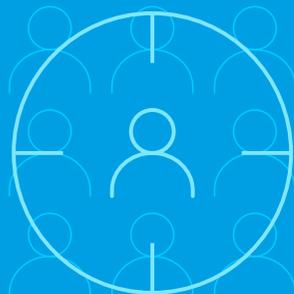


Value Ad: the influence of digital advertising within the car buyer's journey





Foreword | Scott Gairns, Sophus3

The participating publishers commissioned this ground-breaking study to understand more fully the effectiveness of digital display advertising and its role within the car buying journey. In an environment where effectiveness is typically measured on the last touchpoint of the user, this study aimed to understand the impact of Display in the broader user journey which is now, typically, complex, non-linear and takes in a burgeoning number of channels and platforms.

The study is one of the largest ever undertaken into the car buying journey: both in terms of the number of consumers observed and the quantity of data processed. The 'end-to-end' dissection of that journey across multiple publisher and car brand sites (nearly 40 in all) is also unprecedented.

We analysed over 135 million automotive publisher visits, nearly 6 million ad impressions, over 10 million visits to the participating car brand website

and over 50 million visits to competitor sites. We believe that ultimately this 'at scale' approach is critical in achieving a true understanding of online behaviour – and the impact of digital advertising within it – which cannot be achieved by a panel based approach or attitudinal surveys.

We hope that our friends and colleagues within the automotive and publishing industries will find the study an informative and useful resource that will assist in planning their future digital strategies.

Scott Gairns

Managing Director, Sophus3
London, September 2018

Credits

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Executive summary

The purpose of the study was to understand the influence of digital advertising within the car buyer's online journey.

Outline of study

- The research was conducted by Sophus3, an independent digital intelligence and marketing consultancy within the automotive sector and the host of eDataXchange, a collaborative project through which automotive brands share data from their digital platforms to benchmark their performance.
- The study analysed traffic between a group of seven premium UK automotive consumer publishing sites and a 'top five' (by sales volume) car brand site.
- Through access to data provided by the eDataXchange project, the research gauged consumer interest in, and traffic to, 30 other UK car brand sites.
- The research was carried out between January and May 2018 and analysed 135 million visits to the publisher sites and the impact of the 6 million display adverts served to the subject car brand site.
- The study segmented the audience into three: those visiting the brand and a publisher site, those visiting both and being also exposed to the brand's advertising,

and those – the control group – who visited the brand site with no exposure to the publisher's content or the brand adverts we tracked.

- Response times to brand advertising were similarly segmented into those who consequently visited the brand site within 30 seconds, those who visited within 7 days and those who visited within 30 days.
- The adverts were grouped into three types, according to their tactical intention: 'brand awareness', 'consideration', and 'convert'.

Findings

- Digital advertising delivered significant incremental traffic volumes to the brand's digital platform within a timeframe closely aligned to the car buying decision journey.
- The uplift in shared visitors who visited a publisher, saw an ad, then visited the brand within 30 days was 67%.
- 'Convert' advert types scored best across all time frames.
- Behavioural engagement was improved by an exposure to advertising: bounce rates were nearly a third lower and dwell time increased by nearly

2 minutes and 30 seconds for visitors who viewed the brand advertising we tracked.

- Engagement with key digital touch points was far higher with ad linked visits to brochure requests more than trebling whilst visits to test drives and quotation more than doubling as a consequence.
- 'Consideration' adverts performed best in delivering uplift at the lower end of the 'funnel'.
- Exposure to advertising significantly reduced the propensity to visit a competitor brand, with visitors 27% less likely to go to a competitor's website within a 7 day window. Adverts focused on the bottom end of the purchase funnel had the greatest impact on visitor loyalty.

Conclusions

- Digital advertising clearly remains an effective means of driving engaged visitors to car brands sites. Exposure to ads measurably increased the subsequent attention, engagement and loyalty of visitors to the brand's site.

Introduction

The primary objective of this study is to explore and understand the impact of digital advertising on the car buying journey. Does exposure to advertising by a car brand increase the quantity and quality of visitor interaction? Does it lead to greater engagement with the brand and products advertised? Do we see higher levels of conversion to digital engagement within that audience compared to an audience that has received no exposure to advertising?

Digital display advertising is a significant part of automotive marketing spend, accounting for an estimated £25 million annually across the participants of this research. Its potential to allow intervention by a brand within the car buying user journey, is acknowledged, but its true effect has historically been difficult to determine because of the fragmentation of the user journey across multiple sites and sources of information.

It is in this context, that the premium automotive publisher sites in the UK came together with Sophus3, to collaborate on the first comprehensive study of the effect of digital advertising on the digital

customer journey of UK car buyers. Unlike other studies, the participants wanted to measure real digital behaviour, in its entirety, across not only their websites, and a top 5 UK car brand domain, but also across the terrain of competitor websites so as to understand the full car buyer journey in all its complexity.

The initial findings are laid out on the following pages. There is of course a mountain of data and detail supporting this research and we would be happy to engage with all interested parties to discuss the results and their implication in more detail.

