

Insights Into Local Advertising:

AUTOMOTIVE

REPORT



// November
2023

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The forecast data in this report is based on BIA's 2024 U.S. Local Advertising Forecast, issued Oct. 2023.

The report features local advertising intelligence from BIA Advisory Services' local market intelligence dashboard, [BIA ADVantage™](#), including:

- 2023 U.S. Local Advertising Forecast (Nationwide)
- 2023-2027 Automotive Vertical Advertising Forecasts
- Local Television Market Forecasts
- Station data from [MEDIA Access Pro™](#), BIA's database of the broadcast and publishing industries.

About This Report

This report forecasts the ad spend of BIA's Automotive category and its eight verticals for 2023-2027. The verticals that make up the Automotive category in BIA's U.S. Local Advertising Forecast and published in BIA ADVantage™ include:

- Automotive Repair Services
- Gas Stations & Petroleum
- Other Motor Vehicle Dealers
- Tier 1 – Automotive Manufacturers (OEMs)
- Tier 2 – Local Automobile Dealers Associations
- Tier 3 – New Car Dealers
- Tier 3 – Used Car Dealers
- Tires, Automotive Parts, and Accessories Stores

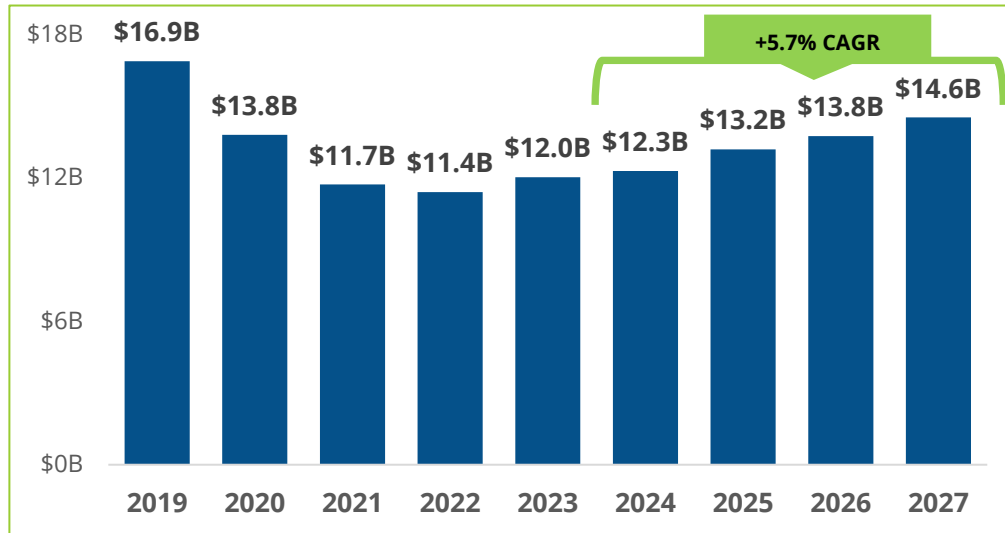
The 16 local media reported in our ad spending forecast include:

- Cable TV (MVPD)
- CTV/OTT
- Direct Mail
- Directories
- Email
- Magazines Digital
- Magazines Print
- Mobile
- Newspapers Digital
- Newspapers Print
- Out of Home (OOH)
- PC/Laptop
- Radio OTA (broadcast)
- Radio Digital
- TV OTA (broadcast)
- TV Digital

Forecast for Automotive Category

The total local ad spending for the Automotive category will increase by 2.2% YoY in 2024, reaching \$12.3 billion (up from \$12.0 billion in 2023). Spending in the Automotive category in 2024 will still trail the pre-pandemic spending of \$16.9 billion in 2019 by 27.2% and we don't anticipate spending to make a full recovery through the end of the forecast period in 2027.

Figure 1: 2019-2027 Total U.S. Automotive Category Spending (\$000s)



Source: BIA 2024 U.S. Local Advertising Forecast. Issued Oct. 2023, Numbers are rounded.

\$12.3B

2024 Spend

\$14.6B

2027 Spend

Effects of Supply Chain Issues on Dealer Inventory and Advertising Spend

The persistent supply chain pressure in 2022 created a shortage of inventory for dealers, which led to a decline in advertising spend. Fortunately, in 2024, the industry's supply problems are now a demand problem. According to [MarkLines Data Center](#), new vehicle sales were up 19.3% in September 2023 (over September 2022). We expect increased sales to continue resulting in an increase in ad spending.

Overall Trends for 2023-2027

- Traditional Media will grow 1.1% YoY in 2024.
- Digital Media will grow 3.1% YoY in 2024.
- Media with aggressive annual growth (CAGR 2024-2027): PC/Laptop (+12.7%), Email (+8.2%), Magazines Digital (+8.1%), CTV/OTT (+8.1%), and Directories (+8.0%).
- CTV/OTT is the #4 media in terms of top relative YoY share growth in Automotive spending in 2024, however the CTV/OTT share of total wallet will only account for 2.9% of the total spending.



Overall budgets and trends are insightful but get deeper local market knowledge in [BIA ADVantage](#). Clients can log in to view their market specific insights.

Automotive Category Trends

In 2024 86.3% of total spend is coming from three verticals: Tier 1 – Automotive Manufacturers (\$3.7 billion), Tier 3 – New Car Dealers (\$3.6 billion) and Tier 2 – Automobile Dealers Associations (\$3.3 billion). Tier 1 and Tier 2 local advertising spend is forecast to increase in 2024.

