

2021

# AUTO INDUSTRY ASSESSMENT

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NBCUniversal

# WELCOME!



## Introduction

Explore NBCUniversal's latest perspectives and insights into the Auto industry. This report provides an overview of recent marketplace dynamics, our prediction of key future trends impacting the industry, and strategic recommendations for Auto brands and marketers as they navigate what's next.

## Our Approach

At NBCUniversal, we have a legacy of working with a diverse range of Auto partners to build their brands. This report has been created based on NBCU's:

- Ongoing Industry Evaluation
- Conversations with Auto Advertisers and Agencies
- Continual Marketplace Analysis
- Examination of Consumer Attitudes towards the Auto Industry

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**WE HAVE  
A UNIQUE  
PERSPECTIVE**

In 2021, NBCU worked with:

## 65 Automotive Industry Advertisers

 OEMs	 Parts	 3rd Party and New Form Online Retailers	
 Auction Sites	 Motorcycle Companies	 Rental Companies	 Dealership Groups



# 2021 YEAR IN REVIEW

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*A Look Back at 2021*



2021 WAS THE YEAR OF  
**PENT-UP  
DEMAND MEETS  
LIMITED SUPPLY**

*New Ford F-150 pickup trucks  
waiting for chips (April 2021)*



PENT-UP  
DEMAND  
**MEETS  
LIMITED  
SUPPLY**



**The Year Began with  
Robust Auto Sales**

High consumer demand  
for cars carried over  
into 2021



**Global Chip Shortage  
Limited Inventory**

Due to a semiconductor  
shortage, the Auto industry was  
limited in vehicle production



**Vehicle Prices  
Skyrocketed**

High demand and low supply  
caused new and used vehicle  
prices to rise to record levels



# LOOKING FORWARD

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*A Look Ahead at Key Trends*



# AUTO LAUNCHES WILL GO HOLLYWOOD

The loss of Auto shows forced OEMs to change their model to big “primetime” events

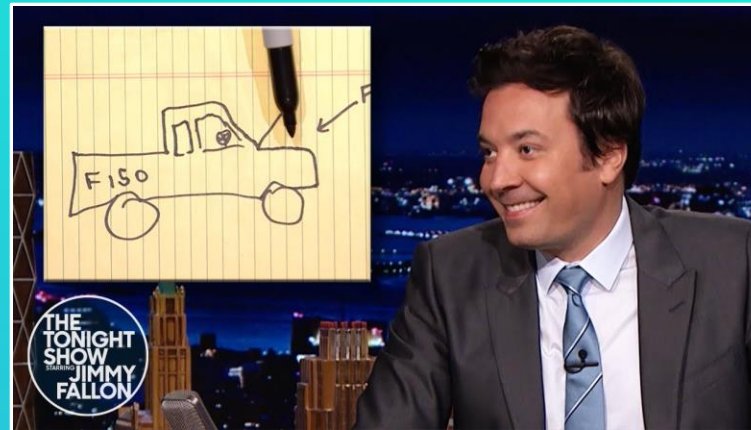
The shift from industry focused Auto show reveals to mass launch events created increased consumer buzz and search including GMC Hummer EV’s Voice premiere driving **2.6M additional searches.**<sup>1</sup>

The new ease of online reservations enabled consumers to shift to immediate action after viewing.

**The Ford Lighting sold out 44,500 trucks in 48 hours.**<sup>2</sup>

These successful Hollywood debuts (GMC Hummer EV, Ford Lighting, VW ID.4) have **set a new industry standard.**

Source: 1. *Car and Driver*, October 19, 2020; 2. *Motortrend*, May 21, 2021.



