

**BEN**labs



WHITEPAPER

---

# AI IN THE CHANGING WORLD OF AUTOMOTIVE ADVERTISING

# AI IN THE CHANGING WORLD OF AUTOMOTIVE ADVERTISING



That is reason enough for the automotive sector to consider the efficacy of their advertising and content marketing efforts in the typical buyer journey. Because without the right lens, it can look like there is no longer a “typical buyer journey.”

AI — with its unbiased data-first approach — can help automotive brands and automotive brand marketers understand and map the customer journey, discovering where people are alike and where they differ, and finding the right opportunities to reach and influence prospective automotive buyers.

With BENlabs AI providing deep audience intelligence and clearly identifying the unskippable influencer marketing, product placement, and other brand integration opportunities that move the needle, automotive brand marketers set their brand up for success. By using actionable insights derived by industry-leading AI, with conclusions drawn on structured and unstructured data, automotive brand marketers can reach the right people with the right message for their unique buyer journey.

# AUTOMOTIVE BUYING EVOLVED

As technology has evolved, so too has automotive buying behavior. Buying a vehicle is a big investment, second only to buying a house for most people. It stands to reason that they want to get it right.

To get ahead, automotive advertisers must acknowledge that traditional advertising methods are no longer enough: They need to get ahead of the curve to identify their ideal customers, understand their unique journey, their preferences, challenges as well as the emerging trends in vehicle buying.

By understanding that the car-buying journey often starts even before there's a defined need, automotive brand marketers can build desire with an eye to turning that desire into intention at the ideal stage of the buyer's 24-step purchase journey.

**Seven out of 10** buyers research vehicles online before they consider setting foot into the dealership ([Cox Automotive](#)). Nearly eight in 10 (**76%**) identify TV, social media, movies, or music integration as an influence in their ultimate purchase decision.

Hence the need for automotive brand marketers, dealers, and the industry at large to develop unskippable and captivating online content that earns that ever-elusive attention.

AI is the tool that can do that. BENlabs makes the tools, and is the expert at putting those tools to use to further the automotive brand marketer's unique product, and unique goals.

[Find Out How](#)

# DIGITAL VEHICLE BUYING FACTS AND FIGURES

## U.S. Digital Ad Spending Growth, by Industry, 2019-2023

% change

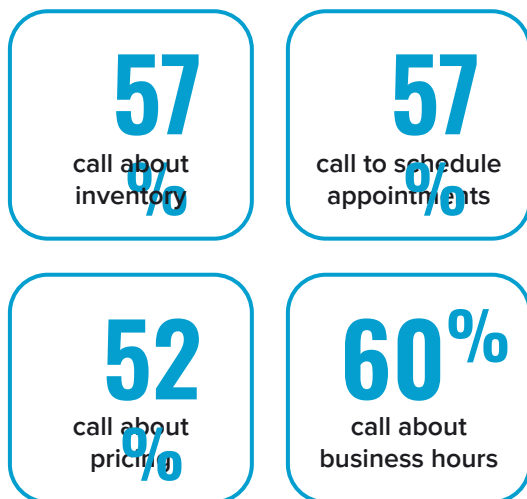
	2019	2020	2021	2022	2023
Automotive	13.9%	-9.0%	20.5%	13.7%	11.7%
Computing products & consumer electronics	21.7%	30.5%	29.0%	15.3%	13.3%
CPG	14.8%	24.7%	31.7%	17.9%	15.7%
Entertainment	20.4%	12.7%	37.2%	16.5%	14.5%
Financial Services	23.3%	20.3%	16.7%	12.8%	11.3%
Healthcare & pharma	17.3%	27.2%	11.6%	11.5%	10.1%
Media	20.8%	8.5%	21.1%	10.8%	7.6%
Retail	21.5%	23.1%	34.5%	20.2%	16.5%
Telecom	16.3%	17.0%	14.2%	11.0%	8.3%
Travel	26.8%	-51.0%	18.7%	14.2%	12.1%
Other	18.0%	15.8%	23.6%	11.3%	9.2%
<b>Total</b>	<b>19.2%</b>	<b>14.9%</b>	<b>25.5%</b>	<b>15.6%</b>	<b>13.2%</b>

*Note: Includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices on all formats mentioned. Source: eMarketer, June 2021*

