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KARLA GULESERIAN
Internet Director
Apple Automotive Group

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relying on interactivity with its customers. We recently spoke with her about how she has approached her job.

How did you get started in the automotive business?

It's an interesting story. I've worked in business development and marketing in the IT space for about 20 years; since before there was a true definition of Internet marketing. For about 17 of those 20 years, I oversaw the development of web-based high tech enterprise scale applications, bringing those solutions to market and formulating the business development and marketing plans. I was a consultant on a variety of projects ranging from hospital information management systems to global asset tracking solutions across many different industries. I developed and implemented full marketing strategies including online strategies and tactics encompassing everything from e-mail marketing, pay-per-click (PPC) SEO, online audio and video lead generation expert writing, all of that. Those were the years when the Internet was booming and venture capital was accessible and then of course the tragedy of 9/11 hit and the IT space changed dramatically. Following that period I became vice president of marketing for an ad agency that built online third-party lead generation solutions. When the company, Fluent Creative Technologies, relocated to Florida in 2006, I had the opportunity to go into a sub-prime Ford dealership in the Baltimore area and implemented and end-to-end online business development solution. I went into this 100-unit inventory store, rebuilt their web site, implemented a new lead management tool, took the store through a Reynolds CRM implementation, generated my own leads, and handled the phone appointments. Within the first

Karla Guleserian, the 45-year-old Internet director for Apple Automotive Group in York, Pennsylvania, brought a polished resume and an extensive IT background to the table when she took her first dealership job at a modest sub-prime store in Baltimore in 2006. There she says she worked to bring online sophistication to a business that hadn't had much Internet success. After transforming the store's web site and implementing a solid lead generation strategy, in 2007 she joined Apple, with eight franchises, the largest automotive group in Central Pennsylvania, and again started from scratch; this time with an eye toward designing online departments suitable to each store's culture, while still making sense for the

enterprise as a whole. Today the group relies on proprietary web sites and a fully flexible backend administrative panel. An estimated 30 percent of the group's overall sales now are generated online.

Guleserian, who says she's fascinated with the radical technological change the Internet represents, still isn't satisfied. She's currently fine tuning everything and laying the groundwork for combining online departments where it makes sense, so leads can be distributed from a central location. She also says she wants to make sure the group gets the most from social networking and video search engine optimization, which she sees as a natural complement to Apple's strategy of

full 30 days, my department sold 53 units with an average gross of $3,000 a copy.

How did you structure that department?

I started by building a new web site and two lead generation sites, in order to generate direct, exclusive leads through PPC advertising. We were able to eliminate all third-party lead providers, with the exception of Cars.com, which is a significant consumer portal in the Baltimore region. When a lead came in, I was the sole phone person, so I handled the selling of the appointment. My show ration was more than 80 percent. Working with one of the strongest sales teams I've seen, they sold the units while I focused on generating more leads and getting more people in the door.

Did you consider that strategy a bit risky at the time?

Well, I'm an entrepreneur so there's always a level of risk with anything you do in business, and I'm not afraid of it. I came out of an agency where I had been building online lead-generation solutions across many different industries and had never seen one fail yet. From an academic perspective I have a bachelor's degree with a double major in technology and management communications studies and I have a master's degree in electronic commerce, all from the University of Maryland, and graduated with highest honors in 2003. So I had the background and knew how successful the strategy could be.

How did you get from that Ford dealership to Apple Automotive?

From there I had a short stay, about three months, with the Koons organization. They were very good to me, but I was not satisfied with being the 'Internet girl'; I had more I wanted to do. I knew I had to find an auto group that would bring me in, one that had made very little progress in the Internet space, so I sought out Apple. After a few calls to Apple dealerships, I was able to get in touch with the owner. We had a meeting and I was able after a few months to show them the value I could bring to the organization, and they brought me on board in 2007. I'm hoping to stay here another 20 years until the end of my career. They're very good to me.

Tell me a little more about Apple and your Internet group.

