



DOES YOUR DEALER NETWORK NEED TO GEAR UP ITS MARKETING PROGRAM?

Telematics

**DATA
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Boosting Uptime

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COMMENTS OR QUESTIONS?

Drop us a line, we'll be listening.
For comments, suggestions or
general inquiries, contact us at
hifrank@thefrankagency.com.

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From the President

YOU SPECIALIZE IN POWER AND DURABILITY. BE SURE YOUR MARKETING MEETS THE SAME STANDARDS AS YOUR PRODUCTS.

Whether you're a dealership-driven organization or selling into a dealership distribution model, the opportunities to strategically market your products and services from top to bottom of the sales funnel are always evolving. From taking advantage of today's digital marketing channels, to growing revenue through robust after-sales and service strategies, to data mining for customer growth, strong marketing programs are critical to your success. That's where re:view magazine comes in with insights and ideas to help you stay ahead and stay on top.

We're interpreting the changing landscape to give you clarity for the future. We're viewing the market in a whole new light. And it's this clear, forward-thinking vision that's aimed at navigating you through the changes and challenges at hand.

After all, if there's one thing we've seen from the digital age, it's that shifting technology creates changes in buyer behavior. And this, in turn, creates changes in dealer-to-buyer relationships. How do you ensure you're adjusting your marketing programs to meet the needs of today's digitally minded buyers when you're limited by time and resources? Do you have a strong social media presence and distinctive brand identity in the local marketplace? Do you have the tools in place to analyze your marketing campaigns to get a clear picture of effectiveness and ROI?

In this issue of re:view, we'll provide an in-depth view into these topics, and more.

We're focused on long-term solutions, not short-term fixes. From our 36-year history partnering with heavy-hitters like Daimler, John Deere, Caterpillar and Navistar, just to name a few, The frank Agency has developed deep roots and an extensive knowledge base to help guide proven strategies and tactics for advancing in a complex market. And it's this knowledge base that's powering re:view with the kind of foresight needed to help you achieve sustainable growth and meet whatever lies ahead with confidence.

Tony Ali
CEO/President

The **frank** Agency
thefrankagency.com
tony.ali@thefrankagency.com



INSIGHTS,
INNOVATIONS AND
STRATEGIES FOR
THE DEALERSHIP
MARKET

DOES YOUR DEALER NETWORK NEED TO GEAR UP ITS MARKETING PROGRAM

At the core of every relationship, whether personal or business, is the mutual benefit of those involved. We see this exemplified in the corporate world in the form of partnerships: two or more entities working together to the advantage of all.

As a corporate brand, you're in a unique position to develop and foster partnerships with your local dealers. They are the hands and feet of the brand – the ones keeping the inventory moving.

The dealer role is even more pivotal when you consider they are the representatives of your brand. They are the face that the consumer links, for better or worse, to the corporation.

Thus, when it comes to brand marketing, corporate needs to have a solid partnership with dealers to bridge the gap between brand-consistent marketing and locally relevant messages. This balance can be hard to strike, which is why many national brands have implemented dealer marketing programs.

A Program for National and Local Alike

On the most basic level, a dealer marketing program is a support and resource system that gives dealers the means to develop impactful campaigns, while simultaneously promoting and preserving brand identity.

Let's look at this in a bit more detail.

A corporate headquarters typically has a large marketing budget to work with. This enables them to invest in materials and content that are consistent with their brand. However, corporate can't be in all places at once. They don't have feet on the ground in each local market to discover which promotions are needed and where, so they may not have a clear understanding of how to deliver messages that are relevant in each region.

On the other side of the coin, local dealerships don't have the extensive marketing budgets that their headquarters does, which can prevent them from effectively penetrating their local



market. Their keen understanding of what types of tactics are most useful in their area is a definite advantage, but the limitations of their marketing funds often hold them back from achieving the growth they desire.

A dealer marketing program solves both of these problems in one pass: it gives corporate a way to disseminate relevant material to its dealers that never conflicts with brand standards, and it provides local dealerships (especially those restricted by their budgets) the marketing tools and strategies they need to reach their targets.

The Fundamentals of a Successful Marketing Program

But how exactly does a marketing program perform all of these functions?

The ideal program will consist of a number of features that streamline the process for

corporate and dealer alike.

These elements create a turnkey system that ensures you and your dealers get the most marketing mileage from your campaigns. To give a clearer picture, we'll explore each feature in depth.

The Support

First, and perhaps most importantly, comes the support system. Your marketing program should come with a solid support system of dedicated representatives who will work one-on-one with dealers to help them put together campaigns.

Dealers should not be forced to split their attention between the day-to-day operations of the dealership and initiating marketing strategies. With a marketing program in place and support staff to assist them, dealers can discuss their needs with their account reps, who can then assist in actual campaign implementation. Support staff is also instrumental in helping

dealers use the online platform that houses their marketing assets (more on that in the next point). With this type of ongoing assistance, dealers can focus more energy where it's needed most, confident that their campaigns are being handled by experts.

The Platform

Think of all the marketing assets that your corporate headquarters has developed to keep the brand intact. Rather than disseminating each of these materials to your dealers one at a time, a marketing program offers an online platform to house all of your brand assets so that dealers have access to them on-demand, and can personalize them to fit their locale.

