

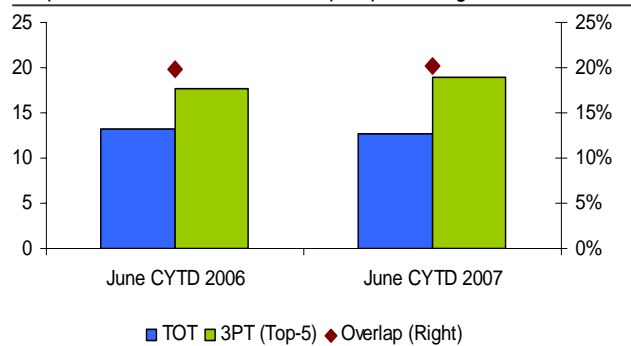
AUTOINTELLIGENCE™

Monthly automotive competitive insights from Compete

AUTOMOTIVE OEMS: LOSING GROUND TO THIRD-PARTY SITES

Third-party automotive sites continue to grow in terms of both web traffic and functionality. With more consumers turning to the Internet as they research automobiles, how has third-party traffic compared to OEM-branded sites? Our initial approach was to study site traffic and audience overlap among the top-5 most trafficked third party automotive sites (3PT)* and Total OEM Traffic (TOT). Using the most recent CYTD data (January – June), we compared 2006 to 2007. Audience overlap is defined as the percentage of total OEM site visitors who also visited at least one 3rd party automotive site.

Total OEM-Site Traffic/3rd Party Site Traffic, Overlap
Unique visitors in millions, Overlap in percentage



On average, third party automotive site traffic was up 7% over the period. In contrast, Total OEM Traffic fell by 4% over the same period. However, those visitors using both of these site categories did not change from 2006 to 2007. Based on this increased traffic, it would appear that third party sites served more impressions in 2007, and signals the growing significance of 3rd party sites in the automotive purchase process.

Further analysis such as engagement levels, segmenting the sites for new and used vehicle visitors and traffic referral trends will provide additional insight in this consumer behavior.

AUTOMOTIVE ADVERTISING EFFICIENCY: ONE YEAR LATER

At the end of this month, Compete will release its second annual *Spark!* on Automotive Advertising Efficiency. In this year's issue, Compete will evaluate how much money OEM's spend any given month to generate one automotive shopper.

In 2006, the U.S. auto industry spent approximately \$13 billion on measured media, up marginally from 2005. The top 37 brands spent an average of \$370 million each, or slightly more than one million dollars per brand per day. With increasing pressure to drive efficiencies, automotive marketers need a reliable ROI measure – a uniform and consistent way to measure results of their advertising spend in absolute terms.

Last year, Compete introduced a common advertising spend efficiency measure: dollars per shopper. In a given month, a brand spending \$10 million on advertising that generated 40,000 unique shoppers would yield a spend efficiency of \$250 per shopper. This metric can be applied consistently across brands, and even considered at a vehicle specific level.

This year, Compete tracked demand for top makes market-wide and calculated a dollars per shopper number for each in 2006 vs. 2005. Compete found that year-over-year, market-wide spending to generate a shopper increased, however a few brands managed to outperform this overall lackluster marketing efficiency trend. Be on the lookout for the latest Automotive *Spark!* from Compete, so you can see how your brand ranked.

Third Party Automotive Site traffic was up 7% in June 2007 from June 2006, while OEM site traffic fell by 4% over the same period.



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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