Texting Leads the Way in Connecting with Car Buyers
Car**Code**^{SM} *Case Study – Universal City Nissan*

LA area dealer uses the mobile messaging platform to boost online leads, attract shoppers who are closer to buying, and improve new car sales.

SUMMARY

*Universal City Nissan wanted a better way to generate online leads and to get shoppers, arriving through digital channels, to close on a car faster. The Los Angeles area dealership also wanted to capitalize on mobile trends and shoppers' preference for texting over email. To get there, Universal City adopted Car**Code**^{SM}, a free mobile messaging platform from Edmunds.com. The service adds a "Text Me" button to a dealer's website or mobile app that connects to a dedicated local phone number, which shoppers can text to get prices, photos and other information. Set up was fast, and from the start, Car**Code**^{SM} shoppers proved to be closer to buying than shoppers who connected via email. That reduced sales reps' touch points and boosted sales. According to Universal City's Internet sales director, "Whoever isn't using it is crazy."*

THE CHALLENGE – MORE LEADS, FASTER SALES

You don't need to tell Tony McKinney that email marketing is becoming passé. McKinney is the Internet sales director for Universal City Nissan in CA, one of eight dealers owned by Sage Automotive Group. A Nissan dealer since 1969, Universal City sells about 500 new cars a month.

McKinney knows firsthand how smartphones have taken the oomph out of email lead generation. The dealer's conversion rate for Internet leads is low. **Only 2% of car shoppers who respond to online solicitations are ready to buy.** When new car shoppers contact Universal City Nissan from an email solicitation, reps in the dealer's Internet sales department need 5 to 12 contacts to make a deal. "Most salespeople don't have the intestinal fortitude to reach out 5 to 12 times," McKinney says.

By contrast, text-based marketing is hot. **Open rates for SMS text messages average 98%, compared with approximately 30-35% for email[1]. The average click-through rate for links in SMS messages is 36%[2].** That compares with just 2.46% for transportation and travel industry email campaigns[3]. **Texting is especially popular with millennials: 70% have used it to contact a car dealer, as have 43% of other adults.**

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McKinney was eager to jump on the texting bandwagon, but didn't like his available options. Asking sales reps to use their personal cell numbers wasn't ideal, because when they weren't at work, the store wasn't covered. Relying on personal numbers also didn't allow the dealer to capture leads into its customer relationship management system or monitor text message exchanges for compliance purposes. The dealer's existing CRM software had a mobile messaging feature. But it only offered a short code, which shows up on a shopper's phone as a five or six-digit number. That made it difficult for shoppers to tell a text was from the dealer. "If I saw it on my phone I'd think it was spam, or that it would crash my phone," McKinney says.

THE SOLUTION – Car**Code**^{SM} MOBILE MESSAGING

When an Edmunds.com account exec told McKinney that a new mobile messaging service called Car**Code**^{SM} was available to Edmunds.com partners and other dealers, he was all ears. Better yet, he learned, Car**Code**^{SM} was free.

> Car**Code**^{SM} adds a "Text Me" button to a dealer's website or mobile site, which connects to a dedicated local phone number. Shoppers who visit the dealer website can use the button to send a text to the dealer's sales department requesting information.

Setting up Car**Code**^{SM} was simple. Edmunds.com added a snippet of code to Universal Nissan's website. Doing that placed a "Text Me" button on the site near options for contacting the dealer by phone or email. McKinney then entered sales reps' contact information into the system. If a car shopper clicks on the button and sends a text, the message is delivered to the online sales department, where it's routed either to everyone on a shift on a first-come, first serve basis, or round robin to the sales rep next in line for a customer. Sales reps can text back with information about pricing, availability or photos. Reps at dealers in Edmunds.com's Price Promise® program also can send a reply text with a link to Price Promise^{SM} certificates.

THE RESULT – BETTER LEADS, MORE SALES

It didn't take Universal City Nissan long to discover how effective Car**Code**^{SM} could be. The dealership posted the "Text Me" button on its website in late April 2015. Right away, McKinney saw that **car shoppers who found the dealer through** Car**Code**^{SM} **were converting into sales within 72 hours of an initial contact.** "A few texted and showed up the same day," he says.

> Less than two weeks into May 2015, McKinney noticed that one Internet sales rep already had sold 15 cars. When McKinney investigated, he discovered that the rep had been jumping on leads coming in from Car**Code**^{SM}.

It wasn't an isolated case. "Car**Code**^{SM} **conversion rates are 10-15% – more than five times higher than email,**" McKinney says. The result is fewer touch points and increased sales. Since Universal City Nissan started using it, the mobile messaging platform has been responsible for an additional 15 new car sales a month in the dealer's Internet sales department alone. "My sales guys know that; that's why they jump all over it when leads come in," he says.

When it comes to text marketing and Car**Code**^{SM}, McKinney is sold. "Whoever isn't using it is crazy."

[1] What's a Good Email Open Rate & Click Rate? [Benchmark Data], HubSpot, Feb. 4, 2015
[2] The Average SMS Marketing Click-Through Rate is 36%, Tatango, Jan. 13, 2015
[3] Email Marketing Benchmarks, MailChimp, June 2015

Car**Code**^{SM} Connects!

MORE contacts
RESULTS in 17% average monthly lift in leads*
CONVERTS shoppers to buyers faster than email leads

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*Edmunds.com Research, 2015