Within the platform, a digital library includes every type of

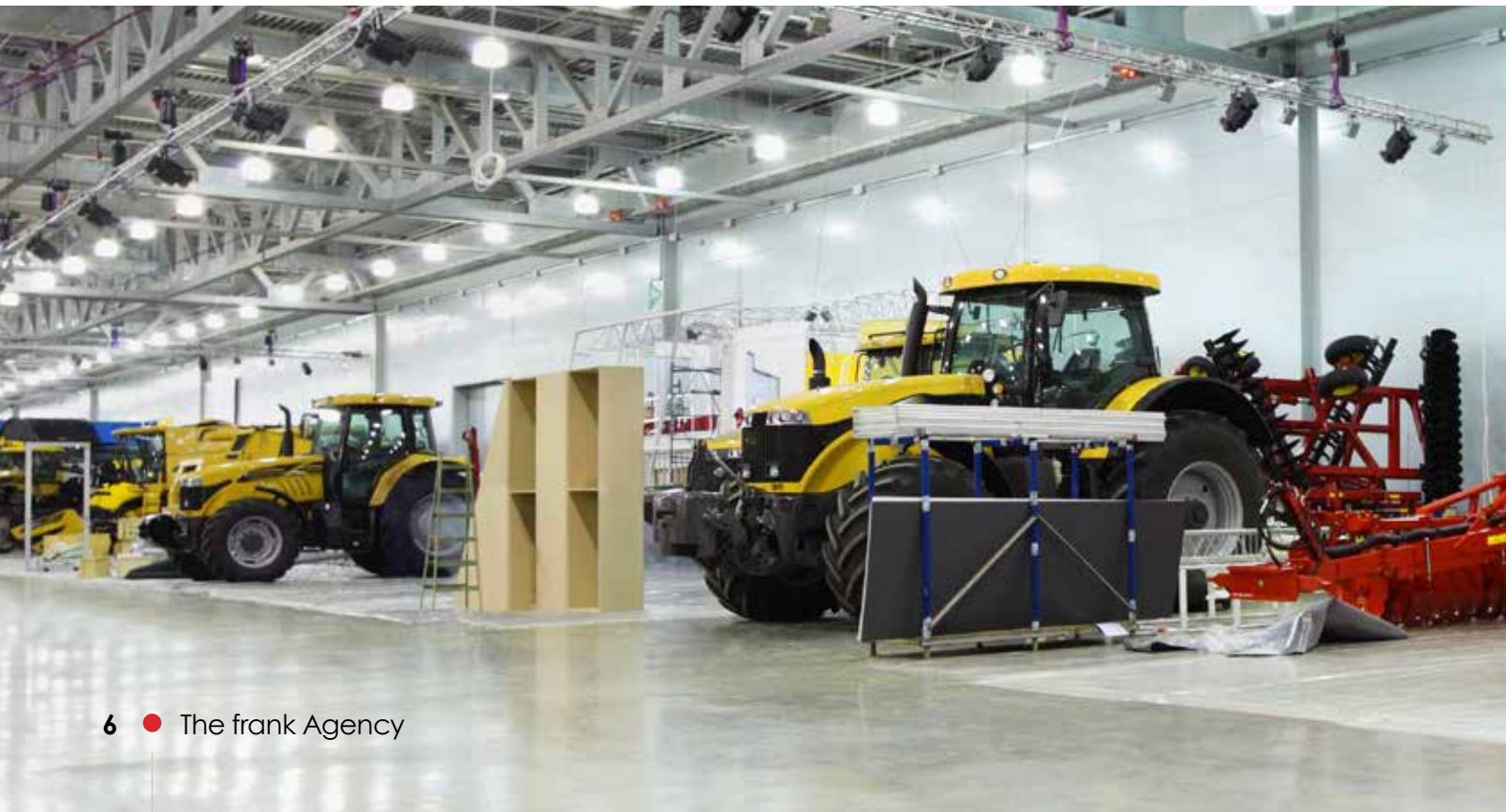
marketing material that your dealers will need: digital assets such as emails, display ads, and social media content, along with traditional assets like direct mail, parts flyers, catalogs, and point-of-sale materials. This gives the dealers ready-made marketing that they can pull as they need it, without having to develop their own material from the ground up.

The Strategies

Even when dealers have access to support and marketing materials, they may not necessarily know how to take full advantage of these benefits. Thus, it is essential that a marketing program should feature detailed plan development.

When reps proactively develop strategies based on dealer input,

they can eliminate much of the guesswork for dealers. Dealers generally know their long- and short-term marketing goals, but knowing how to achieve those goals is not always apparent. Team members with experience in marketing development are available to strategize and set up plans that will meet dealers' expectations and pave the way for future campaigns – all of which will be specific to the dealers' regions and points of need. This includes paying specific attention to digital channels and optimizing them for locally-driven campaigns. Marketing is more complicated than ever, and dealers are bombarded with options for how to distribute their material. Paid and organic strategies, social media, and search engine optimization that focuses on





An Open Door to Growth and Profitability

You're only as successful as your dealers.

With a marketing program in place, each dealer receives equal opportunity for advancement, resulting in higher average customer pay and longer lifetime value. In turn, corporate sees a protected brand that is reinforced through each dealer and every marketing channel – and with more relevant, effective marketing comes greater return on investment. Your marketing program can be the unifying instrument that makes this mutual benefit possible – by forging solid partnerships with your local representatives, boosting profitability, and ensuring the future of your brand. ●

local markets must all be seamlessly integrated and play off of one another to form a holistic campaign. With a designated team to develop these channel strategies, the program becomes essentially turnkey for the dealer – and this ease of use translates into more frequent and efficient use.

The Supplemental Marketing

Once over-arching campaigns are set up, there's still opportunity for supplemental marketing. Dealers can access their platform to create on-demand campaigns by choosing their marketing asset, having a rep personalize the material, and then sending the message to a designated list.

Dealers can also set up triggered marketing that automatically sends messages to current and potential customers. The dealer marketing platform regularly files through its database and segments out equipment or products that are

ready for service, based on their maintenance schedule, age or last visit. If a dealer chooses to send triggered marketing, the program will prompt relevant offers to be sent to these customers or prospects. The end result is tailored messaging that improves the lifetime value of the customer by promoting regular scheduled maintenance – and the dealership sees a boost in their after-sales revenue and average customer pay.

This type of automation isn't just useful for driving after-sales – it can also be used to assist in conquests. As the system collects info from other databases, it identifies opportunities in other equipment owners who may be ready to trade in their equipment or acquire more for their business. The marketing platform then sends a relevant discount or financing offer to draw these business owners in to the dealership, and the dealer then has the opportunity to convert a lead into a lifelong customer.

Collaborative Marketing Helps Boost Local Impact

Not every national brand employs a dealer marketing program. Those dealers that are flying solo can quickly become overwhelmed by the sheer cost of high-quality, high-impact marketing and settle for what they can afford. This shouldn't be the case.

Rather than skimping on campaigns and running the risk of losing viable leads, one way to increase your marketing buying power is by combining forces with other local dealerships.

Though not commonly used within the dealership world, this model could be the key to solving small dealers' marketing budget crunch.

Furthering Sales for All

As a dealer, your marketing is usually capped at what you can afford. Your first instinct in down times may be to slash the marketing budget in order to trim expenses. But this strategy will only set you back in the long run, as less marketing means lower visibility and fewer sales.

Instead, dealers within the same brand and geographic region (typically an area large enough to ensure there's enough business to go around, yet small enough that the messaging is still relevant to each dealer's area) should consider joining together and pooling a portion of their marketing funds. This combined fund can then go toward a common campaign to be decided upon by the whole group.

