

Advertising that INFLUENCES



Doug Keim

Vice President

Cox Automotive

Atlanta, GA

404-568-8163

Doug.Keim@autotrader.com



#NADA2016

N A T I O N A L A U T O M O B I L E D E A L E R S A S S O C I A T I O N

The views and opinions presented in this educational program and any accompanying handout material are those of the speakers, and do not necessarily represent the views or opinions of NADA. The speakers are not NADA representatives, and their presence on the program is not a NADA endorsement or sponsorship of the speaker or the speaker's company, product, or services.

Nothing that is presented during this educational program is intended as legal advice, and this program may not address all federal, state, or local regulatory or other legal issues raised by the subject matter it addresses. The purpose of the program is to help dealers improve the effectiveness of their business practices. The information presented is also not intended to urge or suggest that dealers adopt any specific practices or policies for their dealerships, nor is it intended to encourage concerted action among competitors or any other action on the part of dealers that would in any manner fix or stabilize the price or any element of the price of any good or service.



Learning Objectives

1. **Influence** consumer preference for your dealership with more effective dealer ad creative
2. **Identify** advertising messages across Tiers 1, 2, and 3 that consumers respond to most
3. **Leverage** better co-op dollars





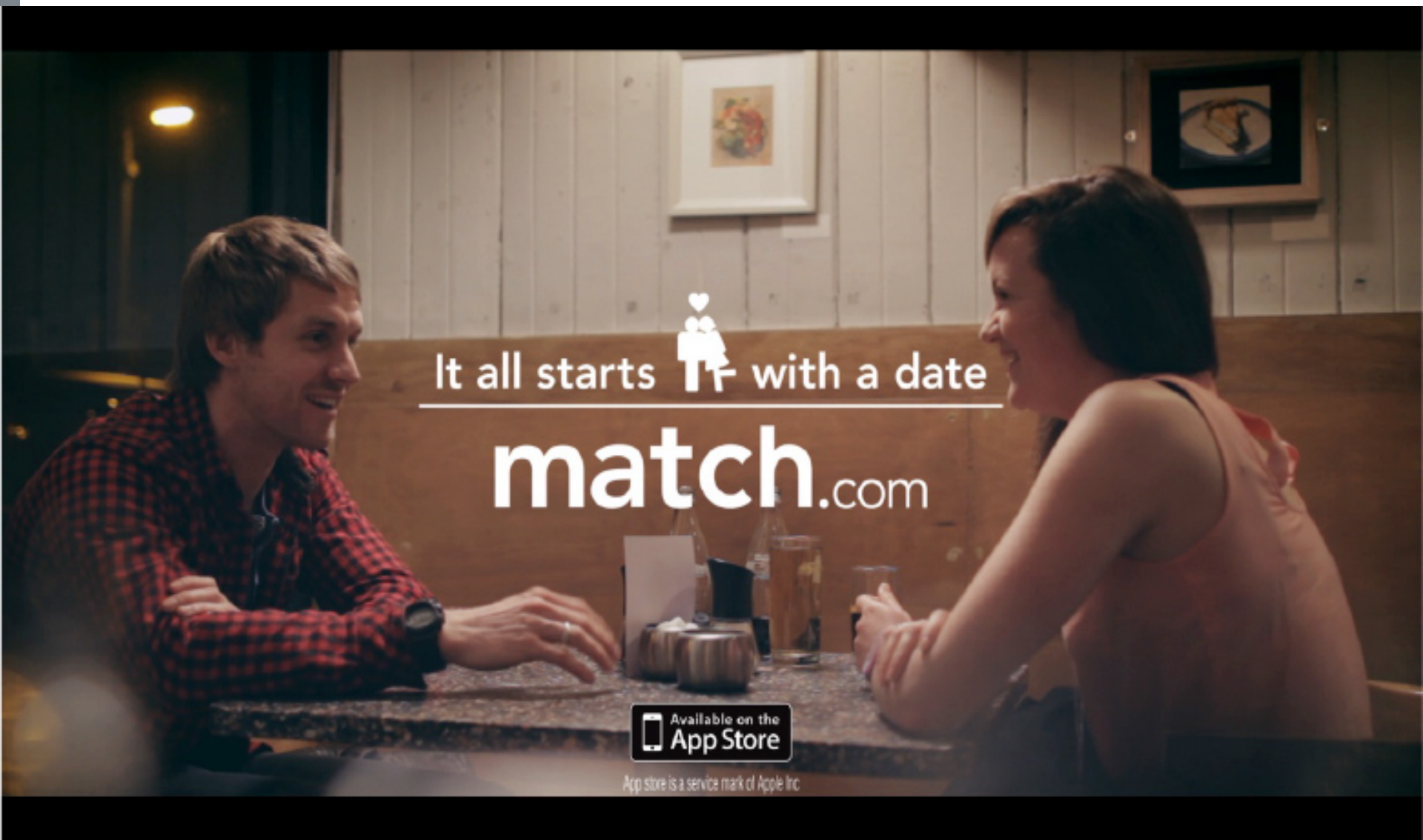
How do I become a digital marketing investor?



AUTOMOTIVE SHOPPING

Automotive Matchmaking

Moving from more to the best solutions



It all starts  with a date

match.com

Available on the
App Store

App store is a service mark of Apple Inc.