Table 1: BIA Opportunity Alert: Auto Verticals Investing More on Advertising 2023-2024

Biggest Increases in Spend 2023-2024	Biggest Spenders 2023	Biggest Spenders 2024
Other Motor Vehicle Dealers +11.5%	Tier 3 - New Car Dealers \$3.6B	Tier 1 - Automotive Manufacturers \$3.7B
Tier 1 - Automotive Manufacturers +15.4%	Tier 1 - Automotive Manufacturers \$3.5B	Tier 3 - New Car Dealers \$3.6B
Tier 2 - Local Automobile Dealers Associations +3.2%	Tier 2 - Local Automobile Dealers Assocs.\$3.2B	Tier 2 - Local Automobile Dealers Associations. \$3.3B

Table 2: 2023-2025 Automotive Spending by Vertical (\$000s)

Automotive Vertical	2023	2024	2025	23-24 Percent Change	23-24 Dollar Change
<i>Other Motor Vehicle Dealers</i>	\$257,409	\$287,056	\$308,662	11.5%	\$29,647
<i>Tier 1 - Automotive Manufacturers (OEMs)</i>	\$3,541,638	\$3,734,612	\$4,029,839	5.4%	\$192,974
<i>Tier 2 - Local Automobile Dealers Associations</i>	\$3,224,463	\$3,326,159	\$3,596,878	3.2%	\$101,696
<i>Tier 3 - Used Car Dealers</i>	\$296,869	\$306,013	\$327,804	3.1%	\$9,143
<i>Automotive Repair Services</i>	\$218,257	\$219,419	\$232,780	0.5%	\$1,162
<i>Tires, Automotive Parts, and Accessories Stores</i>	\$662,789	\$657,180	\$711,933	-0.8%	-\$5,609
<i>Tier 3 - New Car Dealers</i>	\$3,614,808	\$3,557,291	\$3,777,956	-1.6%	-\$57,517
<i>Gas Stations & Petroleum</i>	\$231,067	\$222,164	\$231,184	-3.9%	-\$8,903
Grand Total	\$12,047,301	\$12,309,894	\$13,217,035	2.2%	\$262,593

Source: BIA 2024 U.S. Local Advertising Forecast. Issued October 2023. Numbers are rounded.



Verticals with the highest growth show a predisposition from these advertisers to increase their advertising spend. [Look for the media channels where the spending increases are coming from and develop plans for these advertisers utilizing these media channels.](#)

Automotive Spending by Media

In 2024, we are forecasting spending increases in twelve of the sixteen media platforms, the majority are digital as digital ad spend will increase by \$205.7 million. PC/Laptop remains the top billing media channel in 2024, maintaining its share of wallet (SOW) from 2023 into 2024. In 2024, digital ad spend will increase to \$6.9 billion (56.1% of all paid media).

Table 3: BIA Opportunity Alert: Auto Advertisers Top Media Channels 2023-24

Biggest Increases in Spend 2023-24	Top Media Channels 2023	Top Media Channels 2024
CTV/OTT +15.7%	PC/Laptop \$3.0B	PC/Laptop \$3.1B
TV Digital +10.1%	TV OTA \$2.3B	TV OTA \$2.5B
Email +8.0%	Mobile \$2.1B	Mobile \$2.1B

Table 4: 2023-2025 Automotive Ad Spending by Media Channel (\$000s)

Media Channel	2023	2024	2025	23-24 Percent Change	23-24 Dollar Change
CTV/OTT	\$308,221	\$356,664	\$391,559	15.7%	\$48,443
TV Digital	\$260,771	\$286,999	\$310,906	10.1%	\$26,228
Email	\$187,505	\$202,593	\$224,176	8.0%	\$15,089
TV OTA	\$2,295,836	\$2,451,071	\$2,626,594	6.8%	\$155,235
Directories	\$56,670	\$59,097	\$63,601	4.3%	\$2,427
OOH	\$201,728	\$209,410	\$214,905	3.8%	\$7,682
Radio Digital	\$290,961	\$301,486	\$321,460	3.6%	\$10,525
Newspapers Digital	\$436,629	\$449,061	\$460,392	2.8%	\$12,433
Mobile	\$2,083,325	\$2,123,555	\$2,230,370	1.9%	\$40,230
PC/Laptop	\$3,028,384	\$3,076,684	\$3,591,848	1.6%	\$48,300
Magazines Digital	\$52,222	\$52,885	\$58,159	1.3%	\$662
Radio OTA	\$1,072,687	\$1,073,230	\$1,084,535	0.1%	\$544
Newspapers Print	\$591,714	\$572,901	\$566,770	-3.2%	-\$18,813
Cable TV	\$668,556	\$627,929	\$598,834	-6.1%	-\$40,627
Direct Mail	\$479,663	\$440,445	\$448,895	-8.2%	-\$39,219
Magazines Print	\$32,430	\$25,884	\$24,031	-20.2%	-\$6,545
Automotive Total	\$12,047,301	\$12,309,894	\$13,217,035	2.2%	\$262,593

Source: BIA 2024 U.S. Local Advertising Forecast. Issued October 2023. Numbers are rounded.



Automotive advertisers are spending an increasing amount of their advertising dollars on Digital media channels including PC/Laptop, Mobile and CTV/OTT. [Talk to your clients about their media mix and offer packages to include these media channels.](#)

Sales Strategies: Automotive Category

Where should your next steps be for local sales? Here are four key actionable insights to use as you determine your approach to advertisers.

01. Tier 3 – New Car Dealers are forecast to decrease spending in 2024.

Local sellers will need to be creative with offers to New Car Dealers in 2024 to maintain or increase revenue. Make sure to utilize all media you have available and work towards selling a complete omnichannel approach to their advertising to increase the dollars you can capture from the dealers.

02. Prioritize media with the most aggressive growth from 2023-2024: CTV/OTT (+15.7%), TV Digital (+10.1%), Email (+8.0%), and TV OTA (+6.8).

Introducing new media is a way to maintain and grow ad budgets. Looking ahead to 2024, local TV and Radio stations may experience crowd out due to Political. Auto buyers will continue to allocate vast amounts to TV and Radio OTA but by shifting dealerships into digital categories, sellers can help protect their auto clients' budgets.

