

What's driving automotive media coverage?

Overview

Hurricanes Katrina and Rita amplified already shifting perceptions among U.S. consumers about automobile fuel efficiency. While the industry predicts a permanent shift to more fuel-efficient vehicles, the media positions the benefits and drawbacks of hybrid vehicles to different audiences in different ways, and questions remain about what automotive companies can do to measure media coverage about competitors and other issues such as safety and performance.

This analysis provides the following information:

- I. A synopsis of U.S. media coverage from Sept. 2003 through Sept. 2005 of fuel-efficient vehicles and hybrid technology.
- II. Trends in media coverage of fuel-efficient vehicles and hybrid technology.
- III. Recent news and measurement recommendations.

Synopsis (Sept. 2003 – Sept. 2005)

Late 2003 media coverage of hybrid vehicles focused on efforts by automakers to build more fuel-efficient SUVs, due in part to predictions from J.D. Power and Associates that by 2008, two-thirds of hybrid vehicles sold in the U.S. will be trucks, SUVs and vans. Reports also indicated that Detroit automakers were approaching hybrid technology differently from their Japanese counterparts, by focusing on gas mileage improvements in SUVs, rather than in cars.

At the same time, the media turned its attention to the National Highway Traffic Safety Administration, as the agency began working on plans to encourage the production of smaller cars with greater fuel economy. In mid-Oct. 2003, the NHTSA issued a new study showing that heavier vehicles, such as SUVs, are safer than more fuel-efficient, smaller vehicles, causing some environmentalists to express concerns about a bias against fuel-efficiency.

Environmentalists' concerns went unrealized, as in 2004, coverage of automotive safety fell as reporting on hybrids increased. From Jan. to May 2004, monthly coverage of hybrids increased 86 percent, while coverage of automotive safety fell 43 percent. Early 2004 reports highlighted predictions that hybrid technology would be a key issue for automakers. Reporting on hybrids peaked in May, as more coverage appeared about rising gas prices and the upcoming summer driving season.

Although the volume of coverage about hybrid and fuel-efficient vehicles declined throughout the remainder of 2004, the topic remained more prominent than automotive safety. The slowest month for media coverage of hybrids was Nov. 2004, when they were discussed in 231 articles, while the busiest month for media coverage of automotive safety in 2004 was December, when the topic appeared in only 218 articles. Dec. 2004 coverage discussed winter driving safety, regarding issues such as seat belts and tires, and nearly one-third of stories mentioned recalls. Recalls of the Ford Escape, the Dodge Durango and Toyota Celica accompanied reports about the NHTSA's announcement that 2004 was a record year for recalls; however, analysts stressed that the record numbers resulted from increased complexity and vigilance, not a lapse in quality.

Across the first three quarters of 2005, reporting on hybrid and fuel-efficient vehicles continued to increase while coverage of automotive safety decreased. Reporting on fuel efficiency peaked in Apr. 2005, again due to concerns about gas prices and energy proposals from the Bush administration. Across the summer and early fall, coverage of hybrid vehicles continued to escalate on energy concerns, culminating at its highest point in two years in Sept. 2005, following the devastations of Hurricanes Katrina and Rita.

Key Metrics

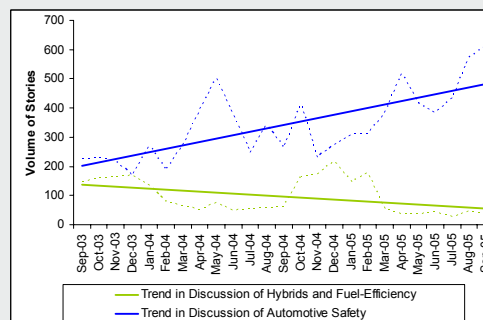
Percent increase in coverage of hybrids and fuel-efficient vehicles (Sept. 2003 to Sept. 2005):

+ 172 percent

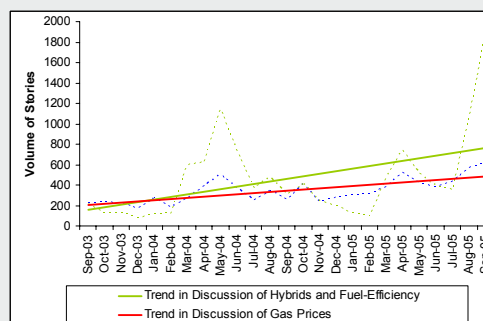
Percent decrease in coverage of automotive safety (Sept. 2003 – Sept. 2005):

- 88 percent

Hybrids/Fuel-Efficiency vs. Automotive Safety



Hybrids/Fuel-Efficiency vs. Gas Prices



Fuel for Thought: Media Trends in the Automotive Industry

Trends & Implications

#1: Reporting on hybrids is not a passing fad. While media coverage of hybrids and fuel-efficient vehicles heated up in the summer months and spiked following the natural disasters of Hurricanes Katrina and Rita, the media's focus on this issue is not a flash-in-the-pan. Reporting has been increasing steadily; media discussion of hybrids in Sept. 2005 was more than double Sept. 2004 levels and 172 percent higher than Sept. 2003 levels.

