SUCCESSFUL ONLINE NEW CAR MARKETING









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Questions?

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HOW TO MERCHANDISE NEW CARS ONLINE

Now that you've gotten the hang of marketing used cars on the Internet, it's time to turn your attention to new vehicles. From a shopper's perspective, it's every bit as important as used car marketing because car shoppers don't distinguish much at all between new and used. They're simply looking for what they believe to be the **best value**. In fact, **45%**¹ of New Vehicle Buyers actually started shopping for a used car *first* before ultimately deciding on a new car, and **53%**² of shoppers and buyers consider new and used cars in their purchase process.

Everything that you do to market your used car inventory, you need to be doing with new cars, too. If you're not, you may be missing significant opportunities to move your new car inventory quickly and efficiently.

The good news is that if you're already marketing your used vehicles online, you're almost there. Like used cars, there's more to a new car's story than the features listed on a VIN explosion. This handbook provides step-by-step guidelines on how to market and set up new vehicle listings. These tactics hold true on third-party sites as well as your own dealership website.



 $^{^{\}rm 1}\,\text{Source} :$ Automotive Buyer Influence Study, AutoTrader.com/Polk, 2011

² Source: Shopper Frame of Mind Study, February 2011

ABOUT THE ONLINE MARKETPLACE FOR NEW CARS

The Internet is the preferred information source among vehicle buyers, and is the predominant source among New Vehicle Buyers. Effective online automotive advertising not only influences what makes and models shoppers buy, it also influences which dealers they buy from.



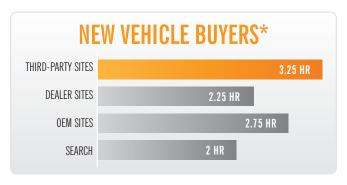
- 71% of New Vehicle Buyers use the Internet during the car shopping process.
- The Internet is the **most used** and **most influential** shopping source among New Vehicle Buyers.



• **50%** of New Vehicle Buyers say the Internet is the predominant source that leads them to dealers — more than twice that of any other source.



New Vehicle Buyers spend 19 hours shopping for a car,
 60% of that time online.



- New Vehicle Buyers spend most of their time shopping on third-party sites.
- Nearly all New Vehicle Buyers are cross-shoppers they shop both new and used categories, so there's always an opportunity to convert used to new.
- Special Offers, Dealer Rebates and Incentives are significantly important to New Vehicle Buyers, which is one of the key reasons they shop online.

^{*}Source: Automotive Buyer Influence Study, AutoTrader.com/Polk, 2011



Define Your New Car Marketing Strategy

Use these tips to generate greater activity on your listings.

Employ an Inventory-Based Marketing Strategy

New Vehicle Buyers spend **60%** of their total shopping time online, and they spend the most time online looking at inventory on third-party sites. The most successful dealers have a strong inventory presence on their own dealership websites as well as third-party sites, where they are putting their vehicles in front of as many qualified, in-market shoppers as possible.

Think "All Cars" All the Time

The majority of shoppers want to view **new** and **used** cars together in the same search. So it's important to get your new cars listed on the same sites as your used inventory. But just listing your new cars isn't enough. Effective merchandising with actual (not stock) photos, videos, custom comments and pricing can help convince an undecided shopper to take a serious look at your new vehicles. More importantly, by giving equal exposure and merchandising to ALL your cars — both new and used — you are more likely to be a part of a shopper's consideration set.

