



About Sonic

- www.sonicautomotive.com
- Headquartered in Charlotte, North Carolina
- A publicly traded company that operates over 100 dealerships across 14 states, representing 25 different automotive brands



About Mountain States Toyota

- www.mountainstatestoyota.com
- Based in Denver, Colorado
- A Sonic Automotive, market-leading, and award-winning Toyota dealership in business since 2003



About Haystak Digital Marketing

- www.haystak.com
- Headquartered in Fort Myers, Florida
- A leading provider of digital marketing services to the automotive industry, offering innovative, customizable, and powerful solutions



About Autotrader

- www.autotrader.com
- Based in Atlanta, Georgia
- The Internet's ultimate automotive marketplace and leading resource for connecting car shoppers with car sellers

Top-rated dealership grows market share and optimizes its digital strategy

From humble beginnings

Today, Denver-based Mountain States Toyota is a Sonic Automotive dealership and one of the nation's highest-rated Toyota stores with an inventory spanning more than 800 new Toyota vehicles and nearly 250 quality used cars. But that wasn't always the case.

When General Manager Tim Van Binsbergen arrived in 2005, he realized that the store had a unique marketing challenge: the location was relatively isolated, not easily accessible or visible from the freeway, and it did not sit on a traditional "dealer row" where the store could benefit from typical drive-by traffic. Invested heavily in traditional media with only a modest allocation to digital media, the dealership was earning a meager 8% of market share.

To overcome its geographical challenge and turn the dealership into a premier car-buying destination, Mountain States Toyota began to focus on developing a strategy to drive more shoppers to the store and increase market share. By 2007, it had increased market share to 13% but found itself "stuck" at that number with traditional media. In 2008, the dealership signed on to

Autotrader's Alpha program, which provided significantly more online exposure and an immediate, substantial lift in sales while uncovering unforeseen value in online advertising.

Shifting exclusively to digital

By 2009, Mountain States Toyota was ready to make an even bigger and bolder business decision: it shifted all of its marketing dollars out of traditional media and into digital. The company engaged Google AdWords Premier SMB Partner Haystak Digital Marketing, who specializes in providing digital marketing services to the automotive industry, and began aggressively using Google AdWords for its campaigns, which proved to be highly successful in helping to gain more market share.

By 2014, Mountain States Toyota had built a robust portfolio of strategic relationships with leading online service providers; these include Autotrader and Kelley Blue Book for inventory and display advertising, Haystak for SEM, and a third party for website services and SEO. More importantly, it had effectively grown market share for new cars to 21.85%, up from 8% in 2005. "We attribute that growth in large part to our digital presence," says Tim.

Optimizing campaigns---daily, monthly, and quarterly

Over the years, the dealership's advertising budget has grown in tandem with its market share. "Tim is extremely astute in that he knows what vehicles he needs to move and where his core strengths are," says Aurko Chatterjee, Manager, Advertising Strategy, Haystak Digital Marketing. "We start planning the campaign on a monthly basis based on where Tim needs to be."

Goals

- Grow market share by optimizing digital strategy
- Increase sales and traffic to website
- Track pay-per-click (PPC) and conversions

Approach

- Created a strong share-of-voice on multiple third-party car-shopping sites
- Worked with a Google AdWords Premier SMB Partner to run AdWords campaigns
- Optimized targeted locations for niche audience markets
- Tracked results and monitored performance regularly

Results

- Increased new vehicles' sales 90% from 2009 to 2014 (2,116 to 4,023 units)
- Increased used vehicles' sales 102% from 2009 to 2014 (1,307 to 2,646 units)
- Outperformed local market on a shopper engagement-per-vehicle basis by 190% (saved vehicles, map views, clicks to dealership website)
- Outperformed local market on a shopper contact-per-vehicle basis by over 450% (phone calls, e-mails, chat conversations, secure credit applications)
- Increased clicks from 105K to 117K and click-through-rate (CTR) from .6 to 1.3%
- Reduced cost-per-click (CPC) 14% YoY, from \$3.76 to \$3.24
- Increased conversions 35%, from 4,800 to 6,500

Haystak has also made sure that Mountain States Toyota is positioned on search engines for maximum ROI. Says Aurko, "We use some pretty sophisticated bidding technology making hundreds of bid changes on a daily basis to make sure Mountain States' campaigns are optimized for a particular geography, device, and overall ROI."

To understand how Mountain States is performing relative to the market, Haystak runs more in-depth analysis on a quarterly basis, looking at a macro picture including dealer sales data, AdWords auction insights, and demographic targeting. Notes Aurko, "Taking this approach reduces spend waste and ensures that we are tailoring our advertising efforts for the right vehicles and markets that Mountain States operates in."