We will be following up this white paper with a further one that will look at shifting device use within the car buying journey and the effect of advertising across different devices.

Participants

The publishers

The publishers promoting this study are commercial businesses that specialise in delivering automotive content to consumers. The participants are shown in the table opposite. For decades, they have come to occupy a unique position of trust in the minds of UK car buyers.

All of them have evolved from traditional (paper) magazine businesses and the majority continue to publish hard copy in parallel with their digital activities. Most are part of much larger publishing groups for whom 'automotive' is just one specialist division within a much broader portfolio of consumer-focused brands and titles.

Over the last decade or more digital disruption of both the car market and consumer publishing sectors has necessitated these businesses rethinking their activity and revenue models.

However, in recent years the sector has been further disrupted as digital display advertising revenues have been put under pressure by the growth of search engine and then social media advertising.



Bauer Media Group

"Bauer Media UK reaches over 25m UK consumers through a portfolio of world-class, multi-platform media and entertainment brands. Bauer Media UK is part of the Bauer Media Group, one of the world's largest privately owned media businesses with assets all over the globe."

Parkers www.parkers.co.uk
Car www.carmagazine.co.uk



Haymarket Media Group

"Haymarket Automotive helps consumers, buy, sell and love cars, through independent and impartial news and reviews."

What Car? www.whatcar.com
Autocar www.autocar.co.uk



Auto Trader Group

"The UK's largest digital automotive marketplace for new and used cars. A publicly listed company and member of the FTSE 250."

Auto Trader www.autotrader.co.uk



Dennis Publishing

"The company's portfolio of over 30 brands operates in four areas of excellence: Current Affairs, Technology, Automotive and Lifestyle."

Auto Express www.autoexpress.co.uk
CarBuyer www.carbuyer.co.uk

Participants

‘The car brand’

For this study we were able to enlist the help of one of the Top 5 automotive brands within the UK market (ranked by annual sales volume).

For the duration of the trial the brand agreed to have four of its digital campaigns that were running on the publishers' sites 'tagged' so that the exposure of a visitor to those adverts could be determined, and to gauge the impact on the subsequent online journey of those visitors.

The campaigns chosen were for the brand's popular B and C Segment hatchbacks and for its small and medium SUV models.

The brand's agreement to participate was based on the clear understanding that they would remain anonymous throughout the process.



Participants

The research group: Sophus3

Sophus3 analyses over two billion car-buying related online interactions annually, and tracks the online consumer journey across brand and third party sites.

Over the past 16 years Sophus3 has become recognised and respected as a leading innovator in digital marketing within the automotive sector. It is the host of eDataXchange, a sector wide, collaborative project through which brands share data from their digital platforms to benchmark their performance.

Sophus3's role in this study was:

1. To act as an impartial convenor and arbitrator to bring the participants together and set the framework to allow all parties to cooperate in confidence.
2. To act as the objective overseer of the project to both define the study and the methodology and processes used.
3. To provide the expertise and technology to carry out the necessary data capture and to process the resulting quantities of data 'at scale'.
4. Most importantly, to carry out the independent analysis of the data acquired during the study and to report and summarise the findings in a meaningful way to all the participants, regardless of the implication of those findings for the participants.

Data/method

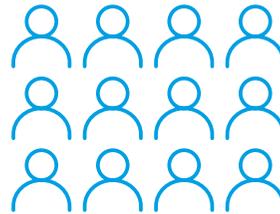
What we collected

Visitors to the participants sites were tracked during the period from January 5th to May 24th of 2018.

Sophus3, with the publishers, developed an independent measurement mechanism to identify which audience groups were exposed to an ad, which model campaign was shown and the ad type displayed.

In that time 135 million visits were measured on the publishers' sites. Just under 6 million display adverts were served for the four products tagged for the selected brand.

A total of 10.5 million visits to the car brand site were tracked. In addition, Sophus3 analysed a further 54 million visits to competitors of the subject brand to determine whether customer behaviours differed following exposure to the advertising tracked for this study.



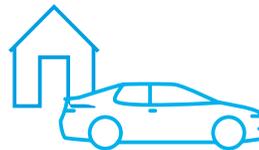
135.8m

visits to automotive publisher sites



5.8m

ad impressions for the brand



10.5m

visits to the brand site



54m

visits to competitor car brands

Data/method

Segmenting the audience

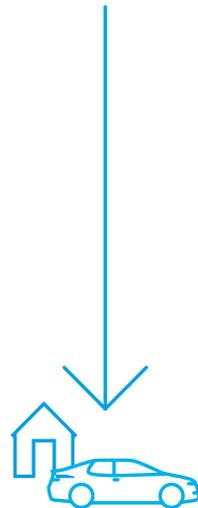
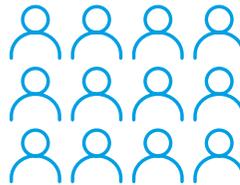
Three audience groups were analysed

1. Those who were not served the ad and did not visit publisher sites, but visited the brand's website.
2. Those that visited publishers and the brand's websites but did not get served an ad.
3. Those that visited the publishers, were exposed to the ad and visited the brand's website.

