

Dealers Who Focus On Direct Search Referral Traffic To Their Web Sites Are Missing The Bigger Picture, According To A New AutoTrader.com White Paper

An intensive analysis of the online behavior of over three million shoppers shows that third-party sites drive a significant amount of qualified shoppers to dealer web sites; shoppers mostly using search engines as directories.

ATLANTA, Oct. 23, 2012 /PRNewswire/ -- There's no question that consumers use search engines in the car shopping process, but a new white paper from AutoTrader.com sheds light on just how and when they are turning to those tools—and it's a lot different from what is typically accepted in the automotive industry. The white paper, entitled "[Digital Audience Analysis: Understanding Online Car Shopping Behavior and Sources of Traffic to Dealer Websites](#)," provides key insights about the actual behaviors of online shoppers that dealers and OEMs can—and should—use to reach more shoppers and convert them into buyers.

According to the Digital Audience Analysis white paper, web analytics tools (which dealers use to analyze traffic to their web sites) typically show only a two to five percent direct referral rate from third-party sites like AutoTrader.com and KBB.com to dealership web sites. However, analysis of over three million online shoppers shows that third-party sites are indeed a significant driver of traffic to dealer web sites, with 34 percent of visitors having visited either AutoTrader.com or KBB.com before arriving at dealerships' web sites.

Additionally, the white paper reinforces a common theme from the 2011 Automotive Buyer Influence study, which is that shoppers are more likely to use search engines as a directory. Initial analysis of the data used for the Digital Audience Analysis white paper shows that shoppers who visit a search engine immediately before arriving at dealership web sites often use branded search terms or keywords, such as the dealership's name.

"There is a gap between perception and reality when it comes to the role of search in the car shopping process, which could be leading dealers to over invest in search marketing at the expense of more effective sources," said Kevin Filan, vice president of customer marketing at AutoTrader.com.

"Shoppers are using search engines, but what dealers should be focusing on is *how* and *when* shoppers are using those tools. Our research shows that for a large portion of shoppers, search engines are an intermediary step where they go to find something they've already been exposed to previously."

Further, the white paper demonstrates that third-party sites not only drive a significant amount of shoppers to dealer web sites, but they also drive a more qualified shopper. The analysis revealed that 80 percent of visitors viewed inventory on the dealer site after having been on AutoTrader.com or KBB.com, whereas only 59 percent of those without AutoTrader.com or KBB.com activity did the same. And, of those who viewed inventory, visitors that previously shopped on AutoTrader.com or KBB.com viewed six, or 54 percent, more pages on average than other visitors.

"The results of this analysis really show that there is significant risk for dealers who assume that shopping activity began from the source that provided a direct referral to their web sites," Filan continued. "By turning more of their focus upstream, dealers can have a greater impact and influence online, particularly if they execute well on the fundamentals. By

having the right inventory at the right price and merchandising it well, dealers will be able to capture the attention of more qualified shoppers and have a higher chance of converting them into buyers."

Turn Insights into Actions:

So ultimately, what does all of this mean for dealers? Here are three tips from the AutoTrader.com experts:

1. Don't assume that car-shopping activity begins on search engines. Deeper shopping engagement occurs upstream of search engines.
2. To better understand which sources are driving traffic, focus less on direct referrals from search engines and more on the keywords shoppers enter into search engines to locate the dealership website.
3. Focus on the key tenets of successful online automotive marketing, such as having in-demand inventory, competitive pricing and robust merchandising online. For inventory, use multiple custom photos (not stock), custom vehicle comments and video, and don't forget to merchandise the dealership to highlight why shoppers should buy from you.

About the Digital Audience Analysis White Paper

Leveraging proprietary data and technology via AutoTrader.com, Kelley Blue Book (KBB.com) and selected partner sites as well as Adobe technology, the digital audience analysis looked at the online behavior of more than three million car shoppers across 1300 active dealership web sites to better understand what sites car shoppers visit, their on-site activity, how they navigate across a variety of automotive sites and the overlap among the sites they visit. In addition to analysis around the role of search, the white paper also includes more information on the role of third-party sites. This is the first in a series of white papers that AutoTrader.com will be making available to the industry this year. To access the full "Digital Audience Analysis" white paper, please visit the AutoTrader.com [Dealer Learning Center](#) or click [this link](#).

For more industry insights, tips and information, follow the AutoTrader.com Dealer Connect Facebook page at www.facebook.com/dealerconnect.

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Created in 1997, Atlanta-based AutoTrader.com is the Internet's ultimate automotive marketplace. As a leading resource for car shoppers and sellers, AutoTrader.com aggregates millions of new, used and certified pre-owned cars from thousands of dealers and private sellers and provides expert articles and reviews. AutoTrader.com, which also operates the AutoTraderClassics.com auto marketing brand, is wholly owned by AutoTrader Group. Additionally, AutoTrader Group owns Kelley Blue Book (KBB.com) as well as three other companies that provide a full suite of software tools that help dealers and manufacturers manage their inventory and advertising online: vAuto, HomeNet Automotive and VinSolutions. AutoTrader Group is a majority-owned subsidiary of Cox Enterprises. Providence Equity Partners is a 25 percent owner of the company and Kleiner Perkins Caufield & Byers is also an investor. For more information, please visit www.autotrader.com.

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