

AUTOINTELLIGENCE™

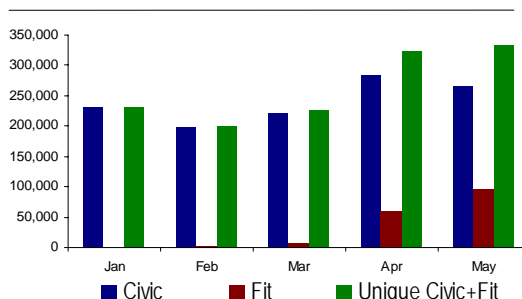
Monthly automotive competitive insights from Compete

CIVIC + FIT NET SHOPPER GAIN FOR HONDA

The recently-launched Honda Fit has the potential to cannibalize Civic shoppers. Compete assessed the net combined impact on the number of Honda shoppers from the addition of Fit by measuring the unique number of shoppers across Fit and Civic. Unique shoppers across the two excludes double-counting of consumers that shopped both.

The number of Civic shoppers declined 6% m-o-m in May to 267,000 shoppers as the number of Fit shoppers reached 95,900, up 62% m-o-m. However, the net number of unique shoppers across Fit and Civic reached 333,300 in May, up 3% from April. (The number of shoppers market-wide was down 2% m-o-m—not shown). Civic's best demand month (with or without Fit) was 292,600 shoppers in September 2005 (as the 2006 Civic launched), meaning the May combined Fit/Civic results were up 14% from Civic's best ever.

CIVIC AND FIT UNIQUE SHOPPER COUNTS 2006



The net gain in the number of shoppers means a greater potential for sales. By quantifying the net number of shoppers across models in their portfolios, OEMs can better understand net sales potential and actual shopper cannibalization risks. Honda's ability to sustain that potential will be measured through ongoing measures of unique shoppers across the vehicles. The ability of Honda to convert that demand into sales will be measured by conversion (the ratio of total retail sales to unique shoppers).

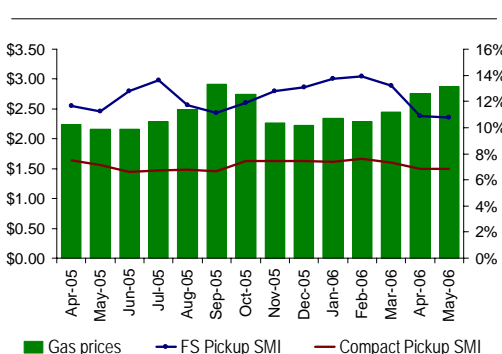
PICKUP SHOPPERS SENSITIVE TO RATE OF GAS PRICE CHANGES

In May gas prices increased again, reaching the second-highest ever and the highest since the

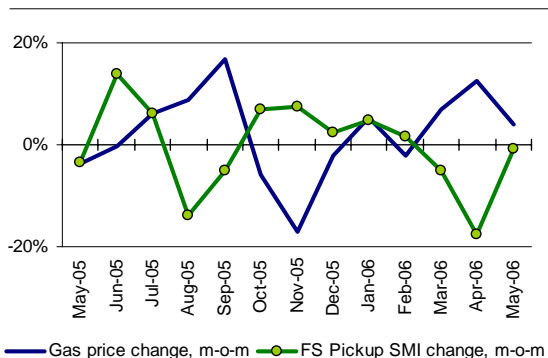
September 2005 peak. Last month, Compete assessed the extent to which pickup demand was impacted more or less than the market overall using the Segment Share of Market Interest (SSMI) analytic. SSMI represents the share of all new vehicle shoppers that shopped one or more vehicles in a segment, with segments here defined by Compete.

Despite higher gas prices, SSMI for Full-Size Pickups and Compact Pickups changed little (top chart). In May, 10.8% of all new vehicle shoppers shopped one or more full-size pickups.

GAS PRICES AND FULL-SIZE/COMPACT PICKUP SEGMENT SHARE OF MARKET



M-O-M CHANGE IN GAS PRICES AND FULL-SIZE PICKUP SEGMENT SHARE OF MARKET



The flat SSMI coincided with a slower increase in gas prices m-o-m (bottom chart, only FS Pickup results shown). Gas prices were up 3% m-o-m in May vs. 14% in April.

Understanding the relationship between the rate of gas price changes and changes in consumer behavior and demand is pivotal—not only for pickups but for all models. OEMs need to adjust demand and retail sales expectations in line with changes in gas prices. This applies both to models that have traditionally benefited from higher gas prices and those at risk.

Civic and Fit together had more unique shoppers than Civic alone

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.

To read the latest automotive research from Compete and sign-up for AutoIntelligence™, Compete's monthly newsletter for automotive executives visit:

compete.com/automotive

Direct your comments to Lincoln Merrihew at Lmerrihew@compete.com