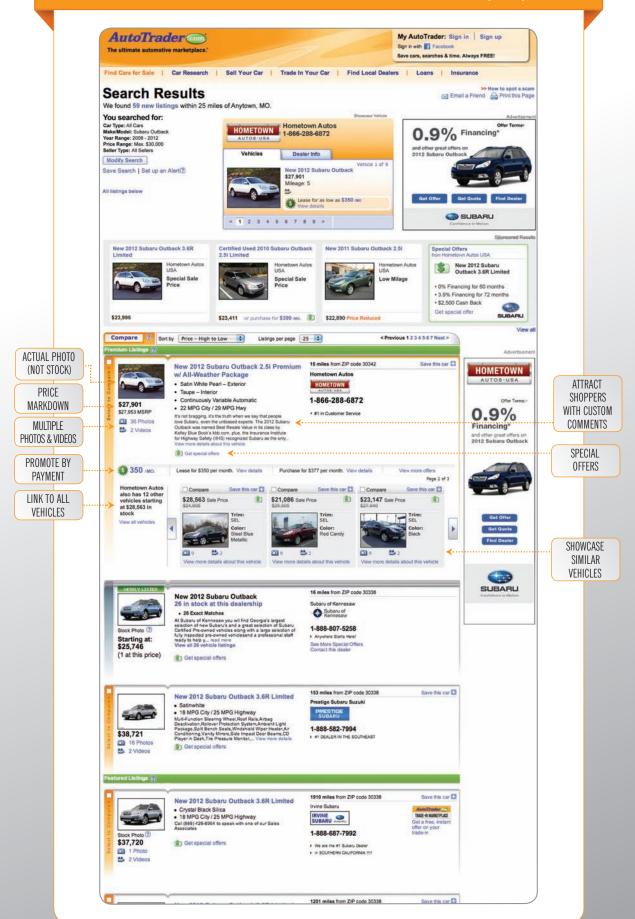
View Your Marketing through a Consumer-Centric Lens

Think about what the **shopper** wants to know (consumercentric), and not what you want to tell them (dealer-centric). Shoppers tell us they want to see lots of photos of the actual car — even if it's a new car.*

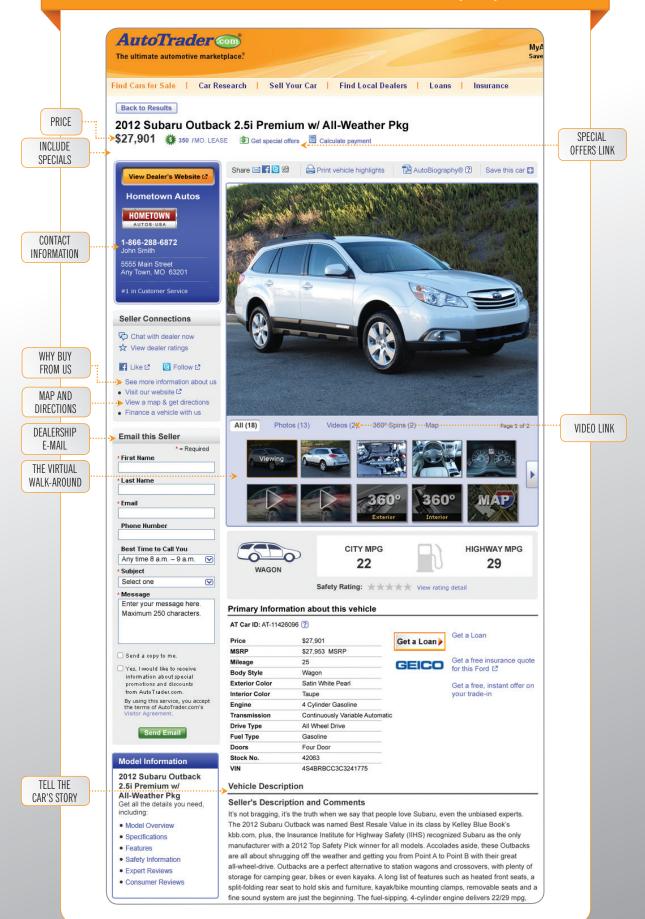
They are also concerned with pricing, but you can allay their cost fears by highlighting incentives, financing specials, payment amounts and so on. Never lose sight of the fact that you have more to offer than just ways to keep their costs down. Focus on your value proposition and customer service. You have the power and opportunity to give shoppers exactly what they want. If you don't, they are just a click away from another dealer who will.

