

The Principles of Advertising





4 DEALERSHIP TIERS

Buy Here, Pay Here

Less Popular (Nissan, Mitsubishi, Mazda)

More Popular (Ford, Chevrolet, Honda, Toyota, Hyundai, Kia)

High-end Luxury Vehicles





ADVERTISING!

- **WHAT** we say!
- **WHEN** we say it!
- **WHERE** we say it!
- **WHY** we say it!
- **WHO** we say it to!
- **HOW** we say it!





WHAT IS THE REASON WE ADVERTISE?

- To sell more vehicles!
- To get more opportunities to do business!





In order to understand HOW to measure Advertising...



The Market



The Money



The Media



The Message



The Messenger

You must know and understand the 5 “variables” of Advertising





THE MARKET

- The Rule of the Market

“There are ONLY so many automobiles that are going to be sold in a month.”

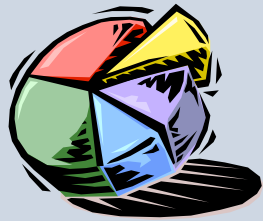
- You can't control the number.

- You can only control your piece of the pie.

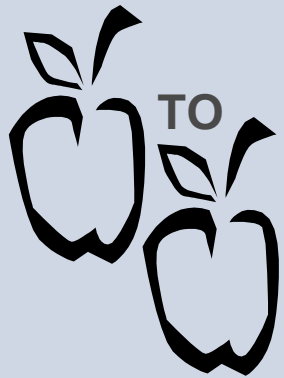




MARKET SHARE



Know your market share and constantly strive to increase your share. Your SHARE is the scoreboard.



Only compare like makes in your area first! Then compare like categories.

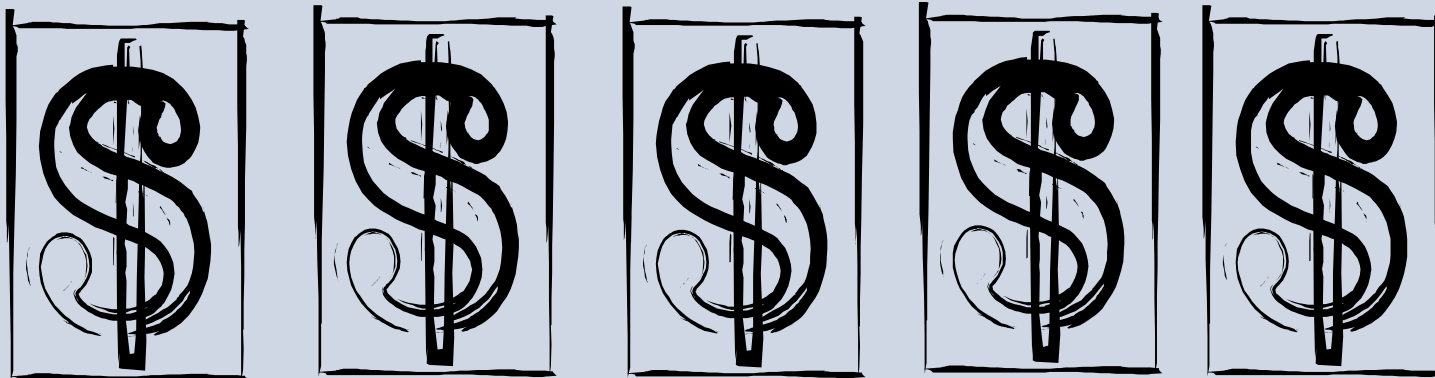




THE MONEY!

The Rule of Money

“There is never enough Advertising Money.”





THE BAD NEWS:

‘ALL THINGS BEING EQUAL,’
the dealer that
spends the most
sells the most!

THE GOOD NEWS:

ALL THINGS ARE
NEVER EQUAL!
The goal of money is
to spend as little as
possible (cost per
unit) to sell as many
units as you can!





Understanding
these 3 variables
of Advertising
allows you to
spend less &
get more OTDBs

1
Media

2
Message

3
Messenger





THE MEDIA!

The Rule and Goal of Media

“Reach the most amount of targeted prospective customers, as often as you can, who have the greatest propensity to buy from you TODAY!”





THERE ARE TWO TYPES OF BUYERS!

