

# The Topline Dealer Guidebook 2.5

---

How Dealers can drive success on Google



COVID accelerated shifts in customer behavior across multiple industries, including ours. These shifts changed the way we did business, whether you were a manufacturer or one of the 17,000 auto dealerships across the country. The most telling sign of change was the increase in cars sold online in the first 6 months of 2020. We saw 10% of vehicles sold online in that time, compared to just 1% of sales for all of 2018.

In this guide, catch up on trends and truths we see in the auto industry today. Then, discover our top recommendations and overall product strategies for each phase of Dealer Guidebook 2.5. Finally, use the provided trackers to help you organize and build your strategies with Google products and recommendations.



**Thomais Zaremba**

Industry Director, Automotive

# Table of Contents



Truths, Trends, and Solutions



Cover the basics from Dealer Guidebook 1.0



Maintain your Fair Share



Invest to Grow Share



Become a Market Leader



How to drive success with Google



# Truths, Trends, and a **Solution**



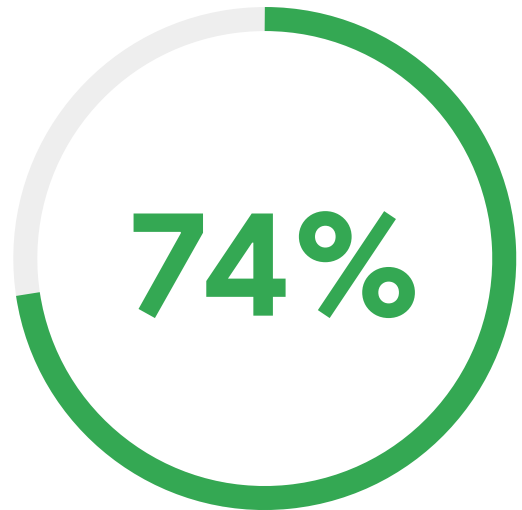
In just one year, the automotive landscape drastically shifted in ways that would have normally taken five. While the general truths of car shopping remain the same, new trends demand both your attention and seamless, customer-centric solutions.

# TRUTHS

83% of car purchasers spent up to three months doing research and are ready to buy when they arrive at your door. You can't win on the showroom floor if you don't first win online.



discover their **purchasing dealership online**



of purchasers **do not submit an online lead action** (up from 68% in 2015)

Google/Kantar Gearshift Automotive Path to Purchase 2020. U.S. New vehicle purchasers n=1,000

Google/LRWGreenberg 'Understanding the Automotive Path to Purchase' Study, U.S., 2020 Automotive Shoppers and Purchasers n=343

Google/Millward Brown/Polk Automotive Path to Purchase, 2015

# TRENDS

COVID-19 has impacted many aspects of purchasing a vehicle, ranging from what shoppers consider to where they buy. But, online retailing has been adopted by dealers and shoppers in such a way that it stands to change the industry as we know it.



of **new car purchasers during COVID-19**  
**considered used or CPO**  
(up from 48%  
pre-COVID-19)



of recent new vehicle  
purchasers **expect more**  
**online purchase options**  
for vehicles after COVID-19

Google/Kantar Gearshift Automotive Path to Purchase 2020. U.S. New vehicle purchasers n=1,000. Pre-COVID-19 purchases (December 2019-February 2020) n=835, COVID-19 purchases (March-June 2020) n=165.

Google/Kantar Automotive Path to Purchase 2019, U.S. n=2,000

Google/LRWGreenberg 'Understanding the Automotive Path to Purchase' Study, U.S., 2020 Automotive Shoppers and Purchasers n=343

