

USED CAR, TRADE IN & ACQUISITIONS

2025

stream companies

AUTOMOTIVE ADVERTISING STRATEGY PLAYBOOK

2025

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INTRODUCTION

WELCOME TO THE 2025 USED CAR, TRADE IN & ACQUISITIONS PLAYBOOK BY STREAM COMPANIES

The used car market remains dynamic, shaped by shifting inventory levels, evolving consumer preferences, and economic pressures. This playbook is designed to help dealerships strategically navigate these challenges and refine their approaches to used inventory management and media planning. With topics ranging from the state of used inventory and Certified Pre-Owned (CPO) trends to best practices in pricing transparency, acquisition strategies, and digital marketing, this guide emphasizes both process improvement and customer engagement.

Dealerships will find insights on adapting to the anticipated decline in used vehicle supply and optimizing acquisition tactics in a competitive landscape. Additionally, with the increasing prevalence of electric vehicles (EVs) in the used market, sections are dedicated to EV acquisition, maintenance, and service department preparation. Key strategies for creating standout showroom experiences and leveraging digital channels effectively to maximize reach and conversion are outlined to equip your team with actionable steps for success in the year ahead.

The focus is on practical steps and quick-action levers that require minimal extra investment, helping your dealership to not only meet current market demands but also set a strong foundation for future growth. This playbook serves as a resource for staying consistent and competitive, enabling your dealership to drive sales, enhance customer loyalty, and solidify its place in a transforming market.

Sincerely,

Stream Companies

STATE OF USED INVENTORY

The automotive industry is grappling with ongoing inflation and supply chain challenges, leading to rising material costs and vehicle prices, along with delayed deliveries. Concurrently, average interest rates for used auto loans have surged to 13%, which significantly increases monthly payments and encourages buyers to extend loan durations.

The average transaction price was $28,882 (Sept.'24) with an average monthly payment of $525. Used-vehicle inventory in the U.S. stands at 2.15 million with a 47-days supply, down 4% YoY. Vehicles under $15,000 remain scarce, with only a 33-day supply. As of September, Ford, Chevrolet, Toyota, Honda, and Nissan accounted for 51% of all used vehicle sales.

The limited availability of used cars, combined with higher average trade-in values, means consumers can expect better returns for their current vehicles, which may help offset some of the financial pressures. As a result, potential buyers are deterred from purchasing new vehicles, contributing to prolonged ownership cycles. Overall, these factors are shaping a complex market environment for both dealers and consumers.

Looking ahead, high auto loan rates are expected to persist through 2025, which may cap sales, though demand should hold steady with used retail sales estimated at 19.9 million units in 2024.

- Dealers are encouraged to differentiate through "Why Buy" messaging across digital and traditional channels while focusing on Fixed Ops growth and targeted campaigns.
- Inventory management and VIN-level display strategies are suggested to optimize aging models and capitalize on both new and used demand.
- Help retain customer interest through proactive retargeting and geo-addressable ad campaigns.



Source: https://www.coxautoinc.com/market-insights/2024-cox-automotive-forecasts-full-year/

CERTIFIED PRE-OWNED: WHAT'S AHEAD?

Certified pre-owned (CPO) vehicle sales rebounded in 2023 but faced challenges in 2024 which will continue through 2025 due to a scarcity of late-model used vehicles, stemming from the pandemic's impact on new-car sales and leasing. Dealerships will need to be more strategic in acquiring off-lease vehicles and expanding certification programs, as automakers like Toyota have done by certifying older models.

Despite efforts, hitting the 2.6 million CPO sales mark in 2024 will require a strong push from dealers and support from automakers. Increased competition from new-vehicle sales, supply constraints, and pricing pressures add to the uncertainty surrounding CPO sales growth.

- CPO vehicle sales rose in 2023 but may struggle through 2025 due to fewer 2020-2021 models available on the market.
  - **The absence of new-vehicle leasing in 2020 and 2021** means dealerships face another 18 months of low late-model used-car supply, even as availability of other types of wholesale inventory increases.
- **Dealerships are becoming more strategic in acquiring off-lease vehicles**, recognizing the value of not overlooking available inventory despite increased costs.
- **Toyota expanded its certification program to include older vehicles** up to 10 years old and with higher mileage, creating more inventory to certify and sell.
- **Dealers are sourcing inventory through various methods, including acquiring wholesale vehicles and focusing on retaining off-lease cars** with equity, as well as certifying higher-mileage or older models.
- Automakers are expanding certification programs and supporting dealers with incentives to meet CPO targets, but competition from new-vehicle sales and limited used-car supply will be challenges.



ANTICIPATING A DECLINE IN USED CAR SUPPLY AND SALES

The used car market in 2024 faced several challenges that decreased prices and impacted sales. A buildup in new car inventory led to increased discounts, making new vehicles more appealing and created competition for used cars. High interest rates and economic uncertainty also deterred buyers, as both factors made vehicle financing more costly and prompted consumer caution. Additionally, the number of off-lease vehicles declined, which limits dealerships' supply of late-model used cars for certification programs. Manufacturer focus on high-priced new models and falling wholesale values further contributed to pricing pressures in the used market.

What can dealers do now?

- Focus on promoting/growing Fixed Ops (and customer retention).
- Focus on used acquisition strategy.
    - **Email:** Conquest database and in-market shoppers
    - **Service Drive:** Sales team can monitor Service Appointments for trade-in opportunities
    - **Paid Search and Social:** Add a trade-in campaign and direct traffic to trade tool
    - **Website:** Verify trade page is easy to navigate, trade tool working, lead flow to CRM
    - **Dealer staff:** Review team trade-in process, ensure smooth experience for customers

Revisit Your Strategy and Messaging

As consumers spend more time in the buying cycle, it offers a moment for dealers to rethink their overall strategy when it comes to attracting and retaining customers. Now is the perfect time for dealers to strengthen their "Why Buy" message (to stand out among competitors) and stay consistent with ad spend. It's also time to consider Geo-Addressable Display, Connected TV, Connected Radio, or Online Video to meet shoppers where they're consuming media.

As consumer spending power decreases, focus on your message and awareness:

- Dealers need strong USPs/Why Buy messaging to stand out/acquire new customers.
- Stay in front of shoppers for awareness with branding and value.
    - Use first-party data solutions to retarget to website visitors.
        - Increase lead quality by retargeting shoppers who've already interacted with your digital showroom. Invite them back to shop and reach out to your team.
- Focus on consumer experience and loyalty programs (Service Department).

To gauge brand awareness, it's valuable to analyze insights from tools like **Google Trends** and **Google Search Console**, which can reveal shifts in consumer interest. Are we maintaining steady impressions for the dealership, or is there a noticeable decline? A drop in impressions may suggest an issue with brand demand, underscoring the importance of incorporating awareness strategies into the marketing mix. This data can be a key driver in conversations about the need to generate more demand. Additionally, it's important to ask whether they are aware of the OEM's Tier 2 media efforts in their market.

Show more value to shoppers (besides bottom price):

- Educate shoppers on what you have and highlight the benefits of your store/loyalty program
  - Value examples: white-glove experience/delivery, buy online, lifetime oil changes, mobile on-site service, community partnerships, no commission sales, employee pricing, home of the <fill in blank>
- Opportunity to review/realign store process (lead handling, merchandising, store culture)

Some competitors may reduce ad budgets; this is your opportunity to grab market share!