3 PHASES OF AUTOMOTIVE

Inventory
Discovery

Price & Model
Comparison

Matching
Buyers &
Sellers

1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018

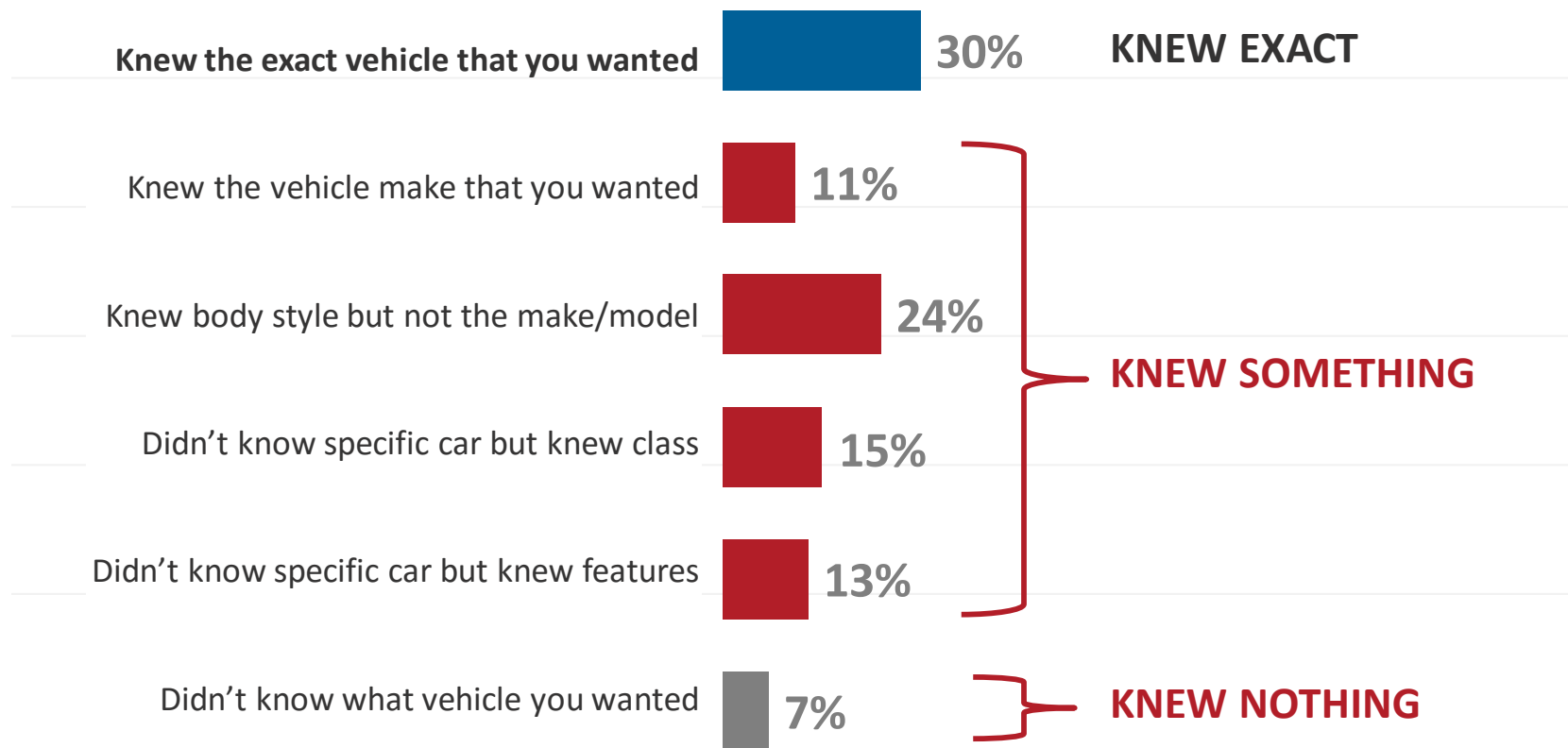
#NADA2016





70% don't know what they want to buy initially

INITIAL MAKE/MODEL PURCHASE INTENT



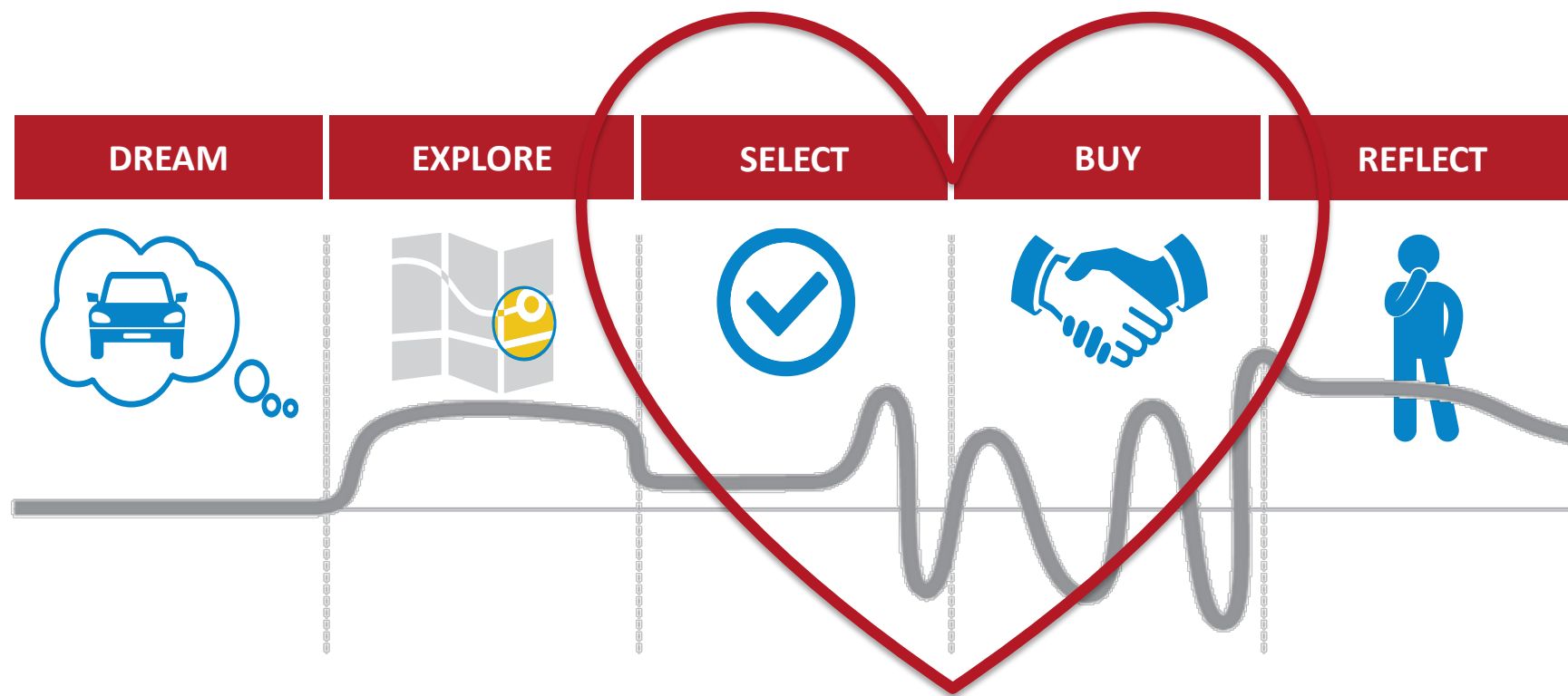
71%