## Truths, Trends, and a Solution



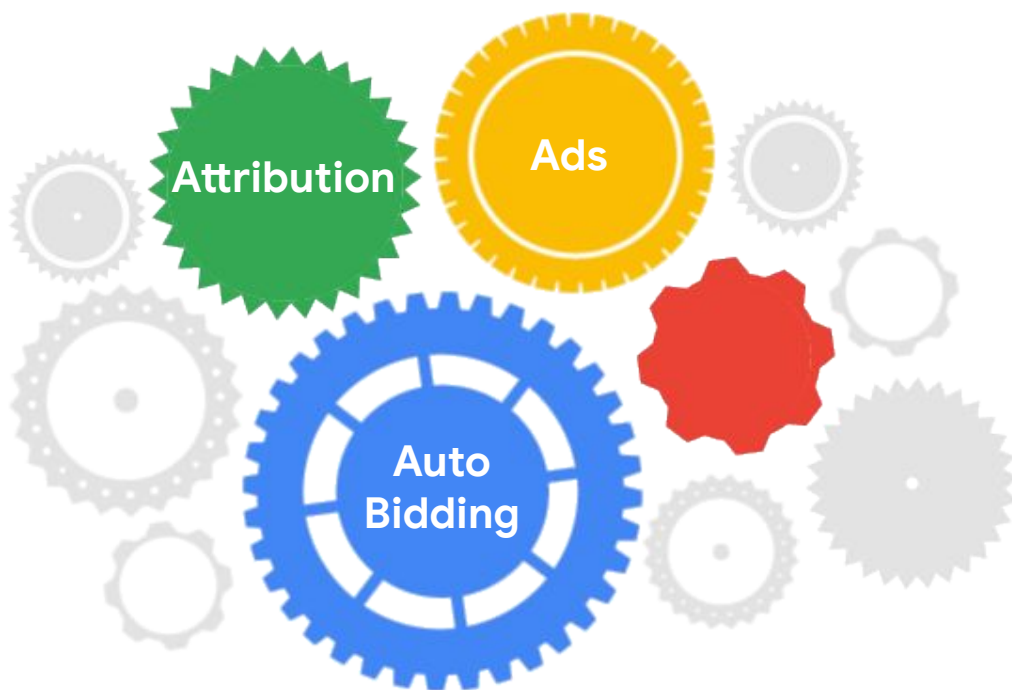
# 10%

of new vehicles sold in 1H 2020  
were sold online, **compared to**  
**just 1% in 2018**

Google/Kantar, Gearshift Automotive Path to Purchase 2018. U.S. New vehicle purchasers  
Google/Kantar, Gearshift Automotive Path to Purchase 2020. U.S. New vehicle purchasers  
Q3: Where did you purchase your vehicle? A. Online via website or app

# A SOLUTION

Once you identify a specific business objective that's key to your success, Google can help you progress towards that through automation. Use automation to deliver the results you need to achieve that goal. Automation allows you to uncover true purchase intent wherever it can be found, and deliver your message in the most effective way.



Google/Kantar Gearshift Automotive Path to Purchase 2020. U.S. New vehicle purchasers n=1,000. Pre-COVID-19 purchases (December 2019-February 2020) n=835, COVID-19 purchases (March-June 2020) n=165.

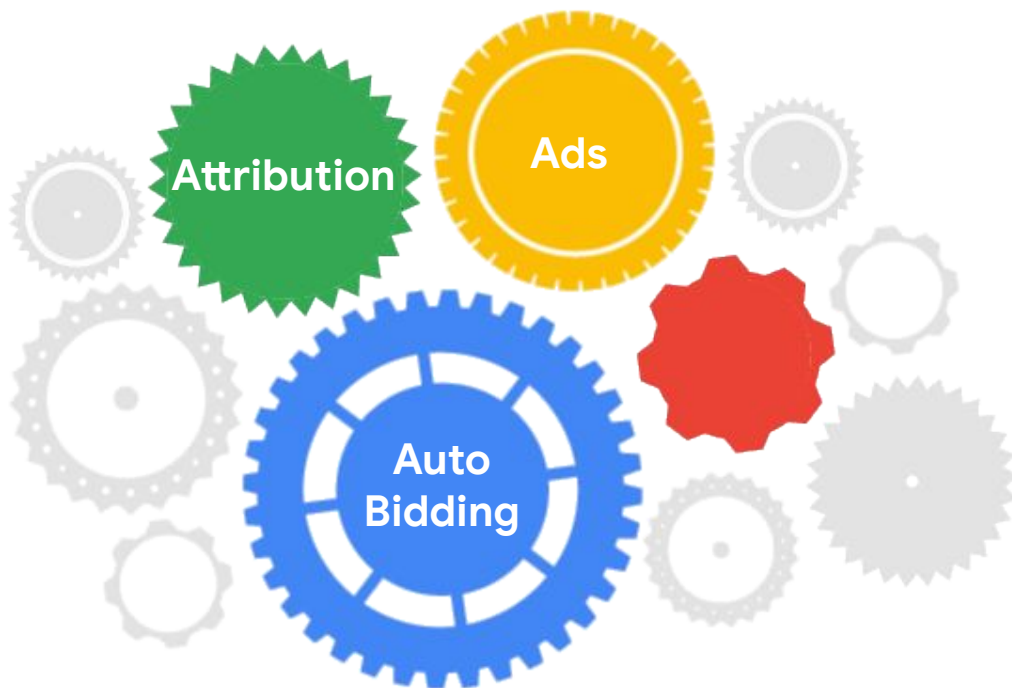
Google/Kantar Automotive Path to Purchase 2019, U.S. n=2,000