- Keep consistent ad budget and strong Why Buy message
  - Decreasing the ad budget may create short-term relief, but it may hurt your long-term brand awareness in the market. Stay top of mind when consumers need auto services with consistent media placements and brand/dealer messaging.
- Review Paid Search/Social strategies: geo-targeting, campaigns, keywords, model focus
  - Campaigns need additional budget?
  - Opportunity to add new markets/cities?
  - Opportunity to focus on different models?
- Add Display retargeting and/or Video retargeting campaigns to stay in front of active shoppers
  - Target in-market shoppers who've visited your website with Geo-Addressable Video or Display; target every available device in the home
    - *ex. Retarget shoppers with a "Why Buy" video on CTV, OTT, YouTube*

How Are Dealers Reacting?

Though reactions differ to current market and shopper behavior, here are common reactions and considerations others are taking when it comes to a decline in inventory and/or sales:

Reaction: Focus on optimizing media spend

Pause and consider:

- Overall spends and investments vary monthly. Don't only focus on lead counts but focus more on understanding what the value of the investment brings. Here are some values and investments that should be considered which may not be evident in a CRM lead ROI report:
  - Inventory exposure
  - Brand exposure

- Review/Reputation exposure
- Form leads and phone calls
- Clicks/Website traffic

Reaction: Reduce or cancelling ad spend

Pause and consider:

- Instead of just cancelling advertising to save budget, think about where to reallocate that spend to make the most impact at the dealership. Often, when advertising efforts are cancelled, there is a feeling of success for 30 to 60 days due to build momentum — don't be fooled into thinking you're going to make more money by cutting advertising.
- Focus on training, lead management and customer communications, retention, showroom experience, AI efforts/technology, and EV updates to improve the customer and employee experience, and ensuring the team understands the lifetime value of each customer.

Reaction: Address declining lead counts by intensifying efforts to thoroughly manage existing leads.

Pause and consider:

- Investing in lead process enhancement will yield significant benefits over time. It is prudent to revisit historical process metrics and priorities to effectively transition opportunities into visits and visits into sales. Focus on these process enhancements:
  - Contact lead prospects more than once per day on one method/channel. The 3-2-1 rule is useful here: 3 contacts through 2 channels (text, email, phone) every 1 day until you've heard from the prospect.
  - Have a manager confirm all appointments made the day before they're due (especially Saturday appointments).
  - Listen to phone calls for sales opportunity improvement.
  - Have salespeople check their approach — would I, reaching out to a dealership to ask a question, respect the response given enough to respond?
  - Make sure virtual and physical showroom sales paths match and are working together.
    - Do the signage and events in the showroom look like your digital showroom?
    - If you're advertising $XX per month, do ALL your sales staff know which vehicle(s) that applies to and what it takes to qualify for it?
- Vehicle merchandising is more important than ever. Photos of new and used vehicles are of utmost importance on dealer websites and third-party marketplaces.



CONSISTENCY IS KEY

With increased inventory, there is a greater need to drive more traffic to the website. Why? Building an audience on your website is the best way to fill the funnel with qualifying prospects. Most shoppers visit your website before visiting your physical showroom — they want to get a feel for your dealership, staff, and inventory before they make the effort to visit in person. Having more virtual visitors means you will have more physical visitors. How can you focus on driving more quality traffic to your digital showroom?

Create a well-balanced plan to increase traffic. Focus on driving shoppers to specific inventory or model pages (if needed) and stay consistent. Keep plans in place for at least 90 days so a product, tool, or campaign can take effect and review a window of performance, allowing you to pivot plans (if needed).

- Focus on pricing, inventory, and sales goals.
- Prevent knee-jerk reactions to changes in monthly traffic.
- Keep focus on long-term objectives.
- Keep consistent media and awareness; defend your PMA!
- Avoid thinking increases in traffic means increases in digital health — we still want to focus on the *right* traffic.
- Capture and then remarket to your First-Party Audience with consistent messaging.
- Focus on customer experience.
    - How do you *draw* them in? Instead of just driving them there through various links/CTAs, how do you create awareness about the *experience* of the dealership?

Keep them engaged. One of the easiest points on this list to overlook is a strategic retargeting plan. How is your dealership staying in front of shoppers who leave your website without converting? Ensure your message (and vehicles) stay in front of them during their shopping journey.

- Activate First-Party Audience marketing using Geo-Addressable Display, Online Video, Connected Radio, and/or Geo-Addressable Connected TV to target all the devices in the households of people shopping your website.
- Also consider other retargeting tactics like Display Retargeting ads, Connected TV, or Online Video Retargeting, keeping your message and dealership top-of-mind after shoppers visit a dealer's website. Include a strong messaging to re-engage shoppers (Why Buy, trade-in, down payment assistance, warranty, service/maintenance offers).

Key Takeaways:

The used car market in 2024 faced significant challenges, from a buildup in new car inventory offering discounts to high interest rates. A reduction in off-lease vehicles has constrained the availability of CPO units. Dealers are advised to strengthen their Fixed Ops and trade-in strategies, enhance their "Why Buy" messaging, and explore first-party data and geo-targeted ads to maintain brand visibility and customer engagement. Consistent advertising, customer experience improvements, and inventory-focused campaigns are recommended to support long-term objectives and prevent reactive budget cuts that could impact future sales. Emphasis on training, lead management, and retargeting efforts will be key in adapting to changing market dynamics.

USED EVs

As used EVs start to hit the market, some dealerships are finding it difficult to offer product knowledge on the variety of brands and models available to consumers. Shoppers who are looking for an affordable EV solution are finding more options on pre-owned EV and hybrid models, but dealers may not be equipped to answer all the questions that may come with them.

Pain points of selling used EVs (according to Automotive News):

- Don't have all the product details on off-brand EV models
- No consistent process to appraise EVs
- Difficult to determine battery health
- Less sales and repair history than ICE vehicles

Used EV shoppers want to know:

- The charging infrastructure of their community/city/state
- Range of EV battery
- Qualifying tax credits
- Maintenance considerations

Buying and Selling Pre-Owned EVs

With the increase of new EV models in the market, there will also be an increase in consumers who trade in their current EV for a newer model, especially those early EV adopters. Dealerships need to be prepared for receiving and selling pre-owned EVs. According to Cox Automotive, **there are four main items consumers will focus on when buying and selling used EVs:**

1. **Battery Health:** Thoroughly assessing the battery's condition has the most significant influence on potential value and gross profit. Battery health is crucial for all vehicles, but it is especially critical for used electric vehicles because the cost of the battery represents 30% to 40% of the car's overall value.
2. **Battery Replacement:** Consider how to recondition, reuse, and recycle EV batteries. Be familiar with signs of replacement where necessary to maximize the value of the vehicle.
3. **Valuation:** The anticipated decline in used EV values for 2024 is attributed in part to significant reductions in new EV prices observed in 2023. OEMs are expected to continue offering incentives to boost new EV demand. Given this volatility in used EV values, some dealers have been cautious about acquiring and stocking used EVs.
    - Dealers should continue to review wholesale and market data to help determine the value of pre-owned EVs they acquire at auction or trade.

