

## TrailBlazer's Trail to Blazing Sales

In July, Chevrolet TrailBlazer sales were up 60% month-over-month and crested at 30,000 units for the first time since at least 2002. To document the **drivers** of this push, Compete mapped TrailBlazer shoppers and the ability to convert those shoppers to sales using the Vehicle Demand Quotient (VDQ) analytic.

What we looked for:

- If the sales lift was all fleet or all unadvertised incentives, we would expect to see a **stable** number of shoppers as sales increased.
- If the lift came from *effective* Tier 1 advertising, we would see **more** shoppers, but expect *poorer* conversion of those shoppers to buyers (a higher VDQ).
- If the lift came from advertised incentives, we would see **more** shoppers (responding to the ads) *and* better conversion (a lower VDQ) as shoppers took advantage of the incentives.

In July, TrailBlazer had its **greatest** number of shoppers and highest recent sales. This suggests that the higher July sales were driven by heavily promoted incentives (or other closing tools).

	Mar	Apr	May	Jun	Jul
<b>Shoppers</b>	63,078	59,391	60,628	58,153	80,922
<b>Sales</b>	21,785	19,542	22,276	19,339	30,916
<b>VDQ</b>	2.9	3.0	2.7	3.0	2.6

Chevrolet now needs to know whether there was a more cost-effective means to drive sales. For example, if it spent \$20 million on advertising and upped incentives by \$1,000 per sale to boost conversion, it spent a total of \$51 million. By validating its marketing effectiveness and conversion effectiveness, it has the tools to quickly refine its ability to **cost-effectively** drive sales.

Without these data, OEMs rely on ad hoc conjecture and the **archaic** dollars-to-sales comparison, with little real ability to determine what **actually** happens among true, in-market shoppers and with limited ability to drive future success.



Chevrolet TrailBlazer

## MINI Shoppers Maximize Shopping

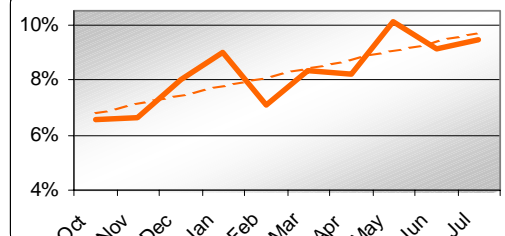
MINI recently announced that it would use incentives or similar means to induce shoppers to become buyers. Some of this may be simply a need to keep up with the market, but some of the need may be a need to rectify an **erosion** of MINI shopper quality over time.

Compete's ICS-10 analytic measures shopper quality. ICS-10 is the average consideration of the top 10 vehicles cross-shopped in any given month. A higher ICS-10 means more consideration of rivals overall. ICS-10 **correlates** very highly with the rate of conversion of shoppers to buyers.

MINI ICS-10 results show a steady erosion of shopper quality in that MINI shoppers show an **increasing** propensity to shop other vehicles. Shopper quality has eroded, driving a need for more incentives.



MINI Cooper



Automakers use ICS-10 to help optimize incentive

spend. OEMs maximize the return on incentives by determining appropriate incentive levels based on ICS-10 trends. This helps ensure that incentives are not too rich and not too light.

## Compete Automotive Intelligence

More than two-thirds of auto consumers research vehicle purchases online, making their online shopping behavior the most accurate leading indicator of vehicle demand and competitiveness. Based on over one million active vehicle shoppers, Compete provides automakers with the most detailed and immediate insights into vehicle purchase intent available. Our services help automakers optimize decisions and monitor performance of marketing and incentive effectiveness, demand forecasting, and launches.

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