

Super Bowl Auto Advertising More Efficient than Incentives

February 2015

The Essence of a Market Study on Super Bowl Advertising:

A TrueCar study shows Super Bowl advertisers beat across-the-board incentive spending in efficiency. Post-game analysis shows that some brands earned notable incremental sales from their Super Bowl investment. Or Super Bowl ads seem to keep paying off for advertiser, no matter the cost.

Stats to back up Super Bowl Advertising Claim;

[TrueCar](#), Inc found that Super Bowl advertising to be efficient, with the average automotive advertiser achieving a projected 2.4 percent increase in retail market share. Auto brands that advertised during the game gained a combined 0.9 percentage point of retail share compared to those that sat on the sidelines.

New Car Market Numbers:

TrueCar's comparison of new vehicle order-generation activity in the week following the Super Bowl with a similar week of the prior month found that most auto advertisers got a retail share lift after the game. Nissan led with 0.4 percentage point of projected incremental retail share, for a total increase of 4.6 percent. Kia, Mercedes-Benz and Jeep also did well, with gains of 0.3, 0.2 and 0.1 percentage point and 5.9 percent, 5.6 percent and 2.9 percent increases in share.

Significant Commentary from John Krafcik, president of TrueCar.

“The marginal unit economics of the auto industry are such isolating the incremental sales associated with Super Bowl advertising reveals that the game can be a really effective marketing channel,” “The marginal unit economics of the auto industry are such that automakers are willing to pay a surprisingly high price tag for incremental sales.”

Most Efficient cost per incremental sale:

Super Bowl participants Nissan, Kia, Mercedes-Benz and Jeep achieved more efficient cost per incremental sales unit than 2014's average blanket incentive spending. The cost for each incremental unit sale last year was \$23,200 when using general market, untargeted incentives, such as rebates and other price reductions, TrueCar analysis shows.

Super Bowl Auto Advertising More Efficient than Incentives

TrueCar's Assessment of the results of the Study:

Super Bowl advertisers did much better than that delivering incremental sales for just \$9,344, 60 percent less than untargeted incentive spending,” TrueCar’s assessment results from its unique position within the automotive industry as a “bottom of the funnel” platform for consumers ready to buy, rather than a higher funnel car-browsing site.

Amplification on the Study by Mike Swinson, Chief data scientist, TrueCar:

“Our real-time, auto buying-centric data generates deep insights to help unlock the frontier of sales, pricing and spend efficiency.” “The power of our data is immense, limited only by our imagination. Understanding marketing spend efficiency is just the tip of the iceberg in a sea of big data.”

The Cost of Super Bowl Ad Remains Efficient.

The cost of airing a 30-second spot during this year’s game was as much as \$4.5 million, [according to AdAge](#). Even at that level, Super Bowl campaigns can be highly efficient.

What did advertisers learn per John Krafcik, TrueCar’s President:

“The great lesson here for automakers is that big strategic spending on big marketing platforms like the Super Bowl can make a lot of sense, especially when you've got a message that ties to the brand and resonates with car buyers.”

“Combining those big strategic marketing initiatives with TrueCar's targeted incentive programs is a smart way for automakers to build their brands, grow market share and delight more car buyers.”

Link to the complete release on this market study by TrueCar:

<http://www.nasdaq.com/press-release/truecar-finds-super-bowl-auto-advertising-beats-acrosstheboard-incentive-spending-in-efficiency-20150212-00676>