

# COVID-19's Impact on Ad Strategy in Automotive

COVID-19 has placed a spotlight on the aging infrastructure of digital marketing. With millions of consumers turning to an exclusively online experience<sup>1</sup>, dealerships were forced to acknowledge their digital cracks. On the other hand, dealerships that stayed resilient-- or recovered quickly--were the ones that adopted automated technology solutions. This empowered dealerships to respond quickly to the dynamic market while also accommodating for new budgets.

As COVID-19 accelerated dealer-tech adoption including digital retailing and beyond, we were able to watch how our automated paid ads solution, Acquire, dynamically adjusted budget and campaigns as a response to the unprecedented shift in consumer behavior: a government mandated lockdown.

**Acquire, powered by artificial intelligence, leverages millions of data points to strategically place ads on search engines, social media, and internet websites.** Dealerships set an overall budget for Acquire, and the machine will decide where to allocate the budget based on

performance and audience optimization. This gives Acquire the flexibility of pushing budget changes to search, display, and social in real time.

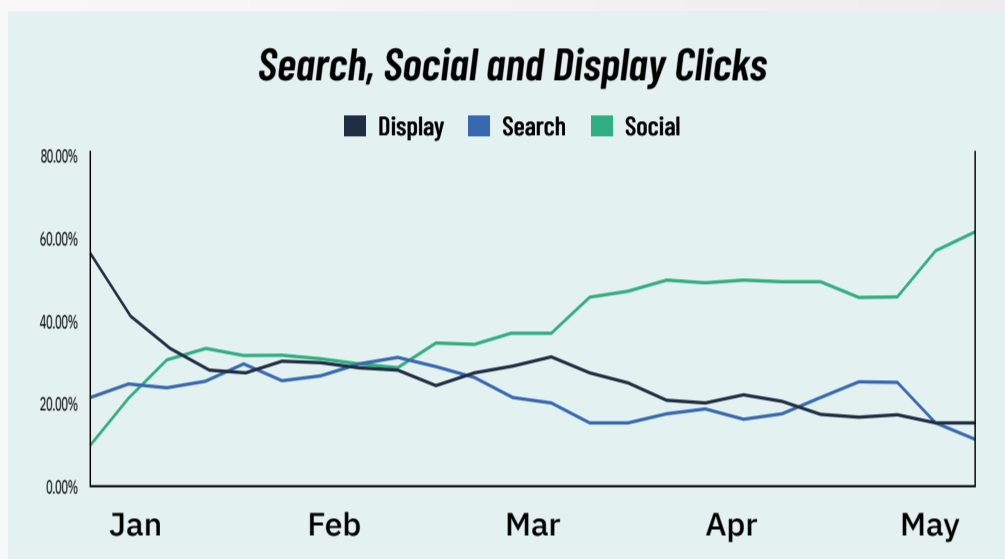
Since the start of COVID-19 lockdowns, consumers have paused previous efforts to limit their time spent on social media. Social media consumption increased from 20.8% of total app usage (Jan 1) to 24.1% (Apr 12)<sup>2</sup>. Combined with a 21% increase in total global usage,

social media advertising has become more cost-efficient for dealerships. For dealers, this was translated into more clicks from social ads specifically (see graph below). In response, Acquire wasted no time to automatically shift budgets toward social channels so dealers can be found exactly where shoppers are spending their time.

of dealership budgets allocated to wards social advertising nearly doubled.

## A CLOSER LOOK

A Mazda dealership in the Midwest implemented Acquire in mid-February, and the machine allocated 12% of their total budget on social ads across February and March. As the market drastically changed, Acquire simultaneously recognized the timely opportunity to shift budget, something that does not happen as quickly when using traditional, manual marketing methods. **The machine learning adapted to spend 26% of the dealership's budget on social media across April and May.** As a result, their



From February/March to April/May, **conversion rates on social media increased by 34% and new users increased by 37%**. Meanwhile, the proportion

cost per lead decreased from \$50.26 (Feb-Mar) to \$36.45 (Apr-May), and their cost per click decreased from \$1.72 to \$1.35 in the same time frame.

<sup>1</sup> <https://www.statista.com/statistics/1106766/media-consumption-growth-coronavirus-worldwide-by-country>  
<sup>2</sup> <https://www.axios.com/social-media-overuse-spikes-in-coronavirus-pandemic-764b384d-a0ee-4787-bd19-7e7297f6d6ec.html>

With more budget dedicated to cost-efficient social media advertising, dealerships were able to identify and target shoppers where they were spending their time at home, resulting in an 86% increase in leads.

**These trends were consistent across all dealerships on the Acquire platform**, as shown in the graphs.

Because of Acquire's robust machine learning capabilities, it automatically adapts to changes in consumer behavior in ways that humans simply cannot. It is always working to find the best allocation of resources, whether that means a slight change in ad placement or a major redistribution of its budget.