4. **Pricing:** We anticipate that further discounts and incentives will continue to drive down the purchase prices of new EVs. Regarding used EVs, the mentioned volatility in value will lead to increased fluctuations in retail prices. In this dynamic market, sellers of used EVs may be surprised by the extent of depreciation their vehicles have experienced, potentially affecting deals.
    a. Sales and finance teams will need to collaborate to bridge the gap between the amount sellers receive for their old vehicles and the cost of new cars.
    b. Additionally, used vehicle appraisers and managers will need to closely monitor the competitive landscape of available used EVs in the market to shape customer discussions and refine their retail strategies for these vehicles.

EV/Hybrid Maintenance and Repair: Preparing the Service Department

How many of your service technicians are trained on repairing an EV or hybrid model? Considering new EV sales are steadily increasing MoM, and dealers are seeing more opportunities for acquiring pre-owned EV and hybrid units, it's time to consider an action plan for hiring, training, and retaining service technicians.

By 2031, the U.S. will need 80,000 electrician jobs annually, including technicians to fix EVs or install EV chargers. Dealership plans obviously need to include details (and a budget) for equipping the service department with the appropriate tools and support for this incoming business.

Things to consider while prepping for EV/Hybrid service:

- Equipment costs for EV/hybrid models
- Where to source EV/hybrid technicians
- Training options and ongoing support for EV/hybrid technicians
- OEM Tech Support for EV/hybrid services
- Servicing EV warranties
- Retaining qualified EV/hybrid technicians

Learn more about preparing your service department for EV in EV broken? Finding a technician to fix it may take a while.

Key Takeaways:

The used EV market is growing, but dealerships face challenges in inventory management, product knowledge, and valuation. Many used EV shoppers seek affordable options, but dealers struggle with limited information on non-major EV brands, appraising battery health, and managing EV-specific maintenance concerns. Key factors in buying and selling used EVs include battery health, battery replacement, volatile valuation, and pricing challenges — requiring close coordination between sales and finance teams as used EV prices experience fluctuations due to new EV incentives.

As EVs become more prevalent, service departments will need to invest in training, equipment, and technician retention to support the specific needs of EV and hybrid models, anticipating the demand for around 80,000 EV technicians annually by 2031.

USED CARS: GETTING BACK TO BASICS

As more shoppers turn to pre-owned vehicles due to new-vehicle affordability concerns, interest in well-priced, good-quality vehicles is peaking. And showcasing them appropriately online with great merchandising and attention to detail has never been more important.

Used Car Merchandising Tips:

- **Get that first photo as soon as possible** so you can get the vehicle visible online quickly.
- **Price and photo each vehicle within five days** of it landing on the lot; 25+ photos/each.
- **Work on recon process timing and efficiency** — even if just by a half-day improvement.
- **Review Lifecycle Summary Report** (vAuto or similar) with appraisal date, list price date, photos date, description date to ensure all vehicles have complete details.
- **Monitor pricing;** ensure vehicles are competitively priced to market and change often. Many marketplaces will alert customers on the fence when the price has shifted.

Focus on Used Car Efficiency

There's no denying this industry has experienced turbulence the last few years from inventory demand and supply limitations, high interest rates, student loan payments returning, depreciation and negative equity issues, and an overall affordability concern for many consumers. What can dealerships do to navigate around these obstacles and stay focused on used car goals this year?

- Evaluate and adjust sales goals to market conditions.
- Review expenses and eliminate waste.
- Energize staff toward a great used vehicle department and maximize profitability.
- Polish your process: Analyze each department's process improvement plan.
- Team training: Ensure each salesperson understands availability and used vehicle features.

Used Car Brand Loyalty

Vehicle owners who purchased or acquired their current pre-owned vehicle in 2023 have a brand loyalty rate of 21%, according to CBT News. However, 26% of used car owners who purchased a new car in 2023 stayed with their original brand. As more consumers shop for pre-owned and CPO vehicles, how can dealerships (or manufacturers) improve brand loyalty among their current used on-brand customer base?

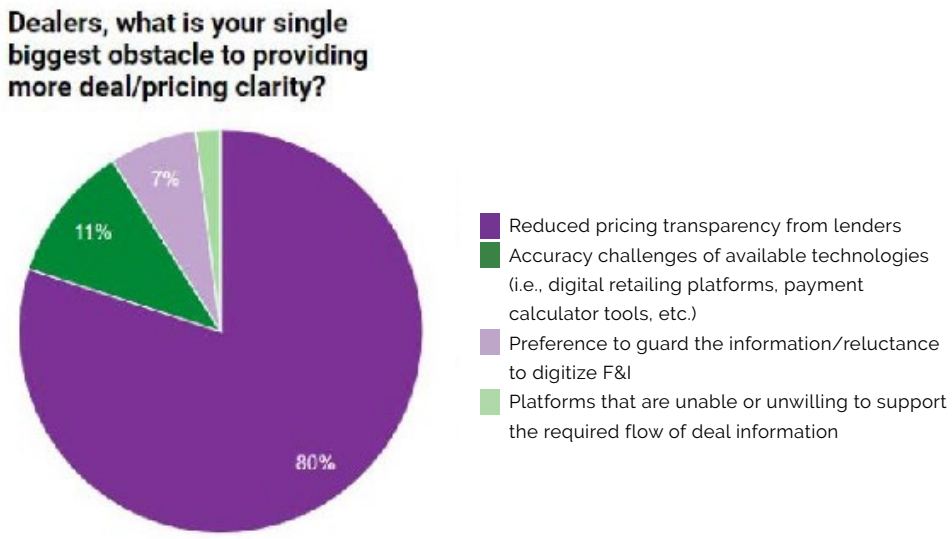
"Automakers can further build brand loyalty by connecting with used car owners and offering services to them as if they were the original owners," according to Dave Nemtuda, Senior Director, OEM Product and Business Development, U.S. Connected Car Team at LexisNexis Risk Solutions. **"That connection could be the shift that automakers need to see an uptick in brand loyalty and customer engagement with their brand on many levels."**

PRICE AND TRANSPARENCY

Speaking of ease and value in the transaction, dealers focusing on featuring exact payment and trade-in values online build trust with shoppers and encourage them to visit the dealer to transact. Shoppers want to know their out-the-door price online before visiting a dealership in person — including their monthly payment and trade-in value. **Shoppers also want to ensure they're getting the same price in person that was quoted online.**

Dealers confirm there's a disconnect between dealerships and customers when it comes to pricing transparency (and blame lenders). An eLend Solutions study found some gaps between dealership and shopper expectations regarding pricing:

