



ALTERNATIVES RISING

Although 2016 was a record year for light-vehicle sales and many have predicted 2017 sales will only be very slightly less, there is data that calls into question the 2017 predictions – and the reason may be the future coming faster than expected.

During the first two months of 2017, US car volume decreased 13%, compared to Q1 2016; and the decline for the Detroit triumvirate of General Motors, Ford and Fiat/Chrysler was even worse, 23%.

Crimson Hexagon, a Boston-based social media analytics company, has analyzed millions of recent discussion trends on social media about transportation methods. The findings are interesting and should be understood by both automakers and dealers.

From 2014, for example, when ridesharing became a topic of social media discussions, to the end of 2016, those conversations increased from 5% to 20%. In top-10 metro areas, the increase was even greater, reaching 50% by the end of 2016.

Based on a comparison of discussions in five major markets about public transportation, ridesharing and car buying, Crimson Hexagon speculated that more people may be buying cars to generate income as a driver for a ridesharing service, such as Uber or Lyft.

TRANSPORTATION METHODS' SHARE OF VOICE BY CITY, 2015–2016

City	Public Transportation	Ridesharing	Car Buying
Austin, TX	5%	77%	18%
Philadelphia, PA	21%	62%	17%
New York, NY	30%	57%	13%
Boston, MA	40%	48%	12%
Chicago, IL	57%	36%	7%

Crimson Hexagon, February 2017

SUCCESSFULLY SELLING BEYOND PRICE

Seemingly from the day the first dealership sold the first light vehicle, price has been the primary selling and buying point. It hasn't changed much, given the current message of car dealerships' TV commercials.

A new TrueCar study, however, has revealed that today's best dealership/customer relationships and a successful sale depend on more than just price. According to the study's findings, 75% of the dealers who focused as much on a positive customer experience as price by providing price quotes on the phone achieved transaction prices that were 93.6% of MSRP. For all dealers, the rate is 93.7%.

The other qualities of dealers who scored high on customer experience included:

- » Streamlining the buying process.
- » Understanding and addressing consumer pain points during the car-buying process.
- » Showing value as part of a pricing strategy.
- » Connecting online-offline dots for customers.





MARKETING FORWARD

How Today's Car Buyers Live and Spend

Car buyers are flesh-and-blood people, which is why a people-based marketing approach is better to reveal how, in this case, car buyers live and spend. Viant, a people-based advertising technology company, has provided some compelling insights about car buyers in four vehicle categories: luxury, non-luxury, utility and truck.

An initial comparison of ownership of these four types of vehicles found that 75% of luxury cars are foreign brands and, less surprising, only 14% of trucks purchased in the US have foreign nameplates. In addition, Asian Americans are 1.8 times more likely to own a foreign brand vehicle of any of these four types.

The following table of the primary reasons car buyers purchased a vehicle seems logical and understandable. Auto buyers 55+ were 200% more interested, however, in a newer model than those 18–24. Among vehicle shoppers 25–34, the most important reason isn't even on this list. They were 400% more likely than adults 55+ to make a purchase because they wanted "a vehicle that better reflects their personal image/status."



Automakers and dealers can sleep easier because the Viant data shows that Millennials are now second only to Baby Boomers in the number of vehicles being purchased. Nonetheless, Millennials have an interesting mix of brands that they consider when shopping for a new vehicle.

Finally, Viant looked at TV consumption habits based on the four categories of vehicles in the study. There are a few "of-course" and "you-don't-say" selections.

PRIMARY REASONS FOR PURCHASING A NEW VEHICLE, 2016

Reason	Percent
Want a newer model	47%
Want improved reliability	35%
Want improved fuel economy	34%
Want improved safety features	26%
Want new technology	26%

Viant, March 2017

TOP BRANDS CONSIDERED AMONG IN-MARKET MILLENNIALS, 2016

Brand	Percent
Mini	60.6%
Fiat	58.6%
Mitsubishi	56.2%
Volkswagen	51.3%
Hyundai	49.5%

Viant, March 2017

TOP NETWORKS AND SHOW AFFINITIES BY AUTO SHOPPER CATEGORY, 2016

Luxury	Non-Luxury	Utility	Truck
The Golf Channel	Big Ten Network	Big Ten Network	RFD-TV
CNN	ESPN University	ESPN University	Country Music Television
CNBC	Turner Classic Movies	Discovery Family Channel	Starz
US Open Tennis	Last Call w/Carson Daly	College GameDay	Mom
CNN Tonight w/ Don Lemon	Nightline	New Day	Alaska: The Last Frontier
E! News	Anger Management	Survivor	CMA Awards

Viant, March 2017



ROAD SIGNS

Ford Pushing Tech Advantages

Ford is the latest major automaker to test 3-D printing technology to manufacture car parts from lighter materials, thus increasing fuel efficiency. The technology would also allow Ford to produce just a few new parts designs at a much lower cost, and then test them before initiating mass production.