purchased the vehicle
they intended to buy



Influencing consumers

THROUGHOUT THE SHOPPING PROCESS



Source: 2015 MAGID

#NADA2016

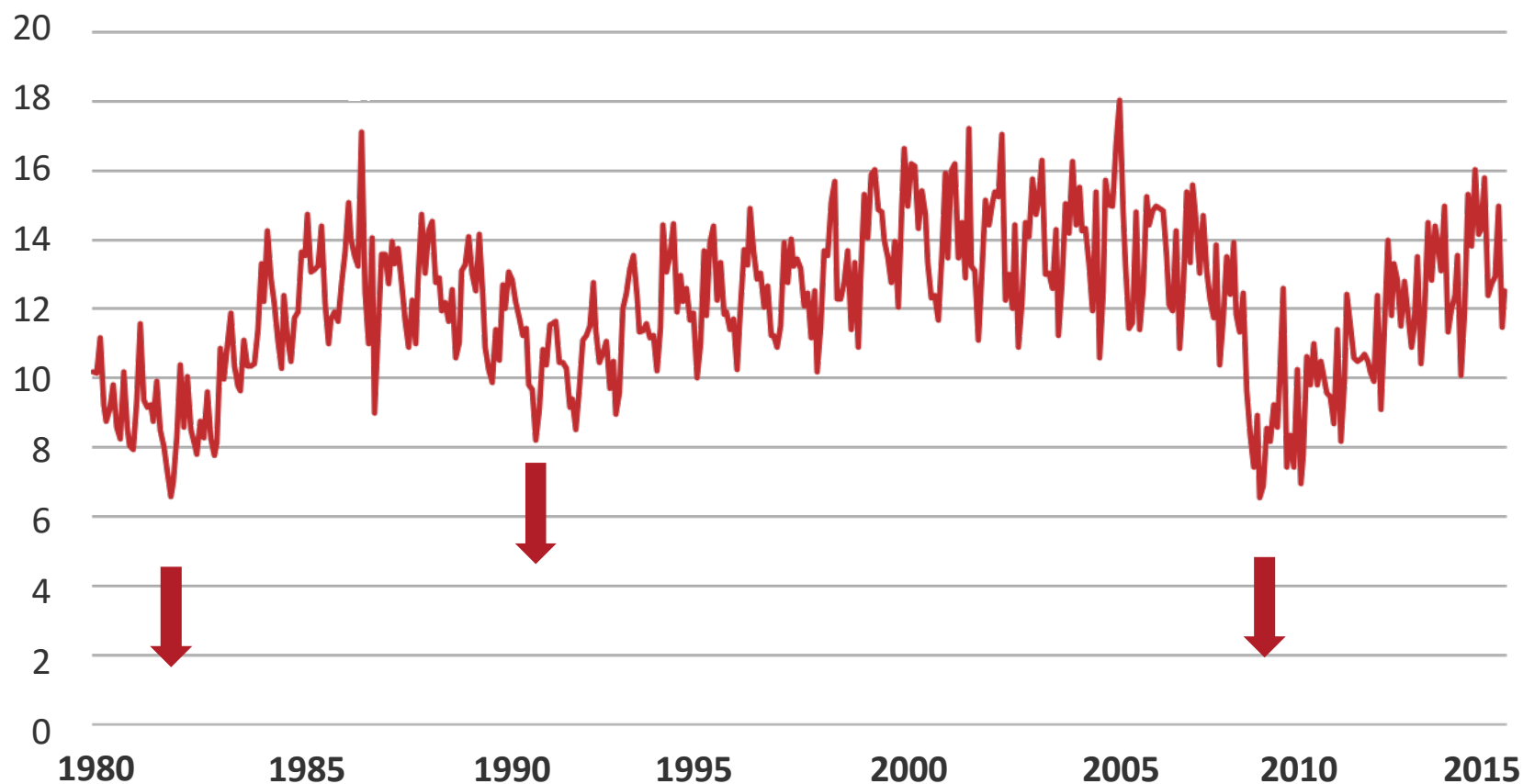
Opportunity to influence
consumers based on
their frame of mind



Consumers feel more positive
about buying a house and
remodeling their home than
they do about buying a car