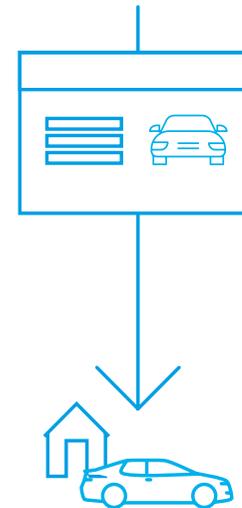
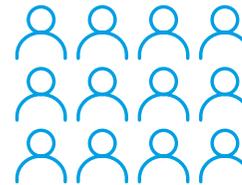
For the third group, three time frames were analysed: those who visited the advertising brand's website within 30 seconds, those who visited within 7 days and those who visited within 30 days of a display advert for the brand being served.

Unusually for research of this type, the entire dataset was analysed rather than a subset, resulting in a robust, high accuracy series of insights. In total, 570,000,000 data interactions were processed.

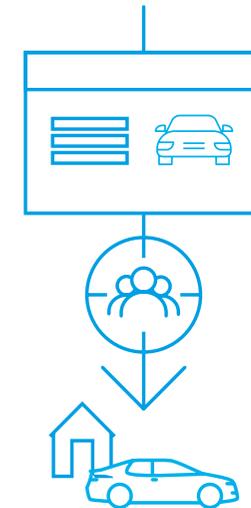
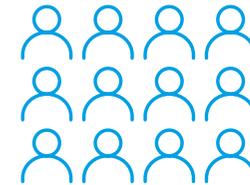
1. Visitors to the brand site who did not visit a publisher site.



2. Visitors to the brand site who also visited a publisher site.



3. Visitors to the brand site who visited a publisher site and saw the brand's adverts.



Data/method

Advert types

13 different adverts were tracked and analysed for this study. These were grouped into three key types according to their intention:



'Brand Awareness'

These ads are served to maximise awareness and recognition of a particular brand message, product or launch, for example a new model introduction. The significant Key Performance Indicators (KPIs) are typically reach and impact, for example driving many users to that model page on an OEM site. Ads are targeted to either a very broad audience or to early stage buyers to maximise scale.



'Consideration'

Here the objective is to influence car buyers whilst they are in the key decision making phase, ensuring that a particular model is part of a buyer's consideration short-list. One tactic is to target buyers throughout their buying journey around identified competitor models. Success would be measured by the additional interest generated in that model, including increased visits to its model page, increased configurations, and increased dealer searches for that model.



'Convert'

Here the aim is to drive interested buyers from the consideration phase though to the point of enquiry, targeting specific users already considering that model around relevant model content. The objective is to drive users to lower funnel 'purchase intent' actions on the OEM site. Brochure request and test drive actions are key outcome metrics here.