## Ford Lighting

## VW ID.4



## GMC Hummer EV

# CONSUMER EV EXCITEMENT WILL TOP EV ANXIETY

56% of consumers are  
excited about electric vehicles<sup>1</sup>

“Range anxiety is  
dramatically disappearing.”<sup>2</sup>

Excitement is growing

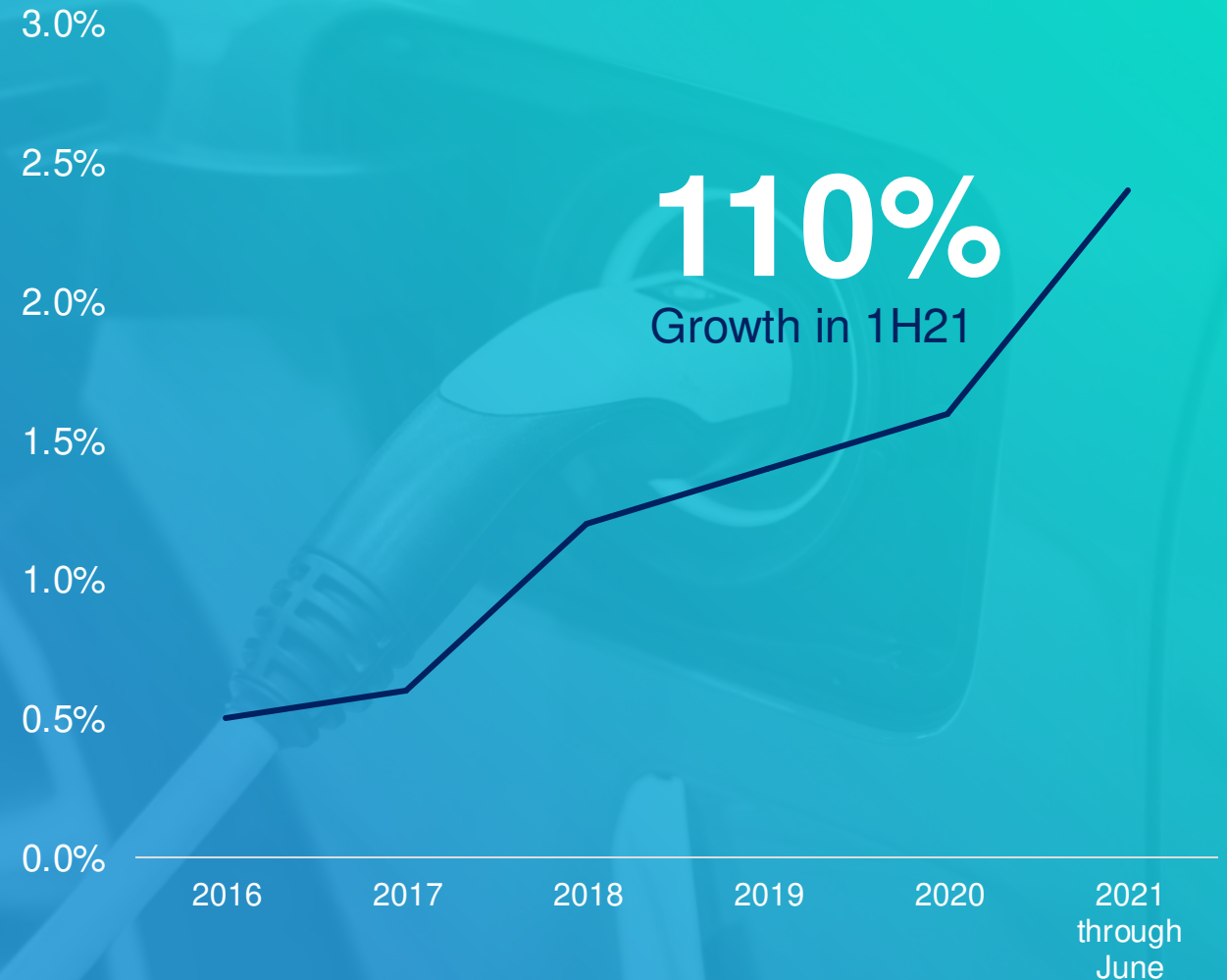
around “fun” benefits of EVs  
(e.g., the Frunk, reverse charge, etc.).