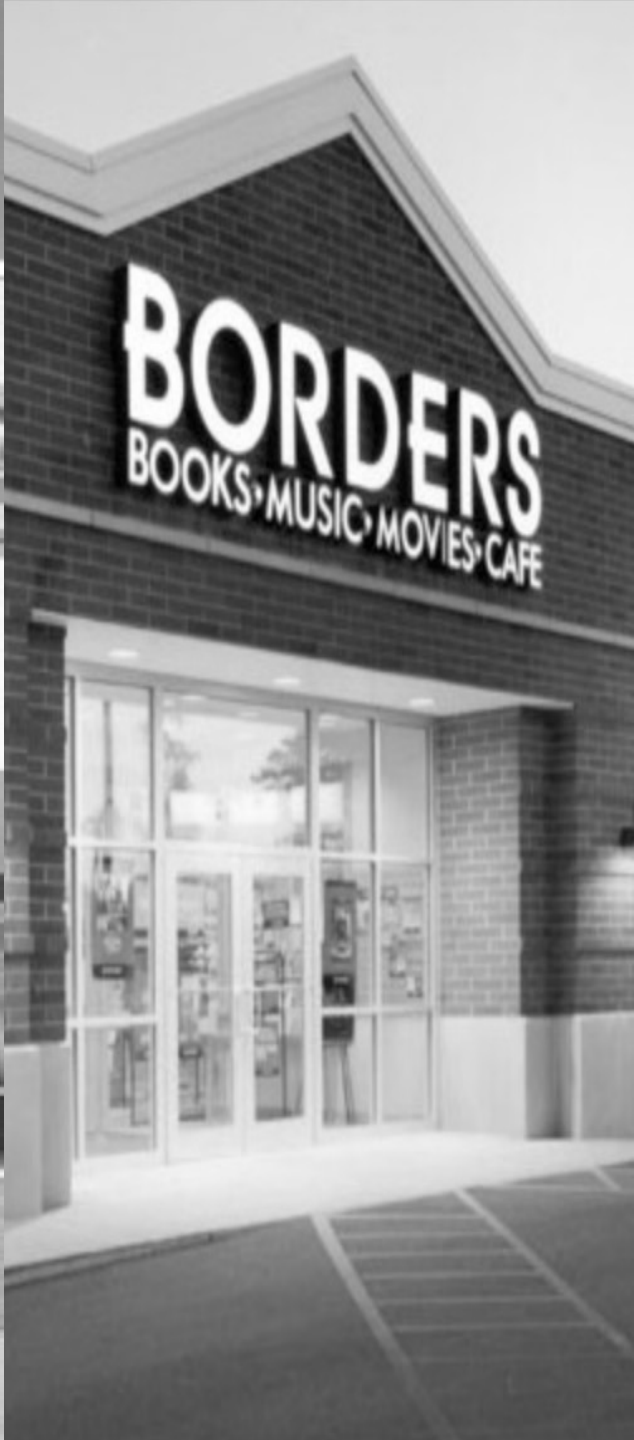
Times are good but it won't last forever



— Light Total --not seasonally adjusted

Source: Bureau of Economic Analysis (BEA)

#NADA2016



travelocity Account My Trip

Home Vacation Packages Hotels Cars Flights Cruises Things to Do Travel Deals

Spring Break - Save up to 40%

Flight + Hotel Hotel only Flight only

Leaving from
City or airport

Going to
City or airport

Departing
mm/dd/yyyy

Returning
mm/dd/yyyy

Rooms Adults (18+)

1 2 0

☐ I only need a hotel for part of my trip

Search

Let us help you find the best deals for your next spring break adventure. See

Get Mobile-Exclusive Deals

Download the free Travelocity App today. Send a link to your mobile device.

XXX-XXX-XXXX Send

By providing your number, you agree to receive a one-time automated text message with a link to get the app offers promotions and booking services. No purchase necessary. Standard text message rates may apply.



Order anytime and always receive FAST, FREE Shipping

24/7 Customer Service (800) 927-7671 Help Live Help

Zappos

Zappos.com Logo

Shoes, Clothing, Bags, etc. SEARCH

SEARCH BY: Size, Narrow Shoes, Wide Shoes, Popular Searches

SHOES CLOTHING BAGS & HANDBAGS LUGGAGE ACCESSORIES SHOP BY... WOMEN'S

SHOP WOMEN'S

Clothing
Shoes
Boots
Sneakers & Athletic Shoes
Dresses

SHOP MEN'S

Clothing
Shoes
Boots
Sneakers & Athletic Shoes
Jeans

SHOP KIDS'

Girls' Clothing
Boys' Clothing
Girls' Shoes
Boys' Shoes

SHOP GIFT CARDS

ZAPPOS.COM GIFT CARDS: THE PERFECT GIFT FOR EVERYONE

SPECIALTY SHOPS

Fashion Shop
Golf
Outdoor
Rideshop
Running
Shop By
Wedding
Western
Back To School
The Seam
Juniors
Coveted

SHOPPING RECOMMENDATIONS FOR YOU

Converse Chuck Taylor All Star Core Ox \$50.00

Converse Chuck Taylor All Star Core Hi \$55.00

19

A person wearing a light-colored business suit is seated at a desk, typing on a silver laptop. Their left hand is resting on the desk. A tablet is lying flat on the desk in the foreground, reflecting the person's arm and the laptop. The background is a bright, out-of-focus office environment. A semi-transparent red banner is overlaid across the middle of the image, containing white text.