Findings

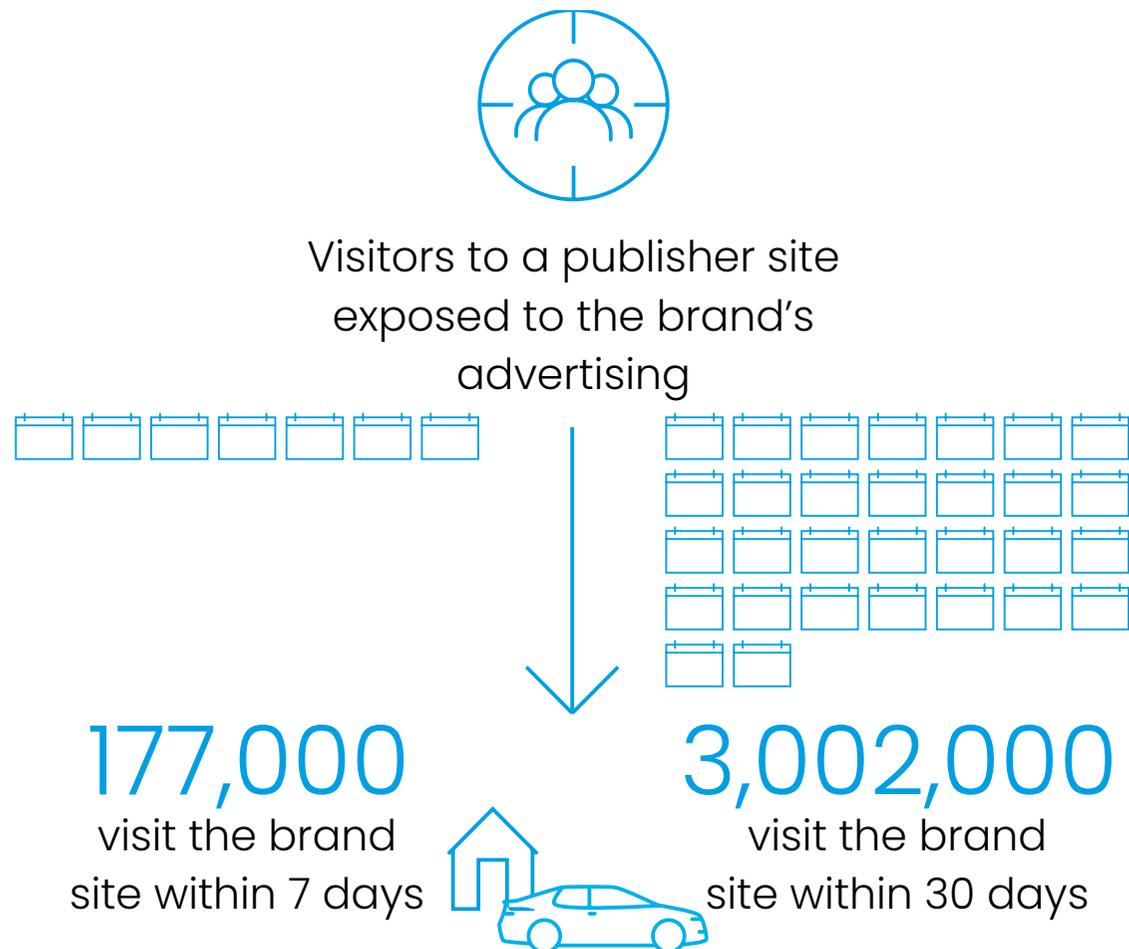
Time frame of response to advertising

The time frame in which visitors might respond to an advertisement is significant.

For visitors to the publisher sites who were exposed to the brand's advertising messages we measured the time elapsed before any subsequent visit to the brand's own website took place. 177,000 of those exposed to the brand's advertising visited its website within a 7 day window of seeing the ad. Over half of those exposed to an advertisement – 3 million – went on to visit the site within the longer 30 day window.

42% of brand journeys had included a visit to one or more publisher websites before arriving at the brand website, even when they had not been exposed to the ads on those sites. However, the effect on the number of shared visitors who visited a publisher and had also seen an ad was considerable, with a 67% uplift in the numbers going on to visit the brand within the 30 day window.

Conclusion: Advertising delivered significant additional traffic volumes to the brand's digital platform over the already high traffic flows generated by the publisher sites. This traffic is created within a time period closely in step with the timescale of the car buying decision journey.



Findings

Time frame variation by advert type

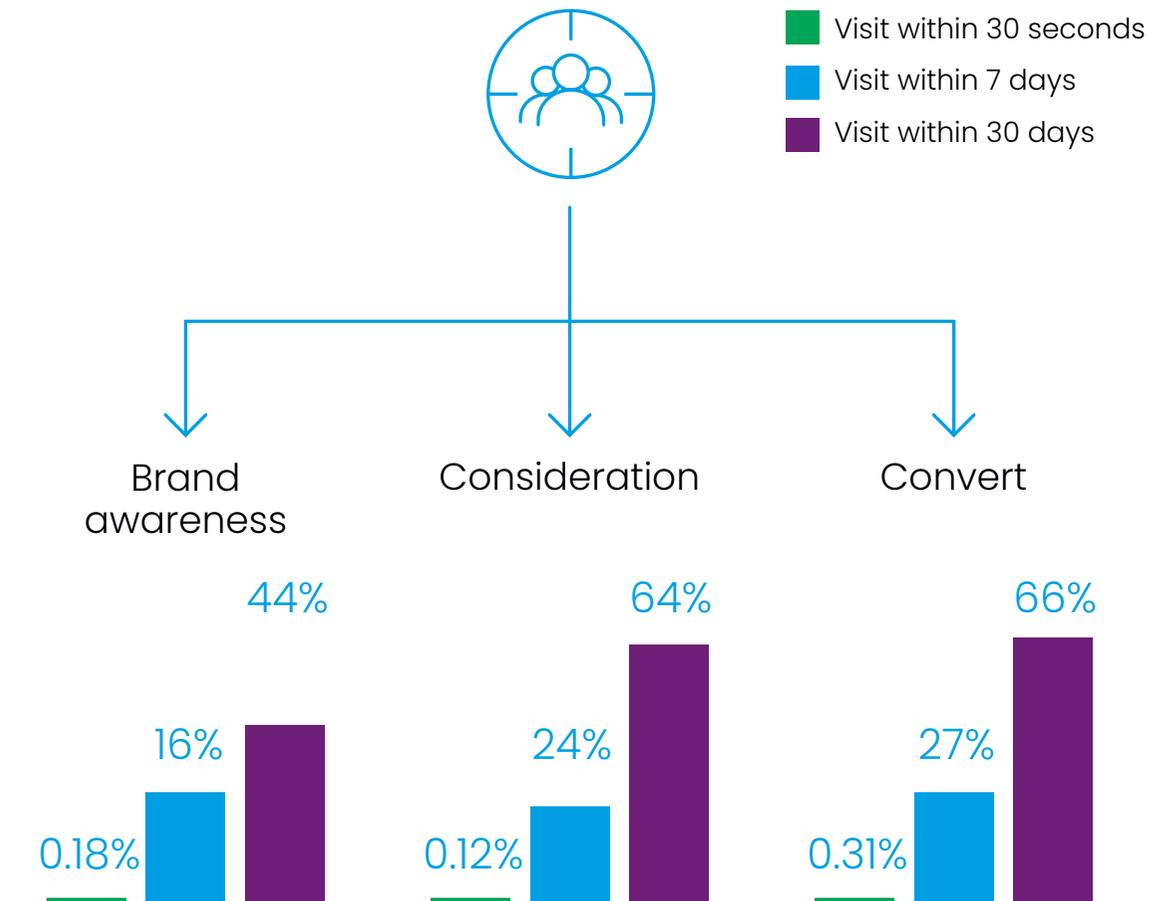
'Brand awareness' ads were stronger than 'consideration' in the immediate response they generated, but less so than Convert type ads.

