

## Market Share & Saturation Performance Indicators

This Excel® worksheet was originally created as an experiment in which to determine the overall cost-effectiveness of improving or expanding on a dealership Web site and its online marketing efforts. Taking into consideration the following factors; Mileage Circular Areas (Radius) around the dealership, potential Penetrable Viable Online Sales, the dealerships Current Market Share, Average Vehicle Gross Profit & Advertising Cost per Unit Sales and finally the Products Total Sales Market within the markets Viable Selling Distance-Radius. The long-term objective of this worksheet is to determine if a dealership increases online marketing expenditures are they actually helping the automotive dealership increase its overall market share by capturing Viable Online Sales - Customers.

Now I'm sure there's some mathematical genius somewhere in this world that currently has the magical formula, but they surely are not making it available. Maybe an automotive dealership isn't suppose to know these numbers and I'm sure if it were made available the usefulness of the program would probably be lost in its complexity and the cost would be prohibited for an individual dealership.

So, giving it my best effort here's the approach. Feel free at any given time to intervene and forward suggestions to [IntactAuto.com](http://IntactAuto.com)

**Worse case scenario by experimenting with this spreadsheet, you'll determine;**

The Market Share of Competing Like Dealerships  
Your Dealerships Current Market Share and Market Reach  
Identify Localized Marketing Opportunities or Missed Sales Opportunities  
Gain Insight as to what your Dealerships Total Online Sales Potential may be

**This workbook could also be utilized for establishing in-house marketing goals, benchmarks, and tracking long-term trends with graphing, simply by constructing a summary worksheet which combines the monthly values provided within each spreadsheet.**

## General Spreadsheet Usage Instructions

**Color Coding** is utilized to simplify usage of this spreadsheet. The only field that a user may input data is **YELLOW** in color. There are **Help-Comment** boxes on all spreadsheets, look for the **RED** triangle and place your arrow over them for instructions. Please take one minute and read all the available Help-Comment boxes, they are useful.

### Step 1: Estimate a viable online marketing mileage radius within the dealerships selling reach

Keeping in mind that a large majority of prospective customer will only travel so far, over so many mountains, around so many lakes, over so many rivers and past so many competing automotive dealerships before selecting a dealership other than yours.

Enter that estimated "**Viable Selling Distance**" in miles on the **MarketShare** spreadsheet. e.g.. 50 miles, 100 miles, 200 miles, etc.

The spreadsheet will then automatically calculate 10 circular areas, of equal distance of what you believe would constitute a Viable Selling Distant from the dealership.

**Note:** Step 3 of these instructions will provide additional in-sight as to what your current dealership market reach is.

### Step 2: Determine how many total units are sold and by which dealership within your Viable Selling Distance

After entering your Viable Selling Distance value, quickly review the spreadsheet named **SalesRadius**, you will now see the 10 circular areas are segregated and how we'll be calculating the your total viable online sales market.

Your next step is to locate the monthly or year-to-date unit sales reports offered by your manufacturer and determine the distance in miles that each competing dealership is from your dealership. Record the miles on that report, you may need these mileage values at a later time if you change your viable online marketing radius.

You may also have to get your hands on a monthly or year-to-date unit sales report for a different sales region if your mileage radius extends into a different manufacturer sales region.

It also may be helpful if you get a map encompassing your viable market reach which includes city and town names, counties,. and zip codes This information will be valuable when constructing a keyword listing or a localized search engine marketing campaign. Don't forget that protractor as well, it can be useful.

Now with this information in-hand begin entering the dealership names on the **SalesRadius** spreadsheet under the correct mileage range. As for unit sales numbers I would suggest entering the monthly sales for each dealership for your first test and base all reports on monthly sales figures. It's simplifies compiling the values for your first test and may give you a clue as to what actually is your dealerships viable online selling reach.

**Note:** If you have previously entered competing dealerships and are changing your Viable Selling Distance be sure to adjust or move those competing dealerships into the proper mileage column from your dealership. You may utilize the Excel® cut & paste feature so that you need not be required to retype the data on the **SalesRadius** worksheet.