Shoppers will continue to research
online and across multiple devices

#NADA2016

88%

Use the internet
to research & shop



80%

will use multiple
devices by **2020**



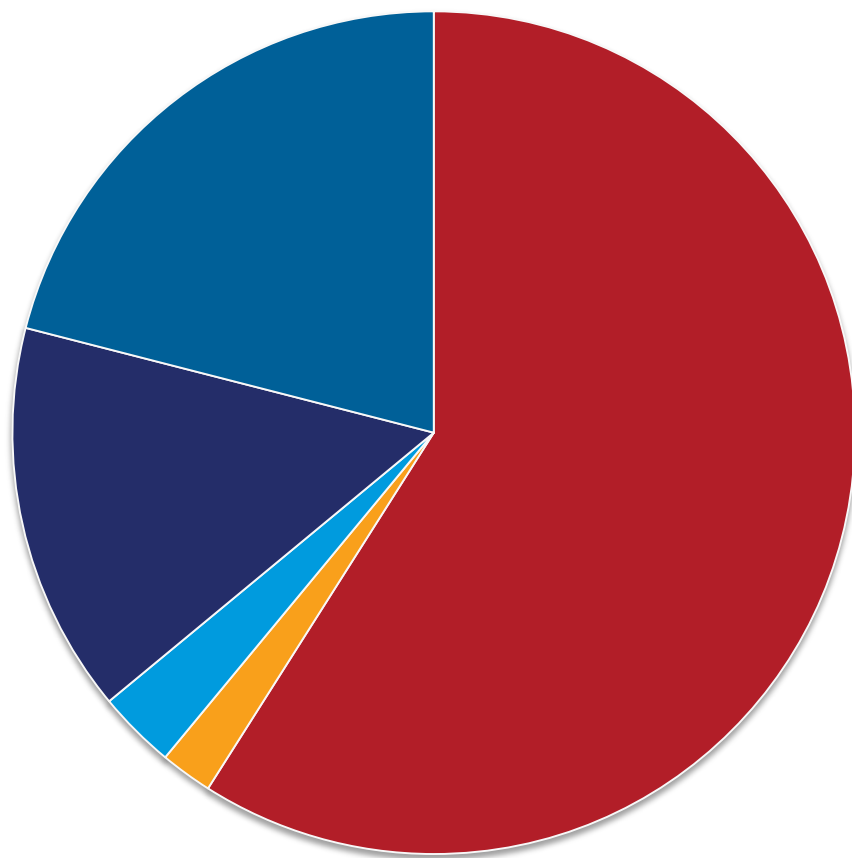
Source: Autotrader forecast

#NADA2016

Time spent in the shopping/buying process

TOTAL
Time Spent

14:44



8:42



59% Researching & Shopping Online

0:15



2% Researching & Shopping with Print

0:29



3% Talking with Others

