

Rethinking Online Media Attribution

An independent study by Dataium,
commissioned by Cars.com

Gone are the days when shoppers began their vehicle search at the dealership – 90% of car shoppers today start their search online¹, and many make choices about what car to buy and where to buy it before they set foot on a dealership lot.

Dealers have responded by shifting more investment into digital media, attempting to influence potential purchasers in the places they're making decisions. Yet despite online media's ability to provide more data than media such as billboards, TV and radio, accurately measuring the performance of digital investments remains challenging.

- **The Walk-In Factor.**

Much of the shopping process has shifted online, but what hasn't changed is that the dealership remains the point of sale. Most stores ask walk-in shoppers where they heard about their dealership, but it can be challenging to identify specific sources at the end of such a complex process.

- **Single-Source Attribution for a Multi-Source Process.**

Shoppers use many online resources during the purchase process, but metrics capturing this activity are largely limited to the most recent source visited prior to connecting with a dealership. Email leads, phone calls, chat contacts and direct URL referrals to a dealership's website represent some of the critical metrics for measuring value, but they tell only part of the story of all the resources that drove a potential buyer to the dealership.

- **Data vs. Insights.**

The amount of data available to dealers has grown exponentially, yet best practices for making the information actionable continue to evolve. While many in the industry use "Big Data" to enhance the performance of their marketing investments and operational processes, more opportunities remain for utilizing this wealth of information to its fullest potential.

To gain insights on how to better assess the effectiveness of digital media, Cars.com commissioned an independent study by Dataium, the leading aggregator of online auto shopper behavior.

Study Overview and Methodology

The study evaluates the direct and indirect value of the two primary dealer advertising investments according to Dataium's analysis – paid search engine marketing (SEM) and automotive marketplaces, such as Edmunds.com, KBB.com, AutoTrader.com and Cars.com – by focusing on the quantity and quality of traffic to dealership websites.

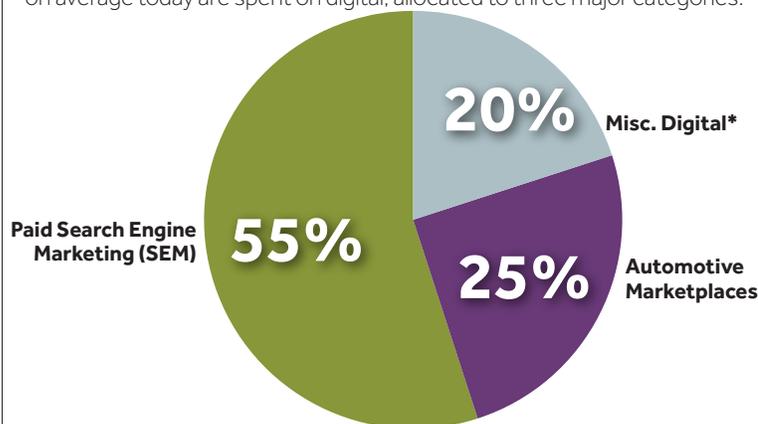
The study measured the activity of more than 20 million automotive shoppers on Dataium's network of over 10,000 dealership and select third-party websites from January to June, 2012. In addition Dataium worked with Cars.com to tag pages throughout the Cars.com site, serving to identify common visitors between Cars.com and dealership websites without the need for a direct URL referral – essentially overcoming one of the challenges in understanding

a shopper's path to a dealership prior to the last source visited.

While it should be noted that there are many ways to assess value beyond dealership website traffic and email leads, the study's ability to track the indirect impact of a dealership's online advertising investments, combined with its unprecedented scope, makes it among the most comprehensive studies of its kind.

Dealer Average Digital Spend

More than 40% of dealers' marketing and advertising budgets on average today are spent on digital, allocated to three major categories:



* Includes social media advertising, local market banner advertising, managed SEO and other online categories

Digging Into Direct Referral Traffic

As Dataium notes in its report, many in the industry perceive search engine marketing as the top traffic generator among digital marketing venues, while automotive marketplace websites are viewed as facilitating higher quality consumer engagement.