- Automotive commands a significant portion of consumer spending around the world, including the U.S. and accounts for **23%** of all retail sales in 2023 (eMarketer Automotive)
- 2023 Automotive ad spending is set to increase **11.7%** in 2023 (Insider Intelligence)

- Only **one in three** potential buyers are sure about the car they intend to buy. ([Cox Automotive](#))
- The average cost per lead in automotive is **\$250** and this number is expected to rise in the near-term ([Lion Tree Group](#))
- **95%** of vehicle buyers use digital platforms as a source of information. **80%** of new automotive purchasers took action after watching a video, and **60%** of automotive searches on mobile devices being related to a specific brand dealership ([Think with Google](#))
- Car buyers spend an estimated **14 hours** researching a vehicle purchase online on average ([Cox Automotive](#))

## Why Consumers Call About Vehicles From a Search Ad Call Extension



Source: Google

**57%** of potential buyers call to inquire about vehicle availability or to book an appointment at the dealership (Google Search data)

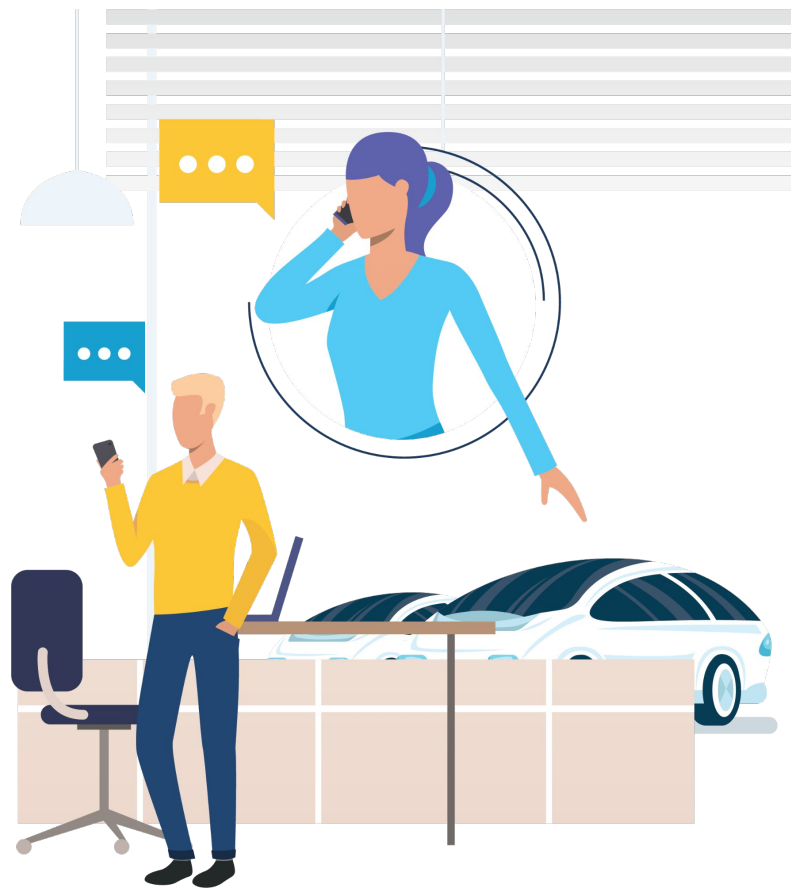
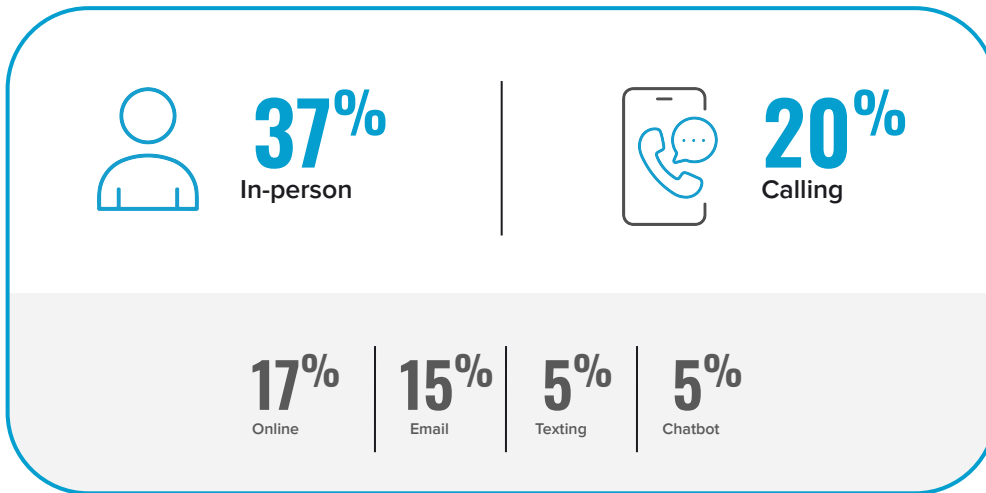
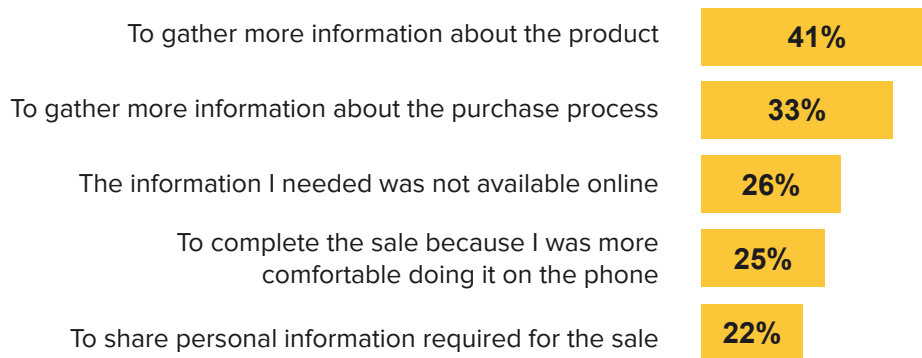


