SEM/AI/ is a tool built to make Google Ads work more effectively for automotive dealers. It intelligently and automatically responds to inventory and marketplace changes and updates campaign parameters at a pace and scale beyond human capability. Creating inventory targeted keywords and ads, SEM/AI/ produces significantly increased relevance and conversion performance at a dramatically reduced cost. The Google Ads and Microsoft-integrated mobile and web-based application creates new campaigns or optimizes existing campaigns for the dealer's inventory in a matter of minutes. Media costs are passed directly through to the dealer along with transparent performance reporting and campaign monitoring. The LotLinx SEM/AI/ platform delivers a 57% reduction in cost per click and 40 hours saved per month in SEM management. Best of all, it's free to all dealers on the LotLinx TURN platform as an added value. This means that dealer groups, with internal marketing staff, can better leverage campaigns that are not running under TURN 3.0. This tool gives Do-It-Yourself dealers and agencies powerful tools to make sure their Google campaigns are effective and efficient.

## The Problem:

Paid search costs continue to grow, but the returns aren't going in the same direction. Providers charge management fees, adding even more costs. Dealers spend hours talking about performance with vendors and analyzing results - at the cost of more important business needs. Dealers are struggling with SEM; they are spending too much, spending it in the wrong places and not getting the value they want.

## How It Works:

LotLinx SEM/AI/ leverages artificial intelligence to quickly create – and continuously optimize – the dealer's online marketing campaigns. On an inventory campaign, there could be thousands of micro-adjustments to achieve optimization, which a human could not possibly execute. The campaigns are tailored to the dealer's real-time inventory and improve performance metrics such as cost per click, impression share, and website conversions. Quick and

157

intuitive campaign creation tools make it easy to execute a variety of campaign strategies and turn novice users into power users. SEM/AI/ is fully customizable and can be tailored to each dealership's goals. A user-friendly interface makes adjusting budget and flight dates simple and fast, and dealers can access all active campaigns and transparent reporting with the click of a button. Industry-leading technology from LotLinx drives hyper-efficient inventory click-costs without sacrificing performance.

**A FREE Added Value Tool.** SEM/AI/ is now available at no charge to all LotLinx TURN customers. First, a diagnostic of current campaigns is run - the dealer can do this themselves, or it can be handled in a quick phone conversation with the LotLinx team. The dealer provides LotLinx access to their Google Analytics and the resulting report illustrates what the dealership's campaign results could be with SEM/AI/ versus their current usage.



The diagnostic result showed only a 62% optimization. Sunshine Toyota could save ~$1,145 or obtain 3X more shopping sessions with SEM/AI/.
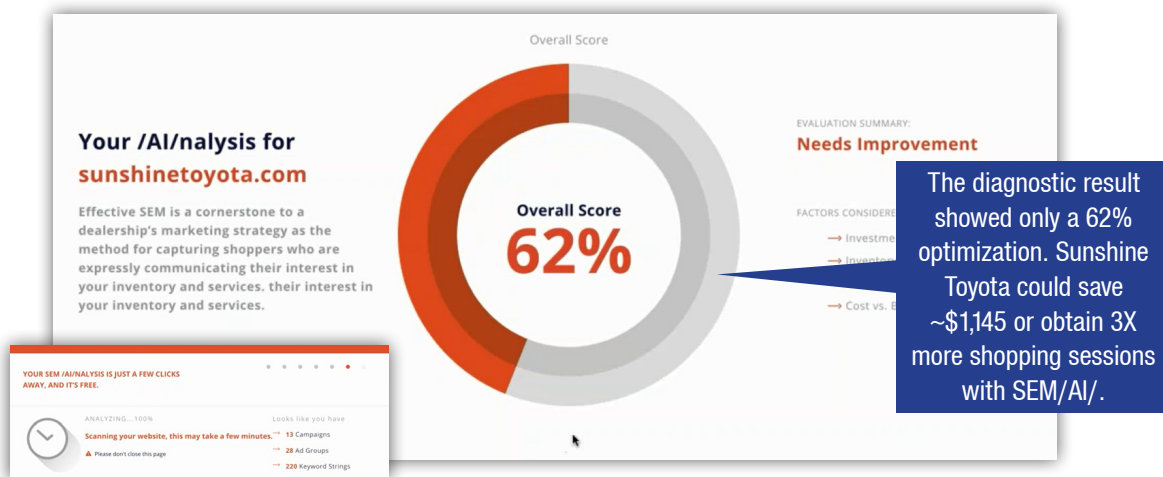
The Diagnostics Report will outline the specific problems it found such as: the dealer's investment is not optimally distributed between campaign types, or the campaigns are not directly supporting inventory, or traffic is landing on a homepage rather than driving consumer to inventory.
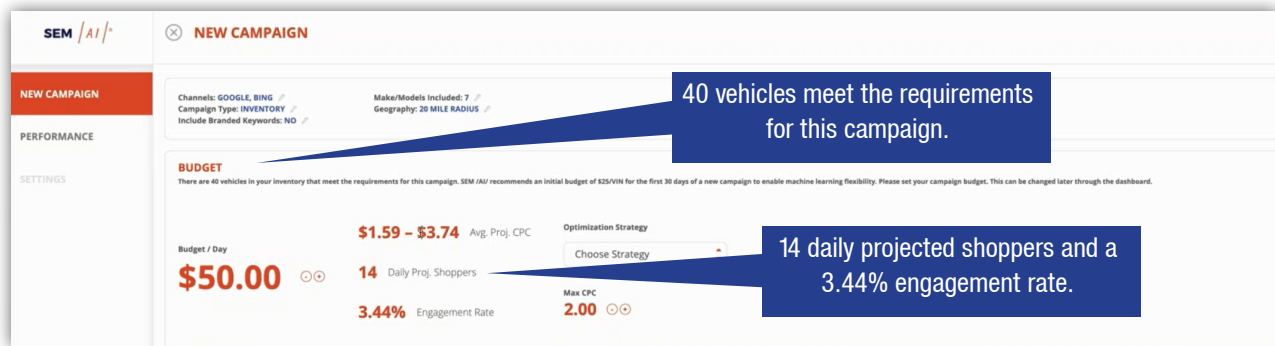