As a result, even during a severe sales slump, your marketing doesn't take a hit – rather, the quality and impact are increased to drive sales for all dealers within the region.

Big-Picture Benefits

When using this method, a world of opportunities opens up. Perhaps the biggest advantage of a

pooled fund is the ability to hire a professional marketing agency to handle your campaign.

Due to cost constraints, many dealerships partner with small agencies or even freelancers to work on their campaigns. But, when it comes to large-scale marketing operations, a highly experienced agency is better able to deliver the quality that's called for.

According to *Entrepreneur*, quality in marketing conveys product quality. Your target audience notices, sometimes unconsciously, when an ad is poor quality, and they make judgments on your product accordingly. A sleek, well-produced TV spot is far more likely to bring in leads than a locally produced, yet obviously low-budget, campaign.

A pooled fund also means the opportunity to reach more of your local target audience. You can afford to send direct mail to a larger list. You can increase the reach and frequency of a TV ad. You can perform more advanced data analysis to find the most opportune areas for sales. The more marketing funds you have, the more potential you have to drive traffic and generate revenue.

One advantage to dealership collaboration is not

just the sharing of funds, but of ideas. Fresh insight is a must for developing stand-out campaigns, and gathering perspectives from multiple dealers can enhance the creativity of your campaigns and help you anticipate potential snags before they arise.

Unlimited Opportunities with Limited Resources

Dealers, even within the same brand umbrella, tend to function in isolation. But when you're all facing similar challenges, why not find a common solution? Starting a joint marketing fund with other regional dealers solves a universal problem, while still allowing each dealer to reap the benefits of a far-reaching, high-impact campaign. And, with boosted brand visibility for dealers and corporate alike, everyone wins. ●



Even the Playing Field

With the power of Conduit

Not every dealership in your network has the same resources to go to market. With Conduit, every dealer does – no matter their size or capabilities. Our turnkey marketing program has the materials – and the team of experts – to help your dealers get the job done quickly and consistently.



**Localize Your Messaging.
Control Your Brand.**

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Nick Barkman, VP Business Development
nick.barkman@thefrankagency.com
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How



Enhances Dealer Marketing

Any dealer will tell you that sales don't pop up spontaneously. For every sale that takes place, a myriad of tiny occurrences leads to that moment, building momentum until a prospect finally takes the leap and signs the dotted line.

Yet even these influences that nudge the customer along the path to their purchase are not random happenings of the universe. Each moment of nurturing occurs deliberately, strategically, and informed by one thing: data.

As data analysis grows in sophistication, it becomes an ever more critical component to driving dealer revenue. It can be used at every stage in the marketing process to aid in prospecting, cultivating opportunities, and retaining customers, all while forecasting trends and outcomes so each campaign may focus in tighter on the target and acquire higher lifetime value customers.

Here we'll examine how data may be applied to prospecting, conquests, and after-sales to build a more effective, systematic campaign. Let's start at the very beginning: finding the initial opportunities.

🎯 Data for Prospecting

The more information you have, the more accurately you can project trends and forecast customer habits. By combining your own customer data and information from list sources, you come up with a wide pool from which to create predictive models.

Models are formed based on what you already know about your current customer base, and on what industry trends are communicating. For instance, from your own data you may be able to conclude that business owners within certain industries are more likely to purchase from you, and you can even determine when in the lifecycle they will be likely to start searching for new equipment. But you will also need to adjust your expectations based on outside influences like the economic climate.

Based on these data trends, you can form predictive models of your ideal customers – personas that represent on a small scale the various types of customers you see most frequently and that carry a longer lifetime value.

Once you've developed personas, you have a much more specific view of your customer base. From there you can create a marketing experience that is tailored to the motives and pain points of each persona. With tailored marketing sent to a narrower audience, you both heighten your campaign's effectiveness and create a personalized experience that demonstrates that you understand your customer's needs.

🎯 Data for Conquests

Data is not only useful for finding and developing prospects, however; it's also your best bet for discovering potential conquests.

For example, in the heavy duty or commercial vehicle industry, vehicle registration and mileage data play a pivotal role in identifying conquests. These tell you your brand's market penetration (thus showing you open regions of opportunity) and which vehicles are aging (thus showing you specific customer potential). Armed with this data, dealers can identify fleet owners whose vehicles are due for replacement and get a foot in the door with a timely offer.

With the right marketing at just the right time, you can plant the seed in the customer's mind that may

give them incentive to switch to your brand. Then, by following up with stellar customer service and after-sales offers, you solidify the relationship and gain a lifelong customer.

🎯 Data for Retention

Once you've converted a customer, the next step is always getting them to come back to your dealership for service. But before your customer retention strategies can begin, it's helpful to get some understanding of how much of the after-sales market you're actually capturing. For consistency, we'll again take the example of commercial vehicles.

First, you need to examine the vehicle research data for your region. Take a look at the number of vehicles under your brand umbrella, and categorize them according to mileage. Next, you already know that vehicles require a number of services on a mileage-based service schedule. Pull your own customer records to show how many vehicles you provided services for at these designated mileages, and compare these numbers to the segmented list of total brand vehicles within the region. Does the number of services you provided match the number of services that were needed in your region? Our guess is, probably not.



This can show you how well you have penetrated the market (or not). Additionally, if you really want a hard number on dollars lost, take the average customer pay of the services in question, and then multiply it by the number of services you missed. For instance, if your ACP is \$2,000, and you missed out on servicing 400 vehicles, that's \$800,000 that your dealership did not gain in after-sales revenue. That's a heavy blow for any dealership, and it shows just how critical data is in targeting for after-sales.

