

Digital Audience Analysis:

Understanding Online Car Shopping Behavior & Sources of Traffic to Dealer Websites



The Internet has rapidly equipped shoppers with more tools, resources, and overall transparency into the finer points of the vehicle purchase process, and technology will only continue to increase transparency in the automotive industry. However, consumers are not the sole beneficiaries in this highly visible world of car shopping. OEMs and dealers also stand to benefit from this increased transparency.

One area of ambiguity between dealers and their third-party automotive advertising partners is the value, exposure, and influence that third-party sites provide in terms of driving qualified car shoppers to their dealerships. Consequently, Autotrader has taken measures to offer automotive businesses better transparency into the online marketplace by conducting a comprehensive digital audience analysis that sheds light on online car shopping behavior.

Leveraging proprietary data and technology via Autotrader, Kelley Blue Book (KBB.com), and select partner sites, as well as Adobe technology, this digital audience analysis looks at the online behavior of more than 6,387,000 car shoppers total across 3,100 active dealership websites to better understand what sites car shoppers visit, their on-site activity, how they navigate across automotive sites, and the overlap among the sites they visit. This methodology does not collect or use personally identifiable information (PII). Overlap includes visits to the dealer site during a defined month plus visits to Autotrader or Kelley Blue Book during the defined month and the previous two months.

The findings reveal key insights about the role and influence of third-party sites (i.e., Autotrader, Kelley Blue Book) and search engines during the car shopping process. This information is important to informing dealer business decisions regarding effective online advertising as well as the critical function of accurately capturing and measuring the sources of dealership website traffic.

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Third-Party Sites Are a Major Driver of Traffic to Dealership Websites

While dealers use a variety of tools to source shoppers, many rely heavily on website analytics tools to understand visitor activity on their own dealership websites. One major function of these tools is to capture what is known as a “direct referral” to the dealership website. A direct referral is the last webpage a visitor was on that led them to the dealer website. **An “indirect referral,” then, is a referral where an intermediary source is used to arrive at the dealer website.**

A typical dealer site traffic report may only show 2–5% direct referral traffic from a third-party site, while search engines often appear to drive a much higher rate of dealer site traffic. Naturally, many dealers may begin to question the value they receive from third-party sites and look to their website analytics tool to help determine where they should invest their advertising dollars.

However, these website traffic reports provide a limited view of actual shopping behavior as they demonstrate *direct referral* activity only. These tools, while valuable in offering dealers a snapshot of how visitors arrived at their site, vastly underreport visitors with previous shopping activity on other automotive sites, and specifically, third-party sites. As a result, third-party sites often do not receive proper attribution for the qualified car shoppers they drive to the dealership website. More importantly, there is a significant risk to dealers that assume shopping activity began from the source that provided a direct referral to their website.

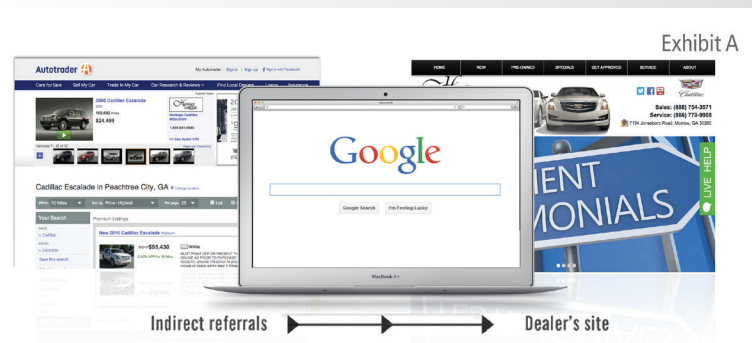
The digital audience analysis provides transparency into visitor activity prior to a dealer website visit. The study found that **25% of all monthly visitors to a dealer's website visited Autotrader.com or KBB.com first.** And overall, 36% of all monthly visitors to a dealer's site overlap with site visits to Autotrader.com or KBB.com during the current month or the previous two months. However, the majority of visitors to a dealer

website that previously shopped on Autotrader.com or KBB.com arrived at the dealer's website through a search engine by often entering the dealership name or related brand term into the search field. As a result, indirect referrals that third-party sites provide to the dealership website via a search engine may erroneously be attributed to the direct referral from the search engine. **The implication is that third-party sites connect buyers and sellers at the shopper level: Car shoppers learn about a dealership while on third-party sites and then use a search engine to locate the dealership website to conduct further shopping and research** (see Exhibit A).

