

#### Automotive Silver Winner

### Plan B Not Required - Cars.com

#### **Business Situation**

Cars.com is an online vehicle research site that offers car shoppers information on new and used vehicles as well as listings of available vehicles at nearby dealerships. Essentially, we're the entry point into consumers' car shopping experience.

However, our business model is not like a typical consumer product or service. We don't actually sell cars or negotiate loans for buyers. We don't make money by the number of people who visit Cars.com or whether they end up buying a car. In addition to ad sales, the majority of our revenue comes from dealers paying us to list their inventory on our site. The more shoppers we get from our site onto dealer lots, via email or phone, the more likely dealers will list with us. So Cars.com actually has two distinct customers – the consumers shopping for a car and the dealers who are relying on us to deliver the buyers.

Historically, Cars.com stood for having one of the largest online selections of car listings available. In the past, we'd talk about our massive inventory of cars because that is what the dealers wanted us to communicate. However, with that message we were up against some tough competition with familiar and well-established brands.

# **Campaign Objectives**

With established competitive brands, our first goal was simply to get people to remember us. The online car-shopping category is one where majority of consumers will visit multiple sites to feel like they have covered all their bases. Cars.com didn't need to be the only site consumers visited; we just needed to be in their repertoire of sites.

Goal #1 Achieve more than 10% **increase in total brand awareness** with our core target of 25-34 during the first two quarters of 2008.

Car shopping in general tends to be a long process. Once a shopper visits an online research site, they are more likely come back again to compare more models, find additional information, etc. Our challenge, however, was not in to increase total site traffic, we needed to draw as many unique visitors to the site to strengthen our chances of turning them into leads for the dealers.

Goal #2 Increase site traffic of unique visitors by 10% in the first two quarters of 2008.

As we mentioned earlier, the end customers for Cars.com are the dealers paying to list on our site. We could have the entire U.S. population coming to our site but if we didn't ultimately get them into a dealership to buy a car, then we haven't helped our clients' business.

Goal #3 Deliver a **10% increase in total dealer leads** (site visitors contacting dealers via email or phone) in the first two quarters of 2008.

## The Research Story

As the entry point into the car shopping experience, we started off by simply asking, "how do consumers shop for cars?" We set aside any preconceived assumptions and took a purely exploratory approach. We focused on Cars.com's next generation of buyers, 25-34 year-olds, visiting them in their homes where they are most comfortable, observing them as they shop for vehicles online and even tagging along as they went car shopping at dealerships. We learned it is both an exciting and overwhelming time for most consumers. There is the anticipation of getting a new car with that new car smell and picking out the color and fun features. Yet we could sense an aura of anxiousness in the air.

With over 300 models to choose from and hundreds of different feature configurations, it can be a daunting task to choose just the right car. The real pain point though, comes from the dealer experience. Buying a car is not like buying an iPod. You don't just walk in, know the price you're going to pay and walk out satisfied. There's the sticker price, the interest rate, cost for extra options, fees, etc.

When consumers talk about car shopping, they talk about it as if it's a battle to be won. Consumers use language like, "being brave" and "strategy and tactics" (source: Ethnographic Research, Inc., Jan. 2007). They feel like they must be prepared for a fight. For them, it's about "playing the game." Many have theories or tricks they use to get what they want. Some even devise a plan of action. They may wait until the end of the month to buy a car to get the best deal. Or they may bring someone with them who is more knowledgeable and experienced. It is all about leveling the playing.

### The Strategy

For our consumers, we needed to demonstrate that by using Cars.com, we empower them with knowledge before they go to the dealership. We needed to communicate that our site offers more than just inventory listings – we offer consumer and expert reviews, side-by-side comparisons and a wealth of other tools, all of which will help in negotiating. However, remember that the dealers are our customers too. They're our bread and butter. We couldn't go the negative route and show the dealer as the villain.

We needed to alleviate the fears of our consumers and convince them that the dealer experience could be a positive one. Our insight was that not only is knowledge power, but knowledge is peace of mind. We demonstrate that consumers will feel like they got a fair deal.

Following the exploratory phase of our research, we validated our learnings through qualitative and quantitative positioning research. We found that our insight resonated with the majority of respondents, particularly among our core target of 25-34 year olds. It was powerful idea because it made getting a car the exciting experience consumers' hoped for.

