#### **BEST PRACTICES**

# ONLINE MERCHANDISING IN A MULTI-DEVICE WORLD







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# HOW TO DELIVER THE ONLINE EXPERIENCE CONSUMERS EXPECT

Powered by multiple devices and limitless access to information, today's "always-on" consumer is compelling automotive dealers to recalibrate their business model. More and more, profits are wrapped up in information exchanges. Universally, car shoppers want a better, more customized and integrated experience that moves seamlessly between the online and offline worlds.

To get consumers to move forward through the car shopping process, your online marketing must create value in the minds of shoppers.

Essentially, your online presence is the visual demonstration of why a consumer should choose you.

While many of the best practices in this handbook are tactical in nature, they roll up under an overall strategy that supports the delivery of the **online experience consumers expect.** 

Done well, with planning, investment and the right tools, the payoff strengthens your brand, builds and nurtures customer relationships and opens up broad new opportunities to drive sales.











## THE CONSTANTLY CONNECTED CAR SHOPPER

Today, cross-device usage is incredibly common and incredibly potent. And it's no longer an either/or proposition. 42% of all car buyers use multiple devices during the car-shopping process; among Millennials, that number jumps to **50%**. According to an Autotrader projection, **80%** of all car shopping will be done on multiple devices by 2020.

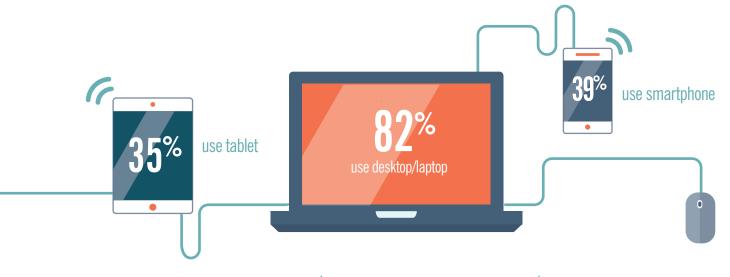
No doubt, the world is changing in the palm of your hands. Rather than attempt to keep pace with the range of devices that are being introduced to the marketplace at an ever-increasing rate, it's time to take a holistic approach to multi-device marketing.

Consumers conduct all types of shopping activities across all devices but **prefer** to conduct certain activities on specific devices. (see page 3)

#### WHAT YOU NEED TO KNOW

- » Consumers use a variety of devices to shop for cars and they are adding more screens, not replacing them.
- » Consumers shop whenever and wherever they have time.
- » Consumers expect a good experience on all devices.

#### DEVICES USED TO CAR SHOP<sup>1</sup>



42% of New and Used car buyers use multiple devices to shop

50% of Millennials use multiple devices to shop

Car shoppers are adding more screens, not replacing them

#### WHAT CAR SHOPPERS PREFER TO DO ON THEIR DEVICES<sup>2</sup>



- » Conduct detailed searches
- » Download forms
- » Download vehicle information



- » View photos
- » Read expert & consumer reviews
- » Review info on car features



- » Email about a vehicle
- » Call about a vehicle
- » Access info at the dealership









### DON'T FOCUS ON THE DEVICE, FOCUS ON THE SHOPPER EXPERIENCE

Think of any device as simply a viewport to the Internet. Regardless of the device they use to access the Internet, consumers expect to find the same basic content and have the same experience

on every screen. Your job, then, is twofold: Deliver an experience the consumer expects on all devices, while ensuring your branding and messaging are consistent across all devices.

#### **BE CAUTIOUS OF ONE-SIZE-FITS-ALL VENDORS**

Watch out for vendors that offer mobile-optimized websites, apps and other products. "Try before you buy" to ensure the experience promised is the experience you want to deliver to shoppers. Our research shows that if you can't create the right kind of mobile experience, don't do it all. The risk of losing car shoppers is too high.



#### THE DIFFERENCE BETWEEN MOBILE WEBSITES & MOBILE APPLICATIONS

Car shoppers expect an optimized experience on all mobile devices. A good user experience is critical to encouraging broader interactions with your dealership on other devices. So which should you choose for the dealership – a mobile website or an app? See the descriptions below to understand the difference between them to help you decide which one is best for your dealership.



