Proprietary + Confidential

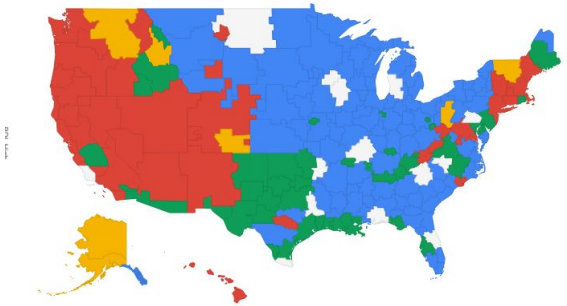
Alabama Mississippi Tennessee Auto Dealers Association

Tony Carroll, Senior Automotive Strategist

June 2019

Your Google Partnership

8 Products that reach over 1 billion global users every month, each



Ability to identify the right person, in the right moment, with the right context

Technology to deliver revenue and profit-driven based outcomes

Agenda

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- Modern consumer behavior
- Working smart with Google
- Driving customers to your dealership
- Evolution of video
- Fixed Operations and driving profitability

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Consumer Behavior

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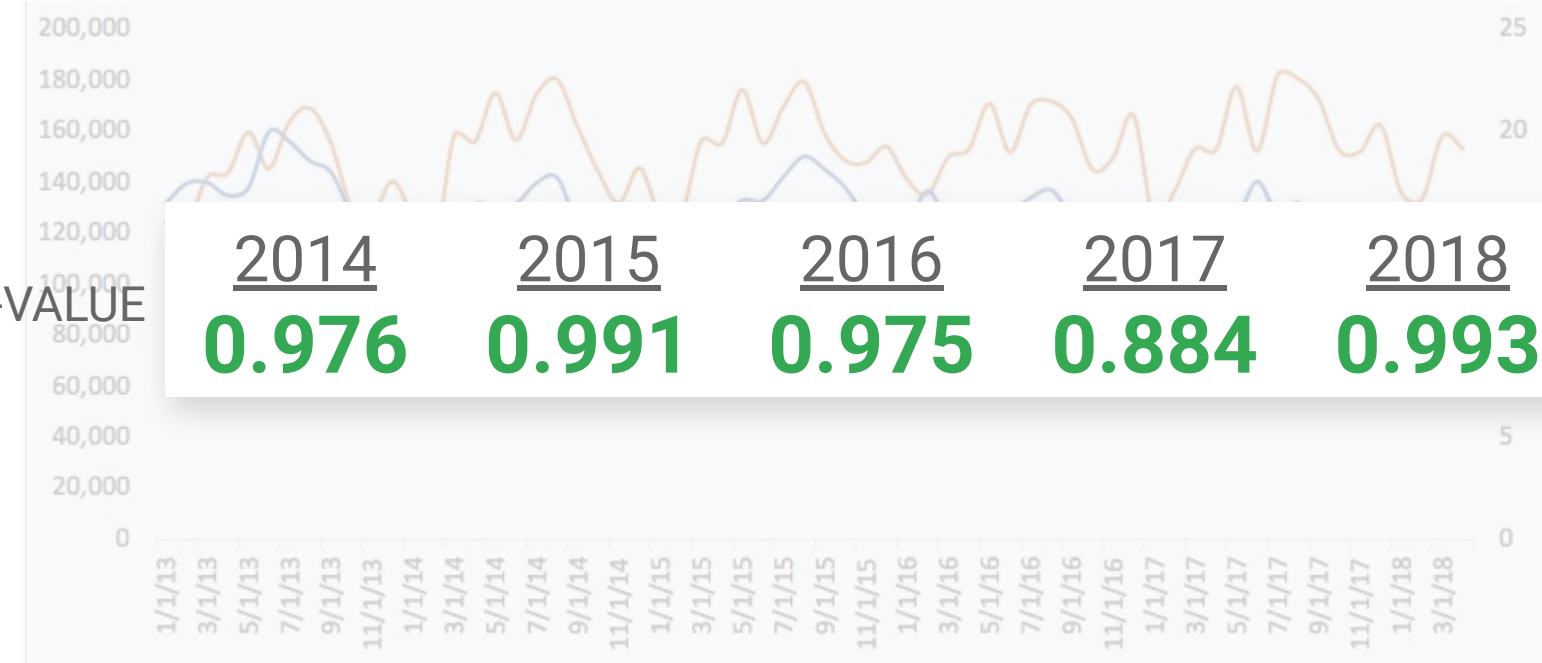
Search reflects real interest from automotive buyers



	2014	2015	2016	2017	2018
R-VALUE	0.976	0.991	0.975	0.884	0.993

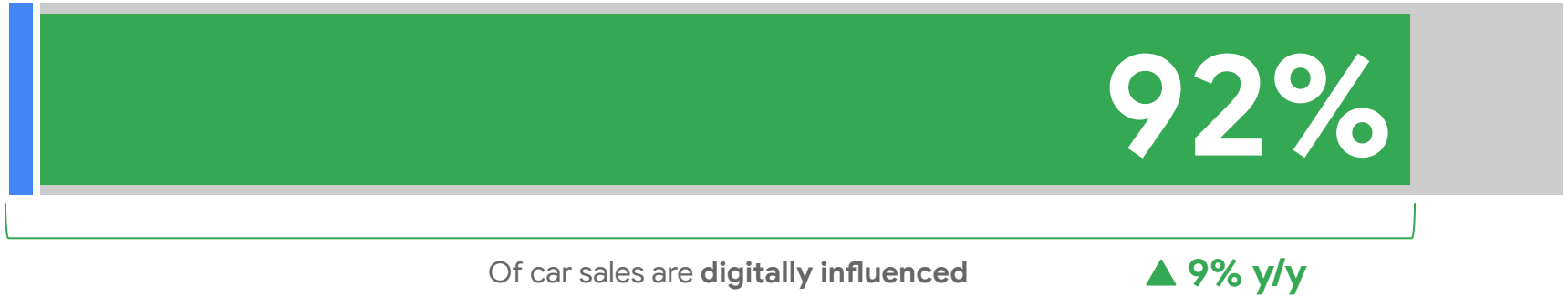
Key Takeaway: Each year, there is a high correlation between that year's model year queries and that year's sales

Source: Google Internal Data / IHS Markit New Sales: Search and Sales Correlation During Respective Model Year

Digital is at the heart of car purchase

1%

Report buying a car **online**



Of car sales are **digitally influenced**

▲ 9% y/y

Source: Google/Kantar Auto CB 2018, new car buyers, n = 519

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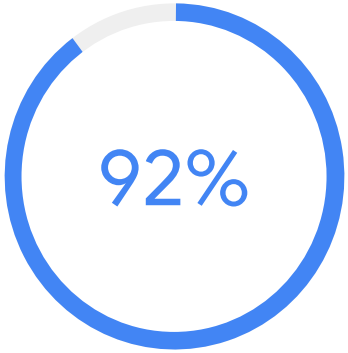
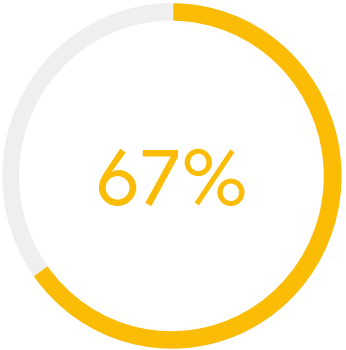
Auto shoppers are increasingly turning to digital for purchase decisions

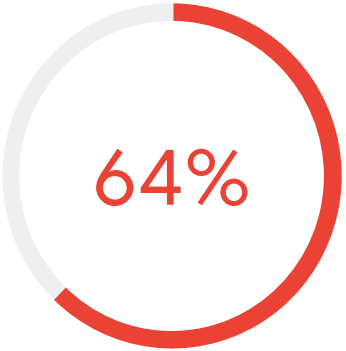
Today's consumers interact with your brand more digitally than they do in person



Research online



Research on their smartphone



Watch online video

Source: Question asked: Q9 - Which of these online sources informed or influenced your recent vehicle purchase? // Q10 - Which of these websites or apps did you use to inform your most recent vehicle purchase? // Q10a - Which of these search engines did you use to look for information during your research? // Q11 - On which of these websites or apps did you watch online videos during your most recent vehicle purchase? Question asked: Q21 Which of your devices did you use at any stage of your online research? // Q22 For which of these activities did you use your smartphone while you were at a dealer (or vehicle lot)? Question asked: Q9 - Used online information sources - Which of these online sources informed or influenced your recent purchase at any stage (from initial research to final decision)? // Question asked: Q10 - Search on dedicated websites - Which of these websites or apps did you use to inform your most recent vehicle purchase? Base: New car buyers, n = 519. Source: Auto CB 2018.
Kantar/TNS, Auto Shopper Study, 2018