03. Digital advertising is going to PC/Laptop and Mobile and, more importantly, Search and Video.

Auto buyers start their buying process with a search; social and digital video can be used to showcase the new models (EVs). Search and video ads targeting devices will be influential in the consumers' journey. Mobile ads have less screen real estate but can geotarget users with strategies including geo-conquesting and geofencing. Social can also drive customers to the lot with video tours of the dealership, testimonials and Tik-Tok shorts that show new cars coming off the truck or around the inventory on site.

04. Other motor vehicle dealers have the same challenges as Auto Dealers in 2024 with increasing interest rates, however, are forecast to increase advertising by 11.5% to bring in new customers.

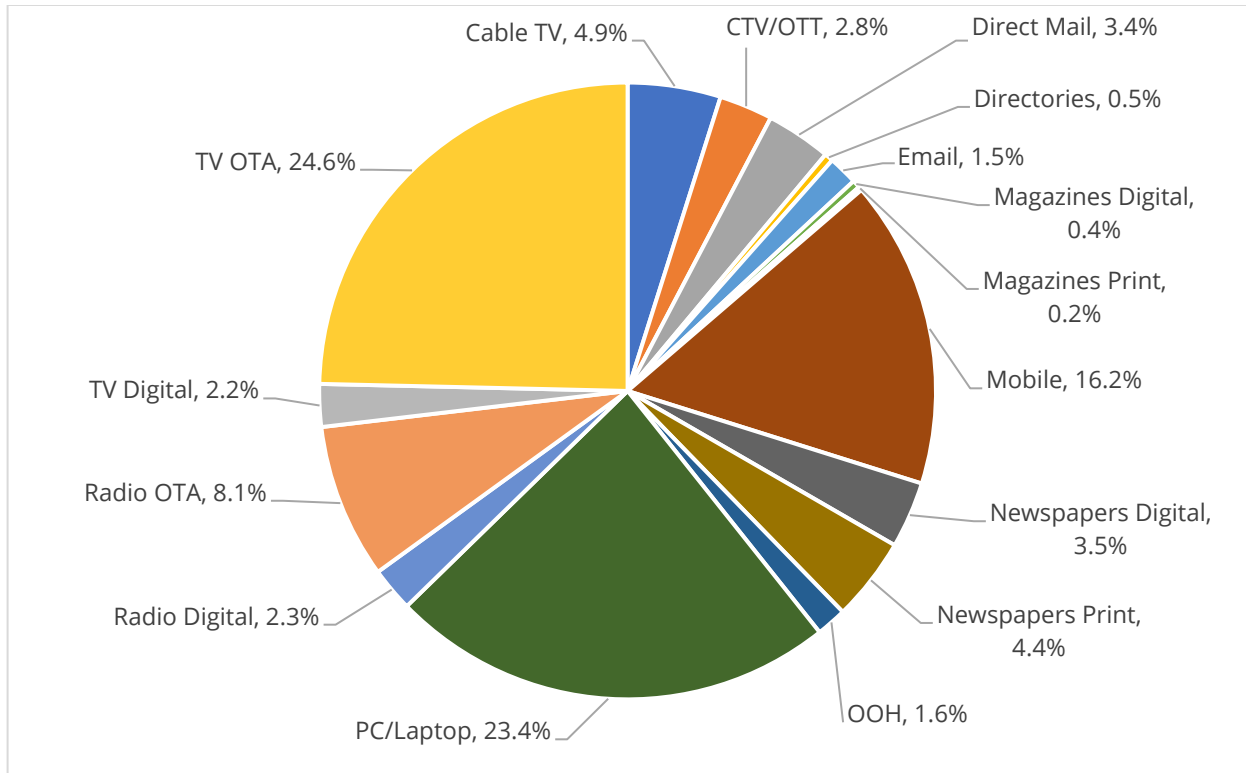
Other motor vehicle dealers are facing similar headwinds as auto dealers in 2024. Lack of inventory and computer chips increased RV prices in 2021-2022 and now for 2023 a climbing rate of economic inflation and increases in lending rates have seen consumer demand go down. Media sellers need to assist dealerships in building a strategic plan to convey financing options and convert buyers who shop on mobile. This includes utilizing dealer customer data and third-party data to find known buyers for tailored messaging on mobile and social using video.



Tier 1 - Automotive Manufacturers (OEMs): 2023 to 2027

TV OTA will continue to be the top media channel for Tier 1 - Automotive Manufacturers in 2024 (See figure 2) receiving almost 25% of the local advertising dollars but will be surpassed by PC/Laptop in 2025 and fall to the #2 position.

Figure 2: 2024 Tier 1 - Auto Manufacturers Spending by Media Channel



Source: BIA 2024 U.S. Local Advertising Forecast. Issued October 2023.

Twelve of the sixteen media channels will see year over year increases in 2024 with the largest dollar increases going to TV OTA (+\$75 million), PC/Laptop (+\$41 million) and Mobile (+\$30 million). Radio OTA+Digital will see an increase of \$15 million. Newspapers Print will remain flat; however, Newspapers Digital will increase by \$7 million.

