Change of gear

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Auto Trader has gone digital-only. Group consumer marketing director Jonathan Williams tells **Lucy Fisher** why data is set to fuel the brand's future growth

The last print edition of *Auto Trader* was published in June. In keeping with other titles that have abandoned the news-stand, the classified magazine had seen ad numbers and circulation dwindle in recent years. Group consumer marketing director Jonathan Williams admits that with "only around 500" advertisers in the magazine, the print product had become "too thin". It is no more.

But with 11.5m unique users online, *Auto Trader* isn't doing too badly. The used car emporium, part of Trader Media Group, which is controlled by the publisher of *The Guardian* newspaper, is frequently cited as having navigated the tricky digital transition in publishing more effectively than most. A journalist writing for *The Sunday Times* even went as far as to say, that: "As Guardian Media Group's most valuable investment, Trader Media guarantees the financial future of liberal journalism in Britain from an office tucked behind the Morrisons supermarket in Wimbledon town centre".

As it transitions to a pure-play digital brand, *Auto Trader* will be spending a considerable sum on TV advertising, says Williams. It has also migrated to what he calls an "always on" media approach. Both moves are part of a wider attempt to hold onto the brand's enviable market-leading position and to remain front-of-mind, despite the fact that consumers are only in the market to buy or sell a car "every three or four years". So the *Auto Trader* marketing team, which numbers around 15 people and which Williams heads, will be looking to build "more enduring" relationships. "It's about reaching people who are in- and out-of-market," Williams explains.

Revving up

Having been in the business for 12 years, Williams says he's seen first-hand how the migration to digital has been led by the consumer. There is an ever-growing demand for accessing content online, particularly with the growth of mobile.

> "What you do with data is only limited by your imagination. It's about having a bold and creative approach"

There's no harm in making a bold step in that direction – particularly if any money spent on producing the print publication can now be diverted into other types of investment designed to future-proof the business.

"When I joined, it was a case of pay for your print ad and get online for free," says Williams. "But today we've got 11.5m unique users on our site and 3.5m users on mobile." Mobile is frequently being used close to the point of purchase, he says, with 40% of those who access the brand via mobile standing on the dealer forecourt. But, as all marketers know – although arguably few have yet managed to deliver – brands need to create a seamless environment across devices.

Williams believes that where some brands go wrong is in trying to replicate content across channels too stiffly. "Our iPad app is designed to allow motorists to move through with their hand – to 'pinch in' or 'swipe through' thousands of vehicles very quickly. Whatever you design you have to design it for the device," he says.

It's clear, too, that a major draw of digital channels is the ability to harness data and create conclusions and proof-points about marketing spend and effectiveness. Certainly that was a large part of *Auto Trader* group director Nathan Coe's presentation about the company's decision to go digital-only, when he faced a group of journalists back in May – online leaves a digital footprint, so dealers are able to identify where to invest.

What's more, the recent hiring of Trevor Mather – a former group chief executive of software design and IT consultancy Thoughtworks – as CEO of Trader Media Group is in keeping with the company's focus on technology. "He's got the background we'd hoped for," says Williams.

Performance tuning

The ability to make more informed and scientific decisions as a result of data-driven marketing is something that Williams is keen to pursue. He says that the brand recently saw significant success with a large-scale marketing segmentation project: "We did some cross-matching of behavioural, attitudinal and demographic data. We were looking at barriers to engaging with the brand, media placements per audience and product design. We have taken a sample; we have a billion rows of touchpoints within our website. We brought this big data and joined it with other datasets and looked at the behavioural data of nearly 15 million motorists."

This ongoing project has informed marketing and product design, he says, and will now be brought in-house, having so far been facilitated with the help of agencies such as HPI, Glue, Aegis and YouGov. "We've seen great results and we're starting to operationalise it – to have it sitting within our business, so we can dynamically interrogate it, with our own research people," explains Williams.

He says that the identification of certain segments has revolutionised the brand's communication with particular groups of people. "One segment, we found, socially-proofs everything – colour, make, model, dealer, even finance options. Now we can tailor products to them," he explains, by way of example.

Another segment was identified as coming to the site to do price-checks on low value cars but not selling vehicles there. "They were primed to sell but going off to competitors. People who have low value cars don't want to pay the same [listing fee] as someone selling a £10,000 or £15,000 car," says Williams. A package for those selling cars worth £1,000–£2,000 was subsequently created and he claims *Auto Trader* has since seen "recovery" in that portion of the market.

> "Consumers are looking for brands they can rely on, not for purely transactional ones"