There is significant opportunity to influence the consideration set

71%

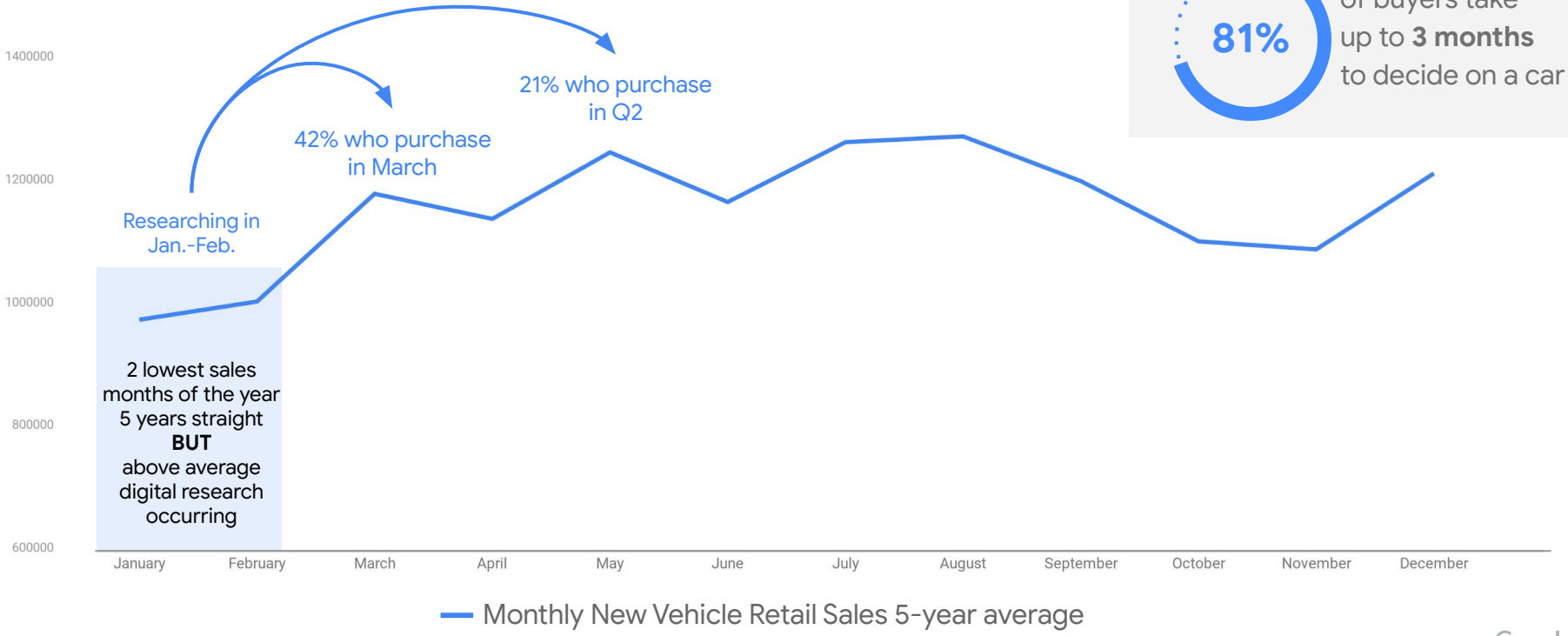
unsure of vehicle choice at onset

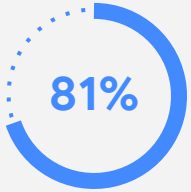
5

auto brands considered

Google/Ipsos, “Digital’s Influence on In-Market Auto Consideration” Study, US, August 2018. 18+ who are in-market for a vehicle in next two months (n=740 survey, n=767 behavioral)

In-market shoppers research digitally for several weeks before purchasing



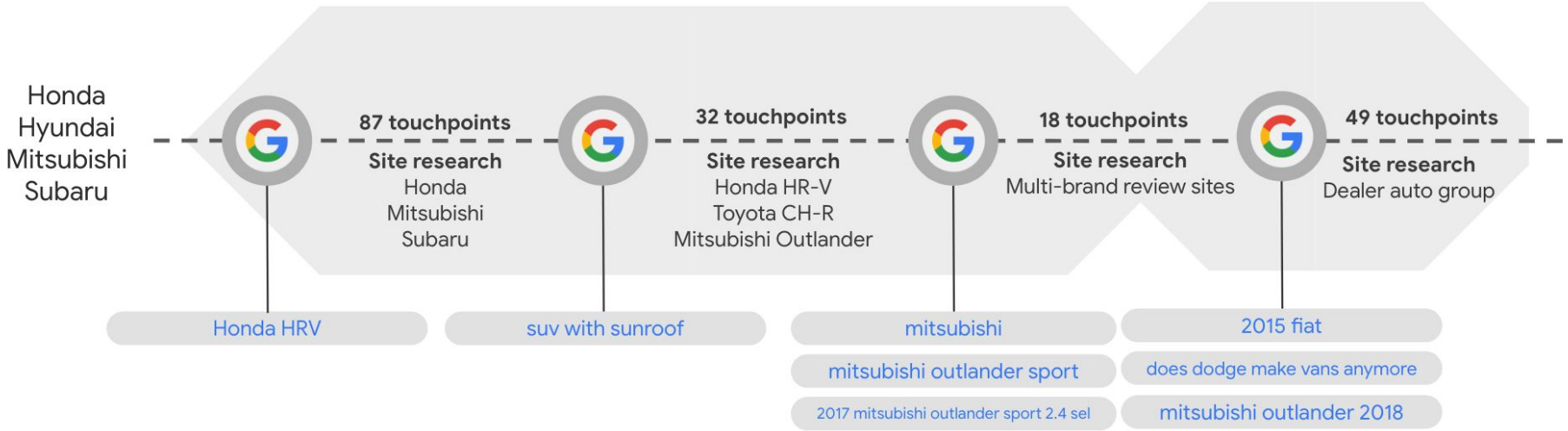


of buyers take up to **3 months** to decide on a car

Google

4
auto brands considered *STATED*

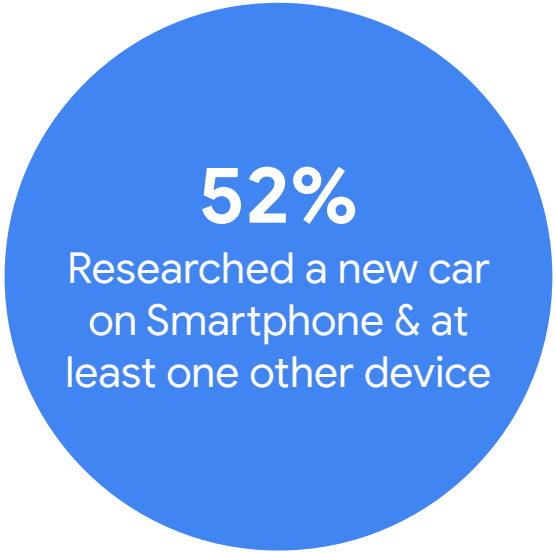
6
auto brands considered *OBSERVED*



Google/Ipsos, "Digital's Influence on In-Market Auto Consideration" Study, US, August 2018. 18+ who are in-market for a vehicle in next two months (n=740 survey, n=767 behavioral)

Google

The Auto consumer path is intensively **cross-device**



▲ 13% y/y

Researched a new car on Smartphone only

Source: Google/Kantar Auto CB 2018, new car buyers, n = 519

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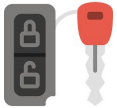
And car buyers are more purchase-ready than ever

Store Traffic

42% of dealers report a decline in store traffic

Test Drives

59% of new car buyers test drive one vehicle or fewer



Sales

60% of dealers report a rise in conversion rate

Source: McKinsey/NADA, 2016, Google/TNS, Auto Shopper Study, 2017

71% of shoppers **do not** take a “Hard Lead” action online before purchase

71%

no “Hard Leads”

Request financing info
Request a test drive
Request a quote

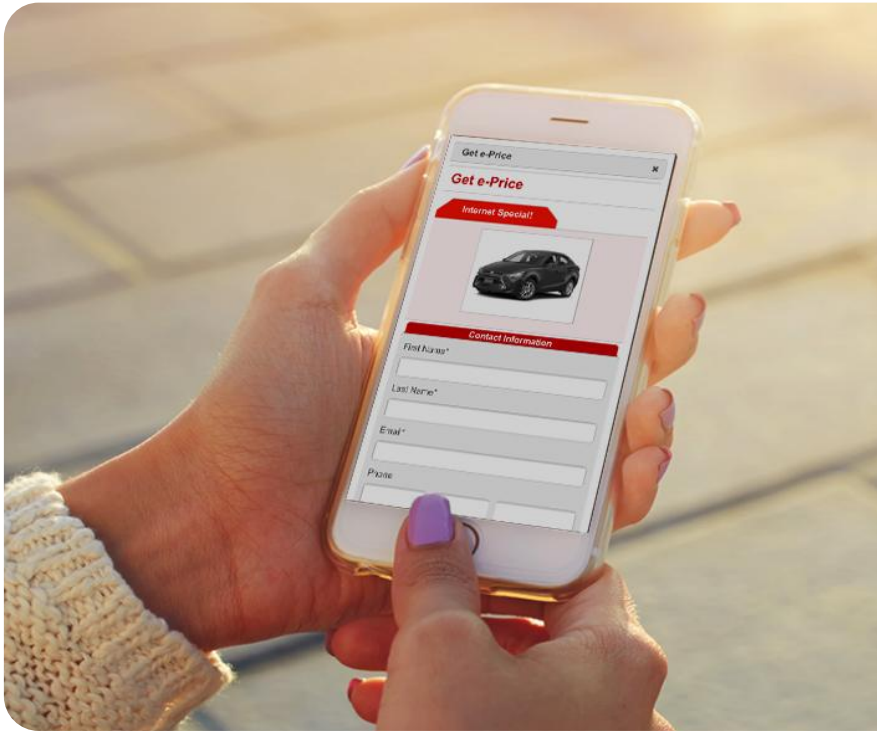
Google/Ipsos, “Digital’s Influence on In-Market Auto Consideration” Study, US, August 2018. 18+ who are in-market for a vehicle in next two months (n=740 survey, n=767 behavioral)

Yet many dealerships continue to focus on lead forms

Less than

1%

of car branded website visits end with customers filling a form with contact information



Source: Google Consumer Surveys, 2016, Q = "Would you be willing to leave your email address with an online dealership, so they can help you in your decision?" (n=1004)

Google

Define success metrics beyond lead form completions

Only **26%**

of people who have purchased a vehicle in the past six months have actually filled out a form

Additional metrics

Phone Calls

Chats
Text Messages

VDP Pageviews

Contact Us
Schedule Appointment
Schedule Test Drive

Time on Site

Dealership Locator
Get Directions

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mSite speed

53%

Users who will abandon a mobile site if it takes more than 3 seconds to load.

Google

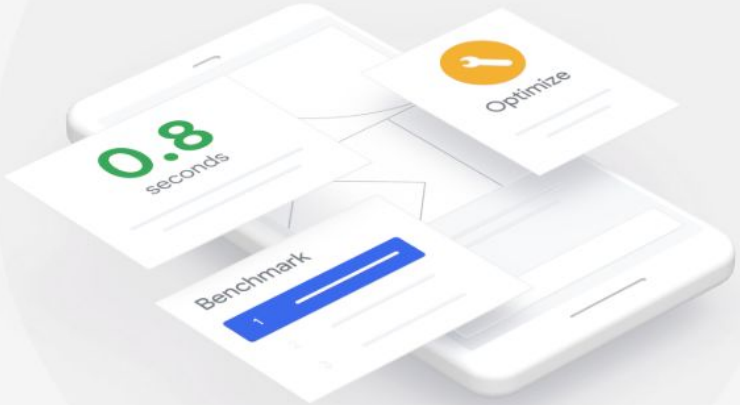
Think with Google

[Google Test My Site tool]

Test My Site

A slow mobile site limits your business.

Enter your domain to test your mobile speed →



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Working smart with Google

How do we work smarter with Google's tools?