I'm the director of Internet sales and marketing for Apple Automotive's eight franchises. They include Honda, BMW, Acura, Subaru, Cadillac, Nissan, two Chevrolet stores and a Ford store, plus a used car outlet, all in York and Red Lion,

PA. I have an office at the corporate center in York but often move from store to store. I'm very hands-on with my departments and managers.

Essentially I started from scratch on the Internet department. Most of the stores did not even have lead management tools. They were getting leads in their Outlook boxes. The first thing I did was take a culture test, spending some time in every one of the stores doing a SWAT analysis, looked at the strengths and weaknesses and opportunities and threats and various cultures and personalities of the GMs across the stores. I knew I needed their buy-in for my vision for Apple, and that would be critical to my success. I presented my initial assessment and my plans for structuring Internet departments for each of the stores. I did that rather than opting for a centralized Internet department because some of our stores are operated with some level of autonomy, so I knew that I needed in those cases individual Internet departments.

I brought in lead management tools, educated and trained my team so they could understand why we needed these tools, set up their lead sources and documented and mapped out a process for effective lead management across the stores, while at the same time focusing on my people and trying to identify those who were either taking leads or handling phone calls. So I started out slow with the goal of getting some small wins and putting some structure and processes in place for the Internet department.

Now that you have some experience with that model will you stick with it?

At this time each store has its own ISM. But we have undergone a lot of change and we're now in the process of restructuring some departments again with the goal to become an Internet automotive group. We are a ways away from that goal. We have a unique culture in our stores, Apple has a very low turnover rate, some employees have been selling 20 to 25 years and I'm working within that culture. In the last year and a half though, with some of the changes I brought and with market conditions, the culture has evolved. So we may centralize at a couple different locations but right now the existing model is a unique Internet department in every store. Our plan is to experiment with a centralized Internet department that will handle online inquiries and leads for several stores from one location.

We are now in the process of upgrading our lead management tool. Effective May 1, 2009, we will be live with iMagicLab,

and it's a very good thing because we actually outgrew our old lead management tool. We are also upgrading the communications platform that I brought in December of 2007 and now are moving to a more sophisticated and functional platform, so we're updating some tools and getting some other things in place for this restructuring.

What are your processes now?

The process is not going to change much. We have a multi-pronged approach and at the core is the focus on maximizing lead conversion to our primary web site and other conversion sites that we run. We are heavily focused on direct lead generation. In every store the direct leads have the highest closing ratio and grosses. We do utilize third-party leads and have a strong referral program and e-mail marketing on our communication platform to drive traffic to our web site and Internet departments. So we have a variety of strategies to build our lead volume. Some lead providers for one store may not work as well for another. So we've experimented with that and because brand, location and culture affect the performance of a particular lead provider, at least at our stores, we track and manage the return on our investment for all of our lead providers and make decisions based upon those outcomes.

We have a consistent lead process across all stores. We identify three primary tiers within a 90-day lead management cycle. The critical part we believe is the lead age between days one and 30. We would call that Tier I. During Tier I, telephone contact is maximized along with a series of e-mails that will drive these prospects to call the dealerships. We believe that our e-mail communication has one primary purpose and that is to drive the call to action of a phone call for the purpose of selling the appointment and getting the individual in our store in order to sell a car. We are appointment-driven in the first 30-day tier. Days 31-90 is the second tier; we're still on the telephone but not every day, and prospects get a series of auto responders focused on selling our value propositions. Obviously the point is a call to action, such as telephoning the dealer or just stopping in at one of the locations. Tier II is our post 90-day lead age, when prospects are converted onto a multimedia communications platform so we can maximize our communication beyond the 90-day period. In Tier III we can focus on relevant value building communications from Apple, direct mail, telephone, text messaging, depending upon available channels of communication for the

prospect. It may be about a community event; we have customer appreciation days, service-related coupons or other offers like driving them to one of our car washes or service centers for a special value.

When do you retire a lead?

We don't. Once a lead is in our platform, it's retired when they come in and they buy from us or they say, "Don't contact me anymore." We monitor very closely the content and timing of our outreach. We only send communication we believe would be valuable and relevant to our prospects.

Do you do search engine marketing?

