



Executive Summary Only

Insights Into Local Advertising – **Automotive Vertical**

May 2015



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Executive Summary

The automotive vertical, as defined by the U.S. government, represents an estimated \$15.13 billion of local advertising spending in 2015. It consists of five subcategories:

1. Auto dealers
2. Other motor vehicle dealers
3. Auto parts & accessory stores
4. Tire dealers
5. Gas stations

Auto dealers and manufacturers constitute the largest subcategory of automotive ad spending. Dealers and manufacturers are projected to spend \$11.3 billion on local advertising in the U.S. during 2015. This represents 75 percent of the defined vertical and should be a focus of media and platform companies' automotive activity.

There are approximately 17,600 new vehicle auto dealers in the United States. BIA/Kelsey projects the average auto dealer will spend more than \$640,000 on local advertising this year.

We estimate that other motor vehicle dealers, including those selling motorcycles and RVs, will spend more than \$1.0 billion on U.S. local advertising in 2015. This implies an average spend of between \$50,000 and \$100,000 annually per Other Vehicle dealership, depending on the type of vehicles sold.

The average ad spending levels for the remaining automotive vertical subcategories are much lower. We estimate these businesses – auto parts stores, tire dealers and gasoline stations – spend on average between \$15,000 and \$40,000 annually on local advertising.

To bring these data into context, this report offers a comprehensive examination of traditional and digital/online advertising spend for each of these categories and tracks the distribution of automotive advertising spending by media and online spending for 2015 and 2019.

The report also examines:

- The largest 25 automotive markets in the U.S. and provides an estimate of the per capita spending for the local automotive vertical and its subcategories in the top 10 markets in 2015.
- Media's impact on how consumers search for, purchase and maintain automobiles, as well as how consumer behavior affects marketing and media spend.
- Provides a Media Ad View Local Advertising Dashboard for Automotive that profiles the nationwide spending for the five automotive subcategories discussed in the report.
- Delivers comprehensive take-aways for both media companies and platform solution providers that offer actionable advice on where businesses should focus their efforts within the automobile vertical.

The data featured in the report are drawn from [BIA/Kelsey's Annual U.S. Local Media Forecast](#) and our [Media Ad View Plus Reports](#), local market ad forecasts that track ad spending across media, ad categories and verticals.

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Appendix I – Local Advertising Dashboard - Automotive Vertical

To offer more details on the automotive industry, included at the end of this report is BIA/Kelsey's **Media Ad View Local Advertising Dashboard for Automotive**, which profiles the nationwide spending for the five automotive subcategories discussed in this report: auto dealers & manufacturers, other motor vehicle dealers, auto parts & accessory stores, tire dealers and gas stations & auto repair. These nationwide totals are a summation of all the [BIA/Kelsey Media Ad View Plus](#) market reports.

If you wish to obtain a similar report for a different vertical or any of the 210 television markets or 362 Core Based Statistical Areas (CBSAs), please contact us at (703) 818-2425 or info@biakelsey.com.

Appendix II – Mitch Golub, Cars.com Interview

At [BIA/Kelsey NATIONAL](#) in Dallas in March 2015, BIA/Kelsey VP and Chief Analyst Peter Krasilovsky interviewed former Cars.com President Mitch Golub, who had just retired after leading the company since its founding in 1998. See the questions Mitch answers in this fascinating interview:



BIA/Kelsey: How would you say the relationship between local auto dealers and manufacturers has evolved?

BIA/Kelsey: Is it somewhat about the big dealers vs. the little dealers?

BIA/Kelsey: How has the marketing support from auto manufacturers for local dealers changed?

BIA/Kelsey: Can you think about ways that it has gotten better?

BIA/Kelsey: So OEM/Dealer coordination is really key?

BIA/Kelsey: How has social media changed car shopping on the Internet?

BIA/Kelsey: You have also developed separate sites. But you seem to have gone back to a strategy of one mother ship brand: Cars.com.

About BIA/Kelsey

Local media is one of the fastest moving industries of our time. And BIA/Kelsey has been at the center of it for more than 30 years.

BIA/Kelsey is the leading research and advisory firm focused on the advertising and marketing marketplace. We have proven advisory services and consulting methods that put our clients in the best possible position to compete and stand out in today's multiplatform, interactive world.

Clients value our cross-discipline expertise, from traditional to digital media, sales and finance and technology and regulatory environments.

Our research, forecasts, industry analysis, competitive intelligence and industry-leading analyst team propel our clients success forward. Put yourself in the best possible position to compete and win – turn to BIA/Kelsey.

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