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- Prioritize Micro-moments
- Use Radius Targeting
- Leverage Audience solutions

Micro Moment Search Terms: The 5 moments every brand must own

Micro Moment	Keyword Category	Keyword Example
Which Car Is Best?	Make	2018 Toyota
	Make Segment	Toyota Sedan
	Review / Accolades	Toyota Camry Ratings
Is It Right For Me?	Specs	Toyota Highlander MPG
	Models	2018 Toyota Tacoma
Can I Afford It?	Price	Toyota Corolla Price
	Financing	Toyota RAV4 Financing
Am I Getting A Deal?	Deals	Toyota RAV4 Lease Deals
	Incentives	Toyota Tundra Incentives
Where to Buy?	Dealer	Toyota Dealership
	Dealer Name	Dallas Toyota
	Geo	Toyota Dealership Near Me

Dealer Priority

Dealer's should prioritize lower funnel micro-moments where the shopper has clearly shown intent

Google

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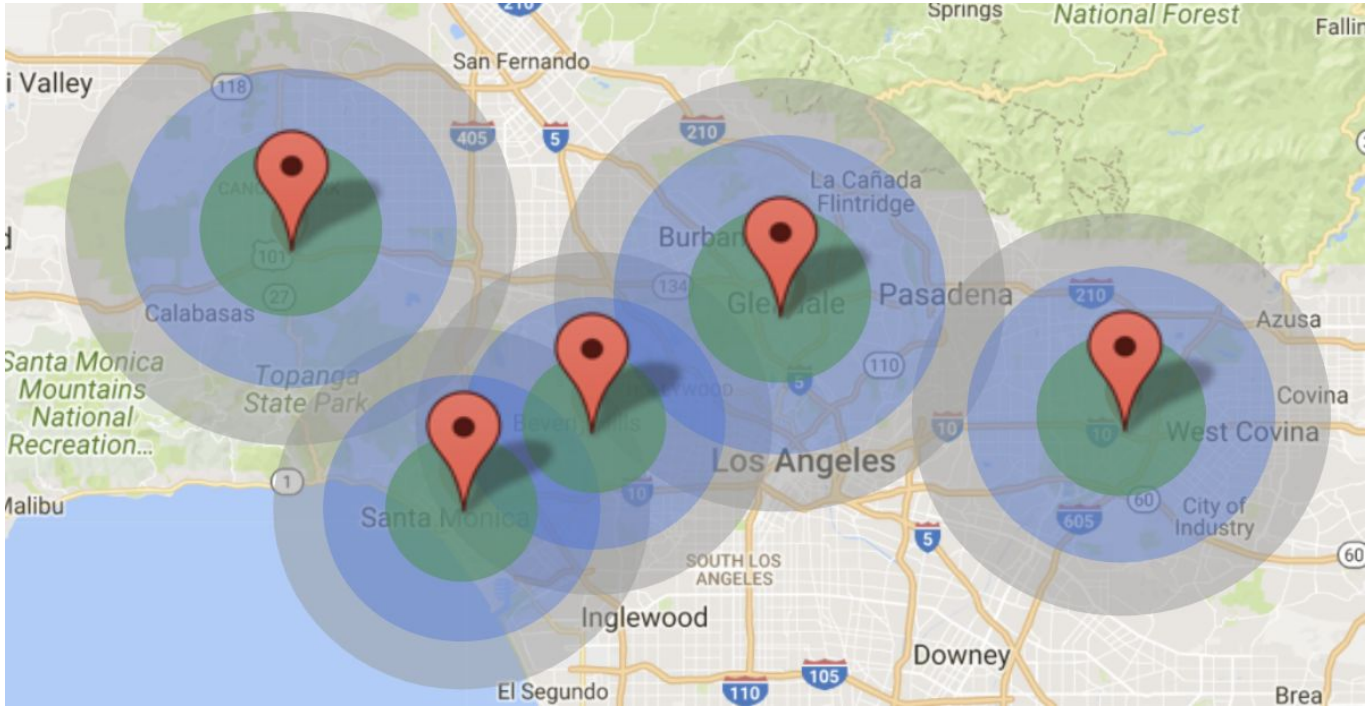
Radius Targeting to match mobile first consumer behavior

Bid modifiers
+30%: 20 mile radius
+50%: 10 mile radius

Additional refinement
5 miles
1 mile



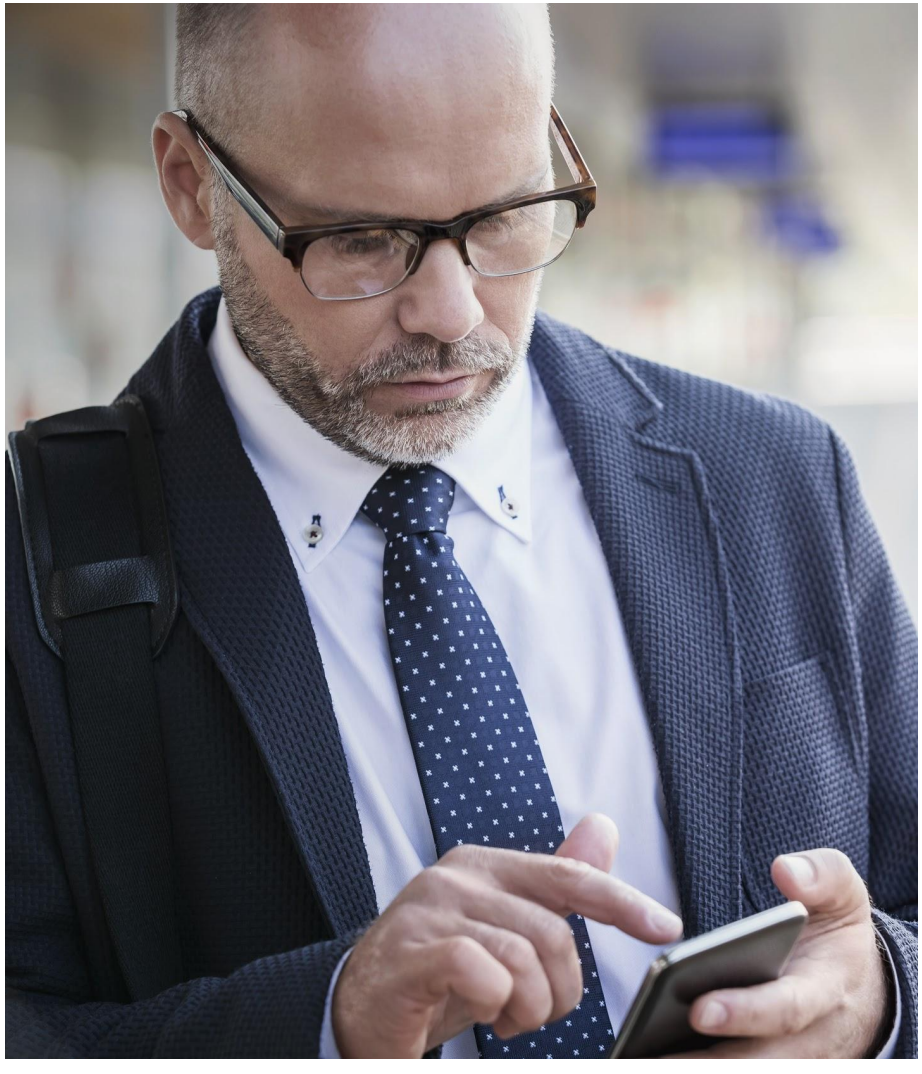
General rules shown here. Each market will vary depending on dealer network size and density. Detailed Google POV here.

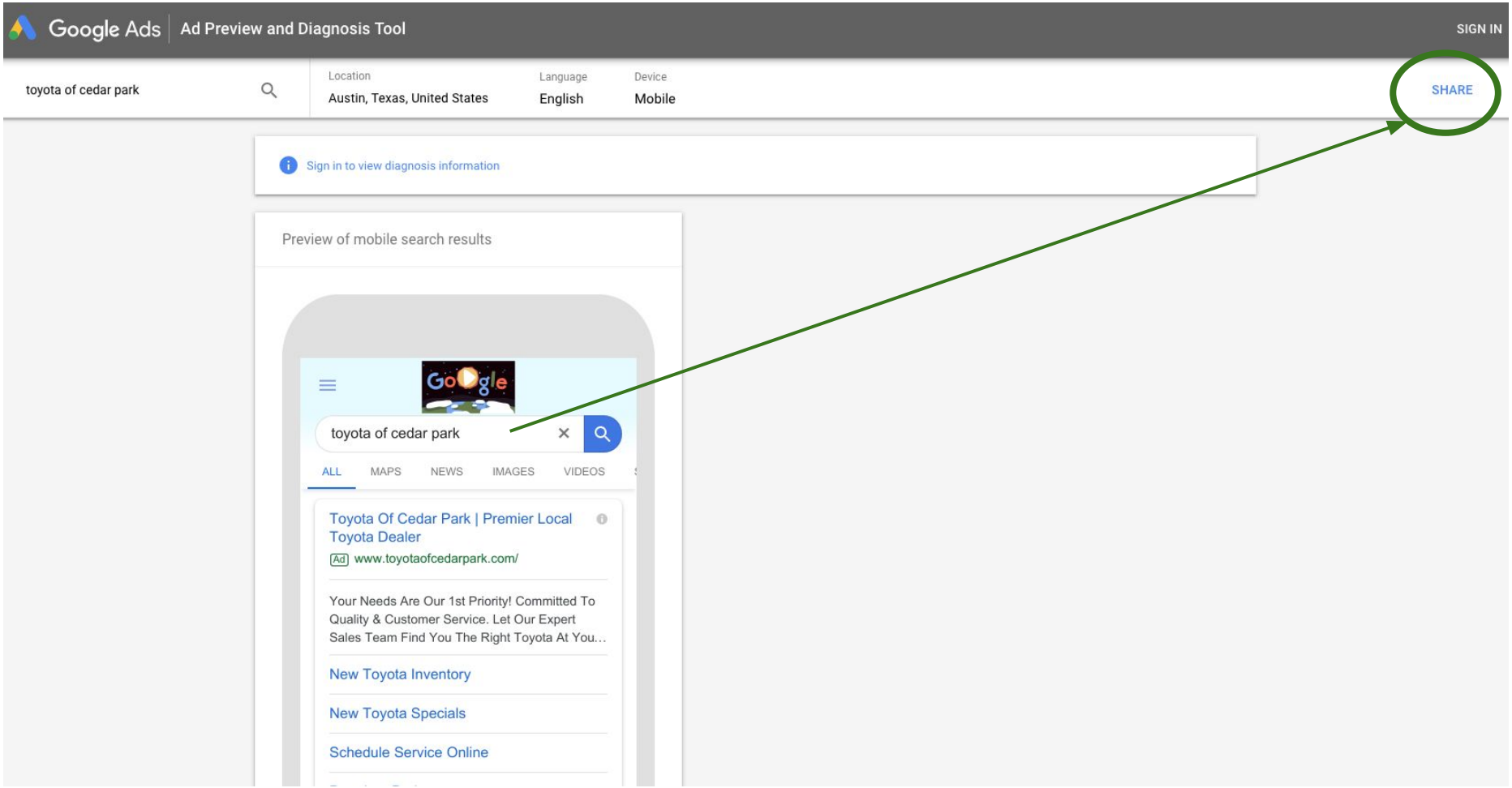
Stop Searching yourself.