Google/LRWGreenberg 'Understanding the Automotive Path to Purchase' Study, U.S., 2020 Automotive Shoppers and Purchasers n=343



# A SOLUTION

Once you identify a specific business objective that's key to your success, Google can help you progress towards that through automation. Use automation to deliver the results you need to achieve that goal. Automation allows you to uncover true purchase intent wherever it can be found, and deliver your message in the most effective way.



Google/Kantar Gearshift Automotive Path to Purchase 2020. U.S. New vehicle purchasers n=1,000. Pre-COVID-19 purchases (December 2019-February 2020) n=835, COVID-19 purchases (March-June 2020) n=165.

Google/Kantar Automotive Path to Purchase 2019, U.S. n=2,000

Google/LRWGreenberg 'Understanding the Automotive Path to Purchase' Study, U.S., 2020 Automotive Shoppers and Purchasers n=343



# Cover the basics from Dealer Guidebook 1.0

Catch up to your peers. If you are not doing this, you are behind.

Start by identifying what you're doing right, then where you can improve your current strategies. Additionally, make sure that you're utilizing the best format out there to engage audiences: video.

## Cover the basics from Dealer Guidebook 1.0

There are many tools and strategies to master from Dealer Guidebook 1.0, but one of the key tools is the **Dealer Opportunity Explorer**.

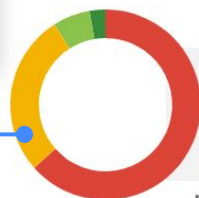
# Dealer Opportunity Explorer

A **machine-learning model** custom developed for **US Auto Dealers...** that analyzes each dealer's adoption of the **Dealer Guidebook Best Practices...** and **predicts the Store Visits impact** each dealer could see from improved adoption across New, Used, Fixed Ops

### Optimize Your Account

How well as your account adopted the Dealer Guidebook Best Practices? Here you can view the status of your account and an estimate of the potential monthly Store Visits to be gained from improvement on each Best Practice.

Progress towards practice adoption



store visit potential

344

account impact

234%

monthly Store Visits to be gained when accounts like yours improve best practice adoption

Visits to be gained from improvement

% Impact vs. current estimated store visit volume

## Cover the basics from Dealer Guidebook 1.0

There are many tools and strategies to master from Dealer Guidebook 1.0, but one of the key tools is the **Dealer Opportunity Explorer**.

# Dealer Opportunity Explorer

A **machine-learning model**

custom developed for **US Auto Dealers...**

that analyzes each dealer's adoption of the **Dealer Guidebook Best Practices...** and

**predicts the Store Visits impact** each dealer could see from improved adoption across New, Used, Fixed Ops

CID

### Maximize Your Budget

Dealers frequently ask Google, "How much should I be spending?". To answer this, we use your market share as an indicator of what your search share could be, and provide an estimate of your monthly incremental opportunity, based on your current budget level of search investment.

monthly incremental search opportunity  
based on your current investment and market share

missed clicks

444

store visits

36

investment

\$2K

Incremental Opportunity  
based on Fair Share  
Click Capture

## Cover the basics from Dealer Guidebook 1.0

To grapple with the accelerated digital transformation of the industry, we recommend building up your **Video content**.

