

# Industry Insight Guide : Auto Playbook

Date - 12th Jan

## Summary

A comprehensive industry insights guide focused on Auto vertical, to better understand the marketing dynamics of the Auto vertical, competitor and overall landscape in the **US market**.

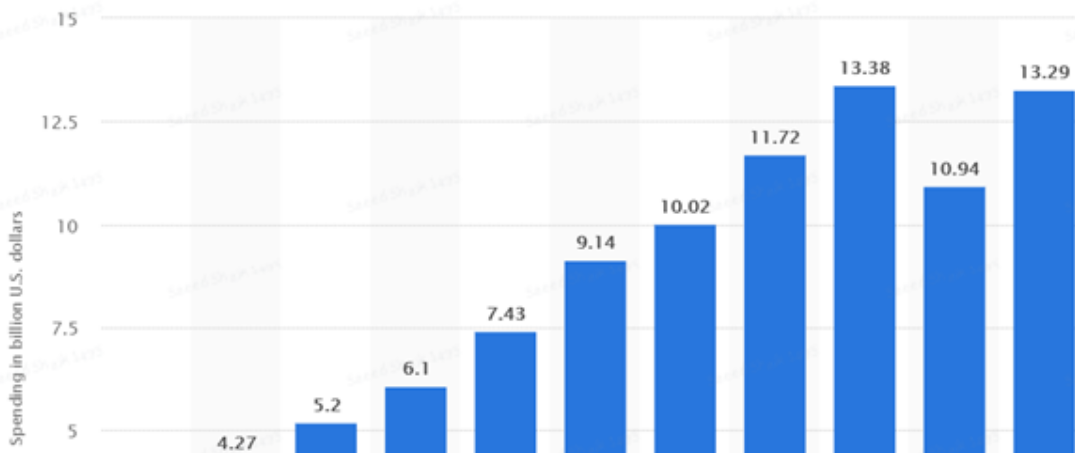
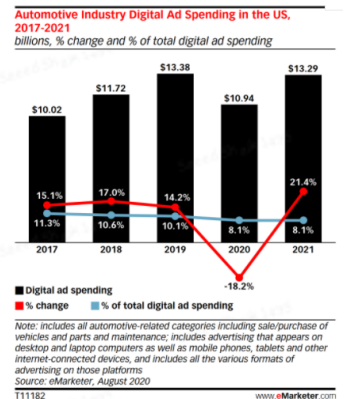
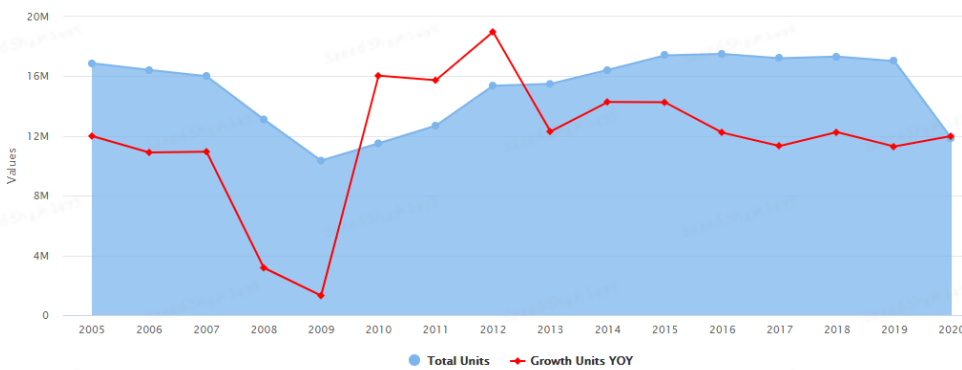
This report takes reference from various marketing research reports focused on **Auto vertical** and TikTok's top spending client in the **US market** in 2020 (Jan-Oct).

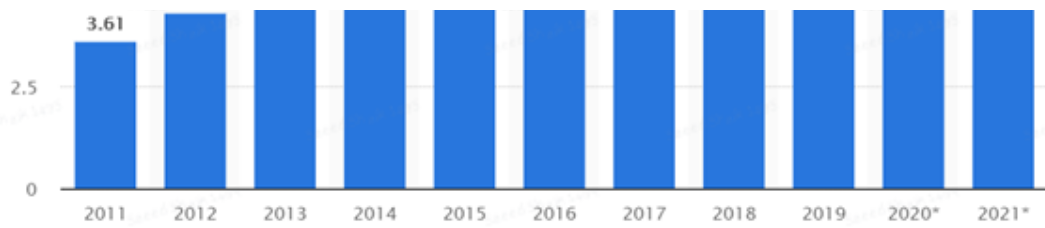
The objective of the report is to build better understanding of the vertical, understand the trend and help with key benchmark and analysis. This will strengthen the narrative from Strategy, Account Planning and Performance perspective.

## 1. Global Auto Landscape

There haven't been many years in history where the auto industry outlook has gone through such wild swings as 2020. Auto industry trends – and especially auto industry sales trends – have been thrown into disarray by broader societal factors.

Below is the unit volume sales and unit growth rate of the vehicle industry in the United States





## United States Market Total Automotive Sales Annually

Year	Sales	Growth Rate YOY
2005	16,881,867	0.00%
2006	16,430,689	-2.75%
2007	16,008,175	-2.64%
2008	13,113,899	-22.07%
2009	10,347,715	-26.73%
2010	11,510,416	10.10%
2011	12,695,712	9.34%
2012	15,376,264	17.43%
2013	15,490,245	0.74%
2014	16,424,017	5.69%
2015	17,404,970	5.64%
2016	17,500,719	0.55%
2017	17,212,565	-1.67%
2018	17,323,849	0.64%
2019	17,023,894	-1.76%
2020	14,473,277	0.00%

### Key Insight-

- The automotive industry in the United States experienced a sharp drop in demand in March 2020
- The US automotive industry will spend just \$10.94 billion on digital advertising this year, down by 18.2% from 2019.
- Revenue for the Car and Automobile Manufacturing industry has been adjusted to decline 30.3% in 2020, due to constricted economy activity expected as a result of the COVID-19 (coronavirus) outbreak.

Source : emarketer

## The Most popular vehicle in 2020

It was a bumpy road for auto sales at times due to the coronavirus pandemic, Yet few of the cars tallied up the top sellers.



### Top 10 Most Popular Cars in America (2020)

1. Nissan Altima
2. Honda Accord
3. Chevrolet Malibu
4. Honda Civic
5. Chevrolet Impala
6. Ford Focus
7. Toyota Corolla
8. Ford Explorer
9. Subaru Impreza
10. Toyota RAV4

### Insights

For the third year in a row, Honda reigns supreme

Dependable, sturdy, and long-lived, the Honda Civic and Honda Accord remain the preferred car in seventeen out of fifty states. That said, the Nissan Altima has gained some traction in state-by-state rankings since last year and is the most popular car in fourteen states. Chevrolet, a subsidiary of General Motors, is also popular across the United States: the Chevrolet Malibu and the Chevrolet Impala are the most popular car in eight and four states, respectively.

### Regional differences

There are quite a few regional differences when it comes to the most popular car by state. While the Nissan Altima is the most popular car in many states in the South and Southwest, Honda takes the lead in most of the coastal states. The Honda Accord dominates the rankings on the East Coast and the Honda Civic does the same in the West. Drivers in the Midwest tend to prefer Chevrolets—either Impalas or Malibus.

### Body styles

When it comes to preferences in body style state-by-state, Americans tend to prefer sedans over SUVs. In fact, only two out of fifty states favor SUVs over sedans; Alaska and Wyoming prefer the Toyota RAV4 and the Ford Explorer, respectively.

### Unique preferences

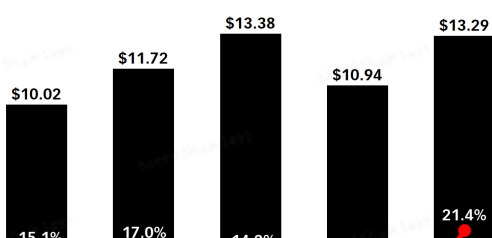
Some states stand apart from the others when it comes to car model preferences. Alaska, Hawaii, Vermont, and Wyoming are all states whose favorite cars are preferred by no other states. These four stand-alone states prefer the Toyota RAV4, Toyota Corolla, the Subaru Impreza, and the Ford Explorer, respectively.

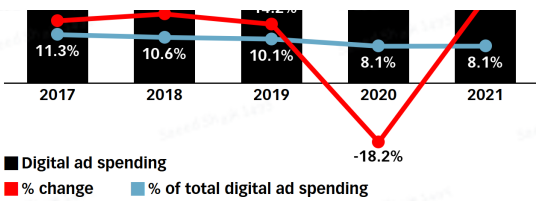
Source : *insight*

## 2. COVID 19 Impact on Auto Vertical

Digital ad spending in the US automotive industry will decrease by 18.2% this year to \$10.94 billion. This will be the largest reduction in digital ad spend by an industry after travel, where spend will contract by 41.0%. Historically, automotive spending has been fairly even across search, video, and nonvideo display ads. But in 2020, search will take a back seat as auto advertisers focus less on performance marketing amid the coronavirus pandemic.

