

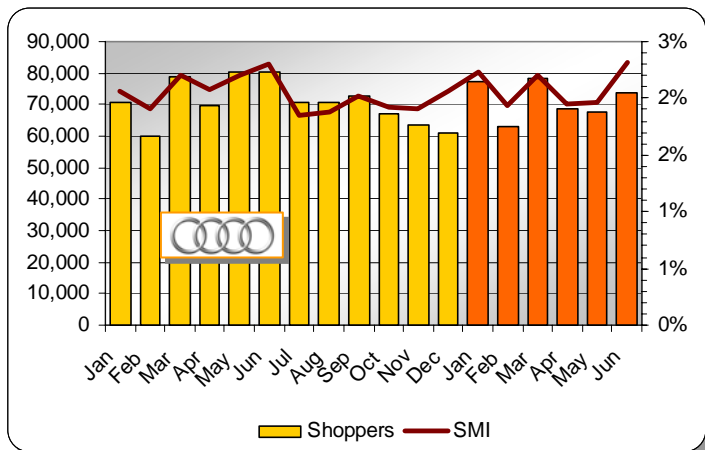
AUTOINTELLIGENCE™

Monthly automotive competitive insights from Compete

Q7 DRIVES AUDI SHARE OF MARKET INTEREST TO A PERIOD PEAK

Audi augmented its product portfolio with the A3 in 2005 and the Q7 in 2006. Compete assessed the extent to which the new products have increased the total number of Audi shoppers and helped Audi gain traction relative to the market using brand-level shopper counts and Share of Market Interest (SMI). Brand-level shopper counts exclude double-counting of shoppers that shopped more than one Audi. SMI is the share of all new vehicle shoppers that shopped any one or more Audi in a given month.

AUDI SHOPPER COUNTS AND SHARE OF MARKET INTEREST (RIGHT) JAN 2005- JUN 2006



Audi shopper counts reached a period peak 80,400 shoppers in June 2006 on the strength of period-peak A3 shopper counts (coinciding with the A3 launch).

Audi SMI peaked in June 2006—meaning June was Audi’s period-best relative to the market. June Audi shopper counts were up 9% m-o-m (in a market down 8% m-o-m), driving Audi SMI to 2.3%. Audi’s SMI strength and m-o-m gain in shoppers coincided with the Q7 launch. Q7 shopper counts in June were the highest to date at 9,500 shoppers.

Automakers use brand-level results to assess the net incremental demand gains from adding new models without double-counting. Brand-level results are also used to gauge net brand-level sales potential (assuming most shoppers buy only one vehicle from a brand at a time) and the success of conversion shoppers at the brand level into sales (conversion is equivalent to a close rate).

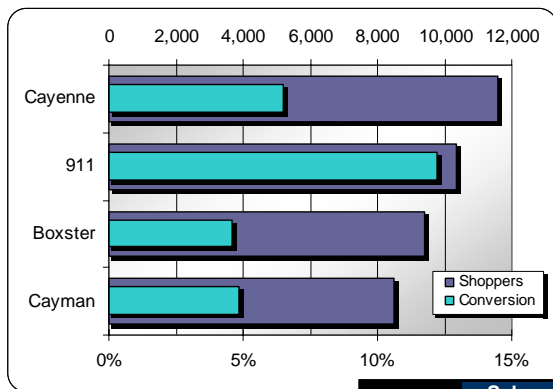
CAYMAN SLOTS IN NEAR BOXSTER

Launching vehicles typically exhibit unique demand and conversion patterns. Compete determined where Cayman has settled in the Porsche portfolio based on its number of shoppers and conversion. Conversion is the ratio of sales to shoppers and is equivalent to a close rate. Sales are the result of the number of shoppers and the effectiveness of converting shoppers into buyers.

In June, Cayman shopper counts (8,500) were 10% below Boxster’s but Cayman had slightly better conversion (4.8%). The differences nearly offset one another as Cayman and Boxster sales were within 22 units. 911 was the sales leader primarily as the result of Porsche-leading conversion (12.2%). Strong conversion can be driven by several factors, including consumer price/value alignment, incentives and lease deals, showroom redirect (shoppers of one model buying another in the showroom), delivery of pre-sold orders, and high loyalty (sales to consumers that may do little if any shopping).



PORSCHE SHOPPERS (TOP) & CONVERSION (BOTTOM), CHART; SALES, TABLE; JUNE 2006



	Sales
Cayenne	756
911	1,266
Boxster	433
Cayman	411

Automakers able to quantify shoppers and conversion can better understand the drivers of their models’ sales. Reading across the portfolio adds context and helps identify showroom redirect. Assessing rivals’ results adds market context and allows OEMs to set segment-consistent targets for shoppers and conversion as well as identify realistic combinations of those that would yield sales goals.

Audi’s June Share of Market Interest was a period best

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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Direct your comments to Lincoln Merrihew at Lmerrihew@compete.com

