



VERSION 6 | June 4, 2020

PureCars

INDUSTRY REPORT

Arming dealers with the data-driven insights they
need for their business through recovery & beyond



Message from PureCars Founder & CEO Jeremy Anspach

Our country is in a very strange place right now. With most states starting to reopen, there's been a sense to some extent that the 'worst is behind us' and a mental adjustment to a 'new normal'. Recent vehicle sale surges indicate that owning a vehicle remains important, even more than ever before.

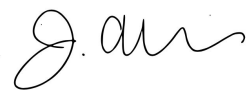
Unfortunately, at the same time, we as a nation are facing a second crisis, which has led to protests and rioting. There isn't anything else I know to say except that it is an incredibly hard and deeply emotional time. It's clear that meaningful change is necessary to get through this together. At PureCars, we have a zero-tolerance policy for discrimination of any kind; our hearts go out to everyone hurting in the wake of these tragic events.

While the country searches for answers, accountability, and the best step forward together, PureCars remains focused on helping dealers navigate the things we can't control, with the data and tools we have available -- and the actions we can control.

True to form, I rely on data, things that can be measured, to make logical, informed decisions and keep moving forward. The data has shown upwards trends across the board (from media spend to sales), which means dealers are well positioned to capture pent up demand this summer.

With everything we've learned (and are still learning) as an industry, there are things we can do to prepare for the next phase(s) in this recovery. We understand what to watch for and how to analyze and adjust on a dime to meet changing customer needs and demands to best serve our communities. We're on this journey together.

Be well,



Jeremy Anspach
Founder & CEO, PureCars



“Be the change you want to see in the world”

- Mahatma Gandhi

A SUMMER TO REMEMBER

THE TIME IS NOW FOR EXECUTING STRATEGY & FUTURE PLANNING

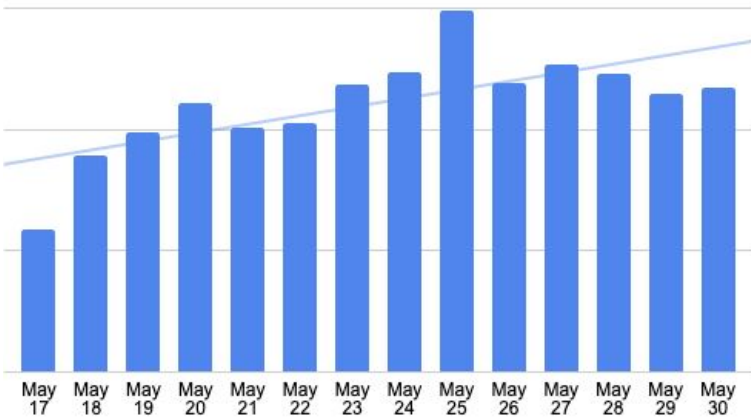
Many of you may still be implementing process, especially as showrooms start to reopen, but focus on strategy is key to winning the summer.



THE FACTS

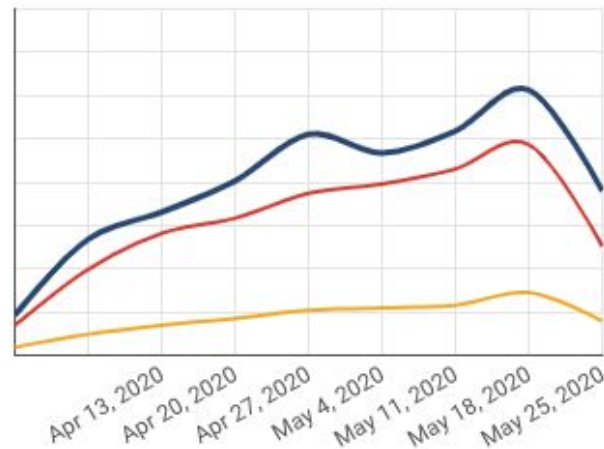
Memorial Day Sales Were The Highest in Months

SHOPPERS



SALES

— New — Used — Certified



THE INSIGHTS

OBSERVATIONS

Looking at a national perspective, the number of shoppers and sales rose steadily in the days leading up to the holiday weekend and peaked over the weekend itself. Overall, encouraging to see people shopping and buying.