# Video Content

Online video is a great way to bring the dealership to your customers while they are at home. Showcase your inventory through **Virtual Showrooms** or your location through **Location Extensions**

80%

of new auto purchasers **took an action after watching a video**: Search online for more information, visited a dealer website, schedule a test drive, or build and price a vehicle

88%

of purchasers who **used online video said they were 100% certain** before visiting the dealership on which vehicle they were going to buy

Create content that will move shoppers down the funnel

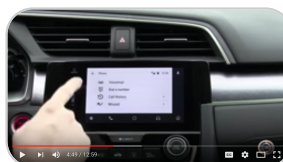
Walkarounds



Comparisons



Vehicle features



Dealer purchase



> 1 month from purchase

10 videos | 3 brands



1 month from purchase

6 videos | 2 brands



2 weeks before purchase

5 videos | 2 brands

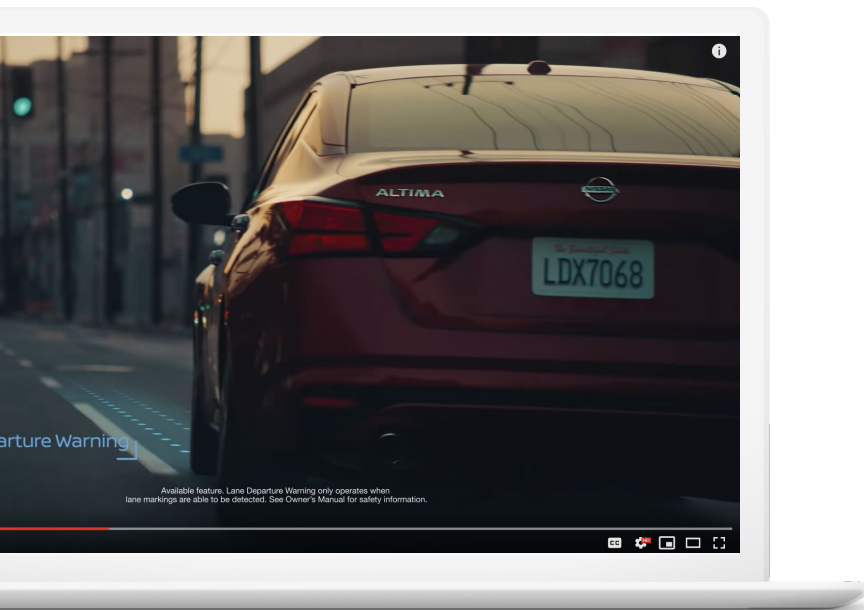


Google/Kantar Gearshift Automotive Path to Purchase 2020. U.S. New vehicle purchasers n=1,000  
Google/Ipsos, "Digital's Influence on In-Market Auto Consideration" Study, US, August 2018. 18+ who are in-market for a vehicle in next two months (n=740 survey, n=767 behavioral)

# Case Study



## Shifting to Video Ads Grows Market Share While Reducing Spend



“Reaching in-market auto shoppers on YouTube created efficiencies that quickly translated into higher sales and profitability.”

—Cody Tomczyk, Vice President, Force Marketing

### The Approach

The dealership team worked with their digital marketing partner, Force Marketing, to reallocate budget from traditional media to YouTube TrueView In-stream and YouTube Bumper ads. These cost-efficient video ad formats allow users to skip ads at no cost to the advertiser, helping marketers to show ads only to interested viewers.

### The Results

**18%**

Reduced Gross Ad Spend

**8%**

Lower Cost Per Vehicle Sold

**250bps**

Gained Market Share



# Maintain your Fair Share

Maintain your current market share and start to track the profitability of your Google investment.