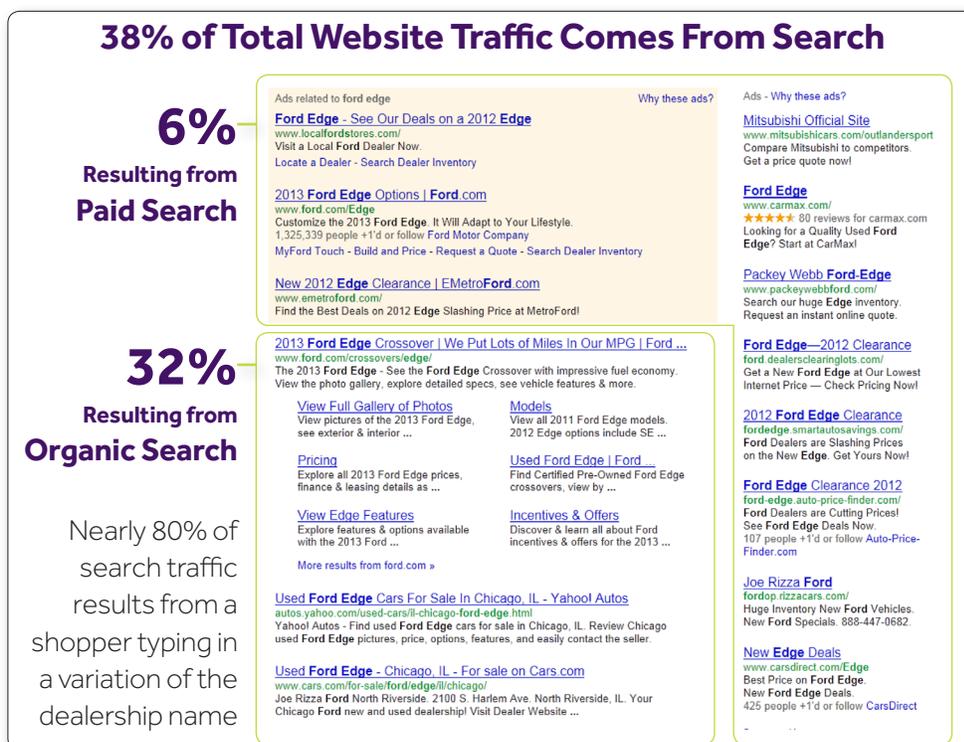
At 55% on average, paid SEM represents the largest component of the automotive dealership digital budgets evaluated by Dataium, though investment varied at the individual store level: The analysis found that dealerships typically invest between \$2,000 and \$20,000 in paid SEM monthly, depending upon associated brand/make, size, market and other factors. Investment in automotive marketplaces, while also experiencing variation, averages 25%.

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In looking at dealership website traffic from these two investment areas over the study period, Dataium found that 38% of total website traffic came from search engines. Of this traffic, only 6% was a result of paid SEM — 32% of traffic originated from clicks on organic search results. Dataium speculated that dealers' reasoning in spending 55% of their budgets to acquire 6% of their traffic on average was likely based on the perception that their paid SEM spend was responsible for the high overall traffic numbers attributed to search.

Dataium found more to the story when it examined the consumer intent behind these figures. Based on the firm's analysis of the search terms that led users to dealership websites, 78.6% of search engine referral traffic resulted from search terms that were a variation of the dealership name,

which theoretically causes the dealership URL to appear among the top organic search results for websites that follow best practices for search engine optimization. Dataium speculated that this traffic was attributable to other sources that familiarized a shopper with the dealership, ultimately driving the consumer to type the dealership's name directly into a search engine later in their process.



Value Beyond the Click: Cars.com Case Study

To better understand the impact of automotive marketplace sites on the shopping process, Dataium worked with Cars.com to examine traffic, activity and leads resulting not only from direct URL referrals, but also visits to dealership websites from shoppers who had been to Cars.com but who had not arrived at the dealership site via a direct referral (referred to as "indirect traffic").