^{*} Source: Automotive Buyer Influence Study, AutoTrader.com/Polk, 2011

ANATOMY OF A VEHICLE SEARCH RESULTS PAGE (SRP)



ANATOMY OF A VEHICLE DETAILS PAGE (VDP)





Make the SRP Work For You

Having your inventory listed on third-party sites is not enough — you've got to earn click-throughs from the Search Results Page (SRP) to the Vehicle Details Page (VDP). When you create powerful online merchandising — pricing, specials, photos, videos, custom comments and so on — it stacks the deck in your favor on an SRP, improving your odds that a consumer will be attracted to your listing and move to the VDP. It's the same approach that online real estate listings take. Homes that are well-merchandised have a far higher conversion rate to their virtual tour page and in-person showings than those with bland, lackluster descriptions. Beyond having a well-merchandised SRP, it's also important to consider your position or rankings on the page in order to maximize visibility among car shoppers. The SRP is, after all, the gateway to your VDPs.

How to make your SRP lift your click-through rate:

- · Actual (vs. stock) photos of car, plus videos
- Link to view all of your new inventory for that model
- Specials integration
- Promote by payment
- · Price markdown
- Custom comments

Always Show the Price

Listings without a price can turn customers off because they may automatically assume a vehicle costs too much. Customers aren't always looking for the lowest price, just the best value (which is where great merchandising comes into play), so don't hold back.

Price Right, Merchandise Better

Price alone is not going to make a new car stand out, but **merchandising** will. Focus on other value-added services you're going to provide the shopper with her purchase. For example, extended service hours, play area for the kids, free Internet service while you wait in the customer lounge, "why buy from you," why this model is the right choice based on the customer's lifestyle, etc. Your job is to walk a mile in your customer's shoes, determine what's important to her (consumer-centric) and deliver an experience that says "right car, right price, right dealer."

Promote Special Incentives

Promote special programs, including special financing, cashback incentives and leasing programs.

Talk About the Vehicle

In the comments section, talk about the premium features that make this vehicle worth its price (leather seats, DVD players, GPS system, heated seats, etc.).



VS.

Stock photography does nothing to help you sell a vehicle.



Actual vehicle featured in listing.

Every Picture Tells a Story

Ads with photos typically get **twice** the response of ads without. Research shows that dealers who merchandise their new inventory online by adding *actual* photos of each new car and real prices can increase Vehicle Details Page views by as much as **180%**.* While many dealers use stock photos for their new car inventory online, those listings don't perform much better than listings with no photo at all.

Why actual photos are more likely to bring a customer to you:

- There is virtually **no difference** in click-throughs between stock photos and no photos at all.
- Custom (actual) photos can improve your click-through rate from the Search Results Page to the Vehicle Details Page by 180%.
- Click-throughs from the Search Results Page to the Vehicle Details Page can increase up to 90% when you use multiple custom photos (vs. a single custom photo).



^{*}Source: AutoTrader.com site data, December 2011



The More Photos the Better

A multiple-photo, "virtual walk-around" of the actual vehicle helps shoppers become familiar with the car so they develop a connection with it. The exterior walk-around should feature views from every angle, including the front, front quarter panel, driver's side, passenger's side, rear, rear quarter panel, the engine, a wheel, a closeup of the front end, doors open, the trunk and bumper, to name a few.

Interior Photos are a Must, Too

Think about what the buyer sees when he gets in and looks around the interior of the car: the steering wheel and gauges, dashboard, glove box, center console, radio/stereo, rear DVD players and GPS are good places to start.

ONE LAST TIP

Show a variety of interior and exterior shots and angles within the first 9 photos so customers get a mini walk-around as soon as they arrive at your Vehicle Details Page.

THE VIRTUAL WALK-AROUND









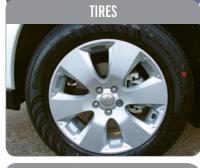




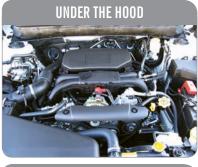


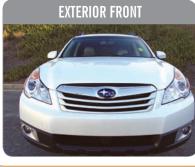


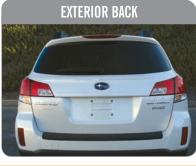
















DIY Photography Basics

We'll say it again: Stock photography does nothing to help you sell a vehicle. Your online listings are something like an online dating service. No one is going to pick a date without seeing an actual photo of the person. Same goes for your new cars—and remember, good photos work everywhere.