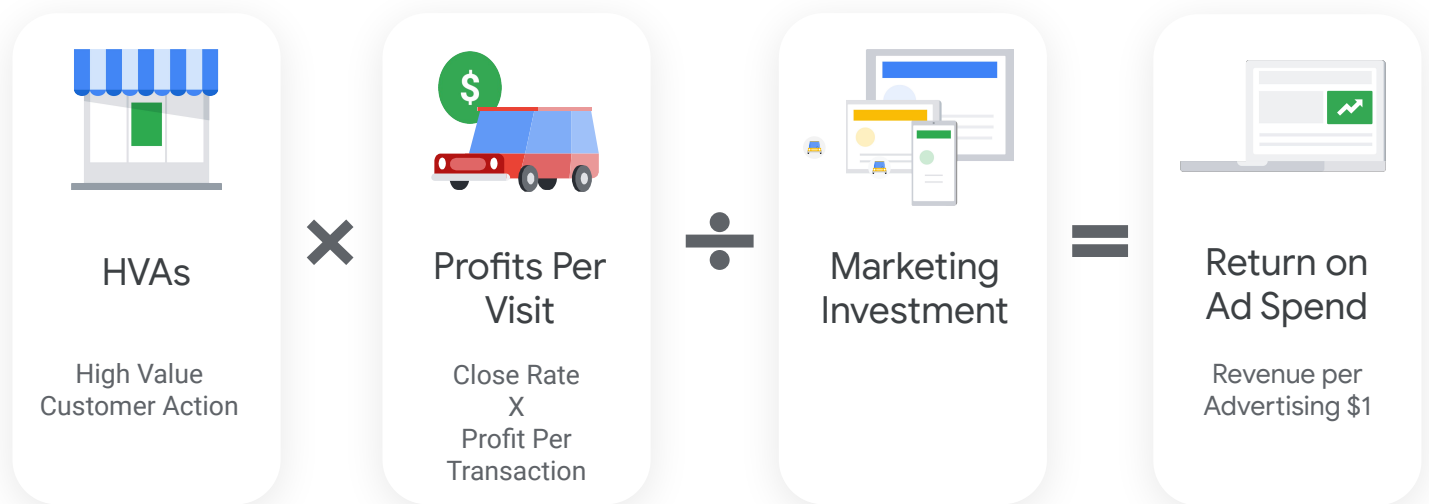
Once you establish an understanding of your return on ad spend, focus on identifying and prioritizing the audiences that are most likely to convert to a sale. Retain any current customers, re-engage them throughout their research phase, and drive traffic to your location.

## Maintain your Fair Share

Before you can dive into trying to capture your share of the market, you should use the **Profitability Calculator** to understand what your current advertising investment is getting you.

# Profitability Calculator

A simple calculation based on your HVA to understand your Return on Ad Spend and measure the value of your media channels.



3,350	×	\$510	÷	\$100K	=	\$17.09
High Value Actions		Profits Per Visit		Marketing Investment		Return on Ad Spend
High Value Customer Action		In-Store Close Rate of 30% X In-Store Profit Per Transaction of \$1,700		Investment of \$100,000		Per \$1 spent

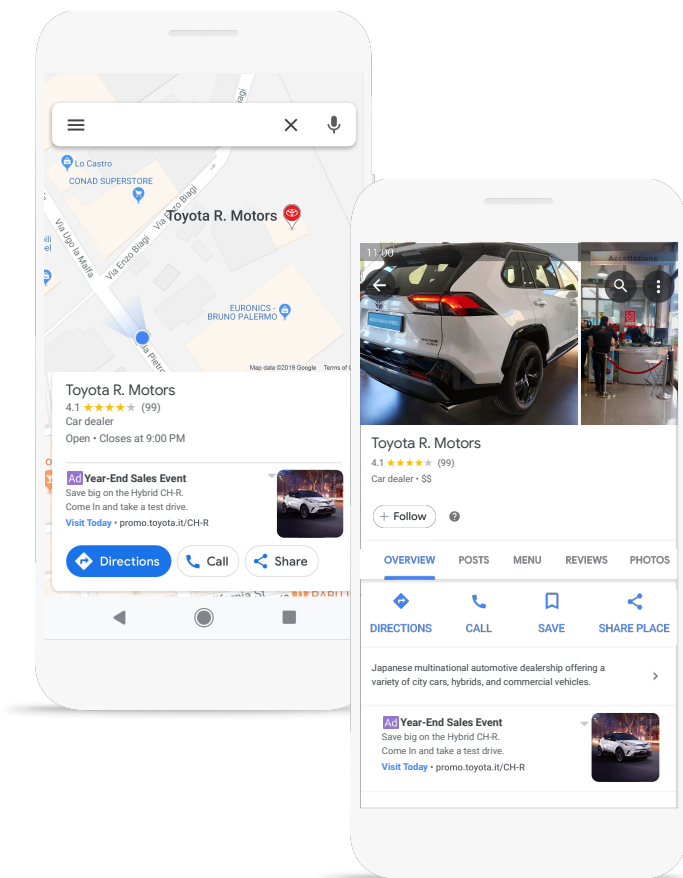


## Maintain your Fair Share

In-market buyers want to know about in-stock inventory now more than ever. Use **Local Campaigns** to showcase your products and drive goals, like selling remaining stock, liquidating old models, highlight promotions and promote new vehicle launches. Highlight the vehicles you have on your lot and increase visits to your dealership.

