2022
Auto Industry Assessment
Introduction

Explore NBCUniversal’s latest perspectives and insights into the Auto industry. This report provides an overview of recent marketplace dynamics, our prediction of key future trends impacting the industry, and strategic recommendations for Auto brands and marketers as they navigate what’s next.

Our Approach

At NBCUniversal, we have a legacy of working with a diverse range of Auto partners to build their brands. This report has been created based on NBCU’s:

- Ongoing Industry Evaluation
- Conversations with Auto Advertisers and Agencies
- Continual Marketplace Analysis
- Examination of Consumer Attitudes towards the Auto Industry
In 2022, NBCU worked with:

60+ Automotive Industry Advertisers

- OEMs
- Dealership Groups
- 3rd Party & New Form Online Retailers
- Parts & Services
- Motorcycle Companies
- Rental Companies
- Ride Sharing / Hailing

Note: This is not an exhaustive list
2022 Landscape
Overview of Key Auto Marketplace Dynamics
FOR AUTO BRANDS, 2022 HAS BEEN THE Year of Uncertainty

as brands faced setbacks and opportunities (almost simultaneously)

[source: tradingeconomics.com]
WHAT ARE WE WATCHING FOR 2023?

Coming Face to Face with Headwinds and Tailwinds

Key Trends

Wading Through Continued Supply Volatility

The year began with new-vehicle sales predicted to reach 16M, +7% vs. 2021.¹ In June, it was revised to 14.4M units² as chip shortages, raw materials, and supply chain challenges continued.

Navigating Consumer Confidence

The impending economic downturn, inflation, volatile gas prices, and rising interest rates all impacted consumer confidence, which fell to a 1.5 year low in July,³ resulting in reassessed spending priorities.

Experiencing EVs in the Spotlight

With EV sales hitting new records in 2Q 2022, up 13% from 1Q,⁴ more consumer news outlets have been quick to pick up on what it is like to own an EV – bringing attention to the massive shift that is happening.

Pursuing Sustainability in the Public Eye

With the passing of the Inflation Reduction Act, and the 1st phase of the government’s charging infrastructure underway,⁵ the industry is front and center of the climate change conversation.⁶ Many companies have committed to action, such as setting science-based emissions reduction targets.⁷ Still, consumer perception is volatile.

Pursuing Sustainability in the Public Eye

Shifting Focus to Electric Vehicles

On average, Auto executives expect 52% of new vehicle sales to be all-electric by 2030\(^1\) – in line with President Biden’s new national target for zero-emissions vehicles to make up half of all new vehicle sales by 2030.\(^2\)

Ex: Ford’s Blue Oval City Campus

Committing to Emissions Reductions

Six major vehicle manufacturers signed the COP26 Agreement drafted by The United Nations, stating that all new car and van sales must be only zero-emissions vehicles in the global market by 2040 and in emerging markets by 2035.\(^3\)

Ex: Major automakers pledged at COP26

Discovering New Roads

Urban Air Mobility (UAM) is not as far as it seems. Automakers, like Rolls-Royce and Hyundai, have already begun to formulate agreements to develop UAM using all-electric fuel and hydrogen cell technology.\(^4\)

Ex: Hyundai and Uber Partnership

Sources: 1. CNBC; 2. The White House; 3. United Nations; 4. Hyundai Website
BRANDS ACROSS AUTO SUB-CATEGORIES ARE Adapting to Overall Industry Shifts

Luxury Auto

In 2Q, Luxury Autos experienced higher sales than non-Luxury due to better availability of cars during the chip shortage.\(^1\)

As of 3Q, ultra-Luxury showed little impact by the threat of recession, with key brands posting high 1H 2022 earnings.\(^2\)

Dealers

Dealers have been shifting their business models faster than anticipated (e.g., EV preparation, digitalization, trainings).

At the core, these factors are reframing the focus from the product they are selling to the customer they are serving.