We expect the next wave  
of adoption to come from  
**multicultural audiences  
and women.**

39% of 1H21 EV sales were multicultural<sup>3</sup>  
and 37% of current EV buyers are women.<sup>1</sup>

Source: 1. CarGurus 2021 Electric Vehicles Sentiment Survey, United States (n= 1,097);  
2. Quote from AutoNation CEO Mike Jacobson [CNBC](#), February 16, 2021; 3. JD Power  
3Q21 Automotive Marketing Calendar.

## Electric Vehicle Sales as Share of Total U.S. Light Vehicle Sales<sup>1</sup>





# AUTO COMPANIES SHIFT TO CONNECTED LIFESTYLE BRANDS

Vehicles will develop a personalized relationship with the driver

Advanced connectivity will allow Auto brands to make consumers' lives **“more effective, efficient, and easier.”**<sup>1</sup>

Already, GM is partnering with AT&T to equip **2024 model-year vehicles with 5G connectivity.**<sup>2</sup>

We expect **early tech adopters**,<sup>3</sup> including African-Americans, Hispanics, affluent individuals, and those living in the biggest cities, to be the **first to embrace.**

Source: 1. Automotive News Shift | 5G: Enabling What's Next in Connected Vehicles, July 2021; 2. Automotive News, August 19, 2021; 3. MRI Simmons 2021 “I am among the first of my friends and colleagues to try new technology products” (Agree completely) Affluent = HHI > \$150K.

Advanced connectivity can offer:

Enhanced personalization

Increased safety

In-car entertainment

Autonomous capabilities

# THE RETURN OF MASS REACH

Influencing consumers before their journey begins will be key

More buyers start the process with specific brands in mind.

To address this shift, **a hybrid of upper and lower funnel targeting** will come back in vogue.

**Fast growing multicultural audiences** represent a key group to engage to fill the funnel.<sup>2</sup>

Source: 1. Cox Automotive Car Buyer Journey 2020; 2. US 2020 Census, August 12, 2021 release.

## The Importance of Filling the Funnel



# 45%

New car buyers who knew exactly what they wanted at the start of the journey up from 38% in 2018<sup>1</sup>



# DIGITAL SHOPPING EMPOWERS CONSUMER CHOICE

Digital can take friction  
out of the process

Consumers want the  
**digital shopping experience**  
they're accustomed to in most other categories.

**3<sup>rd</sup> Party Auto Retailers**  
are booming by taking advantage of this shift.

OEMs & dealerships are responding by  
**building and marketing  
digital capabilities.**

Source: Cox Automotive, As the Car-Buying Process Moves Online, Satisfaction  
Jumps to an All-Time High, February 1, 2021.

Consumers and Dealers Know  
Digital is the Future of Car-Buying

**64%** of shoppers  
want to do more of the  
purchase process online



**75%** of dealers  
acknowledge they can't  
survive without digital retailing

# KEY FORWARD- LOOKING TRENDS SUMMARY



## **Auto Launches Will Go Hollywood**

The trend of movie-style vehicle debuts will continue



## **Consumer EV Excitement Will Top EV Anxiety**

EV sales will exceed expectations



## **Auto Companies Shift to Connected Lifestyle Brands**

Vehicles will offer full-life integration



## **The Return of Mass Reach**

Mass reach tentpoles will be necessary to break into consumers' consideration set



## **Digital Shopping Empowers Consumer Choice**

Omnichannel will become the expectation

# NBCU AUTO STRATEGIC RECOMMENDATIONS

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*Driving Growth for Brands*

# KEY STRATEGIC RECOMMENDATIONS

## 1. Make an Early Impression

Engage and inspire consumers not necessarily in-market through cultural events, high impact content, and actionable content

## 2. Capitalize on Audience Growth Opportunities

Speak directly to women and multicultural audiences via contextual alignment and audience targeting

