



## CASE STUDY

## PHIL SMITH ACURA

**Phil Smith Acura of Pompano Beach** is situated in the heart of South Florida, where competition is fierce and traditional media advertising rates for television, radio and print are extremely expensive. In this environment dealerships that don't innovate and merely maintain the status quo do not survive. In 2007, while faced with this dilemma and seeking to increase market share, General Manager Jim Behar took a gamble and moved 99.9% of his marketing budget online. Embracing this big leap, he ceased all traditional media advertising for the dealership. The results: sales have more than doubled while the dealership now spends less than ever on advertising.



Phil Smith Acura is a relatively small dealership, in a low traffic area, with 44 employees and a limited marketing budget. Despite its size, the intense competition and expense of traditional media, this dealership not only survives, it thrives.

"We just couldn't compete head-to-head in traditional advertising down here. It's just not cost effective and can drain a marketing budget in no time flat, without any noticeable return," Jim remarked. He

now predominantly leverages his marketing dollars on his websites and with Google and eBay. He also has a fully staffed Internet department with four team members and a manager. Jim has been extremely pleased with the results of his changes. Not only has he not lost any sales from shifting all marketing online, his sales have dramatically increased, and he's spending less money.

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The initial changes were great for driving more traffic to the dealership website and microsites. He has been happy with the increased visibility and higher return on his investment. And consistent

with industry statistics, his website leads had the highest conversion rates for appointment setting and sales. After noting this, he began to investigate methods to increase lead generation from his websites.

During his research, Jim met with a consultant who discussed using live chat on the dealership's websites to convert more traffic into leads. Always on the look-out for innovation, Jim was interested and

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began to review the chat services available. The software was cheap; there were even open-source chat applications that were free. But Jim didn't have the staff available to handle the chat and he certainly couldn't hire any additional staff.

He also found several options to out-source the management of the chat, and they were fairly inexpensive. With further research, however, he learned that the staff members at these call centers had no automotive training, and there would be no process for them to learn about the dealership and how it does business. Further, there would be little to no ongoing communication between the chat reps and the dealership. In the end, Jim decided he just couldn't let people without automotive training or understanding of his dealership directly interact with his customers and represent his dealership.

As he continued his search, he found ActivEngage, a chat service that seemed to offer the right solution for his dealership. Jim learned that ActivEngage works with the dealerships' existing websites to provide full-service live chat that engages site visitors with a professional virtual sales force, specifically trained in how to increase customer satisfaction and lead generation. This highly trained virtual sales team would provide concierge-level service for his website visitors. All chat reps were highly trained in automotive and communicating in the medium of chat. Further, there was a well-

developed process to ensure that reps understand the dealerships they work with, their websites and their operating procedures. There would also be ongoing communication to make sure reps were kept abreast of any changes, additions or special offers the dealership wanted to promote.

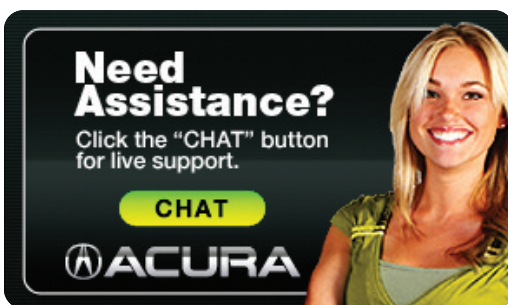
Further, he found that ActivEngage chat is proactive; specially crafted messages invite visitors to chat, based on visitors' behavior on the site. The service also uses statistical business logic to continuously analyze the most effective techniques. Further, full transcripts of the conversations, including contact information, would

be immediately sent to his dealership. And the data collected could fully integrate with any DMS or ILM systems. It sounded like a real way to help shoppers in his virtual showrooms/websites in the same way his dealership helps customers in the physical showroom. Jim also learned that dealers who use ActivEngage typically triple the leads generated from their own websites.

Jim decided to try ActivEngage in mid February of this year and his results have been outstanding: increased website leads and increased sales, all at very little cost and no extra work for the dealership.



**“We now capture more leads from our existing websites, without spending more advertising dollars to drive more traffic.”**



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Through the service, Jim has found a solution to increase his website lead conversion rates and drive more sales, even in the highly competitive South Florida market. According to him, on average 90% of his web chats turn into leads and 50% of those leads who visit the store convert into sales. Jim commented, "It has increased our leads, which in turn allows us additional sales opportunities. So in a nutshell, it allows us to be more efficient and effective with our current site traffic, while additionally offering our website visitors a concierge level of service."

"We now capture more leads from our existing websites, without spending more advertising dollars to drive more traffic. This has really positioned our dealership to maximize our existing spend while putting capable sales people on our website. I'm very happy with service. And the bottom line is that it's working. We wouldn't be using if it didn't," Jim stated. Since moving the dealership's marketing efforts online, monthly averages are now 3,800 unique website visitors, who convert into 300 leads and yield 35 sales. Sales have increased by more than 100%, while the dealership now spends less on advertising.

For Phil Smith Acura, shifting 99.9% of their marketing efforts online has been a great success. This small dealership, in an extremely competitive market, excels through Jim and his team's continuous innovation and creativity. Further, ActivEngage provides the solution he needed to turn more of his website visitors into leads. He now spends less on advertising and has a much higher return for his online marketing efforts. Customers are happy; sales are up, and Jim continues to stay ahead of the competition.

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**Last spring, the dealership had an excess of 2008 Acura TLs in stock. Jim wanted to create a marketing campaign to sell them quickly. He and his team created a microsite specifically focused on these vehicles, with live chat to generate more activity and leads for the dealership.**

**By promoting a special lease offer, 766 total visitors were driven to the microsite [www.08acuratl.com](http://www.08acuratl.com) during the campaign. Site visitors were then invited to chat and the results for the short campaign were outstanding. Eight sales resulted directly from chat leads and Jim had a 252% return on his modest investment, with \$9,928 total gross profit from this single effort.**