

Automotive Marketing Playbook

How to Effectively Market to Car-Buyers and Stand
Out Above the Competition



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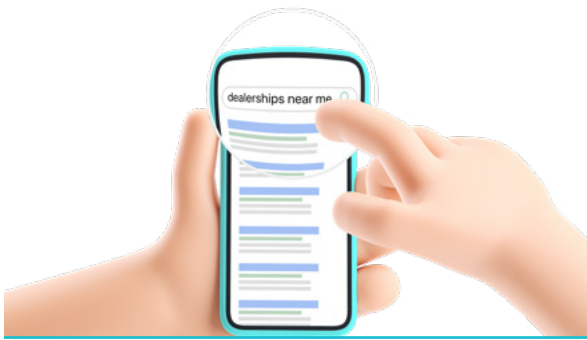
Driving sales starts with knowing your customer and what they're looking for. No matter who you're marketing to, there are some commonalities that apply to nearly every buyer. This playbook will show you how to use different strategies to your advantage. We'll also tell you more about the digital tools that can help you target individual buyers and convince them to choose your dealership.



INTRODUCTION

1 | Start to Finish: A Look at the Buyer's Journey

Once someone decides they want to buy a car, it takes them an average of 2.5 months to close the deal. However, it's not unusual for the process to last 4 months or more. And while there are different stages to the journey, almost 90% of it is digital. Customers look for information on their smartphone, tablet, or computer either at-home or on-the-go.



During the exploratory phase, the car buyer is primarily turning to search engines to figure out answers to questions like: Which type of car should I get? What do drivers say about these vehicles? What are the dealership's reviews? What is the budget ceiling I want to set? What are my financing options? Which dealership is offering the best deal?

At this stage, customers are visiting manufacturer websites (e.g., Ford.com, etc.)

to read more about each model and compare details. However, they're also paying close attention to car and dealership review websites such as Cars.com or Edmunds.

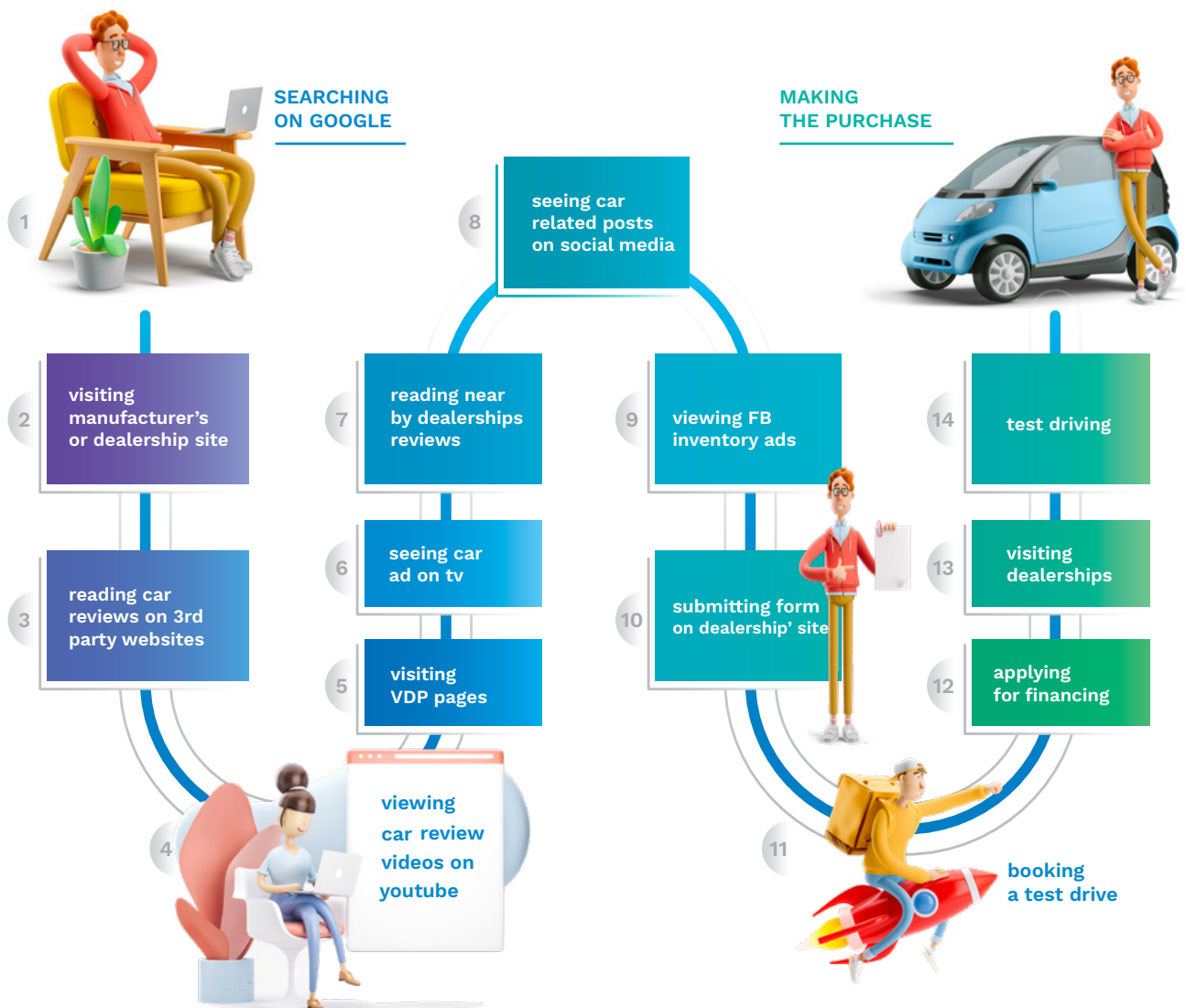
When they dive deeper into the funnel and move to the research stage, they might view video reviews of cars on YouTube. As they get closer to the purchase stage, they focus on the websites of local dealerships and check out the specific Vehicle Details Pages (VDPs) of the inventory they're interested in.



