





# Getting Your Local Auto Dealers Back in the Game

Presented by: John Tkac, LBS Automotive Expert

“New vehicle demand remains elevated. With the worst of the chip shortage behind us, and vehicle production set to increase, new vehicle sales are expected to increase in 2023.”

*Patrick Manzi - Chief Economist for NADA*





Advertising on radio and television saw a large increase during the last Quarter of 2022. This came largely from the manufacturers but more significantly from huge increases by the local Tier II advertising associations.

**Local** auto dealers are as profitable  
as they have ever been.



**Broadcasters must focus on the strength of the market.**

# The most significant information from the **NADA** dealership profile



- Net profit before tax +136.6%
- Retail new vehicles total sales \$ +24.1%
- Retail used vehicles total sales \$ +29.9%
- Advertising expense \$ +7.9%



# National Dealership Performance 2022 est

- Net profit \$ 28%
- New vehicle total sales \$ 31%
- Used vehicle total sales \$ 38%
- Advertising expense \$ 11%





# Total number of registered vehicles in the United States

- 2014: 248.7 Million
- 2021: 289.5 Million





USED  
CARS

USED  
CARS

USED  
CARS

USED  
CARS

USED  
CARS

USED  
CARS

USED  
CARS

USED  
CARS

USED  
CARS

USED  
CARS

USED  
CARS

USED  
CARS



# Used Vehicles



Through the last quarter of 2022 and the beginning of 2023 used vehicle prices have continued to moderate.

Used vehicle sales volume will continue to increase to another record level in 2023.

The average age of a vehicle is  
now over 12 years!



Over **25%** of vehicles on the road are over 16 years old!



That means there are over 71 Million really old vehicles on the streets of our country.





**There is plenty of  
pent-up demand**

# Certified Pre-Owned



As new car prices hit record highs, analysts say Certified Pre-Owned Vehicles' sales will rise as shoppers seek affordable alternatives



Edmunds noted that the number of gently used vehicles will continue to push increases in total used vehicle sales. It is estimated

Yearly sales of **CPO** vehicles should reach close to 5 million in 2023





**When Focusing on the Independent Dealer  
(Or the Franchised Dealer) Simply**

**Count the Inventory**

**And then divide by 2**



**REBATES!**

**DEALER CASH!**

**INTEREST RATES DEALS!**

# 2022 Market Share Performance

|                |        |
|----------------|--------|
| Mercedes       | +4.0%  |
| Hyundai/Kia    | EVEN   |
| GM             | EVEN   |
| Ford           | -2.3%  |
| Toyota         | -10.8% |
| Stellantis/Ram | -12.3% |



The MOST important sales item!

# PICKUPS



|                 |                 |
|-----------------|-----------------|
| Ford F Series   | 653,000 - 9.9%  |
| Chevy Silverado | 520,000 - 1.6%  |
| Dodge Ram       | 468,000 - 17.7% |

# Luxury sales still a great opportunity



# The advantage of traditional brick-and-mortar dealers 5 barriers to online selling. *Mckinsey & Company*

**62%** say “I would not purchase a vehicle without a test drive.”

**52%** say “I cannot trust the quality unless I see it in person.”

**46%** say it’s hard to know exactly what you are purchasing online.”

**45%** say “I want to be able to test drive multiple vehicles.”

**31%** say “It’s more difficult to return a vehicle if there is a problem.”



# CPVR

(Cost Per Vehicle Retail)

## Dealer A

June

\$50,000 Total Adv. Exp.

100 Units Sold

\$500 Per Vehicle Retail



## Dealer B

June

\$50,000 Total Adv. Exp.

125 Units Sold

\$400 Per Vehicle Retail



# CPVR

(Cost Per Vehicle Retail)

## Dealer A

June

\$50,000 Total Adv. Exp.

100 Units Sold

\$500 Per Vehicle Retail

## Dealer A

July

\$50,000 Total Adv. Exp.

125 Units Sold

\$400 Per Vehicle Retail



# Historical **CPVR** Performance for Franchise Dealers

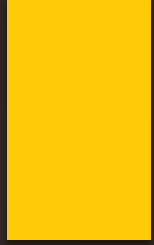
2018 \$386

2019 \$392

2020 \$385

2021 \$390

2022 \$394<sub>EST.</sub>







# The Elements of Compelling Automotive Creative

A brown Volvo SUV is shown from a rear three-quarter view, driving on a multi-lane highway. The background features a city skyline at sunset, with the sun low on the horizon, casting a warm glow over the buildings and the road. The sky is a mix of orange and blue.

**1. Price**

**2. Selection**

**3. U.S.P (Unique Selling Proposition)**

**4. Prominent & Easy Internet Locator (U.R.L.)**





UP TO **\$8,000**  
**MORE**  
FOR ANY  
TRADE!

