."

Ayrald Hubert is a senior analyst at Clutch, an IT research firm that works with mobile app developers, Web design agencies, Web development firms and social-media marketing agencies.