

# The Topline Dealer Guidebook 2.5

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How Canadian Dealers can drive  
success on Google



Think with Google

Canadian dealers are facing never-before-seen challenges with different implications across our provinces. COVID-19 accelerated shifts in customer behaviour across multiple industries, including ours. These shifts are changing the way we do business — whether you are a manufacturer, an auto group or a standalone rural dealership.

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



**Mathew Growden**

Google Canada Auto Retail Team

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# A Driving Change from 2020

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.





# 60%

of Canadians looking to buy a car said they would use an online purchase option

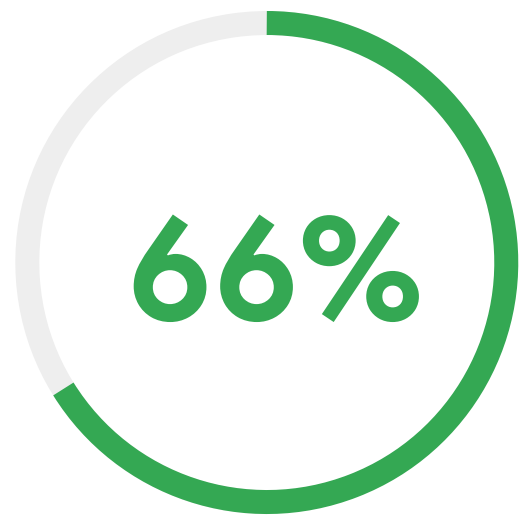
Google Consumer Surveys, Canadian auto intenders (purchase in next 12 months) n=500, March 27-April 12, 2020.

# 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**

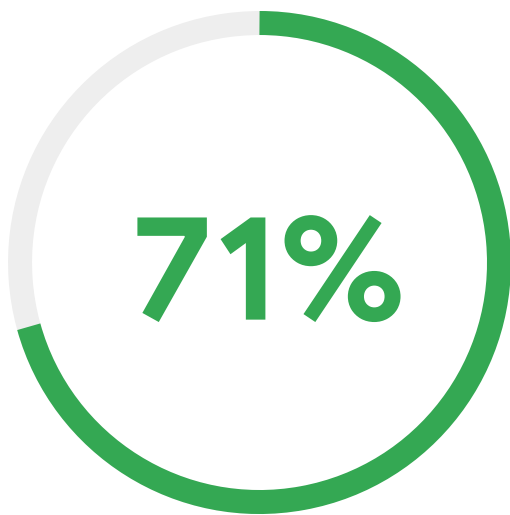


of recent new vehicle  
purchasers **expect more**  
**online purchase options**  
for vehicles after COVID-19

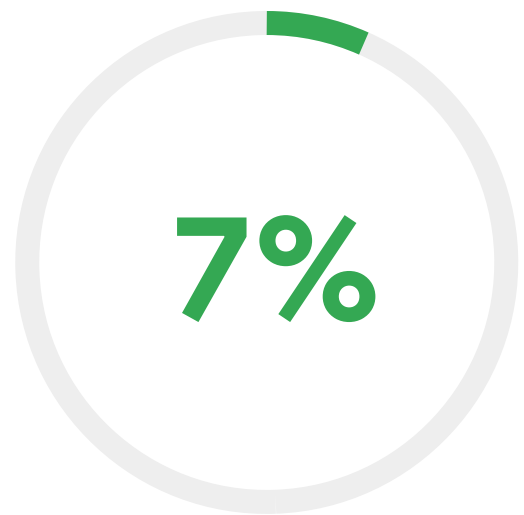
Google/Kantar Gearshift Automotive Path to Purchase 2020. CA New vehicle purchasers  
Google/Kantar Automotive Path to Purchase 2019, U.S. n=2,000  
Google/Kantar Gearshift Automotive Path to Purchase 2020 CA // Base: All new car purchasers n = 1567 // QC03: Thinking about the  
time after the COVID-19, how will the vehicle market and car purchase process change after the current situation has passed? – Top  
Two (Very likely/Likely)

# Truths

74% of car purchasers spent up to two 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.