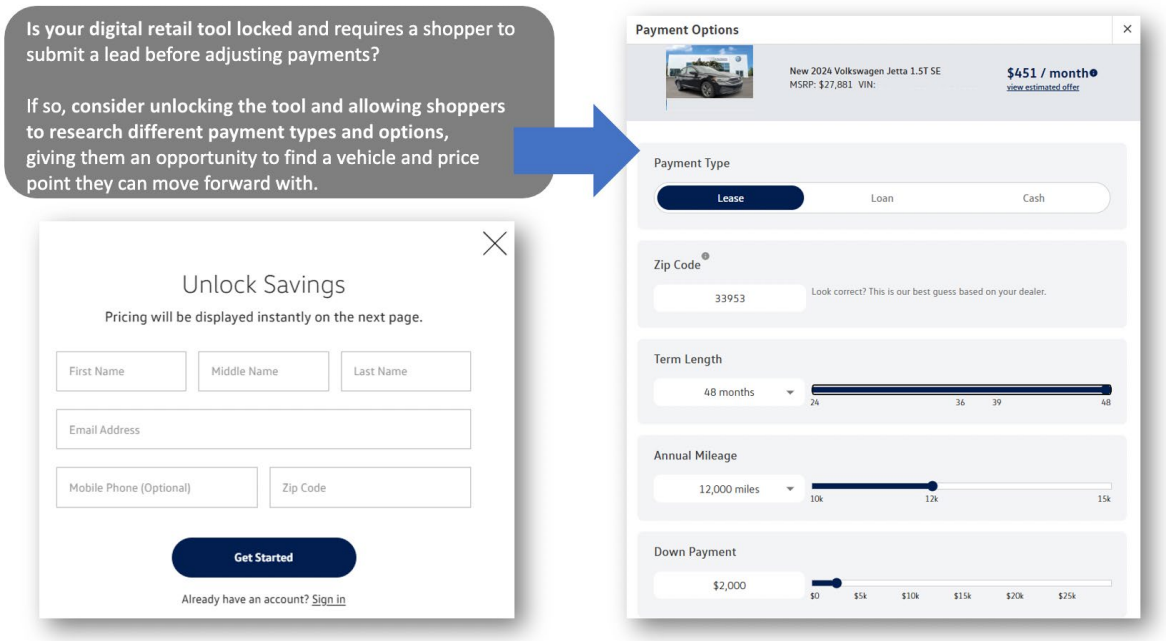
- 93% of dealerships said most online customers wanted to know their monthly payments before scheduling an appointment.
- 85% of retailers said they want to quote payments to shoppers before their visit.
- 6% of dealers said they waited to quote payments until the lender made a decision on rates.
- 80% of dealers said they couldn't provide greater clarity on deals because of decreased lender transparency.
- 84% of dealers said they felt trapped in the middle of providing shoppers with exact payments and lenders decreasing transparency.



The current digital retail tools on dealership websites need additional support from lenders — giving dealers and customers the ability to customize and adjust deal terms in real time. In the meantime, there are process improvements dealers can make to help ease the current disconnect between lenders and dealerships.

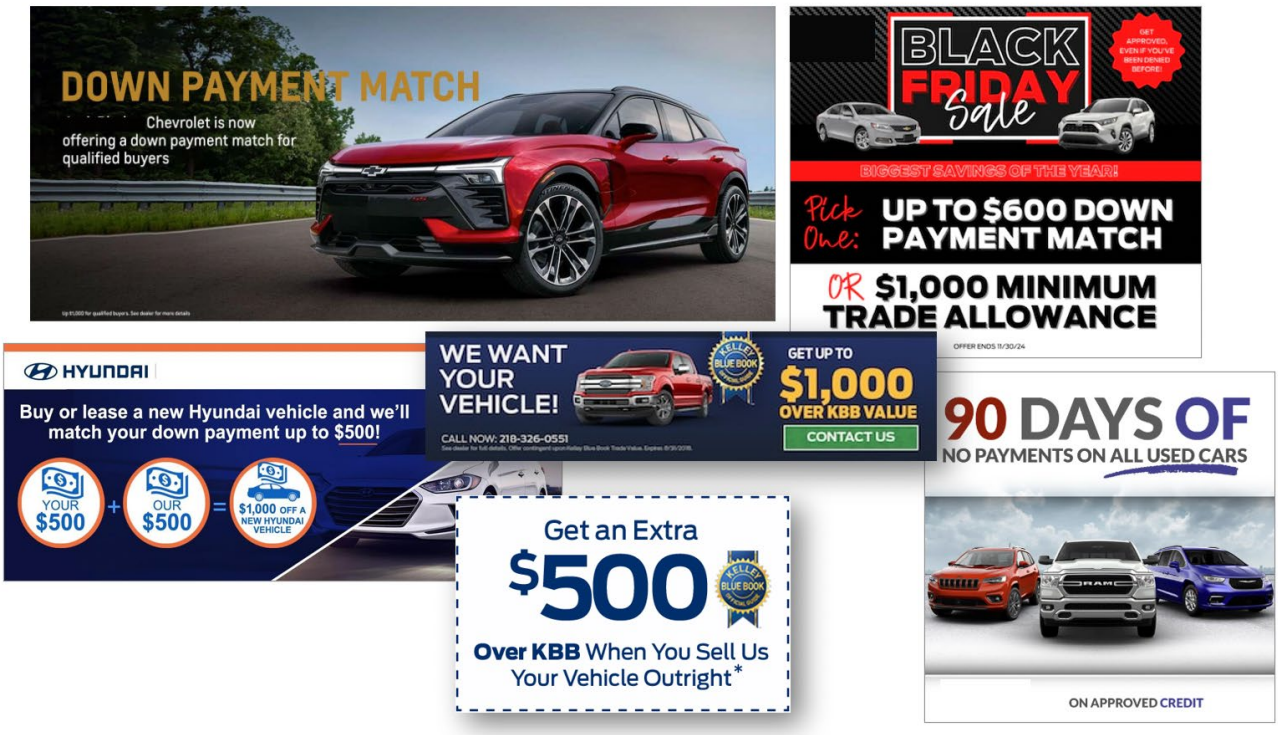
What can dealerships do to improve transparent pricing?

1. **Feature specials with monthly payments**
   a. Feature monthly payments on top-stocked and top-searched models.
   b. Promote payment relief/deferment programs (low APR, No Payments for 90 Days).
2. **Utilize online digital retail tools** to help shoppers build their deal and get the most accurate monthly payment possible.
   a. Ensure CTA is on SRP and/or VDP.
   b. Do not force lead submission before unlocking finance tool.
      i. Consider shoppers who want to build payments before committing to a purchase. Allow them to build their deal and revisit the site, getting comfortable with a new monthly payment.
   c. Promote prices which are reflected in digital retailing tools. Trust starts far before the consumer visits or calls the dealership.
   d. Do NOT rely on your online tools to do the work for you; be ready to discuss options for all consumers and a willingness to make things work in their favor.
      i. Check out 2024 Automotive Trends: Cars Commerce Explores Driving Forces Transforming Car Buying and Selling for more details.
3. **Feature Website pop-up offer** or NitroLeads with additional trade-in offer on VDPs.
4. **Add a retargeting campaign** and invite shoppers back to the site to convert.
   a. **Programmatic Display:** Target shoppers who visited a VDP, Finance, or Trade-in page with an additional Trade-in or Payment offer.
   b. **Geo-Addressable Display, CTV, or Online Video:** Target First-Party Audience with an additional Trade-in or Payment offer, or USP/Why Buy message.
5. **Paid social retarget campaigns:** Trade-in or Payment offer, or USP/Why Buy message.



What can dealers do to assist with affordability?

