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**Plus: UCM in Action
Spotlights Bourne's
Auto Center**

Shifting Tides in Digital Marketing for Dealers & Automakers

By Joe Overby
Editor

NEW ORLEANS — In explaining some of Autobyte's recent purchases and shifts in strategy, president and chief executive officer Jeffrey Coats said it basically boils down to the company putting more emphasis on mobile and moving towards where consumers are shopping today.

Coats and fellow members of the Autobyte team talked with *Auto Remarketing* at this year's NADA Convention & Expo in New Orleans, not long after the company bought Web-based auto leads and services provider AutoUSA in early 2014.

This move followed the company announcing in November that it was partnering with SaleMove, becoming the auto industry's exclusive provider of the technology SaleMove offers to improve communications with consumers.

Through SaleMove's technology, dealers and automakers can interact with consumers in real-time in a variety of methods — including live video, audio, text-based chat and phone — and give these shoppers a "guided tour" as they browse the dealer's website with the shopper.

The technology SaleMove offers also provides real-time viewing of how a consumer interacts with a website, which gives dealers the chance to not only improve the online consumer experience but identify potential buyers.

And through an earlier purchase — its acquisition of mobile communications services provider Advanced Mobile in September — Autobyte is able to give automakers and dealers the opportunity to connect with shoppers through the preferred method of texting on a secure platform that helps dealers comply with strict legal guidelines.

Additionally, Autobyte offers various mobile products like mobile apps, mobile websites, Send2Phone capabilities and text message marketing.

"We're focused on pushing our whole business mobile. And if you think about it, everything in terms of what we do, the end of the market that we serve, really should be mobile," Coats said. "It's much more effective for the dealers, it's much more convenient for the consumers.

"We're in a situation where we're providing a lot more flexibility," he added. "So with our mobile products, in terms of just sending a dealers a static lead — like we mostly do today: name, email address, phone number, etc. — we're evolving our business model to get into a place where we can, on a real-time basis, send them a buyer, a customer."

Through Autobyte's mobile products, text products and through its purchase of SaleMove, the company is trying to "get our arms around the very bottom of the funnel, and really push in to the dealers that are members of our programs consumers on a more real-time basis."

Similar Mobile Shift at Gubagoo

In mid-April, Gubagoo announced that its behavioral analytics-based chat and website engagement platform for dealer websites was now fully optimized for mobile.

What does this mean for dealers using the tool?

Gubagoo explained its dealer customers can now track and then relevantly target every visitor that hits their website via a smartphone or tablet with the free mobile tool.

Gubagoo Mobile works on any native smartphone or tablet device and requires no app downloads.

On the other side of sales, it keeps car shoppers right on the dealership's mobile site, and doesn't force-redirect the consumer onto another site leaving them stranded at the end of the chat, the company noted.

"The auto industry is just starting to talk about 'responsive' dealer website design for desktop. But at Gubagoo we've been putting a powerful analytics 'brain' — which tracks, scores, and then relevantly engages every site visitor — to work on dealership sites for

over a year.

And now all our unique analytics, chat and engagement tools are available on mobile," said Brad Title, chief executive officer of Gubagoo.

"Very soon, mobile will overtake the desktop as the way most people access dealer sites," he added. "And if a dealer's vendors don't enable smarter chat and more relevant site communications on mobile, they're throwing 30-40 percent of their traffic away."

The company also shared some statistics that show Gubagoo Mobile's pilot success.

The 1,200 dealerships that tested Gubagoo Mobile over the past five months noticed their mobile chat-to-lead conversion rates were higher (74 percent) than for chats happening through the desktop (71 percent).

"When we 'flipped the mobile switch' on the Gubagoo platform, our dealer websites had such a surge in chats and calls, that we had to dramatically staff up our chat and call labs. That's the power of mobile car-shopping in action," said Title.

Separately, Gubagoo also provide some context earlier that month about how its services fit into the changing landscape of digital marketing in the auto business.

Title said: "The biggest shift in dealership marketing these last years has been to cut dependence on 3rd-party leads and do everything possible to drive traffic to — and hopefully, sales from — a dealer's own website. So, big bucks are now being spent on tactics like search and display advertising at the dealer level.

"Lots of money is being spent by dealers to drive site traffic, but when that traffic gets there, things typically fall apart: most dealer sites serve up offers, chat interruptions and inventory views that are totally impersonal and un-targeted — hence spammy and un-engaging. Visitors clicking around a service department get carpet-bombed with new-vehicle incentives. Random chat interruptions send people fleeing," he continued.

"We launched Gubagoo's website engagement platform to put a smart 'brain' behind dealership websites. We're the first to put advanced tracking, behavioral analytics and visitor scoring technology in place so dealers can make their once-anonymous site traffic totally visible — and gather all the info on what every single visitor is doing 24-7: from the exact vehicles they're looking at, to how many times they have visited, to how long they are spending on each page.

"The Gubagoo platform then puts all that rich click data in motion: automatically serving up the right, targeted messages, offers, chats and inventory display, to the right person and most importantly at the right time. And totally personalized site communications mean that far more chats, calls and offers convert into leads and sale," he continued. "Our on-site Behavioral Marketing Platform is definitely working for dealers ... their chat conversion rates and ROI are soaring. We officially launched last fall and already have several OEM endorsements with over 1,000 dealerships on the program and growing rapidly every month."



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Jeffrey Coats
Autobyte

Cost of Compliance: Dealers and Finance Companies Face Rising Challenges

By Nick Zulovich
Staff Writer

CARY, N.C. — For both dealers and finance companies, the cost of being compliant is on the rise. Recent reports and reprimands are giving concrete financial figures to what making installment loans attached to vehicles entails nowadays.

Before getting into those numbers, Rick Hackett touched on the reason why compliance is such an important — and consequently costly — part of doing business. Hackett spent about two years at the Consumer Financial Protection Bureau before returning to private practice by joining Hudson Cook in March.

Hackett's responsibilities at the bureau included advising all of the regulator's divisions with respect to market information and policy issues in the installment and specialty lending areas, including vehicle finance, student lending and payday lending.



Rick Hackett
Hudson Cook

Hackett described the "long, evolving process" that's unfolding in indirect auto lending.

"It's the first time you've had a federal regulator focused on the finance space strictly in consumer and with concern only for consumer protection, not for other sometimes conflicting issues like safety and soundness," Hackett said. "The federal financial regulators have done a lot of work on consumer protection but they also have a bunch of other hats to wear. The Federal Trade Commission has done some great work in consumer protection, but they have many markets other than consumer finance to deal with.

"I think there will be growing pains for quite some time as the industry gets used to dealing with a regulator that's solely focused on consumer finance and no other hats to wear. That's just what Dodd-Frank said should happen. I think that also explains why so many people would like it to go away," he went on to say.

"But over time, I think the bureau's focus on getting everyone to have an appropriate compliance management system, appropriate to their size and complexity, if lenders spend the resources and bandwidth on compliance, they'll find that's it not more complex than making sure your mechanics can deal with whatever vehicles they have to work on," Hackett added.

Dealer Cost for Compliance

And how much resources are dealing expending on compliance? Here are they numbers showing just how much of a bite regulatory compliance is taking out of franchised dealers' profitability apple — especially for what it takes to legally operate the F&I office.

A new report released by the Center for Automotive Research in May showed U.S. franchised dealers spent \$3.2 billion in 2012 to comply with 61 major federal rules, resulting

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