2:12



15% Visiting Other Dealerships/ Sellers

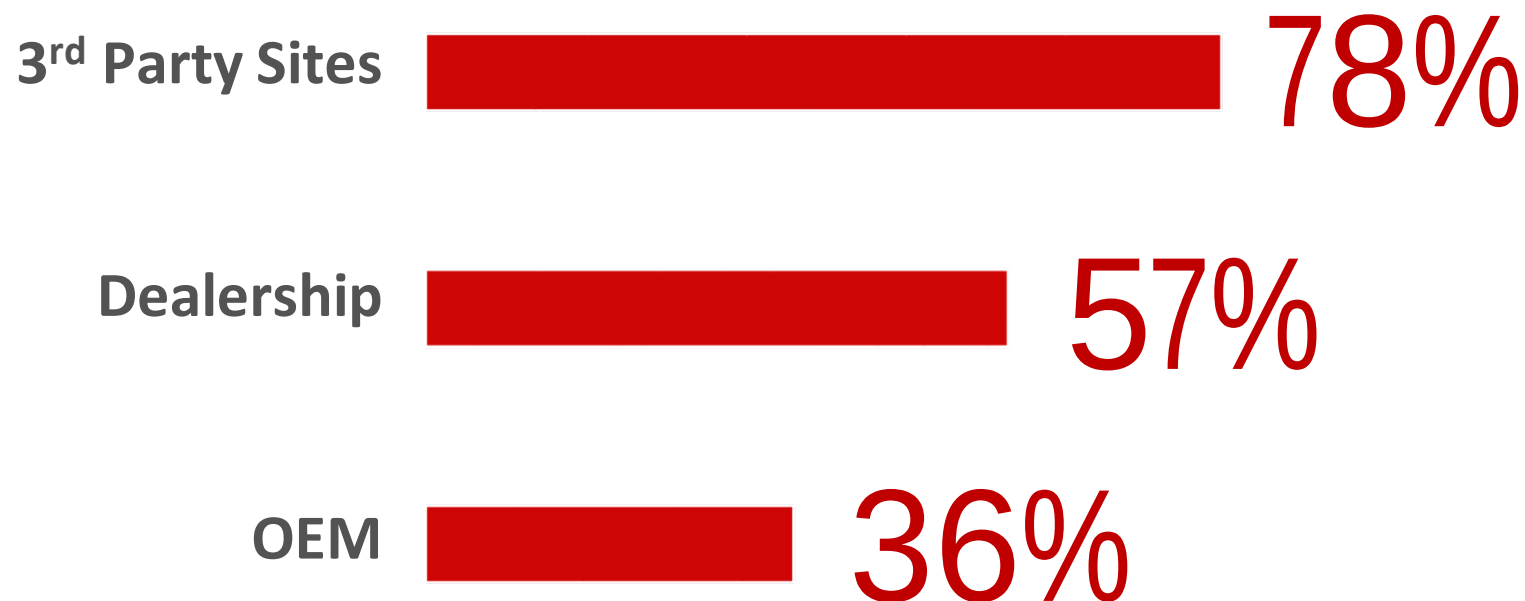
3:06



21% With the Dealership/ Seller where Purchased

Online sources used to research & shop

NEW & USED SHOPPERS

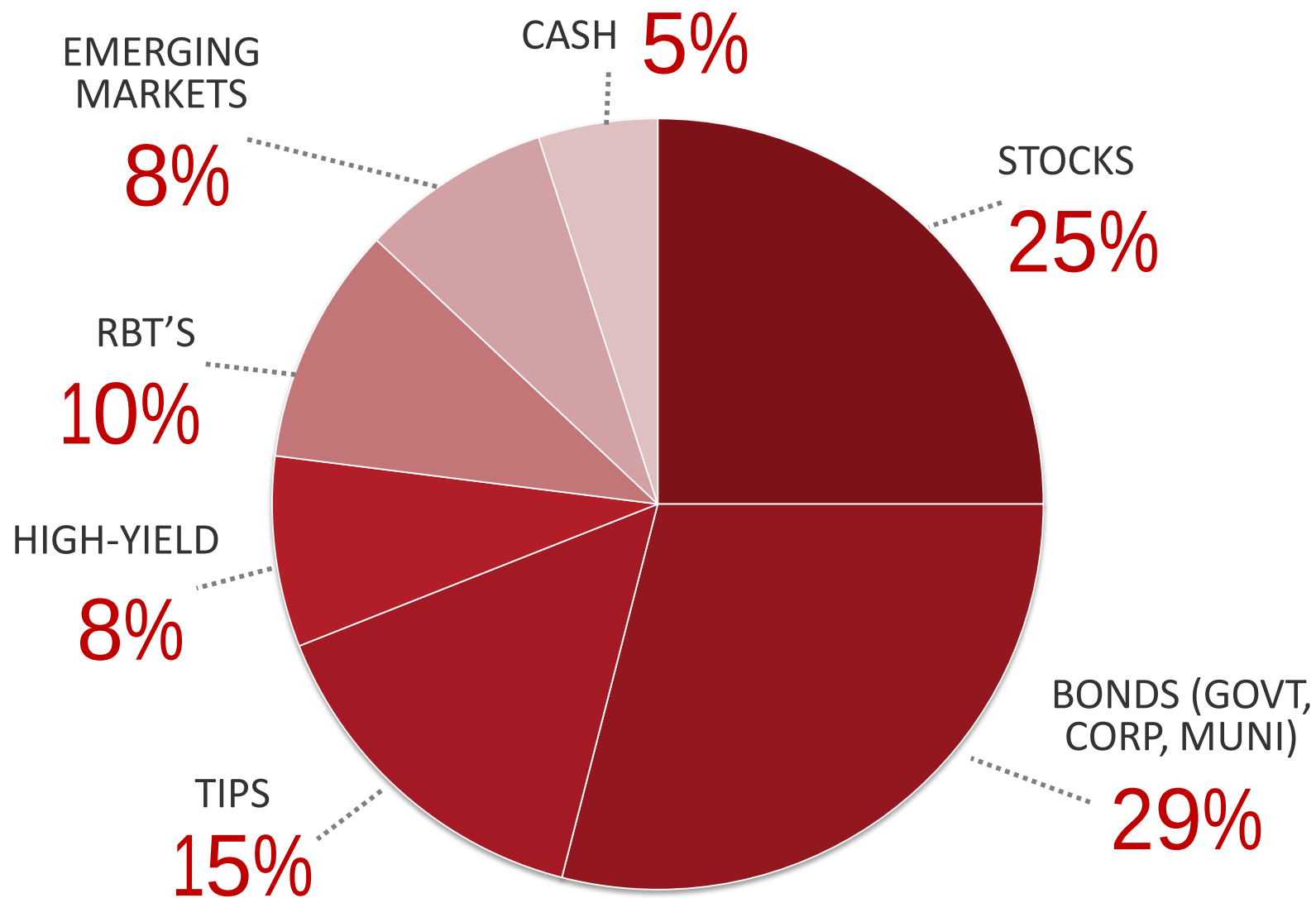


Deliver better online shopping experiences for consumers



DISPLAY ADVERTISING & CO-OP

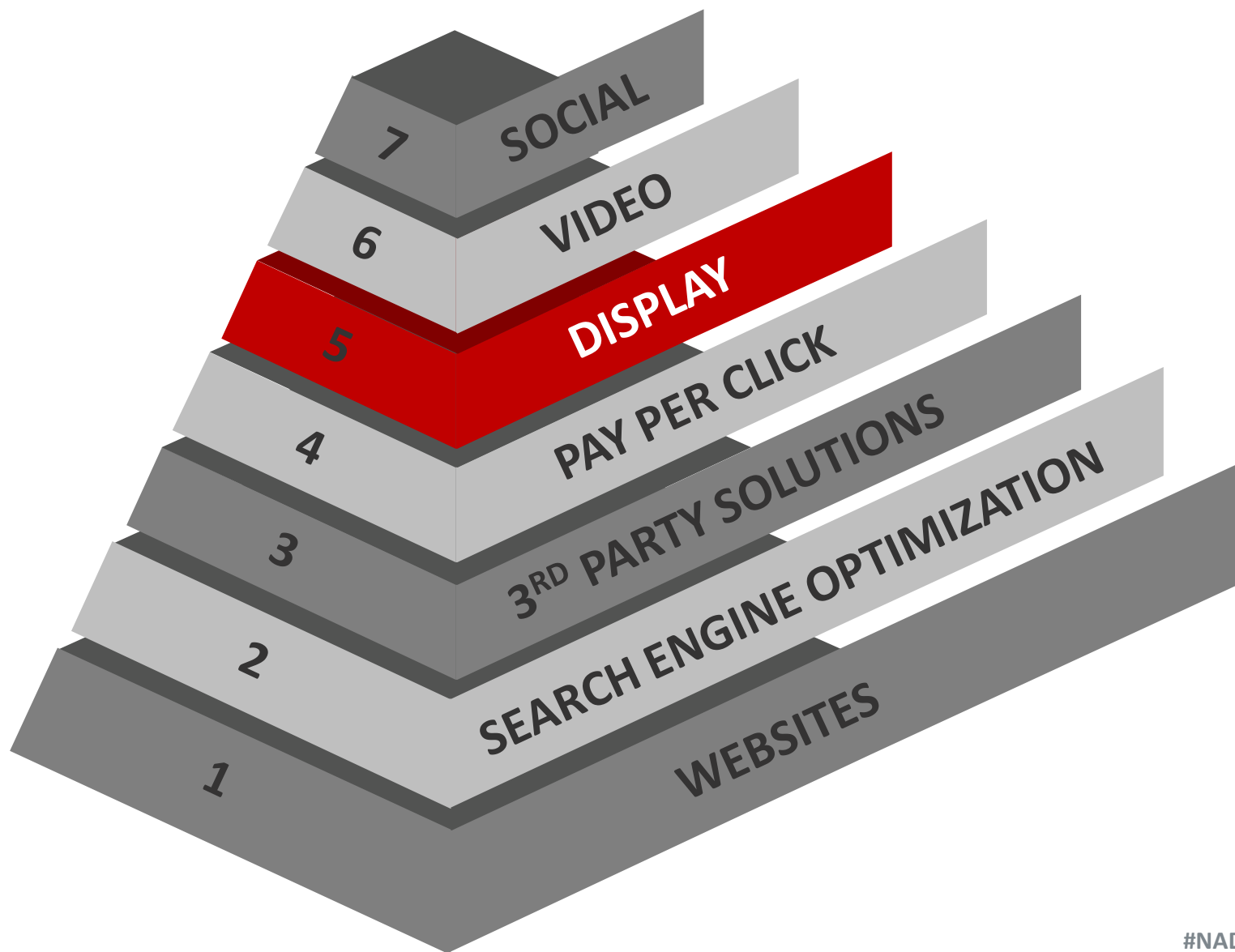
Modern fixed income investment portfolio