Whether your dealership came away from Memorial Day weekend feeling like you were back in the game or feeling like customers were still sitting on the sidelines, there is another sales event around the corner and a summer during which to capture pent up demand.

TAKEAWAYS & RECOMMENDATIONS

While results coming out of the weekend were strong for many, the question that kept getting asked was, “compared to what?”

Auto consistently looks to historical benchmarking and strives to beat last month, last year, etc. This is a given. But, identifying an accurate bar heading into this unprecedented summer is challenging.

THE FACTS

Make the Most of the Summer Sales Events



THE INSIGHTS

OBSERVATIONS

We're not showing or telling you anything you don't already know here. The difference, however, between this year compared to previous years is of course a much more complex landscape with a larger number of unknown variables.

TAKEAWAYS & RECOMMENDATIONS

Striving to beat Memorial Day may be your new bar for 2020. While we're not recommending you throw out your historical data as a guide, looking at this unusual summer a bit differently may help your dealership keep focused on raising your bar through the summer months, with major sales events at each end.

Understanding that 47% of all consumers believe that "Sales Events are the best time to buy a vehicle" (Mintel, Car Purchasing Process, US - July 2019), and windows of opportunity may be more sporadic during times of crisis, it's more important than ever to keep a close eye on the data, lean hard into sales events and quickly adjust strategy and budget to capture the demand that's out there when and where you can.

THE FACTS

Dealer Stories & Strategies, Coast to Coast

Luxury Brands Auto Group Southern California Lockdown

- Adopted a Fixed Ops strategy late March
- Cut back Search, focused on high converting campaigns for Brand, Regional and Crisis-Specific messaging only
- Shifted budget to Social with FO focus
- Mined CRM data for customers due for service as well as lost souls, then created lookalike audiences to expand their reach
- Targeted Social campaigns produced over 2,000 ROs (59% of total) during a 5 week period.
- Exceeded their goal of 50% capacity (some rooftops were at over 70%)

Access to actionable data, Fixed Ops focus, reallocated budget, leveraging valuable CRM data and a focused strategy on Search kept this dealer group busy during lockdown.

Toyota Dealership Western Kentucky

- After onboarding with PureCars on April 8th, had a great month
- Decided to increase budgets in May
- Launched Dynamic Inventory Lead Ads on Facebook in early May (166 leads @ \$12 per)
- Launched dynamic onsite offers to convert low funnel website visitors (33 leads)
- Total leads count from the ads launched heading into Memorial Day Weekend: 199 (PureCars is this dealer's #1 source of leads)

Early success, an increased budget, an investment in dynamic lead ads and ads to capture low funnel website visitors kept the leads flowing for this dealership.

Buick GMC Dealership Northern Alabama

- Small budget dealer had been struggling through April
- Reallocated budget to Social mid-May and launched Dynamic Inventory Lead Ads
- The ads delivered 120 leads in just 9 days @ just \$6.50 per lead

Adjusting strategy can make a huge difference. And the power of Social is not to be overlooked. This dealership's willingness to change strategy and try something new, despite having a relatively low overall budget, really paid off.

Hyundai Dealership Northern Alabama

- May started slow: the play was to initially reduce budget but adjust strategy
- Added budget towards end of month for Facebook ads
- Trade Event Campaign (34), Memorial Day 1st Responders Bonus Offer Click Ad (508 clicks), Dynamic Inventory Lead Ads (80 leads), Dynamic Onsite Offers (63 leads)
- Total leads count from the ads launched heading into Memorial Day Weekend: 177

Incentives, special offers, ad type diversification and a budget boost towards the end of the month set this dealer up to close out May on a high note.

