

# FordDirect found real ROI with a cost-per-sale below \$100 using Google AdWords.



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President and COO  
FordDirect



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## ABOUT GOOGLE ADWORDS

Google AdWords is currently used by thousands of businesses worldwide to gain new customers in a cost-effective way. AdWords uses keywords to precisely target ad delivery to web users seeking information about a particular product or service. The program is based on cost-per-click (CPC) pricing, so advertisers only pay when an ad is clicked on. Advertisers can take advantage of an extremely broad distribution network, and choose the level of support and spending appropriate for their business.

For more information, go to  
[www.google.com/ads](http://www.google.com/ads)

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Launched in August 2000, Dearborn, Mich.-based FordDirect.com is a unique joint venture between Ford Motor Company and 3,900 U.S. Ford Motor Company franchise dealers. FordDirect enables car shoppers to build, price and view inventory of new and used Ford vehicles online. Local dealers provide offline support by stocking vehicles, arranging test drives, handling trade-ins, locating hard-to-find vehicles and servicing cars and trucks after the sale.

FordDirect sold more than 180,000 new vehicles in 2003, its first full year of operation, and the number of sales is expected to grow considerably in the future.

## Approach

To keep pace with the growing consumer expectation that every step of the buying decision for vehicles can occur online, FordDirect began exploring the requirements for a website to attract buyers – not just browsers or information-gatherers – three years ago. A challenge then and now, says FordDirect president and COO Steve St. Andre, is to attract car buyers to the website “throughout all stages of the purchase consideration process.”

A key element of FordDirect’s marketing effort, St. Andre says, is Google. “It opened our eyes to the potential of reaching buyers more effectively through keyword advertising,” he says. FordDirect initiated a Google AdWords™ campaign in June 2003. The company’s two major goals were to attract shoppers to the online tools and services FordDirect offers, and to convert lookers into Ford buyers.

## Results

FordDirect tracks three important online metrics: conversion of click to lead; cost-per-lead; and advertising cost for every vehicle sold. “We were amazed from the start by the volume and quality of traffic that Google has provided to the FordDirect business,” says St. Andre. “We learned quickly that search advertising has the ability to target customers at levels other online media cannot match.”

Since initiating a keyword advertising campaign with Google, St. Andre continues, “Our volume of traffic has increased consistently, and driven more customers to Ford dealers.” St. Andre says the level of traffic Google could generate was never in question. “But what we were most impressed with was Google’s ability to drive relevant traffic by narrowing in on the keywords that provided the best ROI.”

St. Andre knows precisely what his return from Google AdWords is: a steady conversion rate of more than 5 percent from clickthrough to active lead. What’s more, with AdWords, the cost-per-lead remains under \$5. In addition, he notes, “The ultimate measure is our advertising cost-per-vehicle sold. With AdWords, we’re spending less than \$100, tracking the offline purchase from online lead.” Compared to the traditional media spend, Google provides FordDirect significant savings: In 2002, auto manufacturers spent \$508 on average to advertise each vehicle sold.\*

\*2003 *Automotive News Market Data Book*.

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For FordDirect, there's not much nostalgia for pre-Internet days. As St. Andre puts it, “Because using Google has kept our cost-per-lead and our cost-per-sale so low, we've been able to allocate a greater portion of our budget to Google keyword advertising – and deliver more customers in the process.” Which is why, he concludes, “Google AdWords will continue to grow as a percentage of FordDirect.com's total marketing spend.”