of new **vehicle discovery**  
**happens online**

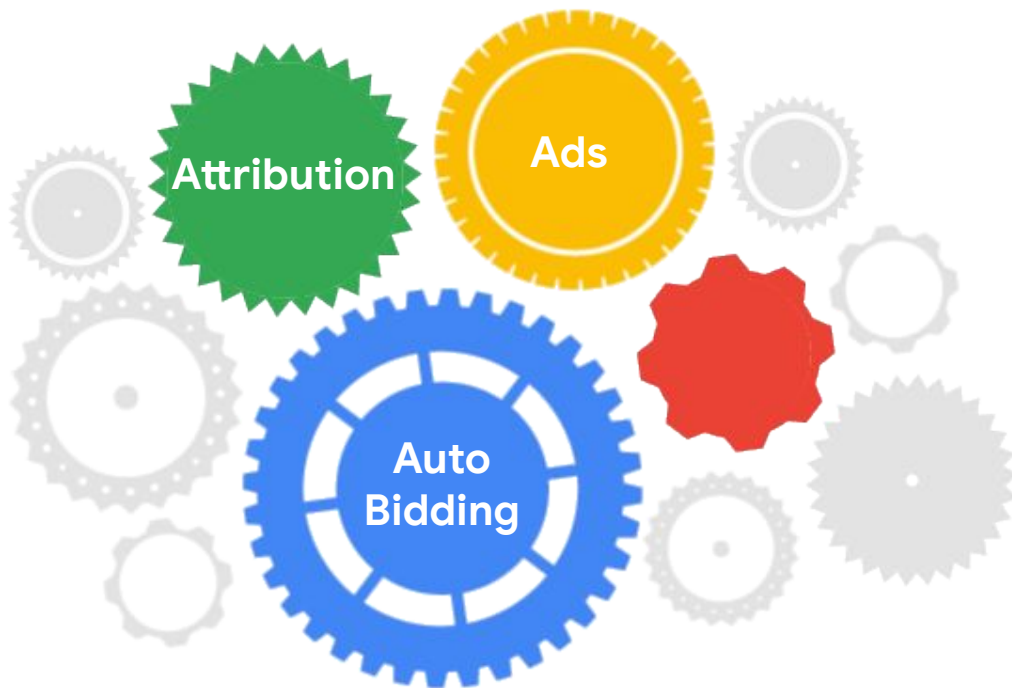


of purchasers **contact a**  
**dealer via an online form**

Google/Kantar Gearshift Automotive Path to Purchase 2020 CA // Base: All new car purchasers n = 1567 // Q24: How much time passed between starting to research and actually purchasing a vehicle?  
Google/Kantar Gearshift Automotive Path to Purchase 2020 CA // Base: All new car purchasers n = 1567 // Q13: How did you discover the vehicle you most recently bought?  
Google/Kantar Gearshift Automotive Path to Purchase 2020 CA // Base: All new car purchasers, who visited a dealer n = 1487 // Q20: Which, if any, of the following ways did you contact a dealership or car lot?

# Be Ready for What's Next

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



# Cover the basics from Dealer Guidebook 1.0

Start 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 **Optimization Score**.

# Optimization Score

An estimate of how well your Google Ads account is set to perform.

Scores run from 0% to 100%, assessing if your account is optimized to perform at its full potential.

Includes recommendations on how to improve the performance of your campaign, based on performance history, campaign settings, and Google search volume and trends.

The screenshot shows the Google Ads interface for a campaign. The 'Recommendations' tab is active, displaying the current optimization score of 73.5% for Search campaigns. A red box highlights the score and the 'ALL RECOMMENDATIONS' button. Another red box highlights individual recommendations, such as 'Bid more efficiently with Target CPA' (+14.8%) and 'Add audiences' (+3.1%).

Prioritize your optimization activity by the potential score uplift for a section.

Or you can prioritize by the potential score uplift for individual recommendation types.

## 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**

72%

of new auto purchasers in Canada **took an action after watching a video**: visit a dealer website, use a build and price tool, located a dealer, scheduled a test drive, requested a price quote, searched for finance or lease offers

88%

of purchasers in the U.S. 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 Gearshift 2020 // Base: All car purchasers, who watched online video n = 1991 / and are first time buyers n = 708 // Q36: Did something you saw in an online video lead to any of the actions below?