Ford Dealer Pennsylvania Lockdown

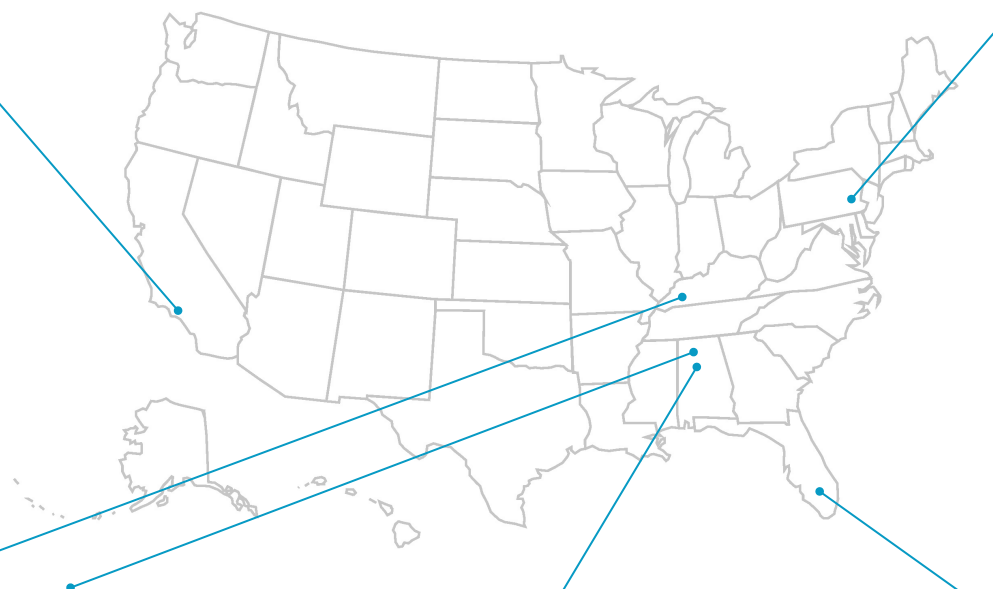
- Did not reduce budget on any channels, citing experience from the '08 recession
- Launched dynamic onsite offers to convert low funnel website visitors for both service and sales
- Focused on 'filling the funnel' for when sales were permitted again
- Overhauled sales process
- Website traffic was UP 8% (avg PA dealer was down 56%)
- Conversions UP 18% (avg PA dealer was down 54%)
- 3rd in sales in District for April, 2nd in May

Agility, experience, keeping all digital channels fully funded, dynamic onsite offers and an overhauled online sales process kept this dealership essential to their community, despite the toughest restrictions.

Independent Dealer Florida Outbreak Epicenter

- Adopted a Fixed Ops strategy mid-April
- Cut back Search, shifted budget to Social
- ROs in March & April UP from Jan & Feb
- May ROs UP almost 25% above April
- Paused Used budget late March, Sales tanked
- Reactivated April 7 and saved the month
- For May, seeing best #s since pre-COVID (150+ units sold)

Access to actionable data, Fixed Ops focus, reallocated budget and buying (auction) kept this dealership in the black during the worst of times.



THE FACTS

Ontario Based Toyota Dealer Adjust Strategy, Get Results



Toyota Dealer

Toronto, Ontario, Canada

- Reduced overall spend by 50% when dealerships were forced to close
- Shifted messaging and budget towards lowest funnel, highest converting campaigns
- By leveraging PureCars data, the dealer was able to better capitalize on existing demand and bring their Cost per Conversion DOWN by 43%, from \$3.12 to \$1.75
- By focusing on the Search demand much of the marketplace was ignoring, dealer was able to increase Store Visits from Google Ads to higher levels than most months in 2019 with half the ad spend
- Optimized Google My Business Listings enabled the dealership to maintain high levels of website traffic (only -3.5% YoY), despite a 25% drop in total impressions
- A free trial of dynamic onsite offers from PureCars resulted in 30 additional leads in 20 days

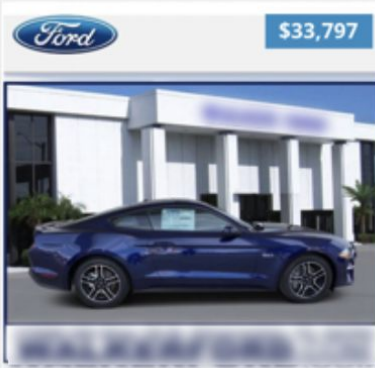
This dealership was able to do a lot with just 50% of their budget, making key strategic changes that allowed them to best capitalize on the demand that was still there -- and do it for less.

