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Helping RDAs Spend Less and Earn More



By [Mitch Lowe](#)

Jumpstart Automotive Media's CEO explains the role behavioral targeting should play in key lower funnel messaging and sales strategies.

I am trying not to make this sound like the start of a "Law & Order" episode, but in automotive marketing there are three distinct entities that all play primary roles in getting consumers to buy a particular brand. There is of course the automaker, which works with major agencies to create the overarching brand messaging. At the other end of the funnel are the dealers, who may or may not play off the primary brand positioning to get buyers into their showroom. Their advertising is nearly always local, with heavy emphasis on pricing incentives and the promise of exceptional service after the buy.

Wedged in between the automaker and the dealer are regional dealer associations (RDAs) which currently spend about 75 percent of their \$9 billion annual co-op advertising dollars on local television. Their messaging often combines elements of OEM brand equity while pointing audiences to dealers in the DMA where the spots appear. As the internet has emerged as an undeniable force in car marketing, providing 7 in 10 buyers with the data they seek to make a purchase decision, OEMs and dealers have increased their online spending to between 5 and 15 percent of their media budgets. RDAs have shifted less than one percent. But this is changing fast.

With encouragement from the OEMs, who already have substantial digital experience, RDA's are realizing that digital marketing can provide much better targeting, much better measurement and much better results than traditional media. But to effectively target their fundamentally local audience, the RDAs have a major business challenge!

Only four to five million people across the country are in-market for a new car at any given time. How then does the Chicago RDA possibly find the 150,000 to 200,000 people that are in-market in their DMA? Or how does the Cleveland RDA find the 40,000 to 60,000 people that are in-market in the greater Cleveland area at a given time?

Ten years ago, when traditional offline media was the currency of the realm, this was an impossible business challenge to solve because the best marketers could do was buy geographic-based media selling audiences based on projected demographic profiling. Demographic profiling was really just an educated guess as to what radio stations, newspapers or TV stations a higher-income potential customer might be consuming and didn't really help eliminate the enormous waste built into an offline media buy. Today this guessing is no longer necessary.

Online targeting capabilities have advanced in a *profound* way, so that in-market car shoppers -- and *only* in-market car shoppers -- can be identified and reached with an ad message. More than 80 percent of car shoppers do research on third-party auto research sites such as NADAguides, Vehix.com, Consumer Guide Automotive and J.D. Power Autos. These kinds of sites are highly efficient in reaching active car shoppers.

But there is a lot of compelling content competing for the consumer's attention on these prime auto research sites. It can be just as effective to tag consumers who come to these sites and serve them RDA-driven ads later that day or later that week when they return to the site or are online at an altogether different site.

In this way, Jumpstart identifies more than five million in-market car shoppers every month across more than a dozen auto research sites. Once we know who potential buyers are, we can target them individually while they are on these research sites, as well as when they are checking sports scores, reading their daily news online or looking for theatre reviews on different ad networks and websites with whom we partner. We can find and reach that population segment of car buyers in Chicago or Cleveland, or any metro area that interests RDAs.

Online advertising has come a long way in the last decade. Marketing can be more targeted and more measurable than ever before. This is a tremendous opportunity for a regional dealer association to spend less and earn more-- the most direct path to greater profits.

Mitch Lowe is CEO of [Jumpstart Automotive Media](#). [Read full bio](#).