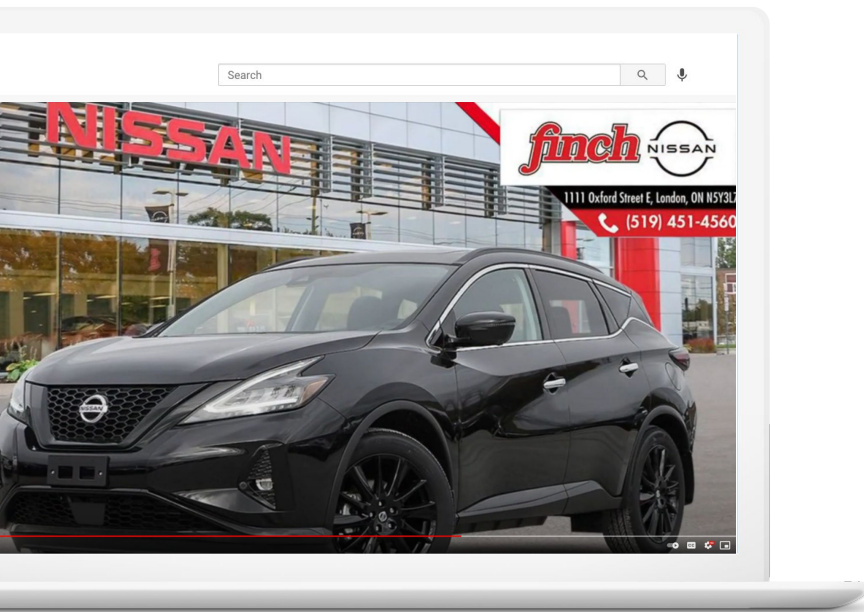
Google/Ipsos, "Digital's Influence on In-Market Auto Consideration" Study, US, August 2018. 18+ who are in-market for a vehicle in next two months (n=740 survey, n=767 behavioral)

Think with Google

# Case Study



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



**"I was anticipating moving two to three units. We more than doubled that goal, selling eight."**

*—Shawn Tuner, President, Finch Nissan*

### The Approach

Finch Nissan was looking for a way to cost-effectively promote remaining in-stock 2020 Nissan Kicks, through their "Nissan Kicks clearout sale." The team decided to reallocate budget from traditional media to YouTube TrueView Instream Video 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

**1600%**  
ROI

**9,681**  
Impressions

**39**  
Hours of watch time



# Maintain your Momentum



Maintain your momentum by aligning your ad spend to the audiences most likely to convert to a sale.

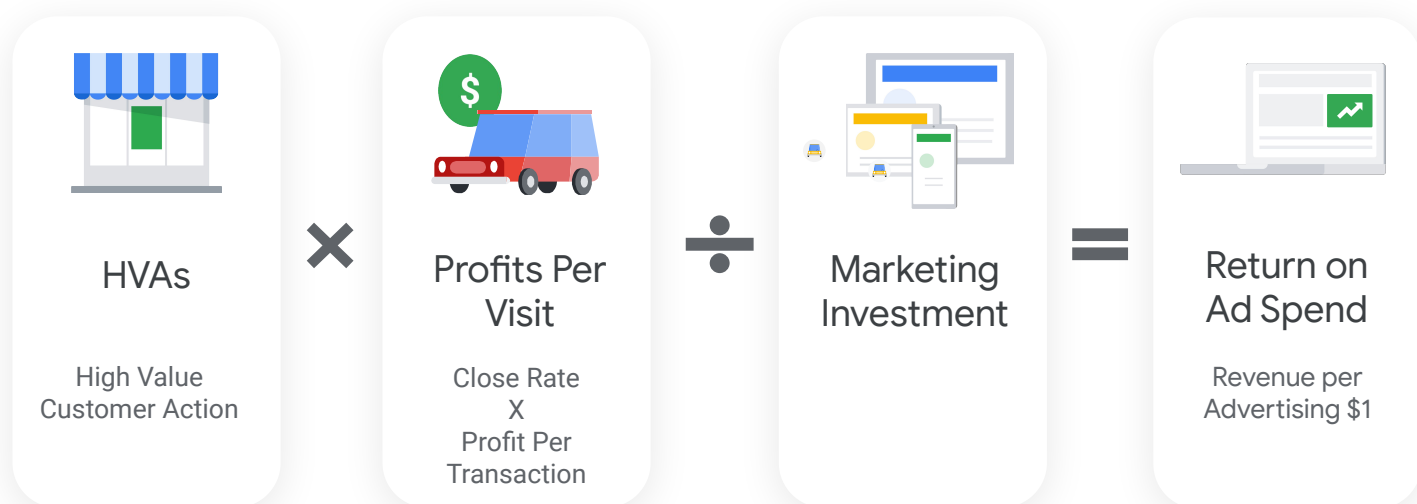
Once you establish an understanding of your return on ad spend, focus on identifying and prioritizing the audiences that are most likely to convert to a sale. Retain any current customers, stay in communication throughout their research phase, and drive traffic to your location.

