Social Media Is More Than a Popularity Contest

Capturing Attention, Building Relationships, and Making Sales in a Digital World
“Social media doesn’t sell cars” is still a common perception in the automotive industry.

The truth? It doesn’t, directly – and neither do the dealer’s TV ads, radio spots, or website. But dealers still use all of those channels to reach customers, don’t they?

The actual car sale, at least for now, is still made at the dealership by the employees who work with customers to get them into the right car at the right time at the right price.

When it comes to social media, it’s become an important part of all of the marketing and advertising dealers use to get customers to walk in the door.

Each online interaction is a chance to engage a new audience in the dealer’s brand story and build a relationship – and eventually attract them into the store to make a purchase.

Plus, using social media for the dealership is not just about making one sale... it’s about making repeat sales, based on and driven by lasting relationships.

In this whitepaper, dealers will learn ways to use social media to capture consumers’ attention and foster long-term relationships that can deliver results.

**Building Relationships With Today’s Consumers**

Today’s consumers have entirely different expectations of the retail experience from what they had even five years ago.

Many of these behaviors get attributed to Millennials. The truth is that nearly all consumers have changed. If anything, Millennials may get the credit for pulling everyone forward with them.

- Everyone has more access to information, which allows more control over their shopping experience.
- Everyone demands a smoother experience and more transparency from retailers.
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• Everyone also is more connected and mobile. In fact, more than eight of 10 online adults own a smartphone.¹

Plus, brands such as Amazon, Apple, and Nordstrom have shaped opinions of what a retail experience should be.

All of these factors affect the car-buying process.

When consumers are in the “pre-market stage” – before they even think about buying a car – they’re experiencing more marketing and advertising than ever before because of the proliferation of digital channels.

And, when consumers are “in-market,” they are spending four to five times longer outside the four walls of the dealership researching vehicles than they are inside.² They’re reading about the latest models and vehicle features, discussing what to buy with family and friends online, and reading the opinions of others on review sites.

As a result, today’s consumers don’t rely as much on the dealership for information about a car.

Instead, they are walking into showrooms already knowing what they want… how much they’re willing to pay for it… and how they’re going to finance it.

It also means that when these customers arrive at the dealership, they want to be served. They don’t want to be sold to.

Finally, when they leave the dealership with that new car – “post-market” – they’re going online to share their experiences with those they know as well as with the public.

Regardless of which buying stage consumers are in, the challenge for dealers is capturing consumers’ attention and building relationships. Increasingly, social media has become a critical resource to help dealers do that.

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Using Social Media: Joining in the Conversation

Social media users in the U.S. are talking about the car-buying process an average of 30,000 times per day. That’s about once every four seconds.3

If dealers want to join those conversations, they first have to be found online by consumers. In addition to dealers’ website and on-site SEO efforts, social media is one more tool dealers can use to improve brand visibility.

Specifically, social media can help dealers get found through organic search, social site search, and local search.

Organic Search

Today, social media is an important part of a dealer’s off-site SEO strategy because of the way search engines calculate search results.

Search engine algorithms are about relationships, too. Search engines are looking for the most trusted and authoritative content to present to users.

Using social media to share relevant, authentic content about the dealership, the auto industry, and the dealer’s local market are all examples of off-site SEO tactics dealers can use.

If these kinds of posts include links back to a website that contains valuable information to consumers, the site is regarded by the search engines as more trustworthy and authoritative. The reward is higher search rankings that increase the likelihood the dealership will be found by consumers.

Social Site Search

Social media sites themselves also serve as search engines. Some examples:

• YouTube is considered to be the second biggest search engine, behind its parent company Google. More than 3 billion searches are performed on YouTube each month.4

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• Nearly 30 percent of active Pinterest users choose Pinterest search in lieu of traditional search engines.5

• About 75 percent of people who follow a brand on Facebook indicate they turn there first for company and product information.6 Facebook’s Graph Search makes it increasingly easier for consumers to find information shared across the entire site, not just within their networks.

For dealers who want to get their brands in front of consumers and build relationships, they should also be sharing relevant, engaging content that gets them found in the social search engines, not just in traditional search.

Local Search

As mobile usage has grown, most social media sites have evolved to add location-based components, including local search functionality.

Those location-based features are powerful search tools for hyper-connected consumers in locating the businesses or services they need.

Sites such as Yelp, Foursquare, and Facebook now help consumers find a trusted, reputable business nearby. They’re displaying address and contact information for businesses, as well as reviews and ratings from the public and from consumers’ networks.

For consumers, these local search results are one more tool to help them make informed choices about which dealership to visit.

For dealers, there are one more ways to put their brand in front of consumers and attract them to the dealership.

Using Social Media: Influencing the Conversation

The amount of data being stored and tracked about online behavior can be downright scary.

But for marketers, product managers, and other business professionals, it can be incredibly exciting to think how useful all of this data could be in improving a business’ marketing efforts.

“For dealers who want to get their brands in front of consumers and build relationships, they should also be sharing relevant, engaging content that gets them found in the social search engines, not just in traditional search.”
Retailers are able to use data to better understand consumers – their habits, their needs, their wants, their feelings – and then tailor their messages and advertising to help communicate better with customers and build better relationships.

Going forward, there is no reason for marketers to make the incredibly uninformed decisions they made prior to using data-driven marketing.

Here are some ways that businesses are already benefiting:

**Influencing Conversations**

One of the primary reasons consumers will like, comment, or share on social media is because they expect to get something in return. For example, 41 percent of people “like” a brand on Facebook to receive regular updates from the brand, and 42 percent “like” to get a coupon or discount.\(^7\)

With that in mind, dealers encourage engagement with their brand through the types of status updates they post on social media. Example posts include:

- Explaining why it’s beneficial to follow the brand on social media channels including links to coupons or other incentives.
- Sharing coupons and specials available only to users of selected social networks.
- Highlighting customer events or dealership employee participation in community events to demonstrate the value of the dealership to local area.