Image by katemangostar on Freepik

While people prefer to get information online, most car purchases are still an in-person (**37%**) or on the phone (**20%**) affair (INVOCA).



When people call the dealership to inquire about a vehicle, it's usually to gather more information (**74%**). Either about the vehicle itself (**41%**) or about the purchase process (**33%**). Nearly a quarter of calls are because the prospective buyer couldn't find the information they needed online (**26%**).



So while the buyer journey almost always begins online — first with exposure and next with research — it typically ends in person or if not, on the phone. That's not to say people aren't buying cars online. They are. However, the data suggests that these people are the early majority .

# AUTOMOTIVE ADVERTISING TRENDS

In 2023 and beyond, the automotive industry sees continued growth but the way people research, engage, and ultimately purchase vehicles continues to evolve.

Successful automotive brand marketers are already doing the work to really understand not just their ideal customer but their target customer's ideals. This is the first step to building the tailor-made experience that customers increasingly expect.

As automotive companies continue to dig deep into customer preferences and demand through their sleek and tailor-made innovations, and as consumers increasingly look online to meet their demands, automotive marketers need to establish effective, tailored marketing campaigns that will attract audiences and give them the information and incentive they need to become buyers.

## Personalized, Targeted Digital Ads

AI is key to analyzing and understanding the customer journey and creating personal, relevant and effective moments that translate to awareness, affinity, and sales.

Vehicle research is an independent undertaking but that doesn't mean it can't be personalized. With BENlabs AI drawing deep insight to build and personalize brand integration, automotive advertisers can build an intelligent, high-touch, and personal customer journey.

With nine in 10 people spending an average of 14 hours doing online research prior to making a vehicle purchase, it's clear that customers are now going deep before they make a decision. As marketers, we need to personalize our ads and content through meaningful customer intelligence which includes:

- Deep AI-driven customer insight
- Unskippable moments across media
- A personal customer relationship

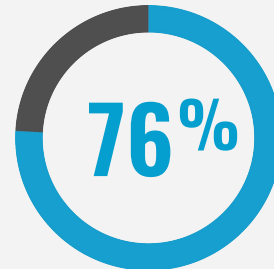
AI-derived customer insight creates these unskippable moments, which are key to building the personal customer relationship. In the short term, this drives brand affinity, which leads to sales and an ongoing relationship over the long-term.

## An Interactive Buyer Experience

The modern buyer experience isn't one-way, it's interactive. Automotive advertisers and brand marketers should look for every opportunity to build a reciprocal relationship.