Source: Investopedia Inc

#NADA2016

Balanced digital diet



Dealer Ads

drive awareness & engagement
and encourage word-of-mouth



3 common missteps

- 1 **Inconsistent creative** (*a.k.a., design*)
- 2 **Ineffective ad messaging**
- 3 **Not taking advantage of co-op dollars**

THE TEST:

Consumers evaluate
various combinations of
tier advertising online



Source: 2016 Autotrader Multi-Tier Effectiveness Study

#NADA2016

1 Inconsistent Creative

Endemic advertising

TIER 1

Credit Score for FREE
Checking Your Own Score Won't Lower It!

Enter first name

Enter last name

Don't Wait, It's Free!

With enrollment in freecreditscore.com

AUTOMOBILE CLUB
AAA
AUTOMOBILE CLUB

**SWITCH
& YOU COULD
SAVE UP TO
\$384**
ON AUTO INSURANCE

COMPARE AND YOU
COULD SAVE UP TO
\$368
OVER
GEICO

Free Auto Quote

**GET YOUR
CAR LOAN
APPROVED
BEFORE
YOU BUY.**

BUYERS
REJOICE

APPLY NOW

RoadLoans.com

**LIVE THE
SCORE**

SEE YOUR SCORE NOW!

With enrollment in freecreditscore.com

freecreditscore.com

TIER 2

TIER 3

Source: 2016 Autotrader Multi-Tier Effectiveness Study

#NADA2016

Multi-tier advertising

TIER 1

INTRODUCING THE ALL-NEW | 2015 TUNDRA

LIMITED TIME!

GREAT DEALS & CASH BACK OFFER!



 **TOYOTA**

[LEARN MORE >>](#)

YOUR LOCAL TOYOTA DEALERS



SUMMER SALES
EXTRA ADVANTAGE



GET **\$2,500** CASH BACK

2015 TUNDRA

[SEE ALL OFFERS >>](#) [LEARN MORE >>](#)

TIER 2



MILLER TOYOTA

THIS WEEKEND ONLY
GET \$2,500 CASH BACK!


\$52,800

2015 Toyota Tundra

\$39,709

2015 Toyota Tundra

\$48,160

2015 Toyota Tundra



MILLER TOYOTA

THIS WEEKEND ONLY
GET \$2,500 CASH BACK!



2015 TUNDRA

18 MPG HIGHWAY

10,500 LBS. TOWING CAPACITY

[VIEW CAR DETAILS >>](#)