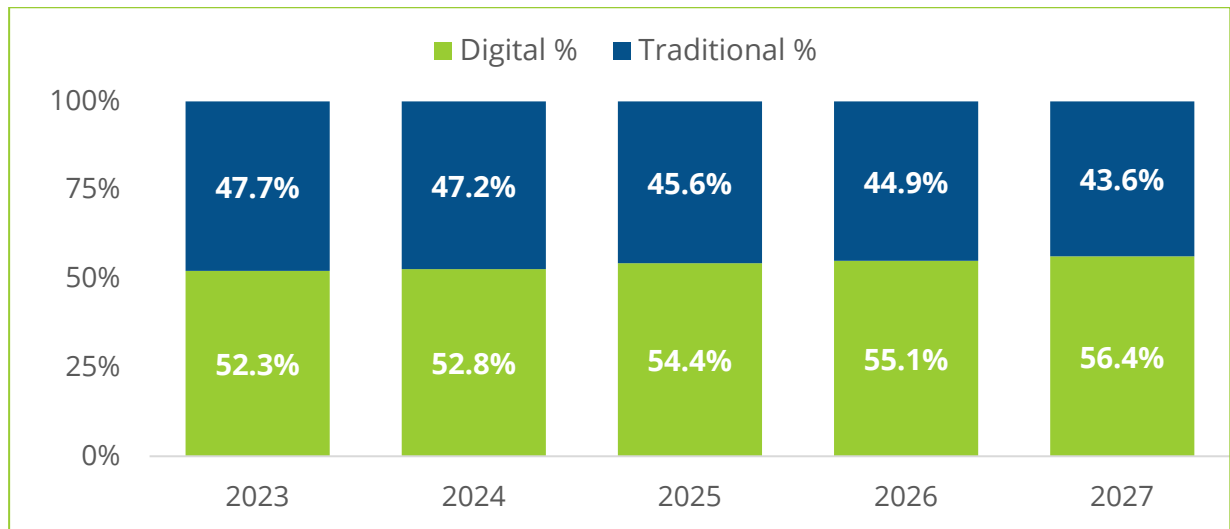
Table 5: BIA Opportunity Alert: Tier 1 - Auto Manufacturers Top Media Channels 2023-24

Biggest Increases in Spend 2023-24	Top Media Channels 2023	Top Media Channels 2024
CTV/OTT +19.9%	TV OTA \$845M	TV OTA \$920M
TV Digital +14.1%	PC/Laptop \$833M	PC/Laptop \$874M
Email +11.6%	Mobile \$573M	Mobile \$603M

Source: BIA 2024 U.S. Local Advertising Forecast. Issued October 2023.

Tier 1 - Auto Manufacturers advertising spend is shifting to digital channels. The top five, and nine of the top ten, media channels with the largest compound annual growth rates (CAGRs) between 2024 and 2027 are digital channels. Television OTA is the only traditional channel to break into the top ten at number six.

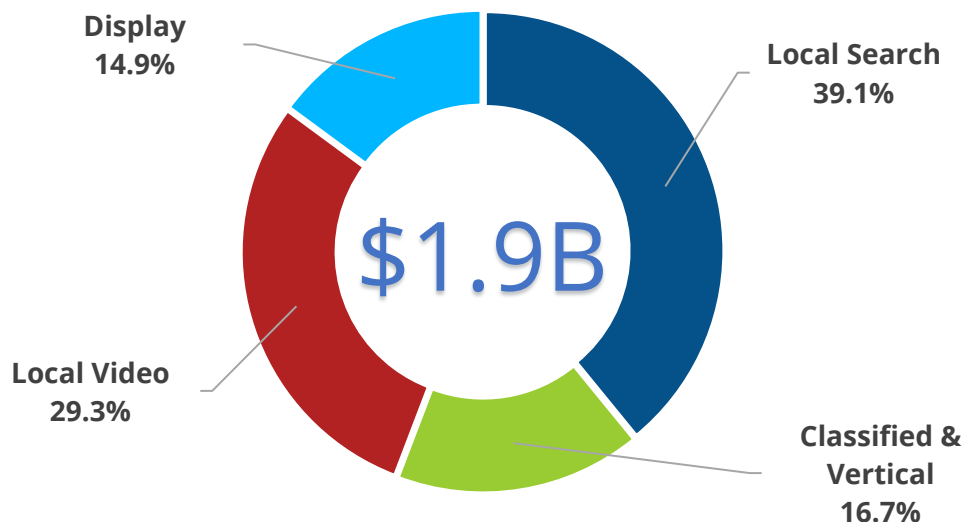
Figure 3: Tier 1 - Auto Manufacturers 2023 through 2027 Traditional vs. Digital



Source: BIA 2024 U.S. Local Advertising Forecast. Issued October 2023.

Local Search and Local Video are the anchor categories in digital spending and will continue to attract more spending through 2027, growing from controlling 68.3% of the spending in 2024 to 73.0% in 2027.