This trend among car shoppers using search engines to locate dealership websites begs an obvious question: If car shoppers learn about a dealership while shopping on third-party sites, why do they use a search engine to navigate to the dealership website? At this time, there is no explicit data that can definitively answer that question; however, assumptions can be made based on observations in the data. First, car shoppers spend upwards of 17 hours online during the car shopping process according to the 2015 Polk Automotive Buyer Influence Study. The time car shoppers spend online does not necessarily occur in a single session and can extend over long periods of time. As a result, a consumer can shop on a third-party site in one site session and return for subsequent sessions at later times and dates. During follow-up shopping sessions, they may use search engines to locate dealers they were exposed to during a prior shopping session.

Another explanation points to a car shopper's desire to preserve a current shopping session. As a means to not disrupt their current shopping activities, they may open a new browser window and conduct a simultaneous query using a search engine to navigate directly to the dealership they are interested in while maintaining an active shopping session on another automotive site.

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Dealership Website Visitors Referred by Third-Party Sites Are More Qualified Car Shoppers

The study also found that 69% of dealership website visits consist of actual *car shopping activities*. Car shopping activities are defined as inventory searches, vehicle page views, incentives/special offer views, etc. Conversely, 31% of site visitors have no exposure to dealer inventory and are conducting other activities, such as scheduling a service appointment, looking at job openings, etc. More importantly, Autotrader and Kelley Blue Book drive actual *shoppers* to the dealership website. To be clear, not all dealer site visitors are in market to buy a car, so it's an important distinction. In fact, **27%** of car shoppers – not just *visitors* – on dealer websites had been to Autotrader or Kelley Blue Book *first*. That's not all: **40%** of shoppers on dealer websites also visit Autotrader or Kelley Blue Book.*

Furthermore, these shoppers are high-quality ones. Simply put, after having been on third-party sites, shoppers on dealer websites are more *qualified*, which indicates a higher likelihood to make a vehicle purchase. Shopper quality can be clearly demonstrated by comparing common dealer website metrics, such as bounce rate, page views, and time on site among Autotrader and Kelley Blue Book visitors versus other dealer website visitors (see Exhibit B).

* Overlap includes visits to the dealer site during a defined month plus visits to Autotrader or Kelley Blue Book during the defined month and the previous two months.

Dealer Website Source of Traffic	Bounce Rate
Visitors with Autotrader and/or Kelley Blue Book Activity	21%
Visitors without Autotrader or Kelley Blue Book Activity	39%

Bounce rate is the percentage of visitors who come to the dealer website but leave within 5 to 10 seconds and do not engage past the initial page of entry. As demonstrated above, visitors who do not go to Autotrader or Kelley Blue Book first are *nearly twice as likely to bounce* from the dealer's website.

Dealer Website Source of Traffic	Visitors Who Viewed Inventory
Visitors with Autotrader and/or Kelley Blue Book Activity	72%
Visitors without Autotrader or Kelley Blue Book Activity	69%

Visitors with previous activity on Autotrader and/or Kelley Blue Book are *more likely* to view inventory.

Dealer Website Source of Traffic	Pages Viewed if Viewed Inventory
Visitors with Autotrader and/or Kelley Blue Book Activity	14
Visitors without Autotrader and/or Kelley Blue Book Activity	6

Visitors viewing inventory look at *over twice as many more pages* if they have shopped on Autotrader and/or Kelley Blue Book.

These insights provide shopper engagement comparisons that have never before been seen and offer a deeper understanding of the value third-party sites bring to dealers. As a result, the digital audience analysis is a more effective means of understanding the roles of various online automotive influencers and applying more accurate attribution to dealer websites' source of traffic.

Dealers who are heavily invested in SEM risk double-paying for valuable exposure they receive throughout other forms of advertising.

The Role of Search

Search engines play an important role in the car shopping process. However, the influence of Search can easily get lost in website traffic reports. Therefore, it's important to understand where Search fits into the car shopping process.

