

CMO Council releases auto report indicating lack of social media leverage

The Chief Marketing Officer (CMO) Council has released a report indicating that the auto industry ecosystem should do more to leverage social media as a platform for driving [business leads](#) into sales pipelines.

Social media is stimulating extensive auto-related conversations and content that create major opportunities to identify likely buyers and engage them based on their preferences and purchase intent, according to the report, which is entitled 'Turning Social Feeds Into Business Leads'.



Developed in partnership with hoojook, a Silicon Valley social media intelligence company focused on the auto sector, the new report finds auto industry marketers are in various stages of adopting social marketing strategies and practices. Most see social as a potentially powerful medium for understanding and engaging consumers, but they are early in the development of marketing and business metrics, as well as processes that integrate social media data more effectively in the sales funnel.

"Social represents an important marketing frontier for the automotive industry," said Donovan Neale-May, executive director of the [CMO Council](#). "Senior marketers recognise its capacity to deliver actionable, real-time insights that can help drive overall marketing effectiveness. They also see its value as a dynamic channel for influencing brand preference and purchase. Now they need to take the next step by integrating social more directly into the sales funnel and using it as a new platform for delivering qualified leads."

Social media evidence

There is plenty of evidence demonstrating the potential of social as a marketing channel across manufacturing brands, dealerships and aftermarket products and services. For example:

- 38% of consumers say they will consult social media in making their next car purchase
 - 23% of car buyers say they use social media to communicate their purchase experience
 - 84% of automotive shoppers are on Facebook and 24% of them have used Facebook as a resource for making their vehicle purchases
 - 40% of new car purchases over the next 10 years will be made by Millennials
 - 94% of millennial car buyers gather information online
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- Clicks on Facebook auto ads climbed from 16% to 39% between October 2012 and April 2013

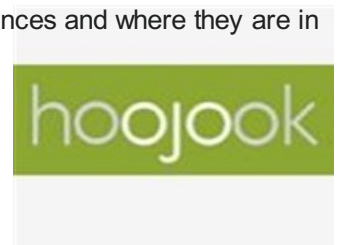
Based on interviews with senior marketers and executives from auto manufacturers, dealer networks, aftermarket service providers and B2B automotive solutions companies such as Autonation, Costco Auto Program, Nissan, Cadillac, Car MD, KIA, Aspen, Express Oil Change, Mazda, Snap-on, Dealertrack, DME Automotive, the report finds that senior marketers are highly interested in developing and using new systems and processes to leverage social more effectively for lead acquisition and acceleration. However, most say they are only in the very early stages of the process and often express caution about possible brand reputation issues when overtly marketing to individuals on social.

Potential for an effective medium

Nonetheless, the report argues that the use of social in combination with natural language processing and big data analytics, along with social's ability to deliver meaningful content and commentary in context, has the potential to make it a

highly effective medium for identifying, segmenting and engaging consumers based on preferences and where they are in the purchase cycle.

"The technology now exists to process and analyse social streams. Not only to understand broader consumer attitudes and reputational issues but also to identify, segment and profile individual consumers based on where they are in the purchase cycle, their preferences and needs and psychographic characteristics that influence how they want to engage with brands and service providers," said Shauli Chaudhuri, CEO of hoojook.



Other report insights

- Campaigns focused on cars generate much higher consumer engagement and interest than other social media initiatives, such as charitable causes
- Reputation management is seen as potentially the most critical aspect of social marketing, with consumer-generated content and commentary having a huge influence on purchasing decisions
- Marketers view social as most effective when integrated with other channels and marketing approaches; many view social analytics as an invaluable source of insight for other digital and offline marketing efforts
- Facebook is widely regarded as the most powerful social channel for automotive, but marketers say other channels can be more effective, depending on the need and strategy

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