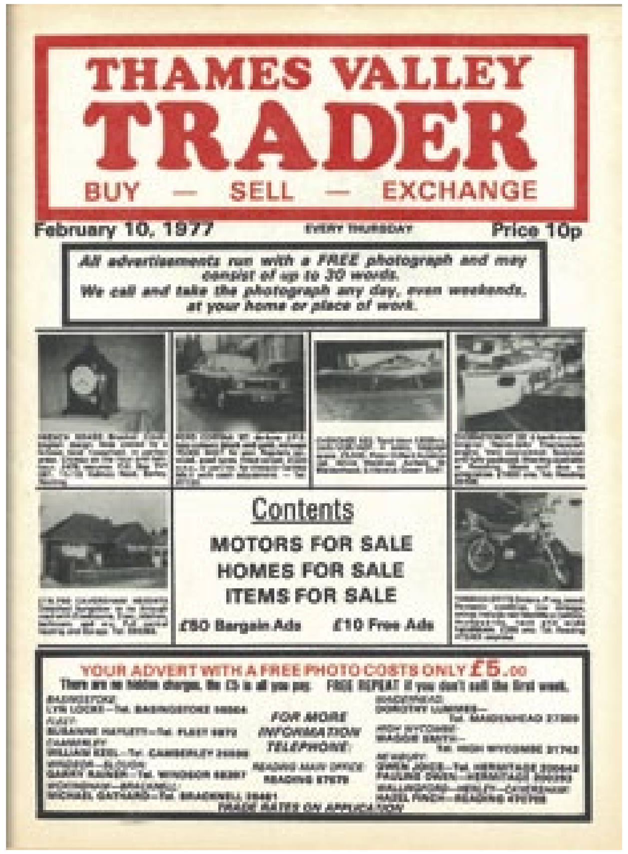
To further grow the digital channel, Williams is looking to raise awareness of private individuals (as opposed to dealers) being able to sell their cars via autotrader.co.uk. It was discovered that only 20% of the brand's private seller market was driving 50% of its private advertising revenue. TV ads have been tailored specifically for private sellers, and Williams says that, as part of the "always on" strategy, they have just agreed a six-month sponsorship deal with television channel Dave.

The plan, it appears, is to more than fill the gap left by the magazine. And, as Williams says: "It's about manoeuvring the brand to build enduring relationships." He describes a product called My Car, which is due for launch this year, and which will act as a conduit for offers to motorists – around finance, MOTs and servicing, for instance. "Consumers are looking for brands they can rely on, not for purely transactional ones," he points out.

In addition to private sellers and buyers, *Auto Trader* will also be looking to forge deeper links with car dealerships. Richard Walker, market ▸

THE ROAD WELL-TRAVELLED

AUTO TRADER'S JOURNEY FROM PRINT TO DIGITAL



1977 *Auto Trader* is founded and produces its first trade magazine by the name of Thames Valley Trader

1988 The company formally takes on the name *Auto Trader* and rebrands all titles

1996 Launch of autotrader.co.uk

2010 *Auto Trader* launches online consumer reviews, mobile advertising and an iPhone app. Unique visitors per month at autotrader.co.uk reach 10m

2011 Launch of iPad app

2013 *Auto Trader* celebrates its 36th birthday and announces that the final edition of its magazine will be published in June as it transitions to a digital-only business

CV
JONATHAN WILLIAMS

2011 – present
Group consumer marketing director, Trader Media Group (TMG). Responsible for managing brand marketing and through-the-line communications. Also led the development of the "UK's largest automotive segmentation" to drive insight and product innovation and has helped lead the migration of *Auto Trader* from a publishing business to a digital business

2008 – 2011
E-marketing director, Trader Media Group. Management of TMG's digital marketing strategy, including the launch of *Auto Trader's* iPad and mobile apps

2004 – 2008
Head of marketing, Trader Media Group. Building on- and offline communications strategies, as well as the approach to TMG's launch into social networks, including Facebook and Twitter, and its eCRM programme

2001 – 2003
Marketing manager, *Auto Trader*. Management of the marketing of autotrader.co.uk to B2B and B2C audiences

intelligence director, describes an online portal which helps dealers source and price inventory. "Up-to-date data linked to demand on the site can help forecast how long it might take to sell a car, and helps dealers be more informed. The accuracy of valuations is a lot better now," he says.

With the magazine gone, *Auto Trader* is concentrating on web, mobile and tablet (above). A snapshot of the dealer dashboard (below).

No slowing down

Very few people would argue that *Auto Trader's* business – a marketplace to connect car buyers and sellers – is not better suited to the digital world. Closing the print edition is not a sign of failure, the company says. In 36 years, circulation has fallen from a peak of 368,000 in January 2000 to just 27,000 in March 2013, but for every print reader it has lost, it has gained 10 online.

As it turns to face a digital-only future, *Auto Trader* is doing so with an increased marketing budget (up 25% to £15m, according to reports), and increased visitor numbers across mobile, tablet and desktop. Of course, more visitors means more data and more opportunities to convert browsers into buyers.

Williams admits that keeping on top of all the data points will be an ongoing challenge. "It's about joining up the dots, and knowing what's working," he says. "There are a million and one things we could do, but it's important to identify the things that will deliver change.

"We are the market leader by quite some considerable way. We've got 50% market share of the classified market and our closest rival has less than 10%. But everyone likes choice. We don't rest on our laurels. Sometimes you get big brands growing at such velocity that they lose touch with their customers."

Auto Trader seems determined not to let that happen and is using digital engagement to good effect. For example, last year it used its YouTube channel to test its creative strategy. It ran six different campaigns on the site, and then reviewed the comments, likes, shares and views to determine which was the most popular. The winner then ran on TV.

It's this kind of data-led marketing which Williams' team is investing in. But data is not there to be followed blindly, he points out. Rather it's there to enable bold marketing moves and innovations. "I'm a big believer in doing things differently and being able to challenge the status quo," he says. And it's important, he adds, not to expect data always to give you the answer. Where it may help, of course, is in negotiating budgets: TV advertising is notoriously expensive, but the success of the campaign on YouTube will have provided a much-needed vote of confidence.

"Be creative and use the power of your people to deliver opportunity," says Williams. "I'm a believer in being exploratory, in innovation. Don't ask similar questions of the same people. It's about having a bold and creative approach. What you do with data is only limited by your imagination."