



WARNING:

ARE YOU MAKING ANY OF THESE
Costly Sales & Marketing Mistakes?

by
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***H**ere at the Gravitational Marketing we're constantly talking to dealers and managers from across the country and throughout Canada. Our members-only email discussion group (which topped a record breaking 900 messages last month) is always swirling with questions about the same things over and over again.*

The group is inundated with dealers seeking sound advice so they don't make a costly mistake. Some get the advice in time and avoid falling victim and others become prey but seek solace in our Rich Dealers® family and us. Either way we get to see and analyze the trends.



In this article we'd like to give you a peek behind the curtain and shine some light on four of the most commonly made sales and marketing mistakes.

You may be asking yourself why we would spend time writing an article like this. The reason is simple. It really irritates us to see honest, hard-working, sincerely ambitious dealers (like many of our successful Rich Dealers®) be taken advantage of by "opportunity grabbers" or by their own lack of knowledge about good sales and marketing practices.

READ ON AND YOU'LL HAVE THE INFORMATION YOU NEED

to make better decisions and save yourself a lot time, energy, frustration and cash.

1 **SPRAY AND PRAY MARKETING**

This is one of the biggest and most costly mistakes we see. It's a marketing related mistake, and it's simply about HOW and WHERE you spend your marketing dollars.

Everyone wants the best ROI but, frankly, most dealers have no clue how or where to spend their marketing dollars for maximum result. They completely lack a PROVEN, strategic plan.

Good marketing is not always intuitive and often defies our ego and emotional choices. Because of this, we constantly make the wrong choices because the right choices don't "feel" right.

Most dealers are doing what we call "Spray and Pray" marketing. They spray a little bit of marketing in a lot of different places and pray something works.

Generally something does work, but no one is really sure what worked and why. So they just keep repeating the ugly cycle that contains a huge amount of waste. This waste leads to frustration and a general malaise about marketing.

The secret here is simple but not easy. Dominate one media first and then add additional. Which one do you start with? That's easy, the one that gives you the best ROI. Fight the urge (it will be very strong) to move on to the next media until you've completely dominated the one you are in.

PARASITIC **PAYDAYS:**

Through some unfortunate series of events a dealer realizes that using paid sales teams is the only way they can drive traffic, make sales, hold gross and pull out their month, so they do them every month. They are basically held hostage by these events.

It's like a drug, and it's just as addicting. But being hooked is a mistake and can even be deadly. Don't get us wrong. We think these big events and traveling teams have their place in the sales and marketing mix, but our warning here is about becoming reliant or even worse, dependent on them.

A reliance on these sales is due to a lack of duplicatable marketing and sales systems. That's what these teams bring to the table...proven and duplicatable sales and marketing systems. But you don't need them. You can create and profit from your own system.

Here's why having your own system is necessary and better than relying on sales teams... CONTROL. You need to be in control of your people, your processes and your customers. When you lack control, your employee morale decreases, your numbers decrease, your CSI decreases and your customers get screwed. It's a slippery slope that can end in disaster.

We've had to rescue many dealerships from this nearly fatal disease, and it's not an easy task. The DT's from this addiction are painful but necessary, and life is good on the other side. We promise.





LONG TERM LOCK IN:

This seems to be a popular trick in the auto business. Vendors and big media companies want to lock you into long-term contracts. There are so many products, services and media options available to dealers, and many of them are really, really good. Some are not so good, and others are just OK, but may not be right for a particular store.

I don't know of any one-size-fits-all-stores solution. Which begs the question, why do so many of these companies try to lock dealers into long-term contracts up front?

Companies should deliver value. They should provide not just good but amazing service. They should have a relationship with their customers. They should care, and you should feel that they care about not just the business you're giving them but about YOU.

Companies should be confident in their product's ability to be useful and valuable. This confidence should be strong enough to offer that service on its own merits, eliminating the need for a long-term contract.

The companies and the products they offer should be held accountable to deliver enough quality to keep you happy just as you have to do to keep customers coming back to your dealership. You don't make the customer sign a contract that says he has to buy his next 5 cars from you. That'd be criminal, a violation of his freedom. Hmm... have you been violated?

We're big proponents of staying with things that work. You should be too. The ability to stick to something that works is a success principle missed by many. The point is don't lock yourself into big contracts. It's a big mistake and always bites you on the tail end. Choose companies whose confidence is bigger than their contracts.

HIGH TECH HYPNOSIS:

Talk about a trend that's sweeping the nation; the online/digital marketing craze is in full effect. If it's tech, it's hot—especially in the automotive industry.

In general, the majority of the dealers we work with are not technology experts or gear heads, but they fear being left behind or missing the boat on the next big opportunity. Dealers are hypnotized by the allure of the bright and shiny new Internet.

This is a dangerous combination, and one that is being exploited big time. Just because it has an e, i or 2.0 in the name doesn't make it a profitable place to spend your hard-earned marketing dollars.

There's a reason why some forms of media have been around forever. They're proven winners. They're reliable. Some things on the Internet are viable marketing channels that are good for a dealership and its net profit. Others are effective but not necessarily good for you, and many just plan stink.

Many industries that rely heavily on testing and measuring and direct ROI have been moving away from digital marketing and back to putting their money in traditional media. This is because their testing has proven that their most profitable, serious and valuable customers are coming from more proven media. The digital media brings a more fickle, less committed, over researched and more price conscious customer.

The Internet is a great tool for consumers to shop for the lowest price on a commodity and compare options and prices at their leisure, with no pressure. It's completely logical, but sales aren't made logically. Selling a car is emotional, and a dealership doesn't just sell cars. They *should* provide so much more.

Our dealers aren't in the business of selling commodities for the lowest possible price. Our dealers work hard to provide their customers with truly valuable services, experiences and solutions that transcend just selling them a cheap car.

Don't get caught up in the excitement of the digital movement. Let each opportunity prove itself. If you don't understand the tech product or service you're being pitched or aren't sure what it does or what it can do for you, get an independent consultant to give you a recommendation and explain what you're looking at.

Remember, the Dominate principle we talked about earlier still holds true when it comes to the Internet. The Internet is just another media outlet to be leveraged for profit. It's not a new business for brick and mortar car dealers. It's a tool to further build the business you already have.



ALWAYS REMEMBER:

Doing things the way everyone does things is a sure way to get what everyone gets. Approaching common problems from an uncommon perspective allows you to create solutions that most dealers will never experience.



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