



Monthly automotive competitive insights

By The Compete Automotive Team

Chevrolet needs more demand to outsell Ford this year—using *retail* sales; strong conversion will not be enough



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.

Comments on this issue? E-mail LMerrihew@compete.com.

To subscribe to **AutoIntelligence**, go to www.compete.com/automotive

To unsubscribe e-mail LMerrihew@compete.com.

TOO CLOSE TO CALL

November 2nd we will pick a President, but the Ford/Chevrolet sales race will need a few more months to play out (Ford's lead was 8,303 units through September). Compete documented Ford's and Chevrolet's potential to reach sales victory using *retail* sales utilizing its proprietary bi-monthly shopper counts and Share of Market Interest.

Compete's bi-monthly data shows that Ford is poised for a strong October: it had over 57,000 more shoppers than Chevrolet through the first half of October. Meanwhile, Chevrolet is down 11.5% from the second half of September.

Ford's challenge is that many of the vehicles fueling its increased shopping are new (e.g., Freestyle and Mustang), and new vehicles tend to have poorer conversion rates (often due to limited supplies and lower incentives). This is borne out by Ford's VDQ (Vehicle Demand Quotient, or the number of shoppers it takes to generate a sale), which was 3.7 in September (based on retail registrations). In contrast, Chevrolet needed only 3.4 shoppers to achieve a retail sale, helped in large part by higher incentives. Though Chevrolet possesses better conversion, October's dramatic fall-off in demand means that, at September's VDQ levels, Ford's advantage increased by a projected 9,111 units through October 15th.

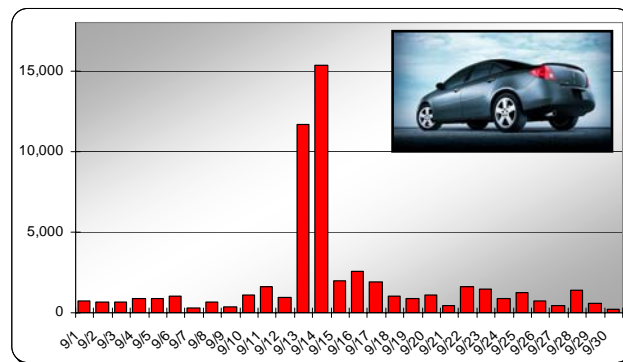
To beat Ford, Chevrolet needs to respond to weaker consumer demand now by either adding marketing or bolstering fleet sales. To outpace Chevrolet, Ford will need better conversion of its higher relative demand levels—a definite challenge given so many new nameplates.

OPRAH G6 EFFECT IMPACTFUL, BUT SHORT-LIVED

Much was made of Pontiac's \$8 million September promotion when 276 audience members received G6's during Oprah Winfrey's season opener on September 13th. Compete quantified the daily number of G6 shoppers market-wide before and after the 13th to determine the effectiveness of the promotion on generating demand (aside from awareness). For context, Pontiac claims 500,000 hits (not visitors) to Pontiac.com in the 48-hours following the show—8-times the average.

Compete has documented that a total of 52,900 consumers shopped aG6 in September. About 22% of the total shopped the day of the show and 29% the day after, but demand in the days following the promotion was limited.

G6 SHOPPER COUNTS
(Daily national counts for the month of September)



Pontiac could convert to sales once supplies increase. Pontiac needs to compare the cost of the Oprah promotion vs. traditional advertising, the timing of which can be better aligned with supply, and which typically has better resonance.

FORD VS. CHEVROLET; SHOPPING (LEFT), SHARE (RIGHT)