By now they are probably following the social media page of different car dealerships to stay up to date. They might also search for their preferred car using hashtags on Instagram. The goal when they're on Instagram or other types of social media is to see what other people are sharing and to decide if that content is worth trusting.

Finally, customers research financing options and car insurance rates. It's only when they've taken great pains to check off the details that they're ready to test-drive. So for most dealerships, by the time they're ready to borrow the keys, the consumer has already made up their mind in many ways.

As you can see, their journey is really sprawled across the entire digital ecosystem. Search, mobile, video, CTV, dynamic inventory, and social media are where dealerships need to focus if they want to drive sales.



2 | Why a Full-Funnel Approach?

It's clear that you can't count on your last-stage efforts to win the customer over. By being involved in the journey from day one, you have a better chance of making the sale.

If you're working with customers across multiple digital channels though, you need to understand how each one works. Some channels are more suitable for one stage of the funnel than others. To devise an effective strategy and follow the car buyer throughout their process, it is important to prioritize marketing throughout the funnel.

When you understand the buyer's intentions at each phase, you can tailor your messaging accordingly. When you compare the returns of each approach, your numbers will be that much more revealing.

More often than not, agencies and dealerships tend to stick to one channel, especially when the KPIs are measured solely around direct response. This makes sense at the beginning when you want to see an immediate return on ad spend, but it's not a long-term solution. You can only gauge so much interest from this approach.