**Special Note:** One flaw with the approach taken is that utilizing dealership sales within a specific circular area it doesn't necessarily mean all their sales are made to online buyers within that circular band. These dealers are likely capturing sales outside their circular area and possibly within your dealership circular area. The only true way in which to capture this sales data would be obtain the actual numbers of vehicle sales within that each circular area. Which very often is considered to be either Privileged Information, Confidential, Expensive or Outright Unattainable data. If you are somehow able to obtain sales numbers by circular area **replace dealership names** with either zip codes, towns, counties, or whatever is the most appropriate data category.

### Step 3: Determine your actual dealerships Current Sales Market Reach - Viable Selling Distance

Now that you have completed probably the most tedious requirement of this program and have entered the competing dealership names on the [SalesRadius](#) spreadsheet, the worksheet [MarketShare](#) is beginning to be populated with usable market sales data.

Your next step is, research and enter your current dealerships sales numbers within each circular area (Radius Band) around your dealership to determine your dealerships current (mileage) market reach. Remember your sales numbers should be for the same time period you used when entering competing dealerships sales numbers.

As for how you determine the distance of each customer sale from your dealership, I'll have to leave it up to you to determine the easiest way. Many time your local manufacturer representative can provide these numbers or you can devise a simple in-house reporting technique which searches through sales data on your dealership DMS system. Worse case scenario, list all your sales with addresses and zip codes and approximate mileage for each. Then total the sales numbers for each circular area. I've always found these numbers very interesting to watch on a monthly basis. **Tip for the future** - Many DMS systems allow you to use a User Defined field either associated with the customer or vehicle, use one of them to input the miles that the purchaser lives from the dealership for future usage.

Now with these raw numbers in-hand enter your individual sales numbers on the [MarketShare](#) worksheet within each circular area.

**Note:** You have now constructed a workbook which **easily can be utilized on a monthly basis** for analyzing market share and sales numbers since the basic ground work has been completed. That being; the identification of competing dealerships, the entry of all competing dealerships names, the competing dealership distance mileage calculations, determined how you're going to obtain the required data for analysis, plus an in-sight as to what a viable selling radius.

**From here on in the rest is fun.** Enter and experiment on the [MarketShare](#) spreadsheet with numbers that relate to;

[% of Buyers Activity Online](#) - Knowing that not all vehicle sales generated within your Local Market utilize the internet as a shopping or research tool (Current studies indicate 80% of all buyers research online) the objective of this entry to reduce the total market sales number by the number of units sales that the internet has NO impact on, since these individual would not be considered Reachable - Viable Online Sales. Enter your estimated on the [MarketShare spreadsheet](#). e.g.. **60 %, 70%, 80%, etc**

[% Non-Sellable, Retention](#) - The words, "Customer Retention" are an important factor commonly overlooked when considering, online market potential. A well designed Web site will not disband this element totally, a loyal customer earned by a respectful hardworking dealership is going nowhere but back to the deserving dealership. The only thing that another dealerships Web site will do for these purchasing individuals is provide the tools necessary to negotiated a better purchase. On the low-end let's consider this value to be 25% of Local – Regional Sales. Enter this estimate on the [MarketShare spreadsheet](#) as unapproachable – unsellable sales.

[Projected Additional Unit Sales](#) - this cell will reflect the number of additional units sales that you would like to see your online marketing efforts generate. The objective of this entry is to try to **keep your expectations within reason**, a 100% of market share is very unlikely unless you have no competing dealerships. As for total percentage of market share you hope to obtain it is as always an estimated value and only you can establish a reasonable percentage by considering your current local market conditions. It is suggested that at first you consider single digit % of market share increases until it proves to be different. For this number to change you must enter your Projected %'s of Online Leads Captured on the [MarketShare spreadsheet](#).

[% Online Market Share Captured \\* Projected](#) - Enter within the cells on the [MarketShare](#) spreadsheet what % of the Remaining Online Potential Viable Sales that you are projecting that you will capture by improving your dealerships Online Marketing efforts.

[Average Gross Profit](#) - Enter within the yellow cells on the [MarketShare](#) spreadsheet what you believe would be your Average Gross Profit for each unit sold within the Circular Area. Remember that it would not be unreasonable to expect Average Gross Profit per Unit sold to decrease as you extend your market share outward (Unless a specialty vehicle) due to the fact that most online purchasers are price conscious when purchasing further from their home base since dealership value and service are of less importance.

