

Cars.com: Following the Road to Mobile

The automotive listing giant Cars.com was quick to embrace mobile, and with over one million visits per month to its iPhone app, it has clearly paid off.

Cars.com has taken a three tiered approach to mobile:

1. A mobile website,
2. A native application,
3. Expanding that native application into multiple mobile platforms.

Cars.com's mobile product manager, Nick Fotis, discussed the business decisions behind his company's mobile strategy with PointAbout COO Daniel Odio.

THE STRATEGY

Cars.com was the first company among its competitors to dive into mobile when it launched a mobile website in April 2007. "In our space, we were a mobile player very early," Fotis said. The site has seen a steady increase of traffic since its mobile website launched.

Cars.com's mobile web strategy was two-fold from the start. "It's offering our product to consumers in the

context of when it's most valuable to them - when they're actually on the lot," Fotis said, "and then it's capturing new consumers who might not be aware of Cars.com by providing a credible mobile product when they happen to do a search from their phone [via the web browser]."

Even though the mobile website garnered the company 800,000 visits a month as of January 2010, Fotis and the executives at Cars.com made the weighty decision to move into the mobile app space. "As we saw mobile devices becoming more of a replacement than a complement to desktops and laptops, we knew we had to grow our content through our mobile platforms," Fotis explained. "How we do that is a fundamental challenge, a critical challenge to growing our business."

DECISIONS

First they had to decide whether to build an app. "We had always taken a very device-agnostic approach to mobile," Nick said. "It was a huge departure for our group



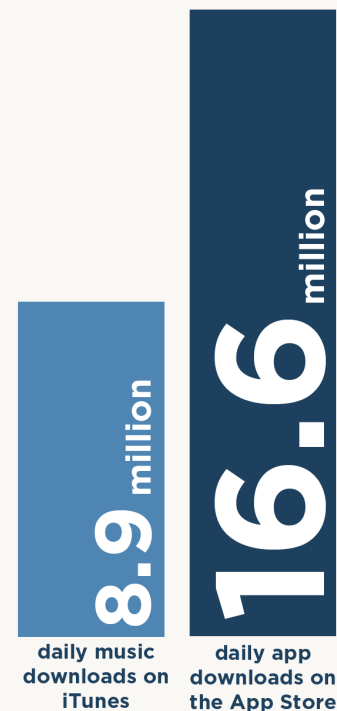
the cars.com mobile website makes up **5%** of all cars.com web traffic.

the iPhone app makes up **6%**

this adds up to a total of

11%

Nick expects mobile to hit **25%** of all Cars.com traffic by 2011, and **50%** soon thereafter.



to pick a device and start developing around that.” The next question was which platform to utilize. A third consideration was choosing between a hybrid app or a native app. A hybrid app is a shell that gets downloaded to a user’s phone, which then calls in a website to open within the shell. A hybrid app would have allowed Cars.com to repurpose its existing mobile web page. A native app is fully unique software that gets downloaded to a user’s phone, generally leading to more usage due to quicker response times and the ability to save online data to the device.

“The hybrid approach is really tempting, and was very tempting to our senior management,” Fotis said, mainly to ensure a consistent brand experience and save on the initial investment on native software development.

In the end, the decision to go native on the iPhone consisted of three compelling reasons: 1. Testing the Apple App Store as a distribution channel. Cars.com wanted to evaluate the market size of consumers who look to the App Store when performing information-related tasks 2. Device adoption and usage patterns. “There is no such thing as a person who pos-

sesses an iPhone and uses it sparingly,” Fotis said. “That category doesn’t exist. People who have iPhones by definition are heavy users of them.” 3. User experience. The key to a successful launch, whether it’s for an app or a website, is the user’s overall experience with the product.

STORIED SUCCESS

Cars.com launched its iPhone app in the first week of February 2010. Apple featured the app prominently in the App Store, leading to 200,000 downloads of the application in its first month after release. The initial wave has led to more than 1 million visits per month to the app.

“Today, people who at first were dubious of the native approach will say without hesitation that they are very thankful we went the native way,” Nick said. “The benefit in user experience far outweighs the incremental cost of developing a native platform. While it was more expensive to invest in building a native app, it was worth the cost.” Even the Blackberry-using members of the executive team were convinced after the performance metrics started to flow in. Users of the Cars.com

iPhone app averaged double or triple the number of page views per visit as users of the mobile website. “The app is just much quicker,” Nick said. “Our mobile site and our online website average 12 to 15 page views per visit. Our app averages between 25 and 35 page views per visit.”

Going native has also paid off in user retention as the Cars.com app has consistently received ratings of three stars or more in the App store. “There is consensus at Cars.com that we would not have achieved such consistently high ratings and the large number of downloads if it were a hybrid app,” Nick said.

The Cars.com iPhone app also had unanticipated uses. Instead of users consisting solely of consumers searching for cars, the company heard from dealers who reported that they marked competitors as favorites on the app, which enabled them to easily check out how the competition was pricing their inventory, and then price their cars competitively.

BEST PRACTICES

Cars.com maximized the benefits of choosing the

iPhone as the native device by giving the app a smart, flexible architecture and built-in ad positions that can be easily changed.

“A guiding principle for us – not just with advertising but with all data in our app – is we want to be able to change information, data, and advertising without updating the app, so we tried to stay as far away as we could from hard coding the elements which may change,” Nick said.

Once the app was out, it quickly became a topic of conversation. “The iPhone app process was a huge morale boost internally. It’s hard to release products that people are excited about and proud of.”

CARS.COM’S FUTURE PLANS FOR MOBILE

“Our top priority is to enhance the existing iPhone app,” he said. “It’s already out there, it’s widely adopted – there is a lot of opportunity there.” On the road map for future versions are integration of additional specs and content, such as reviews and search notifications, which will allow customers to receive SMS messages

analysts predict that by **2014**, the number of **mobile internet users will surpass** the number of desktop internet users.

since its **initial release in 2007**, sales of apple’s **iPhone have doubled every year.**

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|--|---|
| 13.5 views | 30 views |
| average page views in mobile and desktop website | average page views in native iPhone app |

when a specific make, model and year of a vehicle become available in their area.

After that, they’ll be expanding the app to additional platforms and devices such as Android, and perhaps Blackberry and iPad.