## Maintain your Momentum

Before you can dive into implementing your new digital strategy, you should use the **Profitability Calculator** to understand what your current advertising investment is getting you.

# Profitability Calculator

A simple calculation based on your high value actions (HVAs) to understand your Return on Ad Spend and measure the value of your media channels.



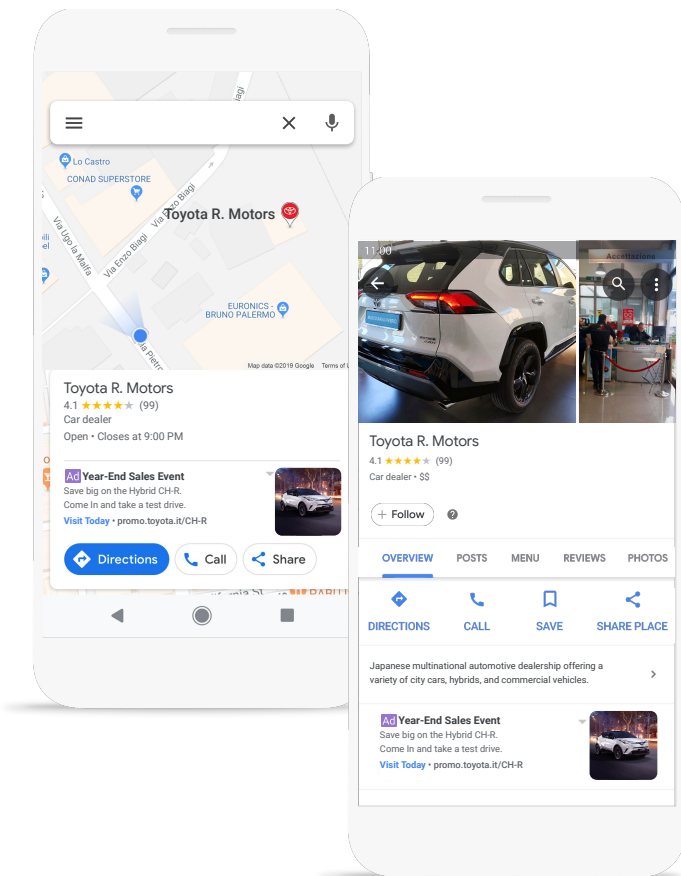
3,350	×	\$510	÷	\$100K	=	\$17.09
High Value Actions		Profits Per Visit		Marketing Investment		Return on Ad Spend
High Value Customer Action		In-Store Close Rate of 30% X In-Store Profit Per Transaction of \$1,700		Investment of \$100,000		Per \$1 spent

## Maintain your Momentum

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 phone calls, driving direction requests and store visits across Search, YouTube, Display, Maps and Google My Business Profile