# Local Campaigns

Drive more store visits across Search, YouTube, Display, Maps and Google My Business Profile



- The primary goal of Local campaigns is to drive more traffic to your dealerships and grow in-store sales by optimizing to store visits or local actions (calls and click-for-directions).
- Advertisers have the control and flexibility to select which products appear within the format
- Can leverage [business data feeds](#) or Merchant Center feed ([whitelist](#))

# Case Study



**52**  
SINCE 1969

## Implementing Local Campaigns



Crown Auto Group  
increases foot traffic with  
Local Campaigns by **93%**  
during peak Holiday Season

### The Approach

Implementing Local Campaigns to solely drive consumers into dealerships by bidding only toward the following conversion values: store visits, driving directions, and calls.

### The Results

**93%**

Increase in Local Actions + Store Visits Conversions. *M/M (Oct'20 v Sept'20)*

**55M Impressions**

1572% Increase in Local awareness  
*M/M (Oct'20 v Sept'20)*

**\$86**

Return on ad spend  
*M/M (Oct'20 v Sept'20)*



# Invest to Grow Share



Align your Google investment to your sales goals to reach new customers and grow market share.

Begin to utilize the power of automation to build better ads for your customers, including inventory and incentive ads. Continue to utilize the power of video to drive specific actions.

## Invest to Grow Share

Now that you've defined how you measure success, understand your investment and identified opportunities, utilize **Smart Bidding to unlock growth through automation**. It can help you grow online conversions and store visits.

# Smart Bidding

Utilize the technology of Machine learning to understand, act on consumer intent in real time, and ultimately connect with potential customers.

## Pick the right bid strategy for your business

### Campaign Goal



Maximize website clicks



Maximize conversions within a given budget



Maximize conversion value at a ROAS target



Maximize conversion value within a given budget

### Recommended Bidding Strategy



Maximize clicks



Maximize Conversions



Target ROAS



Maximize Conversion Value

### Common pitfalls to avoid

- ① Making changes too soon or too frequently
- ② Changing too many variables
- ③ Not enough volume for the system to optimize
- ④ Conversions misaligned to campaign-type

**Consideration:** the system is only as smart as the inputs it's given

## Invest to Grow Share

Build off Smart Bidding strategies with targeted ads that surface your inventory like **Dynamic Search Ads** or allow for in-ad engagement like **TrueView for Action**.

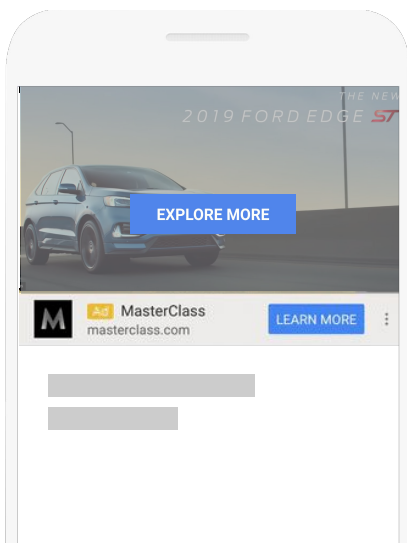
# Dynamic Search Ads

Use Dynamic Search Ads to highlight specific inventory and incentives based on your website content and user searches

**+29%**

Higher conversion volume for DSAs vs standard Search

# TrueView for Action



Drive clicks right from TrueView for action video ads.

- Customizable blue action button (10 character limit)
- Auto-generated clickable end-card shows for 5 sec after video completes
- Skippable ads of any length (skip button appears after 5 seconds)

**80%**

of auto shoppers who were exposed to a YouTube automotive ad **start visiting automotive websites in the same session**

Google internal data  
Google/LRWGreenberg 'Understanding the Automotive Path to Purchase' Study, U.S. 2020 Automotive Shoppers and Purchasers

# Case Study



## Driving online conversions with Youtube



Toyota of Tampa Bay drives conversions by **507%** with Youtube for Action

### The Approach

Toyota of Tampa Bay decided to run Youtube for Action along with its Spanish and English Trueview In-Stream ads in order to target both mid- and lower-funnel consumers. Youtube for Action was augmented with the lead form extension beta.

### The Results

**+507%**  
increase in  
**YouTube  
Conversions**

**-60%**  
decrease in  
**Cost per Lead**

**+23%**  
increase in **Car Sales**

**+57%**  
increase in  
**Impressions**



# Become a Market Leader

Being a market leader is about being ahead of the competition. It's about being smarter and more profitable with every dollar and quickly adapting changes in consumer behavior.