1. **Train sales staff** — some staff may need a refresher on negotiating with negative equity. Negotiate with empathy, as numerous shoppers have negative equity in their vehicles.
2. **Educate shoppers** — educate on why payments have increased. Help consumers understand all their options, whether they're purchasing or leasing, and the types of vehicles they're interested in.
   - **a.** Interest in New vs. Used
     - **i.** Consider leasing
     - **ii.** Consider pre-owned EV
   - **b.** Is there a trade?
3. **Offer added value**
   - **a.** Include a maintenance package with every used vehicle purchase.
   - **b.** Offer down payment assistance: "We'll match your down payment" or "Get an extra $1,000 towards your down payment" or "No payments for 90 days."
   - **c.** Offer additional cash for trade-in: "Get an extra $500 above KBB value."



EXPERIENCES IN THE SHOWROOM

The Three C's: Communication, Comfort, Convenience

- **Communication:** Does your store provide timely responses with questions/concerns resolved?
- **Comfort:** Does your store encourage the customer to want to be there?
- **Convenience:** Does your store offer online and text scheduling/communication for a seamless experience?

Manage Expectations: Don't waste a customer's time or energy, especially when you have information that will help them purchase or service a vehicle at your dealership. If you anticipate their visit will take two hours, tell them to expect to be at the dealership two to three hours. Hopefully your team can over-deliver on time and get them out the door and back to their life as quickly as possible. Estimate pricing as accurately as possible so they can properly plan their expenses.

Proactively planning for a successful customer experience will set the dealership up for long-term growth and success. Are you listening to what your customers are saying about their experience? Don't forget this is the second-largest purchase someone typically makes in their life (after buying a home), so be considerate with their time and money, and they will do the same in return. Ensure your team is providing all the information so they can proceed with a purchase. If they express issues with the process through online reviews, take those seriously and address the processes accordingly.

If a customer is visiting for service, ensure your team is accurately providing all estimated costs associated with their visit, preventing a surprised or angry customer at vehicle pick-up. There is nothing more frustrating to someone who doesn't understand what's about to happen to their vehicle than being hit with an unexpected bill or time delay. Build some padding into delivery time estimates and overdeliver when possible.

Customer Lifetime Value: Focus on the long-term value of each customer and the ownership experience you want them to have at your store. Once the sale is complete, that customer is now your service customer until they're ready to purchase their next vehicle. Since the average passenger vehicle is 13.6 years old, there's a lot of time to establish an automotive relationship with each customer.

- How is your dealership staying in contact with your customer database (DMS)?
- Is your Service Department actively (and dynamically) marketing your DMS with customized messages for each customer's vehicle status?
- Is your dealership sending any messaging about trade-in/trade-up, vehicle acquisition opportunities, new vehicle purchase, or any communication on considering a new vehicle?

OPPORTUNITIES/QUICK LEVERS (NO ADDITIONAL SPEND TACTICS)

Get back to the basics by focusing on no additional spend tactics to improve traffic, sales, customer retention, and employee retention.

Review Vehicle Merchandising

- Each unit has 25+ photos, price, comments, mileage, interior/exterior color
- Detail and photo the vehicle immediately at intake to instantly advertise that unit.
- Competitive pricing (review vAuto, Autotrader/KBB, CarGurus for market pricing)
- Review pricing changes to increase visibility of inventory.
- Competitor pricing – audit area market competitors

Review Endemics/Classified Vendors

- Review inventory feeds, packages, lead process, merchandising reports, and pricing.
- Ensure current inventory levels match vendor package.
- Review/update display ads (new vs used; model focus) and targeting (if available).
- Assign dealer staff to monitor vendor merchandising reports and pricing opportunities.

Think About Your Unique Selling Proposition (USP)

- Why should shoppers choose your dealership over your competition?
- Update all digital touchpoints to include USP
  - PPC ads, dealer website, Social channels, Videos, Google Business Profile, flyer in photo feed, overlay on first car photo, vehicle comments
  - Endemics/Classifieds — update dealer profile page with USP and branding video(s)

If used inventory selection INCREASES (and ages):

- Dealer sites could add "$25K & Under" vehicles/specials landing page.
  - Promote on SEO, PPC, and Social marketing opportunities.
- Review dealership demographics (Market Master).
  - Targeting right shoppers? Additional geo-targeting opportunities?
- Use VIN-specific ads to conquest or retarget used car shoppers.

If used inventory selection DECREASES:

- Focus on fixed ops retention and finding/re-engaging service customers.
- Promote monthly specials and service packages.
- Review SEO, PPC and Social marketing opportunities.
  - Running Service and/or Accessory campaigns?
  - Additional market opportunities (new cities or competitor areas to conquest?)
- Review dealership demographics (Market Master).
  - Targeting right shoppers? Additional geo-targeting opportunities?

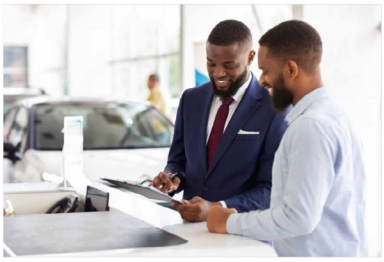
USED CAR ACQUISITION

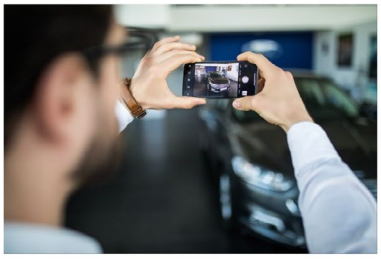
Dealer Process: Review team flow

Having a strong used car department is crucial for business. Having a strong vehicle acquisition practice and process is crucial for efficiency. Throughout our experience working with dealerships who succeed, we've noticed a few important traits:

- **Appraisal and vehicle offer:**
  - Dealers who have a separate team (and/or solid process) for customer trade-ins see more activity from customers' responses.
  - Those who review trade tool process and performances against a standard benchmark allow for a greater understanding of opportunity.
  - Teams that incentivize sales staff to bring in trades on a deal find greater penetration of vehicle acquisition. Sales staff should understand the financial and time benefit of trading in vs. selling to a private party when purchasing a vehicle.
- **Reconditioning:** Used car departments consistently managing process and timing to the front line will always maximize efficiency and minimize costs. Whoever manages those decisions with the shop should make decisions quickly and accept some financial losses in favor of getting vehicles front-line ready.
- **Merchandising:** Often, the duty of managing photos, pricing, and details of used vehicles falls on the Used Car Manager (along with many other tasks and duties) and the same for New Car Managers. Ensuring this important task is delegated and overseen by the Used Car and New Car managers will maximize merchandising efforts. View daily reports on recon lists to determine where vehicles are in the process, then have someone investigate at what stage the vehicle is for recon. Delegation is not the same as neglecting.








