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Choose Your Regional Strategies Wisely



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Jumpstart's director of strategy and partner development advises regional agencies to pay attention to "mid-funnel" prospects, and offers strategies to reach current auto shoppers

I recently read an article that described how an auto dealer hired an outside firm to develop and run a promotional event to drive foot traffic and bolster sales. The idea was to mail "match-and-win" certificates to thousands of prospects with the message of a guaranteed cash prize, as well as to provide games, food and balloons for the kids. As expected, the lot was filled with people (reach). The only issue was that most people weren't interested in buying cars (conversion).

That got me thinking... regional agencies spend upwards of \$8 billion dollars every year to reach upper funnel prospects, trying to increase awareness and establish positive brand perception for regional dealer associations. These ads typically run on traditional media such as television, radio and newspapers (with TV getting the vast majority). But the result remains the same as the above example-- they establish massive reach but are unable to target the right audience and convert tire kickers to auto buyers.

Regional agencies have already shifted some of their ad budgets to target lower funnel prospects by advertising on research sites like NADAguides.com and Consumer Guide Automotive in the form of localized banners and new car price quotes. More recently, search marketing has become another strategy to reach in-market auto shoppers and drive them to dealer websites.

But what about prospects that are mid-funnel? There are millions of auto shoppers who are near the beginning stages of their research process and it is here that the ability to influence the consumer's purchase decision is high. Shouldn't we give these auto shoppers some additional consideration? If so, what strategies should we use, and where should the budget come from?



There are two important strategies that regional agencies should be incorporating into their media plans, if they haven't already:

1. **Contextual display advertising:** Nearly 50 percent of auto internet users begin their car buying process on an independent third-party research site, like Vehix.com (J.D. Power 2005 auto shopper study). Dealer groups should be targeting ads regionally with specific messaging to reach auto shoppers at the starting point in their research and buying process.
2. **Behaviorally targeted display advertising:** Research suggests that auto shoppers only spend three percent of their online time on third-party research sites. As a prospect spends time on a research site and exhibits behavior to suggest that he/she is in-market for an auto purchase, that user can be cookied and served a relevant automotive ad elsewhere on the web. Behavioral targeting increases the exposure of an intended message by delivering targeted ads to auto shoppers after they leave auto-search sites.

It's clear that regional agencies are successfully targeting auto shoppers at the lower end of the funnel. However, in order to maximize consumer interest and generate actual sales for their regional dealer associations, it's critical that they include strategies that target mid funnel auto shoppers as well. These dollars should flow out of upper funnel budgets to fund mid funnel strategies.

I'm not suggesting that regional agencies should stop advertising to upper-funnel prospects. After all, there is value in increasing awareness and establishing a positive brand perception. However, advertisers would be better served by shifting some of their ad budgets to focus more heavily on mid-funnel prospects. These prospects are already in the act of shopping for a car.

It is equally critical that regional agencies work with the right media partner-one that can offer a variety of targeting solutions and recognize the need for a more comprehensive approach to media planning. OEMs have been targeting these prospects for years. The opportunity for regional dealer associations to reach them at the beginning of the purchase process is too great to pass up.

The bottom line is: if it was your money, how would you spend it?