Why should I stop searching myself?

Because any of the following could happen:

1. Ad may stop showing up
2. CTR will decrease
3. Quality score negatively impacted
4. Daily budget restrictions
5. Budget waste
6. Misleading results based on user behavior




Google Ads
Ad Preview and Diagnosis Tool
SIGN IN
toyota of cedar park
Location
Austin, Texas, United States
Language
English
Device
Mobile
SHARE
Sign in to view diagnosis information
Preview of mobile search results
toyota of cedar park
ALL
MAPS
NEWS
IMAGES
VIDEOS
Toyota Of Cedar Park | Premier Local Toyota Dealer
Ad www.toyotaofcedarpark.com/
Your Needs Are Our 1st Priority! Committed To Quality & Customer Service. Let Our Expert Sales Team Find You The Right Toyota At You…
New Toyota Inventory
New Toyota Specials
Schedule Service Online

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Audience Solutions

Audience + Intent is valuable, and we can prove it

Remarketing Lists for Search Ads audiences

71% CTR

56% CVR

On average, has a 71% higher CTR and 56% higher CVR when compared to non-audience search traffic.

Similar Audiences

37% CTR

15% CVR

On average, has a 37% higher CTR and 15% higher CVR when compared to non-audience search traffic.

Customer Match

79% CTR

67% CVR

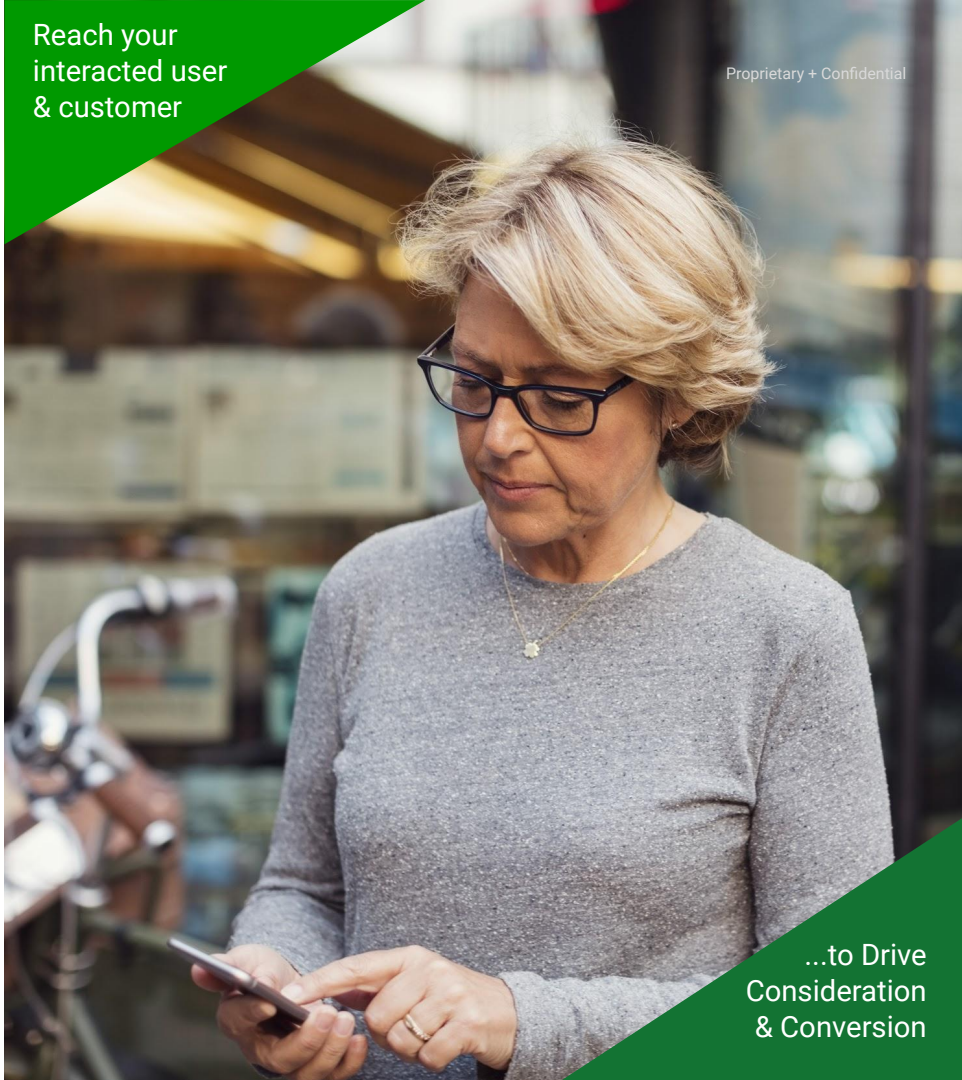
On average, has a 79% higher CTR and 67% higher CVR when compared to non-audience search traffic.

Source: Google data, 2018

Remarketing Lists for Search Ads (RLSA)

Reach users that have interacted with your website or app.

- **How?**
  Remarketing lists for search ads allows an advertiser to build lists of users who have visited specific pages in their site and condition their search bids, creatives, or keywords based on a Google visitor's presence in one of these lists.



Similar Audiences

Reach new customers with similar online behavior to users on your remarketing lists.

- **How?**

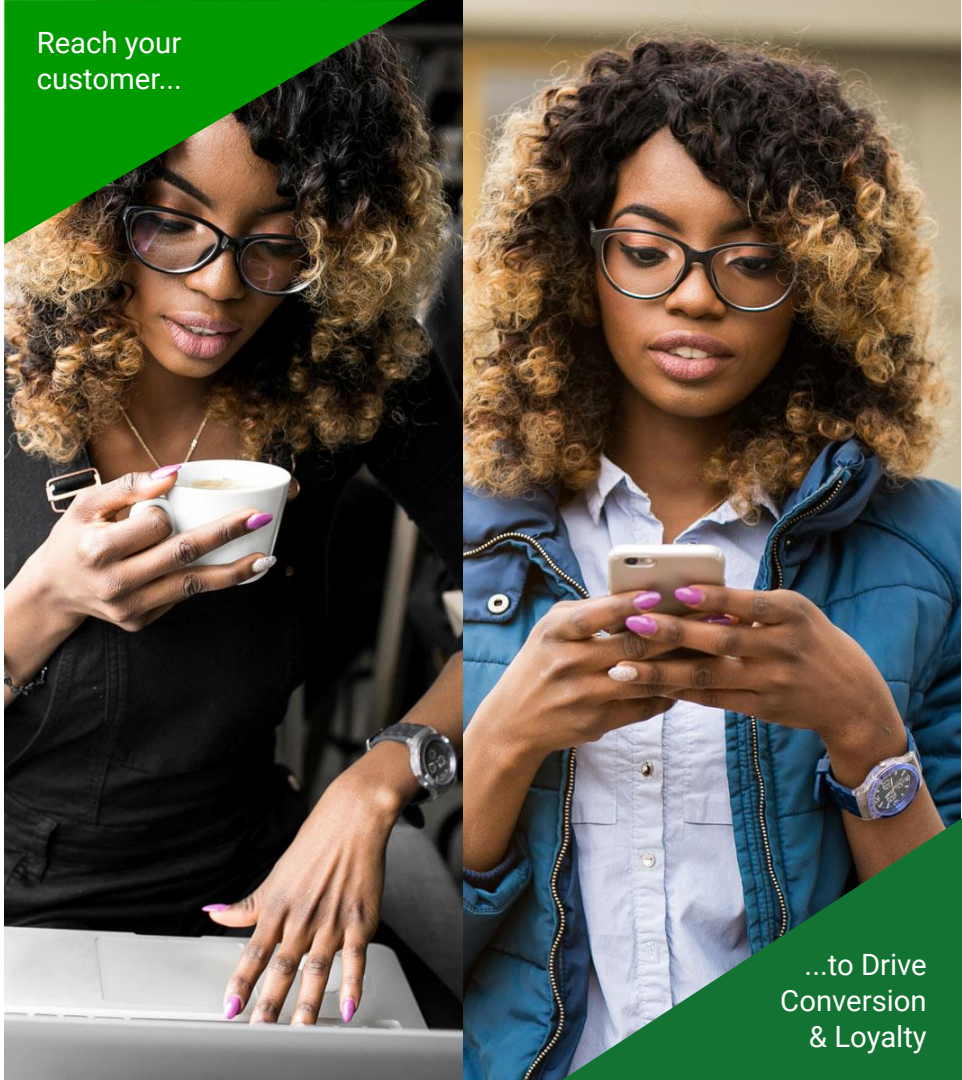
  Similar Audiences finds users that are similar to an original remarketing “seed” list (or other compatible list). It finds users that are similar in profile based on the seed list users’ recent browsing interests, search queries, and videos watched on YouTube.

  Our system ‘scores’ users based on how similar they are to users on the original seed list, with similarity defined as interested in same categories, topics and/or products.

Customer Match

Reach custom segments of users across devices to reach loyal customers, exclude current customers, and expand to users that resemble your customers

- **How?**
  Upload first-party customer data into AdWords, which we match against Google users and form into audience lists. The upload can include various types of customer data (for matching) including email addresses, mailing addresses and phone numbers. User IDs and Device IDs are coming soon.



In-market Audiences

Reach people whose online behavior show that they are actively looking to buy certain products or services in the near future.

How?