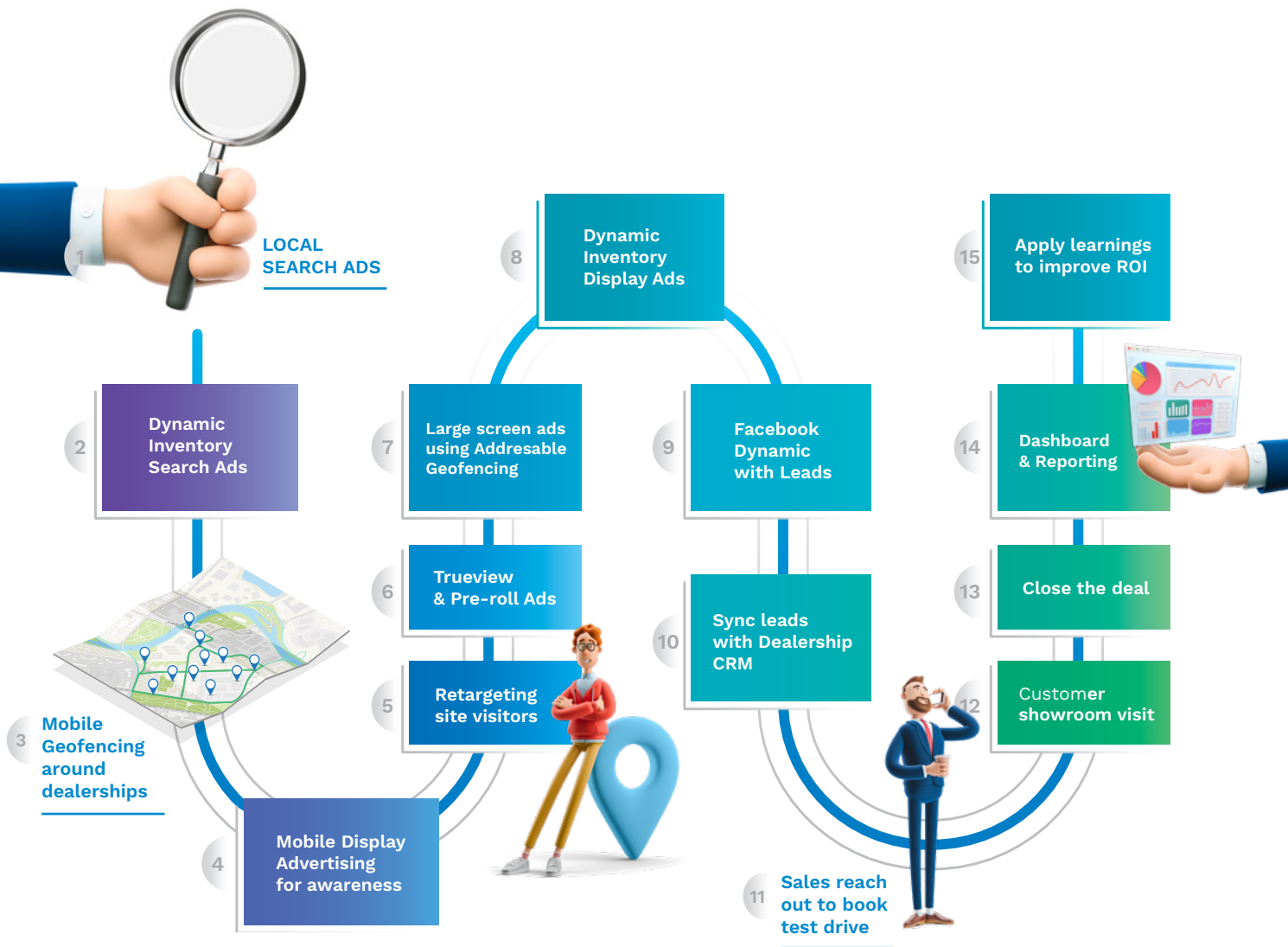
It's why attribution models may come in handy to see how your website audiences are actually converting. Moving away from last- or first-click to a linear or time decay strategy will give you a comprehensive perspective of your customers' journey in the digital ecosystem. You're no longer viewing a single action and trying to decide what it means but rather the larger picture behind the customer's behavior.

For example, let's say that a customer finds your website from a Google search and browses for a minute or two. If you run a banner ad to that same customer as part of a retargeting campaign, they might idly visit your site again next week. The week after that, they might get a marketing email from your website and return again. Maybe this time, they actually click on a VDP of a car they wanted. This prompts them to interact with a dynamic ad on Facebook and ends in a submitted lead form.

By the time your sales team reaches out to the customer, that customer has already invested a lot of time and energy to reach you across multiple touchpoints. It only makes sense to spread your budget across different channels rather than piling it on one channel.

This way, even if one channel is removed, you can make up the difference on other active channels. So if you can't run commercials during primetime because it's too expensive or your social media

account is accidentally disabled, you won't suffer the consequences the same way you would if you were relying on only one channel as your sole source of marketing.



3 | Top of the Funnel: Focus on Local Search

Now that you know most car-buyers begin their journey on search engines, it's essential to have a strong foothold in SEM. Whether it's an automotive agency or a dealership that runs your SEM in-house, owners have to nail local targeting with better search tactics.

The key is to avoid irrelevant clicks. First and foremost, this means tightening up your location targeting. This is more than just adding your address and specifying your parameters. You will then need to periodically check your CRM to identify unwanted leads (usually from locations outside your target market) and add them to your exclusion list.