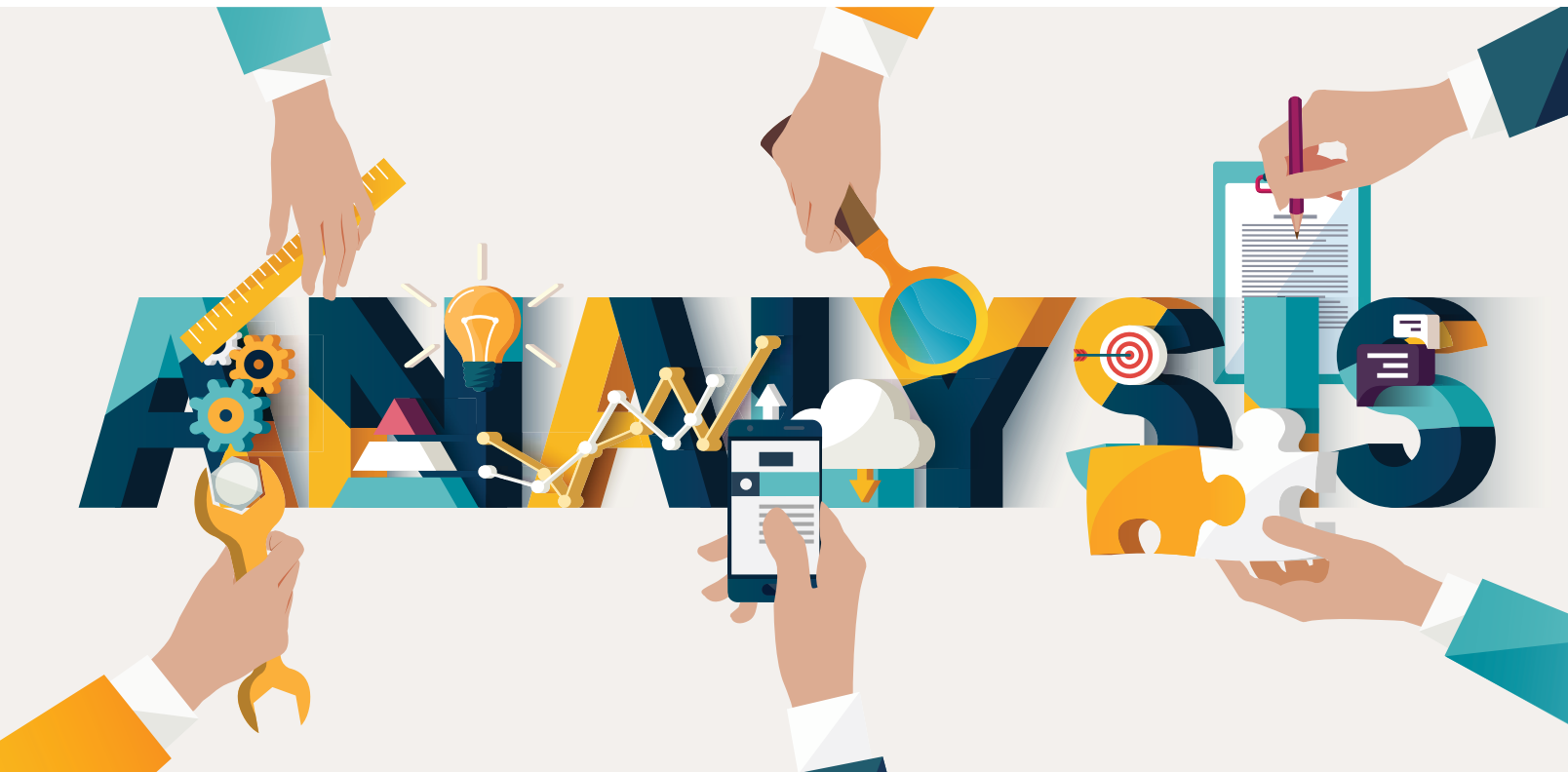
By keeping abreast of products in your area and their maintenance schedules, you can send automated messages through your CRM or dealer marketing program (more on this on page 4) to win back former customers and retain new ones. A conveniently-timed, valuable offer again gives you the opportunity to sell your dealership to the customer. Strategic marketing, combined with outstanding customer service, regular customer

satisfaction surveys, and continual attention to improving customer experiences will boost the lifetime value of your customer base and positively impact your bottom line.

The Data-Led Dealership

With the barrage of information people are exposed to each day, many businesses attempt to make themselves heard by being louder than everyone else. However, with focused, direct targeting and timely messaging, you can cut through the clutter rather than struggle to be heard over it.

Proper targeting and timing can only be achieved through detailed data analysis. By adopting data-centric strategies, you become more able to anticipate needs and penetrate your local market, and thus achieve increased sales, higher customer LTV, and a more profitable dealership. ●





We've seen it coming for decades, and in the past 5 years it's hit full force. There simply aren't enough skilled auto technicians anymore.

The Bureau of Labor Statistics predicts that by 2024 there will be over 237,000 job openings in the U.S. for technicians and mechanics, due to both industry growth and replacement needs. Techs are retiring, and there's no one around with the skill and experience to take their place. And sadly, young people are just less interested in pursuing a career in the automotive industry.

A Decline in *Technicians,* A Suffering Dealership

Years of negative stereotypes of blue collar careers have done irreparable damage to this field. Most young people don't realize that these jobs take serious technical know-how and can even pull down a six-figure income – and schools and dealerships have not been on top of marketing and portraying technician jobs accordingly.

But it's not just that there aren't enough techs to go around – it's that the field becomes increasingly complex with each passing year. In addition to understanding the standard vehicle workings, auto technicians must now have detailed knowledge of diagnostics and telematics systems.

In the midst of this decline, dealers are struggling to keep their after-sales revenue coming in, as service bays stack up and waits get longer.

The Burden on Dealers

Fixed ops departments draw in the most consistent revenue for dealerships. One study performed by DealerSocket indicated that after-sales accounted for 60% of dealerships' net profits. Thus, for every service bay that is not in use, dealerships stand to lose a significant source of revenue.

Unfortunately, many dealerships across the country are experiencing this first hand.

Dealers struggle to find and keep technicians with the right

training, which leads to less availability to provide services. Business owners can't afford to let their vehicles wait for service (see more on this on page 22), so when necessary, they will go wherever there is an open spot available.

When your customer retention depends entirely on your ability to provide services, finding the right technicians becomes of the utmost importance. As a result, dealers have started taking the matter into their own hands.

The Dealer Solution

Although in the past dealers have invested time in training up lower-tier techs that are already employed through the dealership, this solution is short-term at best and does not solve the chronic issue. Eventually, these trained mechanics will



leave or retire, and dealers will be back to square one.

Instead, some forward-thinking OEMs and dealers are implementing large-scale recruitment programs to stem the shortage. These programs offer financial incentives for potential candidates to get vocational certificates in the automotive technician field, which in turn allows dealers to hire freshly trained and highly skilled techs while providing program graduates immediate employment.

The New York Times recently reported on one of the longest-standing programs, initiated in the 1980s by Fiat Chrysler. This program, known as Mopar Career Automotive Program, partners with trade schools and community colleges to offer paid internships to automotive tech students during their schooling. This gives the students the opportunity to develop their expertise while earning an income, and they may even be hired on by a Fiat Chrysler dealership once their schooling is complete.