THE FACTS

The Tailwinds Are Strong With Social

Sponsored · 🌐

We're Open! 6 Month Payment Relief! Shop Online, Work Out a Deal, and Take a Test Drive from Home!




\$33,797

2020 Ford Mustang Fastback

Satellite Radio. Priced Below MSRP.

Shop Now



\$33,797

2020 Ford Mustang

Priced Below MSRP.


Shop Now

Like Comment Share

Sponsored · 🌐

Interested in one of these vehicles at [redacted]? Click below and let us know! 0% APR for 84 months and NO PAYMENTS for up to 6 months on most new vehicles. Free Vehicle Delivery!

*Exclusions apply. See dealer for details

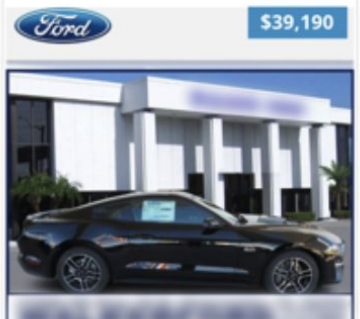


\$36,281

2020 Ford Mustang Fastback

Priced Below MSRP.

Get Quote




\$39,190

2020 Ford Mustang

Priced Below MSRP.

Get Quote



\$39,190

2020 Ford Mustang

Priced Below MSRP.

Get Quote

Like Comment Share

THE INSIGHTS

OBSERVATIONS

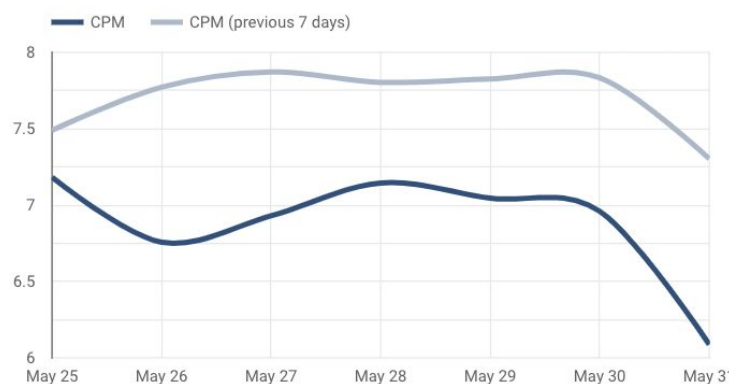
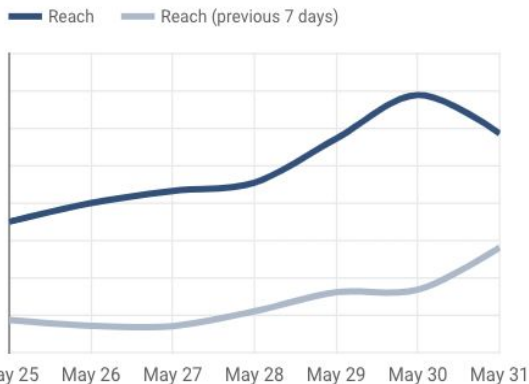
Facebook continues to grow the type of ads it offers and dealerships continue to reach new customers within the platform. The differences in the ads to the left are subtle but can have a large impact on a dealership's bottom line.

The "Shop Now" ad features relevant, dynamic inventory that will drive in-market shoppers directly to your website. The "Get Quote" ad also features relevant, dynamic inventory but keeps the shopper within the Facebook experience, pre-populating a lead form with shopper information to facilitate a lead pass into your CRM.

