

NEW ORLEANS, Jan. 25, 2014 /PRNewswire/ -- LotLinx, developers of the auto industry's first deep-linking inventory serving platform, today released key findings at the 2014 National Automobile Dealers Association Conference from a national Dealer Tracking Study comparing Google AdWords' campaigns against a new search strategy: Deep Linking inventory results on over 100 leading auto vertical search sites. The results of this month-long research were eye opening: while Google AdWords spend was significantly higher, driving more raw clicks per dealership (736 vs. 489), inventory syndication at shopping search sites drove *double the rate of* true, in-market shoppers (489 vs. 233). And Google was dramatically more expensive across all fronts, including critical metrics like Cost-per-VDP-View ( \$18.55 vs. \$3.17 ) and Cost-per-Shopper ( \$73 vs. \$3.95 ).

"Since Google AdWords launched in 2000, dealerships have spent literally \$billions to drive direct-to-site traffic. Search engine marketing (SEM) currently represents 55% of their total digital spend[1]," said LotLinx Founder Len Short. "But the auto Internet landscape, consumer behavior and the shopping funnel have profoundly changed over the past decade and inventory search is now the #1 online auto shopping activity. This research takes a hard look at how that AdWords spend delivers vs. a Deep Link strategy."

**How the Test Worked:** The study was conducted among 55 nationally representative dealerships in November 2013. Google Analytics data was used for monthly keyword spends, and all comparative site metrics like monthly visitors, VDP page views, etc. Dealerships' live inventory was syndicated[2] at 130+ popular auto search sites – these 130+ inventory-search sites reach the vast majority (85%) of auto shoppers each month and excluded classified sites like AutoTrader and Cars.com, which don't allow shoppers to click through to dealer site VDPs.

**KEY FINDINGS:**

**PPC vs. Search Site Inventory Syndication: Shoppers vs. Visitors (Monthly)**

Visitors

Shoppers

%Shoppers

%New

Monthly Cost

Inventory Syndication

489

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**489**

**100%**

**94%**

**\$1,933**

Google AdWords Total/Avg[3]

**736**

**223**

**30%**

**81%**

**\$17,444**

**Inventory Syndication Drives FAR More Shoppers:** This chart clearly reveals that while a hefty Google AdWords spend delivers dealerships traffic – it is inventory presence on auto search sites that delivers far more true shoppers. The average dealer reported that while AdWords delivered 50% more monthly *visitors* (albeit at a much higher cost-per), a deep link inventory syndication strategy drove 120% more *actual shoppers* a month. "Shoppers" are defined here as people that navigated to the dealership site via a specific inventory listing, or went on to search inventory at the dealer's site, i.e. viewed a VDP (vehicle detail page).

One hundred percent of visitors delivered via inventory postings at auto vertical sites were identified as real shoppers, more than 3 times the rate of visitors from AdWords: 2 in 3 Google ad-clicks result in a "bounce", or non-shopping activity (i.e., seeking service, contact or general info.) Worth noting is that competitive keyword campaigns (where dealers spend 2/3 of their PPC dollars, bidding competitively with OEMs, third-party sites and other dealers over key terms) represent the highest per visit cost, and yet deliver traffic with the lowest percentage of shoppers, and the lowest VDP views per visit.

This visitor/active shopper AdWords divide indicates that car shoppers tend to rely on Google at the early or "discovery" stage of their shopping journey(1-6 months out from purchase). Google's own research[4] validates these findings: the #1 thing car shoppers use Google for is "to obtain general info," while only 19% use it to research where to buy.

**Inventory Syndication Drives More New-to-the-Dealership Consumers:** This new dealership data indicates that the majority of site visitors (94%) generated by inventory syndication represent consumers that never visited the dealership website before – while Google AdWords' campaigns drove a lesser, 81% new traffic. Inventory exposure across "shopping search" sites drives both more – and more *new* – customers for dealers.

## PPC vs. Inventory Syndication: True Cost of Shoppers & VDP Views (Monthly)

### VDP Views

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**VDP Views/Visit**

**Mo. Cost**

**Cost/VDPView**

**Cost/Shopper**

Inventory Syndication

609

1.08

**\$1,933**

\$3.17

\$3.95

Google AdWords Total/Avg[5]

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900

1.06

**\$17,444**

\$18.55

\$73

**VDP Views Cost 6X More with AdWords:** Research from Cobalt[6] shows that VDP views trounce all other behavioral metrics in identifying the very lowest-funnel shoppers and a looming sale. Of course, unlike AdWords traffic, all visitors generated via deep link clicks have already viewed a dealer's VDP, and the chart above shows that they subsequently view more vehicle detail pages per visit (1.08) than visitors generated by the average AdWords campaign (1.06 views/visit).

AdWords campaigns delivered more VDP views/month/dealership than an inventory syndication strategy (900 vs. 609), but at a dramatically higher cost. The real cost to drive a VDP view via AdWords was \$18.55, while driving one via inventory syndication at shopping search sites was a low \$3.17 – six times less expensive.

**Cost-Per-Shopper 19X Lower through Inventory Syndication:** And the cost differential for a dealership to generate a true shopper (i.e., one actively searching a dealer's inventory) was even more extreme: \$73 via

AdWords campaigns vs. only \$3.95

through broad inventory syndication. So, while dealerships have been narrowly focused on cost-per-click metrics, touting the couple of dollars it costs to drive a visitor, this new data indicates that the key, new metrics that should be added to all AdWords (and digital marketing performance) reports are Cost-per-Shopper (CPS) and Cost-per-VDP-View (CVV). In this head-to-head comparison, inventory syndication at 130+ automotive shopping-search sites drove twice as many shoppers to dealership websites – at an overall cost of 8X less a month – 6X less per VDP view - and 19X less per shopper.

"Dealerships may still be refining their AdWords strategy, but this new research clearly shows that they also need to aggressively expose their inventory outside general search, concentrating on shopping search platforms where 85% of car shoppers find the inventory that leads to a lot visit" continued Short. "This may represent their best opportunity to use technology to improve both sales volume and velocity."

**About LotLinx** [LotLinx](#) is the auto industry's first direct-linking technology platform and connects over 6.5 million consumers searching vehicle inventory online every month directly to the dealership websites where that inventory resides. Founded by a team of veteran automotive and digital innovators, the company's mission is to tear down the third-party wall between dealers and their customers, and provide a more positive and efficient experience for dealerships and consumers alike. LotLinx's patent-pending technology replaces lead forms on third-party sites with direct links that transport consumers searching for inventory directly to the dealer's Vehicle Detail Page (VDP), all at a higher conversion rate and fraction of the cost of other online options. LotLinx is based in San Francisco, CA.

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[1] Dataium report, "Rethinking Online Media Attribution," 2012 [2] Dealership inventory syndication to these 130+ sites was performed by LotLinx, for a fixed monthly fee. [3] An average percentage, or aggregated total, combining branded and competitive keyword campaign results and spend. [4] Google/Compete "Auto Shopper Behavior Study," 2011 [5] An average percentage, or aggregated total, combining branded and competitive keyword campaign results and spend. [6] Cobalt Business Intelligence's VDP Study, 2012

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