Use the full power of Google (automation, measurement) to drive profitable growth and enable online retailing.

## Become a Market Leader

Master the brilliant basics of defining your goals, accurate measurement, and reaching your audiences so that your business will be ready to evolve with the implementation of **online retailing**.

# Online Retailing

Give shoppers the choice to experience any step of their journey online.



# 65%

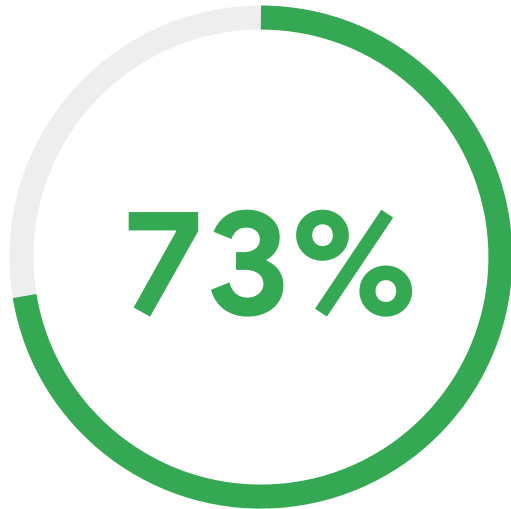
of auto purchasers expect to have more online options to purchase a vehicle.

Google, "New Car Buyer Survey," July 2020. Q17: Do you feel comfortable doing them online, at the dealership, or both?  
Q18: Which of the following do you feel comfortable doing at home without visiting the dealership physically



## Become a Market Leader

Auto buyers are driving the change toward a customer-led, frictionless experience



are comfortable negotiating purchase, lease or financing terms **completely online or with a mix of online/offline**



are comfortable experiencing the vehicle (feature highlights, walkarounds) **completely online or with a mix of online/offline**

Google, "New Car Buyer Survey," July 2020. Q17: Do you feel comfortable doing them online, at the dealership, or both?  
Q18: Which of the following do you feel comfortable doing at home without visiting the dealership physically

## Become a Market Leader

Auto buyers are driving the change toward a customer-led, frictionless experience



52%

are comfortable getting their vehicle delivered to their home without physically visiting a dealership

Google, "New Car Buyer Survey," July 2020. Q18: Which of the following do you feel comfortable doing at home without visiting the dealership physically?

## Become a Market Leader

Google can help Auto OEMs & Dealers in three key areas when it comes to online retail:



### Experience

Their first impression is your digital impression. Make it count!



#### Site Performance

*Reduce site drop-off & increase conversions*

#### Digital Storefront

*If you build it, they will come*

#### Purchase Process

*Remove friction & win customers*



### Marketing

Smarter media, stronger performance, full-funnel visibility

#### Local Actions

*Meet local intent with relevant information*

#### Dynamic Optimization & Automation

*Increase ad relevance with dynamic solutions*

#### Omnichannel Customer View

*Set up customized, x-tier media management*



### Data & Tech

Maximize your business with a smarter machine

#### Measurement & Analytics

*Gain & act on insights re website & campaigns*

#### Automation @ Scale

*Profit from ML and automation*

#### Data Integration / Partners

*Build x-tier, privacy-safe and compliant back-end*

## Become a Market Leader

Save time, eliminate the guesswork, and enhance your return on investment with **Maximize Conversion Value for Search**

### Simplicity



In **just a few clicks**, you can make the most of your budget while saving time, eliminating the guesswork related to setting bids manually

### Efficiency

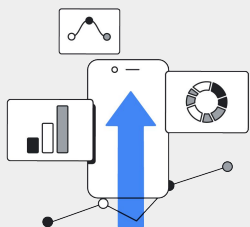


Leverage Google machine learning to **automatically set bids for every single auction**, leveraging a unique and wide range of signals

### Performance



Drive **as much conversion value as possible** within your specified budget



Use machine learning to drive conversion value within a set budget on Google Ads. **Maximize conversion value** is a Smart Bidding solution that automatically sets bids at auction time to get you as much conversion value as possible within your budget.

# Case Study



## Mike Anderson Chevrolet increased Store Visits and Sales with Smart Bidding



“L2TMedia has been working closely with our Google team and clients for more than 9 months to analyze and optimize the execution of our Smart Bidding campaigns. Seeing this work pay off with amazing results for our clients is key to proving how the right strategy as well as account optimization and oversight can grow a dealer’s business.”

