

Automotive Attribution: Fundamentals and Future

Measuring the Impact of your
Marketing Investment



OVERVIEW

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In the Internet Age, changes are coming at car dealerships so quickly that it can sometimes feel that in the time it takes you to get up to speed, you've already fallen behind. Big Data is available, but what do you do with it? Social media is huge, but how do you tap into it? SEO can have a big impact, but where does it fit in your priorities? It also gets confusing when the path-to-purchase is not just online or offline but a mix of both as consumers are influenced by email, social media, video, TV, billboards, direct mail, mobile apps, and on and on. In effect, more advertising channels means more ways to reach potential consumers, but also much more complicated analysis to determine if their investment is working.

It's important to get this right, and actually it is quite simple: today, over 90% of automotive consumers begin their search online¹, and nearly one-third of all vehicles purchased come from internet-generated leads².

So where should savvy marketers start? As always, with the fundamentals. The better you're able to understand your consumers and address their needs and wants (both from an information and product perspective), the more you'll earn their trust.

In this white paper, the idea of attribution is discussed. Attribution means the tracking of your marketing investment through each stage of path-to-purchase from driving traffic to close. Attribution allows you to understand which elements of your marketing mix were involved in the purchase decision process, and ideally, which were the most effective.



¹Automotive News "Dealers master Web search to land on page 1 when consumers shop" David Barkholz (January 30, 2012)

²Automotive News "Replies to online leads need more than speed" Jamie LaReau (Feb 12, 2012)

PART 2

Attribution in the Past

Prior to the boom in online marketing, facts were scarce but it didn't matter as much. Generally, you couldn't really tie back car sales to your TV, print, and mail spend. But then in the early 2000's, there was the internet boom in the car business and the promise of attributing those online shoppers to buying cars. Unfortunately, there was a disconnect between the lead generated, and the lack of good and thorough data, to the showroom visitor and the purchase. Even the most savvy dealer or manufacturer with an advanced CRM process struggled with matching the data. So the old adage still applied "Half of my advertising spend works, I just don't know which half."

PART 3

Attribution Today

Consumers who buy cars follow the traditional purchase path from awareness to consideration to searching dealer inventory to trial (test drive) and purchase. Over time, they may also be loyal to a brand and tell their friends about it (advocacy). So which elements along this purchase path, now interwoven with the world of online can be measured today?

- ✔ Awareness can be measured with estimated impressions from billboards, radio spots, and online advertising to see if consumers are aware of your dealership.
- ✔ Consideration can be measured from web form inquiries, online chats, and phone calls tracked back to your website. Online analytics can show which page spurred the lead and how a consumer arrived at that page. And there are new tools that allow for geo-targeting by location and connect with consumers both on desktop and mobile devices.
- ✔ Trial is best measured as traffic to the showroom for test drives is a key indicator of purchase interest, as the consideration deepens.
- ✔ Conversion to purchase is measured easily at the dealer.
- ✔ Advocacy includes soft variables like social media followers and likes as a common way to measure brand advocacy and fans, and also spark awareness of a new product.

What has been missing, however, has been the ability to measure the impact of something driving awareness and consideration all the way down to the purchase.

But that has changed. When a consumer visits your website, they are already into consideration of your product. But how do you get them to move from interest to intent? Tools like AutoHook's Web2Show provide incentives to in-market consumers to visit your showroom. This investment is trackable through its partnership with Polk (now IHS Automotive) sales data. "Purchase analysis reports provide auto dealers and OEMs the evidence they need for improved business decisions," said Brad Korner, VP, Automotive Retail & Media at IHS Automotive. "Armed with this information, dealers and OEM representatives can determine, on a monthly basis, exactly what is performing well and identify areas where they need to improve."

That is attribution. Transparent results from investment actions.

Example results from AutoHook's incentive-based targeting include:

- ✓ Average show rates are 32% (above the 17% industry average)
- ✓ Average overall close rates from showroom visitors of 60%
- ✓ Average overall close rates from internet lead of 19% (above the 12% industry average)
- ✓ Average cost per sale is less than \$85



Sample of AutoHook's award-winning Incentive Solution in action.

Attribution and accountability of investment is here to stay.

And it is becoming even more multi-channel as mobile is the future both for awareness, consideration, and now trial. Mobile ads play a big role in influencing consumers to visit other dealerships.

In ComScore's Multi-Platform and Mobile Metrix study, U.S., January 2013 & 2014, they found that:

- ✓ At least 24% of time spent researching automobiles is now on mobile devices.

Cars.com and analytics-company Placed conducted a study of 100,000 consumers in the U.S. in January 2014 and found that:

- ✓ 63% of car shoppers have engaged in "showrooming," when comparing cars at other dealers
- ✓ 33% going elsewhere based on a mobile ad they saw while shopping for a car
- ✓ 51% indicate they used their mobile device to look up information on related to price, payments, and offers



AutoHook's device-friendly responsive overlay.

Customization is the other aspect that is the future. Consumers now expect and respond better to messaging that is customized to them.

AutoHook has evolved its technology again, with industry-leading responsive design. One key aspect of this design provides streamlined form-fill on mobile and allows geo-targeting on mobile to give dealers a true “showrooming” solution that can now be measured. The consumer experience is based on variables such as:

- ✓ Specific inventory
- ✓ IP address, excluding dealership IP
- ✓ Time delay of engagement
- ✓ Number of page views before the initial offer & re-engagement

The result is streamlined conversion via e-mail or text delivery. And the consumer data is captured during redemption and showroom visit, with the sale able to be attributed to the mobile conversion. That is the future of attribution – anywhere, anytime.



AutoHook's convenient mobile redemption options, including first-in-industry Passbook Integration.

So what does this mean for today's dealers?

- ✔ Don't abandon your traditional marketing vehicles if you know they're working but don't have the metrics to prove it. But do add new tools to your marketing mix to better measure the impact and efficiency of your spend.
- ✔ Look for solutions that give full, transparent data tracking, so you can attribute each dollar spent to a tangible outcome. AutoHook offers complete attribution, even allowing you to calculate your anticipated costs beforehand thanks to their [Auto Attribution calculator](#).
- ✔ Know that the value of a sale doesn't end that day. Factor in potential repeat purchases, as the average American changes cars about every four years. Yes, it's an assumption, but a good one that can be based off your past sales history.

About AutoHook

AutoHook, the global leader in commerce search advertising, partners with the world's leading retailers, online travel agencies, and automotive companies to provide marketers unprecedented access to active category shoppers and a clear view into resulting sales attribution. The company's high-performance vertical marketing programs accelerate sales for product brands, marketplace sellers, hoteliers, and automotive marketers. Network partners and advertisers including Walmart, Target, Intel, LEGO, Expedia, Priceline, Chrysler, and Kia use AutoHook to increase sales and monetize site traffic. Backed by Bain Capital Ventures and Intel Capital, AutoHook is headquartered in New York City, with offices in Ann Arbor, Atlanta, and London, UK.

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