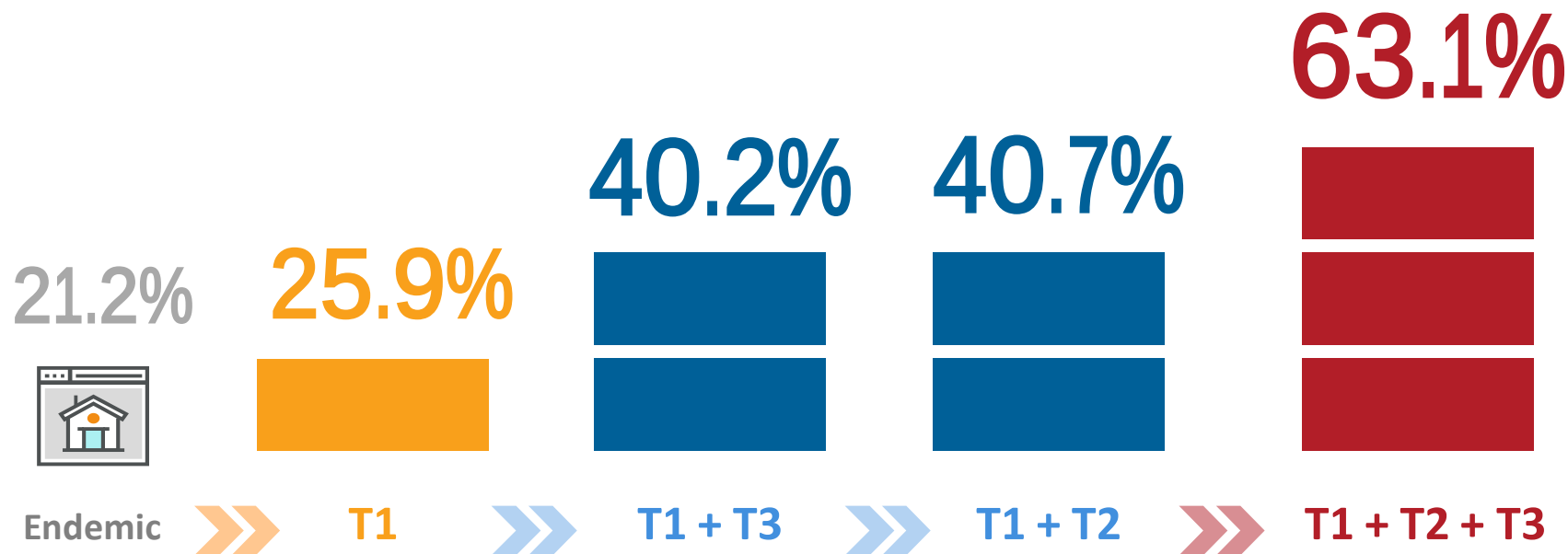
TIER 3

Source: 2016 Autotrader Multi-Tier Effectiveness Study

#NADA2016

Digital investor prospectus

3X Multi-tier ad experience has more influence on vehicle purchase consideration

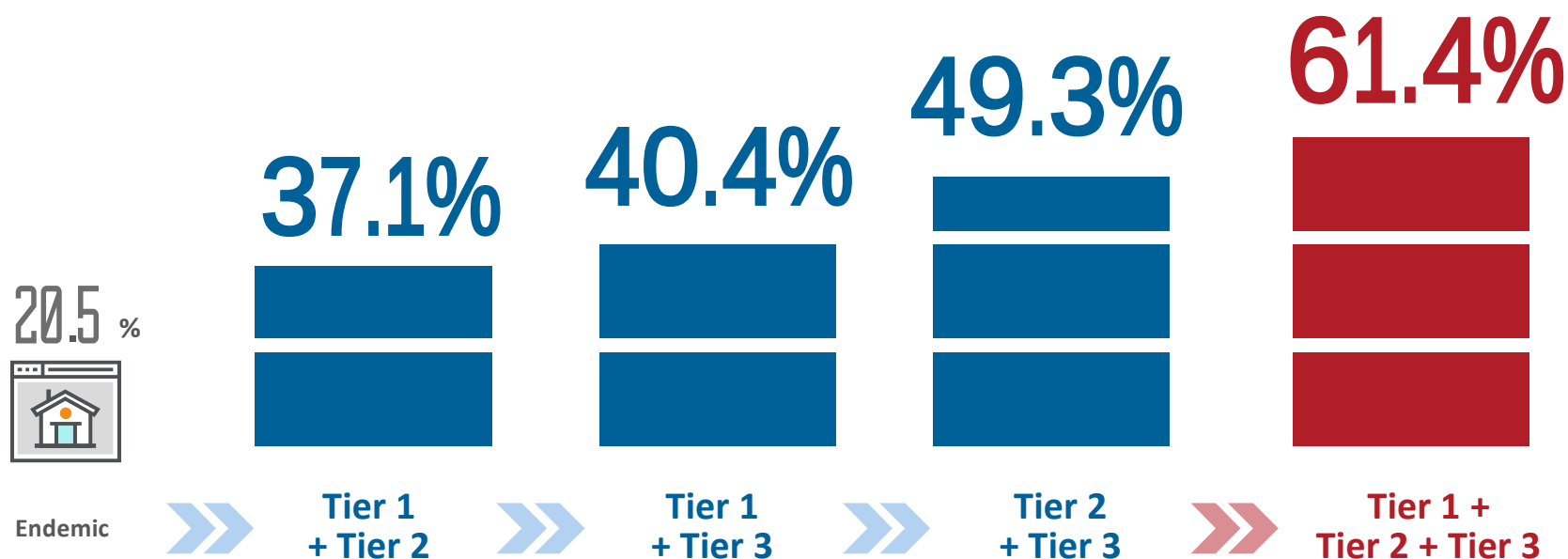


Source: 2016 Autotrader Multi-Tier Effectiveness Study

#NADA2016

Multi-tier ad experience has...

MOST influence on driving visits to dealer & more interactions



Source: 2016 Autotrader Multi-Tier Effectiveness Study

#NADA2016

2 Ineffective **AD** — Messaging

➤ An “incentive” message influences vehicle purchase consideration most...

ENDEMIC
21.2%

REGULAR
54.5%

+32%

INCENTIVE
71.7%

TIER 1

INTRODUCING THE ALL-NEW
2015 CAMRY
178 HORSEPOWER
35 HWY MPG

TIER 2

VISIT YOUR LOCAL TOYOTA DEALER
THE BEST SELECTION AROUND!

TIER 3

TIER 1

INTRODUCING THE ALL-NEW
2015 CAMRY
LIMITED TIME!
GREAT DEALS & CASH BACK OFFER!

TIER 2

SALES GET \$2,500 CASH BACK
THIS WEEKEND ONLY
GET \$2,500 CASH BACK!

TIER 3

Source: 2016 Autotrader Multi-Tier Effectiveness Study

#NADA2016

➤ ...and is more likely to influence a dealership visit

ENDEMIC
20.5%

REGULAR
55.6%

+21%

INCENTIVE
67.1%

TIER 1

TIER 2

TIER 3

TIER 1

TIER 2

TIER 3

Source: 2016 Autotrader Multi-Tier Effectiveness Study

#NADA2016

FOCUS ON:

Sales events & cash back offers



3 **Not taking Advantage of CO-OP Dollars**



96%

**say co-op funds are
very important**

Source: 2015 Autotrader Co-Op Study

#NADA2016

67%

say using co-op dollars
for digital advertising is
NOT EASY.



Source: 2015 Autotrader Co-Op Study

#NADA2016

Why **co-op funds** aren't used

- Restrictions
- Co-Op funds expire before I can use it
- Doesn't qualify
- Pre-approval process is a hassle
- Not aware of co-op funds

Multi-Tier advertising strategy taps into available co-op funds



Becoming a best practice dealer in **display**

- **Conduct a fitness check** on your advertising partners
- Create a **multi-tier** ad strategy and plan
- **Use incentive messaging**, which works 20-30% better than regular messaging to drive vehicle purchase consideration & intent to visit dealer
- Feature **sales events & specific cash back offers** – the most motivating incentive messages
- **Tap into co-op funds more readily** by using a multi-tier advertising strategy



Questions?

Advertising that INFLUENCES



Doug Keim
Vice President
Cox Automotive
Atlanta, GA
404-568-8163
Doug.Keim@autotrader.com



Please visit the **NADA Pavilion** in the Expo Hall for information on accessing electronic versions of this presentation and the accompanying handout materials, and to order the workshop video recording.

#NADA2016