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> TERRY LEEDER

GENERAL MANAGER AUDI FORT LAUDERDALE GROSSC

GENERAL MANAGER AUDI CORAL SPRINGS

INCREASED SALES IN THE SOUTHEAST

SALES UP 14%

DISCOVER HOW AUDI CORAL SPRINGS AND AUDI FT LAUDERDALE DID IT



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The Qvale Automotive Group is one of the major players in the automotive industry, and one of the reasons for their success has been steady, measured growth. Already having a large presence in California, the group expanded to Florida in 2010 and opened Audi Coral Springs. The company selected Glenn Grosso, who worked his way up from sales in the 1980s into the General Manager position, to lead that store. Thanks to his experience in executive roles, Audi Coral Springs has become one of the largest Audi dealerships in the United States in terms of new car volume, with close to 1,700 sales in 2016, placing them 14th in the nation.

Just two years after opening Audi Coral Springs, Qvale decided to expand their Florida efforts, acquiring another dealership and relocating it to Fort Lauderdale, just 12 miles away. The group selected another seasoned GM, Terry Leeder, for its Audi Fort Lauderdale venture. Leeder worked as an engineer at Ford Motor Company before coming over to the retail side where he moved through the ranks from sales to management positions, leading an Acura dealership before coming to Audi.

The stores have enjoyed success and have worked out a method of friendly competition that benefits both dealerships, but each store faces its own challenges.

A SHARED LOCATION AND PRODUCT

These dealerships are located in areas that fit the premium luxury brand reputation that Audi has achieved over the years.

The decision to move Audi Fort Lauderdale to its present location from Lighthouse Point, Florida — about 20 minutes north of Fort Lauderdale — was a wise choice, Leeder said. "It was a very small store, probably did a third or half of the volume we do now," he said. "Small store, small area. We're now in a much busier metro area. It's a money area where we are right now. We sell a lot more high-end cars here than other dealerships."

"We're in a really great location," Grosso said of Coral Springs. "We're centrally located between Dade, Broward and Palm Beach counties. It's a great market for us and our product."

Along with the advantageous market, Grosso and Leeder's brand has seen an upsurge which also helps each dealership's profitability. "Audi is making great gains in the premium luxury market against Lexus and BMW, our primary competitors," Grosso said. "Audi scored one of the No. 1 positions in Consumer Reports' 'Best Cars of 2017,' so that's great for awareness."

DIFFERENT CHALLENGES

Although Leeder was fortunate that most of his management team followed him from his Acura store, getting a new dealership off the ground takes a lot of effort and can be slow going. "The biggest challenge we had is that, when you've got people fresh in the business, they don't know the business," he said. "Basically, we have to start fresh with them, train them, teach them the way to handle the clientele. We had to put our arms around them and nurture them into the business."

Selling luxury vehicles adds another level of difficulty to the process. "As you can imagine, when you've got a high-end car with the type of clientele who's buying it, you've got to know the car inside and out, and you've got to know how to treat people with courtesy and dignity when you're presenting the deal. It's a different dynamic."

Leeder's team took this challenge and made it work to their advantage, training their team to deal with modern practices instead of having to retrain experienced employees. "Because our industry is changing, the way we approach our negotiations is a lot different now than it used to be," he said. "We have a concierge experience where we give them the full demonstration of the car and a tour of the facility. The salesperson picks out the car the client wants and then the floor manager goes out and decides where the customer needs to be as far as budget, and then we hopefully accommodate them by choosing the correct vehicle that can get

them to where they need to be. It's a more customer-friendly experience."

As the leader of an established dealership, Grosso had a different type of challenge. His team is in place and his in-store processes are effective; now he needed to get the word out. "We've worked to constantly improve our impression shares, as far as how we spread our budget," Grosso said. "We noticed that when we spread it too thin, our impression shares would drop."

To build Leeder's dealership and grow Grosso's, both decided to get some outside help and expertise to accomplish their goals.

MARKETING SMARTER

Both Audi Coral Springs and Audi Fort Lauderdale work with Team Velocity Marketing to create and fine-tune their marketing to connect with their target, allowing them concentrate on what they do best — serving their customers.

"Team Velocity is skilled at figuring out where our intenders are — who the Audi or CPO buyers are," Grosso said. "Since they started, we've seen the impression shares growing. They're not a company that spreads you 100 miles and keeps increasing the budget. They do more of a zip code analysis than a general area analysis. They dial in much better to where potential customers are. They focus on where the best opportunities are, and that's where they put our money."

With Audi Fort Lauderdale, growing the new dealership's customer base is of primary concern, and Team Velocity's equity mining program is helping them do just that. "Team Velocity will let us know the day before if a client who has a service appointment is in a position where they could consider trading out of their current vehicle into a brand new one with very little if any change in payment," he said. "If they've got a costly repair bill, it might make more sense to just trade in the car at that point and get into something brand new. We have a good loyalty owner base and it's growing. It's been successful, and we've made big strides in hitting our target every month."

