



Monthly automotive competitive insights

By The Compete Automotive Team

GM's employee discount campaign drove demand and conversion in June, but to different degrees

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. Compete intelligence can be applied to marketing effectiveness, demand forecasting, and vehicle launches.

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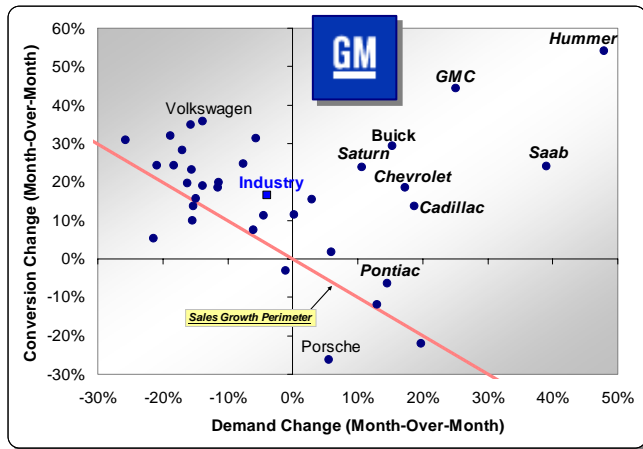
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Twin Success – GM's Discount Campaign

The GM employee discount campaign was a sales success, with all GM brands increasing sales in June compared to May. The majority of GM brands also outperformed the industry's 12% month-over-month sales growth. Compete isolated the extent to which GM brands used different combinations of demand and conversion to improve sales.

BRAND-LEVEL DEMAND AND CONVERSION BRANDS



All GM brands but Pontiac improved both demand and conversion from May to June (upper right quadrant). Excluding Hummer and Saab (each launching new models), GMC posted the strongest combination of conversion and demand gains. Its sales were up 81% higher month-over-month. Driven by weaker conversion, Pontiac was the only GM brand for which sales growth (7%) lagged the industry overall (lower right).

The red line is the sales growth threshold, above which the combination of demand and conversion change generally resulted in higher sales. The industry overall was above the threshold with sales up 12% driven by better conversion, not higher demand. Volkswagen (upper left) had the strongest non-GM conversion improvement and drove sales 17% higher despite 14% weaker demand. Conversely, Porsche's significantly lower conversion offset slightly stronger demand, resulting in lower month-over-month sales (lower right). *Note that sales results include fleet, which impacts sales and conversion; GM's true conversion and retail sales success will not be known until registration data are available.*

OEMs use Compete intelligence to identify the drivers of their sales. This helps illuminate the most cost-effective route to sales goals by comparing the costs of different combinations of demand (advertising) and conversion (incentives), while including factors such as inventories.

Hi-Ho Silverado

Chevrolet sales were up at the brand level, driven by the combination of more demand and better conversion (see above). Compete assessed the extent to which the gains were uniform throughout the portfolio by assessing month-over-month changes in demand, sales, and conversion for Silverado, TrailBlazer, Cobalt, and Uplander.

Uplander drove sales with stronger demand that offset weaker conversion. Cobalt had little change in demand, but used better conversion to drive sales. TrailBlazer maintained conversion, allowing its gain in demand to produce a like gain in sales. Silverado conversion weakened considerably, but sales were up 81% driven by much higher demand. *Note: fleet sales distort conversion rates; demand results are not impacted by fleet.*

Vehicle-level analyses allow OEMs the opportunity to tailor programs to specific vehicles. Adding the cost of demand and conversion allows OEMs to optimize expenses across models based on each model's most cost-effective solution.

CHEVROLET MONTH-OVER-MONTH RESULTS

