EXECUTIVE SUMMARY

Automobile dealerships need to rethink the 4Ps of marketing. It’s time to stop thinking about the 4Ps as product, price, place, and promotion – and redefine The 4Ps of Automotive Marketing™ as product, price, place, and person.

According to the traditional 4Ps, successful dealerships promote a desirable product at the right price and place. Winning with the 4Ps used to mean advertising new makes and models with local promotions on television and in the newspaper to lure shoppers to the lot. Dealerships controlled information about product and price.

But consumers have changed the rules in two big ways:

1. **Consumers are empowered.** They can find what they want to know about your dealership and vehicle inventory by researching a wide variety of sources, including social media, review sites, and third-party destinations such as Cars.com. In fact, more than half of auto shoppers show up on the dealership lot without having contacted the dealer ahead of time.¹

2. **Consumer expectations are high.** Consumers have also raised their expectations about the automotive purchase experience based on other industries such as Zillow.com for finding a home, and Lyft and Uber for personal transportation with complete transparency regarding price and driver. Just as consumers want to know more about who their Uber driver is, they want to know more about who is selling a car to them. About 97 percent of car buyers would prefer to select their salesperson before walking into the dealership,² and 20 percent of car shoppers read reviews specifically to find salespeople.³

As a result, **dealers now need to be transparent** by sharing useful content in context of each consumer’s needs. **It’s also time to rethink promotions.** Promotions don’t matter the same way they used to when consumers lacked the means to do their own research. Successful dealers need to replace “look-at-me” promotions with a smarter blend of detailed insights about their vehicles and salespeople across the digital world on third-party sites like Cars.com, complemented with more relevant, targeted advertising at the right time and place.

The 4Ps still matter, but not the same way they did when they caught on decades ago. **Read this report to understand The 4Ps of Automotive Marketing: product, price, place, and person.**

What You’ll Learn

- How to succeed by maximizing the 4Ps in context of a rapidly evolving industry.
- Why person has emerged as the new fourth P to meet today’s consumer needs.
- How to attract and retain customers who expect a high level of service and transparency.

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Cars.com Creates Connections that Fuel Growth Across The 4Ps of Automotive Marketing

**PRODUCT**
70% of Cars.com shoppers are undecided on what to buy.¹

**PRICE**
61% of shoppers cite pricing as the most useful content from third-party websites.²

**PLACE**
95% of in-market Cars.com consumers have not yet decided on a dealer.¹

**PERSON**
97% of car buyers would prefer to select their salesperson before walking into the dealership.³

SOURCES:
1. Cars.com Consumer Metrics Study, June 2017
2. JD Power 2016 New Auto Shopper Study
3. Survey of 6,413 car buyers on DealerRater.com, March 2016
One of the reasons that third-party research sites have exploded in popularity is that consumers want more detail about their purchase. “Selling product” means more than advertising new features in 30-second commercials. Vehicles are so complicated that presenting useful content in a meaningful way supersedes breezy ads. Vehicles are now supercomputers, connected to our homes with smarter technology and providing on-the-go services ranging from search to in-car entertainment.

**Turn Your VDP into a Lead Generation Machine**

The vehicle details page (VDP) is a competitive asset that drives consumers to the lot. But like all assets, VDPs require care and feeding to bear fruit. In the age of Instagram and YouTube, your VDP needs to feature striking visuals (not boring stock photos) and video. The texting generation also wants snappy, well-written content that sells the vehicle instead of listing features like a catalog.

In addition, by necessity, dealers must provide more transparency and detail to communicate the value of the product, especially as automobiles become more sophisticated. Consumers want to learn more about the product – from you and from each other. Our own research shows that about eight out of 10 shoppers rely on online reviews to purchase a car.

VDPs are so important that Cars.com recently added Salesperson Connect to our VDPs, which means Cars.com VDPs now highlight the product, price, place, and person (making us the only third-party site to do so). As a result, we can keep consumers engaged with Cars.com, build trust between them and our dealer partners, and facilitate a quicker and more personalized path to purchase.