**Automotive Industry Digital Ad Spending in the US, 2017-2021**  
billions, % change and % of total digital ad spending





Note: includes all automotive-related categories including sale/purchase of vehicles and parts and maintenance; includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms  
Source: eMarketer, August 2020

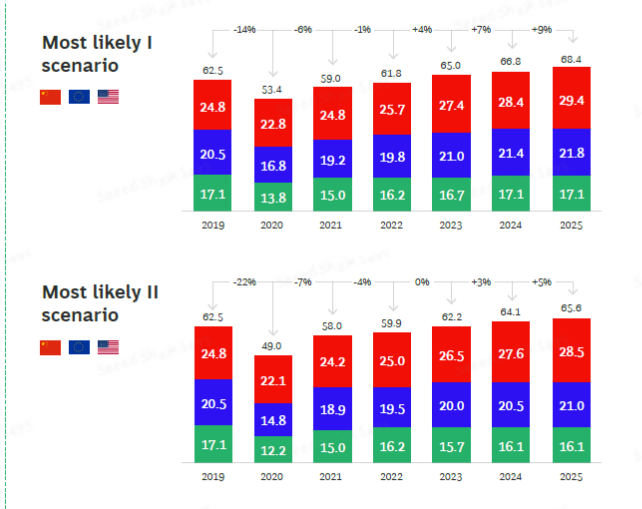
T11182 www.eMarketer.com

Source: [emarketer.com](http://emarketer.com)

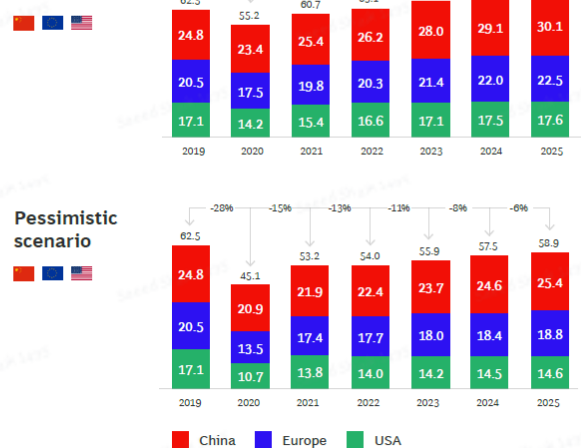
## Sales forecast for the Top Auto Manufacturing Countries

Sales forecast for CN, EU, US  
(vehicle units in M)

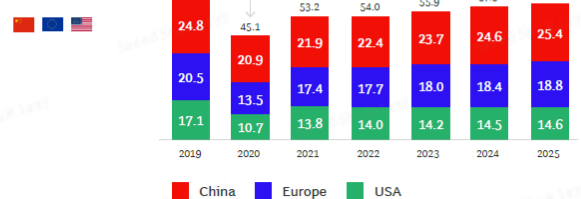
Most likely scenario



Optimistic scenario



Pessimistic scenario



Source: BCG Automotive Demand Model; IHS; BCG Analysis

AUTOMOTIVE DEMAND POST COVID-19

## When will that spending recover

This depends largely on when the pandemic subsides and how quickly the economy recovers. The recent rise in used car sales indicates a pent-up demand for car purchases. The market expects auto digital ad spend will grow 21.4% in 2021 to \$13.29 billion, slightly below its pre-pandemic peak.

## Contraction affect ad spending by format

Auto advertisers will reduce spending on search by 32.9%, display by 10.0%, and video (a subset of display) by 5.0%. This reflects how advertisers are focusing on brand marketing over

direct-response during the pandemic.

### Share of total US digital ad spend

Anticipating that auto will make up 8.1% of total US digital ad spend in 2020, down from 10.1% in 2019. Its share has trended downward since we began tracking the vertical: from 12.1% in 2016 to 11.3% in 2017, to 10.6% in 2018.

This report covers how social media advertising changed in March 2020 and what that means for Q2 and beyond.

### Estimated Short-Term\* Change in Average Digital Ad Spending due to the Coronavirus Pandemic According to US Agency and Brand Ad Buyers, by Format, March 2020

% change



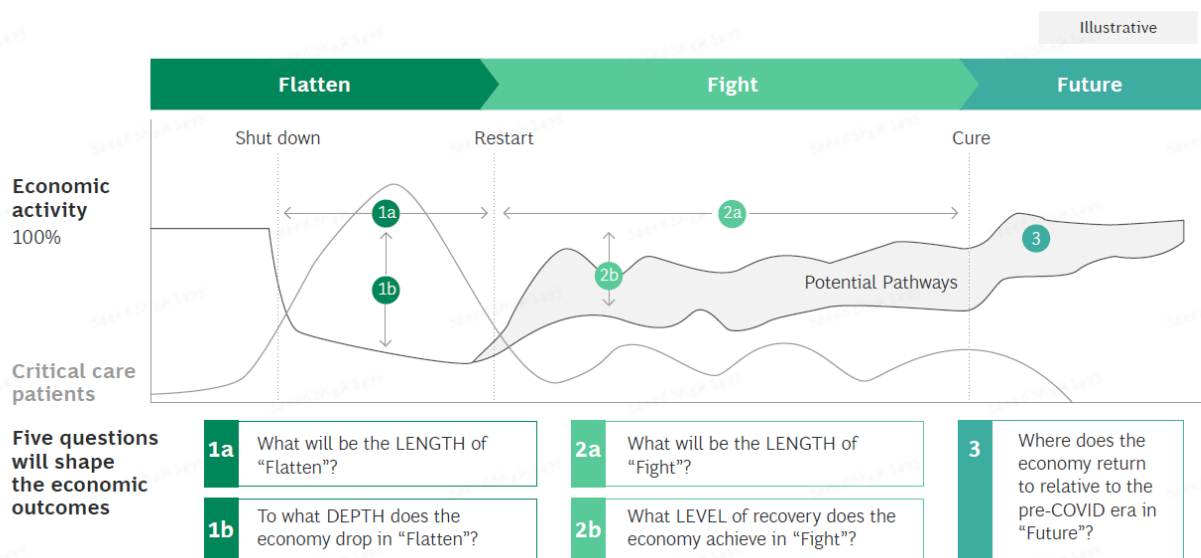
Note: n=272 respondents who plan on making short-term ad spending changes due to the coronavirus; \*March-June 2020  
 Source: Interactive Advertising Bureau (IAB), "Coronavirus: Ad Revenue Impact on Publishers & Other Sellers," April 15, 2020

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www.eMarketer.com

[Source : emarketer.com](http://source.emarketer.com)

### 3. Post And Pre Covid Scenarios and outcome - shape varies based on regional assumptions

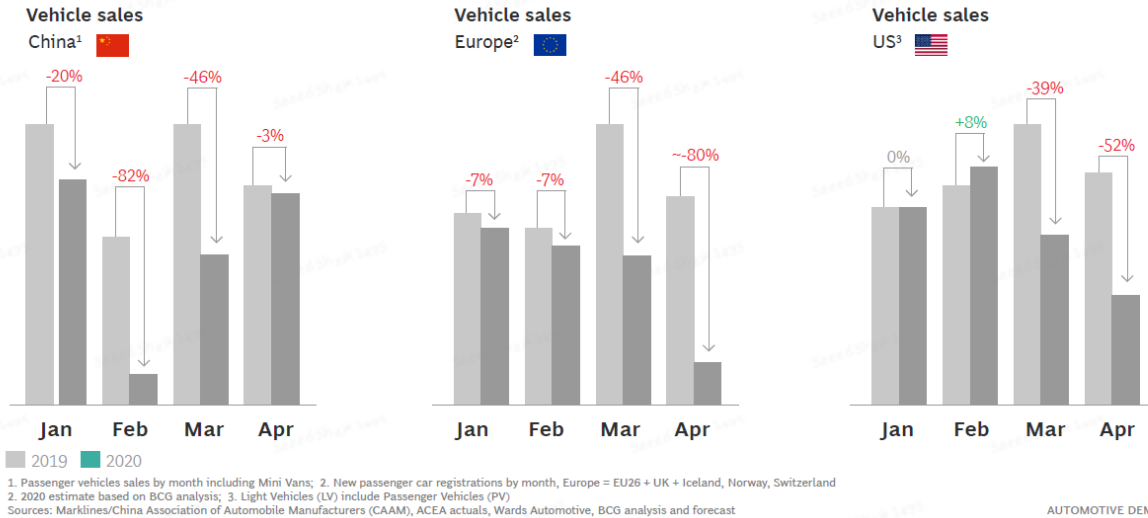


Source: BCG

AUTOMOTIVE DEMAND POST COVID-19

### Auto sales on recovery path

2b | LEVEL of recovery



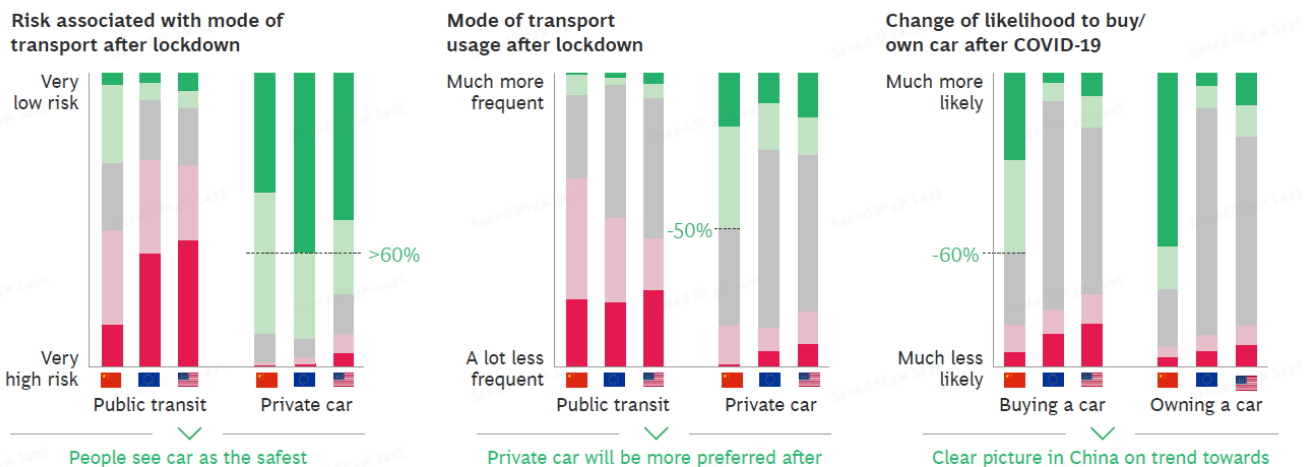
Economic forecasts deteriorating globally for 2020 while remaining stable for 2021

