



Joe Healy

Internet Director

Lone Star Chevrolet

A seven-time winner of the prestigious GM Dealer of the Year Award, Lone Star Chevrolet, located in Houston, Texas, has a full service Chevrolet car repair facility and offers one of the most comprehensive car parts and service departments in the automotive industry. The dealership has been rated the number one certified pre-owned dealer in all of Texas for Chevrolet. Satisfying the customer remains a number one priority at Lone Star, which is one reason why approximately 40 percent of their business consists of repeat customers. Lone Star is also famous for its \$9.95 oil change lifetime guarantee. The dealership sits on about 35 acres, and offers a comprehensive selection of inventory. Read on to learn how Lone Star's Internet director, Joe Healy, has led a team of Internet sales professionals to a winning sales record, utilizing such tools as personalized videos and custom newsletters.

DLEASE TELL ME ABOUT YOUR BACKGROUND. (e.g., how did your career start, how long have you been with the dealership?)

I'd rather talk about my team; but since you asked, my own background is in marketing and in management. I'm still pretty much of a rookie in the automotive market. Back in Chicago I had launched a grocery store chain so I understand retail and marketing. My career in the automotive industry began at the largest Honda store in the nation about seven years ago. It was there where my love of the car business started and my desire to help dealership customers took off. Over one year ago, I was fortunate that I found a perfect match at Lone Star Chevrolet, a member of the Sonic Automotive Group, and their goals for a progressive Internet department. I now work for one of the most accomplished and recognized general managers in the business, Carolyn Cross, who has provided an opportunity to help build a very successful Internet team.

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—Joe Healy

As the director (coach) of the Internet team, it is a pleasure to work with people who mirror my own desires to please the customer. Our team has continued to grow and our goal is to be the number one Internet team in the industry. Until then, I simply refer to my team as the "Best Internet Team in Texas." And we are.

Basically, I'm a marketing guy, with

25 years in the grocery retail industry, who is now very proud to work in automotive retail.

How many people work in your department?

I have five in our new car department and three in pre-owned. I also have a photo/marketing rep. I believe that one only truly succeeds by serving others; consequently, our team also likes to serve the community. For example, Gary is a prison minister and we try to work around his schedule, whenever we can. Steve is a paramedic. Ted is very active in his church and the Chamber of Commerce. Harry is a devout Christian and takes children to First Assembly in Humble weekly.

We also have a celebrity on the team, Sid Templeton, who is in the Museum of the Gulf Coast's Music Hall of Fame. He's in good company there with Edgar Winter, Janis Joplin, ZZ Top, Tex Ritter, and a whole lot of other great musicians. He was in a band in the '60s called The Clique. You

can actually Google the band and listen to some of their music. We featured him in a newsletter recently, which we sent out to about 22,000 people. Sid's kind of modest about it but he's a brilliant musician.

We're different than most dealerships; we pray before our meetings. The general manager here treats everyone with dignity and respect. She is a forward thinker and gives great support to our Internet team. Her famous bi-weekly meetings include the study of John Maxwell.

What percentage of your dealership's overall sales is generated from the Internet?

Currently the Internet brings in 28 percent of vehicle sales. Our strategy this year is what we're calling "Operational Excellence." As an Internet team, our goal in 2008 is to reach 33 percent of sales.

What tools or lead generators have really worked on your site to pull in leads?

We're spending more time with AutoTrader.com and cars.com. We just launched a new program with AutoTrader.com called "Alpha" and it's basically what we call total domination. If you go up to AutoTrader and type in our zip code, which is 77065, you can get a feel for what I'm talking about. There are over three million listings on AutoTrader but if you type in "Chevrolet" and search for say, a Malibu or a Silverado, the response would serve up our logo and nine of our most popular vehicles. Plus, it has what we call "Spotlight Ads" at the top. Below the ads, it talks about Lone Star Chevrolet and the awards we've won. Cars.com is a recent addition. They're primarily helping us in the used car area and that continues to grow for us.

Black Book has a conversion tool called "Activator" with GPS (an appraisal tool with a video model who "greet, persuades and sends" the appraisal to the customer). When you



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visit our web site, the video model is the first "person" who greets you and describes how the customers will receive a third-party appraisal for their trade-in. We're finding the Black Book appraisals are very accurate because they visit auctions each day and update the data nightly. We have had great success when we include the Black Book link in our IMN eNewsletter.