#### The Mobile Website

Mobile websites are specifically designed for optimum viewing on small mobile devices. They are relatively easy to create.

Regular websites can also be viewed on mobile devices; how well they appear on the small screen of a mobile device depends on the site and whether it has been optimized for mobile viewing. With a mobile website, there is also no need to create separate apps for the iPhone, Android and other smartphones. For the most part, they run universally on smartphones as well as most feature phones.

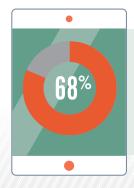


#### The Mobile App

The most obvious difference between a mobile website and a mobile application ("app") is that an app is downloaded

from an online store like iTunes or the Android Market and installed on the mobile device. Apps are specific to the mobile device's operating system, meaning that an app created for the iPhone will not work on an Android or Google phone. An app may also have different content from the brand's website or mobile site.

If you are considering a mobile or tablet app, a sales-focused app may not be the best investment for your dealership because shoppers are not in the market very often. A better option may be a **relationship-based** app that allows you to manage the customer relationship with features like appointment scheduling and service and maintenance reminders.



### **Do it right or don't do it at all =** 68% of shoppers have a negative impression

of a brand with a poor mobile experience.

#### WHAT YOUR DIGITAL MARKETING PARTNERS NEED TO DO

Check out your dealership from a tablet and smartphone to ensure your website is optimized for these devices. If you're not ready to invest in a mobile site, make simple changes to your existing site to facilitate mobile shopping. Consider a simple mobile version with a link to your full website so the user can choose the experience.

#### Work with your partners to ensure that:



Your branding and messaging are consistent. It should be meaningful, easily accessible content that's always available to the consumer when, where and how they want it.



The site adjusts for user context. Shoppers prefer to do different things on different devices. For example, if a

shopper is looking at your site from a smartphone, they most likely want easy access to your phone number or to a store locator. On the other hand, if they're looking at vehicles on your lot from atablet, then they may want to look at reviews or promotions.



The site is easy to use and images are high-quality. These two features are by far the most important components of a good user experience, regardless of device.

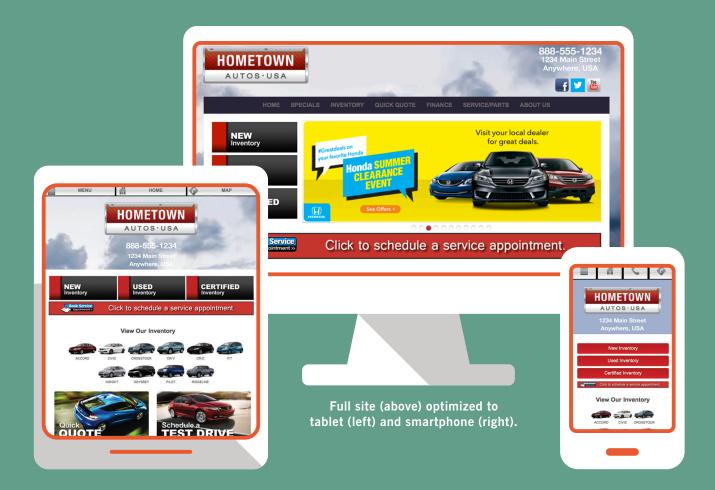
Information is important on a desktop or laptop; smartphones need quick access and tablets need high-quality visual content.



Consider responsive web design (RWD).

Developed in response to the growth

of multiple devices, a web page with responsive design resizes itself depending on the type of device it is being seen through — a tablet, a smartphone, a laptop or a desktop monitor. The purpose of responsive design is to have one website, but with different elements that respond differently when viewed on different devices.





#### **MEASURE YOUR SUCCESS**

Your vendor should continue testing, analyzing and adjusting your mobile site so you stay current with new devices and new user viewing habits.

#### What you should be looking for:

- » Who your mobile visitors are
- » What they're looking for on different devices
- » Bounce rates
- » Mobile vs. desktop conversions
- » Site search
- » Site speed
- » Landing page bounce rate









## OTHER FACTORS FOR REACHING THE MULTI-SCREEN CAR SHOPPER

Although mobile has increased the opportunities for you to connect with more shoppers than ever, you still have to drive conversions across all of your channels.