2b | LEVEL of recovery

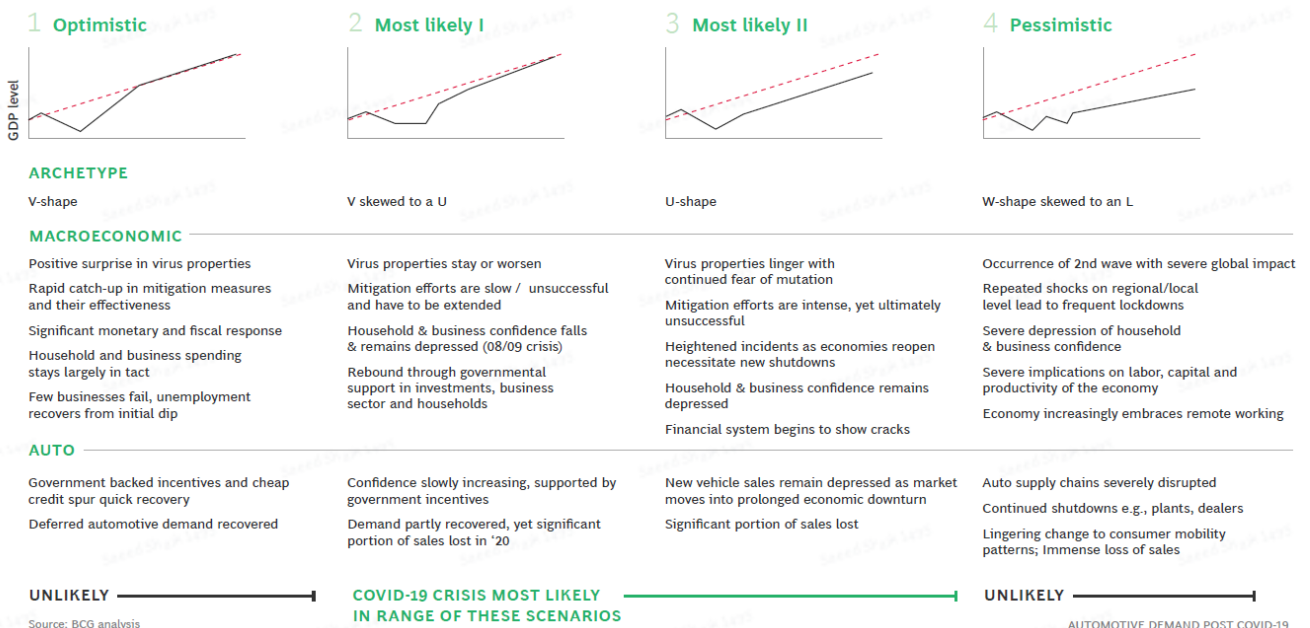


Change in mobility behavior expected

3 | Return of economy in the FUTURE



## Four scenarios of the crisis are simulated along Flatten-Fight-Future



Source: BCG analysis

AUTOMOTIVE DEMAND POST COVID-19

## 4. Top 5 Automotive Marketing Trends 2020

- Influencer Marketing & User Generated Content
- Social Media Stories
- Programmatic Advertising
- Augmented Reality
- Tiktok

[Source: wda-automotive.com/](http://wda-automotive.com/)

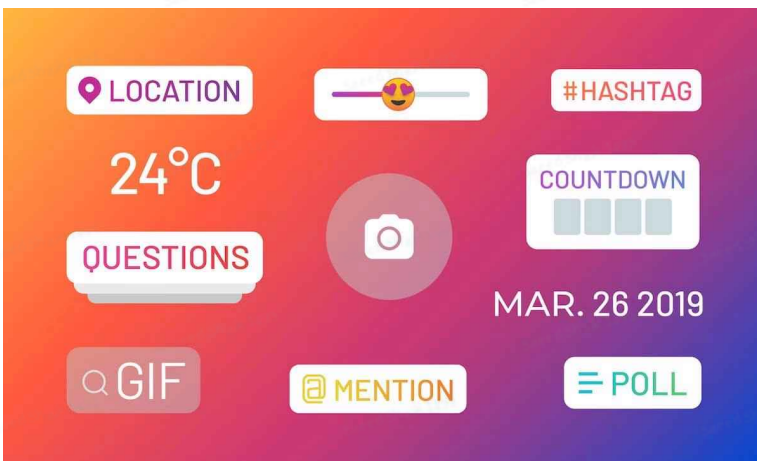
- Influencer Marketing & User Generated Content**

The social media influencer market is set to be worth more than \$10 billion by 2020, and it's not difficult to see why, as influencer marketing is like word of mouth on steroids. These individuals are both affordable, and highly targeted as they typically focus on a specific niche and are generally regarded as industry experts



- **Social Media Stories**

As automotive marketing trends go, stories are actually nothing new, in fact, Instagram released its story function back in 2016, and today over 500 million people use the feature daily. When your following is greater than 10,000 on Instagram, you can add a CTA to your stories, urging your followers to find out more, subscribe or make a purchase with a simple swipe up.



- **Programmatic Advertising**



Programmatic advertising is an automated process of buying and selling ad space online. With the use of cookies and AI, you can target users based on their geographical area,

demographics, interests and how they've previously interacted with your website (retargeting). Programmatic uses machine learning to understand the goals you set over time and the performance of your campaigns to automatically optimise them for optimal performance.

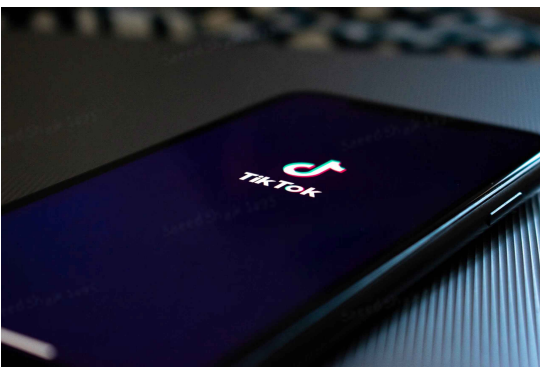
- **Augmented Reality**

Unlike Virtual Reality (VR) which effectively shuts out the physical world and allows a fully immersive experience. Within the automotive industry, some forward thinking manufacturers such as [Jeep](#) and [BMW](#) already offer AR dealership experiences in which customers can utilise apps to explore virtual versions of cars to their precise specifications



- **TikTok**

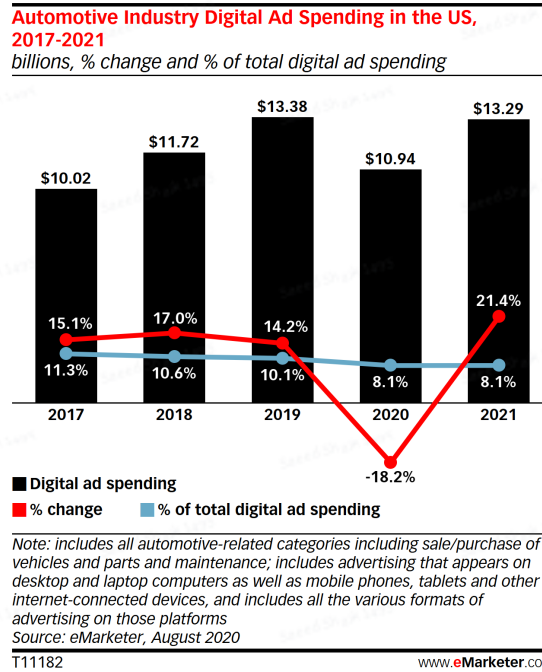
Global Social phenomenon TikTok is currently smashing it with Generation Z, who make up the majority of its audience base. As one of the fastest growing social media platforms in the world,



Automotive videos can be found by hashtag, and the platform recently updated its user interface to include a 'discover' feature similar to Instagram's 'explore' page. This hosts a wide variety of topics, including an 'auto' one – which we will certainly be keeping an eye on as we believe this feature will attract a wider audience to the app. TikTok's new self-serve ad platform is currently in development, but some businesses have access to this in beta so watch this space

## 5. Trends and Insights @Debarati Dutta

Digital ad spending in the US automotive industry will fall 18.2% this year to \$10.94 billion.



- The car of the future is "easycy" - The automotive future is **electrified, autonomous, shared, connected and yearly updated.**
- The foreseeable trends of social personas suggest that autonomous and shared mobility will increase greatly by 2030. New car sales may rise by 30% in the US, China and Europe. 55% of all new car sales in Europe may be fully electrified by 2030.

## Facebook vs Instagram Performance Details

Auto Brands Paid Media Mix				
	Facebook	YouTube	Instagram	Twitter
Toyota	62%	18%	18%	2%
BMW	46%	2%	32%	20%
Honda	38%	33%	27%	2%
Audi	32%	54%	13%	1%
Ford	55%	39%	6%	<1%
Infiniti	52%	7%	40%	<1%
Cadillac	34%	40%	18%	8%
Porsche	14%	47%	39%	<1%
Tesla (*No paid advertising)	0%	0%	0%	0%

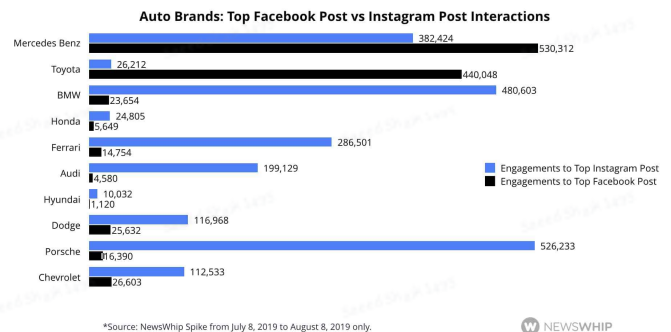
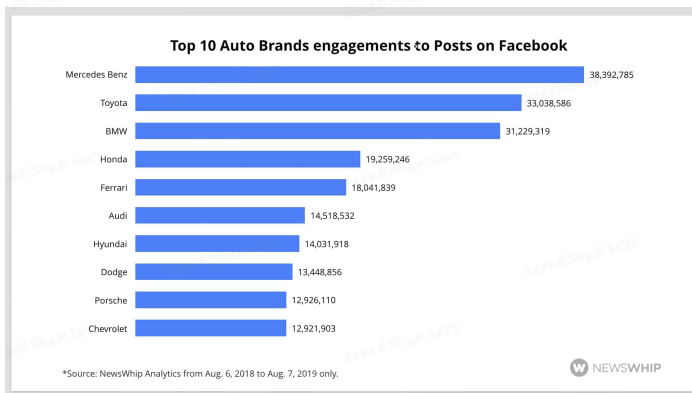
[30 day analysis, 3.26.19 - 4.26.19, Source: BrandTotal]

- The results indicate that Facebook gets the lion's share of automotive ads. YouTube, however is no slouch, taking a third to almost half the budget for brands like Honda, Ford,

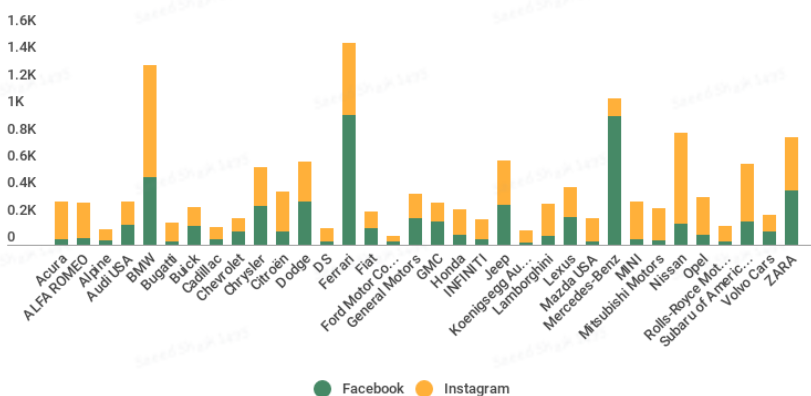
Cadillac, Porsche, and more than half for Audi, at 54 percent.

