

REACH NEW CAR BUYERS ONLINE:
FOCUS ON **QUALITY** OVER SCALE



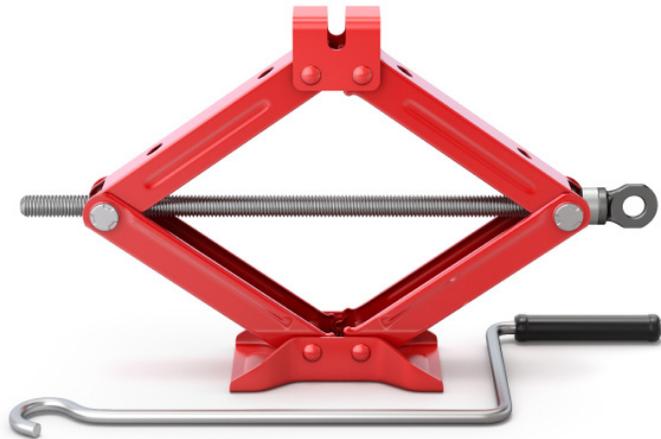
REACH AUDIENCES WHO ACTUALLY BUY

It is not uncommon for an in-market digital campaign to be designed and measured against tactical KPIs. How many people did the campaign reach? How often did these people see the ad? How many people took a website action as a result of the ad? What was the cost-per-action (CPA) taken? This approach can then be optimized and duplicated to deliver predictably strong results.

But here's the bigger question: did the ads reach actual car buyers, not just online action-takers? That is the ultimate goal of an in-market campaign; reaching audiences who are actively shopping for your product.

Maximizing scale via reach and frequency is one approach. By putting an ad in front of as many people as possible, a portion of them will ultimately buy. TV has traditionally been the medium of choice to reach large, indiscriminate audiences. Many marketers then duplicate this approach for their digital strategy, rather than use more relevant resources to help them focus their online ads on those people who are most likely to buy. After all, digital ads are perceived to be less expensive than TV, and can be consistently measured for the above KPIs.

Simple scale strategies, however, are inherently wasteful in digital advertising. Especially in light of all of the additional data and resources that are available to help marketers focus their ad campaigns on those most likely to buy cars. Continued reliance on audiences that are maximized for scale and KPIs rather than quality can be traced back to three commonly held myths.



Myth #1: The goal of a campaign is to maximize KPIs

KPIs are indicators, not goals. Remember, the goal is to reach buyers. Many marketers rely on website KPIs to measure a campaign's success. At Oracle Data Cloud, a recent analysis confirms that only about 25 percent of new car buyers visit an OEM site prior to making a purchase. Buyers are visiting auto endemic sites, dealer websites, reading reviews —just to name a few steps—leading up to purchase.

CAMPAIGN HIGHLIGHT

If the campaign is designed to drive website KPIs, it will miss the majority of buyers. This was inadvertently tested in a recent campaign designed to reach buyers versus site actions. During the campaign, it was discovered that the cost per action (CPA) was trending high so the campaign was adjusted mid-flight to optimize for maximizing CPA. The post-campaign evaluation determined that the exposed audience was **2.6 times** as likely to purchase the target vehicle, and dropped following mid-campaign changes.

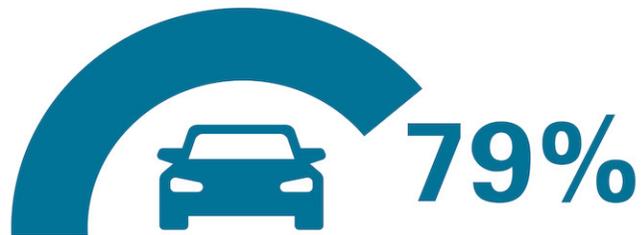
Myth #2: Look-alike targeting is an effective scale tactic for in-market campaigns

Using look-alike targeting to find people who look like current owners, recent buyers, or even KPI completers is one approach to building larger audiences. Where this tactic falls short is in reaching in-market buyers. Just because someone looks like, acts like, behaves like, browses like someone who just bought a car doesn't mean they're in the market to buy now.

An analysis of 64 online US automotive campaigns, measured using the Oracle Data Cloud Buy-Through Rate methodology* to evaluate the concentration and number of car buyers within a target audience, led to these findings:



Body style audiences are 67% better quality than the next best 'lookalikes' from major social platforms.