'Consideration' performed relatively strongly both medium and longer term but were weaker in generating an instant response.

'Convert' intentioned ads scored best across all time frames.

It should be noted that the creative execution of each campaign was not assessed as part of this research, which will clearly play some role in the response rates achieved.

Conclusion: Car brands can actively influence the behaviour of customers in the car buying funnel by using a mixture of different advertising approaches on publisher sites.



Findings

Behavioural engagement

Two of the basic measures of a website's performance are bounce rate – the percentage of visitors to leave after viewing just one page – and the dwell time, the minutes and seconds spent on the site reviewing content.

Over more than a decade, Sophus3 has seen both of these measures grow progressively worse for car brands in general as consumers have more sources of information to choose between and have themselves become progressively more impatient in their search for information.

Over 50% of visitors to car sites leave almost immediately after seeing just a single page. Similarly the dwell time per visit for these sites now averages under three minutes.

The brand under review scores relatively well in both these metrics at the base level. However bounce rates were reduced significantly and dwell time strengthened in the case of visitors who had visited publisher sites, and, even more so when attracted by advertising. In the latter case bounce rates were nearly a third lower and dwell time increased by nearly 2 minutes and 30 seconds.

Conclusion: For car brands meeting the challenge of increasingly impatient consumers, there is evidence that advertising on the car publisher sites adds to the positive effect of premium specialist content by increasing propensity to engage on the subject brand's site.



Average Bounce rate



Average Dwell time

Visitors to brand that did NOT visit publisher (baseline)

47%

5min 36s

Visitors to brand and publisher who did NOT see an ad

35%

6min 46s

Visitors to brand and publisher who did see an ad

34%

7min 55s

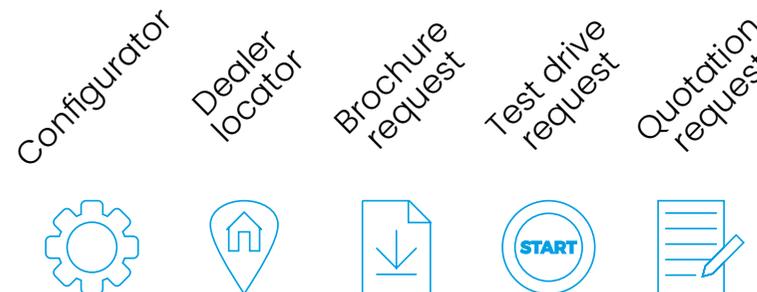
Findings

Advertising impact on conversion

Whilst a car brand website may contain thousands of pages, there are groupings of content and functionality which are of specific interest to the prospective car buyer. These touch points are a virtual 'funnel' in which an in-market buyer is most likely to be active. They include the model pages containing detailed product information, vehicle configurators where the visitor can explore personalised pricing and equipment choices, the brochure download area, the dealer locator, and test drive and quotation request forms.

We looked at the traffic to these specific areas of the brand site to see the qualitative impact – if any – of a visitor's exposure to the advertising that was tagged on the publishers' sites.

Conclusion: The data shows a considerable uplift in traffic to points within this virtual funnel compared to that for visitors who had not been to the publishers' sites and seen adverts. This uplift was particularly pronounced at the lower end of the funnel within the seven day window. Brochure requests more than trebled amongst those exposed to the brand's advertising compared with the 'non-exposed' visitor. Interest in the critical test drive and quotation request areas was more than doubled. This uplift, in volume term, is sustained during the 30 day window.



Uplift in traffic to engagement sections compared to 'brand site only' visits

	Configurator	Dealer locator	Brochure request	Test drive request	Quotation request
Visitors to brand & publisher but did NOT see advert	+31.4%	-6%	+92%	+53%	+98%
Visitors to brand & publisher who saw advert - 7 day time frame	+56%	+6%	+237%	+131%	+158%
Visitors to brand & publisher who saw advert - 30 day time frame	+42%	-26%	+208%	+108%	+139%

