

# Key Strategies to Effectively Measure Marketing



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# Executive Summary

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Dealer marketers need to understand how to measure the influence and effectiveness of their marketing efforts. Thanks to evolving technologies and new platforms available, marketers now have access to more data than ever before, allowing them to make smarter decisions that drive more meaningful outcomes. These outcomes allow marketers to enhance the consumer experience and improve overall performance.

Use this whitepaper to master key strategies in measuring dealer marketing by:

- Avoiding measurement pitfalls that skew results
- Keeping your CRM and DMS systems clean to reach more consumers
- Attributing linked sales accurately and understanding the importance of influence
- Making Google Analytics your new best friend

## Measurement Pitfalls

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A recent Nasdaq survey with KRC Research asked CCOs (Chief Communications Officers) to identify the most important Key Performance Indicator (KPI) to track among 13 options<sup>1</sup>. The Top 3 were:

- Customer Lead Conversion
- Brand Awareness/Consideration
- Advertising Value Equivalency

Dealers are driven by these same metrics – are their customers converting, is the brand (and their dealership specifically) top of mind, and does their advertising and marketing efforts add value to the final sale.

### **What are some common mistakes dealers make when it comes to determining the effectiveness of their marketing efforts?**

In today's age of Uber, Spotify, and Netflix, consumers expect their airport pick-up to be where they want it when they need it, their music to be tailored to their tastes, and their next binge session on Netflix to be ready as a suggestion the second they finish that last episode of Stranger Things. Consumers expect the same personalization from automotive marketing whether they are servicing, in-market to buy a vehicle, or simply ready to engage.

<sup>1</sup> [“CCO Measurement Survey.” Nasdaq. March 2017.](#)



Most dealers are at least sending emails to their customers and prospects, but a common mistake is sending generic, sporadic email blasts to your entire database without taking into consideration what consumers want to hear. Dealers need to move away from that to a more automated, dynamic, and individualized communications process to keep up with how other experiences consumers have online are increasingly personal and targeted.

When talking about ROI, dealers, like retailers in any industry, tend to misattribute success and what's working, or they try to do too much manually and end up with dirty data in their CRM and DMS systems that can also affect results. When the top causes of dirty data are user error from manual entry into a system or from a consumer incorrectly inputting information on a contact form, as well as poor data-linking when merging records or more than one system, you can't afford to let your data remain stagnant<sup>2</sup>.

Where dealers fall behind is when they assume all of the credit for the sales in a month are the outcome of the TV ad they spent most of their marketing dollars on when several other factors may have come into play and shouldn't be ignored.

Earlier this year, MarketingProfs defined five pitfalls when measuring marketing and media performance<sup>3</sup>.

- Not Defining Clear Business Goals and KPIs
- Establishing Benchmarks Without Considering Internal and External Factors
- Expecting Perfection
- Believing Correlation Implies Causation
- Thinking That Multi-Touch Attribution Is Only a Direct Response Tool

Setting proper benchmarks is necessary for correctly examining a dealership's marketing ROI, but there are common mistakes made when trying to paint a realistic picture of how your marketing is performing.

Start by looking at your monthly goals and thinking critically about how those are set. Agree with your GM, Owner, etc., about what percentage of revenue makes the most sense to be the responsibility of marketing. What ROI are you shooting for and why?

Make sure to allow time for your marketing to ramp up, especially when employing new marketing programs or working with new vendors. It's easy to say in this industry that if something doesn't show enough ROI right away, it needs to be dropped. For example, it takes 90+ days to start seeing results from a marketing automation solution – and all other marketing efforts vary in their timeframe to deliver positive results.

<sup>2</sup> [“Causes of Dirty Data and How to Combat Them.” Qubole. August 2015.](#)

<sup>3</sup> [“Five Common Pitfalls and Best-Practices of Measuring Marketing and Advertising Performance.” MarketingProfs. March 2017.](#)



"Marketers can avoid confusing correlation and causation by considering all touchpoints customers were exposed to on their journey to conversion. Only such a holistic view can isolate causation from correlation and uncover the true drivers of conversions and other desired business outcomes<sup>3</sup>."

We'll examine linked sales and how to best attribute influence to your marketing later, but to first look at your data effectively and avoid assigning attribution to the wrong programs, you need to start with clean data.

## Clean Data

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As a dealership, your CRM is where much of your marketing lives. Even if you use a separate marketing automation platform to send communications, the state of your CRM and DMS systems is imperative to results.

Regardless of your organization's structure, if you have an Internet Sales Manager who reports to your General Sales Manager, a marketing person who handles everything, or maybe just a small sales team that does it all themselves, there needs to be process documentation for how new information is entered into each system and how old information is updated and maintained.

This might come down to regularly doing an email append to keep addresses in your database updated. Outsell recommends mandatory e-appends to our customers as we've identified that less than 50% of our client databases have reachable records combining both CRM & DMS. An initial e-append can help increase that reach by 10-30%. Making sure email addresses are accurate increases the effectiveness of your marketing simply by reaching more people than you were before.

### **What are some steps dealers can take to best develop a team to monitor and maintain data integrity?**

This comes down to roles and responsibilities for your team. Cleaning your data one time helps you gain better footing on your programs and measurement, but to keep your data clean, your results high, and your processes consistent and up-to-date, you must have a team defined.