### One Bad Experience Can Drive Away Most of Your Customers

Your customers are willing to pay more for great service, but they'll also make you pay if you don't provide it. Consumers have less patience than ever for bad experiences, and they won't hesitate to stop doing business with you — even after a single negative experience.



**OF CONSUMERS**  
will stop doing business with you  
after just one bad experience

Prospective buyers are on a mobile device as much or more than they're on a laptop or desktop. Social media has made marketing and the buying experience interactive.

Mobile apps and online vehicle configuration tools are table stakes today. AI — specifically BENlabs AI — can help turn interest into intent, exposing potential buyers to your brand through the right media, at the right time.

Meanwhile, virtual reality and augmented reality are cutting-edge technologies for most would-be vehicle buyers.

BENlabs AI tools are key to finding the audiences that are open to those experiences today, and driving adoption among those that aren't.

1:1 interactions don't scale. That's not a problem unique to the automotive sector. Well trained chatbots and AI virtual assistants are key to replicating and surpassing the 1:1 phone interactions that a majority of car buyers seek.



## **Sustainability**

The buying decision is weighted differently for each would-be automotive buyer, but there is a definite, measurable shift toward considering sustainability and overall impact when purchasing a vehicle.

Whether or not sustainability is a consideration for your ideal buyer, it behooves advertisers to make it clear how a vehicle or other automotive product fits into and furthers the buyer's considerations and ultimately, their self-image.

Electric vehicles (EVs) including, hybrid (HEV) and plug-in hybrid (PHEV) are clear growth categories.

Focusing on sustainability creates a sense of corporate and social responsibility among potential customers who identify with these points.

BENlabs AI tools and the deep audience insight these tools derive are key here. BENlabs AI insights help automotive brand marketers identify the right content opportunities across social media, music, movies and TV.

## **Authentic Automotive Content**

Technology is advancing rapidly and the battle for attention is real. Your would-be customers are going deep, searching for automotive brands and products that fit their image of self and their overall expectations.

People need to build trust before they buy. Content is key to building that trust.

As an automotive brand marketer, the goal isn't just to gain exposure, it's to build an emotional connection.

Tapping content creators across social media, linear and streaming TV, in movies, and music videos is key to creating authentic content that connects with your audience.

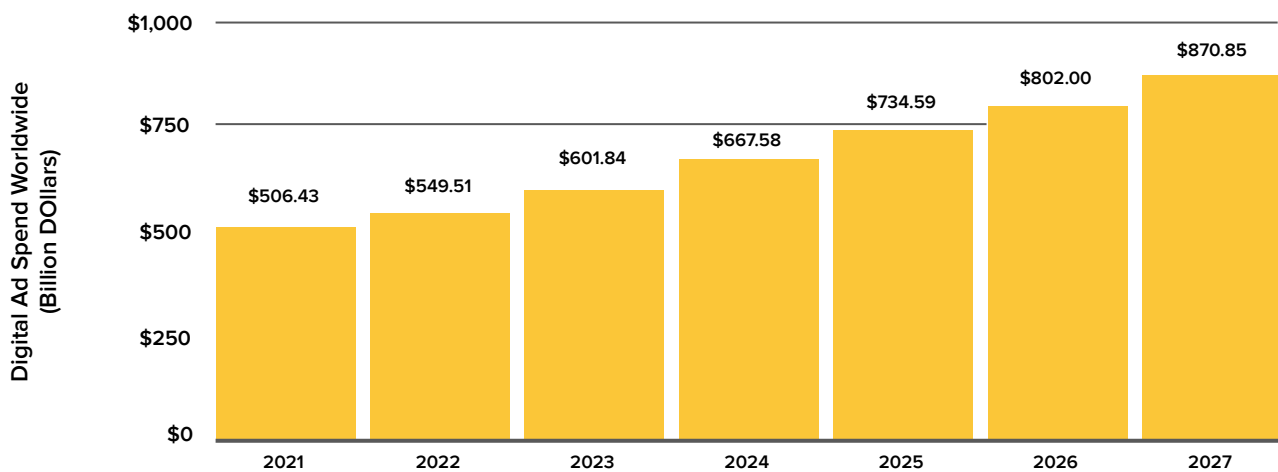
## Increasing Digital Ad Spend

Share of voice for digital is only going up. At the same time, the impact of AI on digital marketing cannot be understated.