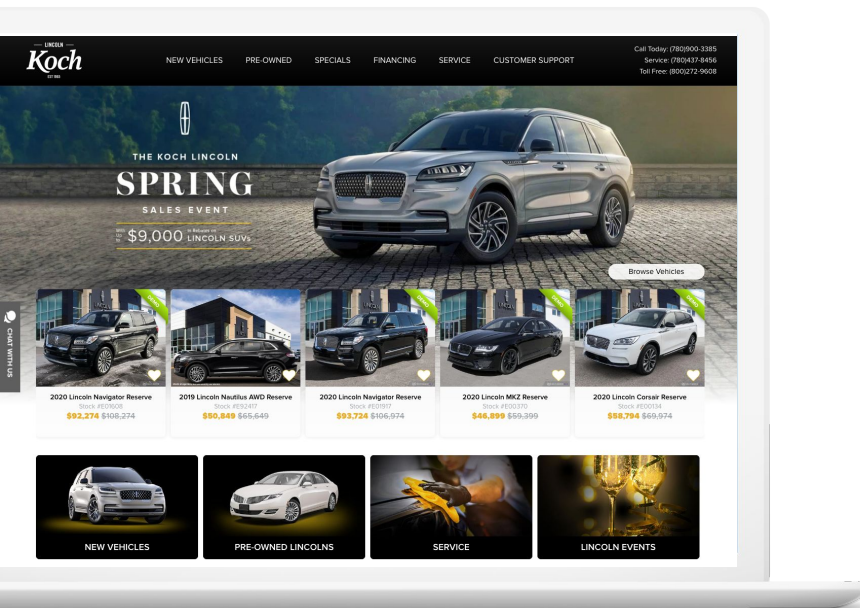


- The primary goal of Local Campaigns is to drive more traffic to your dealerships and grow in-store sales by optimizing to store visits or local actions (calls and driving direction requests).
- Profile your key nameplates with a product feed. Dealers have the control and flexibility to select which vehicles appear within the format

# Case Study



## Implementing Local Campaigns



Koch Lincoln increased new site visitors with Local Campaigns by **57%**.

### The Approach

Koch Lincoln needed a cost-effective way to drive performance. The team implemented automation and Local Campaigns to increase conversions and impressions, while being budget constrained.

### The Results

**3960%**  
Increase in impressions

**14X**  
Increase in conversions

**-75%**  
Reduction in cost per new site visitor

Think with Google



# Grow your Business



Grow your business by delivering the right message to the right auto shoppers.

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

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

Use 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

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

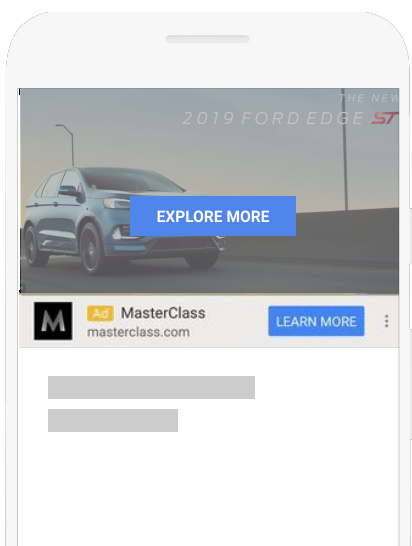
# Dynamic Search Ads

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

# Video Action Campaigns



Drive clicks right from Video Action Campaigns 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)

**31%**

of Auto buyers say **YouTube helped them change or reinforce brand perception**

Google internal data

Kantar, Google Gearshift Study July 2020 , Canada - n=536; Auto buyers in the P6M who leveraged YouTube during their purchase process.

# Case Study



## Driving online conversions with YouTube



Toyota of Tampa Bay drives conversions by **507%** with Video Action Campaigns

### The Approach

Toyota of Tampa Bay decided to run Video Action Campaigns 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**



# Prepare for the Future

Preparing for the future is about being ready for what's next and being more profitable with every dollar. Quickly adapt to changes in consumer behaviour.

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

## Prepare for the Future

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.



# 58%

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

# 66%

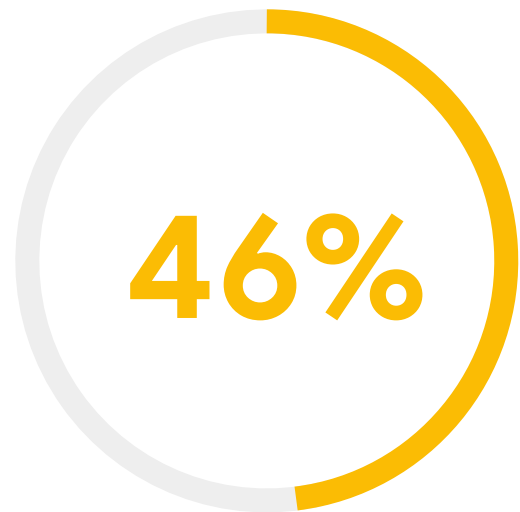
expect enhanced dealer communication online