The smartest dealers recognize that the online performance of their vehicles is the best indicator of each vehicle's appeal with potential buyers. They pay close attention to the number of Search Research Page (SRP) impressions and Vehicle Details Page (VDP) views to guide merchandising and pricing. They also use best practices to stay focused on what shoppers want the most from their online dealership experience.

#### These best practices include:



- Use vehicle selection tools. There are extremely accurate tools, like Provision from vAuto, that provide real-time views of in-demand vehicles with the most potential in your market.
- Use local market reports. Partners like
   Autotrader and Haystack can provide local
   market reports that demonstrate what inventory
   is being searched for most in your market.

Market New and Used cars side-by-side.
Since car shoppers don't take a linear path to purchase, list your New and Used cars together on the same site so there's more opportunity for them to see a vehicle they might not otherwise see.



Ensure your virtual dealership is open 24/7. Fully one-third of all shopping activity online

Fully one-third of all shopping activity online occurs while your dealership is closed.<sup>1</sup>

Since consumers access information wherever, whenever and however they want it, they aren't going to call you if a listing is missing a price or a photo — they'll go elsewhere. In the world of online car shopping, your dealership is always open for business.



Keep your listings in front of in-market shoppers wherever they are. Use third-party classified sites and your dealership website where consumers spend the most time shopping for cars.



Leverage your third-party partners.

Third-party partners work to push the envelope in the user experience so you can work on pushing the

envelope in your merchandising. Sites like Autotrader.com and KBB.com have streamlined mobile sites that offer a satisfying mobile experience to consumers, so take advantage of their advancements in the mobile marketplace.







53% of car buyers look at both New and Used cars in their search. Shoppers will see more of your cars if you list all of them.<sup>2</sup>









## CREATE A USER-CENTERED EXPERIENCE

#### **Why Merchandising Matters**

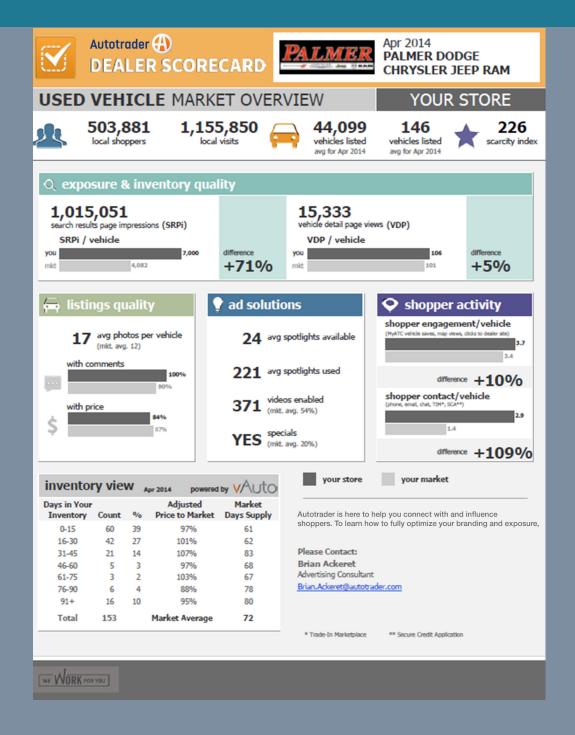
Advances in technology for the mobile web have created great opportunities for you to stay connected to car shoppers during all stages of the shopping process. But being excellent at the basics is still the most important aspect of online marketing. Vehicle and dealership merchandising should be the highest priority across all tiers and platforms.

Car shoppers have multiple ways of accessing online content and you have no way of controlling how they access it. What you can control, however, is providing relevant, high-quality merchandising that keeps them engaged and helps minimize the effort a shopper spends to find the information they expect.