2

Shoppers

Perception
Buyers





Shoppers
represent
20% of all buyers

**Perception
Buyers**
represent
80%
of all buyers





SHOPPERS GET THEIR INFORMATION FROM

- The Internet
- TV
- Direct mail
- Newspapers





PERCEPTION BUYERS GET THEIR INFORMATION FROM



■ Television/Cable

■ Radio





SHOPPERS SHOP
The Internet
AND via Phone
BEFORE
THEY COME
To YOU

- ‘Selection by Elimination’



- Shoppers compare prices & offers first





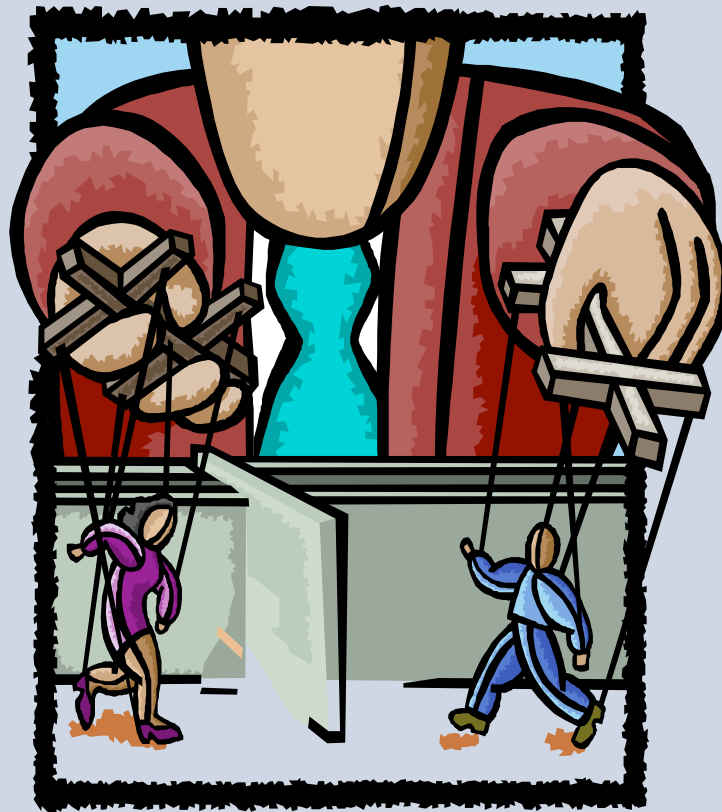
PERCEPTION
BUYERS **C**OME
TO **Y**OU
BECAUSE **O**F
THEIR
PERCEPTION **O**F
VALUE

- Perception of Low Price
- Perception of Selection
- A good “Feeling” about your dealership





Advertising is nothing more than 'brainwashing' people to think the way you want them to think.





ADVERTISING IS EVALUATED BY TWO MAIN FACTORS:

- Demographics (age & gender)
- Psychographics (lifestyle)

Is your
Buyer
male or
female?

Women represent about
52% of the buying public



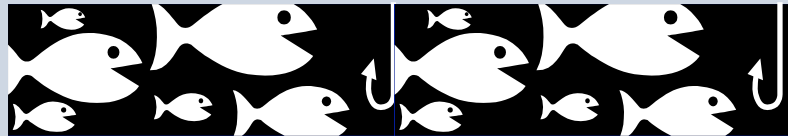
*However, they
influence 70% of the
male's decision*



ADVERTISING

“If you have all the money in the world, advertise everyday.

If not, these are the days with the most propensity to reach your customers, when THEY have the most “time” available to “come to you.”





TELEVISION/CABLE IS A *BROADCAST MEDIUM!*

Strength:

Reaches more people (85%) more often (6x) for less money (CPP) than any other form of media.

Weakness:

Production of commercials is expensive, and the smaller the targeted demo the more expensive 'Cost per Point' or 'Cost per Thousand.'





MEASURING THE EFFECTIVENESS OF TELEVISION/CABLE

Buy as many target rating points as you can with the budget you have allotted for perception buyers. Normally, 150 target rating points (TRP's) per week is desirable. Don't buy stations, buy points in your customer's demo.





RADIO IS A *NARROWCAST MEDIUM*

Strength:

Very effective at reaching a specific small demo (TRP), an extremely targeted psychographic, and production (producing commercials) is less expensive than television.

➔ Demo: 18-24, 25-34, 35-49, 50-54, and 55+

➔ Psychographic: male OR female, businessperson, cowboy, higher income, sports enthusiast, etc.