## 3. Make Your Reveal Worth Broadcasting

Drive consumer anticipation and immediate action by emulating the big movie launch experience

## 4. Tell Your Tech Story

Excite consumers about the future connected world by showcasing your technology leadership through custom content targeted to a broad audience

## 5. Balance Fun and Functional in EV Comms

Inspire and reassure potential buyers on EV capabilities and benefits through high impact content and educational storytelling opportunities



# 1. MAKE AN EARLY IMPRESSION

## Why

As more consumers have their minds made up when looking for a new vehicle, influencing them before their journey begins is key.

Expanding beyond “in-market” audiences allow advertisers to retain loyal customers, while bringing new buyers into the brand.

## What

Connect with potential buyers early in their car-buying process through scalable, culturally relevant, and immersive touchpoints.



Tentpole  
Moments



Streaming



National  
& Local

## Goals

Top-of-Mind Awareness | Brand Recognition | Consideration

# 1. MAKE AN EARLY IMPRESSION

REACH BROAD  
AUDIENCES TO EXPAND  
THE BUYER POTENTIAL

## Broad Reaching Touch Points

Bring Potential Buyers Into The Brand, and Engage Them in their Journey

### Tentpoles

Deliver  
**brand  
consideration  
of +41%**  
for Auto advertisers

Drive conversation  
about brand initiatives  
and innovative offerings  
through commercial  
innovation or custom  
content within a tentpole

### Streaming

OTT improves  
**ad recall by +43%**  
and  
**brand favorability  
by +25%**

Engage target  
audiences, such as  
those with expiring Auto  
leases, through  
innovative ad products  
within premium content

### National & Local

NBCU delivers  
**+11% average  
site visitation  
& foot traffic**  
for Auto advertisers

Maximize dealer  
impact with a  
coordinated national  
and local approach

## 2. CAPITALIZE ON AUDIENCE GROWTH OPPORTUNITIES

### Why

Category growth increasingly has been driven by underserved audiences - specifically women and multicultural potential buyers.

An increasingly competitive environment - an average of 60 new model launches are coming 2022-2025 compared to 40 in 2002-2021 – requires enhancing marketing efforts to truly engage these audiences before, during, and after purchase.

### What

Tap into audience insights to drive engagement and build relevancy by connecting with their interests and passions.



Contextual  
Alignment



Audience  
Targeting



Local to  
Global

### Goals

Consideration | Targeted Reach | New Audiences | Multicultural Growth |  
Community Support & Connection

## 2. CAPITALIZE ON AUDIENCE GROWTH OPPORTUNITIES

74% OF CONSUMERS  
LIKE TO SEE ADS THAT  
MATCH THE CONTENT  
THEY ARE VIEWING





### 3.

## MAKE YOUR REVEAL WORTH BROADCASTING

### Why

No longer can Automotive brands rely on the legacy ways of working. Reveals and launches must work harder to capture consumer attention, create interest, and spur demand.

Successful Hollywood style events with broad appeal and reach, have pulled Automotive advertisers into the cultural conversation – driving buzz, creating social currency, and achieving brand and business goals.

### What

Imagine and create an ownable experience that surrounds the potential buyer, sparking their curiosity and driving them to take action. Connect with high value audiences who are often difficult to reach on other platforms.



Innovative /  
Actionable  
Content



Cultural  
Moments/  
Tentpoles



National  
& Local



Social

### Goals

Reveals | Launches | Sales Event | Driving Leads

### 3. MAKE YOUR REVEAL WORTH BROADCASTING

CROSS PLATFORM  
ACTIVATIONS YIELD  
STRONGER IMPACT  
ACROSS THE FUNNEL  
FOR BRANDS

#### Reveal

DAYS 1-3

Create a moment to stand out  
& capture attention



Cultural  
Moments/  
Tentpoles



Social



Innovative /  
Actionable  
Content

Leverage NBCU insights to  
identify the cultural moment and  
amplify to key audiences at scale

#### Sustain

DAYS 4+

Continue momentum to remain  
top of mind and drive action



National  
& Local



Innovative /  
Actionable Content

Utilize broad and targeted  
premium video to engage  
with key audiences

ONGOING



Audience  
Targeting



Streaming



Measurement

## 4. TELL YOUR TECH STORY

### Why

As technology continues to transform consumers' day-to-day behaviors and their relationship to brands, industry advertisers will need to share their tech story to meet and exceed consumer expectations.