We recommend selecting a radius as your target location instead of opting for larger areas. If you know the exact zip codes of your potential customers, this can be an effective strategy. Or if you have a list of addresses, you can upload them in bulk to target specific households. Make sure you tailor your content to be location-specific and optimize based on the performance of each location. Increase your budget for the highest performing locations and exclude the areas that are underperforming.



Did you know?

Mobile searches for car-dealer-related "near me" searches grew over 200% in the last two years.



When you're creating these landing pages, make sure that the location-specific ones are relevant to your ad copy. If a buyer is attracted by an APR deal you're running, the deal should be easy to find on a local landing page once they click on a banner. If you're running different campaigns for more than one location, it's worth using conversion-rate optimization tools that personalize landing pages based on location.



To leverage dynamic ads, use your database and create inventory-specific ads that are hyper-relevant and eliminate unwanted traffic.

To really get this step right, it will likely mean working with an agency that has a proven strategy in place to seamlessly integrate your data. This way, you can hit the ground running in no time flat. Very few agencies have honed this step though, and any errors can result in multiple clogs in the workflow. Dealerships end up spending weeks or even months on campaigns that do little to improve their business. In fact, the confusion and frustration caused by these campaigns can actively hurt your revenue. When you implement a more intuitive approach, you get a better return on each dollar instead of paying for unnecessary setup fees or higher commission margins.

The right agency can also help you avoid ad fraud of any kind at the top of the funnel. From double-clicks to bot attacks, IP blocking can go a long way to minimize waste. These automatic solutions detect and block in real-time and can stop bored hackers or malicious cybercriminals before they even have the chance to start. Dealerships are free to integrate these tools on their own, but it often makes more sense to leave it to the experts.



4 | Middle of the Funnel: Focus on Mobile Geofencing

Once you've established a strong presence on search engines (and enticed people to visit your site), it's smarter to retarget those visitors and escort them through the funnel. To retarget the right people, AKA the ones who will actually buy from you, you can use time-on-site filters to qualify your audience. For instance, those who spent at least a minute actively looking at your site.



From there, you can add filters based on the frequency of site visits to further rank your audience. If you want to remind your previous visitors of your dealership, opt for a cost-effective tool like mobile display. When you combine display advertising with geofencing, you get the added capability of optimizing based on geolocation. Remember, during this stage, your customer is also browsing through review websites like Cars.com. Your dealership will likely be in the background for at least a little longer before they're ready to contact you. At this stage, you can also layer third-party data to refine your targeting even more.

Whether you need to expand or narrow down, this information can provide clarity to your strategy. For example, addressable geofencing can incorporate public data, such as income or purchase preferences. This kind of information allows you to choose from multiple aspects of audience targeting.

When you can tailor your marketing in this way, your efforts will be that much more accurate. Geofencing also gives you the capability to create lookalikes based on audiences who have visited your dealership or a competitor's dealership.

Did you know?

An average car-buyer visits 2.5 Dealership before making a purchase

Customized Strategies

No matter what stage of the funnel you're in, there's really no one-size-fits-all solution. This really rings true in the middle though. Before you meet the customer at the bottom of the funnel, here are your main options to keep customers engaged.

- **CTT/OVT:** As more and more people pivot away from cable, over-the-top platforms become more valuable to advertisers by the minute. Ads on YouTube, Hulu, etc. can be an effective way for local dealerships to communicate with an audience who hasn't quite made up their mind.
- **Amazon:** This behemoth has two auto-specific offerings that might be of interest to dealerships: Amazon Vehicle, a destination for car research, and Amazon Garage, an online marketplace for auto parts and accessories. These can be a great way to gather more data from customers who are already on the hunt.
- **Digital audio:** Sirius, Spotify, Pandora: plenty of your customers might be listening to ads on these channels. Local customers might appreciate getting more information about your latest sale or rebate offer.
- **Video ads:** Video ads that show off your inventory can be a great way to really 'stick' in the customer's minds. That cherry-red paint finish can be enough to tempt them onto the lot.