Signals	Google's intelligent algorithms leverage behavior on Google.com, YouTube, Google Maps, Google Shopping, and more to identify repeated patterns of behavior to differentiate 'interest' from 'intent' in real time
Survey	Google validates this behavior using surveys and conversion data
Scale	As users move between mobile and desktop, Google maintains a holistic picture of their behaviors, helping brands to reach users across devices.

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Evolution of video and YouTube

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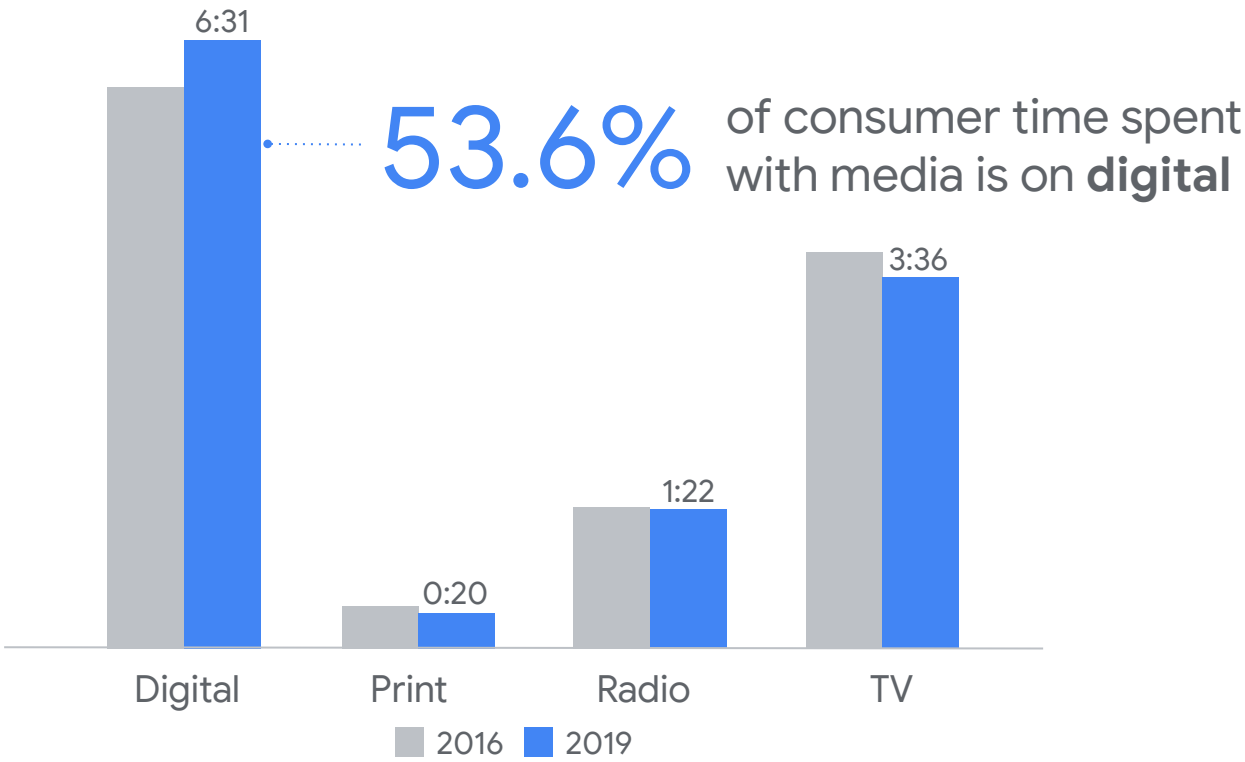
More than half of daily media time is spent on digital



Source: eMarketer, Oct 2018

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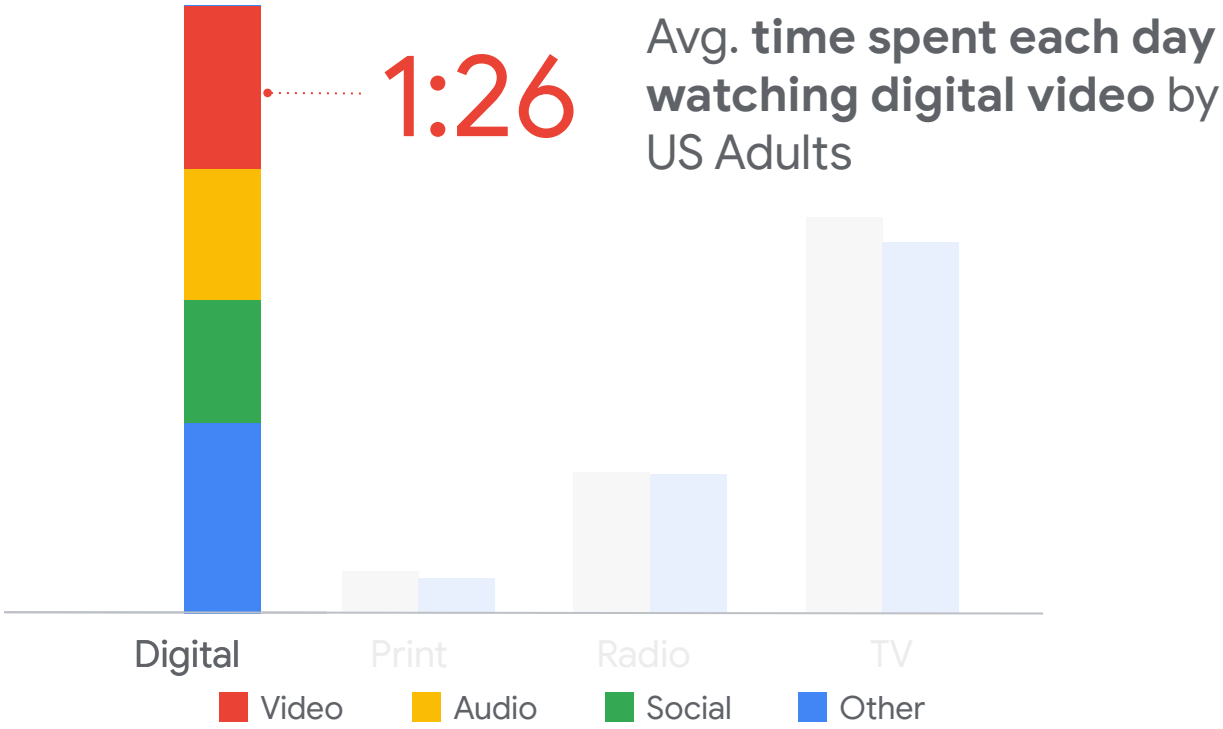
Video is fueling overall digital growth, +20% since 2016



Source: eMarketer, Oct 2018

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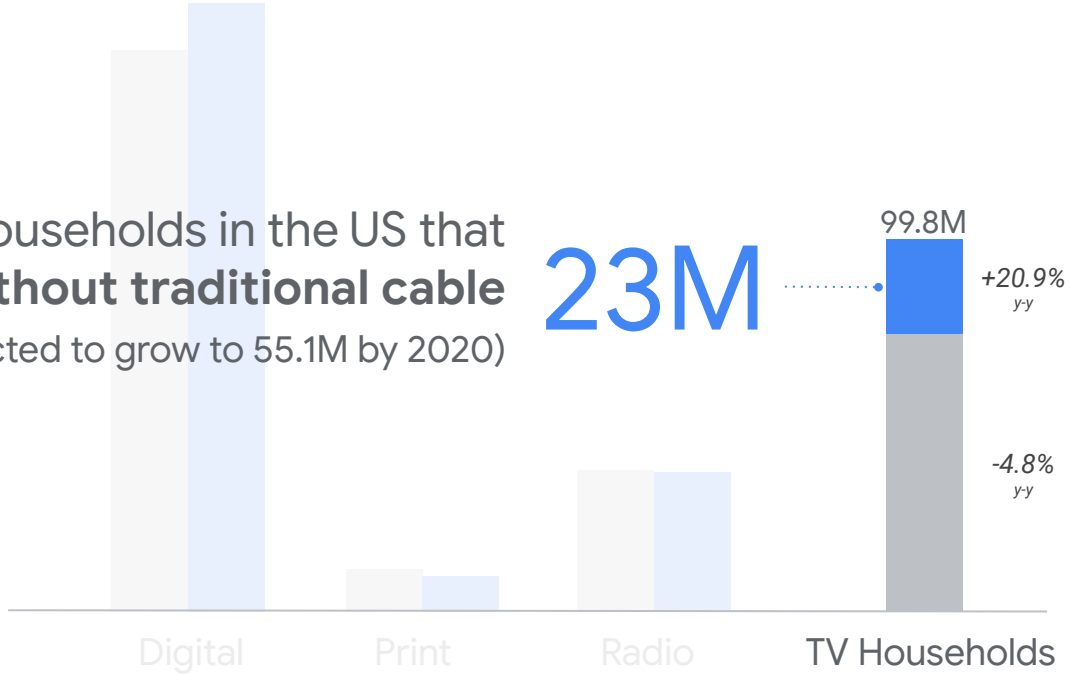
Cord cutting has accelerated over past year

TV households in the US that **watch without traditional cable**

(projected to grow to 55.1M by 2020)

23M



Source: Nielsen Total Audience Report, Q2 2018

YouTube

2B

Monthly logged in users

YouTube Internal Data (logged In user = Google user ID accounts that visit YouTube in a 28 day period), Global, April 2018.

Highest viewability & audibility on the web

95% viewability

95% audibility

Industry average viewability is just 66%

Google and DoubleClick advertising platforms data, May 2017 & Google Internal Data, Global, August 2016 (when volume is at least 10% for YouTube ads).