Audi Coral Springs has the full Team Velocity suite of programs and has found the partnership to be a fruitful one. "This is a long-term solution for us," he said. "The reporting is wonderful. The information you receive is automated. You go into those records and make those calls and find those opportunities."

"Serving clients such as Audi Coral Springs and Audi Fort Lauderdale has proven to be a rewarding endeavor. As an organization we are so thankful to not only watch them use our technology but also truly embrace our program," says Justin Byrd, President, Team Velocity Marketing.

Changing how things are done is seldom easy, and there's a period of adjustment as new systems are put into place. Grosso found that having key personnel take charge of new methods, rather than making wholesale changes to the dealership at large, has been effective.

"At first, you have to have 'power users'," Grosso said. "Once you have those, then it works well, because the power user is well-trained on what to do. We have different power users for different parts of the system. The system breaks down each individual opportunity for you, and the type of customer, and then you pick the power user you want to handle that. We have BDC personnel, our lease maturity manager and sales managers for those processes, instead of just spreading out all that information among the sales staff. Once you establish those power users, you can really maximize the system."

RESULTS

Both dealerships are accomplishing what they've set out to ${\rm do-and}$ have the numbers to back them up.

"We've been here a while, so we have a lot of repeat customers," Grosso said. "In service, our CSI was 99.1 percent, from more than 2,000 surveys. That ranked us No. 1 in our district,

PROGRAM RESULTS USING TEAM VELOCITY MARKETING

14% UP SALES SERVICE

AUDI CORAL SPRINGS

AUDI FORT LAUDERDALE

8.49% 7.78% \$3.48

CLICK-THROUGH RATE

> AVERAGE COST PER

> > CLICK



No. 1 in the Southeast Region, No. 1 of all Audi stores that sell at our volume, and No. 3 of all Audi stores in the nation. We also are the recipient of the DealerRater award, which includes both sales and service surveys, in both 2016 and 2017. That's proof for our process."

"We had an exceptionally good year last year," Leeder said. "Our sales effectiveness was 134 percent, and against the other brands we were 107 percent, so we're outperforming the other brands in our market."

Because Audi Fort Lauderdale needs to establish itself in the marketplace, these numbers are critical to its growth and future success. "The more we sell, the more service customers we'll generate, and the more profitable the dealership will be, because we'll have more clients in the owner base," Leeder said. "We average about 120 to 130 cars a month right now. I see in the next five years, we'll probably be at least 200 to 250 a month in volume. If we can do that, we'll be one of the top-ranked Audi dealers in the country."

FRIENDLY, FAMILY COMPETITION

Having two stores in the same dealer group carrying the same product in proximity requires a cooperative, coordinated effort, one that the Audi stores seem to have mastered, but both still strive for success on their own terms.

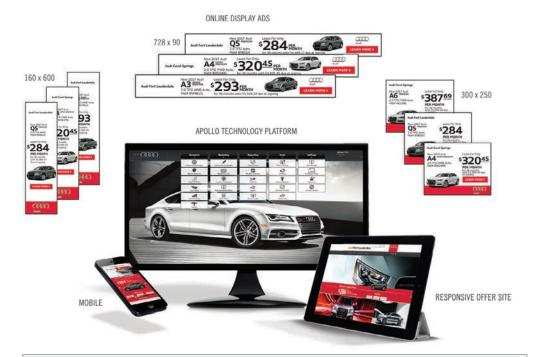
"Terry and I, because we're sister stores, respect each other's boundaries," Grosso said. "While we have some overlap in our territories, we pick our own focus areas — he focuses on the east, we focus on the west, and we share some of the north and south territories."

"We have a really good relationship with Coral Springs," Leeder said. "Twelve miles is quite a long way away when you consider the traffic — it's about a 30-minute drive. They are our partners, but they are the competition, too. A lot of people don't realize we're the same company so they'll shop both facilities. We have a good relationship and communicate well with each other. We can deal or trade between stores to accommodate the client. It's two inventories, but it's really one. It's an amicable arrangement between the two of us."

The Qvale Automotive Group is adding another Florida location to its holdings, this time opening another dealership in Lakeland, in May of this year. While this store is about three hours north of the other two Audi dealerships, it will no doubt take a lesson from its sister stores in how to reach its clients and serve them to keep them coming back.

To learn more about Audi of Coral Springs and Audi Fort Lauderdale and the strategies outlined in this article email:

successstories@autosuccessonline.com



All of Audi Coral Spring and Audi Fort Lauderdale targeted marketing is managed from a single platform, Apollo $^{\rm TM}$. This allows them to deliver consistent branding and offers across all of their media channels and monitor the results from all of their campaigns from a single, Web-based dashboard.

For more information
on the strategies and companies used by Audi Coral Springs and Audi Fort Lauderdale,
please email info@TeamVelocityMarketing.com

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