[Advertising Cost Per Unit Sold](#) - Enter within the cells on the [MarketShare](#) spreadsheet what you believe would be your Average Advertising Cost Per Unit Sold within each circular area. You may eventually be able to arrive at a more reliable Cost Per Unit after researching localized online marketing expenditures.

**The Graph - Utilizing and Understanding**, on the [MarketShare](#) spreadsheet you will enjoy a simple yet powerful graph. The general purpose of this chart is to visually compare how your Dealerships % of Unit Sales compares to the Total Product Line % of Sales within each circular area. The **ultimate goal** is to have your dealerships % of Sales equal the Total Product Lines % of Sales within each defined circular area. This in turn would mean that your dealership has captured 100% of the market share within that circular area.

**End result of utilizing these spreadsheets - A structured approach to your online marketing campaign. No more "Pie-in-the-Sky" sales numbers and profit figures thrown at you, associated with outrages expenditures. A realistic idea and estimate as to what your Automotive Dealership could potentially make in additional gross profit.**

**Last and most importantly, if you have any questions as to how to use this spreadsheet;**

**E-mail or Call, [IntactAuto Support: ExcelHelp@IntactAuto.com](mailto:ExcelHelp@IntactAuto.com) or visit the Website: [www.IntactAuto.com](http://www.IntactAuto.com)**

# Online Market Share - Market Saturation - Gross Profit Analysis

Viable Selling Distance in Miles	300	
Circular Area - Miles per Radius	30	
Current Dealer Units Sales	116	19.63%
Projected Additional Unit Sales	13	2.25%
Revised % of Total Market Share	21.9%	
Total Number of Units Sold	591	
% of Buyers Activity Online	80%	
% Non-Sellable, Retention	25%	

## Market Circular Area

- 0 Miles - 30 Miles
- 30.1 Miles - 60 Miles
- 60.1 Miles - 90 Miles
- 90.1 Miles - 120 Miles
- 120.1 Miles - 150 Miles
- 150.1 Miles - 180 Miles
- 180.1 Miles - 210 Miles
- 210.1 Miles - 240 Miles
- 240.1 Miles - 270 Miles
- 270.1 Miles - 300 Miles

### Totals

Total Dealership & Total Market Unit Sales			
Dealership Total Unit Sales	Dealership Current Sales Mix	Market Share Total Unit Sales	Market Share Total Market Mix
75	64.7%	160	27.1%
20	17.2%	35	5.9%
3	2.6%	23	3.9%
6	5.2%	36	6.1%
1	0.9%	126	21.3%
4	3.4%	4	0.7%
1	0.9%	26	4.4%
0	0.0%	35	5.9%
4	3.4%	129	21.8%
2	1.7%	17	2.9%
116	100.0%	591	100.0%

## Online Market Potential

Active Online Viable Sales	472.8	
# of Non-Sellable, Retention	-118.2	
Sellable Product Line Buyers	354.6	60.00%

Current Dealership % of Market Share & Online Potential Sales				Dealership Projected Additional Unit Sales & Gross Profit			
Dealership % of Total Market	Remaining Online Potential	% Online Market Share Captured	Revised % Total Market Share	Additional Unit Sales	Average Gross Profit	Advertising Cost Per Unit Sold	Adjusted Gross Profit
46.9%	51	10.0%	50.1%	5	\$ 1,400.00	\$ 350.00	\$ 5,355.00
57.1%	9	6.0%	58.7%	1	\$ 1,400.00	\$ 350.00	\$ 567.00
13.0%	12	7.0%	16.7%	1	\$ 1,100.00	\$ 350.00	\$ 630.00
16.7%	18	1.0%	17.2%	0	\$ 1,050.00	\$ 350.00	\$ 126.00
0.8%	75	5.0%	3.8%	4	\$ 875.00	\$ 400.00	\$ 1,781.25
100.0%	0	0.0%	0.0%	0	\$ 750.00	\$ 400.00	\$ -
3.8%	15	4.0%	6.2%	1	\$ 650.00	\$ 425.00	\$ 135.00
0.0%	21	3.0%	1.8%	1	\$ -	\$ -	\$ -
3.1%	75	2.0%	4.3%	2	\$ 500.00	\$ 400.00	\$ 150.00
11.8%	9	2.0%	12.8%	0	\$ 400.00	\$ 425.00	\$ (4.50)
<b>Totals</b>	<b>285</b>		<b>21.9%</b>	<b>13</b>	<b>\$ 1,013.68</b>	<b>\$ 357.55</b>	<b>\$ 8,739.75</b>

