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THE BIG STORY / NOVEMBER 2017



WardsAuto e-Dealer 100 Standouts Tell How They Do Digital

BY TOM BEAMAN



INTERNET SALES SUCCESS is a marriage of high technology and old-time customer service at the Phil Long Dealerships, which operate 14 franchises and 24 rooftops in Colorado and New Mexico.

“It really comes down to having information (on your website) quick, visible and easy to use,” says Michael Cimino, the group’s vice president



and partner. “The more you can make it any of that, the more cars you’re going to sell. It’s as simple as that.”

Phil Long Ford of Denver posted 2,250 Internet sales in 2016 (1,157 new and 1,093 used), landing at No.30 on the *WardsAuto e-Dealer 100*. For the ranking, an Internet sale is considered one that’s handled by a dedicated Internet department or originates from a digital source.

Cimino emphasizes the importance of a good dealership-management system that’s agile and compatible with a particular dealership’s operations.

“Some of those systems can keep you from making deals because they’re slow or cumbersome,” he says, while noting conversely “some will tell you that you have a customer back in the service department who’s ready to trade.”

Cimino says sales suffer when systems don’t talk to each other, for example, having a main DMS but no “desking” system that pushes and pulls information from the mainframe. “That slows

you down to be able to give somebody an answer or a price,” he says.

After the Denver store paired a new customer-relationship-management software tool with its DMS, the dealership saw increased closing ratios and improved grosses.

“With our old system we had to manually put in data and it had to push into another system,” Cimino says. “To train a desk manager, you had to show him how to go through this firewall just to work a deal. Now, from the time a customer walks in we can deliver a pencil within five minutes.”

FROM GUNSLINGERS TO STANDARDIZATION

The Reagor-Dykes Auto Group of Lubbock, TX, claimed the No.4 spot on the *WardsAuto e-Dealer 100*, with 10,115 Internet sales (3,338 new, 6,777 used). It also is one of the fastest-growing private companies in the country, according to *Inc.* magazine.

“Our e-commerce team has been a huge part of that,” says founder and CEO Bart Reagor.



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“When I think of ELEAD1ONE, I think of a great business partner and future success of our organization.”

-Ethan Rossignol
GM, Toyota Silver Spring

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Reagor describes the process he undertook at his dealership group as “globalizing” e-commerce.

After rolling out a comprehensive Internet sales program in February 2014, sales at Reagor-Dykes took off. “We’ve evolved a lot since then, but we’ve had a lot of success,” Reagor says. “We did \$4.5 million in gross profit in 2014, \$12.5 million in 2015 and \$25 million in gross profit in 2016.”

He adds: “We just continue to improve our site, our response times, our inventory buying and marketing strategies. That’s a huge part of the reason we’ve become the company that we have.”

Reagor describes the process he undertook as “globalizing” e-commerce. Before that, each dealership had its own website and its own e-commerce manager.

“None of those people were accountable to anybody,” he says. “They were like gunslingers. Now all of our e-commerce managers at all of our locations are held accountable to the same standards and our websites are on the same page.”

Essentially, “everyone is an e-commerce customer,” says Glenn Lowrance, one of two



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e-commerce directors at Reagor-Dykes. “Who doesn’t like the Amazon experience? That’s the approach we take. We train our people to be able to handle the phone, all email and text leads and to communicate with the consumer in mind.”

CRM is essential to managing how a sales team handles opportunities, follows up and keeps in touch to retain customers, he says.

The group also relies on inventory-management software that “has served us well,” Lowrance says. “It monitors the marketplace and knows what makes, models and mileages are out there and available and what they’re selling for at dealers throughout the country. It gives you some insight into where you need to position your car to be seen on places like Cars.com and AutoTrader.”

ADJUSTING ATTITUDES

Sometimes achieving Internet sales success involves more than just learning the technology.

Denise Dronsella, business-

development manager at Taylor Chevrolet in Taylor, MI, works between 800 and 1,000 website and third-party leads per month with her two-person team, typically achieving a 5% closing rate. The dealership captured the No.84 position on the latest *WardsAuto e-Dealer 100* with 1,230 Internet sales (725 new, 505 used).