BMW offers their own program known as STEP (Service Technician Education Program), but instead of providing paid internships to students within a local trade school, they actually developed their own BMW-specific training course, which is free for the students. Tuition is paid by the dealership that hires the graduates – a fair trade-off as the dealerships gain technicians that are skilled not only in the automotive field in general, but in the specific brand with all its nuances.



Even dealerships that do not wish to enact nationwide programs could do so at a community level by partnering with a local trade school. Dealers may be able to arrange an exchange – the dealership provides tools or vehicles that students can work on, and the institution could allow the dealership to post employment or internship opportunities directly to the students.

Though these types of programs have been implemented mainly for passenger vehicles, dealers and OEMs of commercial or heavy-duty vehicles could stand to take a cue from these campaigns and implement their own technician training. This would fill a niche that is currently wide open and would provide enormous benefits to the commercial vehicle industry as a whole.

Solving the Recruitment Problem

Yet, even with programs and incentives, we're still left with the challenge of finding recruits to join these programs. This is where strategic marketing and targeting come into play.

First, special attention needs to be paid to the messages being sent when marketing these positions. The goal should be to dispel myths about technician jobs, while considering what younger generations want out of their job and appealing to those aspects.

For example, Millennials are known for valuing jobs that are engaging

and goal-oriented. A career as an auto technician provides fast-paced, ongoing work with heavy emphasis on problem-solving; in short, high-speed engagement with daily goals. Additionally, such careers should appeal to this frugally-minded generation, as they don't require a bachelor's degree and can pull down a hefty income. Emphasizing these points can be the key to drawing in this hard-to-reach target.

Once you have solid messaging in place, the next challenge is disseminating it to the proper targets. One way to do this is to have representatives from your dealership attend local high school and college career fairs, armed with material that provides detailed information about what auto techs do, the technology they work with, and the earning and growth potential. This allows you to reach your ideal demographic and give them hard facts about the industry, while developing a personal connection with these potential recruits.

But face-to-face marketing should never stand alone – it needs to be supported by smart and strategic digital campaigns.

Paid search and display, in addition to social media marketing, are highly effective ways to target the right people. These tactics allow you to reach your ideal demographic based

on what they search for. For this situation, you want to target people who are researching career options or college choices, since they are prime candidates for drawing into an auto tech career path.

At the end of the day, these strategies are here to help you gain new recruits, but more

TO TURN THE TIDES OF THE TECH SHORTAGE, THE FOCUS CAN'T SIMPLY BE ON FINDING NEW RECRUITS. RATHER, THE GOAL SHOULD BE TO CHANGE THE WAY AUTO TECHNICIAN JOBS ARE PERCEIVED.

importantly, to help change the way people think of auto technician jobs. By re-branding the technician field as one of advanced skill, technical ability and career growth, you achieve the long-term goal of casting this field as an exciting career opportunity – one that offers fulfillment even to younger generations.

Investing in the Future

The social and economic shifts that led to the decline in automotive technicians can be overcome if dealers and OEMs alike are willing to invest in the upcoming generations. Though it will require significant time, effort, and patience, this investment will be invaluable in its return – bringing stability back to the dealership model, and to the technician field as a whole. ●

IN-HOUSE TEAM VS. OUTSIDE AGENCY

The Best Fit for Your Dealership



Economic pressure is mounting for commercial and heavy-duty vehicle dealerships. As sales plateau and decline, dealers are left with limited options to increase revenue and decrease expenses. In times like these, marketing budgets are often the first to be cut back. Some businesses, rather than trimming their marketing fund, are instead bringing this work in-house. According to the 2016 SoDA Global Digital Outlook Survey, 30% of surveyed North American businesses said they perform all of their marketing internally, with no outside partners. This trend has caught dealers' attention.

The movement toward exclusively in-house agencies has gained traction in the commercial vehicle industry due to a number of factors besides cost. One significant influencer is the dealers' view that an agency can't understand their industry pain points as deeply as they themselves do. Additionally, speed-to-market is critical in local marketing, and businesses believe they can get their materials in their audience's hands faster if the work is done in-house.

While these are all worthy points of consideration, there is still more to the picture.

Is the In-House Model Actually Feasible?

Before pulling the plug and bringing more (or all) of your

marketing in-house, it's important to consider whether this model is feasible and effective. There are certainly some benefits to building up your in-house agency, but what are the potential drawbacks?

This can be answered by closely examining your own capabilities as a dealership. Whether or not you can efficiently perform the majority of your marketing depends on if you have time to oversee campaigns, in addition to running the day-to-day operations of the dealership. It's also worthwhile to consider whether your staff is equipped with enough marketing experience to manage all aspects of each campaign. This is a hefty undertaking – especially considering the number of channels you need to use to reach your target.

Experts at Media Dynamics say the average American sees almost 400 advertisements a day (nevermind those other reckless exaggerators that have been reporting into the thousands), but only about a third of those are actually noticed. This shows that, in order to make any sort of impact, your marketing needs to be everywhere, and it needs to stand out. Planning and implementing campaigns that will be both effective and seen in numerous channels is an enormous task for a small group of people to perform.

These central concerns aside, there are a few other points that need to be reviewed before reaching a conclusion.

Bringing all of your marketing in-house may not be as cost-effective as it seems.

Your dealership no doubt has a small marketing team already, but performing the majority of your digital and traditional marketing in-house requires more hands on deck.

Consider the cost of hiring a digital marketing expert, or an SEO professional. According to one expert cited in *Forbes*, even bringing only one entry- to mid-level person on board means spending around \$50k per year on salary and benefits – and most experts say that a successful lean digital marketing group requires 3-4 people minimum. And the more expertise and experience you want to see from your hires, the higher their salary requirements will be.

You can see how hiring a dedicated marketing team can be costly, and not just in dollars. You'll also invest time and training into each hire, bringing them up to speed on your particular goals and pain points so they can strategize accordingly. In the end, you may spend more in acquiring the talent you need than you would in hiring an outside agency for those projects that require more manpower or expertise.

Outside agencies have a wide breadth of experience.

Sometimes, there's a fine line between a marketing team that specializes in your challenges and an echo chamber. Without some degree of outside experience and fresh perspective, there's always the chance of your marketing becoming stale or repetitive.