Figure 4: Tier 1 - Auto Manufacturers 2024 Digital Spending by Ad Platform

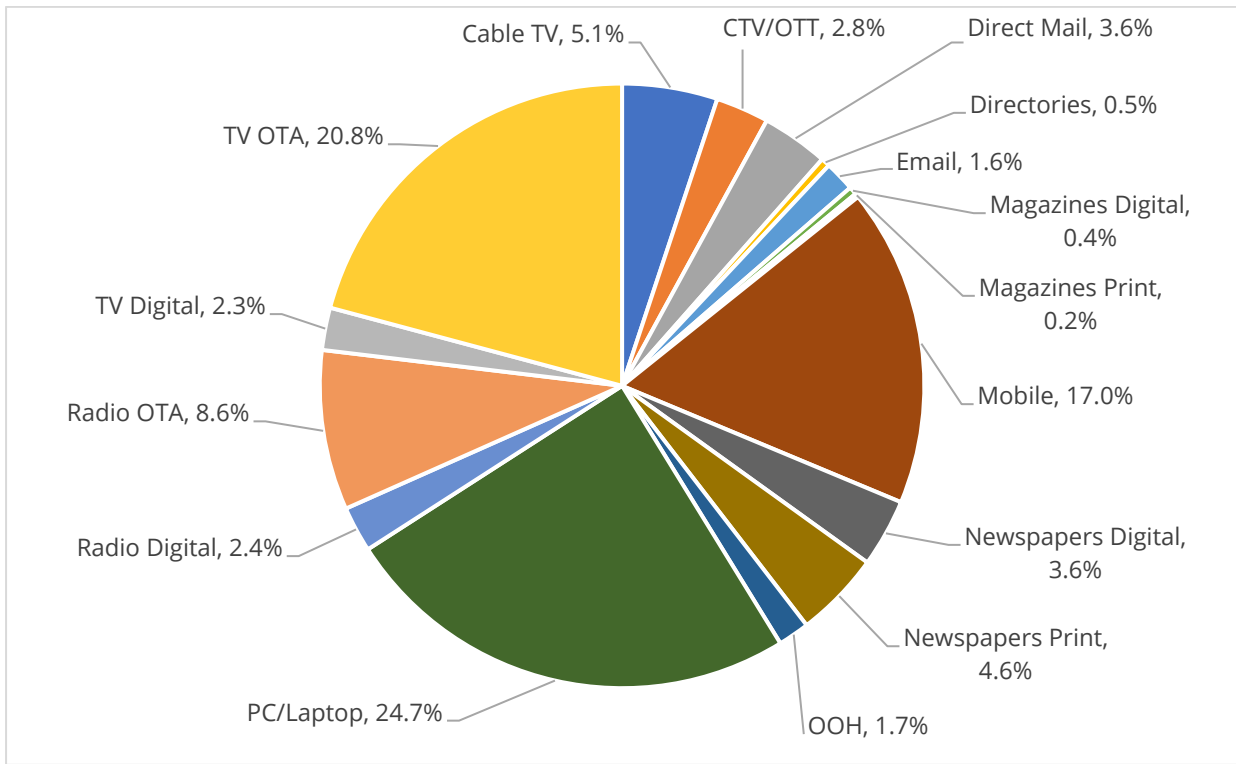


Source: BIA 2024 U.S. Local Advertising Forecast. Issued October 2023.

Tier 2 – Local Automobile Dealers Associations: 2023 to 2027

PC/Laptop will continue to be the top media channel for Tier 2 – Local Automobile Dealers Associations in 2024 (See figure 5) receiving almost 25% of the local advertising dollars and will remain in the top position through the end of our forecast period in 2027.

Figure 5: 2024 Tier 2: Local Automobile Dealers Associations Spending by Media Channel



Source: BIA 2024 U.S. Local Advertising Forecast. Issued October 2023.

Twelve of the sixteen media channels will see year over year increases in 2024 with the largest dollar increases going to TV OTA (+\$47 million), PC/Laptop (+\$21 million) and Mobile (+\$17 million). Radio OTA+Digital will see an increase of \$7 million. Newspapers Print will lose \$3 million; however, Newspapers Digital will make up for this with an increase of \$4 million.

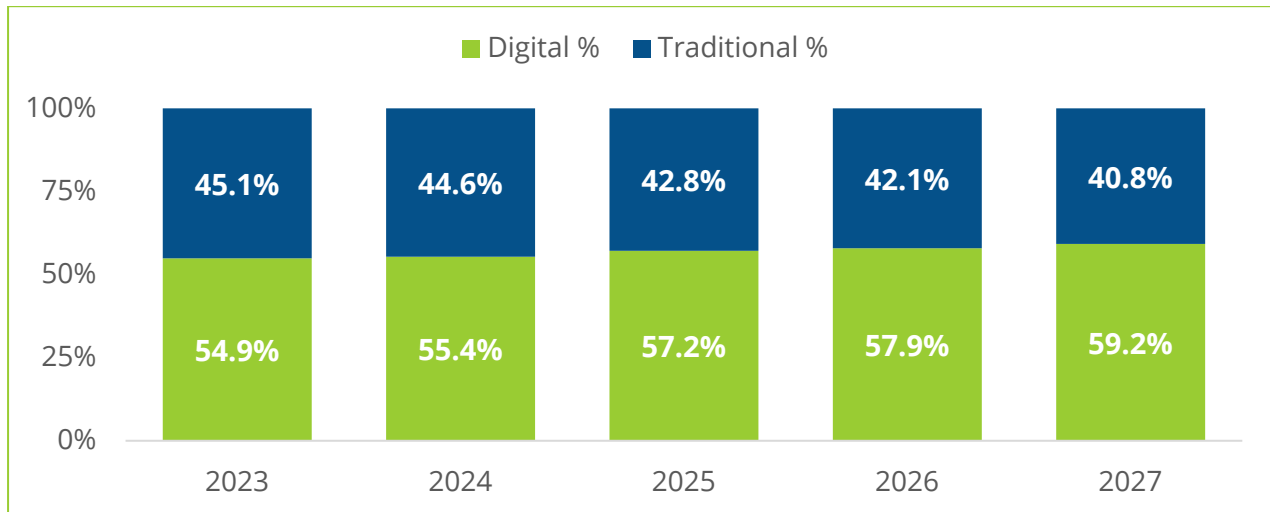
Table 6: BIA Opportunity Alert: Tier 2: Local Automobile Dealers Associations Top Media Channels 2023-24

Biggest Increases in Spend 2023-24	Top Media Channels 2023	Top Media Channels 2024
CTV/OTT +17.0%	PC/Laptop \$800M	PC/Laptop \$821M
TV Digital +11.3%	TV OTA \$646M	TV OTA \$693M
Email +9.2%	Mobile \$550M	Mobile \$567M

Source: BIA 2024 U.S. Local Advertising Forecast. Issued October 2023.

Spending by Tier 2 – Local Automobile Dealers Associations are shifting to digital channels. The top five, and nine of the top ten, media channels with the largest compound annual growth rates (CAGRs) between 2024 and 2027 are digital channels. Television OTA is the only traditional channel to break into the top ten at number six.