This dealer is paying $5.97 for unbranded inventory keywords, $3.22 above the SEM/AI/ average.
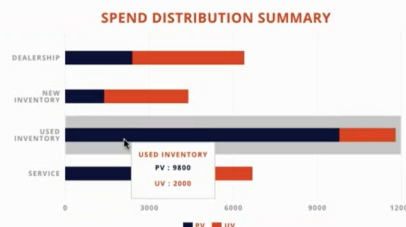
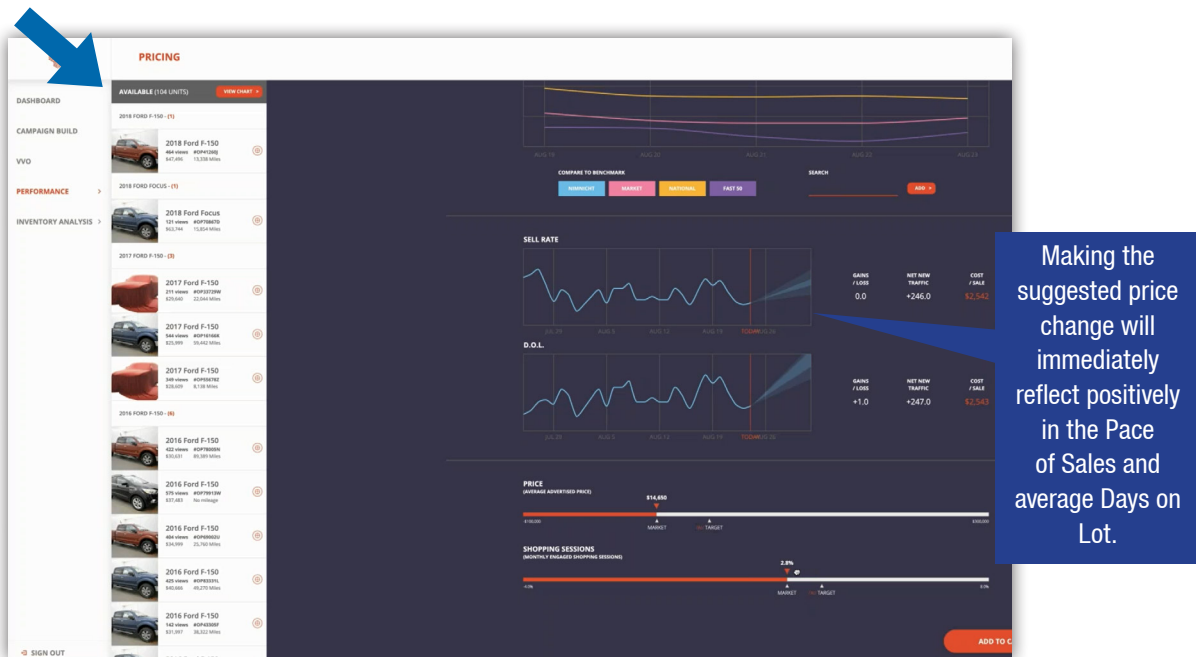**Putting the AI in Control.** The AI can optimize all aspects of each campaign, with the dealer making any editing tweaks they prefer. The majority of dealers allow the analysis tool to optimize their spend and simply provide a budget. SEM/AI/ will optimize the allocation to branded keywords, to inventory, and cover a competitive geography. The resulting campaigns are automatically built for the dealer.

