

# ARE YOU MAXIMIZING YOUR ADVERTISING DOLLARS?

by Raul Vazquez

If you are like most car dealers we speak to on a daily basis, the answer is a resounding “NO.” To effectively maximize your advertising dollars, you must measure the response of your ads. Most dealers, unfortunately, advertise out of habit or fear rather than results.

Considering that everything dealers do on their lot is results-oriented, why is there zero accountability when it comes to advertising? Advertising is the biggest expense for most dealers, yet it amazes me how little time dealers spend monitoring its effectiveness. They all know who is selling the most cars, the profit margin of each vehicle on their lot, and the number of cars they have in service at any given time. We even had a dealer interrupt a meeting with us because he saw a customer driving away without buying a car. He wanted to know why –right then. That is results-oriented sales. Yet ask dealers about the effectiveness of their advertising and they talk about the vague concept of “cost per car sold.” Cost per car sold does not measure the value of advertising. It is just a number that makes dealers feel good. Direct response is the only true way to measure advertising effectiveness.

Direct response is simply the creation of advertisements that ask for and generate a measurable response. During the past 18 years I have been involved with some of the most successful direct response products of all-time: The Juiceman, Sonicare Toothbrush, and George Foreman Grill to name a few. All of the ads for these products had one thing in common. They got the customer excited about the product and they got them to pick up the phone to order. We were judged by how many units we sold versus what we spent on advertising (100 percent accountability).

“Those are products you sell on television. We sell cars. Direct response can’t work for us.” This is how most dealers feel. That is wrong. Direct response will actually work better for cars than gadgets. People buy most products out of ‘want.’ People buy cars out of ‘need.’ Direct response most certainly works to sell cars.

So, then how do you integrate direct response principles into your advertising?

**1. Change Your Creative** – You need to create urgency in your advertising while putting in place a call to action. Most dealers do the first, but not the second. Your call to action

should be the phone because you have control. If you let customers just walk onto your lot, you have lost all control. Dealers are great at controlling the sale. They need to be just as good at controlling the lead.

**2. Source and Track** – If you decide to control the lead with the phone, then all of your media sources need different numbers in order to track what media generated the lead. If you advertise on three television stations, two radio stations, and one newspaper, you will need six different numbers. What about vanity numbers? Use them on the media you spend the most. Vanity numbers are overrated. Proponents preach that it makes it easy to remember the number. Well, no one has trouble dialing any of the hundreds of numbers we use for our dealers. And second, knowing where you are wasting advertising dollars far outweighs any advantage vanity number claim to have.

Once the call is sourced properly, you know which media gets the credit for the lead. You can go one step further and know which commercial on any given station worked best. Match the source of the call with the time of your ads and you have a tracking system.

**3. Media Accountability** – In direct response, if it does not work you don’t use it. Media salespeople will tell you that it takes time to build awareness and the only way to do this is with frequency. Not true. They just want to sell you more ads. If no one calls today, no one will call next month regardless of how much you advertise in between. Test different media. If it works, buy more. If it does not work, don’t do it again. If it is borderline, change the cost and try again.

**4. Turning Leads into Dollars** – The best advice I can give is to treat a lead like you treat a car key. Dealers know where every key to every car on their lot is at all times. Treat your leads this way and you will sell cars.

*Raul Vazquez is CEO of 800 Credit Hotline, Inc., a company that specializes in generating fixed-price secondary financing leads to dealers across the country.*

*For comments/questions regarding this article, check the reader response fax on page 62 or e-mail Raul at [rvazquez@wosfmagazine.com](mailto:rvazquez@wosfmagazine.com).*