

# Auto discounts click with web savvy

Car guy builds website around pricing, uses social media to push it

**TRACY HANES**  
SPECIAL TO THE STAR

After 24 years in car sales and leasing, Paul Timoteo was driven to start his own business. He's used the Internet and social media to help fuel it.

Timoteo worked for Ford, Chevrolet and Honda dealers, and for an exotic car dealer carrying Lamborghinis, Lotus, Ferraris, Rolls Royces and Porsches.

His insight into the inner workings of dealerships has enabled him to share some tricks of the trade with consumers, so they can try to get new cars at a discount.

In the mid '90s, Timoteo noticed that a number of U.S. companies started offering car buyers so-called open-book information enabling them to see dealers' prices for vehicles. He realized he could do the same in Canada.

He launched Mississauga-based Armada Data Corp. in 1999. The company's flagship website, CarCostCanada.com, supplies information for new car buyers, including dealer wholesale invoice cost prices and other information they can use to try to negotiate lower purchase prices.

Membership to CarCostCanada is \$39.95. CAA members pay \$29.95. The fee includes access to 10 custom-pricing reports produced on demand, according to the members' choice of make, model and options for the vehicle.

The reports are designed to produce a view of the best price you can negotiate. It factors in the dealer invoice price less any factory holdbacks and any non-advertised factory-to-dealer and factory-to-consumer cash incentives, rebates and subsidized financing or lease rate programs.

Timoteo says CarCostCanada members save at least \$1,000 on average on the purchase of a new vehicle. The site offers a comparison of the price with the amount other buyers paid and has dealer and sales rep recommendations, based on members' feedback.

Armada provides information to the insurance industry for settling claims.

The company went public in 2000. It now employs 28 people. Timoteo is president and chief financial officer. He says CarCostCanada has about 130,000 paid memberships.

"We were enjoying steady growth, but four years ago, I figured we could grow better if we could figure out this whole Internet thing," says Timoteo.

To do so, he started using Google AdWords, a program that displays his site when someone searches



ADRIEN VEZCAN FOR THE TORONTO STAR

Paul Timoteo of Car Cost Canada runs a website that provides members with data on pricing they can use to negotiate when they visit a dealership.

Google using one of the keywords he's identified.

Timoteo spent \$808,000 on Google AdWords. This resulted in five million clicks on the CarCostCanada website, or about 17 cents a click.

"With Google, you have to build up credibility. At first, you're paying 50 or 60 cents per click, but as you get more experienced, your rates get lower. But most people never wait to get that far," he said. "It's all about relevance; whatever keywords you put in should be related to your ad."

Timoteo explains: If you own a bakery, don't put in the keyword "confectionery." Your ad says "Come over for a bagel!" but when a person clicks on the link, the page that opens talks about your milkshakes.

"If your keyword is 'bagel,' your ad should be about bagels and your site should say, 'Come over for a bagel!' That's what you want," he says, adding the more people who click on a Google ad, the less per-click it costs you.

"I learned this through the school of hard knocks. It takes a lot of time and patience."

Timoteo has also embraced Twitter and Facebook.

"On Facebook, you are talking about you or your business, but only those within your walls can hear the message. With Twitter, there are no walls and you can get the message to people who don't know you and get them to your Facebook page."



TRACY HANES FOR THE TORONTO STAR

Timoteo uses Google AdWords and social media to build his business.

## NEW MEDIA TIPS FROM EXPERIENCE

- Sign up for Google alerts to track what others are saying about you and your competitors.
- Keep your website updated! You wouldn't advertise items you no longer have in stock or last year's products, would you?
- Treat your online presence with the same care you would a store or business.
- If you are using social media such as Facebook or Twitter, make a

regular commitment to them.

- Realize that online marketing tools require time and patience if they are going to pay off.
- Through blogs and a website, supply useful information and tips. These will help you build your reputation and credibility.
- Stay on top of the trends! What worked last month doesn't necessarily work this month.

Tracy Hanes

Timoteo regularly tweets and posts Facebook updates.

"When you run a bakery, whether you are always trying to bake better bread or put a nicer sign out front or ensure your person at the cash register smiles more, you have to do

the same thing online," he says. "Online is your store before they get to your real store and that's where you can make or break business. With Facebook or Twitter, you have to do it right.

"It's a daily commitment and

you're better not to be there at all than do it half way.

"You have to make a daily commitment to do this and it's hard to justify that, especially at the beginning."

Timoteo urges business owners to set themselves up with Google alerts.

"You put in keywords with your name, your company name, your competitors' names and their companies. It doesn't cost anything and you can find out what someone's saying about you and your company.

Reputation management is so important," says Timoteo. "You can find out if someone's saying something good, bad or indifferent about you. When someone is saying something bad, you can come on and say 'Sorry for the experience. How can we fix this for you?' and they'll think 'What a nice guy!'"

Coming soon will be a tool to help visitors calculate what the monthly fuel costs will be for the car model they have in mind, based on their driving habits.

Timoteo tries to educate potential CarCost members through his blog, which defines common terms such as "MSRP mean" or "employee pricing."

"The more informed people are about a choice, the more comfortable they feel about a buying decision," says Timoteo. "If they see you as a valuable source of information, they are likely to trust you and your business and it's all about credibility."