

HOW TO MAKE YOUR SALES GROW WHEN BUSINESS IS SLOW



by Raul Vazquez

“Business is slow.” “Our advertising is not working.” We are hearing this every day, dozens of times per day from car dealers across the country. It does not matter whether the dealership is in Houston, Atlanta, or Peoria. Business is slow everywhere.

The question is, why is business slow? Ask 10 different dealers and you get 10 different answers. The reality is that the true answer is quite simple. Business is slow because you are not selling enough cars. You are not selling enough cars because you are not getting enough people to walk through your door. After all, you cannot expect to sell a car to someone who does not come into the dealership. You are not getting enough people to walk through the door because your advertising is not working as well as it once did. So the real problem lies in your advertising.

Many dealers and industry experts will argue that advertising is just not working as well as it once did and I will not argue with that statement. You can argue that there are only so many places you can advertise and that you have changed nothing from the time your advertising was working. Well, maybe it is time that you try something different. Make your advertising more accountable instead of cutting back.

Does this mean that I am suggesting that you spend more? Some dealers are spending more because they see others advertising less and see it as an opportunity to gain market share. Other dealers see it as a time to conserve money and wait out the bad times. I can tell you that spending less on advertising is not the solution to you selling more cars. Spending less on advertising that is not working will only cause to sell even fewer cars.

While I like to side with more aggressive dealers, spending more money on bad advertising is only going to make you lose more money. Sure, you will sell more cars and maybe you will even gain some market share, but I think that the goal should be to be profitable. My solution is to find a way to make your advertising work. But

before you can do that you have to figure out what is not working so that you can stop wasting money on that medium or that message. You do this by making people call in response to your ads.

I received some comments in regard to my last article regarding making people call in response to an ad. One dealer, in particular, felt that you could not measure the effectiveness of your advertising by tracking phone calls, especially primary customers. Well, that dealer is wrong. Even if you cannot get every customer to call, the percentages of customers who call from each medium will be the same as long as the message does not change between mediums. So if you spend equal amounts on television and radio advertising and radio delivers half as many calls as a result, then you can figure that your radio campaign is not working as well as your television campaign. Knowing this, you may elect to spend 25 percent less on radio, 25 percent more on television and realize 25 percent more units sold without spending any more money on advertising. Once you have the media mix you want, get aggressive and spend more on the mediums that work best. *Step one - buy more of what works and less of what does not.*

Once you figure out which mediums are working for you, it is time to work on the message even if you are satisfied with its results. Remember, there is always a better message and the key to advertising success is to always be testing. All campaigns stop working. You have to be ready with new creative. Never wait for your message to completely lose steam. Change your creative at the first sign of trouble. This will keep your creative fresh and will maximize your profits. *Step two - test different creative.*

Dealers still spend more money on newspaper advertising than any other medium. If this is not an indication to try some different mediums, nothing is. Newspaper does not work. It may have before television and in the early days of radio or when your grandfather owned the

dealership, but it does not work in today's marketplace. I am not telling you not to spend money in the paper, just be more careful and analyze your results. Many dealers are finding success on the Internet. ***Step three – try different mediums.***

In conclusion, spending less is not the answer. Find out what advertising mediums work and spend more in those and less in those that do not work as well. Test different creative and different mediums. I want to hear from you, the dealers, so that I can share your successes and your failures in future articles. I realize that direct

response advertising is not what car dealers do, but trust me, it does work so I do welcome whatever questions you may have on the subject.

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For comments/questions regarding this article, check the reader response fax on page 54 or e-mail Raul at rvazquez@wosfmagazine.com.