40 vehicles meet the requirements for this campaign.

14 daily projected shoppers and a 3.44% engagement rate.

**Building a Campaign.** Dealers have a variety of campaign types they can build: branded keywords, geo-targeting, incentives, fixed ops, and inventory. In this inventory example above, the dealer has chosen 7 models of new Fords and opts to do a 20-mile radius campaign. They can also choose to use the map feature or a Zip Code select for their targets. The budget selected by the dealer was $50/day. With that information, the AI will show the projected cost per click, the projected number of shoppers, and an engagement rate of 3.44%. The dealer can choose to optimize for efficiency or for reach, and then pick the campaign start and end date.

**Pricing.** NEW. When a dealer is building a campaign, each VIN in that campaign is defined (as seen below with blue arrow). Based on the market and demand, the AI will suggest if the dealer should adjust the price; either raising it or reducing it based on the campaign built. The more traffic sent to the vehicle, the higher the price threshold. The dealer can export those price recommendations to vAuto, and vAuto will make the changes.



Making the suggested price change will immediately reflect positively in the Pace of Sales and average Days on Lot.

**Raising the Price and Net Margins.** Using this tool, many dealers find they have significant inventory priced below market, especially on aged units that are experiencing scheduled markdowns. So, there is an opportunity to increase the price if more demand for those units is being generated. LotLinx dealers find they can average per unit sales of $400 higher after using this pricing model; a substantial impact on net margins.

**ROI.** Every VIN in every campaign is run through a calculator to determine the average days on lot that will be saved through the campaign exposure. The dealer can enter the preferred front/back end gross on the slide bar. The holding cost is set at the industry average of $34/day, but it can also be tweaked by the dealer. This campaign report indicates the overall ROI is 455% on an $8,323 spend (see red arrow). The dealer saved $4,000 in holding costs, added $680 in gross, and $5,143 in markdown avoidance. The dealership improved from 6.1 turns to 7 turns. LotLinx dealers are seeing a return of about 10X when comparing their spend to what they earn back. The data provided in this report is not theoretical. It is specific - on this set of VINs; here is the actual gross, days saved, actual markdown, and sales pace.
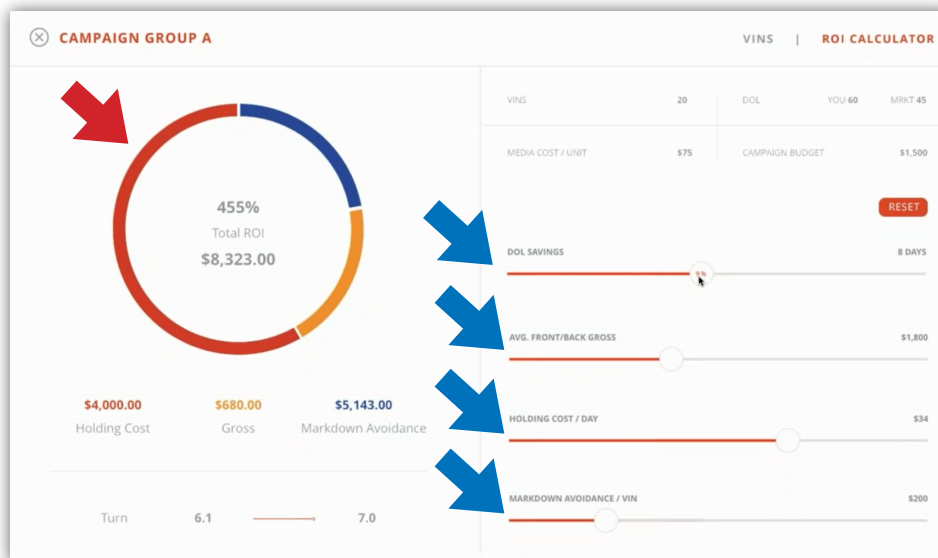


**Reporting** is provided on a weekly and monthly basis and focuses on high level SEM metrics. All data is visible in both the dealer's Google Ads and Google Analytics accounts, so there is 100% transparency at all times. Concise and focused reporting allows dealers to stay informed on progress without bogging them down beneath multi-page complex data sets.

**Onboarding.** Dealers can easily enroll online by simply following the link to get started, or the LotLinx team is always available to assist. The LotLinx team is Google AdWords-certified so every member is a pro and dedicated to a high level of service.

## What do dealers say about SEM/AI/?

*"When I look at where our customers are coming from, it's Pampa, Texas which is 70-80 miles away. Liberal, Kansas, 120 miles, Guymon, Oklahoma, 105 miles. I'm doing no advertising there, I'm not in their local newspaper, and I'm not on their radios. There's no other way these people are finding my cars other than we reached them with LotLinx."*

*John Luciano*
*General Manager*
*Street Volkswagon*