Linked in Marketing Solutions

Driving Auto Growth with LinkedIn

Why LinkedIn is a more effective & efficient road to achieve your Auto brand + sales goals.

- Quick reference guide -



Building an Auto consumer brand is tough and changes are happening – at speed!

Changes to the industry	Shifts in consumer behavior	Marketing landscape is evolving
Supply recalibration post-COVID	Inflation & Paying Rethinking materialism	Data Differentiation
Consumers' interest in EV is up (71%) but consumer willingness to buy remains at 4%	Redistribution of population density	Cost Strategy

Source: Wolf Street December 2022, Forbes 2023

Nielsen and LinkedIn combined forces to prove the brand and sales impact of Automotive campaigns running on LinkedIn.

Linked in + 🔸 Nielsen

Research: Let's explore the ins and outs.

Third-party verified research was conducted by Nielsen. They undertook a 2-year meta-analysis to analyze the effectiveness and efficiency of Auto campaigns on LinkedIn.



Methodology: Bringing brand awareness and sales together.

- Collected sales data from Polk and brand impact data from a YouGov online panel for consumers exposed to Auto ads on LinkedIn and other channels
- Conducted over 2 years ending October 1, 2022.
- Measured two variables:
 - 1. \$ Sales
 - **2. Brand Awareness:** Which of the following brands have you seen an advertisement for in the past two weeks?

Metrics: The report measured 2 essential advertising KPIs as a holistic way to prove the brand and sales impact of Automotive campaigns on LinkedIn.

The research focused on three metrics:



Effectiveness

The amount of media impact driven relative to the amount of media support (e.g. impressions). Media impact here is defined in 2 ways:

- → \$Sales
- Brand awareness



Efficiency (ROAS)

The impact media drives based on the amount of spend (impact per \$ spent).

ROAS is a sales efficiency metric that measures \$ Sales driven per unit of cost.



% contribution in driving \$ sales

% Contribution is the amount of total \$ Sales driven by each media channel. Think of it as a proxy for media spend.

Results: LinkedIn is uniquely positioned to help automotive marketers reach the right audience and drive sales at the right cost.



Effectiveness

→ \$ Sales

"LinkedIn is **highly effective** at driving \$ Sales."

When it comes to **driving \$ sales**, LinkedIn is:

3X more effective than linear TV **3X** more effective than social platforms







Research Results | Sales Effectiveness

Chart reflects 144 weeks ending Oct 1 2022

Y axis represents the Effectiveness calculation = % Contribution / Billion impressions % Contribution = the amount of Total \$ Sales driven by each media channel

Brand Awareness

"LinkedIn is highly effective LinkedIn at driving brand awareness." A Video When it comes to **driving** Social awareness, LinkedIn is: LinearTV **2**X **9**X **9**X Display more effective more effective more effective than linear TV than display than social Radio OOH 0.0% 0.1% 0.2% 0.3% 0.4% 0.5% 0.6% 0.7% Chart reflects 144 weeks ending Oct 1 2022 Y axis represents the Effectiveness calculation = % Contribution / Billion impressions % Contribution = the amount of Total \$ Sales driven by each media channel Efficiency (ROAS) "LinkedIn is efficient at driving \$ Sales (ROAS)." When it comes to ROAS, LinkedIn provides a: 22%+ 139%+ 205%+ 474%+ greater ROAS greater ROAS greater ROAS greater ROAS than linear TV than search than radio than OOH *LinkedIn's ROAS = \$15



% Contribution in driving \$ Sales

"LinkedIn's investment is unjustifiably too low when considering its position relative to the broader media mix."

What does this mean?

When considering the effectiveness, efficiency, and % contribution, the LinkedIn investment (reflected in size of circle) is unjustifiably too low relative to how effective it is at driving \$ Sales.

% Contribution (bubble size) (use as proxy for media spend)

Research Results | Brand Awareness Effectiveness



Effectiveness

Taking action: Specific ways to drive your Auto brand performance.

What is increasing & decreasing returns to scale?

- Increasing returns to scale: The lift in \$ sales gained increases by a greater proportion than the increase in spend.
- Decreasing returns to scale: Any additional amount of spend made between the inflection point & critical point of diminishing returns still leads to incremental \$ sales, however the gain would be at a decreasing rate of returns. Meaning, the rate of returns would be lower than the rate of returns before the inflection point.

Achieve better ROI by shifting budget to LinkedIn.

"To better optimize your media performance, **consider shifting budget** away from traditional brand channels where investment may be unjustifiably too high (e.g. linear TV) as they are far less effective & efficient and **reallocate it towards more effective & efficient channels, including LinkedIn.**"

Recommended budget allocation to maximize ROI on LinkedIn.

By providing LinkedIn's Response Curve, Nielsen was able to determine the optimal budget needed to shift to LinkedIn to maximize overall ROI & returns to scale:

- Increasing investment from 1.1x to 7x current weekly spend levels, automotive brands will drive incrementally more returns to their increased scale. Otherwise known as "Driving increasing returns to scale."
- Increasing investment from 7.1x to 14x current weekly spend levels, automotive brands will still achieve incremental positive returns to the incremental investment. Following a 14x+ increase in weekly investment, automotive brands may reach the critical point of diminishing returns.



What is a response curve?

Response curves show media's ROI at varying levels of spend and can demonstrate at which point saturation is reached for each media tactic.

What do the results mean?

The point of current weekly spend is very low on the response curve, which means the execution across all Auto brands is considerably below the saturation point. Therefore, there is **significant room for additional investment on LinkedIn to improve overall performance.**