In the course of the six-month study, Cars.com was the direct source of more than 6 million consumer visits to dealership websites, representing traffic of about 1 million visitors per month. Of these visitors, 21.5% submitted an email form lead from the dealership website: 12.5% submitted an email lead in the same browser session, while 9% submitted an email lead during a subsequent visit.

Analyzing the total traffic to those same dealership websites, Dataium found that an additional 14.5% of dealership website email form leads were from users that had Cars.com in their browsing profile.

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Driving Digital Differentiation

While traffic and leads represent the key metrics analyzed by Dataium, other findings suggest that automotive marketplaces deliver an audience that is more qualified, closer to purchase and more engaged than other online investments.

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Dataium's study also found that Cars.com outperformed competing sites when looking at the level of engagement exhibited on dealership websites by shoppers who arrived via direct URL. For example, Cars.com's direct lead conversion rate of 12.5% on dealership websites was more than 40% higher than the average achieved at other automotive marketplace sites. Cars.com users also viewed more than 11 pages per visitor, more than 2.5 times the average across other automotive marketplace sites and consumed more than 3 times the number of vehicle detail pages compared with others in its competitive set.

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Dataium speculated that differences in the consumer experience led to more prominent purchasing behavior. According to Dataium, "where Cars.com offers resources for the shopping process from start to finish, including research, comparisons, pricing, inventory and reviews, other automotive marketplaces may attract visitors for specific components of the process (to obtain a Kelley Blue Book Value, for example) or for activities beyond purchasing a vehicle (e.g. to use AutoTrader's Trade-In Marketplace). While these sites are highly valuable in moving visitors into a purchasing mindset, Cars.com's 'one-stop-shop' format could explain the site's performance in the study."

Conclusion

While dealers invest in SEM for reasons beyond driving traffic and leads on their dealership websites, Dataium asserts that most visitors referred to dealer sites by search engines have likely already formed impressions and the firm suggests that dealers look at ways to invest more efficiently between paid SEM and "upstream" digital media, such as automotive marketplace sites, to drive deeper consideration with shoppers earlier in their decision-making process.

What Dataium does not recommend is that dealers cease investing in paid SEM, nor does the study provide benchmarks for digital budget allocations. Instead, the firm suggests that dealers' marketing investments "be aligned with the priorities of the customer," focused on reaching a high-quality audience at the right times and in the ways best suited to influence the purchase process. Equipped with this study's findings, future research on appropriate media attribution and relevant industry conversation, dealers will no doubt be in a better position to optimize their investments and drive their businesses forward more effectively.

To download the full white paper, visit <http://dealers.cars.com/dataium>.

Sources

All data cited is original research based off information provided by Dataium Corporation, with the exception of material cited below:

¹ Automotive News "Dealers master Web search to land on page 1 when consumers shop" David Barkholz (January 30, 2012)

About Dataium, LLC

Dataium is the largest aggregator of Internet automotive shopping activity. With its Cloud Intelligence® platform, the company collects, analyzes and indexes billions of online automotive shopping events from over 20 million active auto shoppers monthly. The company supports cutting-edge data collection and reporting technology; VisiCogn® Knowledge Center, VisiCogn® In-Market Lead Solutions and is also known for its ASI™ index. For more information, visit www.dataium.com, email: info@dataium.com, or call 877-896-DATA (3282).



About Cars.com

Cars.com is an award-winning online destination for car shoppers that offers information from consumers and experts to help buyers formulate opinions on what to buy, where to buy and how much to pay for a car. Cars.com offers thousands of new and used vehicle listings, consumer reviews, side-by-side comparison tools, photo galleries, videos, unbiased editorial content and many other tools. Cars.com puts millions of car buyers in control of their shopping process with the information they need to make confident buying decisions. Launched in June 1998, Cars.com is a division of Classified Ventures LLC, which is owned by leading media companies, including A.H. Belo (NYSE: AHC), Gannett Co., Inc. (NYSE: GCI), The McClatchy Company (NYSE: MNI), Tribune Company and The Washington Post Company (NYSE: WPO).