**Manage Reviews to Showcase Your Product (and Your People)**

As noted in *The DealerRater Guide to Online Reviews*, dealers can grow sales, improve customer retention, and retain star salespeople by managing online reviews effectively. Encourage customers to create reviews by taking their photos with their cars and making it easy for customers to post those reviews. (The DealerRater app facilitates this process – more about the app [here](#).) Many dealers are out of sync with how consumers are defining product in context of the reviews created by their peers. It’s time to get on the same page with your customers.

**PRO TIPS**

Optimize your VDP and manage reviews to ensure that shoppers can find what they want quickly:

- Use rich visualization such as photos and video content highlighting features of the vehicle. Use multiple high-quality photos. Post actual photos of both new and used inventory for best results, and avoid using stock photos whenever possible.

- Keep descriptions fun and concise, and don’t let your VDP become a boring catalog listing. Paint a picture with words. Describe how a buyer should envision themselves owning the vehicle. And share differentiators. Highlight what makes the car stand out from similar vehicles on competitor lots.

- Fine tune a process for soliciting, monitoring, and responding to reviews to showcase your inventory (and your people). For more insight, read *The DealerRater Guide to Online Reviews*. 

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**THE CARS.COM GUIDE TO THE 4Ps OF AUTOMOTIVE MARKETING | 2**
Consumers have challenged the automotive industry to become more transparent about all aspects of car buying, especially price. Consumers have seen how transparent other industries (such as ride sharing) can be, and they want the same level from automotive dealers.

We all know that price means more than a sticker price. Price is also about what the consumer can comfortably afford based on their available resources and financing options. Price also includes variables such as complicated optional features and demand by market. In other words, price is increasingly contextual.

Cars.com VDPs also allow consumers to sort and view cars to understand which features add value, build their confidence in the price they should pay, and help them understand why a car is priced the way it is. To further support pricing contextualization for consumers, we’re also adding badging (visual icons) to ensure consumers understand a vehicle’s price in context of the product.

Price complements product, which is at the heart of the purchase decision.

**PRO TIPS**

- **Build trust with consumers through pricing transparency:**
  - Be as transparent as you can about the factors that go into the price of the vehicle, including a vehicle’s history, financing, and OEM incentives.
  - Train your salespeople to be ready to explain how different features affect a vehicle’s price.
  - Be ready to present alternative pricing options that will meet the customer where they are without sacrificing what they truly want.

61% of shoppers cite pricing as the most useful content from third-party websites.5
The dealership lot remains the most important place in the shopper’s purchase journey. But it’s not the only place. As noted earlier, by the time customers visit the lot, they will have navigated a complex journey from awareness to purchase, one that includes exposure to TV ads, display ads, OEM websites, content on third-party sites such as Cars.com, and many other sources.

In other words, consumers are redefining our notion of place. “Place” no longer means the lot exclusively. Place includes everywhere in the online/offline world consumers research their purchase decision. Dealerships need to be present everywhere their customers are, and provide useful content and experiences (not generic ads) at the right time to attract shoppers to their lot.

Meet Shoppers Where They Are

Savvy dealers are thinking of place in context of the experience wherever a shopper finds a dealer – in a search result, on a review site, in an article, and on the lot. And they are allocating their marketing budgets accordingly.

For example, according to a study conducted by Cars.com and analytics firm Transparency, Cars.com influences 60 percent of average dealers’ sales and service transactions, delivering more than $91,000 of self-reported service profit per month. These dealers understand the real impact of advertising and third-party sites (such as Cars.com) on consumer behavior and are able to make better-informed marketing decisions. They are present where their customers are.

Redefine the On-the-Lot Experience

The on-the-lot experience has changed; with their mobile phones, consumers are bringing the digital world with them to your lot. They’re showroaming competitors’ lots and researching reviews while they interact with your salespeople.

Dealership locations need to emulate the best offline experiences in retail, such as Apple or Nordstrom. With its Genius Bar, Apple is more than a place to buy a product. It’s a destination for the entire ownership lifecycle, ranging from repeat purchases to service. Its salespeople are armed with instant access to Apple inventory, are trained to be customer service representatives in addition to salespeople, and operate in attractive, well-designed spaces that make customers feel comfortable.

At a time when Amazon is encroaching on just about every industry (including automotive), dealers need to double down on their offline experience, or else shoppers will be motivated to buy online.

