

## AUTOINTELLIGENCE™

Monthly automotive competitive insights from Compete

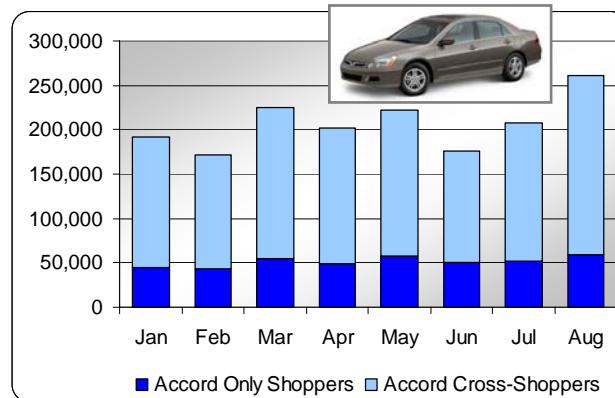


### HONDA STRIKES A CHORD WITH RIVAL SHOPPERS

August Accord sales were the highest in two years, and Compete found that record high Accord demand—not better conversion—was the driver behind strong August sales. Compete determined the extent to which higher demand was driven by Accord-focused shoppers or shoppers that added Accord to their shopping lists.

The number of 'pure' Accord shoppers (determined by Zero-Cross-Shop, dark blue bars) does not fluctuate as extensively as the total number of Accord shoppers. In August, 26% more shoppers month-over-month drove 28% higher sales. The number of Accord cross-shoppers (light blue bars) was up 29% from July, but Accord-only shopper counts were up merely 16%. 2005 model Accord sell-down efforts, combined with early interest in the freshened 2006 model, put Accord on the shopping list of many more shoppers also considering rival vehicles.

ACCORD DEMAND: ZERO-CROSS-SHOP



**Accord's recent sales success has been supported by increased attraction of rival shoppers.**

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.

Effective product marketing (as opposed to deal marketing) typically drives up the Zero-Cross-Shop percentage for a given vehicle, i.e. a greater share of its shoppers focus exclusively on it. Conversion of shoppers to buyers typically correlates well with Zero-Cross-Shop. Therefore, if Honda flexes its marketing muscle on the 2006 Accord launch and is able to drive up Zero-Cross-Shop, it will likely not only maintain elevated Accord demand, but also improve conversion (unless inhibited by supply and/or mix constraints). Higher demand and better conversion will result in an increased competitive threat to Accord's rivals. Honda can use this intelligence to capitalize on Accord's strength and decide when to add and remove marketing support; rival OEMs can prepare and respond to a growing Accord threat in real-time should it materialize.

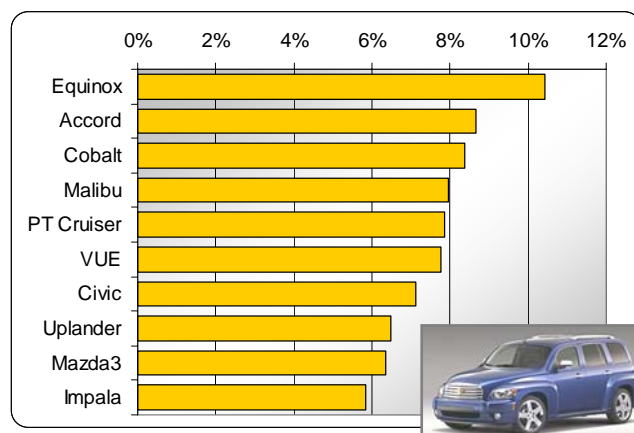
### EARLY HHR SHOPPERS ARE CHEVY SHOPPERS

In its second launch month, HHR attracted almost 57,000 in-market shoppers. Compete assessed the extent to which HHR has attracted a new type of shopper to Chevrolet.

Among August HHR shoppers, other Chevrolets made up 3 of the top 4 and 5 of the top 10 vehicles cross-shopped. Only 8% of HHR shoppers looked at PT Cruiser, which many media articles have touted as being the lead rival for HHR.

Cross-shop results show the ability of a vehicle to penetrate competitive shoppers, but also indicate cannibalization risk. HHR will be challenged to bring incremental sales to Chevrolet if it is heavily cross-shopped with other Chevrolets, and these vehicles don't each have enough unique shoppers to reach sales targets. Sustained shopping across segments and body styles would indicate HHR's success as a 'segment buster'.

HHR CROSS-SHOP, AUGUST 2005



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Timely cross-shop intelligence enables automakers to verify a vehicle's market position and quickly and cost-effectively refine marketing messages. This is particularly important for all-new nameplates such as HHR and vehicles whose marketing focuses more on brand character than product attributes.