As vehicles evolve from transportation to full-life integration, auto marketing and communications need to reflect that shift.

### What

Embrace innovative marketing that reflects your tech forward position to demonstrate your technology in unexpected environments.



Talent



Commercial  
Innovation



Audience  
Targeting



National  
to Global

### Goals

Brand Building | Thought Leadership | Innovation

## 4. TELL YOUR TECH STORY

93% OF CONSUMERS APPRECIATE INNOVATIVE ADS OVER STANDARD ADS, AND 88% ARE MORE LIKELY TO REMEMBER THE BRAND

Source: NBCU Commercial Innovation 3.0 Exploration (n=6,400; February 2021).

### 4. Distribution

Connect with your audience across the NBCU national-global platform

### Excite & Engage

Consumers at scale to normalize new tech

### 1. Messaging

Highlight technology advancements and how they enhance people's lives

### Inform & Inspire

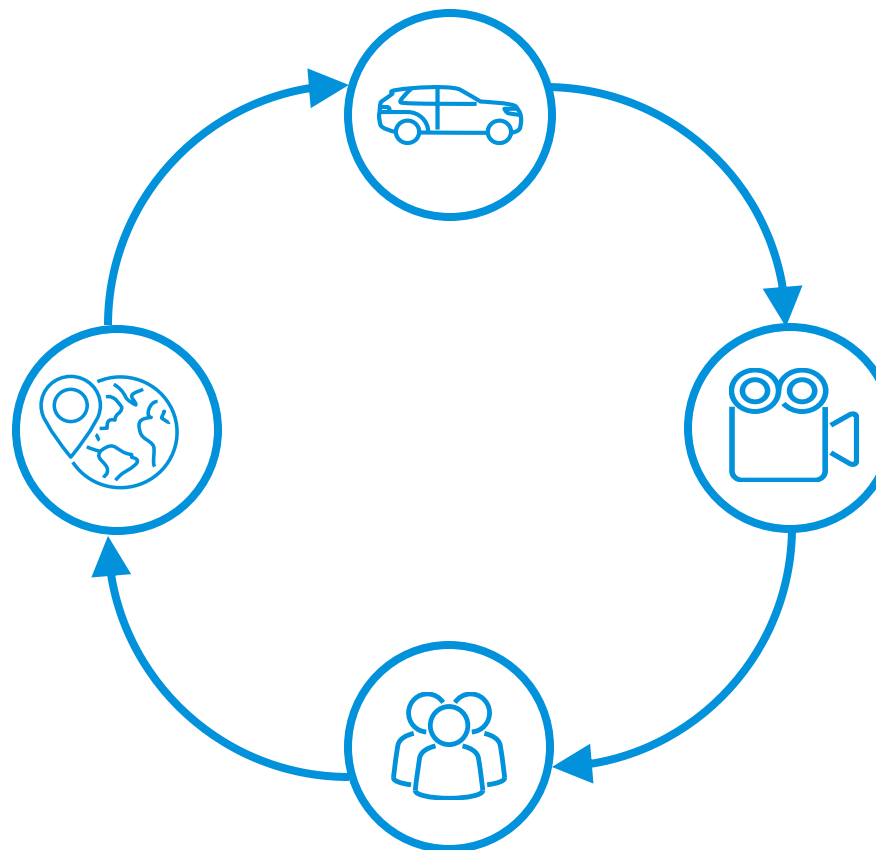
Consumers via innovative marketing in contextually relevant properties