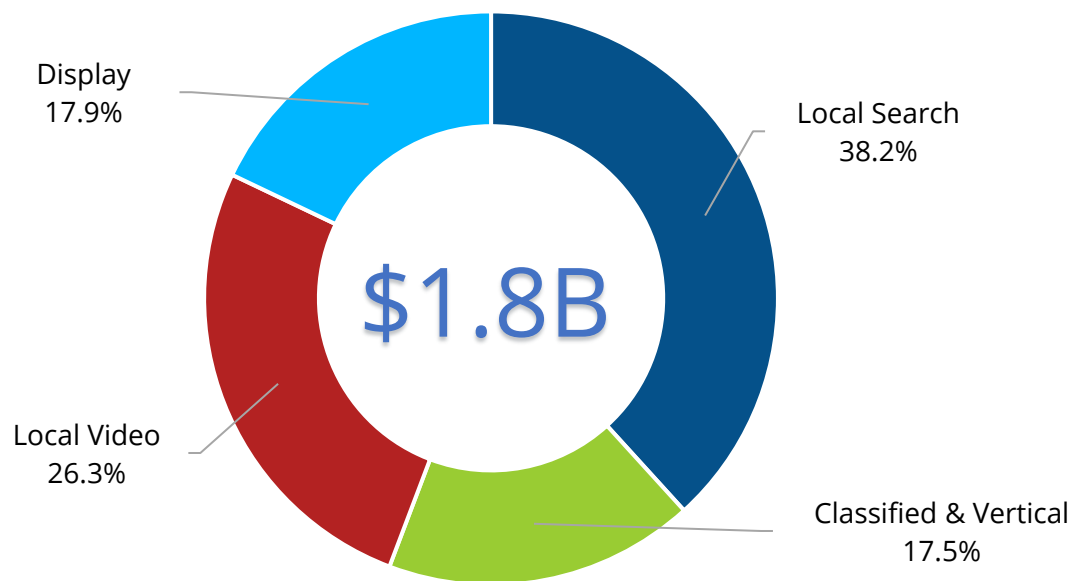
**Figure 6: Tier 2 – Local Automobile Dealers Associations
2023 through 2027 Traditional vs. Digital Chart**



Source: BIA 2024 U.S. Local Advertising Forecast. Issued October 2023.

For Tier 2 – Local Automobile Dealers Association clients local search and local video are the anchor categories in digital and growing from 64.6% of the spending in 2024 to 68.7% in 2027.

**Figure 7: Tier 2 – Local Automobile Dealers Associations
2024 Digital Spending by Ad Platform**

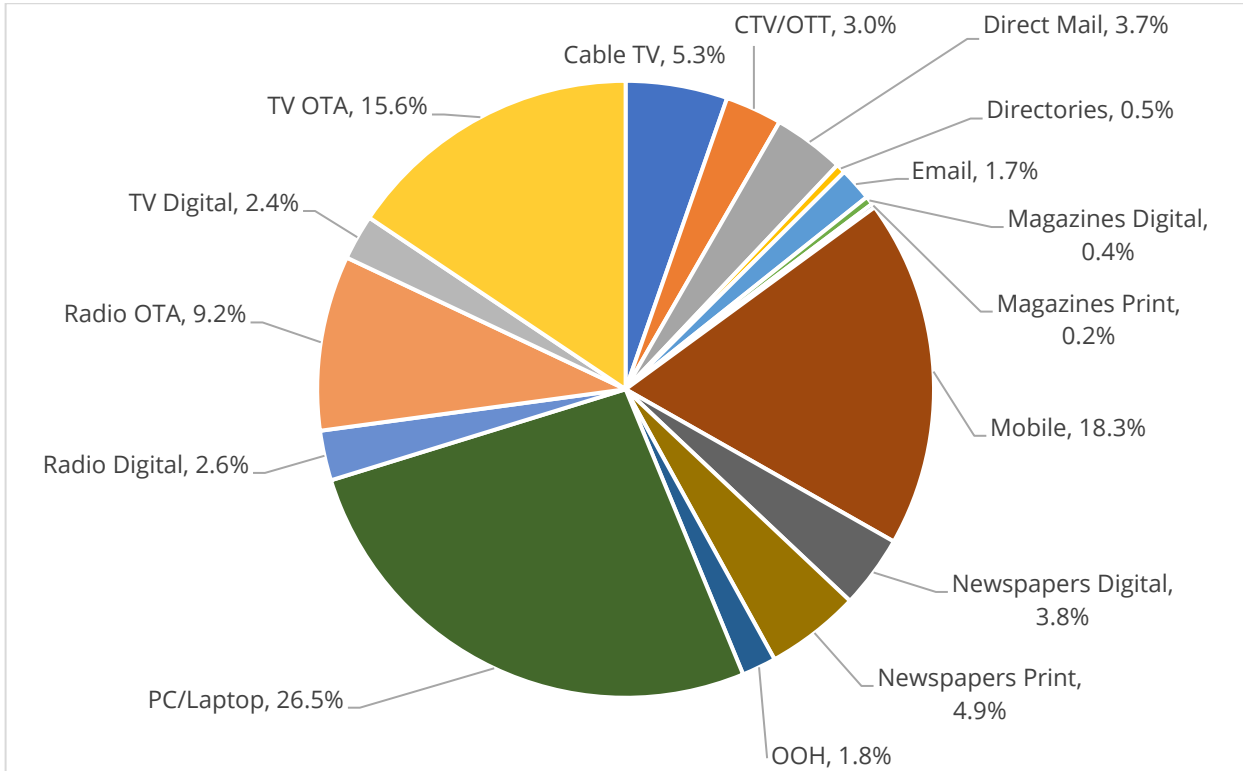


Source: BIA 2024 U.S. Local Advertising Forecast. Issued October 2023.

Tier 3 – New Car Dealers: 2023 to 2027

PC/Laptop will continue to be the top media channel for Tier 3 – New Car Dealers in 2024 (See figure 8) receiving over 25% of the local advertising dollars and will remain in the top position through the end of our forecast period in 2027.

Figure 8: 2024 Tier 3: New Car Dealers Spending by Media Channel



Source: BIA 2024 U.S. Local Advertising Forecast. Issued October 2023.