Ford also envisions the opportunity to offer customers affordable, customized parts to personalize their ride. Daimler and Peugeot have already started to test 3-D printing of auto parts.

In another competitive move, buyers of Ford's 2018 Expedition will have access to Slingbox's streaming TV service through two 8-inch screens on the back of the front seat headrests. Connection will be via the mobile app Slingplayer from a home Slingbox system.

Another tech option for the 2018 Expedition is a Wi-Fi hotspot that provides simultaneous connection for as many as 10 devices and a range of 50 feet from the vehicle.



Car Buyers and Internet Radio

With such a large percentage of prospective car buyers using the Internet for much of the purchase process, it's likely a healthy number are also Internet radio listeners. In fact, data from The Media Audit's 2016 national survey with a base population of more than 31 million Americans clearly shows various correlations of Spotify and Pandora paid subscribers and their car-buying plans.

The numbers are very similar for both groups of subscribers, with those planning to buy a car, van, truck or SUV having the largest percentage and index. Keep in mind, however, that Spotify has approximately 50 million paid subscribers and Pandora 4.39 million.

The following table uses adults, 25–54, as the base audience, since they are the prime car-buying demographic as well as Internet radio listeners.

CONSUMERS' CAR-BUYING PLANS AND INTERNET RADIO LISTENING, 2016

Car-Buying Plans	Spotify Subscribers		Pandora Subscribers	
	Percent	Index	Percent	Index
Plan to buy a car	29.9%	197	30.8%	203
Plan to buy van/truck/SUV	16.5%	137	17.3%	143
Plan to buy domestic car/van/truck/SUV	30.7%	200	32.3%	210
Plan to buy foreign car/van/truck/SUV	8.7%	142	7.7%	125

Based on The Media Audit's 2016 national survey



MONTHLY AUTOMOBILE SALES CHART

RANK	AUTOMAKER	MARCH 2017	% CHANGE	YEAR TO DATE	% CHANGE	MARCH 2017 MARKET SHARE	YTD MARKET SHARE
#1	Ford	225,341	-7.4%	586,462	-4.9%	14.5%	14.6%
#2	Toyota*	187,289	-1.2%	470,766	-4.9%	12.0%	11.7%
#3	Chevrolet	172,458	-2.2%	471,723	-0.2%	11.1%	11.7%
#4	Nissan	150,566	+0.5%	373,330	+1.6%	9.7%	9.3%
#5	Honda	125,531	+1.8%	333,531	+4.3%	8.1%	8.3%
#6	Jeep	67,983	-11.2%	188,743	-11.1%	4.4%	4.7%
#7	Hyundai	67,510	-10.4%	163,637	-5.6%	4.3%	4.1%
#8	Subaru	54,871	+11.3%	144,250	+9.0%	3.5%	3.6%
#9	Ram	51,749	+6.0%	132,579	+5.1%	3.3%	3.3%
#10	Dodge	50,076	+9.7%	134,063	-4.9%	3.2%	3.3%
#11	GMC	49,948	+12.0%	133,611	+10.4%	3.2%	3.3%
#12	Kia	49,429	-15.2%	127,728	-12.7%	3.2%	3.2%
#13	Mercedes-Benz†	31,963	+2.3%	86,574	+4.3%	2.1%	2.1%
#14	BMW	31,015	+3.3%	71,682	+1.5%	2.0%	1.8%
#15	Lexus	27,935	-7.5%	61,845	-16.7%	1.8%	1.5%
#16	Volkswagen	27,635	+2.7%	76,290	+10.1%	1.8%	1.9%
#17	Mazda	24,549	+4.9%	69,071	+6.8%	1.6%	1.7%
#18	Buick	20,957	+15.1%	50,205	-7.5%	1.3%	1.2%
#19	Audi	18,705	+1.7%	45,647	+8.8%	1.2%	1.1%
#20	Infiniti	18,266	+32.6%	43,561	+33.4%	1.2%	1.1%
#21	Chrysler	16,969	-33.1%	47,076	-33.2%	1.1%	1.2%
#22	Cadillac	12,861	-1.5%	33,962	-4.6%	0.8%	0.9%
#23	Mitsubishi	11,766	+6.2%	29,147	+15.6%	0.8%	0.7%
#24	Acura	11,696	-21.2%	31,762	-16.1%	0.8%	0.8%
#25	Lincoln	9,554	-1.4%	27,083	+8.7%	0.6%	0.7%
#26	Land Rover	7,965	-8.8%	19,875	-4.5%	0.5%	0.5%
#27	Volvo	5,356	-21.9%	13,479	-17.6%	0.3%	0.3%
#28	Mini	4,987	+4.7%	10,251	-5.4%	0.3%	0.3%
#29	Jaguar	4,953	+132%	11,376	+128%	0.3%	0.3%
#30	Porsche	4,479	+3.6%	12,718	+3.9%	0.3%	0.3%

