

# Digital marketing in automotive sector getting up to speed with trends

 By [Michael Walker](#)

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The automotive sector is already one of the world's biggest spenders on digital marketing and advertising, with motor manufacturers and dealers worldwide constantly increasing the portion of their budgets they allocate to digital channels. In South Africa, we are lagging behind in terms of international trends, but are catching up steadily.



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Nowhere is the importance of digital to the motoring business more apparent than in the US, where the automotive industry will spend \$5.07 billion in 2013 on paid digital advertising, according to an eMarketer report. eMarketer reckons that the automotive industry will be the second biggest spender on paid online and mobile advertising by 2015, eclipsing the financial services sector.

## Researching cars

Given that a motor vehicle is a big ticket purchase, it is hardly surprising that digital touchpoints have become so important to buyers, sellers and vehicle manufacturers. Buyers are spending more and more time online researching cars - their performance, specs, after sales service, other buyers' experiences - before they even walk on to a dealer's floor.

It is here where the customer journey towards buying a car or motorbike starts, so it is at this point where manufacturers and dealers need to start influencing their prospective customers. One US study by JD Power and Associates finds that four out of five new-vehicle buyers use the Internet in their car shopping process.

At the premarket stage, buyers begin by searching for brands or models they're particularly interested in. Then, they fall into a feedback loop as they visit dealerships and take test drives of the vehicles that catch their fancy.

Throughout this process, they'll be heading back to the 'Net' for further research and perhaps price comparisons. Finally, when they are satisfied they have found the vehicle of their dreams, they finalise a deal to buy it.

This is a process that offers massive opportunities for savvy digital marketers to address buyers at every milestone on the customer journey.

## Brands online

They can ensure their brand is always present as buyers research and decide on vehicle purchases, delivering a consistent message at every point of the way, be it via banners, paid search, SEO, social media or mobile. There's even a gap - largely underexploited - to use digital for post-sales retention efforts, aimed at ensuring buyers choose the same brand when they buy the next vehicle.

So, the question is, how does South Africa compare to international trends? In our experience, the percentage of marketing spend here that goes to digital is between 9% and 11%, compared to the 30% to 40% in the US. But even so, consumers in South Africa are taking to the Web aggressively for researching and making purchases - including cars.

Vertical year-on-year search queries are still growing at over 16% across devices in South Africa, while our social media usage and online video consumption is ramping up quickly. This means we entertain ourselves, bank online, do our research, and reach out and get influenced by our friends, family and peers on social.

We're also researching vehicle purchases online - which means that motor manufacturers should be investing in digital as an important part of the conversion funnel. Most of South Africa's big motor brands have followed their customers online, but we believe that they could reap stronger ROI if they started to invest as much in digital conversion pathways as they do on offline customer acquisition and retention campaigns.

## ABOUT MICHAEL WALKER

As Director of Search and Analytics at 25AM, Michael heads up the search engine marketing team and helps clients to maximise their use of search and analytics in their online marketing strategies. He has 11 years of experience in the online world, including eight years with leading e-commerce site Kalahari.net. In 2012, Michael was the winner of the individual Bookmarks award for best paid search marketer.

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