The Camera

A digital camera will yield high-quality photos; the camera on your phone won't. A 35mm camera with interchangeable lenses is best, but not necessary to produce good images. If you use a professional photographer to shoot your used cars, see about renegotiating your contract to include new vehicles.

The Location

Choose a nice location with minimal distractions in the background — against a grove of trees, the side of a building or in your staging area. The best times of day to take a photo outdoors is in the morning after sunrise but before 11 a.m., and in the afternoon between 4 p.m. and dusk. Avoid shooting photos between noon and 3 p.m. because the sun is so high in the sky that it casts bad shadows around objects, masking details.

The Composition

The car you're taking a picture of should be the only one in the photograph. Don't take pictures of the car when it's in the inventory line — a bunch of other cars in the background is distracting. Make sure your photos are up to date. For example, don't show a car on a snowy lot during the middle of summer.

The Quality

The customer should be able to clearly see detail. Don't frustrate buyers with pictures that are blurry or lack detail.

Or, Consider Using a Professional Photography Vendor

The challenge of DIY photography is that it's difficult to control quality outcomes and can be labor-intensive. Many dealers use **automotive Internet publishing services**. These data management services specialize in handling dealer vehicle merchandising, from shooting vehicles to publishing the images on all of a dealer's listing feeds. This ensures quality, consistency and lets you focus on what you do best — marketing and selling vehicles.



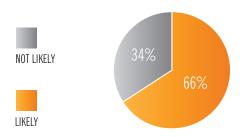
Rev Up Your Listings with Video

How Video Influences Car Shoppers

Today's consumers are empowered by the latest technology and have even come to expect it. One advertising tactic that continues to increase in popularity among online shoppers is video. In fact, **66%** of vehicle shoppers say that they would watch more online video if more was available. Video is compelling to car shoppers because it brings vehicles to life in a way that photos can't. Sight, sound and motion make video more emotional and engaging for viewers. If you are not using video, then you are missing opportunities to engage and influence shoppers.

As you work to target your ad spend and adjust your creative budgets, it's important to understand the video options available to you as well as consumers' expectations of video content.

Car Shoppers Would Watch More Video if Available



Source: AutoTrader.com Video Survey, 2009

VIDEO BY THE NUMBERS

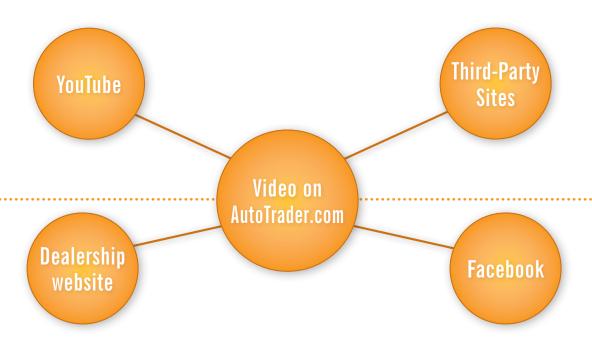
In-market shoppers are 14 times more likely to watch automotive video than general Internet surfers¹

After watching an automotive online video:

- 62% of shoppers visited a car/ truck dealership in person²
- 56% of shoppers searched a dealer's inventory online²

¹Source: Google/ Compete and Polk Video Study, 2009

²Source: Google, Compete and Polk, "Online Video Study: The Role of the Video in the Automotive Research and Purchase Process," March 2011



Video Distribution is Key

First, let's talk about **where** you should be posting videos online. It's not just about the content. The key is the distribution and exposure for your videos. It doesn't matter how great the content is if it's not being seen by in-market car shoppers.

According to a 2009 Google/Compete Auto Video Study, online viewership of automotive video has multiplied six times since 2007, with ready-to-buy shoppers **14 times** more likely to watch these clips than general Internet surfers. The study goes on to say that the most popular video destinations are: third-party sites (60%), manufacturer sites (59%), dealer sites (52%) and YouTube (52%). So, it's critical for you to place video content on as many sites as possible to reach and engage potential customers.