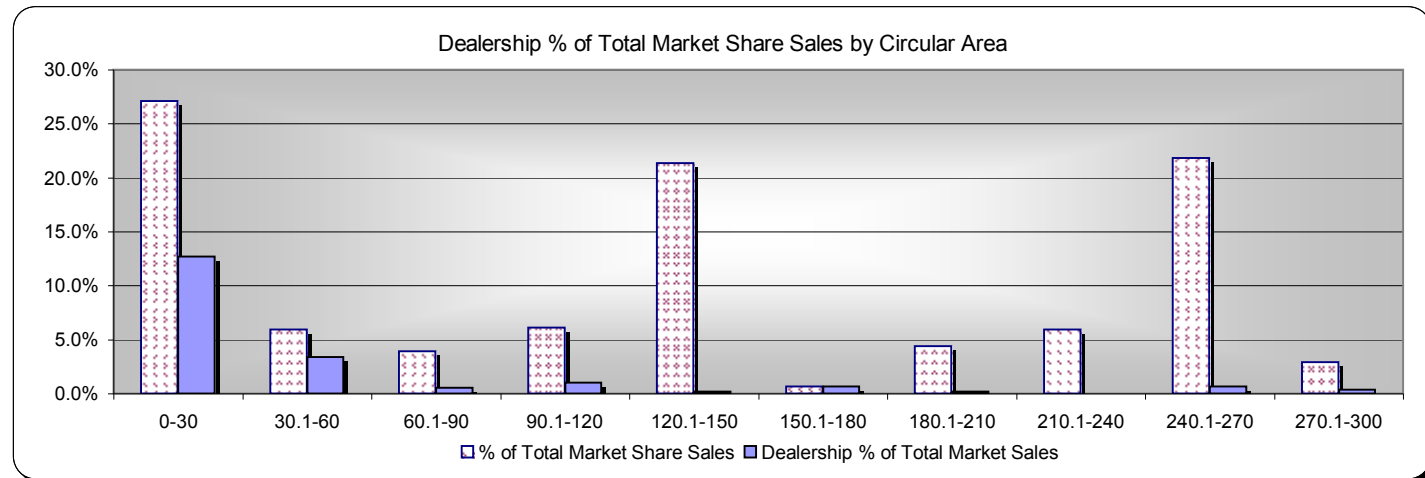
## Market Circular Area

- 0 Miles - 30 Miles
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- 90.1 Miles - 120 Miles
- 120.1 Miles - 150 Miles
- 150.1 Miles - 180 Miles
- 180.1 Miles - 210 Miles
- 210.1 Miles - 240 Miles
- 240.1 Miles - 270 Miles
- 270.1 Miles - 300 Miles

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Report Date  
Sunday, January 18, 2009