- Instagram captures a significant share of the automotive ad spend as well, with Infiniti, Porsche, and BMW spending 30 to 40 percent of their digital ad budgets on the prettiest social network.
- Volkswagen and Nissan spent the biggest chunks of their budgets on Facebook. According to BrandTotal, they pushed 100 percent of their campaigns on Facebook, totally ignoring the other major social platforms.
- While **Tesla has zero paid campaigns**, they are active on organic social.
- Tesla had over two million organic engagements, especially on Instagram where 55 percent of its social activity occurred. Tesla's also big on Twitter, at least organically, with 11 percent of their activity on Twitter.

## Auto brands engagements to Facebook posts Vs Instagram Posts



## How many posts the automotive brands publish on Facebook vs. Instagram

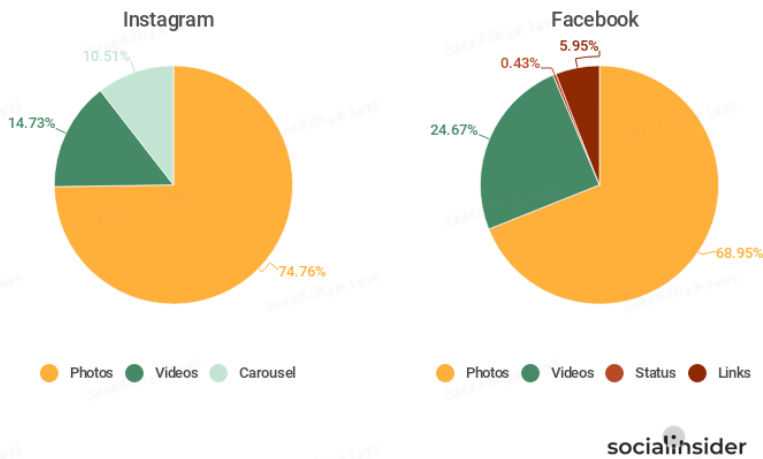


socialinsider

The automotive brands have a similar behavior of posting on Facebook and Instagram:

- On Facebook, the automotive brands post daily **an average of 0.59 posts**.
- On Instagram, the automotive brands post **an average of 0.82 posts daily**. (2018)

## Post types distribution of the automotive brands on Facebook and Instagram



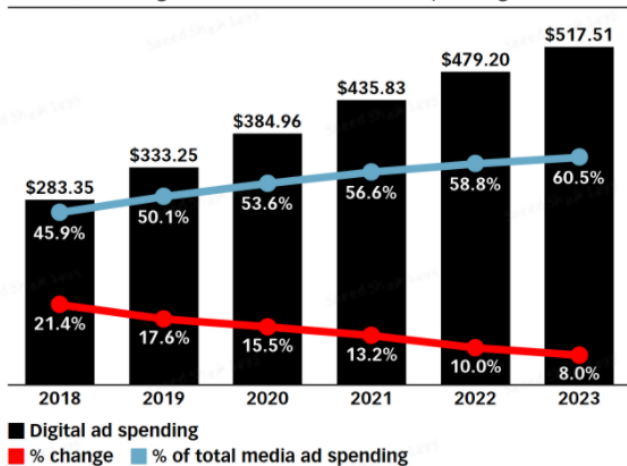
The automotive brands published 69% of photos and 24.7% of videos on Facebook, while on Instagram they published 74% of photos and 14.7% of videos. (2018)

Sources : (Socialinsider, emarketer, newswhip, forbes).

## Share of Wallet - Internet

The digital ad spending worldwide from 2018-2023:

**Digital Ad Spending Worldwide, 2018-2023**  
billions, % change and % of total media ad spending



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms; excludes SMS, MMS and P2P messaging-based advertising  
Source: eMarketer, February 2019

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**Countries that Will Hit at Least 50% Digital Ad Spending in 2019**

% of total media ad spending in each country

	2018	2019
China*	65.3%	69.5%
UK	63.8%	66.4%
Norway	61.7%	65.5%
Ireland	58.8%	62.6%
Denmark	57.8%	61.1%
Sweden	56.3%	60.3%
Australia	55.6%	57.1%
US	48.6%	54.2%
New Zealand	51.8%	54.0%
Canada	50.2%	53.5%
Netherlands	47.8%	52.6%
Russia	45.1%	50.0%

Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms; excludes SMS, MMS and P2P messaging-based advertising; \*excludes Hong Kong  
Source: eMarketer, February 2019

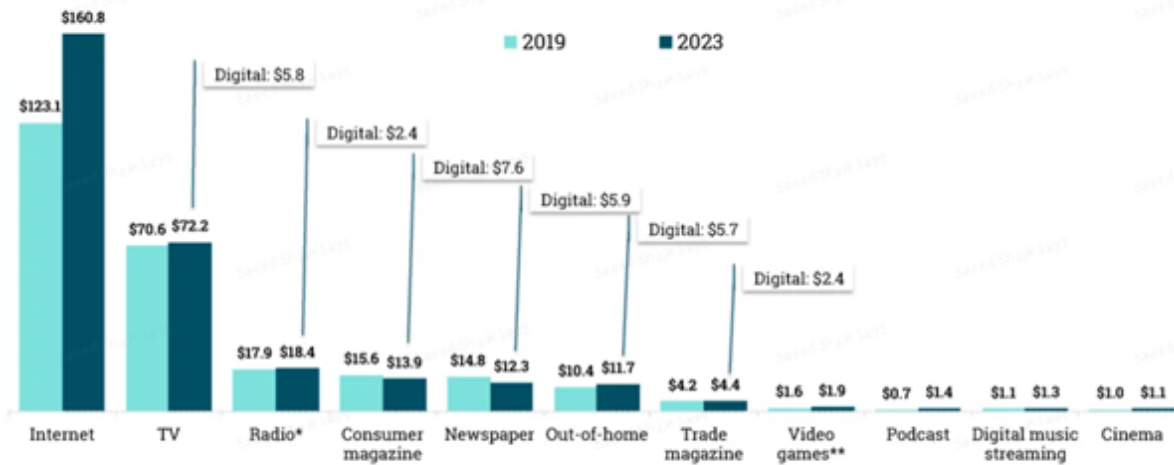
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www.eMarketer.com

Above are the list of countries and their growth in digital ad spending:

## USA advertising media market size (in billion dollars) from 2019-2023:

## US Advertising Media Market Sizes (\$B), 2019 v. 2023



Published on MarketingCharts.com in June 2019 | Data Source: PwC

Traditional media figures include online equivalents (e.g. \$11.7B in OOH advertising includes forecast \$5.7B in digital OOH)

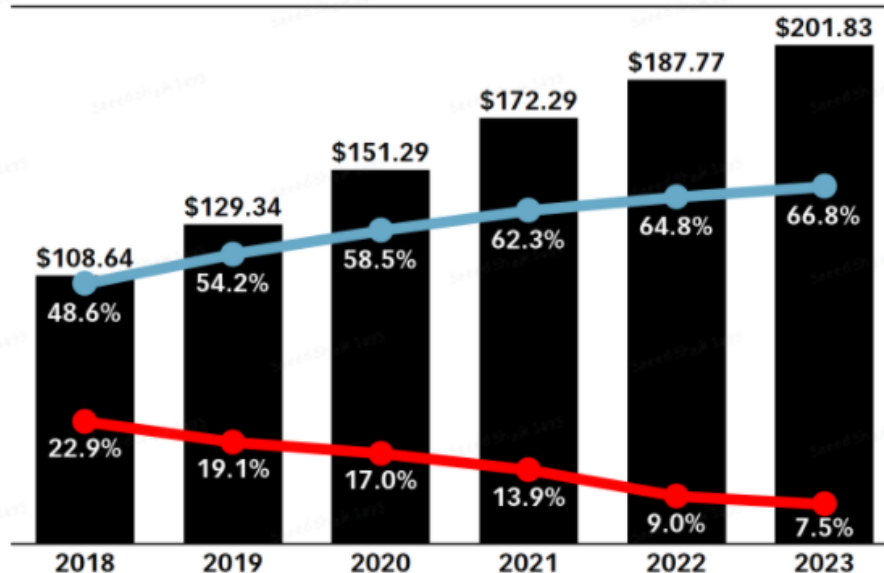
\*Figures include advertising in Canada \*\*Excludes e-sports

- Online advertising dwarfs TV advertising in terms of spend and the gap is getting larger each year.
- The latest estimates by MarketCharts, predict a strong 8.4% compound annual growth rate (CAGR) from 2018 through to 2023, by which time the online advertising market in the US is predicted to hit \$160.8 billion in value. That would make the dollar spend for online advertising more than twice as high as TV by that time.

There is a clear growth that can be observed below in the digital ad spending in US from 2018-2023:

### Digital Ad Spending in the US, 2018-2023

billions, % change and % of total media ad spending

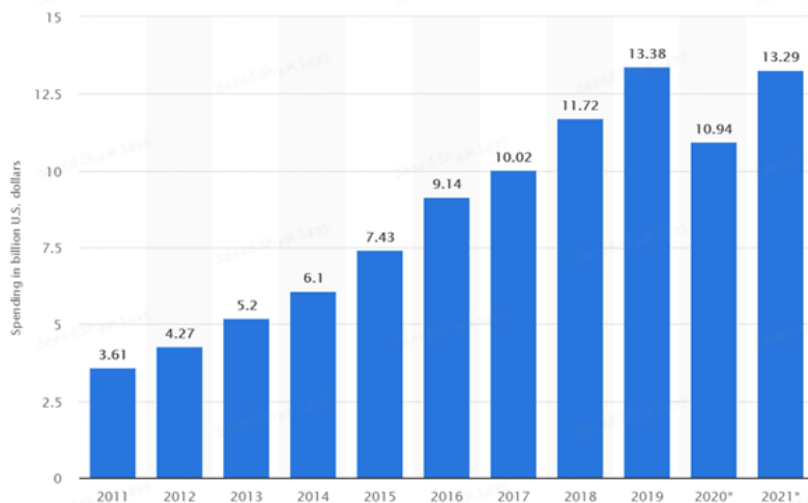


■ Digital ad spending  
■ % change ■ % of total media ad spending

Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms; includes CMC, MCM and PCC messaging based advertising