### 2. Innovative Storytelling

Partner with trusted NBCU tech properties & talent to create compelling informative content and use commercial innovation to tell your story to consumers

### 3. Targeting

Layer core target audiences such as early tech adopters or heavy tech users, with broader audiences





## 5. BALANCE FUN AND FUNCTIONAL IN EV COMMS

### Why

Consumers still need education to quell EV anxieties such as range and repairs, but electric vehicles are evolving and will be perceived as some of the most fun, tech-forward cars on the market.

It will be critical that information is balanced with excitement, conveying the fun and functional aspects of the EV experience in order to drive discovery and sales.

### What

Highlight the achievements and advancements of electric vehicles by connecting with everyday consumers and business decision makers.



Cultural  
Moments



In-Show  
Integrations



Custom  
Content



Audience  
Targeting

### Goals

Launches | Consideration | Lead Gen | Brand Building

# 5. BALANCE FUN AND FUNCTIONAL IN EV COMMS

NBCU AUTO PORTFOLIO CAMPAIGNS DRIVE HIGHER LIFTS, SEEING +2.8x BRAND CONSIDERATION THAN CAMPAIGNS ON A SINGLE PROPERTY

Source: Custom research, vendors vary. NBCU auto campaigns running from 5/29/17-5/28/20. All metrics are top 2 box; single property = one network, multiple properties = 2+ networks. Average lift between test and control cells for 9 measured multi-property and 17 measured single property auto campaigns, not all metrics available for all campaigns.

## Capitalize on Demand

*Identify & Convert the Known*

Utilize targeting & actionable media to reach and engage those most likely to convert



Audience Targeting



Actionable Media



Cross-Channel Distribution



Innovation



In-Show Integrations



Cultural Moments



Custom Content



Innovative Storytelling

LEAD GEN THROUGH TARGETED DISTRIBUTION

## Normalize EVs

*Educate & Excite to Drive New Demand*

Integrate informative messaging with innovative experiential formats to illuminate the EV experience to heavy drivers

## Position the Brand

*Tout Electrification Authority*

Highlight new tech advances to drive intrigue with broad audiences and be seen as a leader on Wall Street

# NBCU RELEVANT MATERIAL

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*NBCU Auto Industry Content*

# KEY PARTNERSHIPS FOR THE INDUSTRY @ NBCU





# NBCU AUTOMOTIVE INDUSTRY CONTENT

TOGETHER SITE

## Auto Category Content



Electric Vehicle Opportunity



The Emerging Auto Buyer



3rd Party Auto Retailers Approach



Frictionless Experience

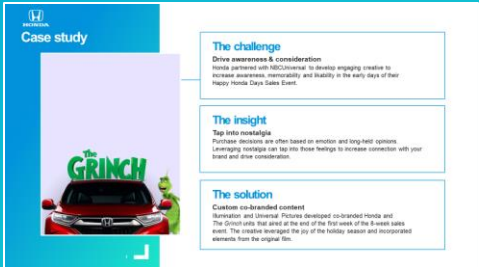
## Case Studies



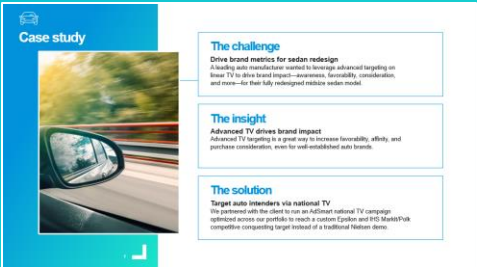
AdSmart + Luxury Auto Foot Traffic



AdSmart + Non-Luxury Sales Event



NBCU Portfolio + Honda Grinch



AdSmart + Non-Luxury Brand Impact



2021

# AUTO INDUSTRY ASSESSMENT

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**NBCUniversal**

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