Acquisition and Retention: Database and service drive opportunities

In conjunction with managing the processes of a dealer trade practice, acquiring vehicles from those who are not considering buying a new vehicle can be a catalyst to a transaction. **Here are a few questions to review on your dealer process for maximum efficiency:**

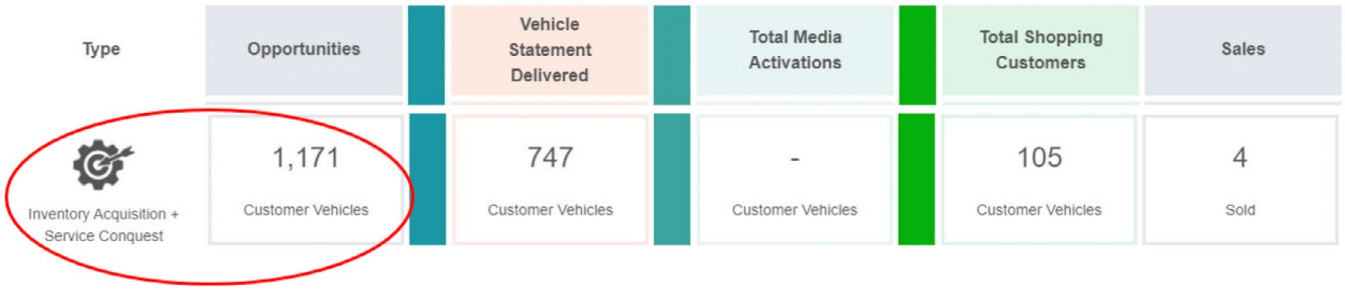
- **Is your sales team monitoring the service drive for trade-in opportunities?**
  - Staple flyer to ROs of customers who match trade-in qualifications.
  - Utilize CRM or the **Integrated Marketing Cloud (IMC)** dashboard to view trade/sales opportunities.
  - Ensure service personnel are putting in all appointments for accurate filtering.
- **Does your service team have a strong multi-prong approach to drive customers (repair vs. buy) toward sales?**
  - Does your service team have incentive to move a customer to sales?
  - Are there expectations/targets set for sales turnover?
- **Database mining:** Are you targeting current customers for sales and service opportunities?
- **Paid Search and Social:** Do you have a digital marketing approach to obtaining and sending traffic to online trade tools?
  - Drive additional lead opportunities to the CRM.
  - Review the staff trade-in process to ensure a smooth experience for shoppers.
  - Educating customers via a social video can help them see the appeal to buying a new car rather than getting repairs on their vehicle.



Integrated Marketing Cloud (IMC): Trade-in/Acquisition Opportunities in DMS

Review customer opportunities for inventory acquisition and service conquests in IMC and activate marketing tactics to reach people who regularly visit for service and may be interested in upgrading their current vehicle. Target current customers on every device (phone, tablet, desktop) in their email inbox, physical mailbox, and digital spaces including social media. Feature a strong trade-in offer and why buy messaging about your dealership.

- Landing page on dealer website
- Email ads
- Direct Mail
- Display and Retargeting
- Social Media



Type	Opportunities	Vehicle Statement Delivered	Total Media Activations	Total Shopping Customers	Sales
Inventory Acquisition + Service Conquest	1,171 Customer Vehicles	747 Customer Vehicles	- Customer Vehicles	105 Customer Vehicles	4 Sold

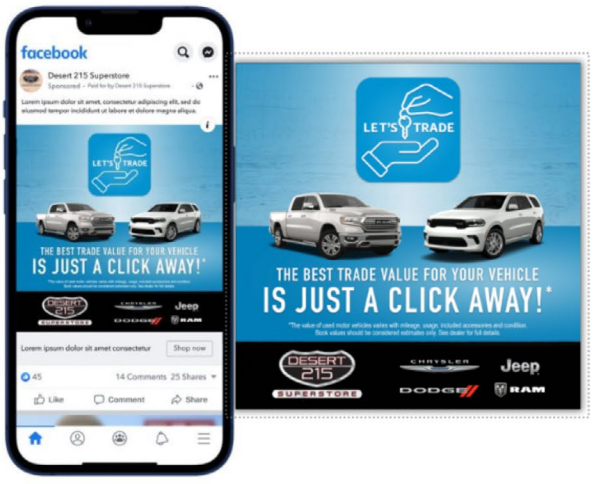
Inventory Acquisition: Service only customers who frequently service their vehicle at the dealership.

Trade-in/Acquisition Offers and Promotional Messaging

- Include a maintenance package with every used vehicle purchase
- Offer down payment assistance
  - We'll match your down payment
  - Get an extra $1,000 towards your down payment
  - No payments for 90 days
- Offer additional cash for trade-in
  - Get an extra $500 above KBB value
  - Always $XXX more for your trade
- XXX% book value for your trade
- All makes & models accepted
- Instant cash value!
- No obligation appraisals
- Top dollar for your trade

Acquisition: How and where to source trade opportunities

- **Email signature:** Add a link to your trade tool (or inventory page for browsing) for all staff, including those not in sales.
- **Service drive appointments:** Provide equity estimates on vehicles visiting service.
- **Paid Search and Social campaigns:** Add a trade-in campaign and drive traffic to trade tool instead of only focusing on inventory for sale.
- **Third-party sources:**
  - Utilize industry tools such as CARFAX® for Life for trade-in opportunities.
  - CarGurus®: Car Offer platform for dealers to buy, sell, and trade cars with other dealers gives an alternative to auction fees and complications.
  - KBB®: Instant Cash Offer (ICO) and Trade-in Center can be considered for market acquisition tools from consumers.
- **Leverage first-party data from the DMS or IMC in channels such as:**
  - Email
  - Direct Mail
  - Geo-Addressable (connected TV, radio, online video)
  - Display
  - Social





Promotion: Where to share your trade-in message

Of the important factors to consider in marketing, the right message in the right place is paramount. Utilize all channels for consideration when planning marketing efforts. Here are a few opportunities we've seen great success with dealers:

- **Website pop-up or NitroLeads:** Strategically place pop-up coupon on SRP, VDP, or trade-in page with trade offer. This can push customers with hesitation about contacting your dealership over the edge and into discussions.
- **Paid Search:** Add trade-in campaign (with custom message); send traffic to a relevant landing page, such as the trade, acquisition, or Why Buy pages.
- **DMS:** Tap current database for trade and upgrade opportunities; don't feed the same "we will buy your trade" as everyone else. Get creative in knowing why a customer should sell/buy from us. Work with your marketing professionals for ideas.
- **IMC:** Target database for trade-in/trade-up opportunities
  - Email: Finance upgrade, lease upgrade, lease overage, service conquest
  - CRM opportunities: Send lists and individual customer opportunities directly into the CRM for salespeople to work.
- **Retargeting:** Add/update your full-funnel retargeting budget and use a Geo-Addressable strategy to complement retargeting message/reach; target First-Party Audience. This is not a set-it-and-forget-it strategy; regularly review performance, optimization, and growth opportunities.
- **Geo-Addressable:** Use display, online video, or CTV to retarget/re-engage website shoppers or potential in-market audiences
  - Use specific trade-in/acquisition message or offer.
- **Connected:** Add CTV, connected radio, or online video to increase dealer/trade-in awareness.