Findings

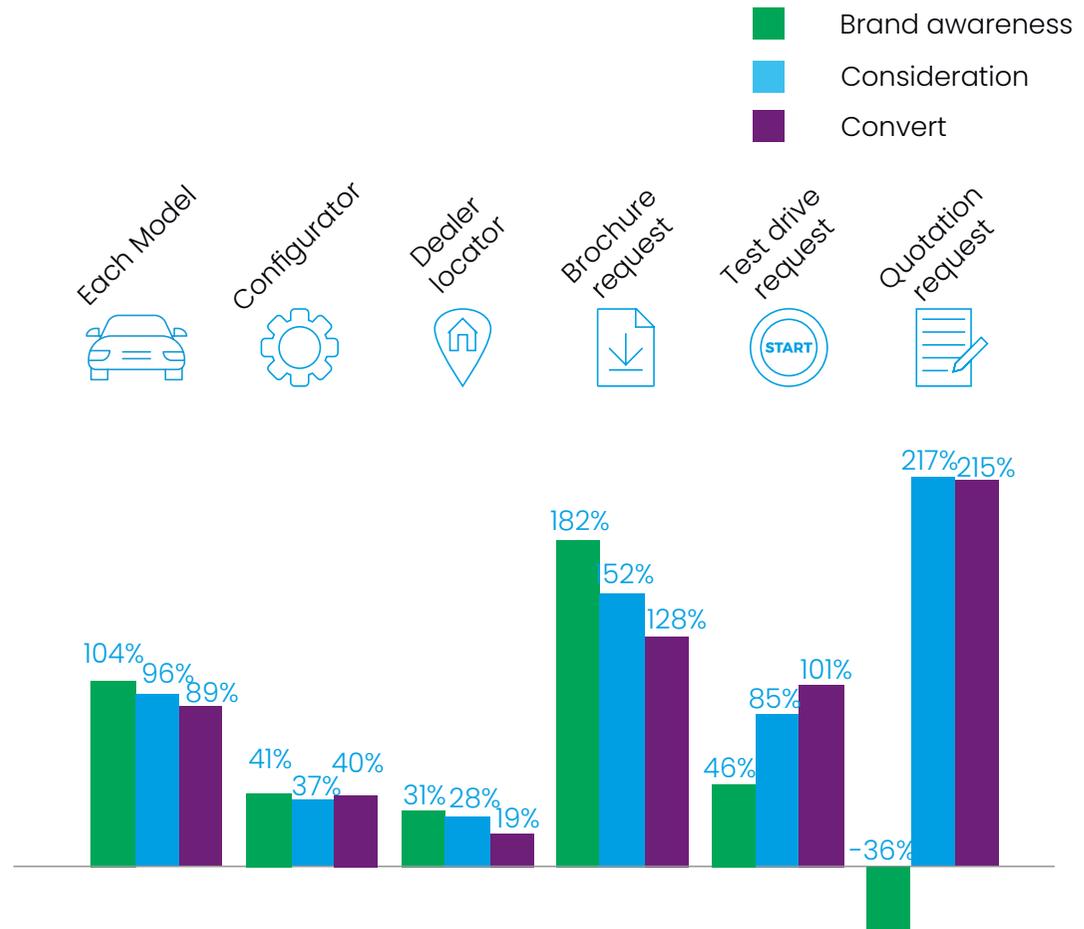
Conversion by advertising campaign type

Although all ad type exposure drove an uplift in model interest during the website visit compared to the visitor who was not exposed to adverts, 'Brand Awareness' ads showed the highest uplift in model interest but saw a lesser uplift at the bottom of the funnel (most noticeably for quotation requests).

'Consideration' adverts performed best in delivering uplift at the lower end of the funnel, specifically on request-a-quote interactions. They outperformed 'Convert' ads in terms of uplift for model interest and brochure requests, which are typically considered to be of interest to those in the upper end of the purchase funnel.

'Convert' type ads performed best for uplift in engagement with the configurator and test drives, traditionally considered key intention indicators. They matched 'Consideration' in the uplift of request-a-quote activity.

Conclusion: While exposure to all advert groups generated an uplift in digital engagement, different types were more suited in driving interest to the upper, mid or bottom of the virtual funnel. This gives car brands differentiated tools to influence car buyer behaviour through the right digital advertising mix.