This is precisely the advantage that an outside agency can bring to the table. They should have experience in your industry – and not just in your industry, but in a host of other verticals as well. This wide span of knowledge means they can take proven strategies and apply them to your individual situation so you benefit both from their broad industry expertise and their comprehensive understanding of complex marketing techniques.

Even using an outside agency only for digital strategizing or on specific campaigns can draw in new ideas and solutions that can both amp up your marketing and increase your in-house agency's expertise for future campaign planning.

Outside agencies may be able to better foster creative collaboration.

When you have a lean, in-house agency, you necessarily have a narrower creative field within which to work. Even the most creative individuals need outside inspiration at times, and the smaller the team, the less access you have to such external ideas.

Conversely, trained creative professionals who have a broad range of experience may have more solutions to offer. The sheer number of creative experts generates a collaborative atmosphere in which new ideas may be fostered.

Yet, in the marketing world, creativity always needs to be tempered with practicality. An amazing creative idea is only a good one if it is able to be implemented effectively. Agencies with skilled marketing professionals and a myriad of creative thinkers are the ideal setup for creative marketing, as they spark unique ideas while remaining tethered to solid marketing principles.

In-house teams don't have the resources that a dedicated agency does.

If you've decided to go the in-house route and have funneled significant costs into hiring a team, chances are you may not have as much funding to devote to media placement, TV production, or direct mail quantities. This could place some serious restrictions on the type of campaigns you can implement, as well as the impact those campaigns will have.

Outside agencies have access to data, research, prospect lists, and other analytics tools that help expand your market and reach qualified targets. By partnering with an agency, you, in turn, benefit from all of these assets along with the expertise of the agency as a whole. This means more accurate targeting, less budget waste, and wider reach than you can achieve on your own.

Outside agencies have technical savvy that is difficult to develop.

Modern marketing strategies are notoriously technical.

When your in-house team pairs up with an outside agency, you gain all the benefits of broad, outsider insights coupled with your own industry-specific expertise.

Digital campaigns rely heavily on data analysis and predictive modeling to target and nurture potential leads. Even traditional marketing uses data to inform strategies and to report results for improvement in future campaigns.

In order to stay competitive, in-house agencies are forced to either hire incredibly skilled (and often incredibly expensive) professionals, or use external contractors. When the purpose is to streamline efficiency and cut costs, neither of these options fits the bill perfectly. In the former situation, you're forced to spend money you don't have, and in the latter, having a contractor perform your analysis still leaves you on your own to interpret and apply the data in an appropriate way.

When you have neither time nor resources to dedicate to developing your in-house agency's technical skill, your best option is to partner with an agency that is fluent in both data and marketing – giving you access to the technical info and its practical application all at once.

Finding the Balance

At the risk of painting with too broad a brush, the conclusions of the inside vs. outside agency dilemma are by no means cut-and-dried. Bringing all of your marketing responsibilities in-house won't necessarily solve all of your budget issues, just as farming out all of your marketing to an outside agency won't automatically boost your visibility. In fact, it's often the

case that a combined endeavor is most effective in the long run. A small, in-house team that knows the dealership's day-to-day challenges is the ideal counterpart to a seasoned outside agency with the resources and know-how to deliver a more significant return on investment.

This type of cooperative unity provides a way for in-house teams to manage their work overflow by delegating it to an outside agency, while learning from the agency's insight and skill for future campaigns of their own. The best type of agency may not be a specific agency at all, but the combined forces of insider knowledge and outside expertise. ●



The average commercial vehicle owner loses upwards of \$800 per day when a vehicle is out of commission (according to *Trucking Info* magazine). For these individuals, uptime is not a luxury – it's an absolute necessity for running a profitable business.

Dealers have their own role to play in maximizing uptime for their customers. After all, immediate service doesn't solely benefit the vehicle owners. When dealers make it a priority to ensure their customers' vehicles are on the road as much as possible, they create loyalty in their customer base that keeps them coming back for future sales and services. Additionally, quick turnarounds mean more vehicles in the service bays per day – and more revenue for the dealer.

Yet with the current technician crunch (see more on this on page 14) and the constant maintenance needs of commercial/heavy-duty vehicles, dealers often have trouble keeping up with demand. It would seem that some creative streamlining is in order to help dealerships provide more efficient service – and often this comes at the prompting of OEMs.

The Dealership Advantage of Boosting Uptime

Offering Uptime Solutions

OEMs have been attempting to solve the uptime problem for years by establishing service programs that are carried out at the dealer level. For example, in 2017 Ford is rolling out its Commercial Vehicle Center program, in which designated dealerships become hubs for commercial vehicle maintenance. Over 600 dealerships are now considered "Commercial Vehicle Centers," meaning they stock a larger supply of vehicle parts and have extended service bay hours. This allows for quicker turnaround on vehicle maintenance and service, so drivers get back on the road in a shorter timeframe.

Or, similarly, Daimler's Elite Support Certified program boasts a wider parts inventory and highly skilled technicians, and even provides constant communication with the vehicle owner so that not only is the vehicle running sooner, but the owner is always in the know on the timeline. Fiat Chrysler has its own take on dealer uptime initiatives with its Fleet Preferred Mopar Express Lane program, which gives commercial vehicles the priority in service and offers additional perks like free rental vehicles and towing.

But even dealers who don't have an OEM-established program can make the effort on their own to streamline their fixed ops departments and ensure that commercial

vehicles receive attention quickly. Some dealers have made this possible by expanding their service areas to accommodate more vehicles, or by cooperating with other dealerships to provide "red-carpet" treatment for commercial vehicle owners. This involves guaranteeing that such vehicles receive assessments within two hours of arrival, whether in the dealership they are brought into or in one nearby. This cooperative effort is especially beneficial for dealerships who do not have enough technicians to give priority treatment to commercial vehicles.

The Impact on Dealers

Developing uptime strategies holds long-term gains for dealerships. These services have a huge impact on the dealerships' bottom lines – in more ways than one.

Improving Retention

This point can't be stressed enough: Customers who know they will get a fast, reliable solution to their issue will return to your dealership in the future. For this reason, it is critical that your dealership is committed to providing the absolute best service possible – as promptly as possible.

This could mean tracking which parts are needed most frequently in your service bays and expanding your inventory of these items. It could mean offering a prepaid maintenance package that includes a guaranteed diagnosis under a certain time frame. No matter how you choose to assist with uptime, the goal should always be keeping vehicles running, and thus keeping customers happy and increasing their lifetime value.