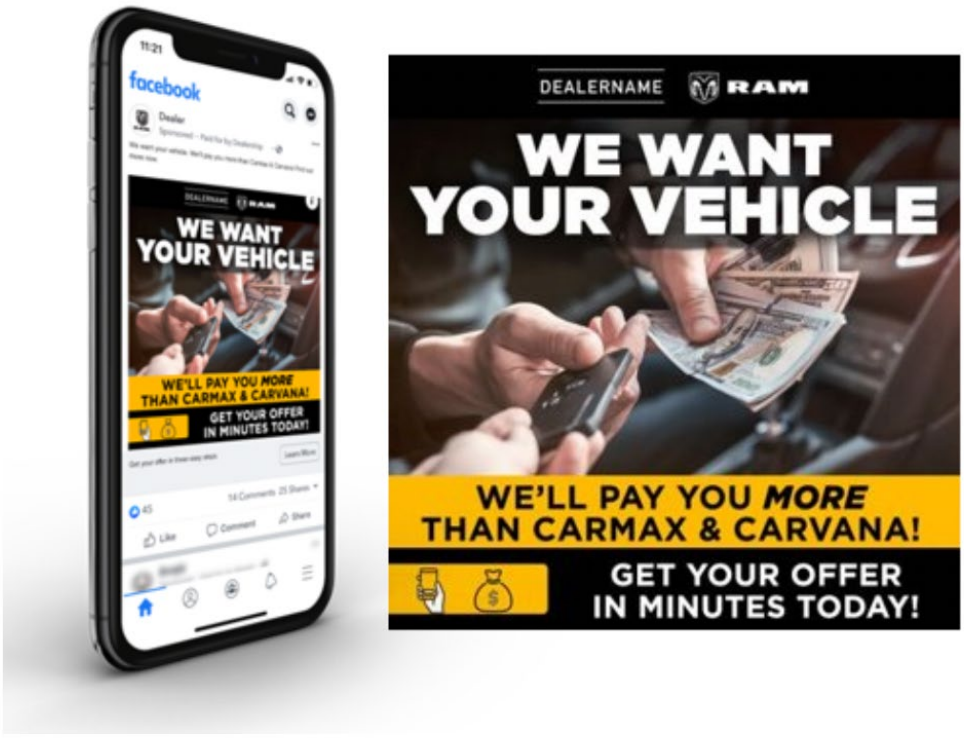


Obtaining Trade-in Leads in Paid Search and Social Media

Though Paid Search and Paid Social are great channels for acquiring customers for trade-in leads and opportunities, having the right strategy can be tricky given the competitive environment and the varying values of vehicles. Here are some effective strategies for acquiring opportunities:

Paid Search for Trade-in Leads

- **Keyword Optimization:** Specific keywords like "sell my car for cash" or "trade-in appraisal near me" ensure your ads appear in relevant search results. However, having the intent of a shopper searching for a value can go miles — terms like "Carvana" and "KBB Value" have shown impressive returns similar to traditional keywords.
- **Ad Messaging:** Compelling ad copy emphasizing the benefits of trading in their vehicles at your dealership is not table stakes — this is your differentiation. Highlight perks such as hassle-free appraisal processes, competitive trade-in values, convenient scheduling options, and excellent communication style.
- **Landing Pages:** Ensure the landing page is tailored to trade-in leads. These pages should provide clear calls-to-action, easy-to-use forms, and persuasive content to encourage visitors to submit their vehicle information. Does your form require the customer to input too much information? How does your form compare to your competitors' forms? Which is easier to use?



Paid Social for Vehicle Evaluations

- **Audience Targeting:** Leverage social media platforms to target users based on demographics, interests, and behaviors. Narrow your audience to individuals likely to be interested in vehicle evaluations and trade-ins.
- **Engaging Visuals:** Use eye-catching images and videos of satisfied customers who have benefited from your trade-in and appraisal services. Visual content is more likely to capture users' attention and generate leads.
- **Compelling Offers:** Design compelling and exclusive offers, such as free vehicle evaluations, bonus trade-in credit, and text message communication to incentivize potential customers.
- **A/B Testing:** Experiment with different ad formats, creatives, and targeting options to identify what resonates best with your audience. A/B testing can help optimize your campaigns and improve performance.
- **Retargeting:** Implement retargeting campaigns to reengage users who have shown interest in vehicle evaluations or trade-ins but have not yet converted. Remind them of the benefits and encourage them to take the next step. NitroLeads can target these prospects with offers only they can see, which is more appealing than other dealers.
- **Lead Forms and Chatbots:** Make it easy for potential customers to inquire about vehicle evaluations through lead forms, texting, chatbots, and social media platforms. Simplify the process of submitting information and provide prompt responses to inquiries.



NitroLeads

Generate additional sales and service leads from the website with NitroLeads — a pop-up ad on the website featuring custom offers based on the visitor's behavior and interest. After a visitor has engaged with Sales or Service content, a custom pop-up ad will appear with a chance to collect visitor details. Leads are sent directly to the CRM so the team can follow up with next steps.

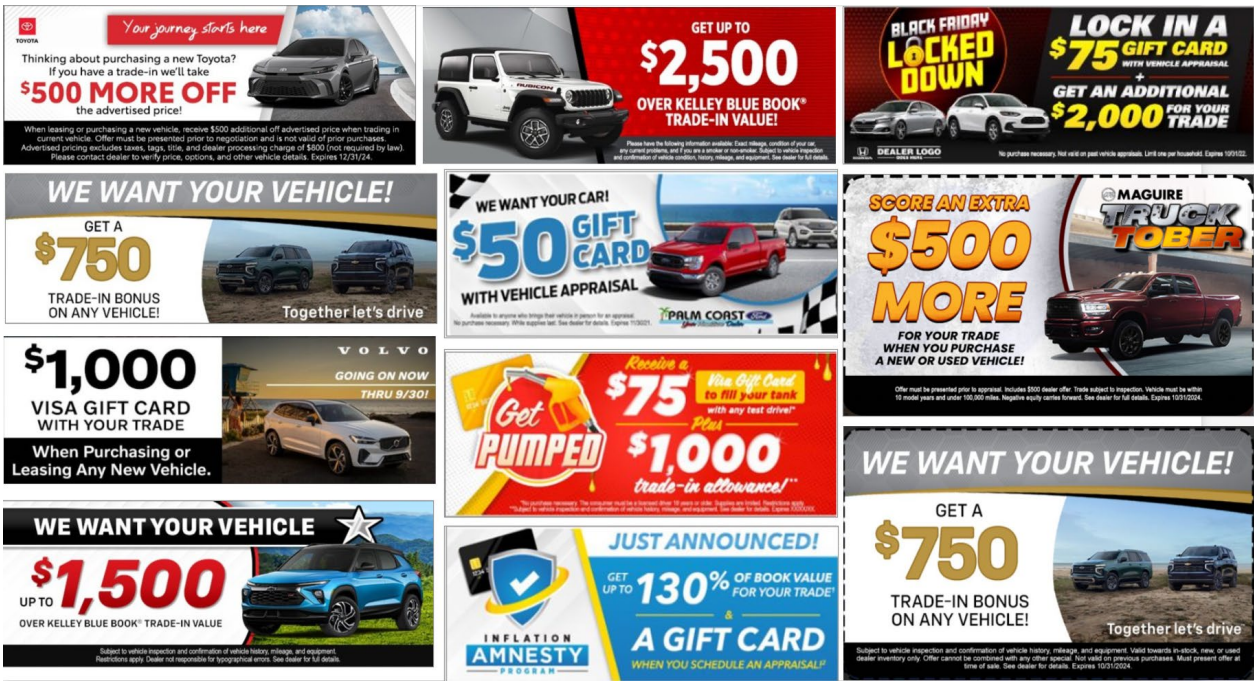
Shoppers receive:

- SMS text with incentive
- Instant email with coupon code
- Mobile-friendly printable coupon page
- Weekly email blast reminder to anyone who has not redeemed
  - Option to turn off but shoppers can also unsubscribe

NitroLeads FAQs:

- Package includes up to 3 on-site promotions (sales + service promotions recommended)
- Delayed pop-up enhances user experience and increases lead conversion
- Customize offers based on the page shoppers land on
- Non-intrusive, inviting experience; Does not affect page load time
- Monthly NitroLeads campaign performance, tracking Impressions and Lead Forms

NitroLeads Trade-in Offer examples:



MAXIMIZING ROI THROUGH AUDITS

Comprehensive audits of third-party marketplace ROI are crucial for enhancing process efficiency and operational optimization. It's important to carefully assess each product you're investing in and understand its contribution to the overall value of the third-party offering. Also, make sure the products across these channels do not overlap with any other media you're running. Dealers often find that they can trim their investment in multiple partners with minimal negative impact.