HERE'S WHAT A STRONG MERCHANDISING STRATEGY CAN DO FOR YOU:

- » Turn inventory faster
- » Decrease unit carrying costs
- » Increase conversion rates from SRP to VDP
- » Improve the efficiency of your digital spend

#### **DEALER SCORECARD**











**CHAPTER 5** 

# TOP 7 "MUST-HAVES" CONSUMERS EXPECT IN YOUR ONLINE MERCHANDISING



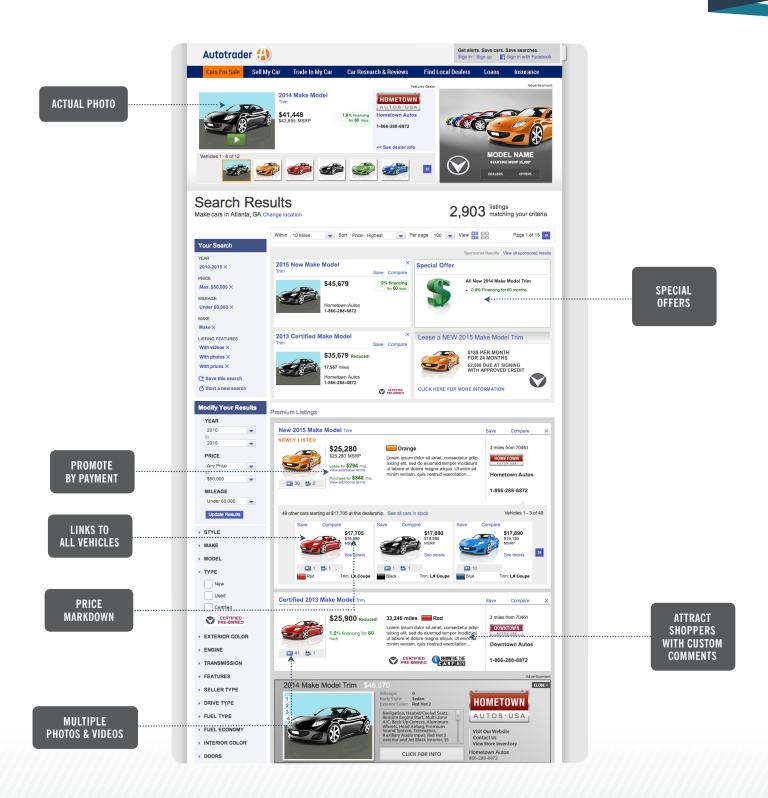
#### A Strong Search Results Page (SRP)

It all starts with your Search Results Page. The SRP is the virtual "drive-by." If a listing is well-merchandised on the SRP, you increase the odds of a shopper clicking through to the Vehicle Details Page (VDP) – or, your virtual walk-around. It's the same approach that online real estate listings take. Homes that have lots of photos and custom comments have a far higher conversion rate to the virtual tour page and in-person showings than those with generic, lackluster descriptions.

- » Put contact information front and center. Consumers don't like to navigate a lot of pages to find what they are looking for. They are even less likely to do so on their smartphone or tablet.
- » Include:
  - Actual (vs. stock) photos
  - Videos
  - Link to view all inventory for that model
  - Transaction Price

