

## THE NEW FACE OF AUTOMOTIVE MARKETING

Automakers have always used multiple channels to carry their marketing messages. But keeping up with new options can be difficult. That is especially true in the fast-paced world of social media, where traditional assumptions about marketing don't apply and the "rules" change continuously.



David Baron

No one expects the industry to drop such standbys as print and television any time soon. But social media is by far the fastest-growing—and perhaps least understood—option available. David Baron, Practice Leader for Marketing Effectiveness and Strategy at Ernst & Young LLP, explains the pitfalls and opportunities in using this volatile and fast-growing option.

### Why are automakers utilizing social media as a marketing option?

There has been dramatic change in marketing strategies over the past two or three years for reaching a wide range of demographic groups, but particularly young consumers. The interests and priorities of younger consumers are often different, and the way they get information is certainly non-traditional.

We are in the midst of a social media revolution. People are more online than ever. The growth in digital media has been explosive, and it's creating entirely new ways to touch consumers. These choices aren't necessarily substitutes for traditional media, but they are too big to ignore.

### How does social media impact the concept of marketing?

The steps in the marketing process begin with consumer awareness. Then there's consideration, intent, purchase and brand affinity. Traditionally, you deploy a print or broadcast ad and hope people see or hear it and do something about it. With digital media, marketing is no longer unidirectional. You're creating interactive platforms. You can truly have a conversation with your customers. The dynamic is fundamentally different, and your goals aren't necessarily the same.

Carmakers have been building and pushing product into the market for years, and they've used incentives to balance inventories. Social media isn't about directly pushing sales. It's partly about listening to what consumers want. It's also a way to accelerate the purchasing process. With social media, the objective is to build a platform for conversation about a product. There's an investment required to make that happen. But when it does, you can step back and let consumers tell you what they like and don't like. It also can be a forum to create influencers and advocates in which consumers "sell" products to each other. To do this effectively, there needs to be a mechanism to understand what's being said in order to shape your product and marketing strategies.

With classic marketing, the assumption is that you know best, and so you try campaigns and see what sticks. With

interactive marketing, you need an "outside-in" approach. We're in an era where the consumer rules. To be successful, carmakers need to provide what consumers want, and social media options offer a very powerful way to determine and measure those desires.

### How can a company sort out the options?

It's easier to create a social media or interactive media framework if you start by understanding your marketing objective and then work backward to determine which social media strategies and tools are right for you. A car company will say its objective is obvious: to sell cars. But their priorities and strategies for accomplishing that goal need to shift as rapidly as the marketing landscape does.

### Are these new options measurable?

In a word, yes. Marketers have to understand that companies expect an answer to ROI questions, even in the fuzzy world of social media. Fortunately, there are advanced analytical techniques emerging that can help organizations make decisions about digital media.

I'm a classically trained statistician, and our Marketing Effectiveness and Strategy team uses these techniques to help clients decide what to do and how to measure the financial returns for their initiatives. Our focus is on the effectiveness of the marketing spend—an analysis of the relative effectiveness of social media options.

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Monitoring is extremely important. The viral nature of social media means that things can get out of control very quickly if a company isn't paying attention. Companies need a strategy, and for that reason, marketing needs to have a seat at the company's top executive roundtable. The line is blurred between public relations and marketing these days. The smart company recognizes this and includes these inputs at the very highest levels of management.

### Where is the U.S. auto industry in all this?

Most carmakers have embraced social media. The majority of them are in the experimental stage, but there are a few leaders who have perfected this craft and are doing a fantastic job.

The digital media revolution has a big impact on the retail side of the industry too. Dealerships should invest more heavily in their Web sites. Their role in the process is changing as more consumers use the Internet to research their choices and configure their new vehicles from home. Dealers who don't use new marketing tactics to get people into the showroom could see their role marginalized to giving demonstration rides and providing repair work.

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