

IS YOUR ADVERTISING WORKING?



by Raul Vazquez

How do you know? Do you know because you are selling cars? Well, you are always going to sell cars because of referrals and your location. You are also going to sell cars to people who have previously visited the dealership. Maybe they came in last month, thought about it, and are now coming back this month to buy a car. In any event, these customers did not come in as a direct result of your current month's advertising.

Some dealers will argue that people do walk in because they are influenced by an advertising message. Others will say that the person who referred them to the dealership had bought as a result of advertising. And, while no one will argue that your location is categorized as advertising, most car dealerships are in prime locations and those locations, in fact, are great advertising. All of these arguments are 100 percent correct. Advertising has played a role with all these customers. My argument is that it is not a direct result and therefore, is not easily measured.

As the recession continues and business is slow, dealers who in the past gave little thought to their expenditures are now starting to take a closer look at where and how they spend their advertising dollars. It is no longer good enough that dealers are building their brands. Dealers want to see the results of those efforts. They require their advertising to be accountable. This has helped media tracking software like Who's Calling and ZTrac sell their products.

In previous articles, I have talked about the value of direct response advertising and how to create ads that will make your phone ring. But that is just a part of it. Collecting the information properly is equally important because without the proper procedures you cannot analyze the results. The first step is assigning a different phone number for every media source (television, radio, print, etc.). Without this you really have no way of tracking the source of the calls. There are many dealers

that like vanity numbers because they are easy to remember. As I have stated in the past, vanity numbers do not provide you with an accurate media analysis (unless you only advertise in one place). Yes, vanity numbers are easier to remember and that is a good thing, but the negative is that you can really only use one phone number for all your sources. If you utilize this strategy you will only be able to determine if your advertising, as a whole, is working.

The negatives of this approach far outweigh the positives because at any given time 25 percent of all your advertising does not work. Even with a campaign as wildly successful as the George Foreman Grill, failure occurred in one of every four commercials. Using different numbers for different media sources not only allows you to determine if your advertising is working as a whole, but it tells you which stations work better than others. And further, it tells you what time periods on a certain station work the best. If you used a vanity number you could be advertising on a station or a time period that just does not work and you would never know it.

Advertising decisions need to be based on reality not perception. Just because your dealership has been advertising in the newspaper for years or that is where you think people go when they are looking for a car is not reason enough to advertise in the newspaper. Just because you watch the news or listen to a certain radio station on your way to and from

work does not justify advertising there. Now, that does not mean that they are not great places to advertise. All I am saying is, make the advertising mediums you use prove that to you every day with every dollar you spend on advertising. We prove the value of our advertising to our clients because we guarantee their response. While no station or newspaper will guarantee your response, proper tracking of that response makes them accountable.

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If you use advertise on two television stations, three radio stations, and one newspaper, you need six 800 numbers. Now I have had some people ask about using only one medium per week, analyze the results and try another medium the following week. In theory this should be fine but the reality is that the response you get today from a particular ad will be different tomorrow. What looks like a great ad yesterday is a bust today. Your advertising results change on a daily basis. In many ways it is as volatile as the stock market so you need to look at your advertising results on a daily basis. The bottom line is that having six 800 numbers is not expensive, and it is much less, when compared to the money you are wasting not knowing.

How you process your calls is up to you. Dealers who use Who's Calling and ZTrac have their calls transferred directly to the dealership. Some dealers prefer not to answer any calls at all and hire an answering service that captures the callers'

information with an automated system or live operator. In any of these scenarios you should be able to get a breakdown of what stations get calls and when, as well as record the customer conversations. The system you choose will depend on your need and, more importantly, your call volume.

In conclusion, tracking where your calls come from may seem easy and even boring, but it is essential if you want to be a successful direct response advertiser.

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