#2: As fuel-efficiency gains momentum, performance and safety lose traction. Hybrid reporting and coverage of safety and performance have an inverse relationship. A negative correlation of 0.589 exists between media coverage of hybrids and media coverage of safety issues, and a negative correlation of 0.375 exists between coverage of fuel-efficiency and automotive performance. As media coverage of fuel-efficiency and hybrid technology has been on the rise, media coverage of automotive safety and performance has been on the decline, and the volume of stories about fuel-efficiency has outpaced safety by a wide margin.

#3: Trends in media coverage of hybrids follow gas prices more closely than reviews. Gasoline prices are closely linked with hybrids, while automotive reviews are not. A correlation of 0.843 exists between media coverage of gasoline prices and hybrid or fuel-efficient vehicles, while no relationship exists between these vehicles and new car launches or automotive reviews. This may have implications for the timing of new product launches or expectations of media coverage for new vehicle launches, as gas concerns continue to be a major media concern.

#4: Sticker price has not become a greater issue. There is not a strong relationship between media reporting on car prices and hybrid or fuel-efficient vehicles.

#5: Media share is not a zero-sum game. Reports on hybrids often mention multiple companies, and share of voice among major carmakers has not changed considerably.

Recent News & Recommendations

Recent media coverage has focused on the Frankfurt auto show. The media discussed announcements related to hybrids at the show, including an alliance between VW, Audi and Porsche to develop hybrid technology and Audi's introduction of the first gas-electric hybrid vehicle from a European automaker.

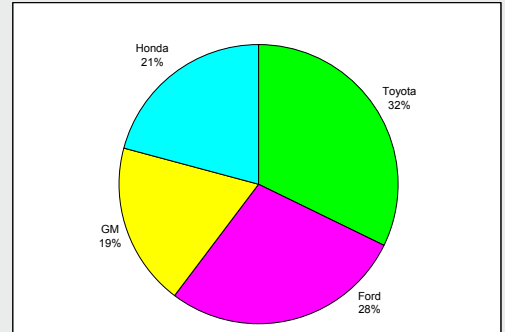
Media coverage of the announcements from Ford and GM that they will increase their development of hybrid technology usually positioned U.S. automakers as playing catch-up with Toyota, the industry leader in hybrid technology. Stories about the American companies focused on hybrid technology as a way to improve their image. Stories that focused more on the cars themselves were more negative on hybrid technology, pointing out that while fuel-efficiency is a huge benefit of hybrids, the vehicles may cost more up-front.

CARMA recommends the following to organizations trying to measure media coverage in the automotive industry:

- **Segment results by audience.** The benefits and drawbacks of hybrid technology may be presented to audiences in different ways. Segment results based on the audience focus or type of message (consumer vs. investor, for example).
- **Compare competitors beyond share of voice.** Stories about hybrid technology often discuss multiple companies in the sector, so a simple share of voice measure does not go far enough. Better comparisons can be made on measures such as spokesperson penetration or content quality.
- **Don't ignore lesser discussed issues.** While hybrid technology has dominated discussion, other technologies like clean diesel may be discussed more favorably in other countries. Also, issues like safety will suddenly come to the forefront again if a new crisis develops. Tracking those issues now ensures that a reliable system is in place if a crisis occurs.

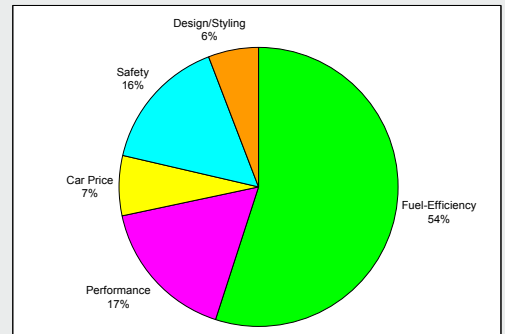
Share of Voice in Hybrid Stories (Sept. 03 – Sept. 05)

By leading companies



Share of Voice (Sept. 03 – Sept. 05)

By automotive feature



Leading Publication Sections (3Q05)

Not available for all stories

Business:	25 percent
News:	14 percent
Commentary/Editorial:	11 percent
Autos:	9 percent