Video sharing sites like YouTube are also important to your video distribution strategy. In fact, **62%** of consumers agree that companies that have channels on YouTube are forward-thinking and innovative brands, according to the 2010 U.S. Edition YouTube Report by Entertainment Media Research.

Video Content

Now that you know where you're going to be posting your videos, let's talk content. According to Todd Smith of ActivEngage, successful videos educate, entertain and enlighten. Dealers need to help car shoppers understand the value of their inventory and services in the context of an educational video that meets the shoppers' needs. Your brand should play a supporting role. Focus on helping the viewer first and endorsing your brand second — the value and usefulness of video in the online space comes from the consumer. Too hard a sell and you may diminish the positive experience.

Use Pan-And-Scan Video

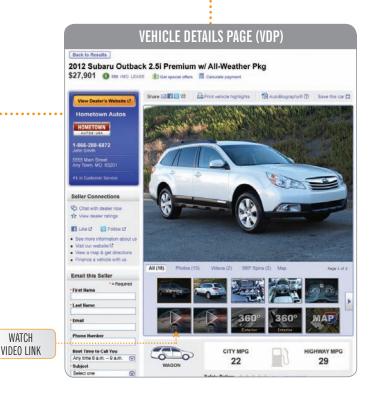
Consider using pan-and-scan videos. This option allows you to turn still vehicle photos into a virtual "walk-around" video, narrated by a voiceover with a custom script. If you are writing custom comments for your vehicles, make sure your video highlights those comments. It may be one of the most important factors in influencing a shopper's decision between two vehicles.

There are convenient tools to help you easily create pan-and-scan videos. Ask your AutoTrader.com Advertising Consultant for more information about pan-and-scan video solutions.

¹Source: Forrester, 9/2009

PAN-AND-SCAN VIDEO





DIY Video Basics

Your video doesn't have to be studio-production quality to build interest and consideration among consumers. Since a lot of the shopping process is taking place online, think about the do-it-yourself video as your virtual salesperson.

Successful Videos Educate, Entertain and Enlighten

Tell the vehicle's story. Engage the shopper as your best salesperson would do on the lot. Avoid sales pitches and specs, but feel free to talk about its features and the benefits of those features.

Help Shoppers First, Your Brand Second

While it's important to reinforce your dealership's value proposition to customers, too much focus on your dealership may turn the shopper off.

The Camera

Video doesn't have to be professionally made. You can do it yourself with an inexpensive video camera or even the video function of a smart phone.

The Location

WATCH

Same rules apply here as for still photography. Choose a nice location with minimal distractions in the background — against a grove of trees, the side of a building or in your staging area. The best times of day to take video outdoors are in the morning after sunrise but before 11 a.m., and in the afternoon between 4 p.m. and dusk. Avoid shooting video between noon and 3 p.m. because the sun is so high in the sky that it casts bad shadows around objects, masking details.

The Composition

Photography rules apply here, too.

Show the Actual Car

Use manufacturer-supplied video if you must and only on your website to speak generally to the model. Your story is best told if you make your own video, but it's okay to use OEM video in conjunction with your own footage or if you simply can't do the video yourself. Anything is better than nothing.

VIDEO TIP

Help your videos stand out from the crowd. Shoppers only see the first 140 characters of your video description during a Google search, so make your words count!



Do a 360° Pan-and-Scan Walk-Around

The most popular videos highlight the cars themselves, according to a 2009 survey from Forrester. Give shoppers a sense of what it would be like to own and operate the car. Make sure to include basic views of both the interior and exterior of the car. Include views under the hood and in the trunk. Start the engine, turn on the radio, engage the GPS system and so on. Reinforce information retention by showing what you're talking about (e.g., the odometer while talking about mileage).

Keep the Video Short

Focus on 1 to 2 minutes of highlights. Customers have short attention spans and will likely lose interest if the video runs too long. If you're writing a script, allow 2 words per second.

