

SHIFTING GEARS

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HOW TV DRIVES ONLINE TRAFFIC FOR AUTOMOTIVE

VIDEO ADVERTISING BUREAU REPORT 2016



REVIEW

Automotive is collectively one of the largest category spenders in TV and the growth in expenditures has outpaced the overall marketplace over the last few years. Automotive brands continue investing in TV for the simple fact that they know it works.

When major brands shift gears in their media mix, though, they tend to also see a correlated impact to their web traffic

- Brands are more likely to see their traffic increase when they spend more on TV or, conversely, see their traffic decrease when they spend less on TV

This report is another proof point in our series of analyses that showcases the strong correlation between TV investment and website traffic across categories:

- 2014: "What's Driving Digital" – 85% correlation among 75 "pure-play" digital brands
- 2015: "As Seen On TV" – 87% correlation among 15 "pure" direct response brands
- 2015: "Ignition Point" – 82% correlation among 125 brands in 6 "Call-To-Action" categories (restaurants, retail, travel, telco, financial & insurance)
- 2016: "What's App'ning" – 77% correlation among 60 brands in the mobile app category, 86% specifically among the gaming segment

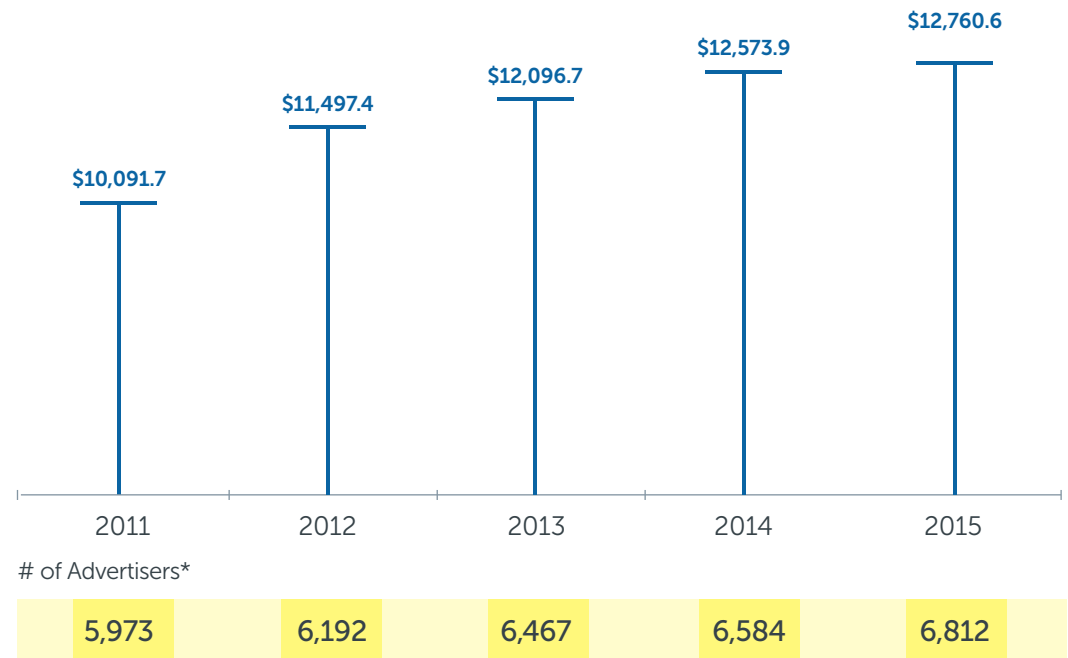
And now at the end of 2016:

- "Shifting Gears" – 75% correlation among 20 top advertisers in the automotive category



AUTOMOTIVE CATEGORY TV EXPENDITURES ARE UP AS SEVERAL MAJOR BRANDS INCREASE THEIR SPENDING AND NEW ADVERTISERS EMERGE

Automotive Category Five-Year Total TV Spend
(in millions)



*Advertisers based on parent level

Source: Nielsen AdIntel. Total TV includes cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, syndication TV, cable TV. Automotive category based on the defined Nielsen "Automotive" industry which includes automotive, automotive accessories and automotive equipment

IN THIS ANALYSIS, WE EXAMINED THE 20 AUTOMOTIVE MANUFACTURERS WITH THE HIGHEST AVERAGE TV SPEND OVER THE LAST TWO YEARS

- Based on a “year over year” comparison (Aug ‘14 – Jul ‘15 vs. Aug ‘15 – Jul ‘16), we compared the average monthly unique visitor vs. average monthly TV spend to understand if any correlations exist
- The auto brands analyzed represent a cross-section of the category: domestic and foreign, luxury and economy, trucks and cars

Top 20 Automotive Manufacturer TV Advertisers



Source: Nielsen AdIntel. Total TV includes cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, syndication TV, cable TV. Time period: August 2014 – July 2016 based on calendar months.

