

The Science of Merchandising

Using your online inventory to merchandise your vehicles properly.

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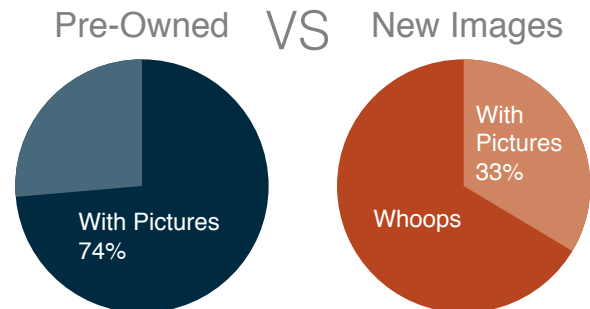
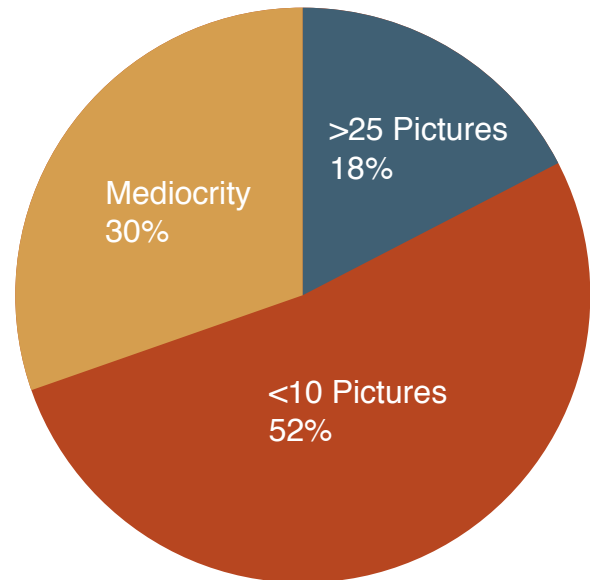
Your inventory online is the most viewed advertisement and your greatest converting tool. Merchandising your vehicles properly has long been known to drive traffic, enhance lead volume and increase sales. Many Internet personnel have heard from one person or another that they need to have more vehicle pictures on their websites. The rationale has always seemed simple: “Bob’s Daihatsu up the road takes X pictures, and gets Y results!” Sound familiar? In October of 2011, DealerKnows decided to dig a little deeper, and use something that rarely gets used in automotive training and consulting to deliver a stronger message: **Math**.

After a few phone calls (and a visit to what can only be described as a speakeasy) DealerKnows was able to gather independent data (read: not vendor driven) to find out what really influences vehicle listing results. The study consisted of twenty different dealer groups, both large and small, representing each mainstream manufacturer, in every region of the USA (our Bill is pretty OCD about this stuff). In all, 61,434 photos were analyzed, comprising 6,139 sold vehicles. It’s fair to say the sample set is statistically relevant.

Here’s what we found

First, we took a look at how many pictures each dealership captured of both their new and used vehicles (you’ll see why later). As you can see from Figure 1, More than half of the dealers displayed less than ten images, while only 18% displayed more than 25. Roughly a third of all dealerships were somewhere in between.

Figure 1:
Distribution



Going from
less than
10 pictures to
more than
25 pictures
increased
leads and
views by more
than **30%**

While having multiple pictures may seem like a small detail, the activity (as in business) is directly affected. We learned that going from less than 10 pictures to more than 25 pictures increased leads and views by more than 30%. Moreover, Going from less than 10 pictures to more than 25 pictures increased inventory turn by 25%!

Going from less than 10 pictures to more than 25 pictures **increased inventory turn by more than 25%**

Does it still seem like a small detail?

So you are probably saying to yourself, *it's really easy for these couch commando consultants to preach about pictures. I don't have the time.* We know that most people reading this are extremely busy and have several responsibilities outside of their job-title. The good news is that our study indicated having just 11 pictures can increase page views by 175% and contacts by 127% versus having no pictures at all.

Having just 11 pictures can **increase page views by 175% and contacts by 127%**

We'd say it is definitely worth an extra few minutes of your time to take extra images of your vehicles, including those fresh off the trailer. It will directly affect the traffic to your vehicles listings.

You need
to **have a**
reasonable
price.

Taking pictures is only part of the equation. As our study found, pricing is another variable that can have a dramatic impact on your listing performance. Although this may be a no-brainer for most, still some of you still have to fight for price on a daily basis. For those who do not have a budget for pricing tools, that are beholden to a used car manager who uses his or her instincts, or forced to stick your head in the sand and forego pricing altogether, we've got new for you: Being competitive on the Internet requires having a competitive price.

It does not mean having the lowest price, however. It means you need to have a reasonable price based on what vehicles in your market will bear, especially if your dealership is utilizing paid listing services. Our study shows that a competitive price increased page views by 191% and contacts by 263%! If your third-party listing sites aren't performing well for you, this might be the ammunition you need to get some pricing latitude.

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**Stop
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by doing
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wrong!

Even though the social media craze has calmed down a bit, we decided to perform research on Facebook vehicle listings while we were at it. First off, we are not advocating that any dealership lists all of its vehicles online. It doesn't matter if your dealership stocks Bugattis and UFOs. If your dealership continuously posts new inventory as status updates, your dealership is doing it wrong (Figure 2). There is no quicker way to lose your new Facebook friends.

Dealerships employing Facebook inventory tabs have seen **10% of their fans use the application each month**

That being said, there are ways to harness Facebook to your dealership's advantage. Using a vendor to create inventory tabs can produce actionable results (that is when you're not having meaningful interactions with your Facebook followers). Dealerships employing Facebook inventory tabs have seen 10% of their fans use the application each month. Alas, there might be a way to actually convert fans into customers.

Figure 2



Billy Joe's Cars

New Car Added: 2002 Toyota Tacoma

We've just added a car to our inventory and it is available for purchase now!...

March 9, 2012 at 5:36pm via twitterfeed - [Share this](#)

The way you
advertise
your vehicles
online **DOES**
matter

Take-Aways

The way you advertise your vehicles online **DOES** matter. Spend the extra time, or spend the extra money, to make sure you have you are merchandising your vehicles with all the key elements listed above. Have sufficient vehicle photos. Take the right pictures in the best places with the most branding and style. It will boost the amount of views and leads your inventory gets online. If people can't see it, they won't buy it (or at least not from you).

Also, don't play "keep away" with price. The Internet **still** brings transparency into the market. Online listing sites only make it easier for customers to compare your pricing to your competitors. Offering a competitive price is the fastest way to get results from your inventory. Make those listing sites payoff for you.

Pictures and pricing are just two of the key elements of proper merchandizing. To get more information on how to take your inventory listings to the next level, you can check out our "Merchandizzle" presentation on SlideShare, or just follow this link: dlrkn.ws/merchandizzle.

10 Elements to Creating a Quality Merchandising Program

- 01** If you have the proper resources, take pictures in-house instead of outsourcing
- 02** Retake pictures of older aged vehicles
- 03** Ensure every vehicle has at least one picture of it the day it arrives on your lot.
- 04** Brand your images.
- 05** Your first image should be of a passenger-side $\frac{3}{4}$ angle
- 06** Make sure to take pictures of a vehicle's optional equipment and accessories
- 07** Mix in pictures of your dealership, showroom, and staff into your inventory pics
- 08** Inventory pictures aren't just for used cars.
- 09** Never have a vehicle on your website listed as "Call for Price"
- 10** Make sure to do personal video and unique vehicle descriptions on the vehicles that deserve them