Parts & Services

A booming parts and maintenance business comes as consumers keep their cars longer,\(^5\) with persistent supply chain issues and economic factors keeping costs high.

Consumer adoption of EVs has led to new product opportunities, such as custom tires.\(^6\)

3rd Party / New Form Online Retail

Coming off record high prices and extreme consumer demand, the used car market is normalizing as supply and prices stabilize.

However, 3rd Party and New Form Online Retailers continue to monitor ever-changing consumer demand for affordability.

Ride Sharing / Hailing

Shared mobility is still on the decline post-pandemic.

Key causes of consumer dissatisfaction with these services include persistent hygiene concerns, rising gas costs, and reduced availability of drivers.\(^9\)


35% The percentage of the Luxury market that is multicultural, with Hispanics leading in vehicle sales\(^3\)

$3B The estimated investment U.S. dealers have made to prepare for EVs\(^4\)

13.1 Years The average age of passenger vehicles on the road – a new record\(^7\)

Soft Market

The climate of 1H 2022 for used cars at dealerships and online-only retailers\(^8\)

-11% The decline in monthly work journeys via shared mobility in North America, now vs. pre-COVID 19\(^9\)
Key Auto Headlines from 2022

“At CES, tech alliances firm up in the self-driving car wars”

“New-vehicle inventory holds steady as asking prices retreat”

“EV tax credit gets surgery, but there are complications”

“How Tesla lost the race for affordable EVs to an unexpected rival”
Auto Forward-Looking Trends

Key Trends We Expect to Influence Auto Marketing & Media Strategies
Key Auto Trends We Expect to Influence Marketing & Media Strategies

- Leading with **the Brand**
- An Evolved Competitive Set
- **The Next Wave of Electric Vehicles**: Early Adoption to Mainstream
- From Curiosity to Acceptance: **The Auto Digitalization Movement**
- The Infancy of **Autonomous**
Leading with the Brand

Brands will carve out space to prioritize identity.

As auto brands diversify their services and products, and emerging Auto brands launch into the market, consumers will be faced with more options and decisions.

This, coupled with market uncertainty, will lead advertisers to recalibrate their brand and product marketing efforts.

We expect brand positioning and personalities to come more to the forefront— as legacy advertisers solidify theirs, and new brands to create them.

BRAND AS A SYMBOL OF Consumer Lifestyle

“I’m looking for something that fits my style, I’m a younger businessman...I'm a younger professional, and I'd like to have something that presents that when I'm driving it.”

THE POWER OF Brand Loyalty

84% of EV considerers would purchase an EV from their current automaker, leaving little room for brands to win over new customers.

Emerging & Legacy Brands

Seek Differentiation with new companies in the Auto space and the overall shift to electrification, the industry is more crowded than ever before. There is an increasing need to stand out from the competition and connect with consumers on a more personal level.

Sources: 1. NBCU/Horowitz Research, Proprietary Consumer Immersion Research; 2. iSpot; 3. Cox Automotive
An Evolved Competitive Set

Brands thinking outside the box of traditional car ownership

With easy access to ride-sharing and a lack of financial security, younger consumers continue to spurn driving and car ownership.  

Coupled with growing mainstream interest in sustainability, Auto brands will need to compete with more than just other OEMs.

Amidst emerging mobility services and ongoing supply chain slowdowns, automakers will need to think like a consumer to compete through expanded offerings, programs, and partnerships.

Gen Z Is Driving Less Than Prior Generations
Percentage of Licensed Drivers Aged 18-23 by Generation

30% of consumers often choose methods of transportation that are friendlier to the environment

Sources: 1. U.S. Department of Transportation; 2. MRI-Simmons
The Next Wave of Electric Vehicles: Early Adoption to Mainstream

Marketplace dynamics takeover, hinting at earlier-than-anticipated adoption

67% of Americans believe EVs are the way of the future. Over 25% say they would not consider an electric-only vehicle. A gap exists.