It's essential to distinguish between Classified Marketplaces and Lead Providers. For example, Autotrader offers more than just lead generation — it also provides valuable exposure for dealership inventory and brand reputation. This exposure contributes to building trust and legitimacy in the eyes of consumers. However, not all Autotrader products offer the same level of value. Sometimes, dealerships invest heavily in one platform without seeing satisfactory returns, leading them to consider cutting ties with the provider altogether. Instead, it's advisable to review the value provided by each provider, understanding which products offer additional benefits beyond leads and their resulting close rates.

Prioritizing Customer and Staff Experience

During periods of sluggish sales, it's tempting to point fingers at the sales team/management. However, acknowledging the challenges we've encountered and will continue to face is crucial for management to effectively retain staff and maintain morale. The current economic climate presents an opportunity to shift focus and allocate resources toward enhancing the overall dealership experience for both customers and employees in all profit centers.

Investing in improvements to streamline processes, elevate customer service standards, and cultivate a positive work environment can yield significant long-term benefits by strengthening brand reputation and boosting employee morale. Now is the opportune moment to assess the cleanliness and appeal of the facilities.

Utilize First Party Audience

We might sound like a broken record but there is no better way to obtain efficiency than focusing on the data you already have in your possession today. Your First Party Audience is the data you have in your CRM, DMS, website traffic, and other transaction and prospect data. It is the most valuable asset you can use in marketing! Ensure your advertising channels reflect the investment in this data, as it will yield a much lower cost per transaction than acquiring new customers.

Key Takeaways:

Conducting regular audits on third-party marketplace ROI helps optimize investments by assessing each product's unique value and reducing overlap across channels. It's critical to distinguish between classified marketplaces and lead providers to ensure efficient resource allocation. Focusing on customer and staff experience, especially during slower sales, can strengthen dealership reputation and employee morale. Improving facility appeal and streamlining processes enhance overall satisfaction. Lastly, leveraging First Party Audience data (from CRM, DMS, and website traffic) maximizes marketing efficiency, reducing acquisition costs and strengthening customer engagement.

THIRD-PARTY MARKETPLACES

It's time to rethink the marketing funnel to include additional digital targeting and strategy tactics. Historically, dealers have spent a good portion of their marketing budget on Classified Marketplace products (classified listings, display ads, retargeting ads, and social) to cast a wide net and attract as many in-market shoppers as possible.

Now that we have access to first-party data and enhanced targeting (using ShopperSuite) to influence every shopper in a household, dealers don't need to invest as much in third-party (Classified) advertising products. We know exactly where the shoppers are and how to influence their decisions. Plus, shoppers who **visit a dealer's website are more likely to buy than someone who is still browsing inventory on a classified marketplace.** Target shoppers who are lower funnel/closer to purchase and consider adding/increasing Display Retargeting or Geo-Addressable CTV, Online Video, or Connected Radio tactics to stay top-of-mind during their purchase journey.

Invest in What You Sell Best

Dealers typically have a better chance of closing a lead when that lead originates from the dealer's website. Review the close rates (in the CRM) of all the leads originating from the dealer site: Dealer Website (phone and forms), Digital Retail, Trade Tool, Chat, Finance App, and pop-up coupons (or NitroLeads). These leads most likely have a higher close rate than the leads from some classified marketplaces (Autotrader, Cars.com, TrueCar, Edmunds, CarGurus).

Consider reallocating budget from third-party marketplace display, retargeting, and social products to tactics that will send more traffic to the dealer website, thus increasing the number of dealer website leads that the sales team has a better chance of closing. This **includes activating VIN-specific Display, Retargeting, Social, or Geo-Addressable Display, which will send traffic to your website** and get shoppers browsing your inventory and (hopefully) submitting a lead.

"Dedicate 10-15% of the total advertising budget to third-party marketplaces for maximum efficiency."

Third-Party Marketplace Basics

1. Dealers only need to enroll with inventory listings package.
   - **a.** Skip the extra display ads, video, retargeting, or social packages — especially since these clicks often return a shopper to the marketplace website, not the dealer's.
   - **b.** It's imperative to have the inventory listed on a classified site well merchandised, thus making it visible to the bulk of car shoppers in the market.
     - **i.** Ensure each vehicle has 25+ photos, price, details, and comments.

2. Dealers should consider picking ONE larger marketplace listing site (Autotrader or Cars.com) to list ALL their inventory and one or more used-specific marketplace sites (CarGurus or CARFAX®) to promote used or CPO inventory.
    a. Multiple large providers cause overlaps in audience coverage which prevents efficient spend — yet not being on any of them is a risk of not being where customers are looking for inventory.
    b. Conduct an audit of your market on each website. Search for your popular used models and note the competitors appearing in the search results.
        i. You may have to decide between staying on a website with numerous competitors or staying where there's less competition and more visibility for your vehicles.
        ii. If you have additional Display products (Spotlights, banner ads, etc.), look for your ads to ensure your messaging is active (and increasing awareness).
3. Dealers can add a used-focus marketplace if concentrating on used sales and have a healthy supply. Dealers don't *have* to partner with these providers, but if there's budget available and the store wants another classified listing for used cars, these are the best two used-focus options.
    a. **CARFAX®:** Good for quick used car leads. Dealers can add CARFAX® for Life products to boost trade-in leads and service retention.
    b. **CarGurus:** Usually more cost-effective than Autotrader and Cars.com; generates decent lead volume. You need to enroll in one of the top 2 tiers of inventory packages (Featured or Featured Priority) so inventory is at the top of SRPs.
4. As a rule of thumb, 10-15% of the total advertising budget should be dedicated to Classified Marketplaces for maximum efficiency. This list of providers includes:
    a. Autotrader/KBB (new and used)
    b. CARFAX® Classifieds (used focus)
    c. CarGurus (new and used; used inventory is priority)
    d. Cars.com (new and used)
    e. Costco Auto Program (new car focus)
    f. Edmunds (new car focus)
    g. TrueCar (new car focus)

We need to find a balance between Classifieds, Paid Search, Social, Connected products, Traditional media, and Geo-Addressable solutions to:

- Increase awareness about inventory (and the dealership).
- Drive traffic to the dealer website.
- Retarget non-converting shoppers.
- Increase qualified leads for dealerships.

Connect with the Stream team to start a conversation about how we can help your dealership acquire and sell used inventory.

Learn More

Contact Us: GM@streamcompanies.com