When Dronsella launched her Internet department, the pay policy was unclear. “People would stay temporarily, then go, ‘OK, good-bye,’” she says. Today employees who respond to leads and set appointments with the sales team make an hourly rate plus commission.

Dronsella says an attitude adjustment had to happen at Taylor Chevrolet for the Internet department to perform well.

“We had to establish the culture here,” she says. “We had quite a bit of a fight with salespeople who would say, ‘She’s stealing my customer!’ But they understand the process now.

“We would tell them, we’re not here to steal your customer. Think



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NADA's annual convention has its lighter moments, such as these performers, but dealer Michael Cimino says the expo floor is a great place to meet vendors, see the latest products and "stay ahead of the curve."



of us as your personal assistant. We're here to do all the legwork for you and get the customer in front of you. We tell them, 'We're here to stay and we're here to help you.'"

When Dronsella went to Taylor, the store was selling about 20 cars via the Internet each month. Today that number has risen to about 70.

To take the greatest advantage of new e-commerce technology, dealers must do their homework, Cimino says.

"If a dealer wants to stay ahead

of the curve, they need to educate themselves and go to the NADA (National Automobile Dealers Assn. Convention and Expo) and spend time with the vendors to see how those systems work, and then collaborate with their general managers to see how that works for their store," he says. "They ought to stay abreast of modern technology because it's getting better and better.

"There may be something better just around the corner. You've got to be aware of it." **WA**



Q&A with Industry Thought Leader **DALE POLLAK**

“We’re in the early innings” of consumers using the Internet to transact car deals, not just shop, says retailing guru Dale Pollak.

WardsAuto: The Internet is becoming more transaction-oriented, with more consumers doing more online toward the purchase of a car. Does that take the sales element out of the showroom?

Pollak: Yes. The first phase of the automotive Internet was the consumer getting educated, maybe getting a price. That is evidenced by the fact that the average shopper today visits 1-point-something dealerships. It used to be four. You’d visit them to learn

about the models, availability and pricing.

The next phase, and we’re in the early innings of it, is the transactional phase. It’s like everything in the world. We are ever more buying stuff online. The Gen Y grew up buying stuff online and they want to buy cars online.

Unfortunately, you don’t go from A to Z by flipping a switch. So dealers have to support and staff to the traditional way of buying cars.

At the same time, they have to tool up at great expense to meet the new form of car buying. They’ve got to keep a lot of balls in the air, and at the same time they don’t have a lot of profit to



“The consumer today doesn’t want to be controlled,” Pollak says.

do that. It’s daunting.

And then the OEM mandates on top. That’s the immediate environment.

Then you layer on this whole transformation from an ownership to mobility-on-demand, it’s like, wow, there’s got to be some pretty big changes coming.

WardsAuto: The theory once was you get them online to get interested in the product and then get them offline, on the phone and finally into the dealership. Is that still applicable?

Pollak: That’s the old way of doing it. The consumer today doesn’t want to be controlled. That way was using the Internet to bring the customer to the control of the dealership.

The dealership sales process is all about control. You don’t give a price until they pick out a car, and then the demo ride and getting a commitment to buy.

You know what? The world today is very consumer-centric in that consumers have access to control. If they can’t have it, they’re not interested.

WardsAuto: So what’s a dealer to do?

Pollak: Dealers are challenged, not just technologically to meet consumer demand to do it online, but culturally. It requires a fundamental shift in the way they think and act.

My opinion, shared by the more progressive dealers, is to give up the control to customers. Give it to them how they want it and when they want. Otherwise, someone else will. **WA**