TAKEAWAYS & RECOMMENDATIONS

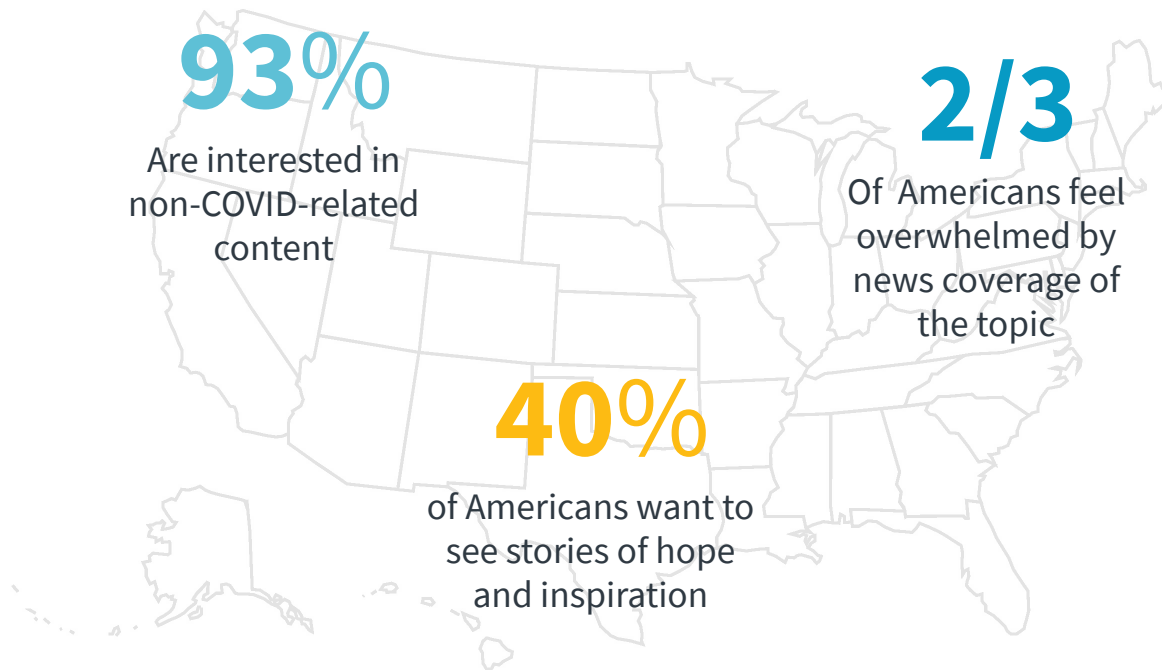
The secret is out. New highs in lead counts across Social networks are being recorded weekly, attributed to new audience penetration within Facebook, Messenger and Instagram. Facebook reach continues to be strong, while CPMs continue at historically low rates due to excess inventory availability. In other words, it's a good time to get more for your budget on Facebook.

PureCars Strategists can help identify which type of ad unit best fits your dealership's needs. The ads are versatile; they allow for quick pivots between New and Used, and have the ability to significantly drive down your overall cost per lead.



THE FACTS

Are Your Customers Burned Out with COVID Messaging? Navigating a Complex Landscape



THE INSIGHTS

OBSERVATIONS

We're far from "all clear" but evidence of COVID fatigue is everywhere you look. Depending on where you live, you can either step outside or see the myriad of pictures taken from crowded bars and packed beaches over Memorial Day weekend. As early as May 6th, a survey collected by Harris found COVID fatigue to be setting in.

TAKEAWAYS & RECOMMENDATIONS

In many ways, the challenge is the same as it has always been: be relevant by (really) listening to your customers.

Dealerships must remain sensitive to COVID-19 and understand that their customers are not all experiencing the pandemic in the same way, e.g. those living with a chronic illness will respond very differently than those without known health issues. Dealerships should be cautious about making assumptions on what their customers need right now and remember to listen.

Many are tempted to return to old habits and pretend like the pandemic is over... *but it isn't.*

Continue to lead with empathy. Continue to ask how you can help. Continue to collect feedback and ask if shoppers feel comfortable. Continue to read customer cues and don't feel pressured to revert to pre-pandemic methods. Continue with an open mind to find the best ways to serve your customers and communities. Continue to press forward. Continue to celebrate the heroes.