OUR "UNIVERSE" FINDINGS: A DEFINITIVE CORRELATION BETWEEN TV SPEND & WEBSITE TRAFFIC

15 of the 20 Automotive Manufacturers (75%) Analyzed Exhibited a Direct Correlation Between TV Spend & Website Traffic

15 Brands

11 Brands Were  In Both TV Spend & Monthly Unique Visitors
4 Brands Were  In Both TV Spend & Monthly Unique Visitors

5 Brands

Lack of correlation between TV Spend & Monthly Unique Visitors



Source: Nielsen Ad Intel. Total TV includes cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, syndication TV, cable TV; comScore, mediametrix multiplatform, unique visitors Total Audience (P2+). Monthly TV Spend & monthly unique visitors based on Aug '14-Jul '16 calendar months.

OUR "UNIVERSE" FINDINGS: TV SPEND IMPACT ON AUTOMOTIVE MANUFACTURERS WITH A DEFINITIVE CORRELATION

Shifts in automotive brands' TV spending aid in accelerating, or decelerating, their website traffic

15 Automotive Manufacturers: TV Spend vs. Unique Visitors "Year Over Year" Comparison (Aug '14 - Jul '15 vs Aug '15 - Jul '16)

TV Spend Up/Uniques Up

11 Advertisers
On average:
+16% more TV Spend
+37% more Unique Visitors






TV Spend Down/Uniques Down

4 Advertisers
On average:
-10% less TV Spend
-12% less Unique Visitors

Source: Nielsen Ad Intel. Total TV includes cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, syndication TV, cable TV; comScore, mediameitrix multiplatform, unique visitors Total Audience (P2+). Monthly TV Spend & monthly unique visitors based on Aug '14-Jul '16 calendar months.

DEEP DIVES: SELECT EXAMPLES OF BRANDS' DEMONSTRATED TV SPEND / WEBSITE TRAFFIC CORRELATION

TV Spend Up, Traffic Up

Avg Mnthly TV Spend (000):					
Aug. '14 - Jul. '15:	\$97,918	\$20,193	\$58,812	\$21,407	\$22,732
Aug. '15 - Jul. '16:	\$110,299	\$25,075	\$71,590	\$33,149	\$23,717
% Difference:	+13%	+24%	+22%	+55%	+4%






Avg Mnthly Unique Visitors (000):					
Aug. '14 - Jul. '15:	1,423	928	4,936	1,617	1,146
Aug. '15 - Jul. '16:	1,572	1,150	5,542	2,098	1,289
% Difference:	+10%	+24%	+12%	+30%	+12%

Source: Nielsen Ad Intel. Total TV includes cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, syndication TV, cable TV; comScore, mediatrix multiplatform, unique visitors Total Audience (P2+). Monthly TV Spend & monthly unique visitors based on Aug '14-Jul '16 calendar months.



DEEP DIVES: SELECT EXAMPLES OF BRANDS' DEMONSTRATED TV SPEND / WEBSITE TRAFFIC CORRELATION

TV Spend Up, Traffic Up

Avg Mnthly TV Spend (000):	 Cadillac	 RAM	 LINCOLN	 TOYOTA	 Jeep
Aug. '14 - Jul. '15:	\$14,826	\$16,156	\$18,261	\$68,887	\$24,170
Aug. '15 - Jul. '16:	\$17,979	\$18,862	\$22,313	\$75,124	\$26,288
% Difference:	+21%	+17%	+22%	+9%	+9%





Avg Mnthly Unique Visitors (000):					
Aug. '14 - Jul. '15:	501	863	641	7,282	1,380
Aug. '15 - Jul. '16:	672	996	715	13,214	1,483
% Difference:	+34%	+15%	+12%	+81%	+8%

Source: Nielsen Ad Intel. Total TV includes cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, syndication TV, cable TV; comScore, mediatrix multiplatform, unique visitors Total Audience (P2+). Monthly TV Spend & monthly unique visitors based on Aug '14-Jul '16 calendar months.



DEEP DIVES: EXAMPLES OF BRANDS' DEMONSTRATED TV SPEND / WEBSITE TRAFFIC CORRELATION

TV Spend Down, Traffic Down

	 HONDA	 DODGE	 Volkswagen	 MAZDA
Avg Mnthly TV Spend (000):				
Aug. '14 - Jul. '15:	\$36,871	\$22,075	\$39,284	\$23,172
Aug. '15 - Jul. '16:	\$36,264	\$15,407	\$38,387	\$19,107
% Difference:	-2%	-30%	-2%	-18%
Avg Mnthly Unique Visitors (000):				
Aug. '14 - Jul. '15:	3,970	1,448	1,181	1,639
Aug. '15 - Jul. '16:	3,791	1,248	961	1,230
% Difference:	-5%	-14%	-19%	-25%

Source: Nielsen Ad Intel. Total TV includes cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, syndication TV, cable TV; comScore, mediameitrix multiplatform, unique visitors Total Audience (P2+). Monthly TV Spend & monthly unique visitors based on Aug '14-Jul '16 calendar months.

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