

## **WHEEL MEDIA.COM - Auto dealers see online ads in future (Dinosaur Media DeathWatch™)**

[New York Post](#) ^ | September 12, 2006 | Holly M. Sanders

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September 12, 2006 -- Big automakers have been rapidly shifting their ad budgets to the Internet in recent years, but deep-pocketed dealer groups are poised to pick up the pace of spending even more.

In July, the Northern California Ford dealers, which have a multimillion ad budget, made their first Internet foray after seeing fewer results from television, radio and print.

Like the national automakers, the dealer association noted that car buyers do most of their homework online, according to Jim Cooper, a managing director for ad agency JWT in San Francisco.

"People aren't coming in on a Saturday morning to kick the tires," Cooper said. "By the time they come in they're armed with research."

That migration to the Internet has helped to push up ad rates for popular auto sites, along with bidding for related search terms on Google and Yahoo!

Initially, it also made it expensive and inefficient for regional auto groups - made up of local dealers that pool their ad dollars - to compete online. As local businesses, they also had to figure out how to zero in on buyers in their area.

While the big automakers still spend more online, regional dealer associations that control billions are starting to catch up, ad execs said, which would accelerate the shift from TV and newspapers to the Web.

Auto advertisers boosted Internet spending to \$422.1 million in 2005, a 13 percent jump from the previous year, according to a report by Ad Age and TNS Media Intelligence. Over the same period, they cut TV spending to \$8.41 billion from \$8.85 billion, the report said.

After lagging, some dealer groups are now under pressure from automakers, which often match the funds dealers spend on advertising, to ramp up their Internet marketing.