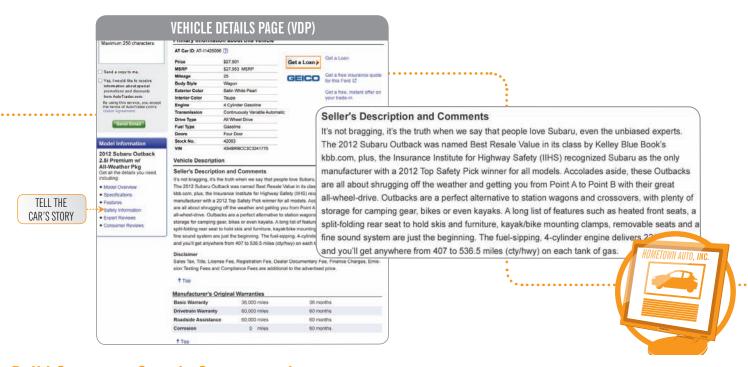
Include Information that Cannot be Gained from Photos

Online video is perfect for showcasing features that static images cannot fully convey. While it's nice to know that a car is equipped with the latest high-end accessories, a video showing it in action will help shoppers decide if it's the option they need. Don't forget to explain less tangible qualities about the car as well, such as the warranty, industry awards (e.g., 2012 Top Safety Pick), reliability, etc.

Leverage Manufacturer Assets

Most OEMs have **video assets** available for your use, so use these assets when you can't use the other options mentioned, or use them in conjunction with do-it-yourself or pan-and-scan videos. In addition, your manufacturer likely has a video distribution network that you can take advantage of. Another great idea is to repurpose your TV commercials as online videos.

Regardless of what type of video you decide to use, the most important thing is getting your compelling marketing message in front of as many in-market shoppers as possible.



Build Consumer-Centric Comments that Shoppers can Relate To

Granted, it's easy to write comments about used cars because they have a history and a unique story to tell. But new vehicles have bells and whistles and new technology that you can use to keep shoppers on the Vehicle Details Page (VDP), so make the comments section work for you.

The First Few Sentences are the Most Important

They are the comments the customer sees on the Search Results Page. They should be loaded with the key benefits that would appeal to the customer's **lifestyle** and entice them to click through to the VDP.

Here's an example:

"The 2012 Chevy Cruze is all about the enjoyable features, great handling and a peppy engine that delivers maximum fuel economy."

Dealer-Speak is Deadly

Stay away from merely listing a car's features in the comments area, such as Airbag Deactivation, Passenger Seat Height Adjust, Emergency Trunk Release, Split Bench Seats, etc. Not only is it nearly impossible to read one feature after another in paragraph form, it uses up valuable selling space for you to influence the shopper to contact you.

For example, in your explanation of trunk capacity, say "huge trunk that will hold three sets of golf clubs with room for a cooler," or "holds three overnighter suitcases with room to

spare." On the subject of leather seats: "Easy to clean, cool in summer, warm in winter."

Talk About a Few Desirable Options

If the vehicle has OnStar, say "OnStar communications system calls for help in emergencies and even finds the best restaurants." If the vehicle is equipped with DVD players, say something like "DVD players on the back of each seat keep the kids happy all the way to Grandma's house."

Stay Away from All Caps Anywhere on Your Page

It's extremely difficult to read and will limit the time your customer spends on the VDP.

Your New Car VDP Should Also Include:

- A bulleted list of the vehicle's installed options
- Information on warranties
- Incentives, such as free oil changes for a year or free satellite radio subscription for 12 months
- Why Buy from Us comments Here's your chance to tell your customer a little bit about you and what you'll do to earn their business.
- Call to action Ask for the business! Tell the shopper what to do next such as "Questions? Call Internet Sales Consultant Ed today at 1-555-555-5555." List your hours of operation, logo, phone number(s) and address.

TELL THE CAR'S STORY

DESCRIPTIVE FEATURES

"Low-profile engine for greater handling agility."

"4-cylinder, fuel-sipping engine."

"WiFi hotspot option."

RELIABILITY

"5-year maintenance warranty for just a few dollars a month!"

"5-year/100,000-mile manufacturer's warranty."