Who is your CRM admin? Who has access to inputting new accounts? Who oversees updating outdated records?

<sup>3</sup> ["Five Common Pitfalls and Best-Practices of Measuring Marketing and Advertising Performance." MarketingProfs. March 2017.](#)



If something should come up that isn't accounted for in your process, such as a salesperson asking, "Hey, this person just moved and I need to update their information; how do I go about doing that?" make sure you define who owns that and how new salespeople are trained.

Also, knowing the chain of command for getting marketing campaigns created, executed, and reported on is just as important. Defined roles go hand in hand with having a good relationship and facilitating open communication with the sales team, so you understand whether everyone is adequately following up on leads.

So how do you best track attribution to make sure the now cleaned and polished records in your CRM and DMS are attributed to the right sales and marketing activities?

## Linked Sales

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Your top salesperson sold a car. Great. But if you don't know which of your marketing campaigns touched that person along the way, you're missing out on tracking what really works so you spend the right money in the right places next month.

Instead of looking at direct sourced leads—this person came to the website and filled out a form for a test drive, therefore the website gets the credit—you should also be tracking influence so you know that the same individual came to the website because they had already been engaging with your email communications, saw your ads on Facebook, and likely chose you because you were serving up relevant content to meet their needs.

The website still gets credit in this example, but marketing had an influence on the deal and you should be able to track that. It's also important to look at industry benchmarks to see how other dealers measure success.

Every one of your marketing channels is raising their hand on linked sales saying, me, me, me, I get the credit. While you might not be able to know for certain if a customer saw a TV ad or an ad in the local paper before they purchased, whatever you use for marketing automation to deliver email communications should be able to tell you if a customer engaged—opened, clicked, moved on to other landing pages or your website—within 90 days of purchase. That is a true linked sale, proving that some influence was had before the purchase took place.



## What should dealerships look for when it comes to finding the best marketing automation platform for their needs?

Your CRM can't do everything on its own, and it might not offer a full breadth of reporting in a digestible way. Whether you have 5,000 consumers in your database or 50,000, marketing automation makes your life easier and drives more effective communications.

When choosing the right tool for you, consider what you want to see at the end of each month. Some marketing platforms might have everything you're looking for already built in—but if they're great at features while lacking an easy, nice-looking dashboard to present to your GM, you might need to consider a separate reporting platform. If you have two different hubs, one to execute what you want to send and one to report on what you've done, maybe you need to continue exploring elsewhere for something that does both.

There are also many innovations around artificial intelligence, like how consumers are used to being targeted by Amazon and Netflix with what they want to see next. Marketing automation platforms utilizing artificial intelligence help move prospects along the sales cycle on an individualized basis. By using behavioral data to predict who is in market, a smarter platform can detect buyers who may be in market and tip off your sales team on who to contact before the dealer next door does.

## Google Analytics

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One of the greatest tools you can use to track your marketing efforts is Google Analytics. This web-based platform not only tracks where your traffic is coming from, but can also give you insight into browsing behavior on several levels. By drilling into these analytical insights, you can determine how individuals interact with your website, how long they spend there, and what pages are and aren't working.

Of the reports on Google Analytics, few deliver more insight than the Source/Medium report, which provides valuable information on how your channels perform. You'll see several metrics that apply to each channel—bounce rate, time on site, pages/session, and conversion data. It's important to put these metrics into context as not all channels are created equally. To understand how each channel plays into your marketing mix, it's crucial to know what each channel aims to do.

Is Referral traffic from local press sites successful simply by driving unique users to your homepage? Do you expect Paid Search to end in a full conversion with consumers filling out a form? Have you set expectations with your marketing automation vendor to drive a certain amount of traffic from Email each month?



Define those ahead of time with the appropriate stakeholders and set up in Google Analytics what a conversion for each channel means to you to better understand what is driving your success.

Across industries, Search Engine Land reported that the average landing page conversion rate is 2.35%, yet the top 25% are converting at 5.31% or higher<sup>4</sup>. Three years later, those numbers haven't changed much<sup>5</sup>.

You might have conversions stemming from Social Ads or content engagement from Organic Search, but with Google Analytics you can see much more. On top of the reporting provided by your vendors, you'll know if the tools you chose are still the right ones for your dollar.

## Conclusion

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Marketers can most effectively track results by making sure their data is clean, their processes clear, their tools efficient, and their benchmarks well defined. Demonstrating ROI to your Owner or GM doesn't have to be an uphill battle if you follow these basic steps to overcome the pitfalls of measuring marketing outcomes.

<sup>4</sup> ["7 Conversion Rate Truths That Will Change Your Landing Page Strategy." Search Engine Land. May 2014.](#)

<sup>5</sup> ["Ecommerce conversion rates." Smart Insights. May 2017.](#)

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### About Outsell

Outsell drives more revenue for auto dealers by transforming how they engage customers and prospects throughout their lifecycle. Dealers using Outsell's proprietary technology are tipped off when customers are most ready to engage, buy, or service. Outsell makes dealers' lives easier by keeping them in front of customers on a consistent, individualized basis, and automating follow up. The Outsell multi-channel customer engagement platform manages millions of interactions every month for dealers representing all major automotive brands.