- Specials
- Promote by payment
- Price markdown
- Custom comments

#### ANATOMY OF A VEHICLE SEARCH RESULTS PAGE (SRP)



#### THE VIRTUAL WALK-AROUND













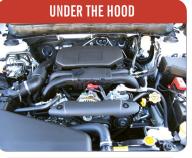










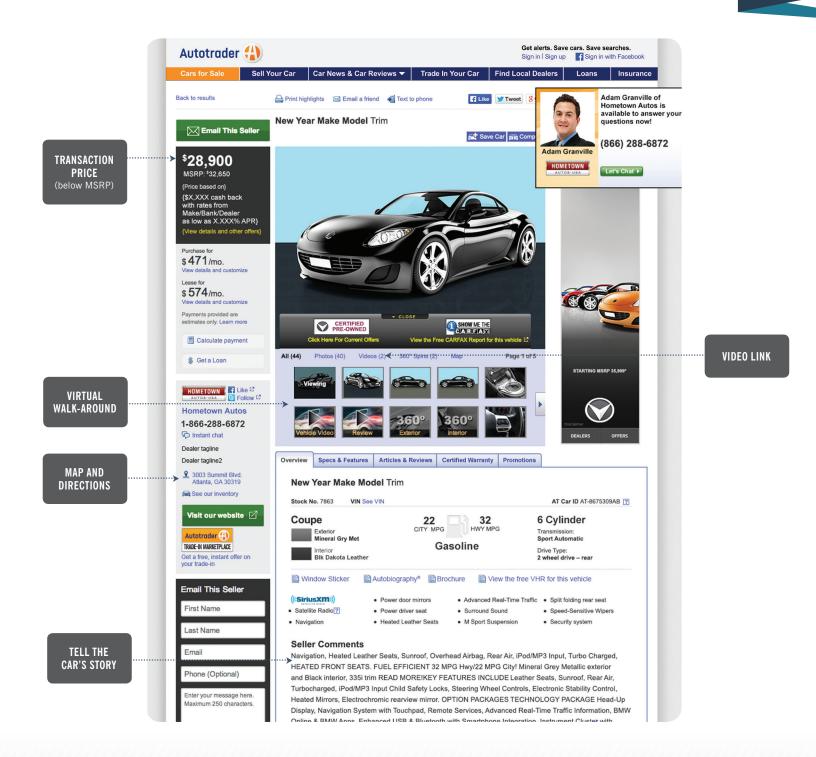








#### ANATOMY OF A THIRD-PARTY VEHICLE DETAILS PAGE (VDP)





#### **Price**

Shoppers aren't always looking for the lowest price, just a fair one. Pricing that's accurate and real attracts valuable buyers and can increase overall dealership profitability by supporting faster turns. Listings without a price can push shoppers away from your dealership to competitors who do list prices.



more VDPs when vehicles are listed below MSRP<sup>1</sup>



- » Price below the MSRP. Listings priced below MSRP get 34% more views.<sup>1</sup> Notably, too, 52% of car shoppers will travel 30+ miles to buy a car that's 10% below MSRP.<sup>3</sup>
- » Price to sell rather than negotiate. Research vehicle prices in your market with real-time pricing and analysis tools from companies such as vAuto and VinSolutions.
- » Price consistently. Use the same price for the same vehicle in all of your advertising (online and offline).
- » Highlight low APR and other incentives.



#### **Photos**

Listings with custom photos perform significantly better than listings with stock or no photos, and this applies to both Used and New cars. Multiple photos act as your virtual walk-around; the more options a car has, the more important it is for shoppers to see those features in a photograph. Aim for a minimum of 15 and up to 45 images, including imperfections, close-ups and details, and upload them to various sites before the vehicle arrives at your dealership. See page 14 for an example.



Used car listings with multiple custom photos vs. a stock photo get **305%** more VDPs per listing.<sup>2</sup> Listings with multiple photos vs. no photo get 372% more VDP views.<sup>2</sup>



New car listings priced below MSRP and with multiple photos get 142% more VDP views.<sup>3</sup>

- » Never use a stock photo. Stock photography on big-ticket items like cars and real estate doesn't work. In fact, it can backfire on you because it looks like a bait-and-switch tactic. Actual photos create interest and emotion, and justify value.
- » Leverage your in-house merchandising facilities with professional staging on a neutral backdrop.
- » One car per photo. There should only be one car in the photo. Don't take pictures of the car when it's still in the inventory line.

- » Show overall images and details: exterior angles, front, side and rear. Details make the difference — an odometer reading or tire tread, for example. Interior photos are a must, too!
- » Ensure photos are up-to-date. For example, don't show cars on a snowy background in the middle of summer.
- » Use automotive Internet publishing services. These data management services specialize in handling dealer vehicle merchandising, from shooting vehicles to publishing the images on

- all of a dealer's listing feeds. This ensures quality and consistency and lets you focus on what you do best marketing and selling vehicles.
- » For do-it-yourselfers: Use a digital camera that takes high-quality pictures. Shoot against a neutral background with good lighting. The best times of day to take a photo outdoors are in the morning after sunrise but before 10 a.m., and in the afternoon between 4 p.m. and dusk.