Weakness:

It only reaches a very small audience and the CPP or CPM is more expensive than television.





MEASURING THE EFFECTIVENESS OF RADIO

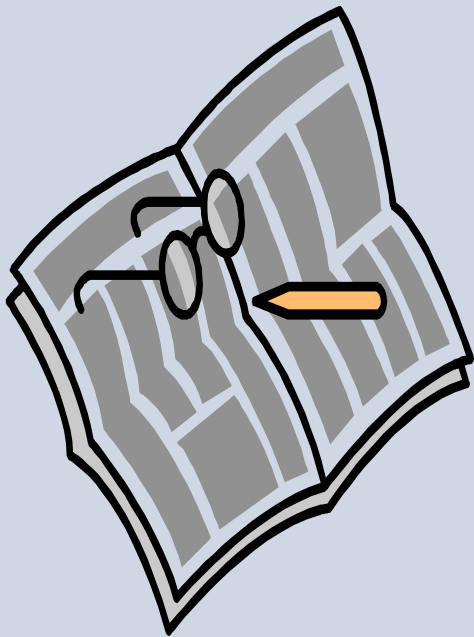
Buy only stations that reach your target customer based on demo and psychographic. Buy an effective 3 frequency per week.

Radio allows you to ‘brainwash,’ through effective frequency, LESS people more often. If you need to reach a ‘broad’ audience, Radio is an expensive medium.





The Internet IS A *BROADCAST MEDIUM* *FOR SHOPPERS!*



Strength: Reaches a large number of shoppers who are looking for your Vehicles.





PRE-OWNED AUTOMOBILE ADVERTISING

- Pre-owned buyers mainly buy because of need... not want (logical buy).
- Pre-owned buyers normally look for a specific model, OR a specific price, OR BOTH.
- Pre-owned buyers SHOP. Internet First then Newspapers and traders are the best place to advertise pre-owned vehicles
- Program vehicles are best advertised on Television or Radio - “perception of selection.”





WEAKNESS OF NEWSPAPER

Sliding Circulation (10-30%)

Expensive based on CPP

Ad is lost among the Competition

Customers choose by elimination





DIRECT MARKETING

**Direct
eMail**

**Data Base
Marketing**

**Opt In
Programs**

**Special
Events**





Strength:

Allows you to TARGET your audience. Normally is predictable (.5%). You can target by geographical area, buyer type, income, etc.

**DIRECT MARKETING IS A
NARROWCAST MEDIUM**

Weakness:

Is becoming less and less effective.
CPP is very expensive.





BILLBOARDS!

Strength:

- Extremely effective if you have a LOCATION problem.

Weakness:

- Limited to number of words (7-11).
- Hard to change message.
- CPP is very expensive.





Strength:

The reach un-bounded. People love to go to the Internet to 'research for anything and everything, information.' (prices, etc.). They many times know more about your product than you do.

INTERNET

Weakness:

If your web presence has not been optimized
You may not be found.

The un-bounded reach is geographically challenging.





BUDGETING YOUR ADVERTISING IN A "PERFECT WORLD"

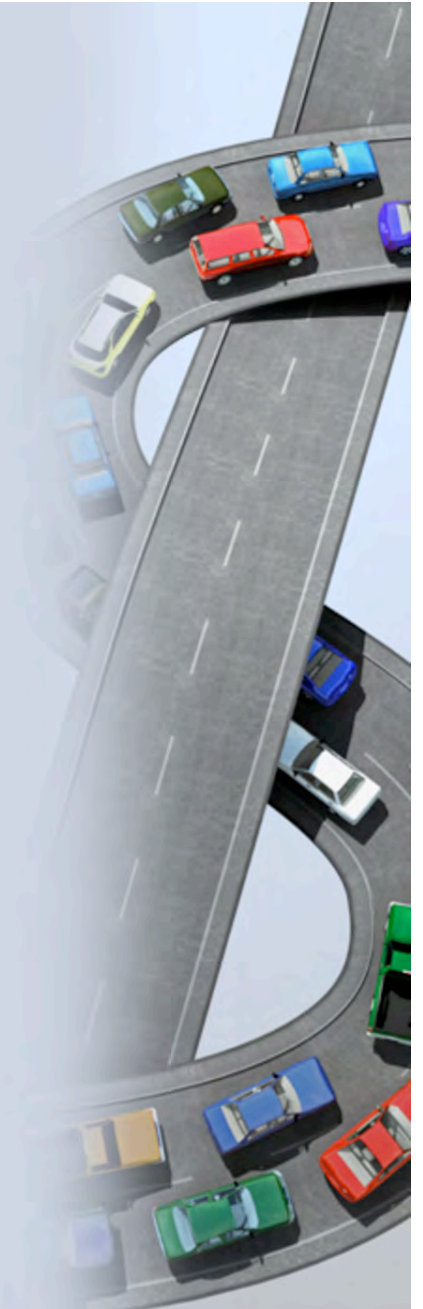
BUDGET

50% Broadcast (2-4 weeks/month)