We do. We have engaged in pay-per-click advertising, primarily promotion targeted such as when we have a three-day event, and that is just because I try to control costs very closely and I have found that pay-per-click can be a bit expensive depending on the brand and where we're targeting so that is very promotion specific. We use local search and we just completed our first level round of SEO strategies across all of our brands with specific landing pages on our web pages and specific sites that are search engine opti-

mized for a defined list of keyword phrases, and targeting local search. We also do online press releases that are search engine optimized and with new tools we're moving into the area of optimized videos online, social networking and blogging.

We've spent a year and a half laying the groundwork for this transition to online marketing and believe we needed a good foundation to build on and to implement certain technologies and processes and we've been training and educating in house, we've rebuilt all of our web sites with a full back-in administrative panel, so those are our proprietary web sites. We built them to be flexible and to accommodate audio and video on the fly and each of our Internet managers are trained and handle their own video online specials, so we have total flexibility with regard to our web sites. In the IT space, I had a development team in the Ukraine that I had worked with for over a decade, so they did the programming and we built it from scratch. We used Chrome's web service and partnered with eVox and built it all from the ground up.

Last September we conducted an e-mail survey of our customers after our new sites were live for 30 days. We received more than 2,000 e-mail surveys from our

customers providing insight and feedback on our web sites. It's been a fascinating opportunity and challenge.

What metrics do you rely on to measure your efforts?

We are metrics driven. We use Google analytics on our web site and lead site activity and track them regularly as well as through reporting within our lead management tools. Nearly 30 percent of the group's sales come from Internet leads now, and I think it was a couple of percent when I started, though nobody really was tracking anything then. When the market started turning, October and November were a very tough months as far as showroom traffic for dealerships across the country, but it was actually the best month we've had since last July, so our web site traffic and lead volume have not seen the fluctuation in the market that other channels have. We look at the data and analyze it and try to learn what consumers are thinking, but whether it's the price of gas, the accessibility of the Internet or some other reason, we've seen a steady increase in our visitors, page views and stickiness.

DEALERSHIP PARTNERS IN PROFIT:

Dealership name:
Apple Automotive, Inc.

Web site URLs:
www.appleautomotive.com

Web site provider/hosting:
JaguarPC

Vehicle marketing:
Homenet
CDM Data
Dealer Specialties
iMagicLab

DMS provider:
ADP
UCS

BDC software/vendor:
UCS

CRM program:
UCS

Vehicle video vendors:
eVox
Chrome Systems
Internal video production
and placement

Vehicle valuation tools:
Black Book

Online lead generators not including the OEM sources:
Cars.com
AutoTrader
Vehix
CarSoup
AutoUSA
CarsDirect

Dealix
Black Book Online

Third-party sites where inventory is posted:
Cars.com
AutoTrader
Vehix
CarSoup
AutoUSA
CarsDirect

Vehicle history reports:
CarFax

Plus, probably about 60 percent of our web site visitors are new.

What's happening to sales in this difficult market?

We have absolutely seen a decline like everyone else. Our Internet sales are representing a greater number of all sales. The percentage is going up on the Internet but we've seen a decline in sales through our other channels. But we are forward-looking and believe that when the market swings around, we will be positioned to dominate Internet sales in our targeted regions.

How specifically do you use e-mail to communicate with customers?

We have an e-mail strategy throughout all of our stores. We monitor e-mail collections by the week for finance, sales and service, because we communicate with every customer through an e-mail in a variety of ways. We send service reminders, appointment reminders, monthly service and sales campaigns so that we're driving sales through our service department using e-mail marketing. We use highly targeted campaigns that vary through all our stores and segment our data so that we only send selective campaigns to targeted markets. Every month we send service coupons and post them on our web sites. We also just started a quarterly e-newsletter across all of our stores with a variety of content. For example, in the first one we introduced our car wash in York, Apple Car Wash Express, which we call a customer retention tool because it was built so we can wash all of our customers' cars after service. I just sent out a promotion this morning announcing a complimentary service clinic for my Ford store in Red Lion on May 5, 2009, an information session for our clients. And we did a pre-opening campaign for Apple Ford Quick Lane.