The more efficiently you're able to turn out repairs and solve customer issues, the better your customer loyalty and retention rates will be.

Boosting Sales

Maintenance and loyalty programs are a huge selling point for commercial vehicle owners, who are often willing to pay more for a vehicle if they know the value that's included in the price tag: not just the vehicle, but also preventative maintenance to keep their vehicle running longer and with fewer interruptions. Including an encompassing maintenance program that is tailored to the needs of the business owners and emphasizes repair speed can mean the difference between a potential sale and an actual one.

Enhancing Marketing

Commercial vehicle owners see advertisements for vehicle discounts or finance offers every day. If you're marketing built-in uptime programs designed to provide lasting benefits for the customer, you're going to grab some attention.

By advertising quick vehicle turnarounds, technician expertise and certified parts, you develop a campaign that is entirely customer-centric and shows these business owners that you know their struggles and are committed to solving them.

The Dealer Uptime Solution

A dealer's goal in defending against downtime should always be customer satisfaction. Cultivating this mindset is the only way to secure customer loyalty. If you can demonstrate that you are not only willing but capable of delivering better uptime solutions for the commercial vehicle owner, you will develop a partnership with your customer base that is irreplaceable and invaluable – and will help you gain a greater share of the vehicle market. ●

2017's Commercial Vehicle Decline:



How to Adapt with the Market

Industry projections and the economic trends of 2016 led many to believe that this year would spell the comeback of commercial vehicle sales. However, after the first quarter of 2017 ended, numbers showed an overall decline of approximately 13%.

This troubling and unexpected inversion has left dealers wondering what on earth went wrong.

The stakes are high and dealers are searching for ways to regain their footing after this tumultuous start. But, in order to formulate strategies, we first need to carefully assess how and why this first quarter took such an abrupt downturn.

A Rough Beginning

In hindsight, we can pinpoint a number of factors that contributed to this slump, ranging across economic, political, and technological spheres. Among the economic influences, small commercial vans were largely responsible for bringing the entire curve of commercial sales down. Production of these vehicles ramped up heavily in 2008-2009 during the recession, as they had the significant selling point of being cheaper and more fuel-efficient than larger commercial vehicles. However, when the oil


industry bottomed out in 2014, oil prices dropped to the point where fuel-efficiency became less of an issue. Business owners saw that larger vehicles afforded more space and provided better overall value. Other fleet owners who may have otherwise been tempted to make the switch to more fuel-efficient vehicles stuck with what they had when gas became affordable. And, although oil prices have risen somewhat since 2014 and there is a predicted upswing in the near future, the fuel-efficiency selling point is still not enough to draw an audience for small commercial vans.

On the political side, the manufacturing and construction industries were ramping up for expansion under the Trump administration, as President Trump proposed a trillion-dollar infrastructure plan during his campaign. However, no legislation on the subject has been passed yet, leaving the industries at a standstill. Since

heavy-duty and commercial vehicles are invariably linked to manufacturing and construction, the decline in manufacturing during the first quarter translated into fewer vehicle sales as well.

The price of oil always plays a considerable role in vehicle sales, and 2017 was no exception to this rule. As mentioned above, oil is still feeling the aftermath of the industry collapse of 2014, but it has been on a slow rise. Some analysts are predicting a more substantial boost in prices before the end of the year. This forecasted hike adds to the trepidation of business owners to purchase medium or heavy-weight vehicles, fearing a jump in gas prices may make these vehicles too expensive to operate.

Yet another contributor to the commercial vehicle sales decline is the slowdown of replacement sales. Newer vehicles are constantly being innovated with higher quality and longer-lasting parts for better overall lifetime. But this has caused a lag in the

A large white semi-truck is driving on a multi-lane highway. The sun is low on the horizon, creating a bright orange and yellow glow that reflects on the road surface. The sky is a mix of blue and orange, with some clouds. In the background, there are power lines and a guardrail. The truck is a modern model with a large trailer.

New technologies have improved the life of commercial vehicles, which has led to slower replacement rates – and thus fewer sales.

market, since vehicles can run for much greater mileage and don't need to be replaced so frequently.

All of these facets came to a head in 2016, and 2017, contrary to industry optimism, is still feeling these pressure points.

A Game Plan to End Strong this Year

Yet, despite the factors working against dealers this year, there are many ways to compensate and overcome the issues at hand. First and foremost, attention needs to turn toward driving fixed ops departments.

Focus in on After-sales

Though new vehicle sales may be slow, there is a wealth of opportunity in after-sales departments. Since vehicles now have longer lifespans, more effort needs to be poured into fixed ops to keep these vehicles maintained. Dealer and prepaid maintenance programs are one way to keep after-sales coming to your dealership rather than to a non-certified mechanic. This helps build customer loyalty so that fleet owners will continue to use you not only for service, but for future purchases as well, since they know they'll receive value both in the product and the upkeep.

Strategic Targeting

Sometimes the best way to make up for a lack of sales quantity is by refocusing your efforts on sales quality. Incorporating predictive modeling and data analysis

(more on this on page 10) into your marketing strategies can tell you where you're likely to find the most sales with the highest lifetime value. Thus, what you lose in the number of sales, you can make up for with less marketing waste and sales that are likely to gain you more in the long run from service and future sales.

Start by tracking all sales and maintenance data to establish trends. Follow geographical data (where your business is coming from), business demographics (which people in which industries are buying from you), and what types of vehicles are coming into heavier demand. This lets you know where, whom, and how to target in the future – making for more effective targeting, less marketing spend, and better quality of sales.

Make Your Marketing Stand Out

If your brand lacks distinctive marketing, it will be lost in the shuffle. Perform regular tests to see how your messages stand out and make an impact in your market. By A/B testing everything from your direct mailers to your website landing page, you know precisely what resonates with your audience – and thus, how to create an image that gets noticed.