Google Gearshift 2020 // Base: All car purchasers n = 3150 // QC03: Thinking about the time after the COVID-19, how will the vehicle market and car purchase process change after the current situation has passed? – Top Two (Very likely/Likely)

Auto buyers around the globe 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/CSpace, "New Car Buyer Survey," July 2020. US, CA, BR, MX, DE, UK, IT, FR, AU, IN, JP; Q17: Do you feel comfortable doing them online, at the dealership, or both?

## Prepare for the Future

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



46%

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

Google/CSpace, "New Car Buyer Survey," July 2020. US, CA, BR, MX, DE, UK, IT, FR, AU, IN, JP; Q18: Which of the following do you feel comfortable doing at home without visiting the dealership physically?

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, simplify & 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

Power 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*



# 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

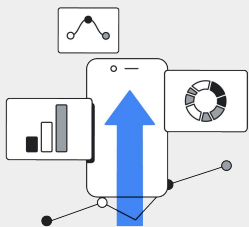


Utilize Google machine learning to **automatically set bids for every single auction**, leveraging a unique and wide range of signals

### 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

## Paragon Honda weathers the storm with insights & automation



“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

Despite dealership closures & dwindling inventory, Paragon Honda leaned into the insights from the Dealer Opportunity Explorer using automation to match their on-the-lot inventory with active shoppers searching for New, Used, & Service deals. With YouTube watch times increasing during this time, Paragon Honda also launched TrueView for Action campaigns. Also, Paragon Honda wanted to accommodate the new online shopping environment, so they focused on updating their online retailing tools to meet auto shoppers needs.

### 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

The basics have changed. 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 Dealer Guidebook 1.0

## Website

## Reduce site drop-off & increase conversions

- Site speed and optimization
- Support remote digital down payments

## 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 Insights
- Optimization Score

## Search

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

- Responsive Search Ads
- Phrase and Broad match types
- Keyword coverage and account structure based on intent

## Video + Display

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

- Build out your YouTube channel
- TrueView In-Stream + Bumpers
- Responsive Display Ads

[illegible]

# How to: Maintain your Momentum

## Website

Enhance online customer service & shopability

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

## Measurement

Understand the profit impact of your Google investment

- ☐ Use profitability calculator
- ☐ Non-last click attribution
- ☐ Deploy GA4 alongside your existing Google Analytics profile

## Search

Segment your customers through Google Audience Solutions to identify and prioritize

- ☐ Smart bidding to Max Conversions

## Video + Display

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

- ☐ Discovery campaigns
- ☐ Dynamic display remarketing

## Cross-platform

Drive incremental reach

- ☐ Lead Form Ads
- ☐ Local campaigns

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# How to: Grow your Business

## Website

Bring the shopping experience to life with video

- ☐ Digital retailing best practices

## Video + Display

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

- ☐ Video Action Campaigns
- ☐ YouTube audio ads
- ☐ Display Prospecting

## Measurement

Set a sales goal and calculate the Google investment needed to profitably grow your business

- ☐ Import vehicle transaction data into Google Ads + Analytics

## Cross-platform

Drive incremental reach

- ☐ Performance Max campaigns
- ☐ Audience solutions
- ☐ Customer Match

## Search

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

- ☐ Dynamic Search Ads

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# How to: Prepare for the Future

## Website

## Remove friction & win customers

- Shopping tools (e.g. integrated deal structuring, trade-in valuation, credit approval)

## Measurement

Compare your profitability to other marketing channels & prioritize the largest opportunities

- Compare Google ROI to other channels
- Full activation of first-party data

## Search

Fully automate your Search Strategy to allow the Machine to drive the most profitable growth

- Bid-to-value (per vehicle and/ or per repair order)

## Video + Display

Acquire new customers by deploying a dynamic video solution that surfaces your inventory and relevant offers

- Dynamic inventory and offer-based video ads