— By Steve Finlay



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E-DEALER
100 LIST**

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Rank	Dealership	Dealer Owner/Principal	City	ST	New Internet Unit Sales	Used Internet Unit Sales	Total Internet Unit Sales
1	Cardinale Automotive Group (Internet Unit)	Cardinale Automotive Group	Seaside	CA	9,313	13,420	22,733
2	Chapman Automotive Group - Internet Unit	Jerry B. Chapman / Chapman Automotive Group	Chandler	AZ	9,757	7,161	16,918
3	Dave Smith Motors	Ken Smith / Dave Smith Motors Auto Group	Kellogg	ID	9,532	3,320	12,852
4	Reagor Dykes Auto Group (Internet Division)	Bart Reagor	Lubbock	TX	3,338	6,777	10,115
5	Ed Morse Internet Division	Edward J. Morse, III; Edward J. Morse, Jr.	Delray Beach	FL	4,179	2,323	6,502
6	Jim Koons - Tyson's Toyota	Jim Koons / Jim Koons Automotive Group	Vienna	VA	3,895	2,514	6,409
7	Jim Koons - Tysons GM/Chrysler	Jim Koons / Jim Koons Automotive Group	Vienna	VA	3,939	1,819	5,758
8	Conicelli Autoplex	Dominic Conicelli	Conshohocken	PA	3,409	2,298	5,707
9	Fitzgerald Auto Mall - Gaithersburg, MD	Jack Fitzgerald	Gaithersburg	MD	2,903	1,456	4,359
10	Rick Case Automall Davie	Rick Case	Davie	FL	2,683	1,650	4,333
11	Brickell Honda, Buick, GMC & Mazda	Mario Murgado / Murgado Automotive Group	Miami	FL	2,148	1,318	3,466
12	Vernon Auto Group	Rick Ford	Vernon	TX	1,797	1,589	3,386
13	Universal Toyota	Gary V. Woods	San Antonio	TX	1,694	1,682	3,376
14	Rick Case Mazda Hyundai Kia and Audi	Rick Case	Duluth	GA	1,058	2,112	3,170
15	Jim Koons - Baltimore Ford	Jim Koons / Jim Koons Automotive Group	Baltimore	MD	2,070	1,026	3,096
16	Jim Koons - White Marsh	Jim Koons / Jim Koons Automotive Group	White Marsh	MD	1,341	1,534	2,875
17	Red McCombs Ford	Marsha M. Shields	San Antonio	TX	1,606	1,213	2,819
18	Fred Anderson Toyota	Fred H. Anderson	Raleigh	NC	1,627	1,188	2,815
19	Fitzgerald Auto Mall - Clearwater	Jack Fitzgerald	Clearwater	FL	1,496	1,268	2,764
20	Jim Koons - Sterling Ford	Jim Koons / Jim Koons Automotive Group	Sterling	VA	1,998	717	2,715
21	Red McCombs Toyota	Marsha M. Shields	San Antonio	TX	1,527	1,157	2,684
22	Frontier Sales and Leasing	Ken Smith	Coeur D'Alene	ID	-	2,536	2,536
23	Jim Koons - Silver Spring Ford/Lincoln/Mazda	Jim Koons / Jim Koons Automotive Group	Silver Spring	MD	1,620	865	2,485
24	Rick Case Acura Hyundai	Rick Case	Ft. Lauderdale	FL	1,081	1,367	2,448