Then there's the IMN Loyalty Driver, which is where we get our newsletter. We take their content and customize to make it more meaningful to our customers. We recently had a lot of fun featuring local restaurants. We did a little survey to find the best pizza place in Houston and provided a coupon to the pizza place. We also use the newsletter to do surveys. This month we ran two surveys. The first asked if there is one thing you (the customer) like about Lone Star Chevrolet, what would it be? We give them ten choices to consider. We're famous for our \$9.95 oil change, which is what most people said they like about us. You buy a car here and for the entire life of the car you can get the car's oil

changed for only \$9.95. The second survey asked if you plan to buy a Chevrolet in the next year and, if so, which one would you buy? We listed 10 different vehicles, with very interesting results. You would think it would be Cobalt or Malibu, because of gas prices, but instead it was the new Chevy Camaro.

How much customization or personalization do you do with your communication efforts?

A lot. For example, we take the IMN Loyalty Driver newsletter content, which could be anything from recipes to theme parks, and then add custom articles. We just did a new deal where customers don't have to print the coupon that's in our newsletter. They can have it sent as a text to their phone. Customers bring their phone in for, say, the \$9.95 tire rotation and they just show the service department their phone with the text coupon. The parts manager loves it. Right now, it's running about 50 percent, those who come in and show their phone versus those who still



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print the coupon. People at IMN tell us we have one of the fewest opt-out rates in the nation, in part because we make sure there's value in each newsletter. In fact, they used Lone Star as an example at the Digital Dealer conference and showed some of the custom newsletter work we do that adds value.

A bit of aside, I have three girls in college. I asked them recently, if I were to punish you and let you choose between taking away your car and taking away your phone, which would you choose? They all said, "Take the car. We need our phones."

Here's another quick story I'd like to share: I went to the Digital Dealer conference last week and had great fun. My plan was to go there and return with four or five solid ideas that we could implement. One of the ideas I particularly liked is placing a coded sticker on your used (or even new) inventory; customers can text the number that's on the sticker. When they text that number, details for the car, such as mileage, how many owners, etc., appear on their phone.

Do you help design/update your dealership site? For example, update inventory, create specials, add photos, etc.

Yes. We make changes on a daily basis to improve our organic search engine rankings. We use HomeNet as our marketing tool and have the capability to make changes in a matter of minutes. We do all our own in-house photography and recently built a photo booth to help in our marketing efforts with eBay. We have a full-time photo/marketing manager who takes over 27 photos of our inventory. We love working with HomeNet because they help us get better and dominate our sites plus AutoTrader and cars.com. With the capability to make changes on the fly, we can make a price or photo change within hours on all our web sites. It's probably one of the biggest things we did this year to improve our Internet marketing.

We wanted to leverage eBay and knew we would need more than the nine photos that our previous vendor provided us. As a result, we brought the photo-taking part of our inventory

management effort in-house. We hired a photo/marketing manager, who takes a minimum of 27 photos, up to 60 sometimes. We built an in-house photo booth. It turned out to be a win-win: we improved and at a lower price. The advantage you have when you bring it in-house is that the car never looks better than when it comes out of Make Ready. Our manager takes the photos when the car is in pristine condition: six days a week. By bringing the photo taking in-house, we enjoyed about a \$20,000 a year savings. Most of our competitors that display on AutoTrader.com or cars.com only show nine photos, whereas, again, we show a minimum of 27, giving us a competitive advantage.

How do you use e-mail campaigns to generate leads?

I believe there is a fine line between pestering our customers and communicating with them. We take great pride in having the most professional e-mail campaigns in the nation. Our ad agency, through Sonic, helps brand our e-mail blast to match the message we use in print and electronic media. Also, we have a branded image, a guy we call the "Marshall," who dresses up as a cowboy and wears a badge. He appears in a lot of our communication pieces and campaigns. When we do an e-mail blast, we try to send it out on Wednesday by noon. We've found that's the best time to reach people for this kind of communication.

Can you give me an example of a successful e-mail campaign that pulled in a good number of leads?

