

Published: March 26, 2007
Interactive Budget: What's the Hold-Up?



By [Rob Bollinger](#)
[More by this Author](#)
[Contact Author](#)

Not spending enough online? Jumpstart Automotive Media's SVP of local digital media strategy explains why dealerships shouldn't let these three obstacles stop them.

Over the past several years I have visited quite a few dealerships and one of the first questions that I will ask the general manager / dealer principal is, "What percentage of your marketing budget do you allocate to digital marketing?" Inevitably, the number is in the 10 to 15 percent range. The follow-up question is always the same, "What percentage of your cars sold can you attribute to digital advertising?" The answer is most often 20 to 30 percent of my cars. I wasn't a math major, but this sure seems to indicate that they should be shifting a larger percentage of their marketing budget to digital.

What are the reasons for the hold-up? After talking with a variety of my dealer friends it is really three things:

1. Fear of no longer being in the local paper or on local radio
2. Lack of personnel
3. Misunderstanding the breadth of digital options

All are understandable roadblocks. Let's examine each a little more closely:

1. Fear: The fear that my dealer friends are talking about -- opening up the local paper one day and not seeing their half-page color ad in its familiar location -- is real. I understand that dealers have all been doing this traditional media buy for the better part of a century now, so retracting this familiar advertising can be nerve racking. The reality is that media consumption is changing fast, very fast, and as sellers we need to make sure that our media spend is reflective of their car shoppers' media consumption.

Scarborough Research reports that the 65+ age segment indexes the highest for newspaper readership, with 25- to 34-year-olds indexing the lowest. I visited a dealer friend recently who said he goes black in traditional advertising for two months out of the year and sees no difference in sales. So the logical next question is why not three months? His answer, "Because I am scared." My recommendation is that dealers should experiment with continuing to shift dollars over to digital until they see a decrease in cars sold. My guess is just the opposite will happen.

2. Lack of personnel: It is very difficult for dealers to find qualified people to run internet departments. Once they have been hired and brought up to speed, a good internet manager is one of the first people to be poached away by a neighboring dealer. The best way to counter poaching is to give your internet people the correct compensation package because they probably represent a significant percentage of your cars sold. The issue is finding the right people. I would hire an in-house recruiter or outsource the first few stages of the hiring process to people that recruit for a living. Yes, both options cost you money, but we know that digital advertising is more efficient, so in the long run we'll spend less money while still seeing the same benefits.

3. Misunderstanding of what digital options are available: I believe the root of this problem is that digital companies in the auto vertical have done a very poor job offering dealers tactics beyond leads. We are no longer in the first inning of digital options for dealers. We now have a variety of choices beyond leads such as: search, contextual advertising, behavioral targeting, retargeting, et cetera. There are a variety of options that are available to make sure that your message is being received by local, in-market car shoppers.

I do understand that a more aggressive move toward digital is outside most dealers' comfort zone, but in the day of pervasive usage of DVRs, declining newspaper circulation and increased satellite radio usage, to say nothing of iPod installation in cars, I think it makes sense to start to give digital a larger piece of the marketing pie.

Rob Bollinger is SVP of local digital media strategy at [Jumpstart Automotive Media](#). [Read full bio](#).