

CASE STUDY: SEARCH ENGINE MARKETING

Community Honda, Chicago IL General Manager: Joe Vanerio

Understanding the Impact eXtères' Exclusive SEO Can Have on a Major Metro Dealership

Executive Overview

- **Relatively Modest Initial Search Placement Gains Still Drive Extraordinary Increase In Incoming Calls**
- **Jump From 2% to 44% Search Saturation Rate Leads to 68% Increase in Sales, Service & Parts Calls**



"eXtères has led to huge, astronomical increases in our sales and service calls. In fact, I had to add personnel to deal with the substantial spike in our Internet business after eXtères was up and running."

-- Joe Vanerio, Community Honda

Community Honda, part of the successful, 33-year-old Wehmeier family-owned dealerships in Chicago, implemented eXtères, a unique search engine optimization technology specifically designed for auto dealers, back in late 2007...with significant business generation results in full swing by early 2008.

An analysis of the impact eXtères' SEO solution has had on this dealership reveals that while an advanced organic search solution has a powerful effect on all dealers, **SEO can generate a unique set of results for the major metro dealer**, versus their suburban or rural counterparts.

Community Honda's General Manager, Joe Vanerio, reports that his dealership competes directly with five other Honda dealerships (and even more in his extended DMA). With many of his competitors getting aggressive with SEO recently, he decided to sign on with eXtères: not only to **significantly boost his search placement performance** in his brutally competitive Chicago market—but to **drive more calls, leads and sales directly from his own website, rather than paying for expensive lead providers or pay-per-click campaigns**.

Achieving Search Placement Dominance for the 'Big City' Dealer: Even More Modest First-Page Ranking Rates Generate Outsized Rewards

eXtères Organic Search Marketing System

- continuously monitors complex algorithm changes at all major search engines, including Google and Yahoo
- manages sophisticated technology on an ongoing basis to make client websites more easily found by the 'Googles.'
- proprietary technology
- 24/7/365 operation
- fully automated, realtime updates to client websites
- exclusive territory coverage
- clients pay upon results only
- no binding contracts

When Community Honda signed on with eXtères, they were achieving first-page search placement (on those hundreds of keyword combinations directly relevant to their dealership) less than 2% of the time. Within three months (by early 2008), eXtères had moved the dealership to a 32% first-page saturation rate, which, with very mild fluctuations, was maintained over the next 8 months. While the search visibility boost was extremely significant, it's important to note that the average dealer on eXtères' program experiences an increase in first-page placement rates from 14%, to an eXtères client average of 72%, more than double Community Honda's initial nine months of results.

For Community Honda, the search optimization process was slowed due to unique website design issues. When corrected by the site vendor by October 2008, **eXtères was able to elevate the dealership to a 74% first-page search 'saturation' rate**, which has been steadily maintained ever since.

44% Search Placement Rate Drives Dramatic Increases in Calls

The case of Community Honda reveals that, for metro dealers serving a demographic with much higher online automotive shopping and search usage rates, even search placement rates in the 30%-45% range generate an outsized, impressive uptick in Internet-generated sales and service calls.

68% Increase In Sales, Service, and Parts Calls In 2008 With eXtères... a Gain Of 1,983 Incremental Calls

	2007 Without eXtères	2008 With eXtères
Sales	83	134
Service	141	229
Parts	21	47
TOTAL	245 per month	410 per month

(Internet-generated calls, monthly average. Based on dealership's 3rd-party call-tracking technology)

With an average 44% saturation rate over 2008 with eXtères, Community Honda witnessed a 68% increase in overall calls for sales, service and parts—representing a year-over-year increase of 1,983 incremental, search-generated calls into the dealership. So, while the average eXtères dealer reports higher initial saturation rates, the effect on Community's business has been every bit as profound.

In 2008, a year that saw new-vehicle sales plummet nearly 20%, Community Honda (with eXtères) experienced a 61% year-over-year increase in sales calls, a 62% increase in service calls and a 130% jump in parts calls.

In 2007 the dealership generated 83 sales—141 service--and 21 parts calls online during an average month—but with eXtères, those numbers rose to an average of 134 inbound sales calls— 229 service calls—and 47 parts calls each month. With strong business generation gains across its major profit centers via search in 2008, eXtères helped Community Honda not only survive—but thrive—in a dismal sales year.

And since eXtères has achieved the 70%-plus saturation rates for the dealership since October 2008, Community is now experiencing a 90% gain in calls over 2007, vs. the 62% gain over 2007 represented by the first 9 months of 2008, when saturation rates averaged a lower 32%. **This reveals, as always, the direct, measurable correlation between first-page placement rates and the volume of inbound calls and leads for dealers.**

General Manager Joe Vanerio, On What eXtères Has Meant for His Dealership

Community's GM has always been a forward-thinking marketer, recognizing that the Internet would continue to represent an exponentially growing part of their business. Vanerio has bought leads from a few major third-party providers for years, but notes that "the effect of implementing eXtères has led to huge, astronomical increases in their sales and service calls," as well as generating leads that close at a significantly higher rate than those from the lead providers. In fact, Vanerio reports that he had to add Internet personnel in March 2008, to deal with the substantial spike in call/lead volume after eXtères 'went live.'

Vanerio also credits eXtères with establishing search engine market domination for Community Honda, reporting that the dealership now controls 60% (six out of ten) of his market's Honda zip codes online. As Vanerio put it, "eXtères has essentially let me cast a much wider net online, and my vastly improved search presence means I've got far more powerful market awareness, so I'm controlling far more deals in my big metro market than I would--or should."

Vanerio also stresses the 'huge value' of eXtères' program, noting that the company's exclusive territory guarantee (the promise that eXtères won't work with another same-make dealer in his extended market) is key for him. 'eXtères' value,' of course, also means he's been able to dramatically boost incoming calls/leads at a fraction of the cost of generating business through lead providers, paid search, or traditional advertising. **His relatively modest investment has allowed him to cut his print, radio, cable, and third-party lead spend,** while his competitors are still, as he put it: 'stuck spending an awful lot of money on leads, pay-per-click and traditional advertising.'

Community Honda (like all dealers in 2008) reports they've certainly felt the impact of the downturn, and have carefully reviewed each marketing line item for measurable, sustained, high ROI. But Vanerio notes that his investment in eXtères has not only kept him firmly ahead of his competitors—it will form the cornerstone of his online marketing strategy in these challenging years ahead.