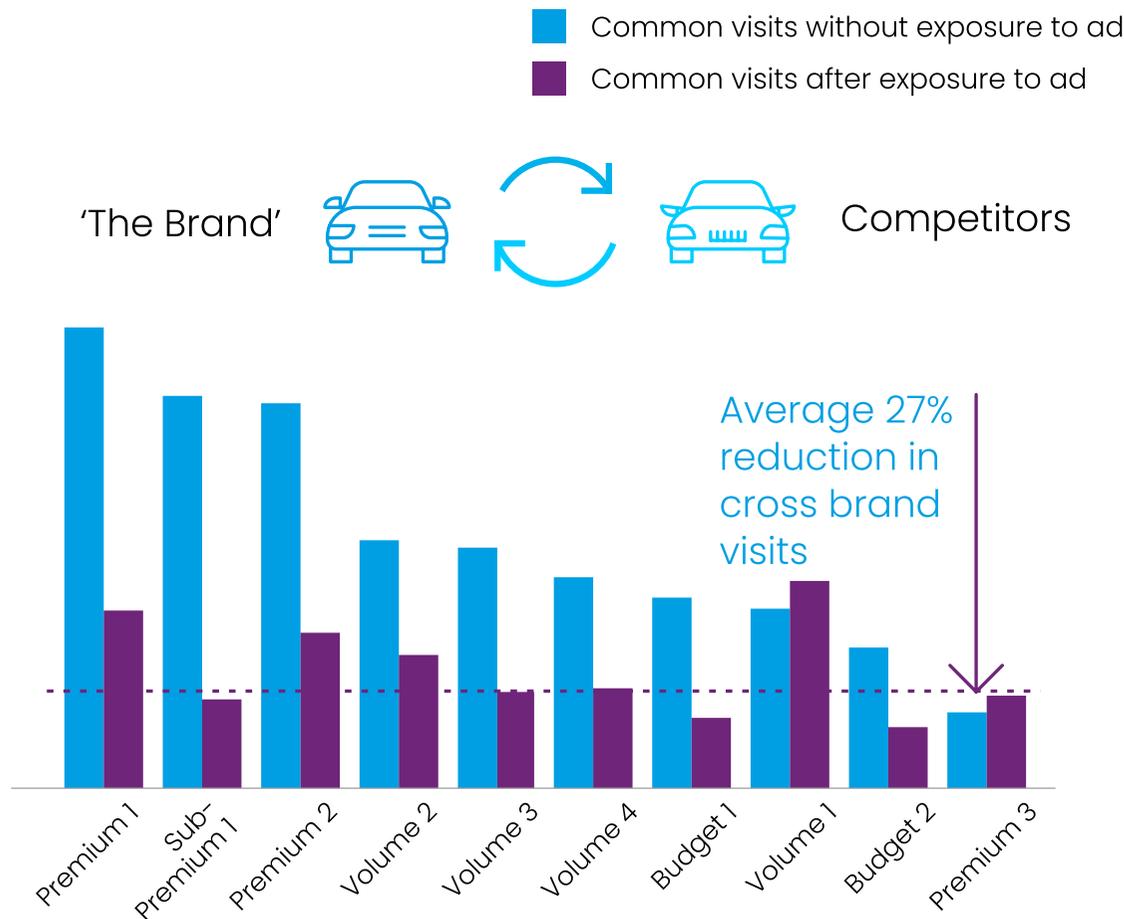
Findings

'Digital loyalty'

One of the most significant findings of the research was the effect that advertising had on a buyer's likelihood to shop around. Over the last 5 years, the number of brands considered online by the in-market visitor has doubled, from an average of 2.5 to 5.

The study shows that visitors to publishers sites and those exposed to the brands' advertising were far less likely to 'wander' to competitor sites. On average they were 27% less likely to visit a competitor brand's website in the following 7 day period – the crucial period when consumers are finalising their consideration short-list or even refining a final purchase choice. We can also see, in the anonymised list of other brands, that the reduction in that propensity to visit competitors was greater in the case of premium brand alternatives.

Conclusion: Exposure to digital advertising has a significant impact in reducing visitor's propensity to go on to visit a competitive brand.



Findings

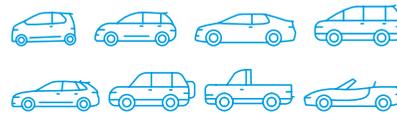
Impact on digital loyalty of model/ad type

In the same way people are now considering more brands we are also seeing them explore a greater number of often very different models. Sophus3's own research has shown that over 40% of the competitor models considered by an online researcher are in an entirely different market segment from the model they are reviewing.

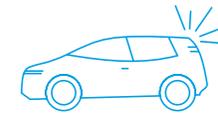
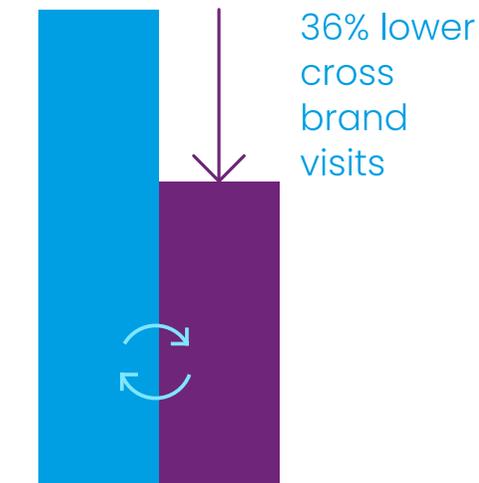
We found that visitors to the brand site who had seen adverts for the brand's established model line up were 36% less likely to cross over to a competitor car brand. For the high impact, new model campaigns we tracked - where much of the traffic is likely to be driven by simple curiosity about an unfamiliar model - cross brand 'promiscuity' was still reduced by a healthy 20% through exposure to advertising.

Conclusion: Visitors to publisher sites who are also exposed to the brand's model advertising campaigns have a lower propensity to visit other car brand sites.