Global digital ad spending is currently estimated at \$601.84B ([eMarketer](#)) up from \$549.51B in 2022. 2024 looks to outpace YoY growth as a percentage, rising to **\$667.58B**.

The media is clear, all that remains is the message.

### Digital Ad Spend (2021-2027)



Source: eMarketer

# MAJOR CHALLENGES IN AUTOMOTIVE ADVERTISING

## Changing Customer Behavior

Rising global Inflation is putting downward pressure on overall spending, lowering consumption. For some, that means changing their vehicle buying behavior and deferring or even abandoning their vehicle buying dreams.

World pandemics including COVID-19, and the Russia-Ukraine war, have disrupted the supply chain and put further pressure on the world economy. Though consumer confidence stands at 47.6 ([Ipsos](#), July 2023), the automotive industry needs to recognize changing needs and buyer behavior.

## Online Vehicle Sales

While online vehicle sales have made significant inroads, Although online dealerships have remained most valuable in the car buying journey over the years, purchasing a car online has not been that simple for many buyers. Cars sold online are considerably expensive and most of the time not returnable once sold.

Additionally, many buyers interact with several online sellers before making their final decision. This has made several customers make decisions based on different touchpoints. The worldwide COVID-19 pandemic [accelerated online adoption by several years](#). The automotive sector is not the only one still catching up.

Today, the only strategy is an omnichannel strategy. In automotive, that means meeting consumers where they are, online, through their buyer journey and beyond.

## Ad Avoidance

Automotive audiences aren't looking for you in magazines or sitting through TV ads. Instead, they're discovering new brands and trends through automotive influencers, getting car buying tips and advice from their favorite automotive content creators.

They're skipping ads the second they get the option and are being exposed to products, including automotive products, through their favorite music, movie, TV, and social content. At BENlabs, we'll craft recommendations across the entertainment landscape so you're there, in all the right places.

## Social Media Use

On average, people spend **6.7 years** of their life on social media. By contrast, they spend under two years socializing in person. People watch **5.7 hours** of video a day on average, but they're not watching in any one place. They're accessing billions of hours of video content spread across thousands of streaming services and social platforms. **93%** of us listen to music regularly, and the 27-42 year-olds (millennials) listen **75.1%** more than older generations.

There are exciting statistics for any automotive brand that has learned to adapt, developing deep audience intelligence to meet prospects where they live online. On the flip side, it's damning data for any brand that sees the diminishing returns on their marketing efforts and doesn't find the right partner to help them go where the data leads.

## Decentralized Content

On their own, automotive blogs and traditional automotive critics aren't the main drivers for buying decisions. Instead, online video factors heavily into vehicle purchase decisions, with three in four buyers engaging with online video before they buy.

Movies, music, TV, and social media split audiences. There isn't any one source that all people go to for automotive advice or content. automotive brands need to show up meaningfully, in multiple places, to really make an impact with their audiences.

## Data Intelligence and Reporting

**95%** of car buyers live online. Twice as many people do their research online vs. at the dealership. Despite this, data-backed insights for many automotive brands are lagging.

Showing up in social feeds, with music artists, in movie theaters or on the hot streaming show is great, but automotive brands need to know exactly how these content engagements drive brand activations back to their business and how they move the needle on growth KPIs. They need a partner who can draw real, actionable insights from structured and unstructured data.

## Overall Growth and Performance in Automotive

Various factors are putting downward pressure on the automotive industry, but projections suggest a changing of the tides.

For example, the total market value of the automobile industry in the U.S. is estimated to be \$104.1B for 2023. This is according to [zippia.com](https://zippia.com)