#### THIRD-PARTY VEHICLE DETAILS PAGE (VDP)

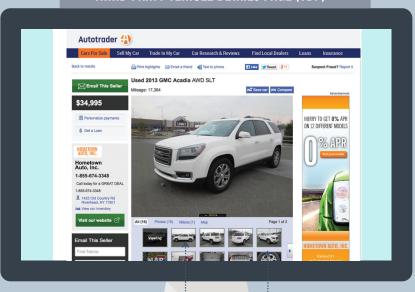


#### **Video**

Like photos, you should consider video another part of your virtual showroom. In fact, 47% of car shoppers first heard about a car/truck by watching an online video; and 65% are able to narrow down their options after watching a video.<sup>1</sup>



WATCH VIDEO LINK



THE VIRTUAL Walk-around

- » Do a 360° walk-around of the actual car, even if it's New. Start the engine, lift the hood, show memory and navigation operation. Include information that can't be gained from still photos.
- » Tell a story about your dealership, too. Show customers why they should be doing business with you by highlighting your amenities and service department.
- » Help your videos stand out on search engines. Shoppers only see the first 140 characters of your video description during a Google search, so make your words count.

- » Keep the video short 1 to 2 minutes.
- » Upload your videos to YouTube, your website, third-party sites and social networks like Facebook.
- » Repurpose your TV commercials as online videos.
- » Leverage manufacturer assets in conjunction with your own videos. They're also likely to have a video distribution network you can use.

#### ONLINE VIDEO RESEARCH IS INCREASING AMONG CAR SHOPPERS'



of video researchers plan to watch auto videos the next time they shop for a car, compared to 78% last year



f1% research with online videos



25% of all car shoppers spend 1 hour or more watching videos while researching a car

#### SHOPPERS TAKE ACTION AFTER WATCHING A VIDEO'









#### **Custom Comments**

Custom comments offer a huge opportunity to make a sales pitch about a car and an equally large missed opportunity by just listing a car's standard features. The first 250 characters are critical to your message and even more so on a mobile device, so don't waste them on a VIN explosion or dealer-speak.

LINK TO CURRENT OFFERS

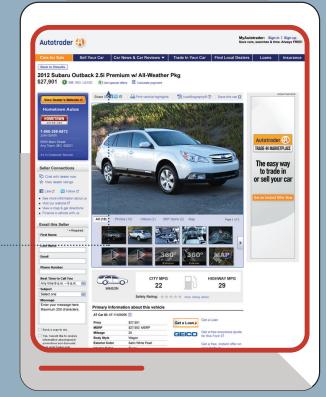


30+ 26%



more car buyers traveled 30+ miles to the dealership that had custom comments<sup>1</sup>

#### **VEHICLE DETAILS PAGE (VDP)**



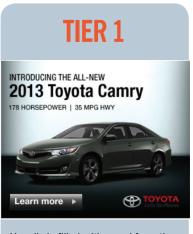
Tell the car's story

- » Ensure contact information is easy to find on every screen or page.
- » Write customer-centric comments and descriptions, and include benefits that would appeal to the customer's lifestyle.
- » Include a bulleted list of installed options.
- » Include certified, financing options, incentives and warranty information.
- » Include "Why Buy from Us" comments. These should be compelling reasons that truly differentiate you, and the answer is tougher than you think because it should NEVER include statements like, "Best deals in town," or "Largest inventory in town." Instead, use statements like "negotiation-free sales process," "100 free car washes with every vehicle purchase," or "Largest inventory under \$20K."
- » Ask for the business! Every listing needs a call to action, such as "Call Ed today at 555-123-4567."



#### **Promotions and Special Offers**

Shoppers are looking for the best deal on the car they want. Promotions, incentives, rebates and special offers are significantly important to New car buyers, who rank them the third-most important reason to shop online.<sup>2</sup> Further, consumers respond more positively to cohesive messaging across national, regional and local advertising, so consider using the material provided by your OEM to stay on-message.<sup>3</sup> Results from a 2014 study conducted by Kelley Blue Book of the impact of advertising on vehicle preference found that 82% of consumers respond more positively to a cohesive experience across all three tiers (national, regional and local).<sup>3</sup> The study also found that a single, off-brand ad (i.e., locally produced with no cohesive look or feel to the OEM's messaging) drove down consumer preference by 50%.<sup>3</sup>