Six of the sixteen media channels will see year over year increases in 2024 with the largest dollar increases going to TV OTA (+\$15 million), CTV/OTT (+\$11 million) and TV Digital (+\$5 million). Radio OTA+Digital will see a decrease of \$11 million, and Newspapers Print+Digital will see a decrease of \$13 million.

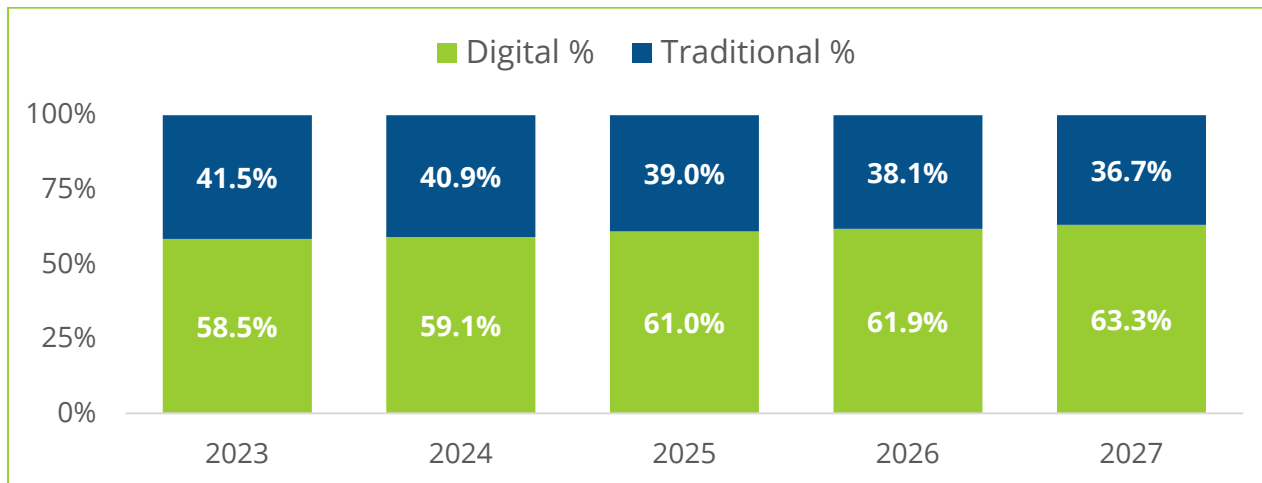
Table 7: BIA Opportunity Alert: Tier 3: New Car Dealers Top Media Channels 2023-24

Biggest Increases in Spend 2023-24	Top Media Channels 2023	Top Media Channels 2024
CTV/OTT +11.1%	PC/Laptop \$959M	PC/Laptop \$941M
TV Digital +5.7%	Mobile \$660M	Mobile \$650M
Email +4.3%	TV OTA \$541M	TV OTA \$555M

Source: BIA 2024 U.S. Local Advertising Forecast. Issued October 2023.

The spending is shifting to digital channels. The top five, and nine of the top ten, media channels with the largest compound annual growth rates (CAGRs) between 2023 and 2027 are digital channels. Television OTA is the only traditional channel to break into the top ten at number six.

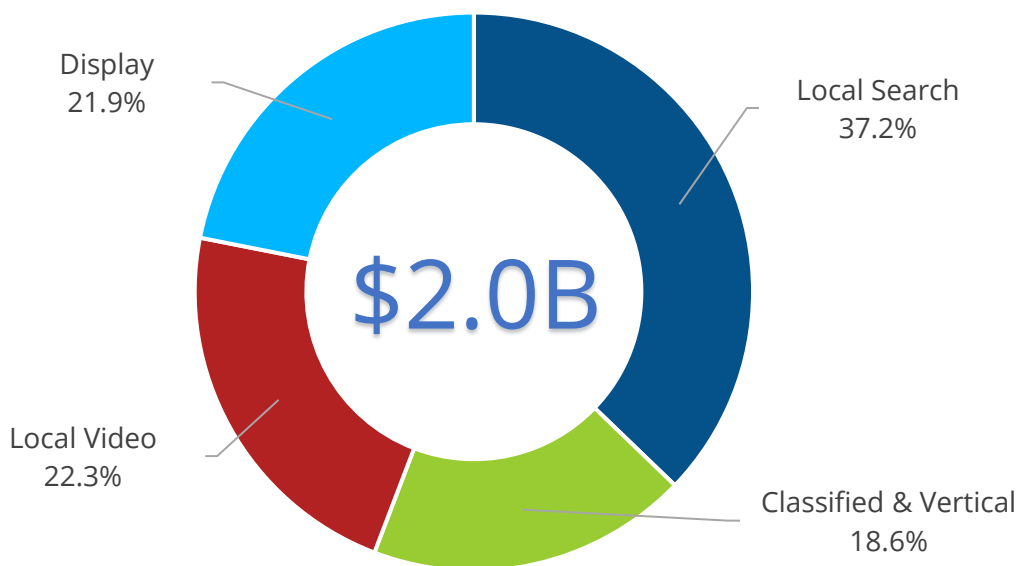
Figure 9: Tier 3 – New Car Dealers 2023 through 2027 Traditional vs. Digital Chart



Source: BIA 2024 U.S. Local Advertising Forecast. Issued October 2023.

Local Search is the anchor category for digital spending with Tier 3 - New Car Dealers and will continue to attract the most spending through 2027.

Figure 10: Tier 3 - New Car Dealers - 2024 Digital Spending by Ad Platform



Source: BIA 2024 U.S. Local Advertising Forecast. Issued October 2023.

BIA Local Ad Forecasts & Analysis



This report and market specific spend and trends in other verticals are available in BIA ADVantage.

BIA ADVantage, the leading local advertising revenue intelligence platform, provides extensive, quality data along with expert analysis to reveal the advertising trends and opportunities in local markets and nationwide.