As noted, more than half the shoppers on your lot did not contact you ahead of time. Two-thirds of them make a purchase within 72 hours of their on-the-lot visit, and 40 percent buy within the same day. For more detail on how to win with walk-in shoppers on your lot, read The Cars.com Guide to Converting Leads to Sales in the Digital Era.
The two most crucial people in the automotive purchase decision are the shopper and the salesperson. People buy from people.

Even as consumers have access to more digital tools to research what they want, the final decision about buying and servicing a car still comes down to a shopper’s interaction with a person. That interaction is more essential than ever as the purchase decision becomes more complicated. Each year, more than 30 manufacturers launch more than a thousand make, model, and trim combinations. Automobiles have evolved into sophisticated mobile computers, providing more features and options than ever before. These factors help explain why 97% of car buyers would prefer to select their salesperson before walking into the dealership.

Create Personal Connections to Inspire Trust

Good salespeople are consultants and partners in the buying process, explaining emerging technology and making the decision-making process less complicated. If they do their jobs well, consumers will rate them favorably on review sites and recommend them by name. The direct shopper/salesperson interaction creates sales. Dealers using DealerRater Connections make on average two more sales per certified salesperson per month. What would two or more sales per month do for your business?

As discussed in the recently published *The DealerRater Guide to Online Reviews*, dealers have an opportunity to highlight their salespeople through reviews on their own sites and on third-party sites, such as Cars.com. We know that consumers will read reviews and ask for salespeople by name given the chance. Recently, DealerRater surveyed hundreds of recent and prospective car buyers to understand their motivations for writing reviews of their vehicle shopping experience. Nearly 49 percent of the buyers we surveyed also write reviews based on their experiences with salespeople. In addition, 20 percent of car shoppers read reviews specifically to find salespeople.

Showcase Your Salespeople to Connect with Consumers

These person-to-person interactions are so critical to the purchase decision that Cars.com recently rolled out Salesperson Connect, a feature that showcases salespeople profiles – drawn from the DealerRater network – directly on Cars.com’s VDPs. Cars.com has now made it possible for shoppers to select salespeople directly through the Cars.com VDP before they walk onto a lot. As a result, shoppers enjoy a more personalized experience with the dealership, and dealers are more connected with in-market shoppers who are motivated to buy.

People matter more than ever in the car-buying journey.

**PRO TIPS**

Make person-to-person connections to drive sales:

- Get your salespeople certified on DealerRater Connections. Eight out of 10 DealerRater Certified Salespeople are retained by the dealership annually.

- Encourage your salespeople to ask customers to review them. Doing so instills confidence that the salesperson trusts the customer’s insights and wants to learn from them.

- Train your salespeople to be forward-thinking consultants. Arm them to speak knowledgeably about emerging trends and technologies. Salespeople who demonstrate an understanding of the industry create relationships beyond the initial transaction and become go-to resources for your customers.
CARS.COM HELPS DEALERS REACH CONSUMERS WITH THE 4PS OF AUTOMOTIVE MARKETING

Our challenge to the automotive industry is to adapt and thrive as our industry changes. Doing so means rethinking the rules — such as The 4Ps of Automotive Marketing. Cars.com delivers connections that fuel growth for our partners by providing the best possible experiences for consumers. We are creating market-leading innovations to enhance the consumer experience and empower consumers with all the information they need — what to buy (product), what to pay (price), where to buy (place), and who to buy from (person). We are here to help you “do digital” and create your future with you and your customers.

NOTES

1. Cars.com, Mobile Influence on Car Shopping, January 2017. Cars.com executed a quantitative survey of 337 recent and prospective car buyers. The survey was conducted between November 28 and December 9, 2016.
2. Survey of 6,413 car buyers on DealerRater.com, March 2016.
ABOUT CARS.COM

Cars.com is a leading online destination that helps car shoppers and owners navigate every turn of car ownership. A pioneer in automotive classifieds, the company has evolved into one of the largest digital automotive platforms, connecting consumers with local dealers across the country anytime, anywhere. Through trusted expert content, on-the-lot mobile app features, millions of new and used vehicle listings, a comprehensive set of research tools and the largest database of consumer reviews in the industry, Cars.com helps shoppers buy, sell and service their vehicles.