- 85% Television
- 15% Radio

50% Internet Advertising (2-4 weeks/month)

- 85% Internet
- 15% other





THE MESSAGE



- WHAT we say to get buyers to BUY from us TODAY!

- Give your customers what THEY want, not necessarily what YOU want to sell. Tell them what THEY WANT to hear!





Every message must incorporate:

GREED
and
URGENCY!





NO Interest!

NO Down!

NO Payment until 2014!

GREED!

**Monthly payments of
only \$99 a month!**

**Minimum of \$3000
for your trade!**

**No one is turned down because
of past credit problems.**



3 days only!

**This week
only!**

**This
weekend!**

URGENCY!

**Only 6
left!**

**Now through
Monday!**

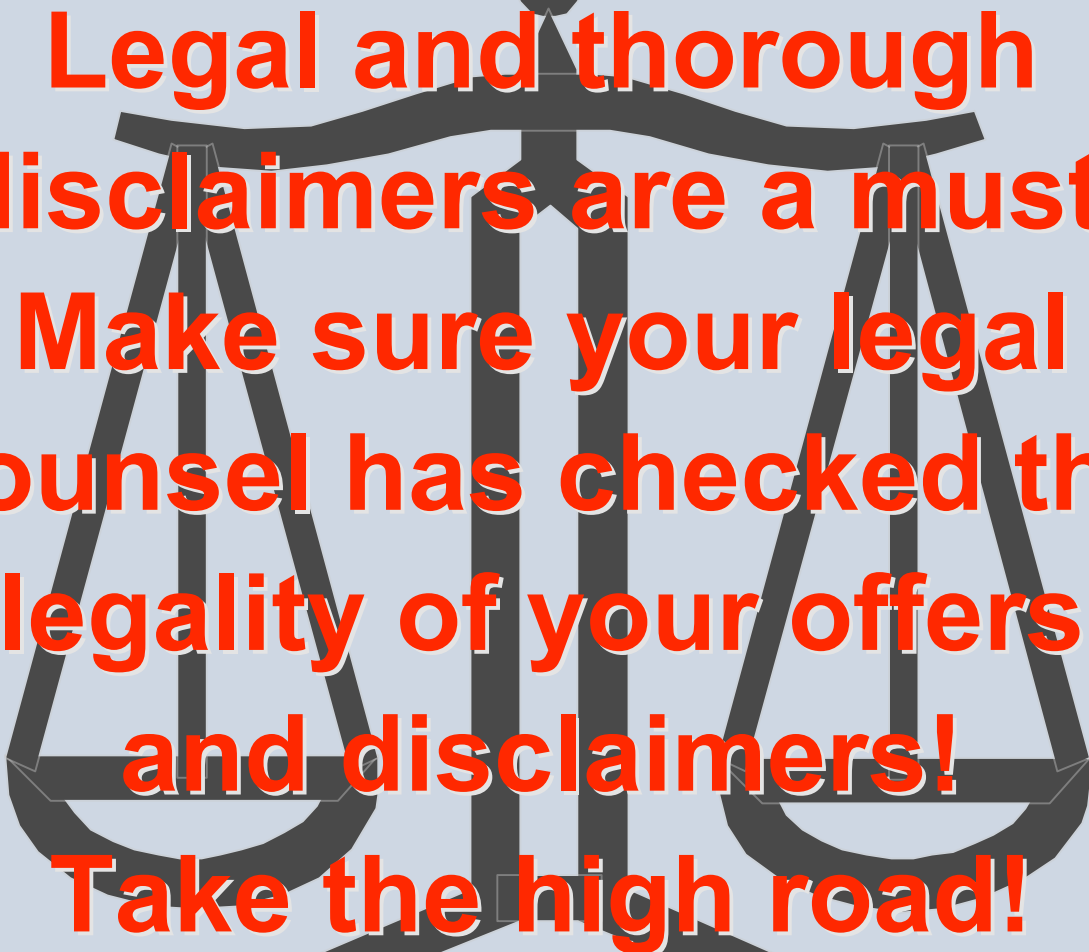
**Only 20 at this
price!**

**When they're gone,
they're gone!**





IMPORTANT NOTE!