ArrigoSawgrass.com



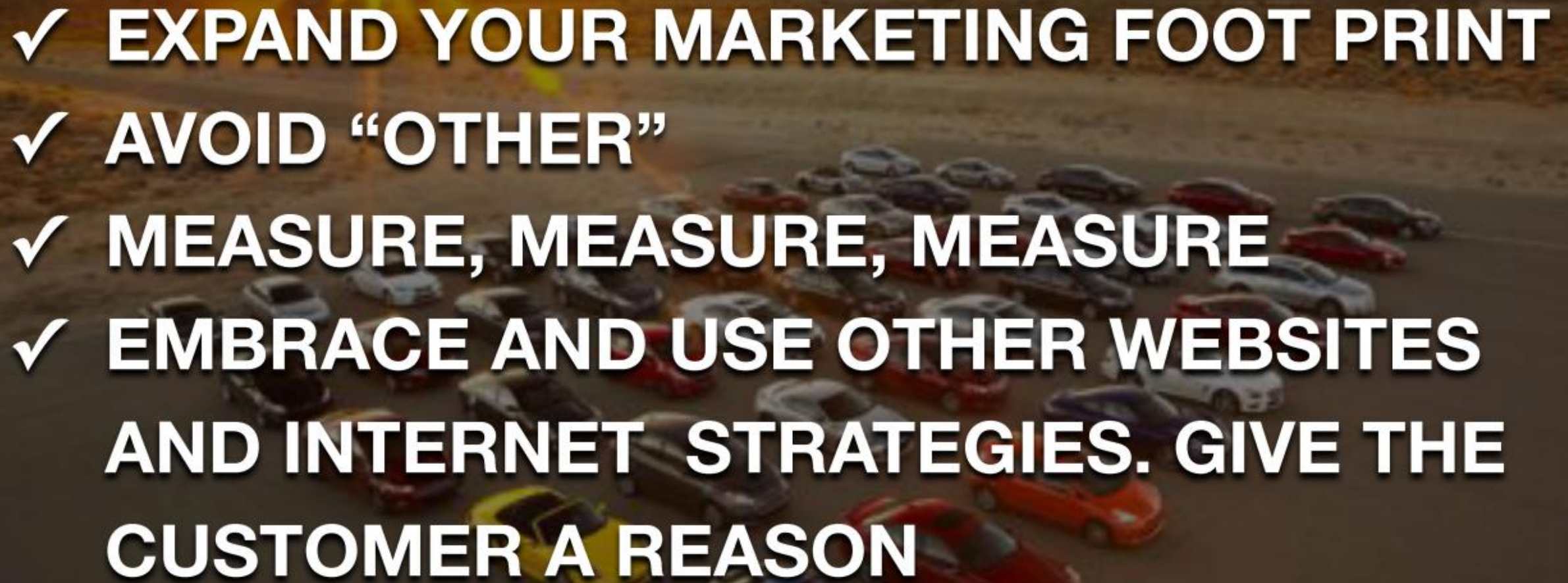


**HIGHEST  
RATED**

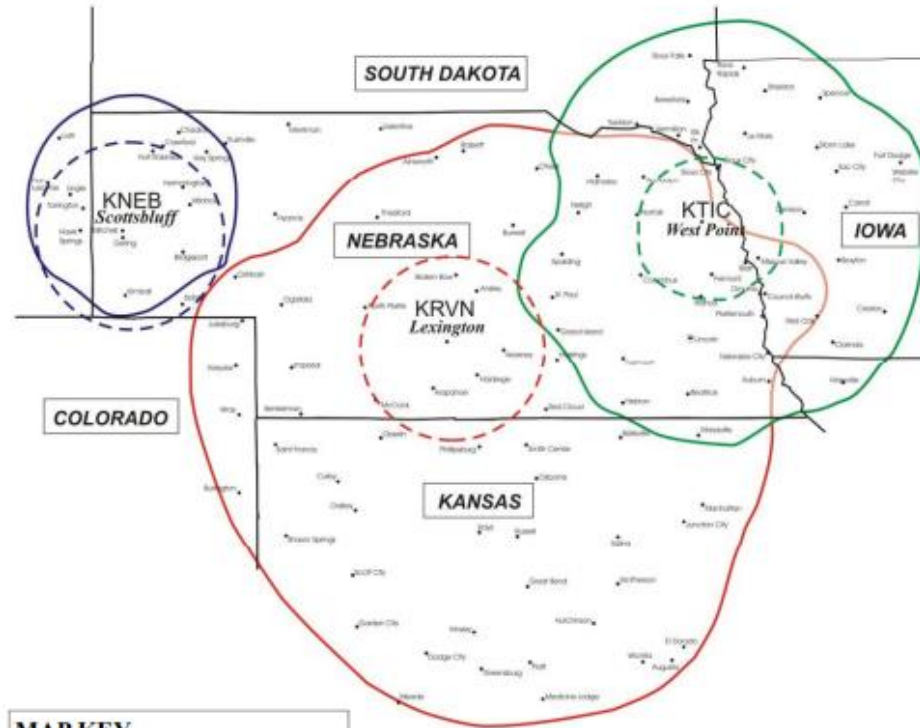
[JMLEXUS.com](http://JMLEXUS.com)

954.590.4600



- 
- ✓ **EXPAND YOUR MARKETING FOOT PRINT**
  - ✓ **AVOID “OTHER”**
  - ✓ **MEASURE, MEASURE, MEASURE**
  - ✓ **EMBRACE AND USE OTHER WEBSITES AND INTERNET STRATEGIES. GIVE THE CUSTOMER A REASON**