Have you cut back on Internet marketing spend?

Actually we're currently increasing that because we think we have proven a great level of success in our Internet departments and we're now bringing on more sophisticated tools to help bring this to a new level. We believe in the Internet channel and it isn't going to do anything but grow, and we want to be ready to leverage the opportunity to the fullest.

Do you believe in advertising prices on your web sites?

We give quotes when asked but what I teach is that price is not the primary driving factor for the Internet customer to do business with you. A stat I recently read suggests that only 20 percent of online customers are actually price-driven and that's what we believe. They want to be treated like they are important, and I don't think they're any different from a customer walking into the store, so it's not our policy to just shoot prices out. We strive to tell Apple's value proposition because it really is very strong.

How do you distribute your Internet leads?

An auto-response goes out and an Internet sales manager or phone coordinator calls the prospect immediately. We train our people to strive to get the appointment and we have a best-deal guarantee, so we focus on selling the value of doing business with Apple, and during the entire cycle if a voice message is left, calls are automatically populating the work plan and we make calls until we get the prospect on the phone. So it's heavy phone calls and auto responders. Each store has an Internet department. Depending upon the lead volume, some stores have several ISMs; some may have one ISM with a phone coordinator. Our Honda store for example has a team of ISMs. If a client is working with one member that lead is assigned to that particular team member, but they perform and are rewarded as a team.

Who updates your web sites?

It's a little different at each store. For example, at my Acura store the service manager updates his own service specials, though I provide the creative. The sales manager and Internet manager keep the new car specials up-to-date, and the Internet manager maintains the used car specials. If we're having a crazy end of the month I will jump in and check all of the web sites to make sure all specials are active. We have a strong team approach.

Is there any tool that you've found to be really effective?

When you say tool I think of tactic. SEO and the design of our web site are critical. We built in vehicle comparison tools for comparing across brands, electronic brochures and virtual test-drives, all the tools consumers need to take an action, so I think of that as our best tool. We use Chrome's web service so we have what we call a lifestyle search where they can find a vehicle by, say, fuel type, transmission type, price, mileage, body type, or all-wheel drive. We have advanced search functionality at all of our sites. We have our green cars in a feed of their own, so if you're looking for a vehicle that gets 30 miles per gallon

you can search, and we have Apple certified vehicles with our own warranty, and we have a car finder service so if it's not in our inventory, when a similar vehicle comes into inventory you can be alerted via e-mail. You can also e-mail an entire inventory page to someone else. If, for example, you go to the Ford store and you search Apple green cars and open up a specific car, at the bottom of that page we pull vehicles from other stores in our group that are similar based upon logic we've defined for that car, so you may even see a Honda car on the Ford site.

How are you leveraging the social networking arena?

We are now using video in all of our specials and know the popularity of online video. We certainly need to leverage it to engage our customers, and soon we're going to be doing some personalized e-mail so they can meet our staff. We're a community-based organization and think we can get up close to our customers using video. Our strategy really is all about community and interactivity online so yes, we want to connect with our customers in the social networking space. Some of our customers don't pick up the phone, they e-mail us. We want to respect that and deliver the same experience through that channel. When I first started here I thought the BMW store or Acura store customers would be the most likely to buy cars online, but my customers in the Ford store in Red Lion are far more interactive via e-mail. I learn something continuously here and most importantly I've learned that it's not just 18-year-olds but we're seeing senior citizens booking their service appointments online. I've learned not to stereotype.

What do you think distinguishes your group?

We have an Internet strategy for the dealerships that is really a team effort. I don't believe there's an Internet director, or GM, or CEO who can single-handedly implement an Internet strategy. I have the finest team of Internet personnel and top executives who are supportive and open to trying new things they've never even heard of, and I have a team that were selling cars the old way now doing things they never imagined they would be doing in the car business. We would never have achieved the level of success we have without those people. Everyone's role is just as important as the next person's. We work together and think together and succeed together.

kguleserian@DigitalDealer-magazine.com