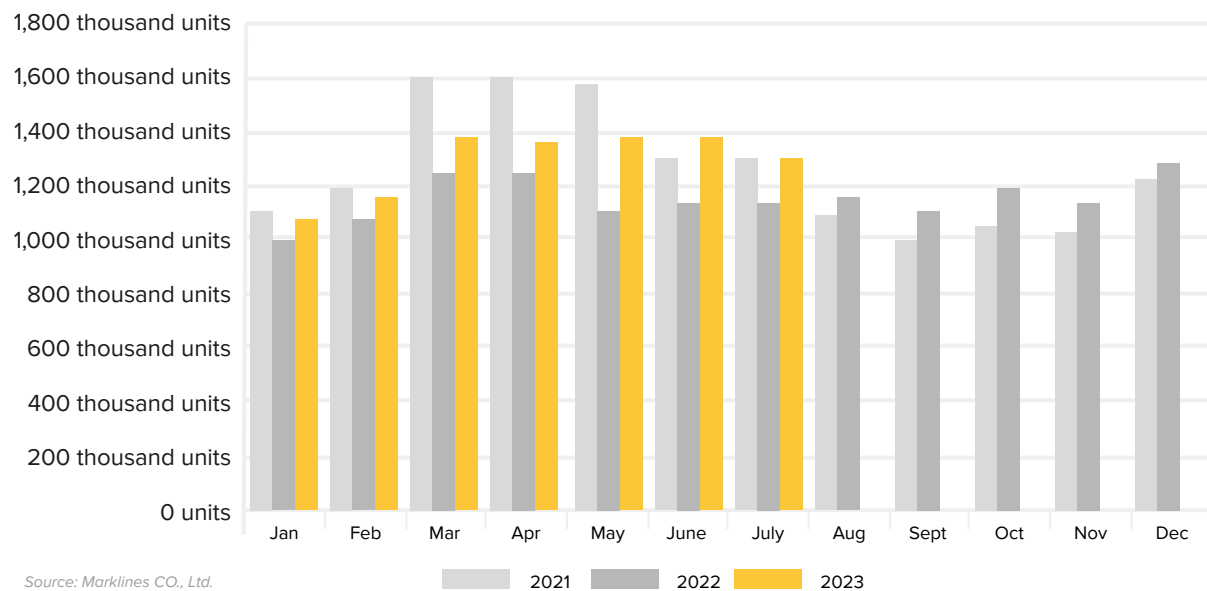
Image by pch.vector on Freepik

**The U.S. Auto  
Manufacturing Industry  
Has a Market Size of  
\$104.1B**

Source: Zippia

This growth trajectory is expected to increase annually with the first projections already witnessed in the first quarter of the year 2023.

## USA - Automotive Sales Volume, 2023



The number of new cars sold per year has also gone up with different car models highly competing for the best-selling titles as shown below.

**The best-selling models in June 2023 were:**

1. Ford F-Series (up 25.5% from June 2022)
2. Chevrolet Silverado (up 7.8%)
3. Ram Pickups (up 2.6%)
4. Toyota RAV4 (up 20.4%)
5. Tesla Model Y (up 81.9%)
6. Honda CR-V (up 36.3%)
7. Nissan Rogue (up 124.8%)
8. Toyota Camry (up 18.3%)
9. GMC Sierra (up 28.3%)
10. Jeep Grand Cherokee (up 52.8%)

**Sales of New Vehicles by Type** (Sales figures of Mercedes have been updated, July 12, 2023)

Type	2023	2022	YOY	2023	2022	YOY
	June	June		Jan. – June	Jan. – June	
Passenger Cars	290,529	251,196	15.7%	1,630,824	1,488,106	9.6%
Light Trucks (Pickup Truck, SUV)	1,095,333	896,083	22.2%	6,084,355	5,375,862	13.2%
<b>Total</b>	<b>1,385,862</b>	<b>1,147,279</b>	<b>20.8%</b>	<b>7,715,179</b>	<b>6,863,968</b>	<b>12.4%</b>

Source: MarkLines Data Center

With the increase in consumer demand, the average cost of a new car (\$48K) has also gone up depending on the brand or customer preferences. It is estimated that new vehicle buyers keep their car for eight years before they move on.

# THE TAKEAWAY

The average vehicle buying journey comprises 24 steps. With a changing economic situation, evolving vehicle technology, and changing consumer behavior there is one constant: the need for automotive advertisers to find the ideal audience; to make an immediate and lasting connection, and to remain top-of-mind throughout that 24 step journey.

## **BENlabs can help.**

A meaningful relationship with automotive buyers begins and grows with smart brand integration across social media, in movies, music, and on TV. The actual purchase or lease moment is a milestone for both buyer and seller and represents a new stage in the relationship.

With BENlabs AI identifying the perfect audience clusters for the automotive advertiser's unique messages and with BENlabs AI driving predictive campaigns and other analytics with a degree of accuracy not available anywhere else, automotive advertisers have all the tools they need to build a powerful relationship with customers.

**Let's Talk**