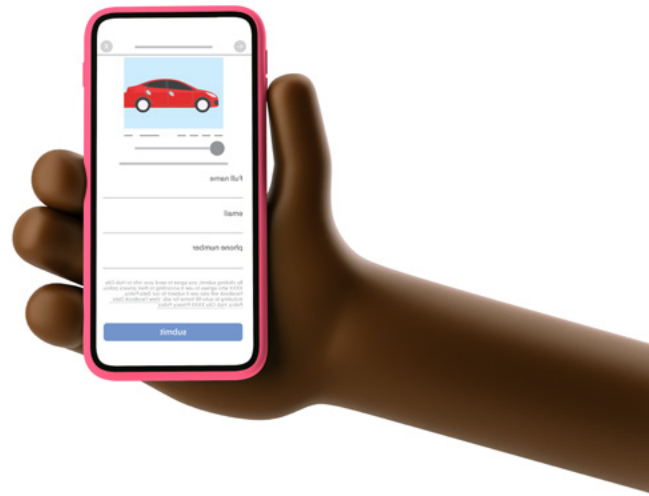
No matter which combination you choose, you need to have measurable goals in place to determine performance by channel.

5 | Bottom of the Funnel: Focus on Leads

As you follow the customer through their journey, you will see them return to individual VDPs. This is when you want to leverage dynamic inventory marketing to drive relevant traffic back to your dealership's website. Take advantage of automation to dynamically optimize your creatives and personalize banner ads based on online behavior.

When the customer is closer to the bottom of the funnel, it makes sense to advertise on their preferred platform rather than spreading your efforts out. Advertise on Facebook using automotive inventory ads; the algorithm is specific to automotive industry and performs outstandingly for converting lower-funnel traffic.

For better results, work with an agency that has these capabilities built-in rather than trying to reinvent the wheel. Your inventory database can be integrated to Facebook, and you can then show personalized ads to customers who are more likely to make a purchase.



To close the loop, add Facebook lead forms. This combination lets you capture lead information at an earlier stage even before you've retargeted customers to a VDP. This tactic gives your sales team a headstart and provides yet another meaningful touchpoint for your customers.

That's it, you have created a full-funnel marketing strategy that works.

6 | Follow-Up: Meaningful Reporting and Analytics

Now that you've built a well-oiled marketing machine, it's essential to have a reliable platform for analytics and reporting. This is what will let you learn from your campaigns and optimize accordingly to sustain high performance.

Analytics can vary based on industry, business type, etc., so you're better off adopting tools that were built specifically for auto dealerships. When it comes to moving vehicles from the lot, it just makes sense to incorporate real-world attribution to your digital marketing campaigns. That's how you can tie dollars spent on ads to revenue generated.

It's equally important to incorporate walk-ins, leads, and conversions though. These are the primary metrics along the customer journey that lead to the final purchase. It is necessary to take into account all types of metrics required to optimize campaigns at different stages of the funnel.

Look for an agency that provides a comprehensive list of metrics and allows you to customize based on your priorities. The more data and more insights you receive, the better your marketing will be. Periodical reporting is the baseline for all automotive dealerships, but you also need to have real-time access to data and a tailored dashboard that you can view anytime. This way, you can continue to learn from the campaigns and apply these lessons to each new strategy.

With rich, custom-made reporting built from the ground, you can move your automotive advertising into the future. All it takes is having the right foundation in place. With so many marketing combinations out there, working with an innovative agency can be the key to staying well ahead of the curve.



Demand Local provides turnkey, white-labeled digital advertising solutions to Automotive Agencies and Dealerships. Get in touch with us and learn more about how you can maximize your profits by letting us do the heavy lifting, while you can spend your valuable time on closing new deals.



Schedule a Consultation



About Demand Local

Demand Local empowers Automotive Advertising & Marketing agencies to Scale and Grow their businesses. We are Industry-leading experts in providing cutting-edge solutions such as Geo-Fencing, Walk-In Attribution - Registered Showroom Visits, Mobile Marketing, Facebook Advertising, Connected TV Advertising, Inventory Marketing, Dynamic Display Ads, Search Engine Marketing, Video Marketing, Audio Advertising, and Amazon Advertising.

Demand Local has a proven track record of successful business relationships with some of the largest Auto Ad Agencies and Dealerships in North America for more than a decade. Our Digital Ad Infrastructure was built from the ground-up specifically to serve the Automotive Sector by unifying our proprietary technology with some of the industry's leading media and technology services. Demand Local has been a pioneer in adopting newer media, and technologies to better bridge the gap between advertisers and buyers.