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TrueView & TrueView for Action

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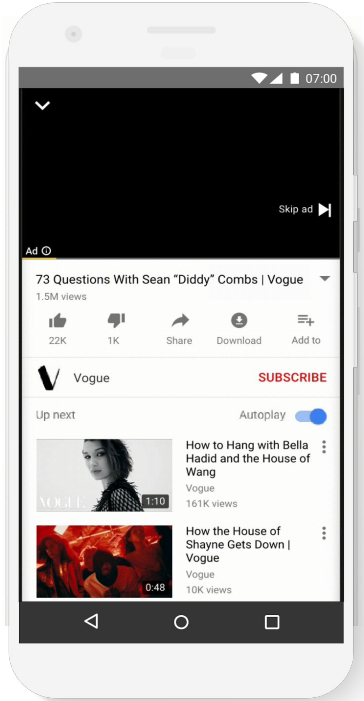
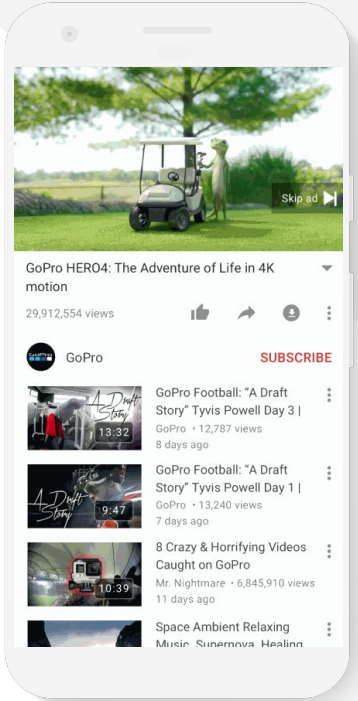
Introducing **TrueView for action**

Video ad formats & extensions are **built to drive action** directly from video views



drive custom site conversions



acquire leads

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YouTube TrueView Dealer results

Flight	9/24 - 9/30
Investment	$5k
Impressions	196k
Views	90k
VTR	**32%**
CPV	**$0.06**
Clicks	1.5k
Views on Mobile	80%
Views on Desktop	12%

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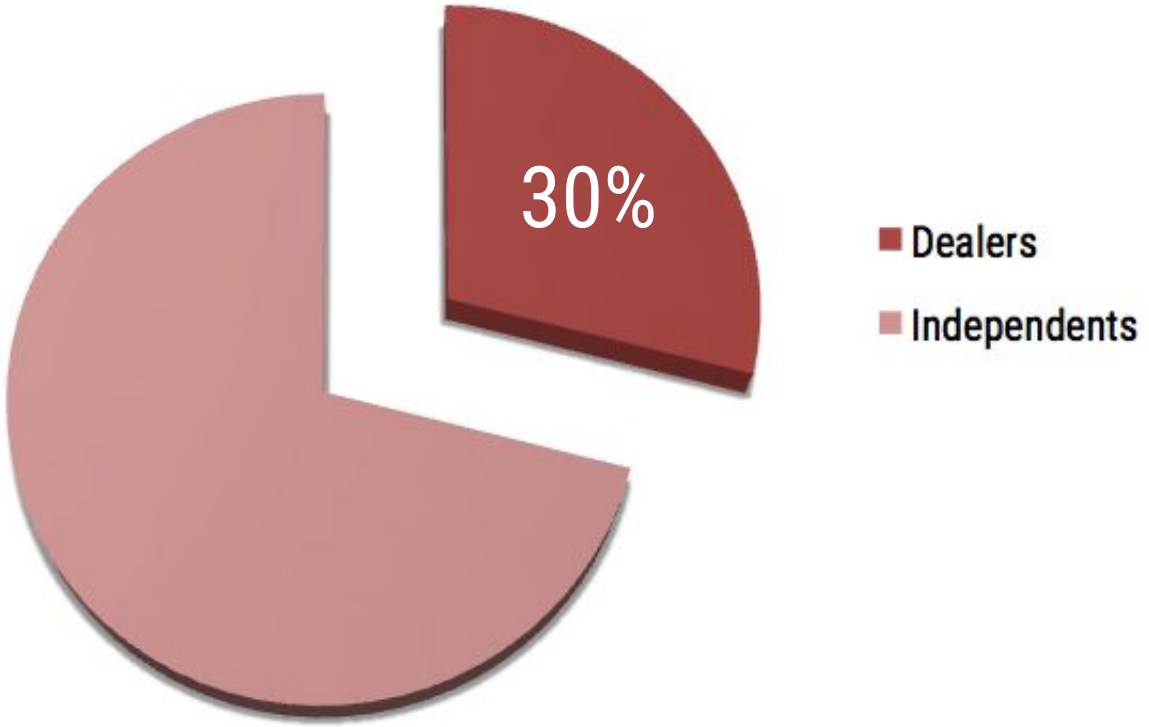
Parts & Service

$350B

spent by consumers annually
on vehicle repair

Source: NADA 2016 State of Industry Report.



Source: NADA 2016 State of Industry Report.

~6%

avg new car sale profit margin

56%

avg repair order profit margin

Source: 2017 Toyota customer pay repair-order report.

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1-in-3

vehicles on the road will need
significant service or repair
by 2020

Based on Experian data: Vehicles in operation arriving in "sweet spot" ~6 yrs old

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25%

of all auto searches are **parts, services, & maintenance** related

500M+

queries for parts, service & maintenance in 2018

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75%

Used a Search engine to look for information on P&S

Source: Kantar After Sales Study 2019

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Google #1 and #2 YouTube

Online destinations for getting information on P&S

Source: Kantar After Sales Study 2019

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What are customers searching for?

44% Pricing for the parts or service

35% Business hours or contact information

28% What parts or tools were needed

27% Promotional offers

26% Directions to the dealership

22% What brand or part is best suited

19% The best service center parts retailer

16% OEM website

Source: Kantar After Sales Study 2019

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65%

18-44 yr olds looked for P&S on their smartphones

Source: Kantar After Sales Study 2019

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43%

Called a dealership or service center directly from a Search result

Source: Kantar After Sales Study 2019

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51%

Watched an online video to inform about P&S purchase

Source: Kantar After Sales Study 2019

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If video is watched, YouTube is the go-to place

82% YouTube

21% Tire & parts retail website

16% OEM sites

15% Dealership websites or service center

15% General automotive websites

13% Consumer review sites

12% Professional automotive review sites

11% Facebook

Source: Kantar After Sales Study 2019

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A typical P&S Search result today

User Experience?

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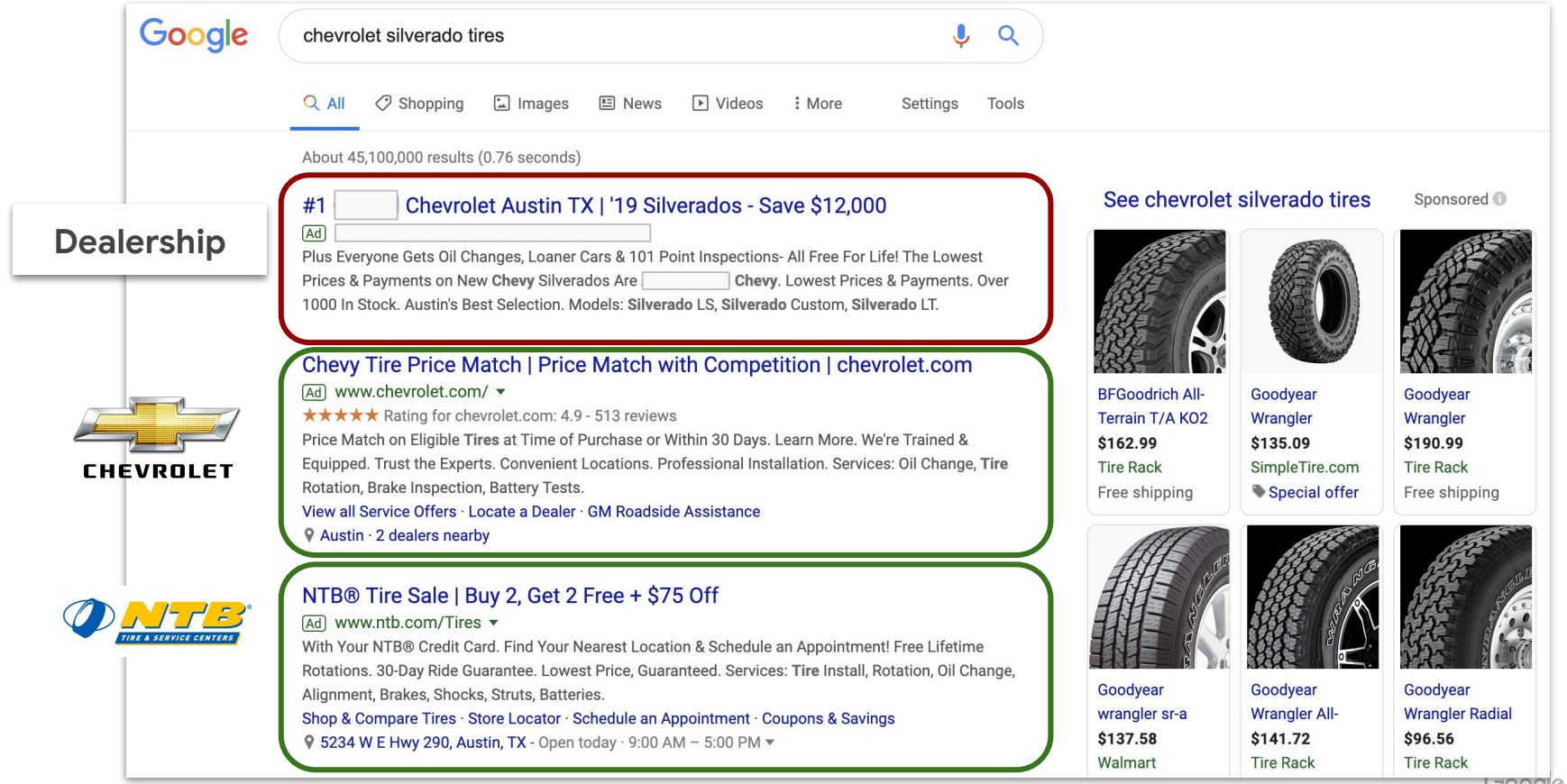
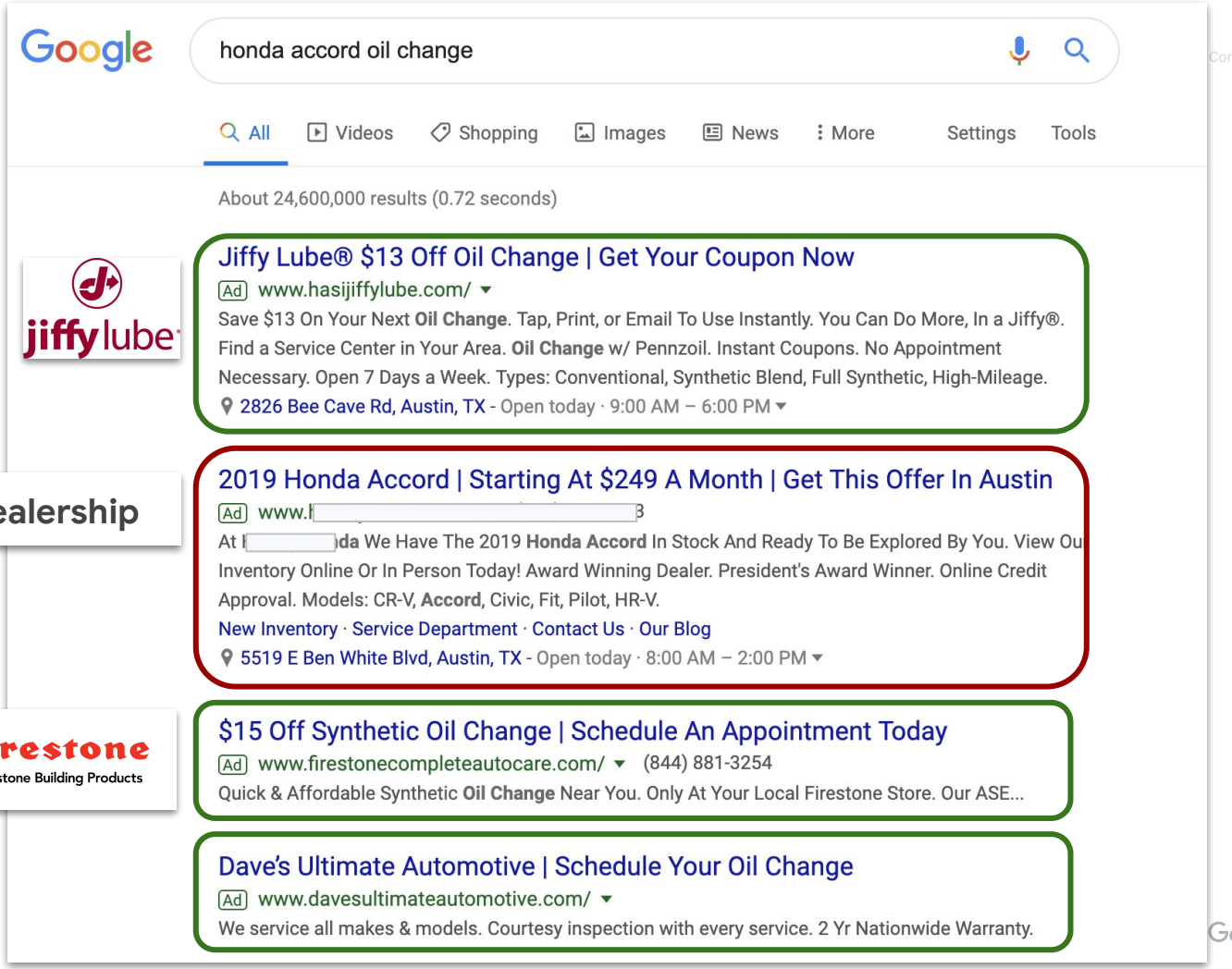
Dealership