/// AUTOMOTIVE UPDATE

APRIL 2017 www.mediacenteronline.com



RANK	AUTOMAKER	MARCH 2017	% CHANGE	YEAR TO DATE	% CHANGE	MARCH 2017 MARKET SHARE	YTD MARKET SHARE
#31	Fiat	2,922	-5.3%	7,231	-10.9%	0.2%	0.2%
#32	Genesis	1,755	---	5,155	---	0.1%	0.1%
#33	Maserati	1,312	+31.6%	3,288	+46.1%	0.1%	0.1%
#34	Alfa Romeo	555	+1,191%	1,106	+600%	0.0%	0.0%
#35	Smart	389	-18.8%	1,061	-18.4%	0.0%	0.0%
#36	Bentley	249	+109%	552	+111%	0.0%	0.0%
	General Motors	256,224	+1.6%	698,521	+0.9%	16.5%	17.3%
	Ford Motor Company	234,895	-7.2%	613,545	-4.4%	15.1%	15.2%
	Toyota Motor Corporation	215,224	-2.1%	532,611	-6.4%	13.8%	13.2%
	FCA/Chrysler Group†	190,254	-4.6%	510,798	-8.5%	12.2%	12.7%
	Nissan Motor Company /Mitsubishi	180,598	+3.4%	446,038	+4.8%	11.6%	11.1%
	Honda Motor Company	137,227	-0.7%	365,293	+2.1%	8.8%	9.1%
	Hyundai-Kia	118,694	-11.1%	296,520	-7.2%	7.6%	7.4%
	Volkswagen Group§	51,068	+2.7%	135,207	+9.2%	3.3%	3.4%
	BMW-Mini¶	36,002	+3.5%	81,933	+0.6%	2.3%	2.0%
	Daimler	32,352	+2.0%	87,635	+3.9%	2.1%	2.2%
	Jaguar/Land Rover	12,918	+18.9%	31,251	+21.1%	0.8%	0.8%
	TOTAL¶	1,554,998	-1.7%	4,030,593	-1.6%	---	---

Source: Automakers and ANDC

Red font indicates declining year-over-year volume.

* Includes discontinued Scion

† Excluding Sprinter/Metris: increased 3.3% to 29,092 for March; increased 4.5% to 79,141 during Q1.

‡ Includes Alfa Romeo, Chrysler, Dodge, Fiat, Jeep and Ram

§ Does not include Lamborghini

¶ Includes BMW and Mini

The Wall Street Journal estimate for Tesla: increased 45.9% to 4,050 for March; increased 55.6% to 11,750 during Q1.

ANDC estimate for Tesla: an increase of 33.3% to 3,000 for March; increased 35.9% to 8,800 during Q1.

¶ Industry total takes into account Automotive News figures/estimates for brands, such as Tesla and other low-volume, high-priced manufacturers.

Crimson Hexagon Website:

https://www.crimsonhexagon.com/blog/is-car-buying-hitting-a-road-block/?utm_source=eNews%20Feb17&utm_campaign=eNews%20CarBuy%20Blog&utm_medium=Email

Wards Auto Website:

<http://wardsauto.com/dealer/money-isn-t-everything-car-dealerships>

Viant Website:

http://storage.pardot.com/76852/85227/Viant__Anatomy_of_an_Auto_Shopper.pdf

Tech Crunch Website:

<https://techcrunch.com/2017/02/28/ford-lets-passengers-stream-live-tv-in-car-with-the-2018-expedition/>

CNBC Website:

<http://www.cnn.com/2017/03/06/ford-3d-printing-car-parts-which-could-mean-more-customized-vehicles.html>

The Media Audit Website:

<http://www.themediainaudit.com/>

Good Car Bad Car Website:

<http://www.goodcarbadcar.net/2017/04/march-2017-usa-auto-sales-brand-results-rankings-stats.html>

<http://www.goodcarbadcar.net/2017/03/gm-ford-chrysler-fca-usa-passenger-car-sales-stats-february-2017-ytd.html>