Source: <https://www.prweek.com/article/1682400/gci-health-harris-poll-finds-clear-desire-non-covid-related-content>

THE NET-NET

Much like raising children, there is no magic formula that works for everyone. Success is dependent on many factors working simultaneously. This is also true for running a business, but the biggest difference between the two is data; having actionable data available can help dealers make better decisions for their business. But the data can't do the work for you. The most successful dealers embrace a willingness to lead with data, try new things, measure, adjust and repeat. And they pair that with a dedication to customer service, relentlessly serving their customers and communities in sincere, meaningful and effective ways.

TRUE BEFORE & EVEN MORE SO NOW

Lead With Data; It Won't Steer You Wrong

It's (literally) the only way to make the best, informed decisions for your advertising and, in turn, know you're spending every dollar as wisely as possible.

Leverage All Available Intelligence Sources

From your vendors, your 20 Groups, industry leaders, resources and more. If your vendors and partners aren't bringing creative solutions, replace them.

Treat Every Day Like The Last Day of the Month

The hustle is real. What else can you do to make the numbers by the end of each day and week vs. the final monthly push. No time to rest on your laurels; embrace agility.

Don't Neglect The Profitability of Service

Fixed Ops may be your biggest profit center. Your advertising budget should reflect that. Show it some love and it will love you back.

Over Communicate Business Processes

On your website (persistent and/or across pages & sections), in your showroom with signage (if you're open), in all your advertising channels and across your social channels. Think fool proof.

Creative Community Connection

These are strange times we are living in and your community needs your leadership and your resourcefulness. Connect because you can and forge well earned loyalties.

BRING IT ALL TOGETHER WITH A STRONG DIGITAL EXPERIENCE

The stories in this report have one thing in common: Dealers actively and strategically making the most of the digital advertising budget and strategies available to them to achieve a desired outcome. Knowing a small fraction of what the future holds, there are some high level strategies almost every dealer can employ through the summer months to keep themselves in the game.

Digital Advertising Strategy & Tactics

- Focus on Used/CPO (Dynamic Search, Social, Retargeting)
- Focus on Fixed Ops as a Profit Center (Optimized GMB Listings, Social, Search)
- Get creative with Social for every profit center
- Lean in on summer sales events (July 4th & Labor Day)
- Ensure your GMB Listings are comprehensive and up to date

Digital Merchandising & Retailing

- More important than ever to tighten up your virtual showroom, ensuring all inventory has photos and is priced competitively
- While there is COVID fatigue, customers will still want to know your policies and procedures about serving them during this time. Be clear and consistent across all media, including your website
- Focus on converting more low funnel website traffic with dynamic onsite ads (Activate)

RESOURCES

PURECARS RESOURCES

- [PureCars COVID-19 Response Hub](#)
Our one-stop resource for dealers, partners and OEM's

- [PureCars Blog Updates](#)

OTHER RESOURCES

- [J.D. Power Auto COVID Industry Report](#)

COMMUNITY RESOURCES & INFO

USA

- [NADA Coronavirus Hub](#)
- [NADA Webinar Series](#)

CANADA

- [Canadian Auto Dealer COVID-19 Support for Dealers](#)

FIXED OPS / ADVERTISING

- [How Fixed Ops Can Help with Sales Rebound](#)
- [Put Your Marketing Focus on Fixed Ops](#)
- [Fixed Ops prove essential as dealerships fight to survive during pandemic](#)
- [Advertisers signal glimmers of optimism](#)

PARTNER RESOURCES

FACEBOOK

- [Free Tools for Dealers: Keep Your Community Informed](#) (PDF)
- [How Businesses can Respond to COVID-19](#) (PDF)

GOOGLE

- [Auto OnAir Webinar Series](#)
- [Google Trends](#)
- [Auto-Search and Consumer Behavior Update](#) (PDF)
- [COVID-19 Community Mobility Reports](#)
Track community compliance to social distancing in your area



THANK
YOU



Please continue to visit our
COVID-19 Response

Center for the latest reports
and up-to-date information

Email Us For a Video Consult
covidsupport@purecars.com