Garnering considerable results

Haystak optimized bidding efforts and how it structured ads and landing pages for Mountain States and streamlined efforts to focus on key markets. Despite decreasing spending, the dealership reduced CPC from 2013 to 2014 by 14% (from \$3.76 to \$3.24) and increased conversions 35% (from 4,800 to 6,500). Its CTR also went from .6% to 1.3% across search and display.

On third-party sites there are specific key performance indicators to track such as search result page (SRP) impressions and number of vehicle detail page (VDP) views per car. Autotrader provides the dealership with this reporting.

"Mountain States Toyota is outperforming their market on Autotrader in terms of exposure (SRP and VDP) by 134 to 156%," says Kevin Filan, Vice President at Cox Automotive, who oversees B2B marketing for Autotrader and Kelley Blue Book. "That's quite impressive."

With Autotrader's Alpha display advertising product, Mountain States Toyota serves a search-in-progress display ad to three of six available geographic zones in Colorado. This display advertising yielded monthly averages of 261,400 additional SRP impressions and 4,400 additional click-throughs in 2014.

Moving from leads to appointments

The dealership has an e-sales department that moves leads to appointments exclusively. And bring in the guests it did: in 2014, Mountain States Toyota experienced a 25.8% closing rate on phone leads derived exclusively from the Internet.

Mountain States is also the #1 Tundra and Tacoma dealer in the Denver region (encompassing six states), and the #4 Tacoma and Tundra pickup dealer in the United States, out of 1,225 Toyota dealerships. "This is specifically because of our emphasis digitally on these products," says Tim.

It's all in the details

"What I like about Haystak is their diligence to detail," says Tim. "We found that at one point in our marketing campaign we were pushing too much on the cars and not enough on the SUVs and trucks. So we made those adjustments by paying attention to metrics."

Tim also talks about how merchandising has played a crucial role in winning online. "Instead of using stock photos, we take a picture of every new car. And I think that makes a significant difference." Mountain States is also a leader in Toyota Certified Used Vehicles (TCUV): #3 in the Denver region and #27 out of 1,225 Toyota stores nationally.





TCUV is important from a digital standpoint, explains Tim, because many dealers don't carry the type of volume that Mountain States does. "We weren't even a player in that market before we were involved digitally. Autotrader, Haystack, and Google have helped us significantly."

A leader in market share

Even though the store has only been around for 12 years (under Sonic Automotive ownership), Mountain States is outperforming large competitors that have been in business for decades. Kevin points out that "what Mountain States has done in terms of growing market share, not just increasing volumes in an 'up market,' has been remarkable."

Kevin talks about taking a holistic digital approach for dealerships that Mountain States Toyota fully embraces. "During the shopping process, car buyers find value by using a variety of sites to inform purchase decisions, including third party, dealership, manufacturer, and reputation management websites, as well as search. These sites all complement each other, and dealers need to have a broad yet integrated marketing strategy to yield the greatest influence on shoppers and best return on marketing dollars. While shoppers use all of these sites, they use them for different reasons. The key is to be very intentional in the approach to each of these tools and sites and invest in them according to how shoppers use them."

Mountain States Toyota is doing this, as is its parent company Sonic Automotive, using a 100% digital advertising strategy across a number of sites. "The beauty of digital marketing is that you can track it," says Tim. "We've seen the success."

Accolades, transparency, and differentiating with memorable guest experiences

That success is manifest in important accolades for the dealership. It's won the Toyota Presidents Cabinet Award for three years in a row: Toyota's highest award and a distinction given to only 12 dealerships nationwide. This elite award recognizes a combination of operational superiority, high sales volume, and customer satisfaction.

Speed and ease of the guest experience is another important factor for Mountain States Toyota. "Guests are using technology to get to you and have expectations about what they want," says Tim, "They have all the information at their fingertips." He explains that transparency is a cornerstone of Mountain State Toyota's dealership model because it establishes rapport and builds trust with customers, subsequently creating customer loyalty that generates repeat and referral business.

Tim also talks about making the guest experience memorable as a way to differentiate the dealership and maintain a leadership position within the market as competitors begin to get more savvy with their marketing. In fact, Mountain States Toyota has made it its mission to provide the best guest experience in the automotive industry today. Its state-of-the-art facility hosts some truly unique customer amenities, beyond just free Wi-Fi, such as chair massages and an espresso bar.

"Whether or not a guest is buying a vehicle from us, I just want them walking away and looking at each other in the car saying, 'That was a pretty cool experience.'"