## Automobile Industry's spend on digital advertising in the USA

### Automotive industry digital advertising spend



Source: Statista

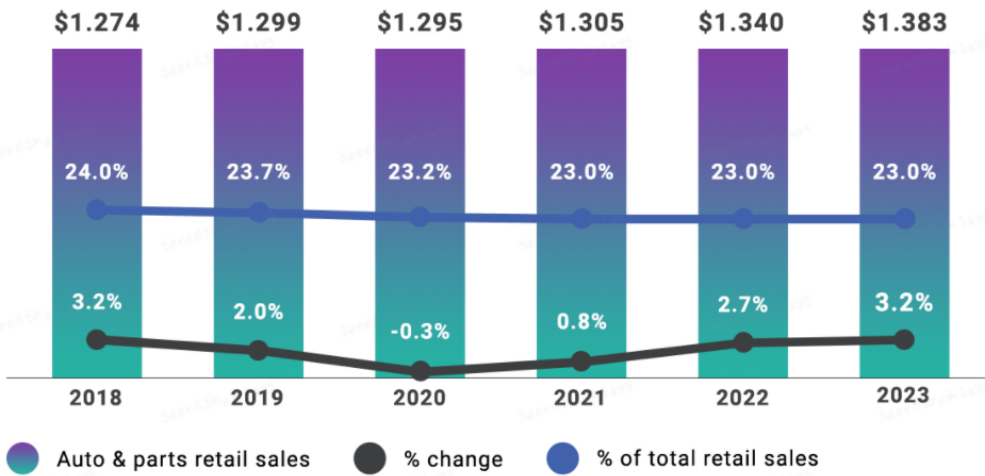
### OEMs

## Auto and parts retail sales in US:

### Auto & Parts Retail Sales in the US, 2018-2023

trillions, % change and % of total retail sales

billions, % change and % of total retail sales



Source: eMarketer, May 2019



## OEMs and their pain points:

- Pain points associated with OEMs:

### Significant pain points remain in operating and maintenance.

Key pain points during equipment use,<sup>1</sup>  
% of respondents

#### Cost of maintaining the equipment

Farmers 67

Contractors 52

#### Cost of owning the equipment (eg, operation, fuel costs)

Farmers 51

Contractors 48

#### Frequent breakdown

Farmers 45

Contractors 35

<sup>1</sup>What are the sources of frustration you experience when using a piece of equipment after you purchase? (Rank top 3 by importance, where 1 is most important).  
Source: 2018 AEM McKinsey Agriculture & Construction Equipment Customer Decision Journey Survey, September 2018, US only (farmer n=587, contractor n=666)

McKinsey  
& Company

### Customers are frustrated with long lead times.

Key pain points when buying regular or urgent service from a dealer,<sup>1</sup> % of respondents

Takes too long for a technician to arrive

Farmers 50

Takes too long for dealer to respond to my request

Farmers 29

Contractors 42

Contractors 39

**Don't have a way to check for repair-service availability**  
(eg, repair-service reservations app)

Farmers 21

Contractors 30

**Process to reach dealer is too long**  
(eg, have to submit paperwork)

Farmers 7

Contractors 28

\*What are the sources of frustration you experience in the process of buying regular or urgent service from a dealer for equipment? (Rank top 3 by importance, 1 most important).  
Source: 2018 AEM McKinsey Agriculture & Construction Equipment Customer Decision Journey Survey, September 2018, US only (farmer n=587, contractor n=666)

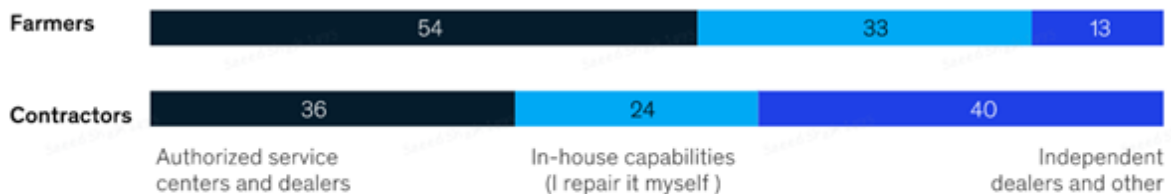
McKinsey & Company

### Customers moving outside authorised dealership:

- Customers change the channel of purchase when dissatisfied, post warranty.

### Customers seek non-dealer sources when dissatisfied.

Where repair services are obtained post-warranty,<sup>1</sup> % of respondents



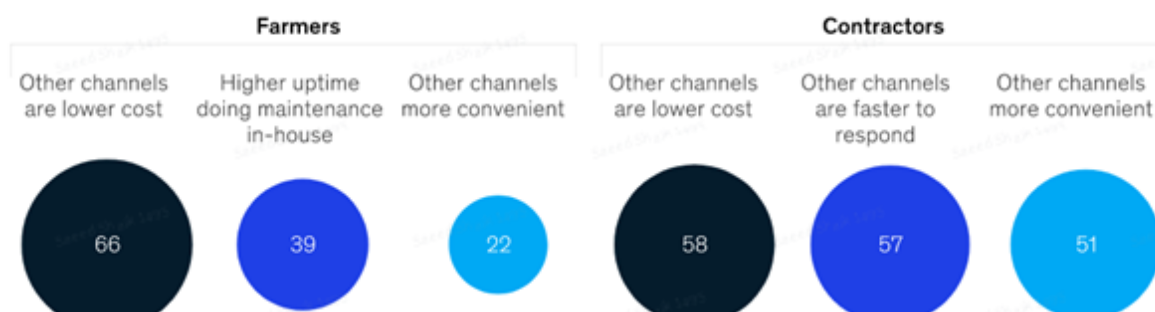
<sup>1</sup>After your equipment's warranty period, what percentage of your repair services are obtained from the following? (Allocate 100 points across your choices according to your usage).  
Source: 2018 AEM McKinsey Agriculture & Construction Equipment Customer Decision Journey Survey, September 2018, US only (farmer n=587, contractor n=666)

McKinsey & Company

- According to McKinsey and Company most of the customers go outside the OEM dealer channel to save time and costs as shown below:

### Customers go outside the dealer channel to save costs and time.

Reasons for not obtaining post-warranty services from dealerships or authorized service centers,<sup>1</sup> % of respondents



"After your equipment's warranty period, what would be some reasons that you would not obtain services from authorized service centers or dealerships? (Select all that apply)." This question was asked only of those who use repair services other than authorized service centers and dealers.  
 Source: 2018 AEM McKinsey Agriculture & Construction Equipment Customer Decision Journey Survey, September 2018, US only (farmer n=587, contractor n=666)



- Younger customers (18-35 years), are more likely to go for an online interaction.

### Younger customers looking for shorter repair times and more online interaction.

Younger customers are...

**3x**

more likely to **repair through independent channels**

Younger customers are...

**~25%**

more likely to **experience time-related frustrations** than customers over 50

Younger customers are...

**2.5x**

more likely to **research online through 3rd party** than customers over 50

Note: Younger customers are ages 18-35; older customers are 50 and above.  
 Source: 2018 AEM McKinsey Agriculture & Construction Equipment Customer Decision Journey Survey, September 2018, US only (farmer n=587, contractor n=666)



- OEMs are steadily moving towards online channels of sales as described below:

### OEMs are at risk if their customers move to online channels at the rate automotive customers have.

Share of sale by source, %



Source: Analysis based on 2016 Auto Care Factbook and 2018 AEM McKinsey Agriculture & Construction Equipment Customer Decision Journey Survey, September 2018, US only (farmer n=587, contractor n=666)



E-commerce trends of OEMs

Search trends:

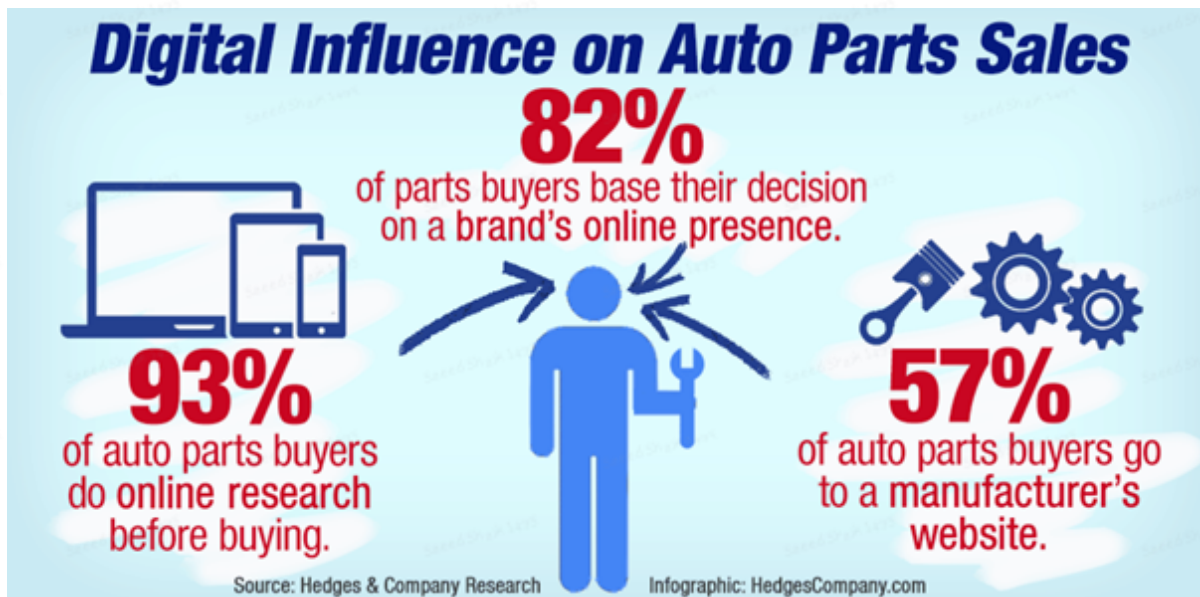


Source: Hedge & Company



Source: *Hedge & Company*

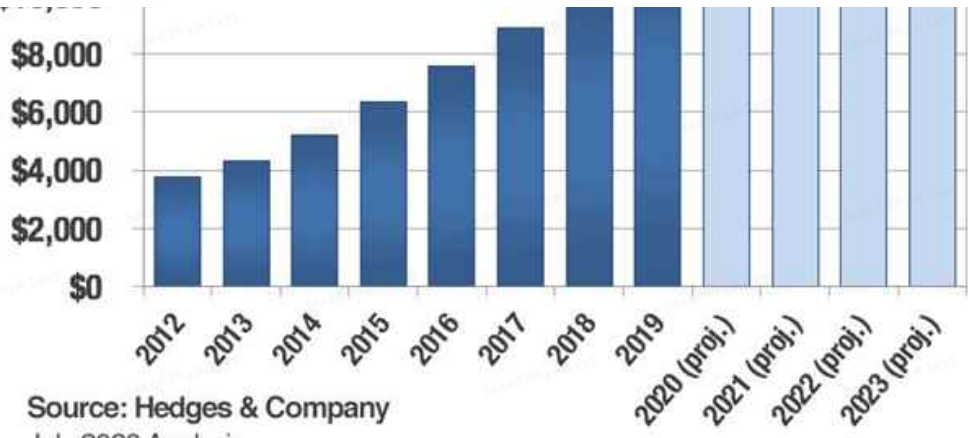
Digital influence on auto parts sales:



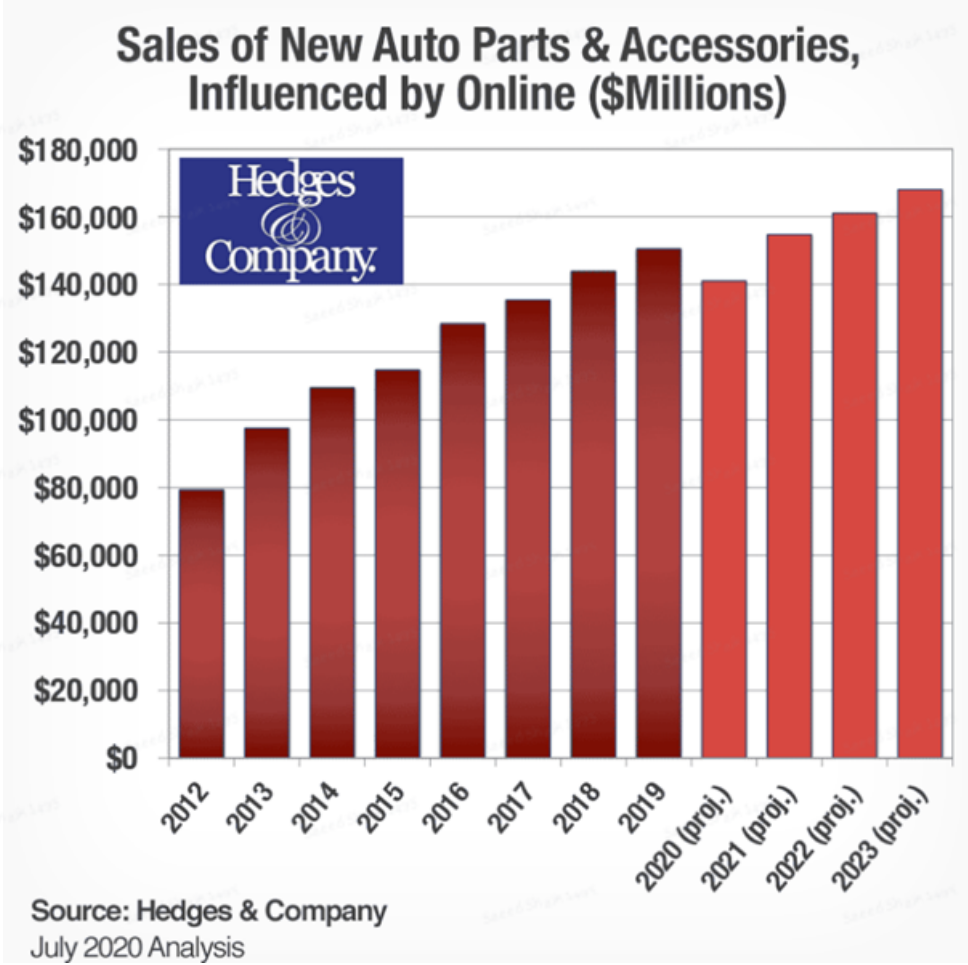
Source: *Hedge & Company*

Online sales:





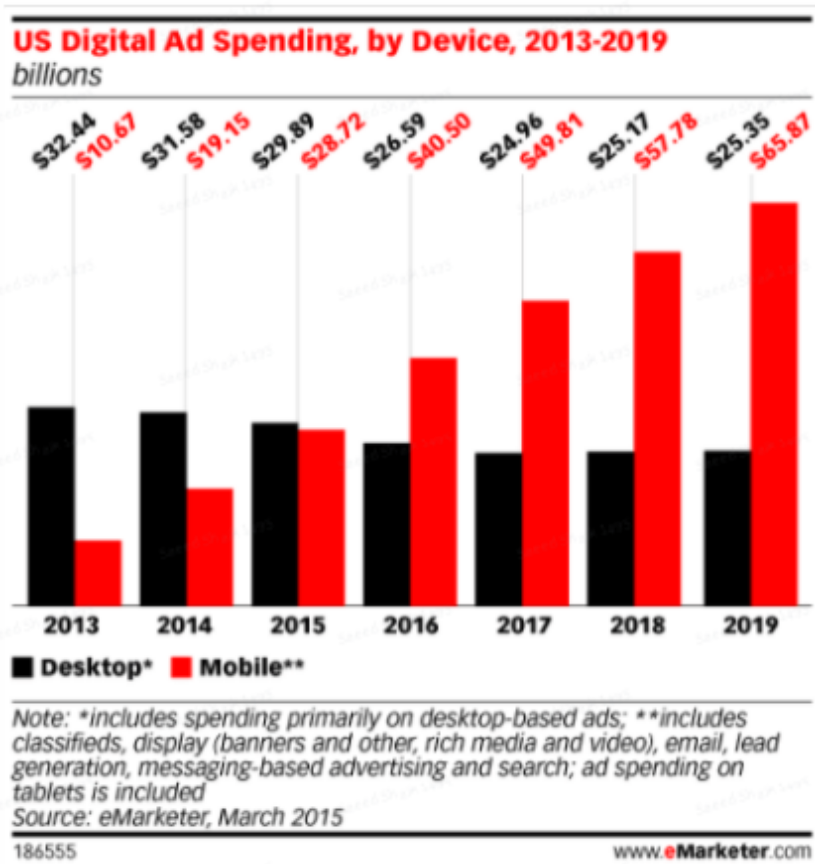
Source: Hedges & Company  
July 2020 Analysis



Source: Hedges & Company  
July 2020 Analysis

Source: Hedge & Company

## Digital Ad Spending by Device



- In 2019, mobile is expected to account for 70% (\$86.3 billion) of all online advertising in the US. By 2023, that percentage is expected to reach around 81% (\$129.5 billion).
- Overall, non-mobile internet advertising is expected to decline by 16.6% (-3.6% on CAGR basis) between 2018 and 2023, when the market size will be \$31.3 billion. This compares to the 2019 figure of \$36.7 billion.

## Digital Ad Spending by Format

- Automotive Marketers Invest More in Digital Ads to Acquire Customers.
- The US reached \$15.91 billion in automotive digital ad spend in 2019. This was a 15.8% increase in US automotive digital ad spend from 2018 (source: [eMarketer](http://eMarketer.com)).
- The US will reach \$18.15 billion in automotive digital ad spend in 2020. This will represent a 14.1% increase in spend from 2019 (source: [eMarketer](http://eMarketer.com)).
- Auto marketers spent \$6 billion on search ads in the US in 2018. This made up 44% of total 2018 auto digital ad spend (source: [eMarketer](http://eMarketer.com)).
- Only 1 in 3 potential car buyers know the exact vehicle they want to purchase. Marketers can influence these undecided buyers by targeting them with the right digital ads at the right time (Source: [Cox](http://Cox.com)).
- The average cost for an automotive lead is \$205. There is an upward trend, as auto industry ad spend continues to rise (source: [Lion Tree Group](http://LionTreeGroup.com)).

Why consumers call about vehicles from a search ad call extension



57%

call about inventory  
(Google)



57%

call to schedule appointments  
(Google)



52%

call about pricing  
(Google)



60%

call about business hours  
(Google)

Source: [DialogTech](#)

- Within non-mobile, all categories are forecast to decline with the exception of video advertising, which is expected to grow by a compound annual rate of 5.3% across the 2018-2023 period (source: [MarketingCharts](#)).
- PwC's estimate for non-mobile video in 2019 is \$6.4 billion, a figure predicted to reach \$7.8 billion by 2023. Despite that growth mobile video advertising (\$25.1 billion) is projected to be more than 3 times the size of non-mobile video advertising by 2023 (source: [MarketingCharts](#)).

## TikTok Marketing and Strategy

Many business owners haven't taken the time to figure out how TikTok can work as a marketing tool. Perhaps this is because they think the platform only has a "young" user base.

However, TikTok is now attracting a wide range of people. In fact, nearly 38% of TikTok's users within the US are above 30. The low business competition presents a massive opportunity because advertisers can reach many people at a relatively low cost.

## Setup Tiktok Pixel

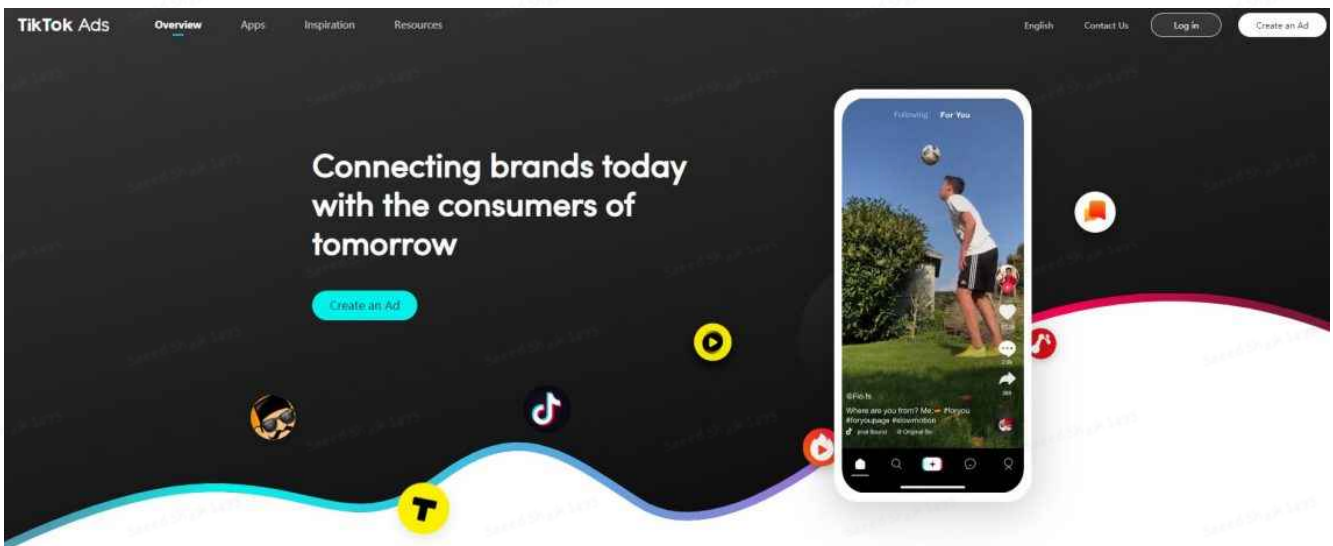
The pixel is a small piece of code that advertisers place on the website to find new customers, optimize the campaigns, and measure ad performance. With the pixel, the advertiser can track website visitor actions, like 'view page' or 'purchase,' and create audience segments to re-engage previous site visitors or model lookalikes to find new customers

By installing the pixel code directly on the website or using one of our partner integrations, you can:

- **Build marketing audiences:** Create Custom Audiences based on website visitor events, like viewing a product page or making a purchase. Audiences can be used to re-engage previous site visitors or model lookalikes to find new customers.
- **Optimize ad delivery:** Target audiences that are more likely to initiate a website event by setting an optimization goal to visitor events like add to cart, view page or purchase.