However, marketplace dynamics – such as supply chains, infrastructure, macroeconomics, and the cleaner environment movement – are supporting mainstream adoption.

To nudge consumer dynamics more inline with favorable marketplace conditions, we expect brands will more heavily balance education with awareness and excitement and focus more on multicultural consumers to help drive growth.

THE U.S. REACHED THE TIPPING POINT OF ADOPTION IN 2022...

Electric vehicles sales reached 5% of new vehicle sales

TIPPING POINT:
Per a Bloomberg study, the % of adoption when the rest of a country’s population joins the early adopters of electric vehicles

...LEADING TO PREDICTIONS OF EARLIER-THAN-EXPECTED ADOPTION

By 2025, it is predicted electric vehicle sales in the U.S. will reach 25% of new vehicle sales

From Curiosity to Acceptance: The Auto Digitalization Movement
Normalization of the digital shopping experience is paving the way for connectivity and automation

2020
Online shopping was accelerated to meet a consumer need during the pandemic, as buyers were at home with nowhere to go.

In 1H 2020, online retailers Carvana, Shift, and Vroom saw sales increase 36% YoY

2021
Digital systems became "par for the course", with a new way of shopping for vehicles, one typically reserved for apparel and household goods.

73% of people say one extraordinary experience raises their expectations of other companies

2022
With the normalization of auto digitalization, online reservations are now the expectation of consumers, opening the door to what’s next in the space.

76% of people are open to buying a vehicle completely online

2023+
Navigating customer expectations are central to auto’s digital evolution; we can expect further public tout of their advancements, from autonomous driving to predictive maintenance.

75% of people expect companies to use new technologies to create better experiences

Sources: 1. Modern Retail; 2. Salesforce; 3. Cox Automotive
The Infancy of Autonomous

Continued digitalization and rising connectivity expectations usher in a new era of transportation

What exactly does autonomous mean? There are 5 levels of autonomous driving, ranging from limited driver assistance to full driving control.¹

Fully autonomous vehicles are expected to account for 1 in 10 cars by 2030.²

While many see self-driving cars as the future of automobiles, safety is a major barrier to adoption.³

As technology advances, young multiculturals will be key to get on board, as they tend to be early adopters.

Alphabet’s Waymo One launched the world’s first robotaxi service without safety drivers in 2020⁴

GM’s Cruise began offering free robotaxi rides in 2022 and is seeking for approval for the Cruise Origin, an autonomous, zero-emission shuttle⁵

…safety remains top-of-mind for consumers, as crashes continue to make headlines

Automakers reported nearly 400 crashes involving vehicles with partially automated driver-assist systems July 2021 – May 2022⁶

SUMMARY

Key Auto Trends We Expect to Influence Marketing & Media Strategies

- **Leading with the Brand**
  Brands will carve out space to prioritize identity

- **An Evolved Competitive Set**
  Brands thinking outside the box of traditional car ownership

- **The Next Wave of Electric Vehicles: Early Adoption to Mainstream**
  Marketplace dynamics takeover, hinting at earlier-than-anticipated adoption

- **From Curiosity to Acceptance: The Auto Digitalization Movement**
  Normalization of the digital shopping experience is paving the way for connectivity and automation

- **The Infancy of Autonomous**
  Continued digitalization and rising connectivity expectations usher in a new era of transportation
NBCU Auto Strategic Considerations

Key Considerations for Driving Growth for Auto Brands
Capture attention and spark intrigue by aligning with key cultural moments and influencers - positioning your brand within the height of cultural conversation.

Create excitement, elicit interest, and inspire action by tapping into trusted IP and talent, innovative media, and enticing content. Show up where your audience is - educating, exciting, and touting your brand.

Invite potential buyers into the brand experience by offering opportunities for discovery and action through digital ad innovation.

Maintain and create connections with key growth audiences, such as Hispanics, by leading with culture through content and media.