Realize local ad revenue with BIA ADVantage. Learn more about [BIA ADVantage](#). Interested in a demo? Email advantage@bia.com.

If you are a subscriber, [log in now](#) to view the Automotive forecast for your local market.

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Appendix A: Description of Automotive Verticals

Automotive Repair Services: This industry comprises establishments primarily engaged in providing (1) a wide range of mechanical and electrical repair and maintenance services for automotive vehicles, such as passenger cars, trucks, and vans, and all trailers or (2) engine repair and replacement.

Gas Stations & Petroleum: This industry comprises establishments engaged in retailing automotive fuels (e.g., diesel fuel, gasohol, gasoline) in combination with convenience store or food mart items.

Other Motor Vehicle Dealers: This industry group comprises establishments primarily engaged in retailing new and used vehicles (except automobiles, light trucks, such as sport utility vehicles, and passenger and cargo vans).

Tier 1 – Automotive Manufacturers (OEMs): Establishments primarily engaged in (1) manufacturing complete automobiles (i.e., body and chassis or unibody) or (2) manufacturing automobile chassis only.

Tier 2 – Local Automobile Dealers Associations: Trade organization representing local auto dealerships.

Tier 3 – New Car Dealers: This industry comprises establishments primarily engaged in retailing new automobiles and light trucks, such as sport utility vehicles, and passenger and cargo vans, or retailing these new vehicles in combination with activities, such as repair services, retailing used cars, and selling replacement parts and accessories.

Tier 3 – Old Car Dealers: This industry comprises establishments primarily engaged in retailing used automobiles and light trucks, such as sport utility vehicles, and passenger and cargo vans.

Tires, Automotive Parts, and Accessories Stores: This industry comprises one or more of the following: (1) establishments known as automotive supply stores primarily engaged in retailing new, used, and/or rebuilt automotive parts and accessories; (2) automotive supply stores that are primarily engaged in both retailing automotive parts and accessories and repairing automobiles; and (3) establishments primarily engaged in retailing and installing automotive accessories. (4) retailing new and/or used tires and tubes or retailing new tires in combination with automotive repair services.

Appendix B: Media Definitions **Traditional & Digital**

Cable Television: All revenues generated by local cable systems for sale of time to either national or local advertisers on all of their aired networks. Does not include any advertising sold by national cable networks.

Direct Mail: All revenue spent (including postage and production) by direct mail local and direct mail national advertisers in promoting their products/services through printed mailings and catalogs. The average split of national/local is 90/10.

Magazines Print: All revenues generated by local market magazines from either national or local advertisers from their print editions. Does not include any advertising generated by magazines with a national subscriber base.

Newspapers Print: All revenues generated by local daily and weekly newspapers from national and local advertisers from their print editions. Does not include any revenue generated from subscriptions.

Out-Of-Home (OOH): All revenues generated from sale of advertising in locations outside of homes. Includes traditional billboards, digital billboards, digital signage, taxi cabs, and digital cinema.

Radio Over-the-Air (OTA): All revenues generated by local radio stations for sale of time to either national or local advertisers from their over-the-air broadcasts. Does not include any advertising sold by the national radio networks.

Television Over-the-Air (OTA): All revenues generated by local television stations for sale of time to either national or local advertisers. Does not include any advertising sold by the over-the-air national networks, nor any retransmission consent revenues generated by these local television stations.

Directories: All revenues generated by local directory companies for their printed and digital/online listings.

E-mail: All revenues spent by national and local advertisers in e-mail solicitation.

Magazines Digital: All revenues generated by local market magazines from either national or local advertisers from their digital activities. Includes the share retained by local magazines after reselling other online platforms (e.g., Google AdWords). Does not include any advertising generated by magazines with a national subscriber base.

Mobile: All revenues generated from advertising on mobile devices and targeted devices are Phones, tablets. This includes in-app advertising as well as mobile web and messaging advertising. Formats include display, search, SMS, video and native social advertising (i.e. Facebook news feed ads).

Newspapers Digital: All revenues generated by local daily and weekly newspapers from national and local advertisers from their online editions. Includes the share retained by local newspapers after reselling other online platforms (e.g., Google AdWords). Does not include revenues generated from subscriptions.

Connected TV/Over-the-Top Media (CTV/OTT): CTV/OTT advertising is local targeted advertising included on streaming video delivered to TV sets via Internet connections and includes both IP set top boxes that receive signals from digital video ad servers (and widgets on them) as well as USB and HDMI multimedia devices.

PC/Laptop: All revenues generated by online companies selling locally targeted advertisements to be displayed on a PC/laptop. These advertisements could be sold by local pure-play online companies, or national companies selling geo-targeted advertising.

Includes search, display, and classified/vertical advertising. Search includes dollars spent on online local inquiries with search engine sites (such as Google, Microsoft, Facebook, Yahoo, Ask, AOL).

PC/Laptop and Mobile sub-categories are:

-Search Includes all advertising spending with online local inquiries with search engine sites (such as Google, Microsoft, Yahoo, Ask, AOL).

-Other Display include amounts spent targeting local audiences on various sites through banners surrounding content.

-Video Display includes amounts spent targeting local audiences with online video ads that launch before, during or after other video programs.

Classified/Verticals advertising is a wide category that includes advertising on vertical websites (e.g., AutoTrader.com, Trulia, etc.), as

well as purchased classified advertising on various websites.

Radio Digital: Digital radio advertising includes local advertising sold by local stations (streaming and website advertisements) and pure play streaming services. Includes the share retained by local radio stations after reselling other online platforms (e.g., Google AdWords).

Television Digital: TV digital advertising includes local advertising sold by local broadcast stations (owned and operated streaming and website advertisements). Includes the share retained by local television stations after reselling other online platforms and products (Not owned and operated e.g., Google AdWords, targeted display, social media advertising).