- **Measure campaign performance:** Measure your ad performance and return on ad spend (ROAS) based on a series of conversion events you define.

## Use TikTok Ads

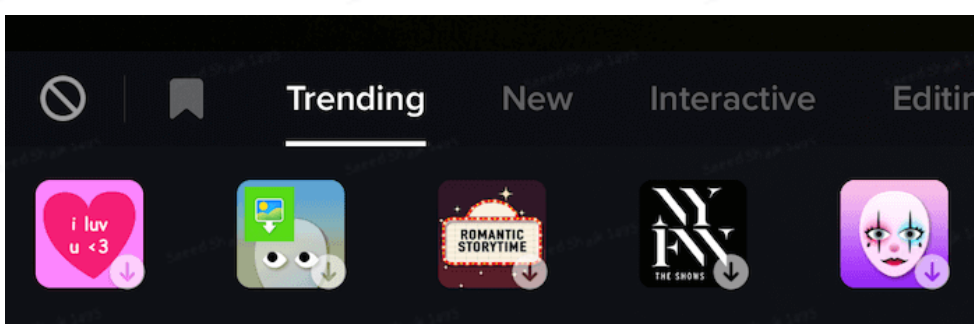


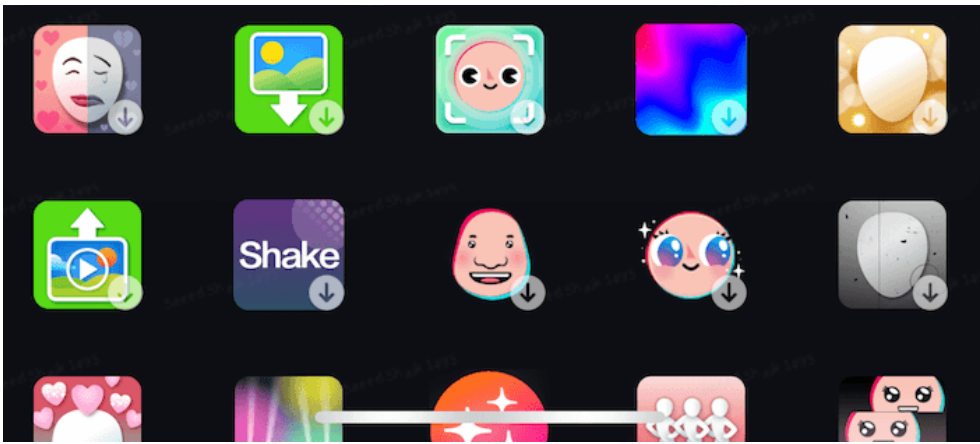
- **In-feed native ads** – these are the closest to a traditional ad on TikTok. The advertiser can add website links and Order Now buttons on the ad. They are skippable ads and can be used in multiple ways.
- **Hashtag challenge ads** – with these, a user is served a banner ad that takes the user to a page of instructions and rules of the featured challenge. The advertiser can use it to target specific consumers.
- **Brand takeover ads** – these use a mix of images, GIFs, and video clips that link to a landing page or hashtag challenge.

## Make Interesting Videos with Clear Descriptions

Writing a good description is also essential for reach purposes. In essence, Advertiser wants Tiktok to know what the video is about when it indexes the clip and hopefully suggests it to the preferred audience. Remember to include the most important keywords in your descriptions. However, you have only so much screen space. For best practice, prepare short snappy descriptions.

## Use TikTok Effects in the Posts





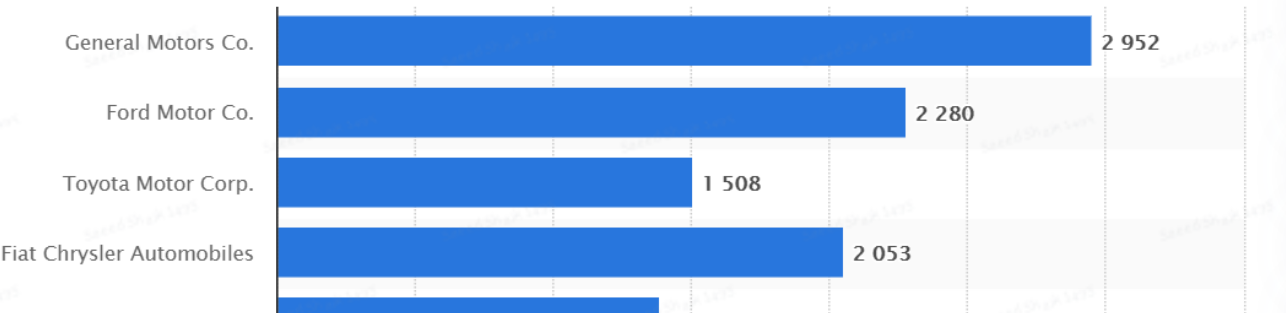
With millions of videos shared on TikTok, users need to do something different to stand out from the crowd. TikTok offers a wide range of effects to help with this. The user will find them under the Effects tab, split into Trending, New, Interactive, Editing, Beauty, Funny, World, and Animal categories.

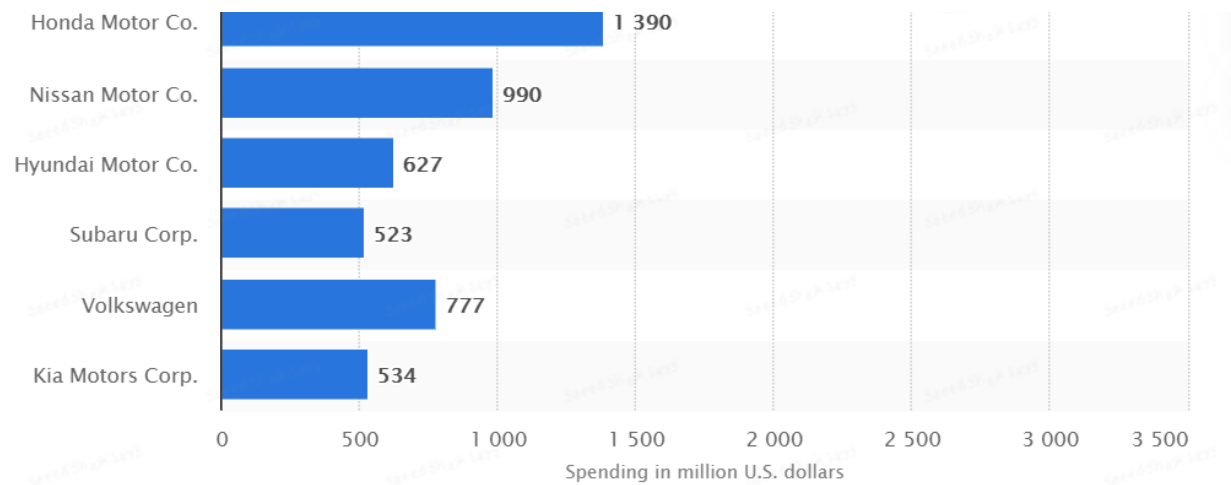
TikTok includes a green screen effect, which allows the users to use the image as per the choice to replace the video background.

## 6. Reports Insights and Competitors overview

### Top Advertisers in USA

Automobile industry generally uses the traditional mediums like TVs, newspapers and catalogues to promote their offerings across the globe. Same trend can be observed in the United states of America as well. Almost all the companies have promoted their brands and in TV and newspaper advertisements. Among all the companies, General Motors had the highest spending of 2952 million USD for the year 2019 followed by Ford Motors. This is almost around 2.4% of their total revenues.





As per the reports, a total of 13.38 Bn USD has been spent on the digital mediums in 2019 which has seen a considerable growth compared to the 2108. Although there's a slight dip due to the COVID in first half of the year 2020 it is expected to better in the second half.

- Automotive companies are allocating only 22.9% of their advertising budgets towards digital advertising, about half the global average of 40.6%. As TV ad spend share is expected to fall in the coming year, digital ad spend will more than make up for the shortfall, rising to 24.4% by 2020.
- In the **US**, figures from eMarketer estimate that the **US auto** industry accounts for about 12.6% of total digital **ad** spend, making it second only to retail. Zenith's data also notes that radio attracts 7.3% of **auto ad** spend, with the report stating that radio **advertising** is fairly effective for **automotive** brands.
- The traditional mediums generally have the prime share but the spends on internet is growing particularly among the car dealers. It was calculated, that in 2019 U.S. car dealers spent on average 57 thousand U.S. dollars on radio advertising. The largest expenditures were devoted to internet, where an average dealership ad spending surpassed 310 thousand dollars. In total, car dealers in the U.S. spent 9.25 billion dollars on advertising in 2019.
- According to a breakdown of car dealers' advertising spending in the United States, radio advertising accounted for 10.3 percent of car dealers' ad expenditures in 2019. Total advertising spending for this group reached 9.25 billion U.S. dollars that year. Internet took

up more than half of ad budgets in 2019 and what is more, since 2003, it has always had the largest share of car dealers' ad dollars.

- These facts clearly state that the car dealers are betting big on the internet advertisement compared to the company itself. But it is very important for the automobile companies to scale up the spending related to the digital advertising considering the following observations:
  - According to Google, 95% of vehicle buyers use digital as a source of information and it takes 65% of buyers just 3 weeks to research online. In fact, twice as many start their research online versus at a dealer.
  - The most important thing to bear in mind for automotive dealers is to reach and target customers at this undecided stage before they've made their decision or been influenced by another competitor.
  - Some 56% of new buyers most commonly start at a third-party site and end up at a dealer website. Year on year, traffic to automotive research sites has increased by 12%, while dealerships have seen a 2% decrease to their websites. Websites such as TrueCar and Edmunds provide customers with relevant and timely information in a few simple clicks.
  - For auto-dealers, it's key to consider having a presence on influential and popular third-party websites both on a local and national scale as part of their marketing strategy to remain the number one choice in the buyer's mind throughout the entire customer journey.
  - Virtual test drives are increasing day by day where customers can have a 360degree experience of driving different models. A perfect example of this is BMW's video campaign "#BMWSTORIES". The idea behind this campaign was to showcase their customer's personal stories, and how the BMW brand helped them through their emotional, real-life journeys.