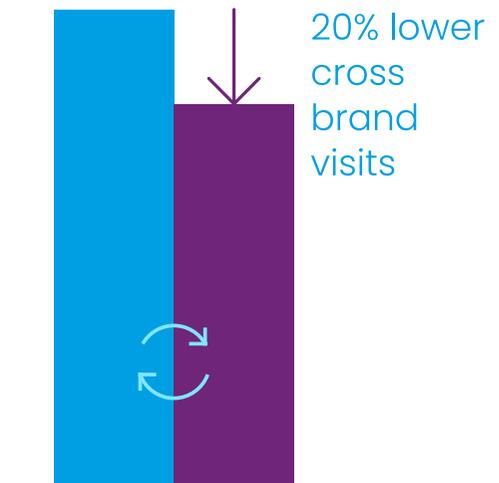
- Visited another car brand: did not see advert
- Visited another car brand: did see advert



All model ads



High impact new model ad

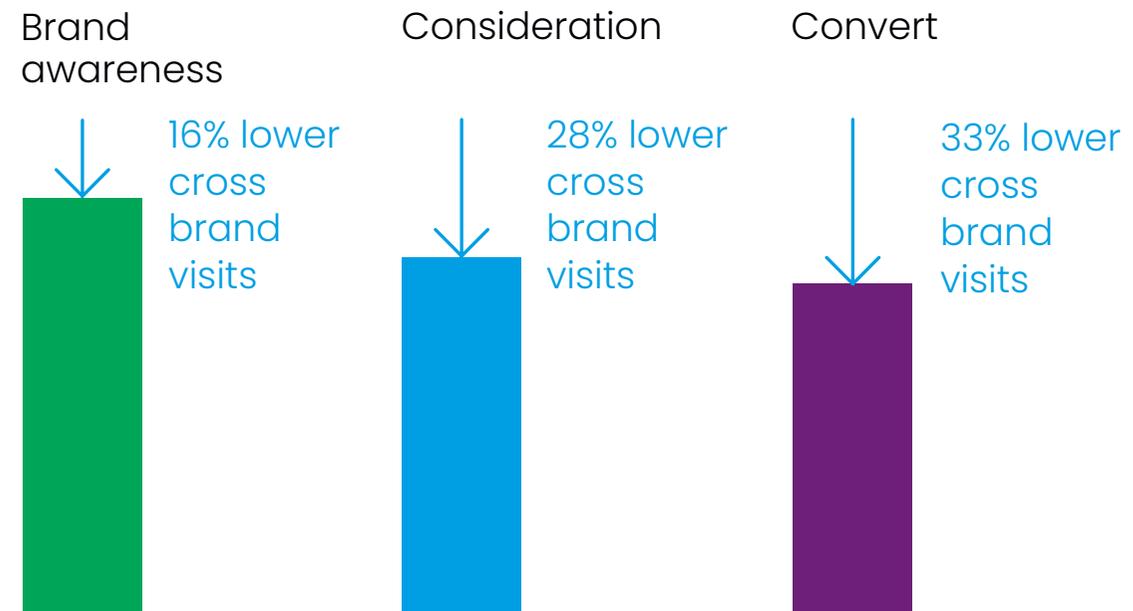


Findings

Impact on digital loyalty by ad type

Distinguishing the uplift in digital loyalty by ad type confirms that while Brand awareness type ads do increase loyalty, it is the Convert type ads that increase loyalty most significantly.

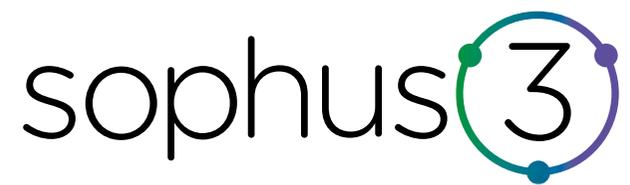
Conclusion: Exposure to advertising that focuses on the bottom end of the purchase funnel has the greatest impact on the digital audience remaining loyal to a brand.



Conclusions

Digital display advertising plays a key role in the car buying process

- Targeted commercial messages within premium content environments can offer unparalleled opportunities for brands to intervene to promote themselves and their products.
- The research found that visitors who have been to an automotive publisher website are already more engaged than the 'standard' car website visitor, but that those visitors that had been additionally exposed to an ad, were subsequently even more engaged when on that car brand's website.
- Advertising measurably increased the engagement of visitors to the brand's site with visitors more likely to go beyond the first page they visited and spend more time on the site.
- Advertising also increased actions on the brand site: those visitors exposed to advertising were more likely to utilise key functionalities within the virtual purchase funnel including configurators, brochure request, test drive request and request for a quote.
- Advertising had a clear impact on the number of brands considered, decreasing the propensity of online consumers to visit competitive brands and models.
- Car brands, the study suggests, can fine-tune the effectiveness of their advertising by balancing campaign and advert type, leading to significant changes in customer behaviour at crucial points within the consideration process.
- The study also indicates that accurate targeting with different types of adverts within the publisher funnel can generate better quality, transparent results than are possible through the less targeted approach of search or social media advertising.



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