"96% of Subarus built in the last 10 years are still on the road."*

CUSTOMER FOCUS

"All-wheel-drive gets you everywhere in any weather."

"From kayaks to coolers, there's room for everything."

"2012 IIHS Top Safety Pick for all models."**

OFFER INCENTIVES

"Free oil changes and tire rotation for a year."

"1.9% financing through January 31."

"Free WiFi option on all Outbacks."

WHY BUY FROM US

"Independently owned and operated, proudly serving Missouri for 20 years."

"Full range of services, including parts and service, financing and loans."

"A Top 50 Family-Owned Company, 2012."

STRONG CALL-TO-ACTION

"Like us on Facebook for more coupons and discounts."

"Special incentive pricing on new 2012s. Call Eddie at 555-444-1212."



LINK TO CURRENT OFFERS





Play Up Promotions and Special Offers

Promotions, incentives, rebates and special offers are significantly important to New Vehicle Buyers, who rank them the third most important reason to shop online.* They help convert shoppers from the Search Results Page to the Vehicle Details Page (VDP) and keep them on the VDP. In addition to third-party websites such as AutoTrader.com, it's a good idea to promote incentives everywhere your dealership is in the online world — your own website and with display ads on local sites as well as automotive sites.

Use banner ads, dedicated sections of your website and video to advertise special offers, promotions, rebates and special financing.

Bring Them to Your Door

Use your specials to grab attention and bring shoppers to your dealership.

Convert Them from Used to New

Highlighting low APR or other incentives with special offers can help convert used car shoppers to new car shoppers.

Embrace the Season

Create timely, relevant offers that tie into the holidays, the seasons, tax time, vacation time and more.

Be Sure to Include Legal Disclaimers, Too

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VENDOR TIP

Make sure you are regularly spotchecking inventory listings on your website and vendor sites to ensure all information is accurate.

Look at phone numbers and contact information especially, as well as other things like price for consistency.

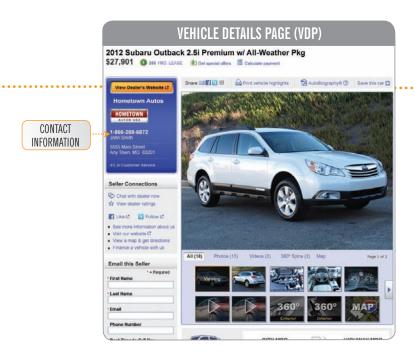
^{*}Source: Automotive Buyer Influence Study, Polk, 2011

VEHICLE SPECIALS PAGE



LEGAL

LEGAL





Merchandise Your Dealership

Your online marketing is about much more than the vehicles you sell. You also want to build consideration for your dealership. What is your dealership's **unique value proposition?** What do car shoppers want to know about your dealership? What questions do you get on the phone or by e-mail before shoppers schedule a visit? This information is important in getting car shoppers to not just choose the cars you sell, but to CHOOSE YOU.

Tell Your Story

Create a store video tour and highlight amenities and departments. You can even introduce employees. Show customers why you are a dealership they should do business with.

Tout Your Experience

It's as simple as saying "Celebrating 30 Years!" in your copy. If you've won special awards for community service, customer service, manufacturer awards, etc., then say so.

Demonstrate Your Customer Focus

For example, "Built on the principles of providing genuine caring and personal service," or "You'll have a dedicated sales consultant to give you personal attention."

Showcase Special Dealership Features

Use video and photos to highlight your dealership amenities. For example, if you've got a state-of-the-art customer lounge or even a playroom for customers' children, then show them.

Use Customer Testimonials

Build a strong image for prospective customers. Just remember to get customers to sign a release form authorizing you to use their testimonial in your marketing. Sample release forms can be downloaded from the Internet.

Ask your legal counsel for more information.

Include Dealership Information

Be sure to incorporate your contact information, website address, map and directions.

WHY BUY FROM US?







To receive your copy of the *Behavioral Targeting Handbook*, or *New Platforms to Engage Car Shoppers Handbook*, please contact your AutoTrader.com Advertising Consultant





QUESTIONS? Call 1-800-353-9350 or visit DealerLearningCenter.com