These kinds of posts can help encourage interaction with the dealer’s brand and offer a chance to foster relationships that can help attract consumers to the dealership to make a purchase.

**Influencing Purchases**

Dealers also can use social media to help influence purchase decisions.

Over the past several years, brands have found that organic engagement has declined as social media channels seek to become profitable through charging brands for advertising on their sites.
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While it may seem like social channels are trying to nickel and dime businesses, those sites have an important commodity to sell: consumer data.

Those sites also continue to innovate how marketers can use that data to more precisely and cost effectively reach consumers.

- **Facebook:** The Insights tool helps marketers access follower demographics, assess what kinds of content is really engaging, and determine who is interacting with that content. Marketers can use that data to improve post quality on Facebook, as well as to place targeted ads that can reach beyond those who have liked a business page.

- **Twitter:** Twitter continues to improve its targeting capability for ads and to innovate with its advertising options. Most recently, Twitter has added new ad formats, including conversational ads that enable consumers to interact with a sponsored tweet via custom hashtags or call-to-action buttons. These new ads make it easy for consumers to share a brand’s message and for the brand to further extend its message with Twitter users.

- **Pinterest:** In addition to posting business content as pins on Pinterest, the social media site now offers Promoted Pins to help advertisers more strategically put their pins in front of consumers to build awareness and engagement and drive additional website traffic for the business.

Moreover, social media ads have the added benefit of creating lasting relationships with consumers who engage with a business page and continue to receive non-sponsored content...

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When dealership marketers take the time to analyze consumer data on social media sites and target their advertising to consumers most likely to convert, using social media can help influence car purchases and deliver results.
Using Social Media: Taking Control of the Conversation

When it comes to deciding where to spend money, trust in the business is an important decision-making factor.

Today, consumers are still seeking the advice of the traditional experts, such as the Better Business Bureau or Consumer Reports. They’re also increasingly seeking recommendations from other consumers.

An Automotive Example of Facebook Ad Targeting

A popular example of targeting in automotive is Facebook’s partnership with IHS Automotive – Driven by Polk, a leading automotive intelligence firm.

IHS Automotive is able to track “off-line” behaviors of consumers, such as registration and title information, new vehicle transactions, and vehicle financing data. Those behaviors can then be interpreted to help determine whether a customer is pre-market, in-market, or post-market in buying a new vehicle.

Through the partnership with Facebook, that Polk data is available in the Facebook ad builder. Dealership marketers can use that data to target Facebook users with specific messages, depending on where they are in the vehicle buying cycle.

• **Pre-market:** Marketers may choose to target consumers before they are in the shopping phase by targeting them with promoted posts that highlight the dealership’s philanthropic efforts in order to capture the consumer’s attention and build goodwill.

• **In-market:** Marketers may target ads to consumers who demonstrate online behaviors indicating they’re in the market for a new car by sending them to specific inventory landing pages on the dealership website.

• **Post-market:** Customers who have recently purchased a car may be targeted with ads that have a call to action to claim a discount at the dealership’s Service Department, helping attract consumers to the dealership regardless of whether they made their initial purchase there.

By using the ad targeting tools in Facebook, automotive marketers can narrow their audience down to very specific groups and increase the likelihood of converting them to customers.
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To get those “expert” endorsements, a brand must be authentic and build a trusted reputation.

That reputation now is shared online, in writing, for every potential customer to see.

But, it’s not just about being in the conversation. Real dollars and cents are tied to good reviews.

A recent study by J.D. Power found nearly one-third of consumers check online reviews and ratings when selecting a dealer. And, dealers with 4-star or higher reviews receive 32 percent more website traffic.

A study from DealerRater.com and Polk also found a correlation between higher star ratings on the DealerRater site and higher sales for the dealership.

For dealers to protect and build their reputation and trustworthiness online, their marketing strategy also should include a plan to monitor and tend to their online reputation.

The plan should include:

- Processes for monitoring what’s being said online about the dealership on social media and review sites.
- Campaigns for gaining additional positive reviews from satisfied customers.
- Ways to promote the best reviews to help further boost the dealer’s online reputation.

The plan also should include guidelines for how to handle negative reviews and turn them into a benefit for the dealership. Research has shown responding to a negative review on a review site or social media can increase advocacy for a brand by up to 20 percent. On the flip side, not responding can decrease advocacy by almost 40 percent.

Dealers who are actively sharing relevant content on social media channels, using online ads effectively, and have high star ratings and a number of positive online reviews are the ones who will most likely win consumers’ business.
Conclusion

Social media is an important tool dealers can use to connect with consumers, influence purchase decisions, and take control of the brand conversation.

Even when social media isn’t directly responsible for the sale of a car, it is an important part of the “after sale” process and the set up for the next sale – with that customer or with someone else in the buyer’s network.

When dealers invest in social media, they gain a voice in how their brand is perceived in the market… they more effectively reach their audiences… and they build connections that provide long-term value.

These connections help dealerships form the business relationships that help sell cars and grow profitable over time. They’re profitable as they influence other consumers. And, they’re profitable when they give consumers a reason not to look anywhere else.

To learn more about Naked Lime’s services, call 855.NKD.LIME or email info@nakedlime.com.

Note: This whitepaper includes concepts that appeared in an earlier Naked Lime Marketing whitepaper, “Is Your Dealership ‘The One’? Connecting in a Relationship Economy.”