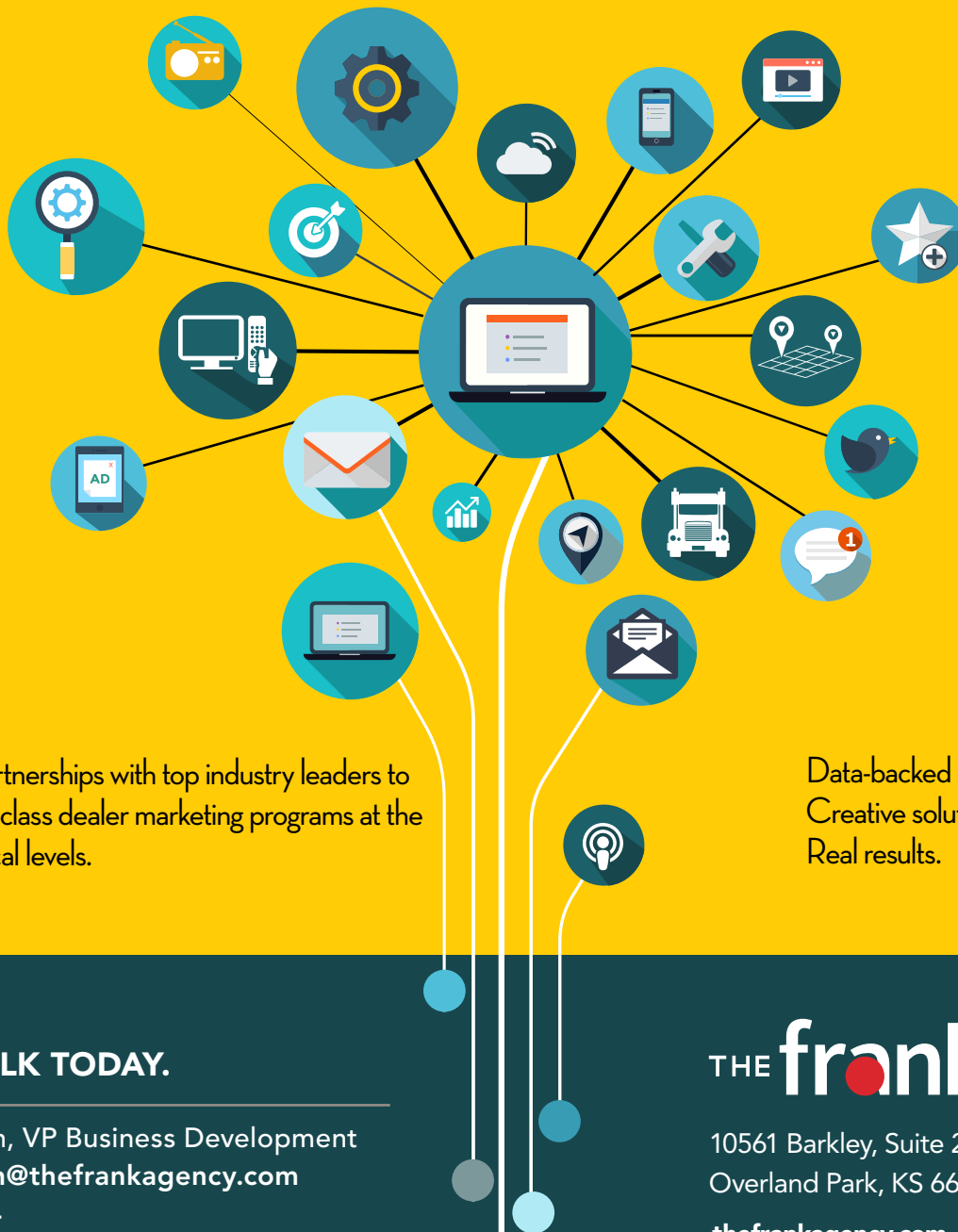
Forge Ahead Confidently

Although the market for commercial vehicles has not advanced quite as expected this year, you as a dealership can still make your own advancements. By carefully watching market and economic trends, performing predictive analysis, and shoring up the weaker areas in your dealership, you can stay ahead of the decline and set yourself up for success now and in the future. ●



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Nick Barkman, VP Business Development
nick.barkman@thefrankagency.com
913.901.2124

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10561 Barkley, Suite 200
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THE QUEST FOR CONNECTIVITY



The Impact of Telematics on Dealers

2017 is the year of connectivity. By December Electronic Logging Devices (ELDs) will be a mandatory feature in commercial motor vehicles, and we're already seeing rising numbers of passenger cars equipped with telematics functions.

Soon, the majority of vehicles on the road will be powerhouses of data, constantly communicating with the operator and vehicles around them. Vehicle tracking tells you where your vehicle is – whether you're in it or not. Electronic sensors tell you how close you are to that lamp post. And, notably for dealers, diagnostic systems notify drivers when something goes wrong under the hood.

A unique and never-before-seen opportunity now presents itself to dealers: offering connectivity service to customers that would link their vehicle diagnostic systems directly to the dealership service department.

All This Data and No Place to Go

Currently, most diagnostic data either gets routed to an OEM or simply notifies the operator with a dashboard light. But when a light is tripped, many vehicle operators don't know what it's for, or whether it denotes a serious problem. However, if these vehicles have a connectivity service through their local dealership that pings the service department when maintenance is required, this guesswork is gone.

The service manager can reach out directly to the customer, letting them know their vehicle has a problem, what the problem is, and how soon they can get in for service. Or, if the issue is not a pressing one (for example, the vehicle is notifying the operator that it will need an oil change soon), the dealer can simply send out a direct mail or email offer to get the customer in at a later date.

This is especially helpful for commercial vehicle owners who stand to lose a source of income if their vehicle is down (see more on this on page 22).

TELEMATICS ARE SET TO CHANGE THE FACE OF VEHICLE DEALERSHIPS. ARE YOU PREPARED TO ADAPT?

For them, diagnostic notifications need to be taken very seriously to prevent breakdowns – and yet, owners also benefit from knowing what kind of attention the problem deserves. If their diagnostic light is indicating a minor issue that can be addressed down the road, then a quick phone call from a dealer service center could actually save a commercial vehicle owner some downtime.

The New Norm for Fixed Ops

This type of direct dealer-to-driver connection could spell significant expansion for fixed ops departments. When dealers are the first to know and the first to respond to their customers' needs, they can more easily capture after-sales, but more importantly, they retain their customers' loyalty.

The connectivity shift will require willingness on the part of dealers to dive into the realm of telematics so they are able to expertly address issues and answer questions for their customers. It will also require dealers to be proactive about sending calls, texts, or marketing to those vehicles owners who require service – especially those with more immediate needs.

Connectivity provides more opportunity than ever before for dealers to maintain contact with their customer base and keep them coming back for service. It's time to embrace the era of telematics – it's here to stay, and the future of your fixed ops department depends on it. ●

The frank Agency
10561 Barkley, Suite 200
Overland Park, KS 66212
thefrankagency.com



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