Leverage your data and our data across digital and linear to meet audiences with messaging relevant to their needs and journey phase.
**NBCUniversal**

**Auto Strategic Considerations**

01. **Cement Your Cultural Footprint**

**Why:** As consumer choice increases, cementing your brand in their minds becomes more important than ever. Relevant cultural moments and influencers can build stronger connections.

**Good For:** Awareness | Recall | Sentiment | Consideration | Purchase Intent

02. **Build the Brand, While Driving Adoption**

**Why:** As competition increases parallel to marketplace and industry tailwinds, consumer understanding, decision and overall acceptance will be the driving force of success.

**Good For:** Awareness | Discovery | Familiarity | Sentiment | Consideration | Purchase Intent

03. **Create Engagement at Every Touchpoint**

**Why:** With the auto purchase process evolving, and consumer expectations rising, brands must leverage content experiences that both create and convert demand.

**Good For:** Consideration | Discovery | Engagement | CRM / Lead Generation

04. **Engage Multicultural Consumers for the Ride**

**Why:** Multicultural consumers represent a significant opportunity for auto advertisers across sub-categories. Building strong connections now can position your brand for short and long-term success.

**Good For:** Awareness | Sentiment | Consideration | Conversion | CRM / Lead Generation

05. **Turbocharge Your Audience Targeting**

**Why:** As the industry continues to transform, leveraging combined data sources helps identify new high-value audiences, facilitates timely learnings and optimizations, and allows for tailored messaging.

**Good For:** Targeted Reach | Incremental Reach | Ad Recall | Behavioral KPIs | Conversion
Cement Your Cultural Footprint

Position your brand within the height of cultural conversation, capturing attention and sparking intrigue

Cultural Moments and Events
Create your own or tap into the established breakthrough moments and events (NBCU or non-NBCU), shaping today’s cultural conversation

Alignment with Premium Content
Align your brand with premium, brand-safe, audience-relevant content through integrations and sponsorships

Cultural Heritage & DE&I Celebrations
Build strong connections with Multicultural audiences, diverse communities, and other key audiences (e.g., women, veterans, LGBTQ+) by aligning and integrating with moments that matter

Cultural and Industry Influencers
Tap into influencers across entertainment, sports, and news who are relevant to your brand and audience to help tell your story and build your brand

Cultural moments resonate beyond the screen — driving social engagement, search, site visits, and other key metrics
02. Build the Brand, While Driving Adoption
Create excitement, elicit interest, and inspire action through a full-funnel media and content approach

**Position & Tout**
To strengthen leadership & differentiate your brand
Highlight your unique proposition and positioning leveraging trusted IP and co-created content that tells your story through engaging formats in command-worthy environments

**Excite & Educate**
To normalize electric vehicles
Illuminate the full ownership experience through inspiring, informative, relatable content in engaging formats across mainstage moments and always-on media

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**Lead Gen Across Screens Mass and Targeted Distribution**
- Contextual Placements
- Sequential Messaging
- Actionable Media
Create Engagement at Every Touchpoint

Fuel discovery and trigger consumer behavior through actionable content

03.

Inspire & Excite
Broad Consumers

Target and engage audiences across screens and content to drive reach, capture attention, and make an early impact with your brand

Recommended Solutions: Interactive Commercial Launch | Blended Show Open | Must Hear TV | Apple News Auto Topic Takeovers | Twitter Sustainability Highlights | TikTok In-Feed Spark Ads

Inform & Educate High Value Prospects

Convey key information and remain top of mind through unique innovations that drive exploration of new models

Recommended Solutions: AR Portal | Interactive Countdown Clock | Choose Your Own Destiny | Apple News Quiz | Twitter Poll | TikTok Collection Ads

Incite Action Among Engaged Prospects

Make it easy for high fidelity audiences to take action, such as finding a local dealership or reserving a vehicle online