Usually is filled with an ad from the VFHICLE MANUFACTURER



Usually is filled with an ad from the REGIONAL NETWORK OF DEALERS



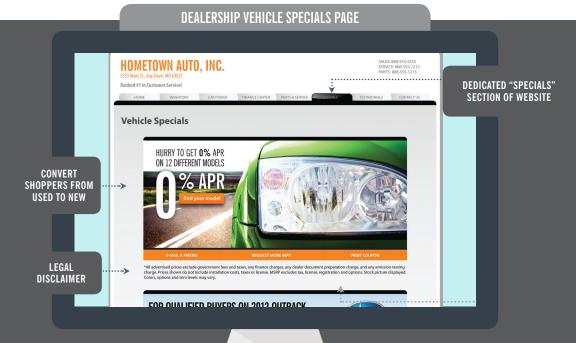
Usually is filled with an ad from the LOCAL DEALER

- » Highlight promotions and special offers on your own website, third-party sites and social networking sites.
- » Highlight low lease payments with special offers to convert Used car shoppers to New car shoppers.
- » Use banner ads, dedicated sections of your website and video to advertise rebates, special financing and other promotions.
- » Take advantage of OEM-supplied ads for consistent messaging.



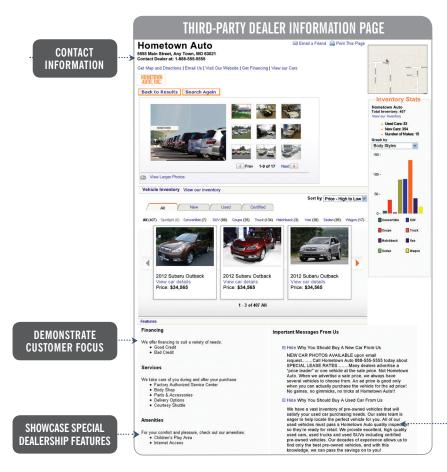
#### **Merchandise your Dealership**

Your online marketing is much more than the cars you sell. You also want to build consideration for your dealership. Define your dealership's unique value proposition, which will identify what you want car shoppers to know about your dealership. This information is important in getting car shoppers to not just choose the cars you sell, but to choose you.



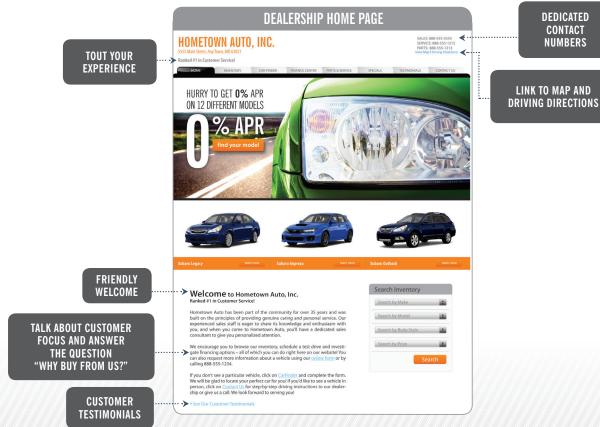
- » Tell your story. Create a store video tour and highlight amenities and departments. Introduce employees. Show why you are a dealership they should do business with.
- » Tout your experience. It's as simple as saying "Celebrating 30 Years!" in your copy. If you've won special awards for community service, customer service, manufacturer awards, etc., then say so.
- » **Demonstrate your customer focus.** For example, use statements like "negotiation-free sales

- process," "100 free car washes with every vehicle purchase," or "largest inventory under \$20K."
- » Use customer testimonials. Build a strong image for prospective customers. Just remember to get customers to sign a release form authorizing you to use their testimonial in your marketing. Sample release forms can be downloaded from the Internet. Ask your legal counsel for more information.
- » Include dealership information. Always include your contact information, map and directions.



#### WHY BUY FROM US?

"WHY BUY FROM US?"
COMMENTS



QUESTIONS?
Call 1-800-353-9350 or visit www.dealerlearningcenter.com





