

AUTOINTELLIGENCE™

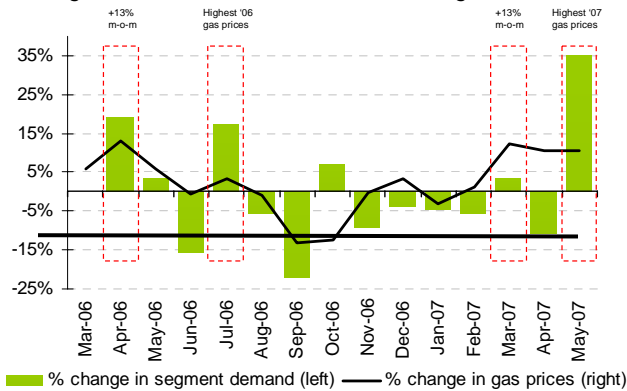
Monthly automotive competitive insights from Compete

STEEP HIKES IN GAS PRICES DRIVE SHOPPERS

According to the Department of Energy, the price of gas has been on the rise for the last few years. In May 2007 gas prices climbed to an all-time high of \$3.19/gallon.

Compete analyzed demand for the C car segment* specifically to see what, if any, effect rising gas prices have had on segment demand over the past 15-months. The chart below shows the percent change in demand for the C Car segment as it relates to the percent change in gas prices.

% Change in Demand for C Cars and % Change in Gas Prices



In April 2006, the price of gas increased 13% m-o-m; coincidentally C Car segment demand increased 19%. This was the first significant spike in gas prices in some time and in turn spurred demand for small and fuel efficient vehicles market-wide. Gas prices peaked at \$3.03/gal in July 2006 and again segment demand reacted, rising 18% m-o-m.

Segment demand declined in many of the months following as gas prices fell and then remained

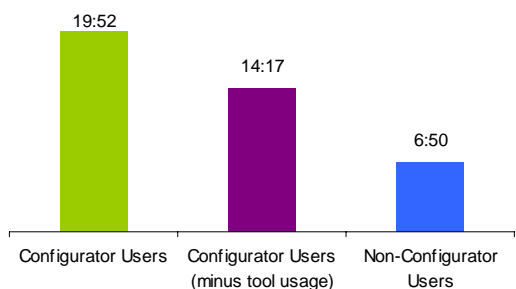
relatively stable. In March 2007, gas prices again increased 13% m-o-m. Interestingly C Car segment demand increased 3%, significantly less than the gas price hike. However, as gas prices reached their all time high of \$3.19/gal in May 2007, segment demand again rose, up 35% m-o-m the largest m-o-m increase to-date.

Compete data suggests that consumers are not only sensitive to the price of gas but also the rate of change of gas prices. While they have come to expect gas price increases, as those increases are realized, demand has shifted toward small and compact cars. If gas prices continue to climb throughout the summer as projected, expect small car demand to remain strong.

THE CONFIGURATOR: BUILDING MORE ENGAGED PROSPECTS

Most OEM websites offer consumers the ability to configure vehicles online. This functionality enables more informed shopping decisions which can ultimately facilitate lead generation for dealerships. The configurator is one of the most trafficked shopping tools, but are the people who use this tool engaged on the site as a whole?

Average Time Spent On OEM Sites By Segment
In minutes, November '06 – April '07 Average



To help quantify the impact of configurators on OEM site visitors, Compete compared the amount of time spent on OEM sites for consumers who interacted with a configurator versus those who did not. Surprisingly, the segment that used a configuration spent an average of 300% more time on a given site than the segment that did not use this tool. Even when factoring out the time spent using the configurator, Exposed visitors stay twice as long as Control visitors.

The configurator provides OEMs a valuable tool to engage their site visitors. Further analysis can determine which OEMs are the best at attracting visitors to the configurator and which OEMs are the best at directing these visitors to lead generation tools.

The price of gas peaked at an all-time high of \$3.19/gal in May 2007. The rise in price has led to C Car segment demand reaching a 7-month high.



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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*The C Car Segment is also referred to as the Entry C Car Segment or the Compact C Car segment