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Case Study: Middletown Honda - Google Ads Campaign Efficiency

44.7%	**14.1%**	**38.7%**
More VINs Exposed	Increased Sales	Reduced Cost per Sale

Summary

Middletown Honda was able to increase the efficiency and effectiveness of their Google Ads search campaigns by leveraging the data analytics and campaign optimization provided by VIN IQ®. By activating VIN IQ Impact with Google Ads, Middletown Honda was able to increase vehicle exposure by 45% and vehicle sales by 14.1% attributable to the Google Ads Campaigns. Overall cost per sold vehicle for the Google Ads campaigns were reduced by 38.7% from an average of $39.34 to $24.10. This equates to an annualized cost of sale reduction of $22,784 for the dealership.

Background

Stu Berkley, GM at Middletown Honda since '99, has run Google Ads campaigns for years. Like most automotive marketers, separate campaigns were configured to focus on new cars versus used cars.

Also like most automotive marketers, new car campaigns were designed to drive shoppers to new inventory search results pages (SRPs) or dedicated model pages on

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the dealership website, rather than vehicle details pages (VDPs), while used car campaigns generally drove shoppers to used inventory VDPs.

After running VIN IQ Reveal for two months, the analysis showed that Stu's existing campaigns were, unfortunately, wasting a high percentage of the overall campaign spend in two distinct ways:

1. New car campaigns saw very few shoppers land on SRPs or model pages and then move forward to even one VDP. This resulted in overall poor inventory exposure and engagement. For instance, only 32.8% of shoppers landing on an SRP viewed at least one VDP, and only 13.4% of shoppers landing on an SRP viewed more than one VDP. Most shoppers landing on the SRP simply left the website. Further, user engagement on VDPs amounted to 8.4 times more than engagement on SRPs.

2. Used car campaigns were able to get shoppers to specific VDPs, but most of the spend in the campaign was only driving shoppers to a small number of vehicles that were already the most popular vehicles in Stu's inventory, and did not need additional spend applied to them.

Both of the issues above create a number of core problems for automotive marketers:

1. Much of the campaign budget is wasted, either on bringing shoppers to SRPs that never bother to look at even one vehicle, or by bringing too many shoppers to VDPs for vehicles that are already very popular and should not consume any of your marketing budget.

2. The wasted budget represents a significant opportunity cost in that the budget could have been better used promoting vehicles that are underexposed and need additional traffic to help them sell faster, before unnecessary markdowns are applied or vehicles are sent off to auction.

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These two problems waste marketing budgets by targeting uninterested shoppers and overspending on vehicles that don't require additional traffic. This ultimately reduces overall sales and profits while increasing the risk of marking down or wholesaling underexposed vehicles due to inactivity.

Solution

VIN IQ Reveal provides detailed metrics that track marketing ROI effectiveness, so Stu had all the data he needed to make informed decisions for his dealership's marketing.

More importantly, Stu utilized VIN IQ Impact to integrate with his existing Google Search Ads to run intelligent campaigns that adjust based on his inventory's current marketing performance. This drastically reduced marketing spend on already popular vehicles and increased exposure on the vehicles that actually needed it, which resulted in a faster sales turn for Middletown Honda.

Results

As a result of enabling VIN IQ Impact for Google Search Ads, Middletown Honda was able to significantly reduce waste from both: 1) driving shoppers to SRPs where they did not convert or even look at a single vehicle, and 2) paying for clicks for shoppers on his most popular vehicles that needed no additional exposure. This wasted spend was reallocated to vehicles that needed exposure, delivering more views on a broader range of vehicles, and accelerating sales.

Key results are listed below:

- Within four weeks of enabling VIN IQ Impact with Google Ads, 44.7% more vehicles got exposure through the Google Ads campaigns than before VIN IQ.

- Sales on the marketed vehicles attributed to the Google Ads campaigns increased by 14.1%, with 139 vehicles exposed with the VIN IQ campaigns selling within 30 days versus 122 vehicles before VIN IQ.
- Average cost per sold vehicle attributed to the Google Ads campaigns decreased by 38.7% from $39.34 per sold vehicle to $24.10.
- The original marketing budget of $5,350 for Google Ads was reduced by 25% and $4,000 allocated to the VIN IQ campaigns. This represents an expected annual savings of $16,200.
- This reallocation of the reduced budget proportion from SRP-centric ads to VDP-centric ads reduced the cost per VDP view by 34.6% from $4.16 to $2.72 while at the same time increased the total number of VDP views by 14.4% from 1,285 to 1,471.
- Average age of inventory in the VIN IQ campaigns was 18.5 days versus the average age of 14.1 for the campaign before VIN IQ. This means more of the aging inventory was getting exposure in the VIN IQ-optimized campaign, which, over time, ensures more vehicles get exposure sooner so they age less.
- Average days on lot of inventory at the end of the VIN IQ-powered campaign was 17.4 days versus 18.3 days at the end of the original campaign. This is a result of aging inventory being removed faster due to the increased exposure driven by the optimized Google campaign.

To learn how your dealership can take advantage of the power of VIN IQ and accelerate your dealership's marketing performance across the major platforms, please contact our [sales team](#) for more info.