

A Click Ahead: Case Study

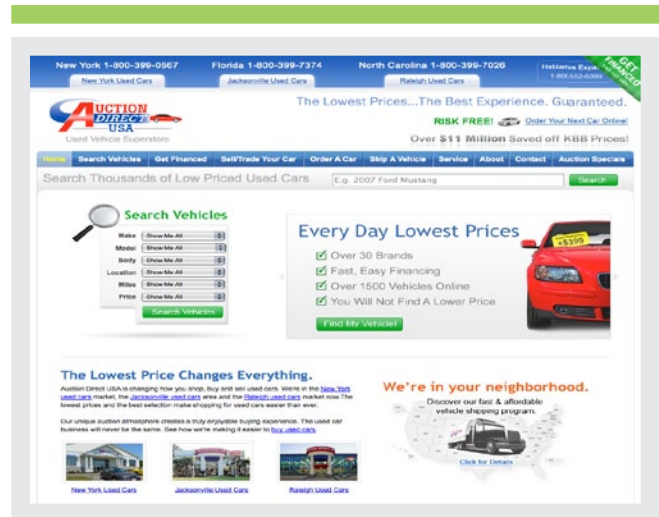
A nimble, constantly evolving online marketing strategy helps keep CarsDirect dealer partner Auction Direct USA on the cutting edge of the Internet – and on top of the competition

A drive to innovate permeates every department of Auction Direct USA. The Victor, NY-based chain of used car superstores has built a thriving business largely on being different.

The differences stood out from the first day Auction Direct USA opened its doors in 2005. Specializing in late-model, low-mileage used cars and trucks, the company offers no-haggle prices on every vehicle and a three-day, 500-mile money back satisfaction guarantee. It established an exclusive 85-point quality inspection process, operates certified service departments, and encourages a relaxed atmosphere that emphasizes personalized customer service. Early success allowed Auction Direct USA to open additional stores in Raleigh, N.C. and Jacksonville, Fla. over the next two years. More locations are in the planning stages.

Further setting Auction Direct USA apart is the way the company approaches and utilizes the Internet to drive sales. From the beginning, management placed a much larger emphasis on Internet marketing operations than a typical dealership, and encouraged innovation by giving the IT team free reign to explore new ways the Internet can be leveraged to bring customers through the door.

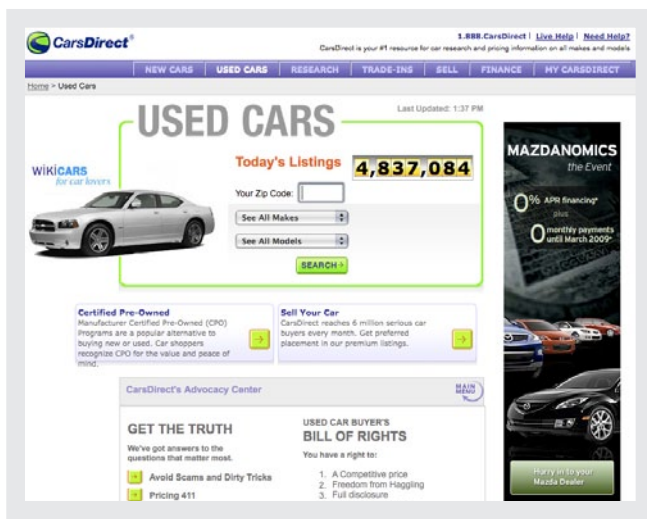
“We use everything we possibly can on the Internet. We use auto channels like CarsDirect, blogs, social



networking sites, mobile websites – everything,” says Eric Miltsch, IT/Web Director at Auction Direct USA. “And we have top-quality talent, solid IT infrastructure, and support from management to really make the most of our efforts. A lot of traditional dealerships can’t say that.”