Our e-mail response to Hurricane Ike is a recent example. We had a lot party on the Friday before the hurricane was scheduled to hit the area. We have a huge service facility; we're on about 35 acres. We moved all the high-priced vehicles inside; then we grouped the rest of our inventory outside, away from trees and such. When the hurricane hit, I tell you, it was a

war zone. Just on my street alone there were over a hundred trees down, through roofs, and on cars. Once we got our power on back at the dealership, we did a soft-sell e-mail campaign. We told folks: If you want to come here to charge your phone or need a hot cup of coffee, stop by Lone Star Chevrolet. We're open and we have power. Rather than promote our inventory, we reached out to the community and invited them to join us, relax on our couch, use our Wi-fi, etc. Before that we had always been in the top two or three dealers, but never number one, in Houston. But last month, we attained number one status and we attribute that to our community response. We also reminded people that we had a full-service body shop and that if they needed their car examined, we would examine it for free and give them an estimate. Of course, a lot of people took us up on the free examine and then decided to trade in. It was not only good PR for our business, it was sincere.

If you could keep one tool from your current interactive tool chest to generate leads, what would it be?

We're unique in the sense that we have two web sites. Sonic elected to go with Dealer.com at all 165-plus stores. At the same time, Chevrolet came along and said we'll give you our Cobalt site for free as well. Basically, the Dealer.com site is used to brand Lone Star Chevrolet and the Cobalt site is designed to attract the Chevy customer. We get the very best results and closing ratio from our two sites. Dealer.com has a strategic account manager who works very closely with us to improve conversion rate, as well as our paid and organic search results. Cobalt provides an advocate; we make changes daily to keep our site relevant to Google.

I try to track our search rankings every day. For the first time, we moved up to the number one ranking in Google. I work closely with Dealer.com for keywords and metatags. We do everything we can. We entered into an agreement to put all of our used cars on YouTube. For the last two years, it seems as if video search engine opti-

mization has been one of the hot buttons. I think we're doing the best job of anyone out there, because every day we add new inventory. It's not once a week or once a month, but every day we're adding relevance to our site.

To recap, the one essential tool would be our web site (both of them).

Please take me through the process from when an Internet lead is received, to how it is eventually closed (via a sale or a long-term prospect).

We try to keep our process very simple: 1) Automated system response; 2) Immediate phone call within 15 minutes; 3) Day one personal e-mail; and 4) Custom personal video e-mail.

Perhaps one thing we do better than most is personal e-mail. Each of my managers has a video camera on top of his keyboard. They respond to inquiries immediately with a friendly, brief video. Later, when I follow up and ask customers what they liked most about their Lone Star experience, more often than not they tell me they really liked the video. The real beauty is, we know exactly when the person watched the video. We can run to our phone and contact them right then and there. The videos are viewed five or six times and can easily become viral, helping to spread the word. I think the industry standard for e-mails being read is 29 percent; 56 percent of our videos are watched. We think our use of video is one of the reasons we're doing so well.

How important is follow-up in closing Internet leads?

When I first came here they were only doing a 12-week follow-up program. Now we stay in front of prospects and customers throughout the year with our 52-week plan. We keep the e-mails short. We like to do what I call volley, like in tennis, shoot e-mails back and forth. Some people will come back to us a year later and say, "Hey, you were the only guy who kept in contact with me, and I appreciate that." For most customers, we're conveying information. For example, Chevrolet recently introduced the Traverse. About a month out from the

release of the Traverse, we started a teaser campaign called "Super Wednesday," and told people that something big was happening. As the e-mails progressed, we showed them a little bit of the car and a little bit of the feature set. When the day came, we sold out; we were one of the first dealers to receive the Traverse. Now we're getting ready to do the same thing with the new Camaro.

There are a lot of new tools in the space getting attention: blogs, social networks, SEO and SEM. Do you use any of them? If so, how have they worked? If not, do you have plans to use any of these tools?

Of course, we use SEM and SEO. I work closely with Dealer.com every day, to change keywords and metatags, add specials and try to keep our site relevant. With Dealer.com we employ something called total control dominator, which allows us the flexibility to spend our marketing money any way we want. We change or spend our monthly budget based on, say, a new Chevrolet incentive. Last month, for example, they came out with employee pricing. We were able to turn our own dial up to match Chevrolet's investment. We always end on the front page of a search, and usually one of the highest rankings. The Dealer.com solution enables us to go where the fish are biting, so to speak. Typically we spend about 70 percent on the backend (after the 15th of the month), so the first two weeks we never lose our presence. Now MySpace and Facebook are different stories. We plan to develop testimonials and success stories on this exciting new social networking area. By the way, I learned that the top five web sites, based on a meeting I attended at the Digital Dealer conference, are: Google, Yahoo, YouTube, MySpace and Facebook. We also know that eBay sells a car every 45 seconds across the world. It's a great advantage for us because we're heavily into eBay.

