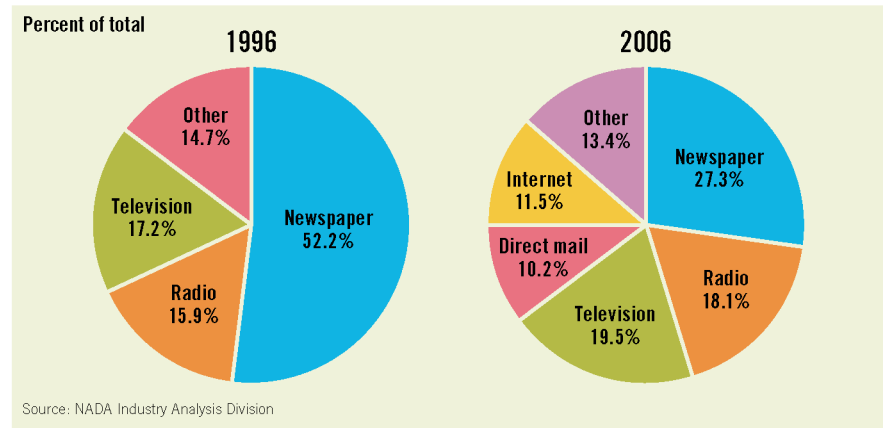


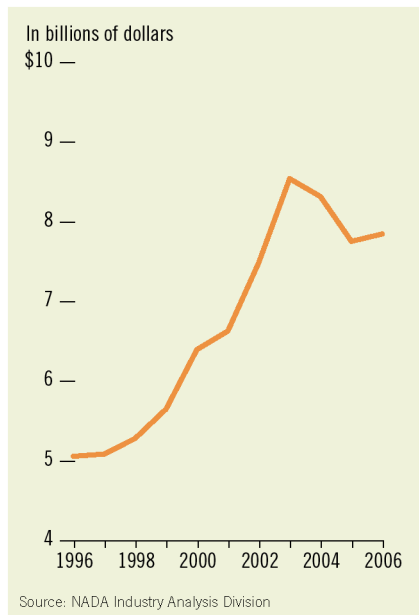
# Advertising and the Dealership

NEW-CAR DEALERS SPENT more than \$7.8 billion on advertising in 2006. Ad expense in the average new-vehicle dealership increased 2 percent from 2005. In the past 10 years, the allocation for newspapers dropped 27.3 percent, but many newspapers provide Internet advertising. In 2006 the typical dealership spent 11.5 percent of advertising dollars on Internet ads, up from 9.9 percent in 2005 and 6.7 percent in 2004. Since 2005, Internet advertising has been a separate category in the chart.

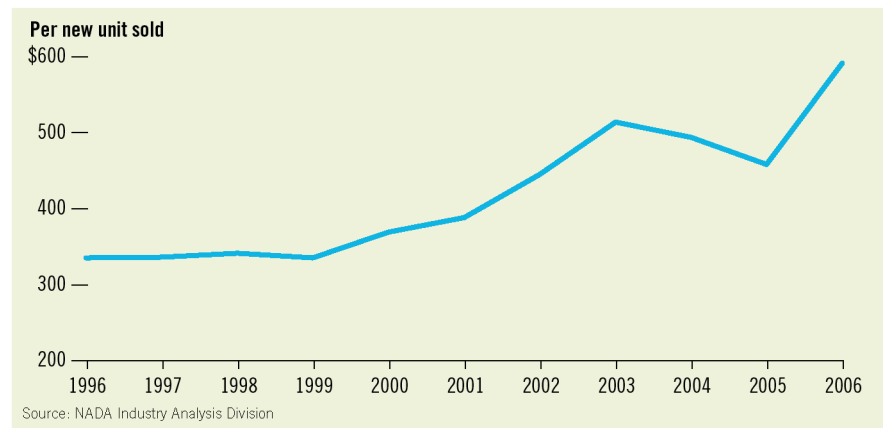
## Advertising expenditures, by medium



## Total dealership advertising expenditures



## Total dealership advertising



## Estimated advertising expenses per dealership in 2006

By media used	By number of new units sold				
	Average of all dealerships	1-149	150-399	400-749	750 or more
Newspapers	\$99,702	\$21,833	\$46,069	\$80,788	\$223,210
Radio	66,111	14,924	27,546	70,136	141,448
TV	71,104	9,581	28,949	68,505	178,860
Direct mail	37,029	6,912	15,973	38,811	80,723
Internet	41,733	6,630	20,359	42,018	87,055
Other	48,940	10,318	25,366	48,388	89,971
<b>Total</b>	<b>\$364,619</b>	<b>\$70,199</b>	<b>\$164,261</b>	<b>\$348,646</b>	<b>\$801,267</b>
Total advertising as a % of total sales	1.14%	1.03%	1.09%	1.04%	1.09%
Total advertising per new vehicle sold	\$590	\$739	\$642	\$519	\$436

Source: NADA Industry Analysis Division