Listing inventory on CarsDirect’s Used Car Channel is a major component of Auction Direct USA’s online marketing strategy, primarily because the site – which lists more than 4.5 million used vehicles for sale around the country – offers unique features that connect with consumers.

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“The fact that we are designated as a CarsDirect ‘Trusted’ dealer is great benefit for us,” Miltsch says, referring to CarsDirect’s exclusive program in which it certifies dealers that confirm their support for the CarsDirect Used Car Buyer’s Bill of Rights. “It starts things on a positive note by giving customers peace of mind right away.”

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Auction Direct USA staff also take advantage of the ability to upload unlimited photos and videos of each piece of inventory on the CarsDirect Used Car Channel, giving customers as much information as possible about each vehicle. As a result, CarsDirect has consistently been the top referrer of leads to Auction Direct USA. CarsDirect also provides a high click-thru rate to Auction Direct websites.

“We also consistently see impressive conversion rates from CarsDirect – usually almost double the



rates we’re seeing from other similar services,” says Miltsch. “It shows us that CarsDirect attracts targeted traffic made up of consumers that are really finding what they’re looking for.”

The company also plans to work with CarsDirect to evaluate future advertising opportunities on the newly introduced Internet Brands Automotive Network, a collection of more than 90 leading automotive community websites, including AudiWorld.com, Ford-Trucks.com, and ScionLife.com. Internet Brands – the parent company of CarsDirect – offers a broad range of advertising options across the Automotive Network that connects dealers with buyers targeted by make and model. The ability to target ads so specifically is a natural fit for used dealers

The CarsDirect Automotive Network
Now Exceeds 25M Visitors Monthly



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like Auction Direct USA who sell a wide cross-section of recent makes and models.

Auction Direct USA’s success with CarsDirect is part of its aggressive, progressive online marketing program that constantly evolves along with the Internet. In addition to a rich media weekly e-mail newsletter that goes out to customers and prospects, Auction Direct

1. Source: Google Analytics

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USA dabbles in almost all of the concepts and technology that have collectively come to be known as “Web 2.0.”

In early 2007, Auction Direct USA launched a blog called WhyBuyUsedCars.com. The blog differs from most dealership blogs by taking a general auto enthusiast focus and featuring postings on industry news, car shopping and maintenance tips, and fun features like the “Kool Whip of the Week.”

“A lot of car blogs are boring,” says Miltsch. “We think interesting content, humor, and even a little controversy is what attracts readers and keeps them coming back.”

The blog has been a key brand builder for the company, attracting thousands of readers each month and driving traffic to the main Auction Direct USA website.

Auction Direct USA also maintains presences on social networking sites including Facebook, MySpace, and Twitter. Keeping active on the sites allows customers to interact with the brand without having to leave their preferred site. Miltsch says the company’s social networking efforts have paid off by keeping customers up to date on company events (primarily via “tweets” on Twitter) and by driving traffic to the site by regularly updating Facebook and MySpace profiles, which keeps Auction Direct USA active on customers’ social networking event feeds.

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“Using these sites has added a truly social aspect to our online efforts,” says Miltsch. “It’s like walking into a never-ending cocktail party and constantly meeting new people and potential customers. They become more than customers; they become friends of the company.”

Miltsch and his team have taken the extra step of personally interviewing AuctionDirect USA’s Twitter followers to establish brand confidence, drive traffic, and gain further insight on automotive consumer behavior. The company recently introduced TweetandGreet.com, a social networking initiative that allows Auction Direct USA’s Twitter followers to be profiled on TweetandGreet.com by sharing their thoughts on fun car-related topics, such as memories about their first cars and describing their dream cars.

While the fast-moving nature of the Internet can mean that today’s hot sites and online marketing techniques could soon go the way of dial-up Internet and floppy discs, Miltsch says he’s confident he and his team will adapt as necessary

“To really be successful with online efforts, you have to have a genuine passion for the Internet and technology. We have that passion, and we’re thrilled we’re able to use it to help the company grow and thrive.”