What trends in automotive sales are you noticing and how is General Motor Company adapting to those trends?

The Internet is the now and the

future; GM is spending roughly 50 percent of their budget on e-marketing. We're making sure we tell the GM CPO story on YouTube. To do that, we work closely with Sister Technologies. GM gets the Internet; they understand it. When they gave everyone the Cobalt site, for example, the stores were assigned advocates inside of Cobalt. They help us keep our web site current and relevant. Right now, we're enjoying a tremendous conversion rate, close to 20 percent, and that's because of the commitment Chevrolet has made to our success.

As a sales professional, what do you like most about the Internet?


I love selling cars and working for Sonic. Our vision is to achieve industry leadership in the Internet. First and foremost, we are a sales organization. Sonic believes in "taking the high road" and that is especially important to me as a sales professional. I have fun every day leading our team into the future. The Sonic culture provides unconditional teamwork and that makes my job fun.

What sets your dealership apart from others in the market?

Lone Star Chevrolet is one of the top volume Chevrolet dealers in the nation. As a member of the Sonic Automotive Group, Lone Star has been able to take advantage of the many advancements and operating procedures that are associated with being a part of the nation's third largest automotive group. However, the real success of Lone Star has been an overall plan by management of putting the customer first in every aspect of their business. As a result, Lone Star Chevrolet has won the prestigious GM Dealer of the Year Award seven years and counting. That's an amazing honor, since less than one percent of GM dealers nationwide receive it. We've been consistently recognized for overall excellence in dealership management and customer satisfaction. Satisfying the customer is number one at Lone Star Chevrolet, which is why approximately 40 percent of our business is repeat customers. We are also the number one certified pre-owned

dealer in Houston and offer a huge, beautiful pre-owned showroom and facility. Lone Star Chevrolet continues to grow and gain market share in the Gulf Coast area as well as national ranking. Our substantial fleet and commercial business, the third largest in the country, with its own facility and personnel helps thousands of small, medium and large companies with their business needs.

Not only do customers enjoy shopping and doing business at Lone Star Chevrolet, our employees also enjoy working there, which is why many of the hundreds of employees have been there for years. So regardless of your needs, you can be sure you will have an enjoyable time during your visit to Lone Star Chevrolet. We achieve success by motivating each other. Plus, our general manager provides powerful strategies for putting people first.

The real assets of the dealership are its people and their attitudes. We have what we call a ten foot rule. If a customer comes within ten feet, they will be greeted with a big Lone Star smile and friendly greeting. I guess that is why some people say you get more smiles per gallon at Lone Star Chevrolet. 

When you listen to Healy talk about his role at Lone Star; his enthusiasm when describing what they do and where they are going, it's easy to confuse him for a coach of a successful sports franchise holding a press conference. The comparison wouldn't bother him at all. In fact, it's how he sees his own role as Internet director. With a goal of being the best in the nation, Healy surrounds himself with dedicated sales professionals, gives them a strong game plan, and then makes sure they have the tools and training needed to win. Healy's own philosophy of life is perhaps best captured by this quote from one of his personal heroes, Duke basketball coach Mike Krzyzewski: "To me, teamwork is the beauty of our sport, where you have five acting as one. You become selfless." Healy coaches a winning team and it's only a matter of time before they capture the ultimate championship title.

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magazine.com**

Dealership partners in profit:

Dealership name:
Lone Star Chevrolet

Web site URLs:
www.lonestarchevrolet.com
www.lonestar-chevrolet.com

Web site provider/hosting:
Dealer.com
Cobalt

Web site vehicle photos taken by: Lone Star Chevrolet

Vehicle marketing:
Homenet

DMS provider:
ADP

CRM program:
eleads

Online lead generators not including the OEM sources:
cars.com
AutoTrader.com
eBay Motors

Vehicle history reports:
Carfax

Third-party sites where inventory is posted:
cars.com
AutoTrader.com
eBay Motors

Other vendors not listed above:
IMN Loyalty Driver
Co Video

Vehicle valuation tools:
Black Book