– Jeff Kaufman, VP of Product & Strategy, L2TMedia

### The Approach

L2T recommended implementing Google Smart Bidding, Maximize Conversion Value to optimize their spend and focus on campaigns that were most likely to drive low funnel leads and store visits. L2T’s proprietary account setup and Google’s Smart Bidding technology identifies shoppers that are farther along in their purchase journey. The strategy was to use Max Conversion Value and focus on campaigns that produce a high volume of store visits such as Model Chevrolet (ex: 2021 Chevy Equinox).

### The Result

**+185%**  
Increase in Store Visits

# Case Study

# Paragon Honda

## Paragon Honda optimizes media strategy to stay nimble



“We realized we needed to shift strategy and leaned into Google insights to help guide new marketing initiatives to understand where to meet consumers in our new world”

- Brian Benstock, General Manager and Vice President, Paragon Honda and Paragon Acura

### The Approach

In partnership with Team Velocity and Foundation Direct, Paragon Honda used the Dealer Opportunity Explorer (focusing on keyword coverage) to ensure they were in front of consumers searching for New, Used, and Service deals. They also launched TrueView for Action campaigns to take advantage of increased YouTube watch times. And to accommodate the new shopping environment, Paragon revamped their online retailing tools.

### The Results

**+300%**

Percentage increase in ROAS for New Vehicle Sales in Sept 2020 vs Apr 2020

**+675%**

Percentage increase in ROAS for Used Vehicle Sales in Sept 2020 vs Apr 2020

**100%**

of April/May 2020 vehicles sales were from online retailing





# How to drive success with Google



Google's suite of digital ad solutions is built off of 20 years of helping businesses understand how a customer shops, what the customer wants and how to connect them to it.

Use this section to keep track of the products and strategies for each pillar of Dealer Guidebook 2.5 and check them off as you integrate them into your advertising strategies.

# How to Cover the Basics from DG 1.0

## Website

## Reduce site drop-off & increase conversions

- Site speed and optimization
- UX best practices for e-comm

## Measurement

Define digital success for your business & track those actions on site and after the ad click

- ☐ Conversion tracking
- ☐ Link Google Ads & Google Analytics
- ☐ Google My Business
- ☐ Dealer Opportunity Explorer

## Search

## Capture the intent of customers by answering their Google Searches

- Keyword coverage
- Structure accounts and campaigns based on intent

## Video + Display

Get people into your store and on your site by driving awareness

- ☐ Market-based creative
- ☐ TrueView In-Stream
- ☐ Video ad extensions
- ☐ Google Display

[illegible]



# How to Maintain your Fair Share:

## Website

Enhance online customer service & shopability

- ☐ Create virtual showroom (Inventory on site & chat/video consultation)

## Measurement

Understand the profit impact of your Google investment

- ☐ ROAS calculator to measure ROI
- ☐ Non-last click attribution

## Search

Segment your customers through Google Audience Solutions to identify and prioritize

- ☐ Remarketing List for Search Ads
- ☐ Customer Match

## Video + Display

Get people into your store and on your site by driving awareness

- ☐ YouTube Display & TrueView
- ☐ Remarketing
- ☐ Customer Match
- ☐ Dynamic Display remarketing

## Cross-platform

Drive incremental reach

- ☐ Audience solutions
- ☐ Local campaigns

---

---

---

---

---

---

---

---

# How to Invest to Grow Share:

## Website

Bring the shopping experience to life with video

- ☐ Engage with video (Virtual walkarounds, test drives, FAQs, YouTube videos)

## Measurement

Set a sales goal and calculate the Google investment needed to profitably grow market share

- ☐ Use the calculator estimate the number of leads, SV needed reach goals

## Search

Expand your Search Strategy to get you more conversions and reach more audiences

- ☐ Smart bidding to max. Conversions
- ☐ Dynamic Search Ads
- ☐ Responsive Search

## Video + Display

Reach new customers that are likely to result in a sale on Youtube and Display

- ☐ TrueView for Action
- ☐ Video ad sequencing
- ☐ Responsive display

## Cross-platform

Drive incremental reach

- ☐ Discovery campaigns

---

---

---

---

---

---

---

---

---

---