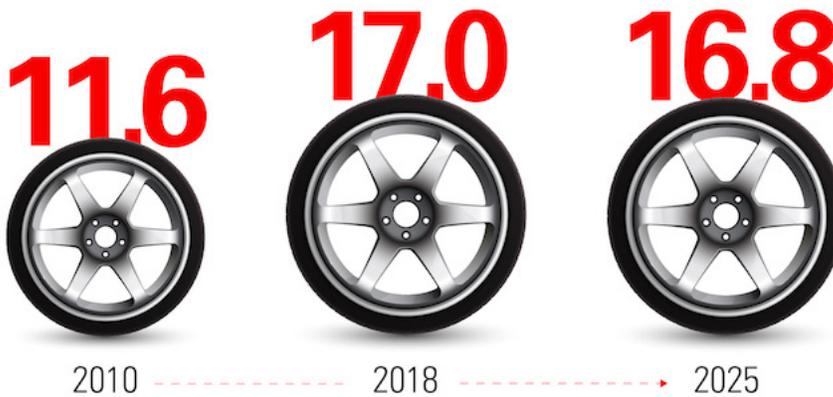
Model level audiences are 79% better quality than the next best lookalikes from major social platforms.

Myth #3: Increasing scale will reach more in-market buyers.

New vehicle sales are expected to level off for the next few years and brand loyalty is at an all-time high.

New vehicle sales level off

U.S. new light vehicle sales

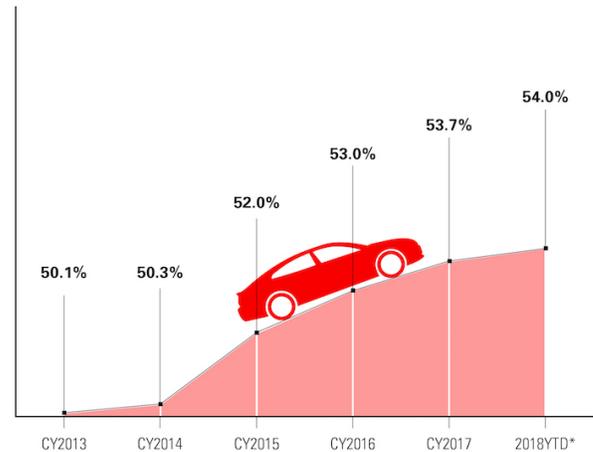


Source: IHS Markit

Reaching more people is not the same as reaching more buyers, especially in these auto market conditions.

Rather than invest in campaigns that will reach as many people as possible who will complete online actions, the following recommendations will help ensure your ads efficiently reach people who are most likely to be in-market to buy a car.

Brand loyalty 2013-2018



*Through May 2018 Source: IHS Markit

Ensure buyers see your ads

Analyze in-flow, out-flow data of recent buyers. What makes, models and body styles did your recent buyers previously own? And if they left your brand, what did they buy? This information can then help determine the best set of competitive conquest audiences for an in-market campaign.

Use loyalty data to reduce wasted ad spend. Focus audiences to reach only people who are most likely to be new car buyers. Consider suppressing people who:

Only purchase used vehicles or who have never owned a vehicle.

Are loyal buyers of body-styles that are not a part of your product set, or have never shown an affinity for the body-style on which the campaign is focused.

Loyal buyers of competitive brands.

Understand what new vehicle buyers look like. Identify the strongest in-market signals and overlay them on higher quality audiences derived from profiling buyers of your brand and models.

Optimize the audience strategy to maximize vehicle sales. Understand an audience's propensity to buy before launching a campaign with the free Oracle Data Cloud Audience Validation Dashboard. At the campaign's conclusion, revisit audience performance to make informed changes to future campaigns.

Learn more

Making the decision to prioritize audience quality over scale and KPIs will require a shift in thinking. The data experts at Oracle Data Cloud are here to provide data-driven insights and recommendations to help marketers effectively and efficiently reach car buyers.

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Oracle Data Cloud delivers the richest understanding of consumers across both digital and traditional channels based on what they do, what they say and what they buy enabling leading brands to personalize and measure every customer interaction and maximize the value of their digital marketing.

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