Google

User Experience?



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User Experience?

High ranking in mobile (Tier 3)

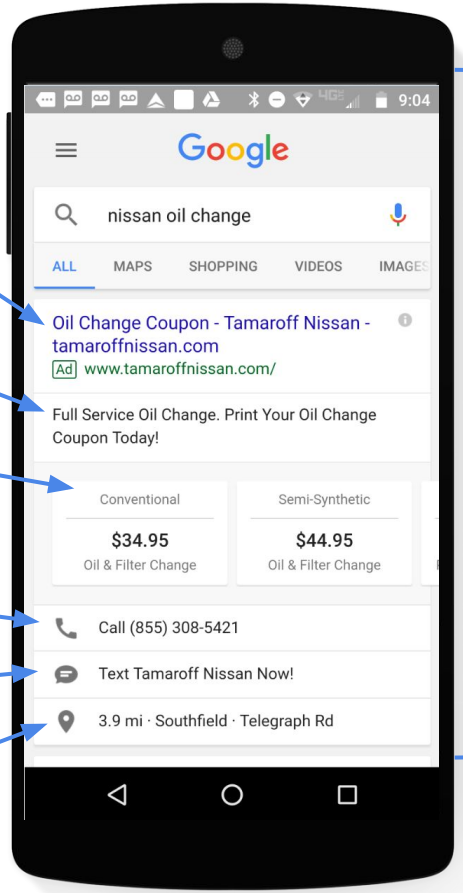
Relevant Ad Copy

Pricing Extensions

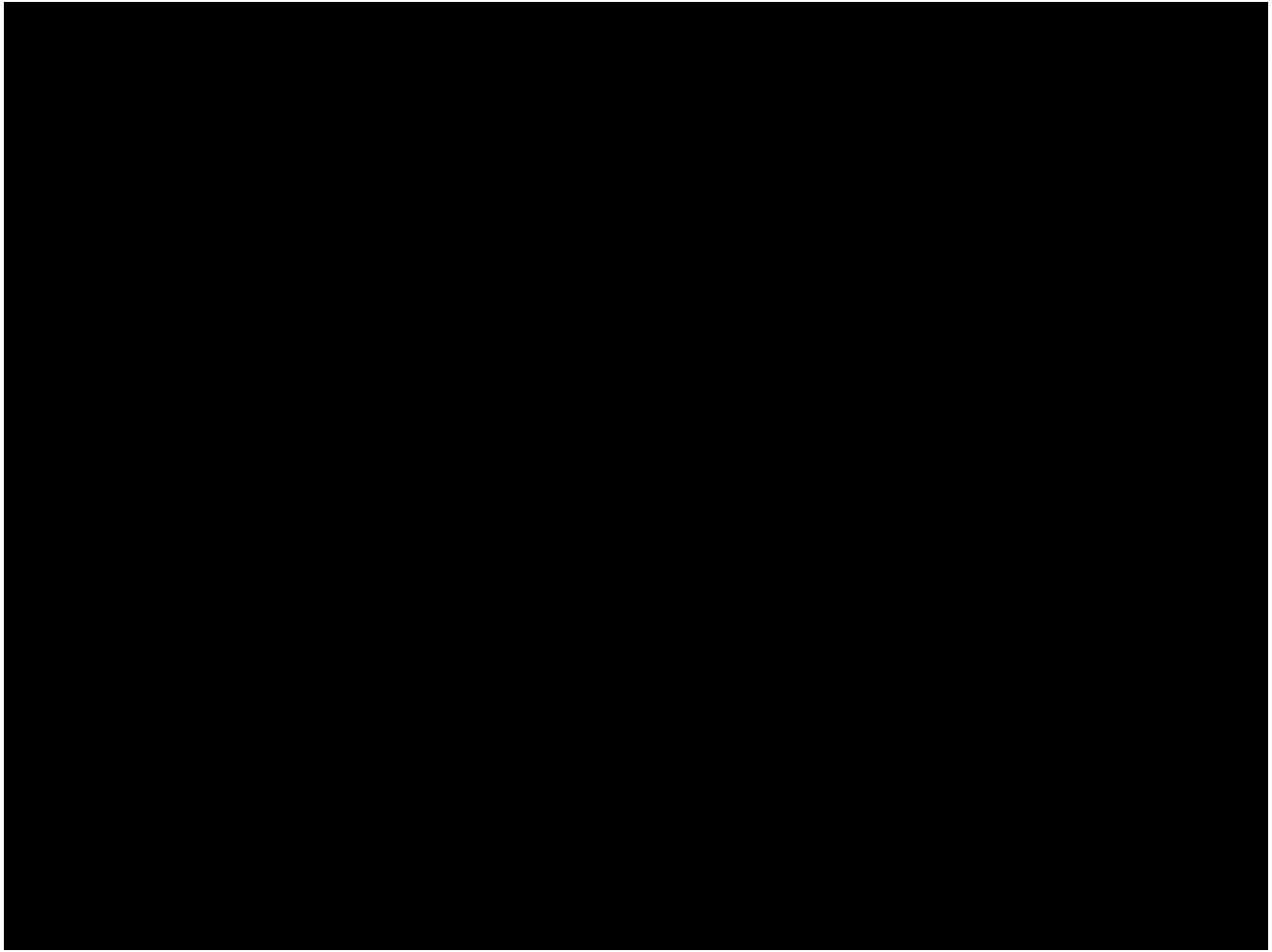
Click to call

Click to message extensions

Location extensions



Covering 100% of the mobile real estate



amazon

Google

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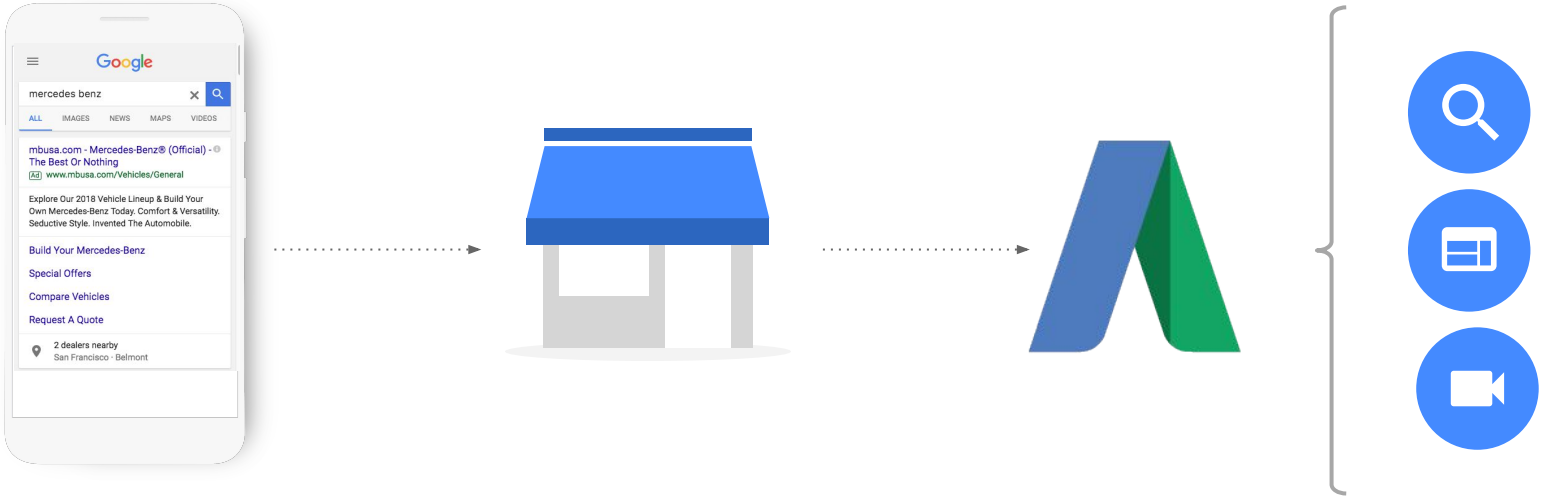
Store Visits