**MAP KEY**

**KRVN 880 AM** ———  
**KNEB 960 AM** ———  
**KTIC 840 AM** ———  
 Daytime predicted coverage 0.5 mV/m contour

**KRVN 93.1 FM** - - -  
**KNEB 94.1 FM** - - -  
**KTIC 107.9 FM** - - -  
 Predicted coverage 50 dBu contour

**Home Office:**  
 KRVN Radio  
 1007 Plum Creek Parkway  
 P.O. Box 880  
 Lexington, NE 68850-0880

Phone: 308-324-2371  
 Fax: 308-324-5786  
 E-mail: [sales@krvn.com](mailto:sales@krvn.com)

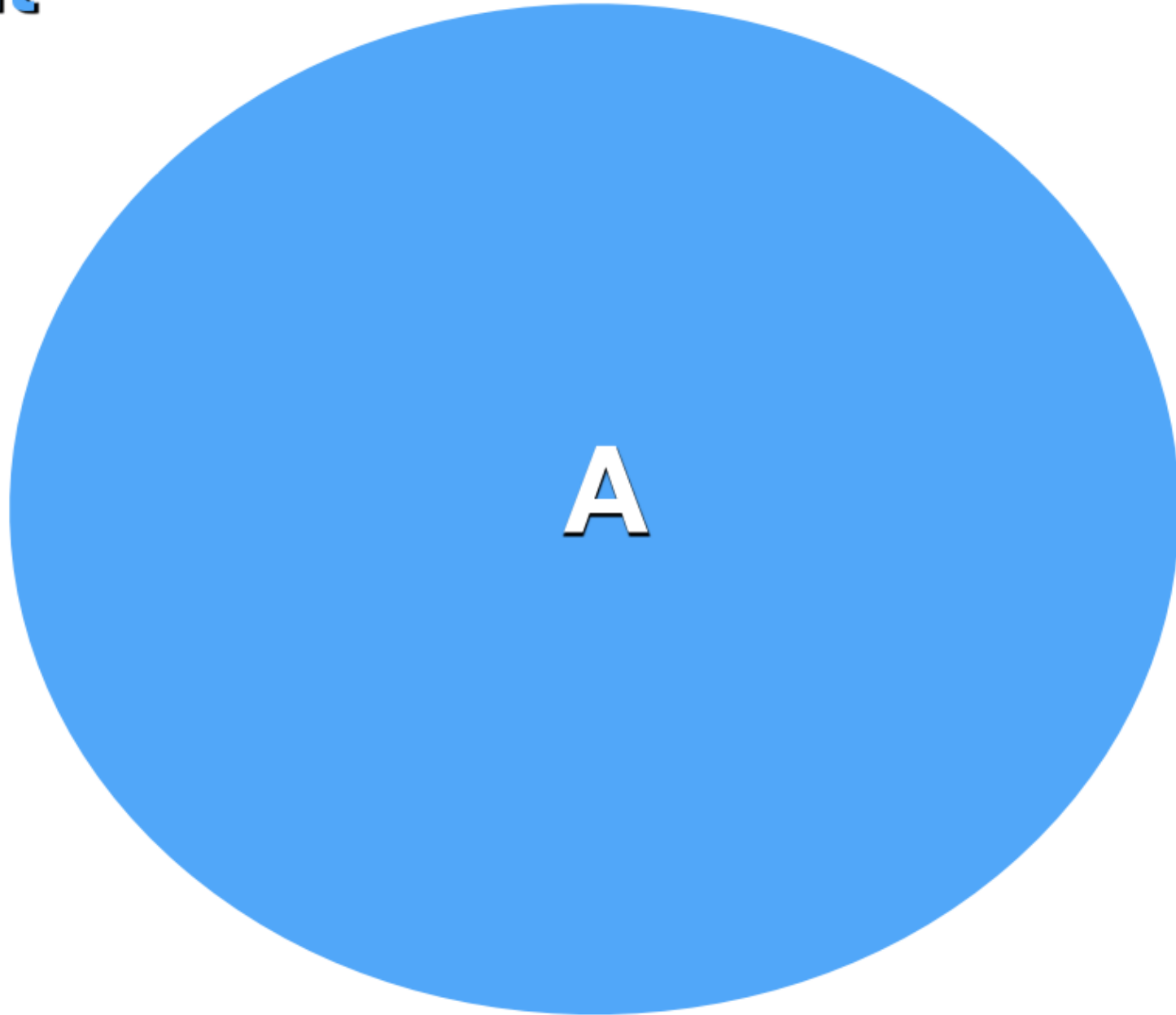
**Are you a Net Pump-In  
or Pump-Out dealer?**

**Pump out**

**B**

**Pump in**

**C**



**A**

**D**



It is **CRITICAL** that the dealer's website be prominent in every second of the TV creative and at least mentioned 3 times in the radio spot.



# *The Golden Rule*



**If it is not driving customers to the dealers website or showroom with the intention of inquiring about a vehicle**

**JUST DON'T DO IT.**