Recommended Solutions: Dealer Locator | Engagement Ad | Car Colorizer | Apple News Tap-to-Map or Tap-to-Calendar | TikTok Countdown Sticker

Note: Activation feasibility would require further discussion. Visuals are for illustrative purposes only.
Source: NBCU Latitude Custom Commercial Innovation Study, 2018-2021. Lift vs standard ad

+11%

more likely a viewer is to consider purchasing a product due to an auto ad innovation vs. a standard ad

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Engage Multicultural Consumers for the Ride
Maintain and create connections with key growth audiences, such as Hispanics, following key best practices

Understanding & Connecting with Culture

• Consumers lean into brands and storytellers who understand the nuances of their culture - what makes each culture distinct and the common threads between cultures
• Consumers want brands to celebrate cultural moments and passion pillars
• They expect brands to actively support and play a role in culture

Authentic Representation & Storytelling

• Actively seek media and brands that tell genuine stories - busting stereotypes
• Authentic representation is crucial and if done effectively, builds trust – building loyalty to brands and stories
• Celebrity brand ambassadors play key roles in establishing credibility with a brand’s messaging

Making 200%ers the Protagonists

• Multifaceted, individualized, diverse approach to storytelling. One size does not fit all.
• 100% rooted in heritage and 100% rooted in U.S. Culture
• Toggle between traditions, heritage, culture, and language
• Diverse, yet one.
05. **Turbocharge Your Audience Targeting**

Leverage your data and our data across *digital and linear* to meet audiences with messaging relevant to their needs and journey phase.

Brands can bring their audiences to match to NBCU IDs or partner to develop custom audiences.

NBCU can create new custom audiences by combining a client’s or agency’s data with ours.

Audiences can be further expanded through lookalike modeling.

AdSmart provides seamless connection to NBCU inventory for audience targeting.
05. 

**Turbocharge Your Audience Targeting**

NBCUnified allows us to build a wide range of data audiences, and allows brands to combine their data with ours.

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**EXAMPLE USING NBCUNIFIED DATA**

**Alternative Fuel Intenders**

- **Technology**
  - Technology enthusiast who are also owners or in-market for alt fuel vehicles
  - NBCUnified Audience: 86%
  - NBCU IDs: 268M
  - Total AF: 42M
  - Overlap: 36M

- **Environmental**
  - Enthusiasts of environmental causes / green options who are also owners or in-market for alt fuel vehicles
  - NBCUnified Audience: 89%
  - NBCU IDs: 268M
  - Total AF: 27M
  - Overlap: 24M

- **Affluent Cost Savers**
  - Have the capital to invest in new trends, and are motivated by decreasing long term costs
  - NBCUnified Audience: 86%
  - NBCU IDs: 268M
  - Total AF: 28M
  - Overlap: 24M

NBCUnified audience examples leveraging NBC only data. Opportunity to combine with client and/or agency data.
NBCU Relevant Materials
Example Auto Industry Partnerships
NBCUNIVERSAL

Auto Partnership Examples

Polestar

LIVE FROM NETFLIX

TOP CHEF

GENESIS

PODCASTS

LEXUS

PEACOCK

BEL AIR

F-150 LIGHTNING

NBC

INSTAGRAM

TWITTER

FACEBOOK

YOUTUBE

MERCEDES-BENZ

LIVE FROM GRAMMY AWARDS
Category Content & Strategies

The Impact of Electrification

Future-Proof Your Auto Business With The Multicultural Customer

Multicultural Consumers and EVs

Sustainability Playbook for Automotive

A Marketer’s Guide to the Metaverse

Auto Case Studies

AdSmart Data-Driven Linear + Luxury Auto

MSNBC Mavericks with Ari Melber + Cadillac

AdSmart Data-driven Non-Luxury Auto Compact Car

AdSmart + Auto Sedan

NBCUniversal Auto Industry Content

TOGETHER SITE
2022 Auto Industry Assessment

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