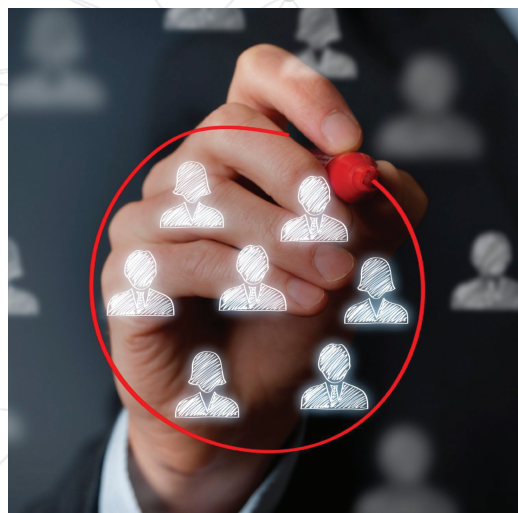


CarClicks Marketing

Should Your Dealership Spend More Ad Budget on Paid Search or **CarClicks Inventory Marketing?**



INTRODUCTION

According to the National Automobile Dealers Association Data Annual Financial Profile of America's Franchised New Car Dealerships 2020 report, dealers spent \$3.73 billion in dealership advertising (through June, YTD). These numbers indicate that nearly \$600 was spent on advertising per new unit sold.

Since much of the modern shoppers' time is spent researching and shopping online, most dealerships allocate a large percentage of their advertising budgets towards digital marketing strategies. **However, many dealers fail to optimize their budget by not allocating their resources to the most effective online marketing products and channels.** They spend most of their digital budget on third party automotive portals (Cars.com, Autotrader.com, etc.) and Paid Search campaigns. Many manufacturers and their preferred marketing vendors strongly recommend allocating large amounts of digital ad spend to paid search advertising (Google Ads, Microsoft Ads, etc.).

Automotive Internet Media (AIM) analyzed the effectiveness of this type of recommended ad budget approach compared to CarClicks Inventory Marketing (CarClicks). AIM's goal was to compare the effectiveness of allocating large budgets to Google Ads versus the effectiveness of allocating budget to CarClicks. AIM compared similar website analytics metrics to determine which marketing product provides a better return on the advertising investment.

There are many different variables in managing a dealership's paid search budget. AIM focused on two different dealership brands that are managed by two different paid search vendors. Both vendors are supported by most manufacturers and have several hundred dealership clients each. Additionally, both vendors are very credible and well-known in the industry. The data in this case study reflects two dealerships: a Chevrolet dealer and a Chrysler Dodge Jeep Ram (CDJR) dealer. However, similar data from any of AIM's dealership clients produced consistent results.

CarClicks Inventory Marketing vs. Google Ads:

Best Way to Allocate Budget

Before a dealership decides on whether to use either platform, they need to define the Key Performance Indicators (KPIs) for each marketing strategy. While both products will send a large number of consumers to a dealership's website, each approach has unique attributes and capabilities that should be used to determine the right budget allocation based on marketing channel.

Dealership A:

Chrysler Jeep Dodge Ram Dealership

A mid-volume dealership in a metro market. AIM analyzed one-month of results for CarClicks and Google Ads.

Dealership A spent **\$9,138** in Google Search Ads and **\$3,500** in the CarClicks platform.

CarClicks
Marketing



Google
Search Ads

\$0.73

\$10.76

Cost per VDP View

Cost Per Budget for Each Product

Product	Sessions	Page Views	Inventory Views	Vehicle Detail Page Views	Avg. Time on Site _(mins)
Google Ads	1,903	4,579	1,903	849	3:00
\$9,138	\$4.80	\$2.00	\$4.80	\$10.76	
CarClicks	3,272	7,214	3,272	4,815	2:18
\$3,500	\$1.07	\$0.49	\$1.07	\$0.73	
Effectiveness	3.48 X more sessions	3.11 X more page views	4.6 X more inventory views	13.8 X more inventory views	

CarClicks
Marketing



Google
Search Ads

\$1.12

\$5.25

Cost per VDP View

Dealership B: *Chevrolet Dealership*

A high-volume dealership in a metro market.
AIM analyzed one-month of results for
CarClicks and Google Ads.

Dealership B spent **\$14,801** in Google
Search Ads and **\$7,000** in the CarClicks
platform.

Cost Per Budget for Each Product

Product	Sessions	SRP Pageviews	Vehicle Detail Page Views	Avg. Time on Site _(mins)
Google Ads	4,092	4,579	2,819	3:22
\$14,801	\$3.62	\$3.23	\$5.25	
CarClicks	6,719	3,128	6,239	3:10
\$7,000	\$1.04	\$2.24	\$1.12	
Effectiveness	2.47 X more sessions	2.2 X more page views	36.7 X more vehicle detail page views	

CONCLUSION

Both platforms offer significant benefits for maximizing reach and can work together quite well for auto dealers. As mentioned above, dealers should look at the expected outcomes (KPIs) they are trying to achieve. While Google Ads is effective in driving traffic when people search keywords (e.g., “Chevrolet dealer near me”), **the CarClicks Marketing Platform is much more effective at driving serious, highly engaged auto shoppers to a dealership’s inventory at a much lower cost.**

Comparing the data, Dealership A (CDJR) allocated over twenty-five percent of their budget to CarClicks, which resulted in a larger number of lower-funnel, in-market auto shoppers viewing their inventory. Moreover, CarClicks dramatically reduced the overall cost of inventory views by these shoppers.

CarClicks Inventory Marketing is on the rise for savvy operators in the automotive industry. **Dealerships must optimize their marketing budget to get the best results or risk falling behind the competition that is getting the most out of their digital budgets.** Now is the time for dealers to look beyond traditional third-party shopping portals and paid search campaigns to receive more website views to their inventory.

Leading dealerships are understanding not all programs are created equal and the strong data (results) indicates that **every dealership should allocate at least twenty-five percent of their pay-per-click budget to CarClicks.**

www.CarClicksMarketing.com