25	Northside Ford	Mark Woods; Gary V. Woods	San Antonio	TX	1,510	878	2,388
26	Rick Case Honda	Rick Case	Davie	FL	1,406	966	2,372
27	Jim Koons - Annapolis Toyota	Jim Koons / Jim Koons Automotive Group	Annapolis	MD	1,465	905	2,370
28	Herb Chambers Honda of Seekonk	Herbert G. Chambers	Seekonk	MA	1,039	1,329	2,368
29	Jim Koons Arlington Toyota	Jim Koons / Jim Koons Automotive Group	Arlington	VA	1,485	858	2,343
30	Jim Koons - Falls Church Ford	Jim Koons / Jim Koons Automotive Group	Falls Church	VA	1,364	945	2,309
31	Phil Long Ford of Denver	Gerald Cimino	Denver	CO	1,157	1,093	2,250
32	Fitzgerald Auto Mall - White Flint	Jack Fitzgerald	Rockville	MD	1,572	663	2,235
33	Jim Koons - Westminster Toyota	Jim Koons / Jim Koons Automotive Group	Westminster	MD	1,419	805	2,224
34	Herb Chambers Lexus	Herbert G. Chambers	Sharon	MA	1,109	1,072	2,181
35	Fitzgerald Auto Mall - Frederick, MD	Jack Fitzgerald	Frederick	MD	1,145	1,024	2,169
36	Gillman Honda South	Stacey Gillman Wimbish; Jason Gillman; Christopher Gillman; Ramsay Gillman	Houston	TX	1,560	574	2,134
37	Frontier Leasing & Sales	Ken Smith	Coeur d'Alene	ID	-	2,134	2,134
38	Herb Chambers Toyota Hyundai Scion of Auburn	Herbert G. Chambers	Auburn	MA	1,241	838	2,079
39	McCombs Ford West	Marsha M. Shields	San Antonio	TX	1,054	993	2,047
40	Findlay Toyota	Cliff Findlay; Tyler Corder; Rich Abajian	Henderson	NV	1,414	611	2,025
41	Greenway Ford	Frank Rodriguez; Carl Atkinson	Orlando	FL	731	1,282	2,013
42	Herb Chambers Honda Infiniti	Herbert G. Chambers	Boston	MA	1,113	874	1,987
43	Herb Chambers BMW/Mini of Boston	Herbert G. Chambers	Boston	MA	1,224	762	1,986
44	Herb Chambers Honda Infiniti of Boston	Herbert G. Chambers	Boston	MA	1,077	883	1,960
45	Big Two Toyota of Chandler	Christopher E. Hoeye	Chandler	AZ	1,467	405	1,872
46	Billy Navarre Chevrolet, Cadillac and Honda	Billy Navarre	Lake Charles	LA	-	1,870	1,870
47	Hendrick Toyota Scion Apex	Hendrick Automotive Group	Apex	NC	1,180	652	1,832
48	Fernandez Honda	Michael J. Shaw	San Antonio	TX	1,103	707	1,810
49	Greenway Chrysler Jeep Dodge Ram	Frank Rodriguez; Carl Atkinson; Conrad Letson	Orlando	FL	937	848	1,785
50	Herb Chambers Audi Porsche of Burlington	Herbert G. Chambers	Burlington	MA	1,166	595	1,761
51	Fitzgerald Auto Mall - Chambersburg, PA	Jack Fitzgerald	Chambersburg	PA	744	995	1,739
52	Honda Cars of McKinney	Hendrick Automotive Group	McKinney	TX	1,203	505	1,708