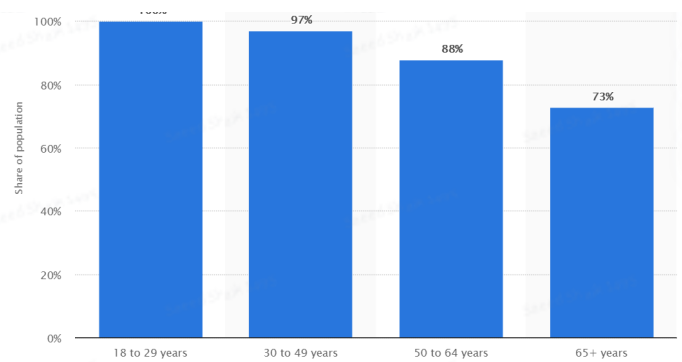
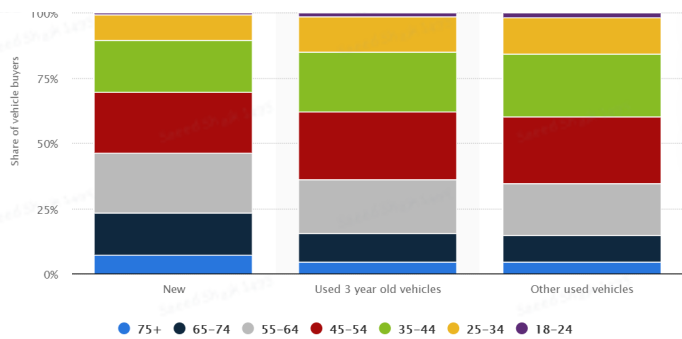
According to the research by Weve Automotive, the mobile journey starts with:

- **Awareness:** 57% browsed for car inspiration on their mobile.
- **Consideration:** 59% researched and compared prices/specifications on their mobile.
- **Intent:** 61% searched for dealerships, requested brochures & booked test drives.
- **Purchase:** 9% purchased a car on their mobile.
- **Loyalty:** 9% explored aftersales on their mobile.

## Demographic Profile

The demographics for the car purchase for the year of 2017 is plotted below for used cars and new cars is





- As we can see nearly 50% of the people who buy cars are of the age range below 54. We can also gather that younger audience have a significant percentage for the used cars.
- According to the recent Statista reports 100% of people of age ranging from 18-29 years use the internet on a regular basis. Also we can observe the fact that more than 97% people ranging from 30-49 years consume internet.
- This shows the importance of presence of automobile brands on internet since more than 50% of their customers are totally active on the internet and these numbers are going to increase in the future.

## Effective Advertising Strategy

Some of the important factors that should be taken into consideration for the automobile companies on digital platforms.

- Build trust with customer reviews - As an automotive marketer you need to not only ensure you have GOOD reviews, but you need to go above and beyond to ensure these glowing reviews are everywhere they can possibly be.
- Be on top of Google search engine result page - You don't want to miss out on the opportunity by ending up at the bottom of the page. Ensure to bid for the necessary keywords and try to bid for the competitors keywords as well.
- Adjust the campaign budgets based on the car buying trends - Figure out when things are busy, steady, and slow and then adjust your online advertising budget accordingly.
- Target the right audience for a particular brand, try to create more groups of audience and find the best performing groups.
- Compel the customers to come to your stores by providing different offers and by using different techniques like email marketing, messaging, calls etc. Remarketing can also be done effectively by promoting the advertisement of different sites

(Sources: Statista,emarketer, digital marketing institute, marketing charts, wordstream)

## 7. TikTok Benchmark and Insight 2020

### Platform Benchmark

- The Auto vertical accounts include - Detail Planet, General Motors Canada, Era Media, Chevrolet, Hyundai, Canvas, Mazda as the top spending accounts.
- The analysis is done across all the Auto sub verticals, advertising objectives, creative type etc for the duration of Jan - Nov for the USA Market.

	A	B	C	D	E
1	<b>Metrics</b>	<b>Auto services</b>	<b>Car</b>	<b>Auto accessories</b>	<b>Transportation services</b>
2	CPA	\$3.02	\$175.40	\$27.09	\$9.57
3	CTR	0.70%	1.89%	0.94%	0.88%
4	CVR	8.86%	0.10%	1.36%	2.90%
5	CPC	\$0.27	\$0.18	\$0.37	\$0.28
6	CPM	\$1.87	\$3.38	\$3.47	\$2.45
7	2sec VTR	57.84%	30.15%	59.68%	22.38%
8	6sec VTR	14.70%	17.17%	19.90%	2.54%
9	25% VTR	22.00%	18.24%	29.99%	11.09%
10	50% VTR	7.96%	5.90%	20.66%	3.65%
11	75% VTR	3.20%	3.78%	12.45%	2.14%
12	100% VTR	1.60%	2.26%	6.31%	1.14%
13	2sec CPTV	\$3.41	\$12.12	\$6.10	\$12.07

### Campaign Category and Advertiser Objective Wise Performance

	A	B	C	D	E	F
1	<b>Campaign Category</b>	<b>Brand Auction</b>		<b>Performance Auction</b>		
2	<b>Metrics</b>	<b>Reach</b>	<b>Video Views</b>	<b>App Installs</b>	<b>Conversion</b>	<b>Traffic</b>
3	Spend	\$ 7,698	\$ 60,156	\$ 1,993	\$ 2,01,433	\$ 22,967
4	Conversion	-	-	673	59,398	1,477
5	CPA	\$ -	\$ -	\$2.96	\$3.39	\$15.55
6	CTR	0.31%	0.35%	0.53%	0.75%	1.05%
7	CVR	0.00%	0.00%	15.85%	8.61%	1.46%
8	CPC	\$0.88	\$0.39	\$0.47	\$0.29	\$0.23
9	CPM	\$2.70	\$1.33	\$2.48	\$2.19	\$2.37
10	2sec VTR	16.25%	29.37%	13.91%	60.77%	32.28%
11	6sec VTR	1.65%	16.75%	1.82%	14.61%	5.10%
12	25% VTR	5.64%	20.23%	11.91%	22.22%	14.28%
13	50% VTR	2.08%	9.18%	5.31%	7.94%	4.74%
14	75% VTR	1.35%	5.60%	3.21%	3.15%	2.30%
15	100% VTR	0.70%	2.88%	1.25%	1.60%	1.51%
16	2sec CPTV	\$17.57	\$4.85	\$18.78	\$3.79	\$8.14

## Product Feature Wise Performance (Only Auction)

### Bid Strategy Wise Details

	A	B	C	D	E	F	G	H	I	J
1	Sub Category/ Bid Strategy	Spend	Conversion	CPA	CTR	CVR	CPC	CPM	2sec VTR	6sec VTR
2	<b>Auto services</b>	<b>\$ 1,72,385</b>	<b>57,879</b>	<b>\$2.98</b>	<b>0.68%</b>	<b>9.24%</b>	<b>\$0.28</b>	<b>\$1.88</b>	<b>57.81%</b>	<b>14.68%</b>
3	No bid	\$69	3	\$23.05	1.00%	0.69%	\$0.16	\$1.60	55.33%	24.24%
4	Standard bid	\$ 1,72,315	57,876	\$2.98	0.68%	9.24%	\$0.28	\$1.88	57.82%	14.68%
5	<b>Car</b>	<b>\$ 67,193</b>	<b>981</b>	<b>\$68.49</b>	<b>0.38%</b>	<b>0.63%</b>	<b>\$0.43</b>	<b>\$1.64</b>	<b>26.34%</b>	<b>13.15%</b>
6	No bid	\$ 28,680	-	#DIV/0!	0.33%	0.00%	\$0.37	\$1.24	26.09%	9.87%
7	Standard bid	\$ 38,513	981	\$39.26	0.44%	1.27%	\$0.50	\$2.18	26.65%	17.32%
8	<b>Auto accessories</b>	<b>\$ 41,155</b>	<b>1,519</b>	<b>\$27.09</b>	<b>0.94%</b>	<b>1.36%</b>	<b>\$0.37</b>	<b>\$3.47</b>	<b>59.68%</b>	<b>19.90%</b>
9	Standard bid	\$ 41,155	1,519	\$27.09	0.94%	1.36%	\$0.37	\$3.47	59.68%	19.90%
10	<b>Transportation services</b>	<b>\$ 11,192</b>	<b>1,169</b>	<b>\$9.57</b>	<b>0.88%</b>	<b>2.90%</b>	<b>\$0.28</b>	<b>\$2.45</b>	<b>22.38%</b>	<b>2.54%</b>
11	Standard bid	\$ 11,192	1,169	\$9.57	0.88%	2.90%	\$0.28	\$2.45	22.38%	2.54%

### ACO vs Non ACO Details

	A	B	C	D	E	F	G
1	Sub Category/ Creative Type	Spend	Conversion	CPA	CTR	CVR	CPM
2	<b>Auto services</b>	<b>\$ 1,74,706</b>	<b>57,879</b>	<b>\$3.02</b>	<b>0.70%</b>	<b>8.86%</b>	
3	ACO	\$ 1,04,554	11,055	\$9.46	0.72%	2.77%	
4	Non-ACO	\$ 70,152	46,824	\$1.50	0.67%	18.45%	
5	<b>Car</b>	<b>\$ 67,193</b>	<b>981</b>	<b>\$68.49</b>	<b>0.38%</b>	<b>0.63%</b>	
6	ACO	\$ 1,538	-	-	1.21%	0.00%	
7	Non-ACO	\$ 65,655	981	\$66.93	0.37%	0.67%	
8	<b>Auto accessories</b>	<b>\$ 41,155</b>	<b>1,519</b>	<b>\$27.09</b>	<b>0.94%</b>	<b>1.36%</b>	
9	ACO	\$ 4,571	59	\$77.48	1.83%	0.38%	
10	Non-ACO	\$ 36,584	1,460	\$25.06	0.87%	1.52%	
11	<b>Transportation services</b>	<b>\$ 11,192</b>	<b>1,169</b>	<b>\$9.57</b>	<b>0.88%</b>	<b>2.90%</b>	
12	ACO	\$ 3,699	-	-	0.91%	0.00%	
13	Non-ACO	\$ 7,493	1,169	\$6.41	0.87%	4.24%	



Auto Raw Data.xlsx  
491.51KB



Source Links: [Auto Playbook: Link Source](#)