## The Campaign

With tough competition and little offline presence (unlike our competitors), we needed to get a lot of eyeballs on us and build awareness of the site. While we were eliminating consumers' need for a defensive strategy, we still wanted to show them that Cars.com is on their team. What better way to show us as teammates than during the biggest team competition of the year? So we opted to launch our campaign on the one day of the year when everyone's actively watching – Super Bowl. We ran two commercials on what turned out being the most watched Super Bowl to date with an unprecedented 97.5 million viewers (source: Nielsen, Feb. 2008). We also developed a strong PR campaign to get the message out that Cars.com would be airing during the Super Bowl for the first time ever and to drive consumers to our site. In a venue where every spot is fiercely critiqued by the press and consumers alike, we had to both entertain and inform. And of course, our dealers couldn't have been more thrilled as we drove more consumers onto their lots.

To communicate how Cars.com was diffusing consumers' negative perceptions of dealers, we decided to show what "game plan" they would've resorted to, had they not used Cars.com. Plan A – use Cars.com to prepare yourself. Plan B – devise a deranged way to get what you want. In one spot, we used a head-shrinking witch doctor that a buyer had accompany him into the dealership. In another spot, a buyer brought brownies mixed with horse laxatives that she would've offered the dealer had she not gotten what she wanted. Of course, the buyer used Cars.com, so Plan B was never needed.

Throughout each of our spots, we were very mindful of how the dealer was being portrayed. The dealer became the hero because the consumer had a successful buying experience. Even when the Plan Bs were inadvertently executed, the dealer was always an innocent bystander.

The buyers in our spots clearly identify which tools on Cars.com helped prepare them for their interaction with the dealer. We used our key site benefits such as consumer reviews, dealer locater and side-by-side vehicle comparisons. By giving concrete examples of how the site prepared them, we were confident our message was being understood.

Continuing on our strategy of Cars.com teaming up with consumers to help with the car-buying process, we sustained our communications on sports networks like ESPN and Fox Sports,

including sponsoring Major League Baseball, NASCAR, and various cable stations. To achieve even more reach, we ran print ads in the classified sections of hundreds of newspapers where we knew consumers would be searching for vehicles. Of course, since we're an online company, we placed digital ads on sites where we knew our target would be, such as social networking, entertainment and sports sites. Our online ads were an effective way to immediately drive consumers to Cars.com. Finally, to celebrate our Plan B campaign, we developed a microsite where consumers could meet some of the characters in our spots (e.g. witch doctor) and even send their own Plan B to a friend.

#### The Results

Goal #1 Achieve more than a 10% increase in total brand awareness with our core target of 25-34 during the first half of 2008.

### Result

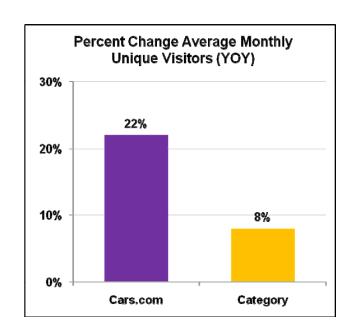
We more than doubled our goal and **increased total brand awareness among our target by 39%** (source: Millward Brown, Jun. 2008). This was especially rewarding since we saw declines for some of our leading competitors in total brand awareness among the same age group.

In addition to lifting awareness of the brand, we were also able to generate positive press and talk value by launching our campaign during the Super Bowl. We were listed among the top 10 best Super Bowl spots on both MSN FoxSports and TiVo, which is a huge feat for a dotcom brand that has never aired on the Super Bowl (source: MSN FoxSports and TiVo.com, Feb. 2008).

Goal #2 Increase site traffic of unique visitors by 10% in the first two quarters of 2008.

#### Result

We **surpassed our goal by 120%** in the first two quarters of 2008, increasing our average monthly unique visitors to Cars.com by 22% over the previous year (source: comScore, June 2008). And we did this during a time when the category only rose by 8.



Goal #3 Deliver a 10% increase in total dealer leads (site visitors contacting dealers via email or phone) in the first two quarters of 2008.

# <u>Result</u>

We beat our goal for total dealer leads by 39% (source: Cars.com site tracker, Jun. 2008).

To go a step further, we are proud to announce that in the used-vehicle category, J.D. Power names Cars.com best in satisfying dealers with online buying services (source: J.D. Power Dealer Satisfaction with Online Buying Services Study, Aug. 2008), proving that we succeeded in making the dealer the hero in our communications.