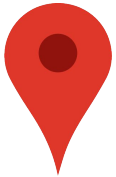
How store visits measures the online-to-offline impact of Search ads



Mapping Technology

Deep Learning

Survey Verification

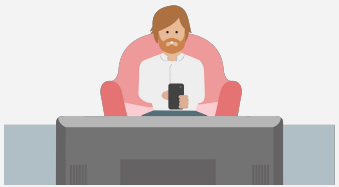


Location History Opt-ins

Store Visits: a closer look at how it works

1

User behavior

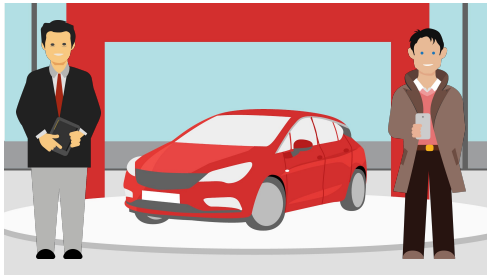


Signed-in and opted into location history

Clicks on an ad

2

Dealership



Visits Dealership

3

Ongoing data validation
(surveys) with 5M+ user panel

Extrapolated to the population
aggregated and anonymized

Backend data

GPS, Wifi triangulation, Location history

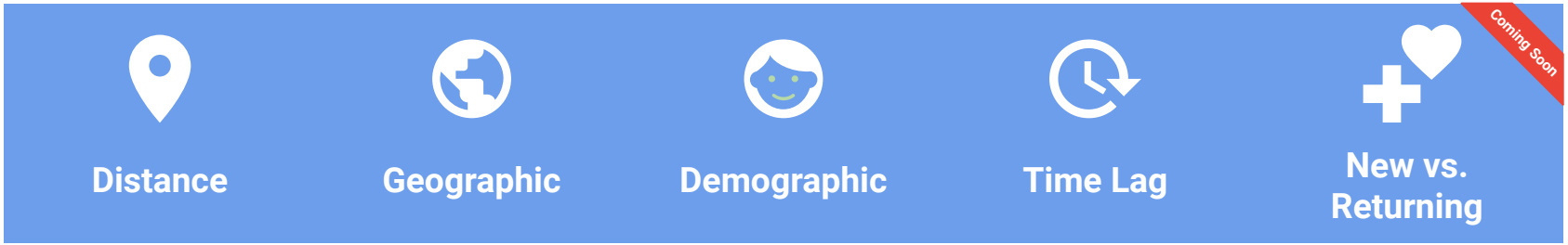
Geometry, Wifi scanning (200M+ locations)

# of Store Visits

Google Proprietary + Confidential

Google

Uses and Application of the Reports



Note: These reports are currently only available for Search campaigns.

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Step By Step in Google Ads

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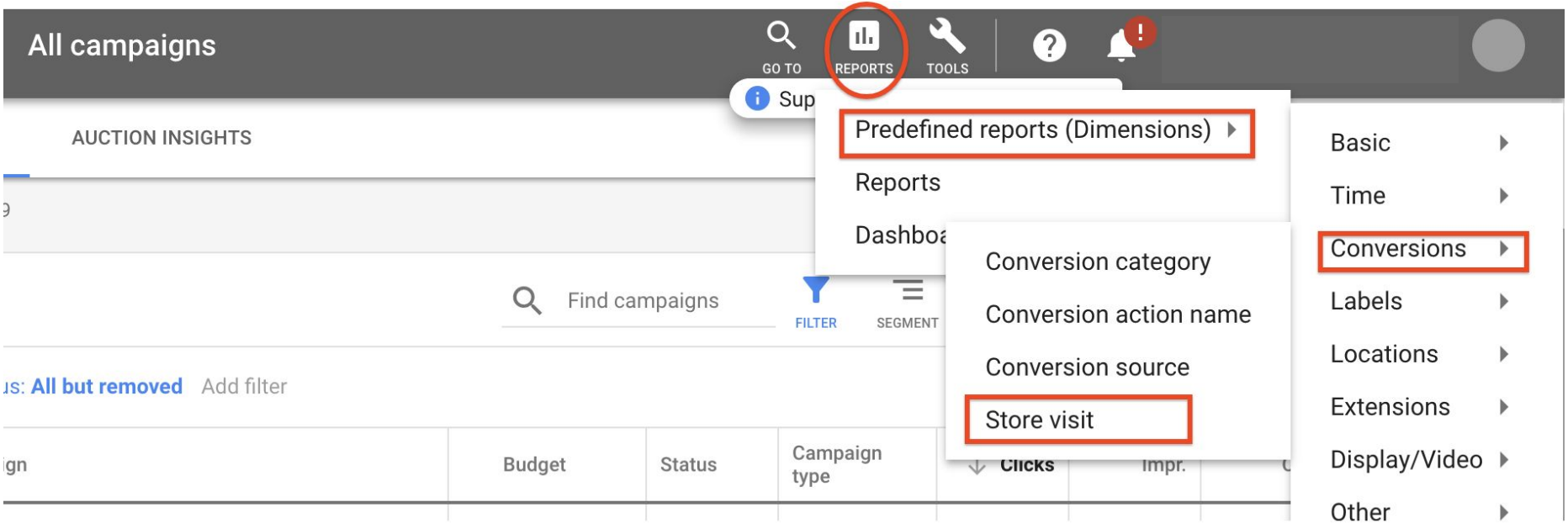

Google

Modify Columns to Get the Most out of Your Reporting

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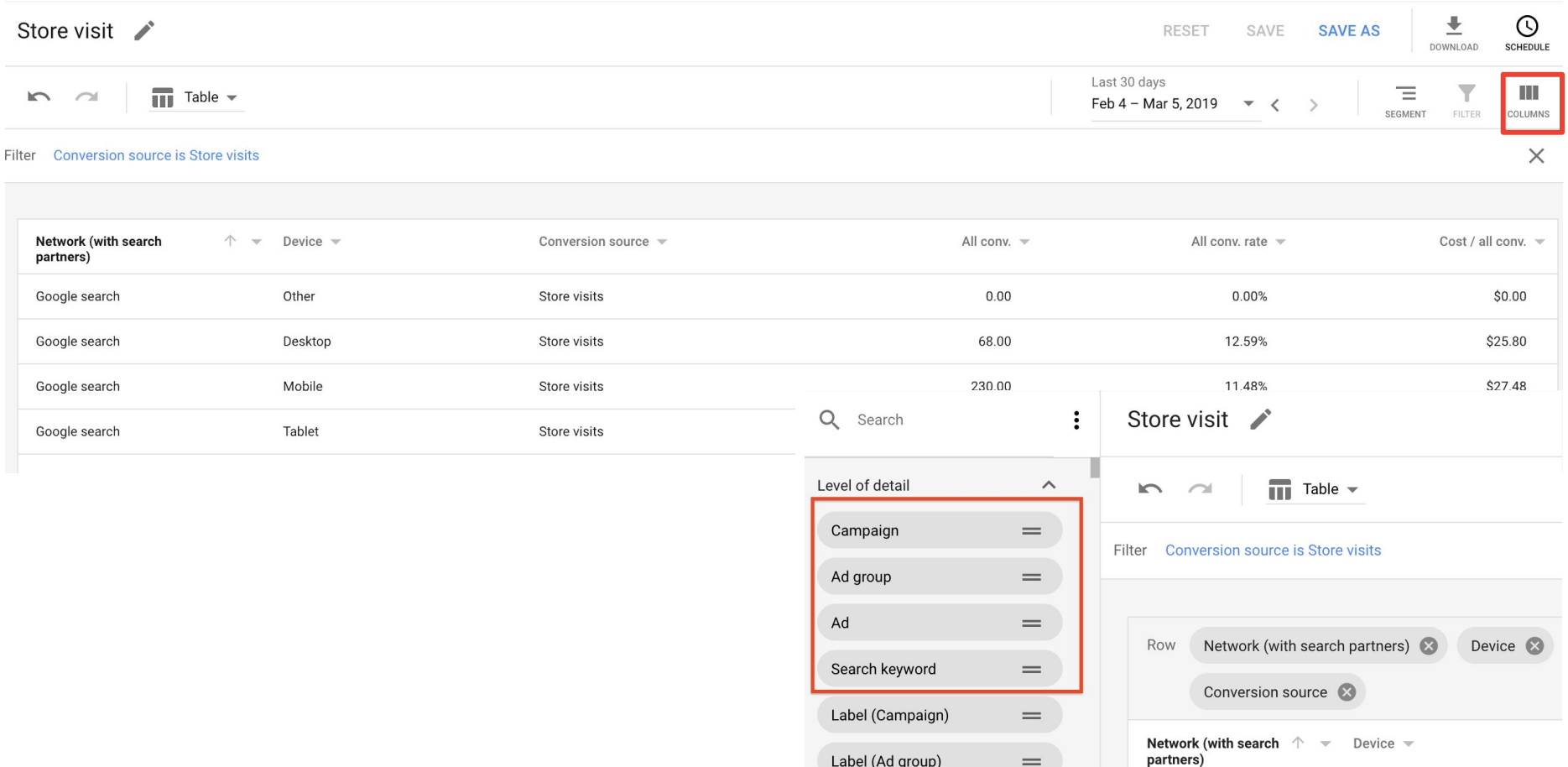

How to make sure you are eligible

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Create and verify

each of your store locations in your Google My Business account

Link

your Google My Business to Adwords

Optimize for Store Visits

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- Focus on **mobile** users: increase bids on mobile to reach users looking for immediate information like store hours or directions.
- **Bid by distance**: bid higher for potential customers located closer to your dealerships.
- Overlay with your known **Audiences**: for example, bid higher for customers on your remarketing lists

Calls to Action

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- Prioritize Micro-moments
- Leverage Radius Targeting and Audience solutions
- Extend your Reach and Frequency with YouTube
- Parts & Service: Drive profitability through Search
- Measure ROI- what's your avg cost per store visit

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Thank You