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53	Honda Marysville	Performance Automotive Network	Marysville	OH	886	819	1,705
54	Classic Chevrolet, Inc.	Tom Durant	Grapevine	TX	1,681	-	1,681
55	Herb Chambers Flagship Motorcars	Herbert G. Chambers	Lynnfield	MA	875	793	1,668
56	Earnhardt's Gilbert Dodge Inc.	Hal J. Earnhardt	Gilbert	AZ	1,196	436	1,632
57	Wilde Toyota	Mark H. Wilde; Patrick J. Donahue; Sharon A. Bloom / Wilde Automotive Group	West Allis	WI	825	806	1,631
58	Don Davis Nissan	Robert Howard	Arlington	TX	1,010	615	1,625
59	Mike Shaw Subaru	Michael J. Shaw	Thornton	CO	1,068	539	1,607
60	Gillman Honda of San Antonio	Stacey Gillman Wimbish; Jason Gillman; Christopher Gillman	Schertz	TX	1,082	475	1,557
61	Ed Morse Sawgrass Auto Mall	Edward J. Morse, III; Edward J. Morse, Jr.	Sunrise	FL	1,183	366	1,549
62	Schaumburg Honda Automobiles	Robert V. Rohrman	Schaumburg	IL	984	548	1,532
63	Jimmie Johnson Chevrolet	Hendrick Automotive Group	San Diego	CA	1,062	429	1,491
64	Hendrick Honda Woodbridge	Hendrick Automotive Group	Woodbridge	VA	1,104	382	1,486
65	Performance Automall	Hendrick Automotive Group	Chapel Hill	NC	854	629	1,483
66	Larry H. Miller Dodge RAM Tucson	Karen Gail Miller	Tucson	AZ	944	526	1,470
67	Larry H. Miller Toyota Scion Corona	Karen Gail Miller	Corona	CA	1,077	385	1,462
68	Gwinnett Place Honda	Hendrick Automotive Group	Duluth	GA	1,102	354	1,456
69	Herb Chambers Mercedes-Benz of Boston	Herbert G. Chambers	Somerville	MA	937	510	1,447
70	Hendrick Honda	Hendrick Automotive Group	Charlotte	NC	892	551	1,443
71	Harold Zeigler Lincoln BMW Chrysler Honda	Aaron J. Zeigler; Harold Zeigler	Kalamazoo	MI	532	910	1,442
72	Zeigler Chrysler Dodge Jeep - Schaumburg	Aaron J. Zeigler; Harold Zeigler	Schaumburg	IL	912	513	1,425
73	Don Davis Dodge Chrysler Jeep	Robert Howard	Arlington	TX	648	755	1,403
74	Kings Honda	Performance Automotive Network	Cincinnati	OH	756	603	1,359
TIE	Ed Morse Delray Toyota	Edward J. Morse III; Edward J. Morse, Jr.	Delray Beach	FL	996	363	1,359
76	Rick Hendrick Chevrolet	Hendrick Automotive Group	Duluth	GA	865	475	1,340
77	Gillman Chrysler Jeep Dodge South	Stacey Gillman Wimbish; Jason Gillman; Christopher Gillman	Houston	TX	900	417	1,317
78	Rick Hendrick Toyota Scion	Hendrick Automotive Group	Fayetteville	NC	839	470	1,309
79	Darrell Waltrip Honda Volvo Subaru	Hendrick Automotive Group	Franklin	TN	851	452	1,303
80	Fred Anderson Toyota of Charleston	Fred H. Anderson	Charleston	SC	784	513	1,297
81	Larry H. Miller Chrysler Jeep Dodge Ram Boise	Karen Gail Miller	Boise	ID	811	476	1,287
82	Wilde Honda	Mark H. Wilde; Patrick J. Donahue; Sharon A. Bloom	Waukesha	WI	878	404	1,282
83	Rock Honda	Tom A. Chadwell; William R. Piercey; David Latif	Fontana	CA	960	311	1,271
84	Wilde East Towne Honda	Jorge F. Hidalgo; Patrick J. Donahue; Mark H. Wilde; Sharon A. Bloom	Madison	WI	432	836	1,268
85	Herb Chambers BMW of Sudbury	Herbert G. Chambers	Sudbury	MA	742	512	1,254
86	Jim Koons - Koons of Catonsville	Jim Koons / Jim Koons Automotive Group	Baltimore	MD	678	574	1,252
87	Larry H. Miller Super Ford Salt Lake City	Karen Gail Miller; George Anthony Schnurr	Salt Lake City	UT	570	678	1,248
88	Red McCombs Hyundai	Marsha M. Shields	San Antonio	TX	611	633	1,244
89	Honda of Slidell	Michael J. Shaw	Slidell	LA	568	666	1,234
90	Taylor Chevrolet	Bill Perkins	Taylor	MI	725	505	1,230
91	Larry H. Miller Subaru Boise	Karen Gail Miller	Boise	ID	700	529	1,229
92	Performance Toyota	Performance Automotive Network	Fairfield	OH	624	600	1,224
93	Fitzgerald Auto Mall - Annapolis	Jack Fitzgerald	Annapolis	MD	731	486	1,217
94	Larry H. Miller Toyota Scion Boulder	Karen Gail Miller	Boulder	CO	719	490	1,209
95	Larry H. Miller Liberty Toyota Scion Colorado Springs	Karen Gail Miller / Larry H. Miller Dealerships	Colorado Springs	CO	746	462	1,208
96	Stockton #12 Honda	John Stockton	Sandy	UT	776	420	1,196
97	Mike Shaw Toyota	Michael J. Shaw	Corpus Christi	TX	655	534	1,189
98	Honda World	William R. Piercey; Jim Kitzmiller	Westminster	CA	901	283	1,184
99	Criswell Chevrolet Inc	Harry E. Criswell	Gaithersburg	MD	871	308	1,179
100	Gillman Subaru Southwest	Stacey Gillman Wimbish; Jason Gillman; Christopher Gillman; Ramsay Gillman	Houston	TX	814	353	1,167