In the 2011 Automotive Buyer Influence Study by Polk, new and used vehicle buyers most often use search engines as a “yellow pages” type directory service – a convenient way of getting to sites and businesses they are already aware of. For example, the most common reasons car buyers used search engines were to access a dealer’s website, find a dealer’s phone number and/or address, access a manufacturer’s website, and to access third-party sites.

The initial findings of this digital audience analysis echo these results. Car shoppers in the study often arrive at the dealership website from a search engine using branded search terms or keywords, such as the dealership’s name. **The implication, therefore, is that search engines are tools that shoppers use to find online destinations that they are already aware of from other marketing channels.**

As a result, it is increasingly important for dealers to focus less on direct referrals from search engines and more on the keywords that shoppers enter into search engines to locate their dealership website. **Dealers who are heavily invested in SEM risk double-paying for valuable exposure they receive throughout other forms of advertising.**

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Conclusions

- Third-party sites connect buyers and sellers at the shopper level. Car shoppers learn about dealerships on third-party sites and often use search engines to locate dealership websites to conduct further research and shopping.
- Car shoppers overwhelmingly use third-party sites to shop, and these sites drive highly qualified shoppers to dealership websites as evidenced by lower bounce rates and increased inventory shopping activity. Advertising on third-party sites can deliver high value to dealers looking to reach and influence high-quality, in-market car shoppers.
- Car shoppers often use search engines as a directory-type service – a means to access a dealer they are already aware of. There is a high risk for dealers that assume that car-shopping activity begins on search engines. The digital audience analysis shows that deeper shopping engagement occurs upstream of search engines on third-party automotive sites. Dealers must be diligent in understanding the different types of visitors to their websites by conducting deeper analysis of search engine keywords that provide direct referrals to their websites.

Methodology

The digital audience analysis used proprietary data and technology from Autotrader, Kelley Blue Book, and select partner sites, in conjunction with Adobe Audience Manager, to collect and analyze page impressions from more than 6,387,000 car shoppers among 3,100 active dealership websites across a variety of vehicle makes in the U.S. The dealerships represented in the study include Autotrader dealer customers and Kelley Blue Book customers, as well as non-Autotrader and non-Kelley Blue Book customers. The data for the results contained herein was collected as of May 2015. Dealer site activity is collected and analyzed in 30-day increments and is cross-referenced with Autotrader and Kelley Blue Book site activity to determine overlap within the current month and the previous 60-day period. This methodology does not collect or use personally identifiable information (PII).

About Kelley Blue Book

Founded in 1926, Kelley Blue Book, The Trusted Resource®, is the only vehicle valuation and information source trusted and relied upon by both consumers and the industry. Each week the company provides the most market-reflective values in the industry on its top-rated website www.kbb.com, including its famous Blue Book® Trade-In and Suggested Retail Values and Fair Purchase Price, which reports what others are paying for new cars this week. The company also provides vehicle pricing and values through various products and services available to car dealers, auto manufacturers, finance and insurance companies as well as governmental agencies. KBB.com provides consumer pricing and information on cars for sale, minivans, pickup trucks, sedan, hybrids, electric cars, and SUVs. Kelley Blue Book's KBB.com ranked highest in its category for brand equity and was named *Online Auto Shopping Brand of the Year* by the 2012 Harris Poll EquiTrend® study. Kelley Blue Book Co. Inc. is a wholly owned subsidiary of Cox Automotive.

About Autotrader

Created in 1997, Atlanta-based Autotrader is the Internet's ultimate automotive marketplace. As a leading resource for car shoppers and sellers, Autotrader aggregates millions of new, used and certified pre-owned cars from thousands of dealers and private sellers and provides expert articles and reviews. Autotrader, which also operates the AutotraderClassics.com auto marketing brand, is wholly owned by Cox Automotive. Additionally, Cox Automotive owns Kelley Blue Book (KBB.com) as well as three other companies that provide a full suite of software tools that help dealers and manufacturers manage their inventory and advertising online: vAuto, HomeNet Automotive, and VinSolutions. Cox Automotive is a majority-owned subsidiary of Cox Enterprises.