# Competitive Market Sales Totals - Circular Area (Radius)

0 Miles - 30 Miles		30.1 Miles - 60 Miles		60.1 Miles - 90 Miles		90.1 Miles - 120 Miles		120.1 Miles - 150 Miles	
Dealership Name	# Unit Sold	Dealership Name	# Unit Sold	Dealership Name	# Unit Sold	Dealership Name	# Unit Sold	Dealership Name	# Unit Sold
Your Dealership Name	75	Your Dealership Name	20	Your Dealership Name	3	Your Dealership Name	6	Your Dealership Name	1
Dealer 2	85	Dealer 2	15	Dealer 2	20	Dealer 2	30	Dealer 2	125
Dealer 3		Dealer 3		Dealer 3		Dealer 3		Dealer 3	
Dealer 4		Dealer 4		Dealer 4		Dealer 4		Dealer 4	
Dealer 6		Dealer 6		Dealer 6		Dealer 6		Dealer 6	
Dealer 7		Dealer 7		Dealer 7		Dealer 7		Dealer 7	
Dealer 8		Dealer 8		Dealer 8		Dealer 8		Dealer 8	
Dealer 9		Dealer 9		Dealer 9		Dealer 9		Dealer 9	
Dealer 10		Dealer 10		Dealer 10		Dealer 10		Dealer 10	
Dealer 11		Dealer 11		Dealer 11		Dealer 11		Dealer 11	
Dealer 12		Dealer 12		Dealer 12		Dealer 12		Dealer 12	
Dealer 13		Dealer 13		Dealer 13		Dealer 13		Dealer 13	
Dealer 14		Dealer 14		Dealer 14		Dealer 14		Dealer 14	
Dealer 15		Dealer 15		Dealer 15		Dealer 15		Dealer 15	
Dealer 16		Dealer 16		Dealer 16		Dealer 16		Dealer 16	
Dealer 17		Dealer 17		Dealer 17		Dealer 17		Dealer 17	
Dealer 18		Dealer 18		Dealer 18		Dealer 18		Dealer 18	
Dealer 19		Dealer 19		Dealer 19		Dealer 19		Dealer 19	
Dealer 20 or Total		Dealer 20 or Total		Dealer 20 or Total		Dealer 20 or Total		Dealer 20 or Total	
Sales Within Radius	160	Sales Within Radius	35	Sales Within Radius	23	Sales Within Radius	36	Sales Within Radius	126
% of Total Sales	27.07%	% of Total Sales	5.92%	% of Total Sales	3.89%	% of Total Sales	6.09%	% of Total Sales	21.32%

150.1 Miles - 180 Miles		180.1 Miles - 210 Miles		210.1 Miles - 240 Miles		240.1 Miles - 270 Miles		270.1 Miles - 300 Miles	
Dealership Name	# Unit Sold	Dealership Name	# Unit Sold	Dealership Name	# Unit Sold	Dealership Name	# Unit Sold	Dealership Name	# Unit Sold
Your Dealership Name	4	Your Dealership Name	1	Your Dealership Name	0	Your Dealership Name	4	Your Dealership Name	2
Dealer 2		Dealer 2	25	Dealer 2	35	Dealer 2	125	Dealer 2	15
Dealer 3		Dealer 3		Dealer 3		Dealer 3		Dealer 3	
Dealer 4		Dealer 4		Dealer 4		Dealer 4		Dealer 4	
Dealer 6		Dealer 6		Dealer 6		Dealer 6		Dealer 6	
Dealer 7		Dealer 7		Dealer 7		Dealer 7		Dealer 7	
Dealer 8		Dealer 8		Dealer 8		Dealer 8		Dealer 8	
Dealer 9		Dealer 9		Dealer 9		Dealer 9		Dealer 9	
Dealer 10		Dealer 10		Dealer 10		Dealer 10		Dealer 10	
Dealer 11		Dealer 11		Dealer 11		Dealer 11		Dealer 11	
Dealer 12		Dealer 12		Dealer 12		Dealer 12		Dealer 12	
Dealer 13		Dealer 13		Dealer 13		Dealer 13		Dealer 13	
Dealer 14		Dealer 14		Dealer 14		Dealer 14		Dealer 14	
Dealer 15		Dealer 15		Dealer 15		Dealer 15		Dealer 15	
Dealer 16		Dealer 16		Dealer 16		Dealer 16		Dealer 16	
Dealer 17		Dealer 17		Dealer 17		Dealer 17		Dealer 17	
Dealer 18		Dealer 18		Dealer 18		Dealer 18		Dealer 18	
Dealer 19		Dealer 19		Dealer 19		Dealer 19		Dealer 19	
Dealer 20 or Total		Dealer 20 or Total		Dealer 20 or Total		Dealer 20 or Total		Dealer 20 or Total	
Sales Within Radius	4	Sales Within Radius	26	Sales Within Radius	35	Sales Within Radius	129	Sales Within Radius	17
% of Total Sales	0.68%	% of Total Sales	4.40%	% of Total Sales	5.92%	% of Total Sales	21.83%	% of Total Sales	2.88%