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Automotive Speaks Out



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Jumpstart Automotive Media's VP of product development addresses the key automotive concerns discussed at ThinkDigital07.

When 35 members of the publisher, agency and auto dealer communities gathered in Napa recently for Jumpstart Automotive Media's ThinkDigital07 event, the conversation was fluid, and voices were eager to be heard. We covered numerous topics that I'll highlight here:

Lead lessons

When Charlie Vogelheim of J.D. Power & Associates took the stage, one of the most intriguing points he made was that in the past three years -- based on J.D. Power research -- only about 20 percent of people who bought a car through online research had submitted a lead online. And only about half of those people purchased the car from the dealer to whom it was submitted. Charlie's pointed statement was: "The value proposition of submitting a lead doesn't work for 80 percent of online consumers."

What does this mean for the leads business? Not much, really, as it hasn't really changed in over 10 years of existence. But what it means for the auto dealers out there is that leads are only one piece of the strategic pie when planning digital marketing programs. Those 80 percent of consumers researching online still command the same level of attention as do those who submit a lead. This group of shoppers is simply a lead waiting to be communicated the right message via other forms of digital media.

I believe Ralph Paglia of ADP Solutions said it best: "We must build around the '\$20 lead boogeyman.'"

Metrically speaking

Digital success metrics maintained a consistent thread in all discussions throughout the event. Much of it was based around spending. Many participants commented that determining how much is enough to spend in their market was their single biggest challenge. Paglia, who manages digital marketing for Courtesy Chevrolet based in Phoenix, Ariz., commented that Courtesy spends about 50 percent of its marketing budget online; members of Ford Motor Company's regional or FDA agencies noted that digital represents anywhere from five to 20 percent of its client's allocation.

But it seems that establishing the right number continues to be a challenge for many marketers.

Most attendees agreed that digital was viewed as primarily a direct response mechanism, which seems to be the result of auto dealers being introduced to the internet as simply a lead-generation device.

While digital publishers and vendors encourage local and regional auto advertisers to shift dollars from traditional media, Ed Cicale of Autonation was concerned about determining how much to shift to create the right amount of "ups," a.k.a. leads or walk-ins.

Another key question raised was: "How do we quantify the value of everything leading up to the lead?" Many agreed this was an area of difficulty with their initiatives, since only a small percentage of display or search ads deliver a form submission.

Advanced targeting

Despite the fact that many auto dealers still depend heavily on digitally driven leads, many are starting to explore advanced forms of targeting, including behavioral and site retargeting.

Executing on the appropriate messaging for advanced targeting was an over-riding theme. But -- similar to their OEM brethren -- the biggest challenge dealers said they faced was the inability to have creative produced for these initiatives.

Because BT and other forms of targeting are fairly new areas for Tier 2 and Tier 2 advertisers, Brandon Rowe of Zimmerman, the agency responsible for Nissan Tier 2 media, is interested in obtaining the help of their publisher partners regarding best practices and getting an overall education on targeting opportunities.

Marcy Luhrs of CarMax, a mega dealer focusing on certified used cars, believes that BT has been "somewhat over-hyped" and that the results have been less than stellar with some publishers.

Jason Gole, associate media director at Mindshare Team Detroit representing numerous Ford FDA clients, proposed a different take on BT pricing and packaging. Gole suggests that pricing be focused on a cost-per-user basis instead of CPM. And pricing can be session-based, as the advertiser follows that user through his or her web experience.

All in all, most of the attendees were fascinated with the various types of targeting available, and they all agreed that messaging and measurement must be unique to these types of initiatives.

The Tier 2 and Tier 3 marketing community is being asked to grow up quickly and deliver on the right digital strategies. This event helped open the eyes of all attendees, with many marketers realizing that none of their peers had all the answers, and that publishers may maintain a better understanding of their needs than they themselves do.

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