

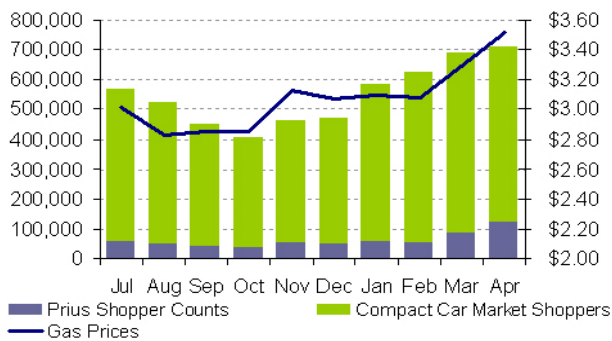
# AUTOINTELLIGENCE™

Monthly automotive competitive insights from Compete

## ARE CONSUMERS ACTUALLY CHANGING THEIR BEHAVIOR BECAUSE OF HIGHER GAS PRICES?

The U.S. price at the pump (all grades) stood at \$3.51/gallon at the end of April, the highest price on record. The conversation surrounding oil prices and the economy has made the price of gas a hot topic across political debates and fuel economy a component of recent automotive campaigns. But are consumers actually shopping differently because of changes in gas prices?

**Gas Prices vs. Compact Car Shopper Counts**  
(Shoppers, National Average Gas Price Per Gallon, July 2007-April 2008)



Compete assessed whether or not the price of gas actually runs the engine of automotive interest in the US. Compete findings suggest consumers shop for compact cars - and particularly the Toyota Prius - more when gas prices rise. Compete tracked monthly shopping, or demand, for the compact car segment and compared it to the monthly U.S. weighted average gasoline (all grades) prices over recent months. Compete measures in-market demand by looking across all popular 3<sup>rd</sup>-party sites and aggregates unique shopping behavior by observing how many people actually utilize shopping tools for every make and model.

Compete also compared demand and gas prices for the most popular hybrid and best-known fuel-efficient compact car, the only U.S. model to exclusively offer every trim as a hybrid: the Toyota Prius. In the graph above, Toyota Prius shopping spikes and falls coincident with gas price changes.

Since launching, the Prius has been synonymous with fuel efficiency and hybrid fervor. April marked the highest shopper count total for Prius on record. Prius was the 4<sup>th</sup> most shopped model in the U.S. in April, with over 124,000 shoppers. To put that in perspective, 124,000 shoppers was more than the entire shopper total for more than 25 other makes. Prius leads the compact car segment in share of segment interest. The compact car segment has grown from 26% of the market in July of 2007 (peak summer gas prices) to over 33% today.

The growth in compact car shopping coincident with gas price hikes signals a change in consumer behavior has taken place. Further, Prius has demonstrated that the right fuel-efficient message at the right time, which is now, works. Better fuel economy messaging works when gas prices peak for compact cars.

## CONSUMERS NEED MORE CHOICES FROM PRIUS'S FUEL EFFICIENT BRAND

Prius had more shoppers than the Lexus brand had in total despite the recent Lexus "power of h" hybrid featured ad campaign. A "hybrid" brand image can support a brand premium or popular eco-friendly status on top of providing fuel efficient benefits. However, more people actually shopped for Prius than for brands with more products across a wider number of segments such as, BMW, Chrysler, Volkswagen, Mercedes-Benz, Pontiac and GMC.

Prius outperformed all models combined (from a unique count, a person could have shopped for more than one model within a make) for the above-mentioned makes and in doing so outperformed the entire make demand for more than 70% of all major makes selling cars or trucks in the U.S. today. The list of makes that had fewer shoppers than Prius demonstrates this point. BMW has nine distinct model groups and Prius alone generated more demand than all of BMW's models in April.

Make	April Shoppers
BMW	103,874
Volkswagen	102,801
Pontiac	100,805
Chrysler	91,703
GMC	91,449
Kia	85,409
Mercedes-Benz	85,227
Jeep	82,294
Subaru	82,102
Lexus	80,435

Prius has demonstrated that the right message at the right time works. Better fuel economy messaging works when gas prices peak, and Prius has the hook consumers are willing to fish for in a compact car segment that's growing. The current EIA (Energy Information Administration) forecast for U.S. gas prices is \$3.57/gallon for 2008. With gas prices remaining that high, Prius is destined for yet more attention and subsequent success. The Prius brand could even extend across a wider range of models. It certainly has enough attention from consumers at the moment to share shoppers across more models.

Compete provides automakers with the most detailed and immediate insights into vehicle demand generation and conversion, as well as vehicle and brand competitiveness. Our services help automakers optimize marketing and incentive decisions and benchmark performance against rival actions.

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