A large, dark grey silhouette of a pair of scales of justice is centered in the background. The scales have two pans hanging from a horizontal beam, supported by a central pillar with a pointed top. The entire graphic is set against a light blue background.

**Legal and thorough
disclaimers are a must.
Make sure your legal
counsel has checked the
legality of your offers
and disclaimers!
Take the high road!**





SALE!

This is the best four-letter word in the English language!

SALE!

The name of the SALE doesn't matter.

SALE!

Always have a Sale!



Make sure you know the legal requirements of a SALE also.





GOOD COPY IS A MUST! WORDS HAVE POWER

**We want
customers to
come to US
first!
70% of all
customers will
buy from the
FIRST
dealership
they go to.**

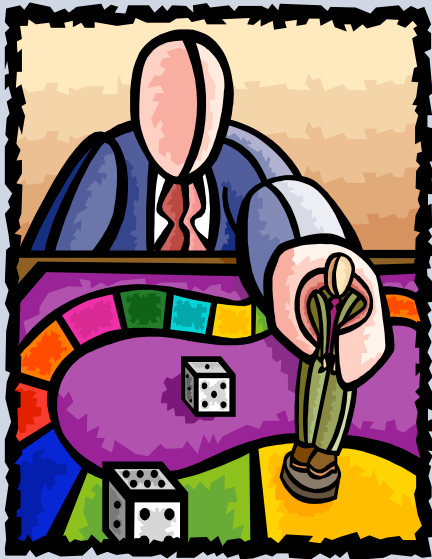
Don't say,
"Shop the rest,
then come to
the best!"
Never
encourage
shopping.





THE MESSENGER

This is HOW we say
WHAT we say!



Normally called the
Creative Strategy
of your Advertising.





THE GOAL OF THE MESSENGER!

Create top-of-mind awareness and 'build equity.'

Brand your dealership, NOT your product!

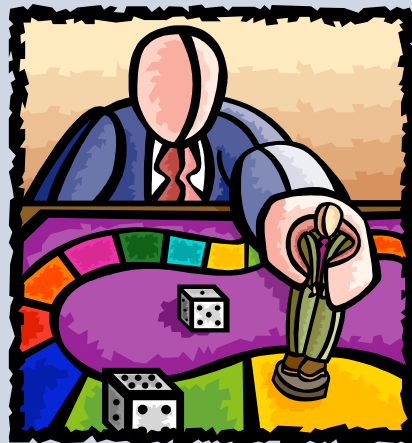
**It is up to the manufacturer to make your product popular.
It is up to you to get customers to come to you FIRST, looking to buy your product!**





DEVELOP A CREATIVE STRATEGY

Graphics,
headlines,
copy points,
pictures,
logos, etc.,
that CUT THROUGH THE
CLUTTER OF ADVERTISING.



***Make sure your LOOK and FEEL is
how YOU want to be perceived.***



CREATE MORE IMPACT!

If you will have REAL PEOPLE on your commercials and ads, your ads will have more IMPACT!

There's nobody better to have on your commercials than a person who has a vested interest in the dealership

(Dealer Operators, Managers, etc.)

You don't have to be GOOD,
You just have to be YOU!



People love to watch people





SYNERGISM

All Television,
Radio and
Internet **MUST**
have the **SAME**
promotion
at the **SAME**
time!



*Two Powers
creates a
Third Power!*





THE GOAL OF ADVERTISING

The Goal of ALL Advertising is to sell more units. That is the one and only goal!



The goal of selling more units is accomplished by creating more OTDB's through EFFECTIVE ADVERTISING!





NOT ALL ADVERTISING IS CREATED EQUAL

There is very little difference between ineffective advertising and NOT advertising at all.

You have to be willing to change with the market.

Your market and competition is changing everyday (the 5 M's).

The questions never change...only the answers!

MARKET
MEDIA
MESSAGE
MONEY
MESSENGER





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ALL ADVERTISING WORKS!

*Well thought out
Targeted
Advertising just
works better!*





*This is NOT the end...
this is only the beginning!*

