

Truck Tracks Market Report

Annual Report

March 2000

1999 MEDIUM AND HEAVY DUTY TRUCK SALES RISE 24.1% PRODUCING ANOTHER RECORD YEAR FOR TRUCK OEM'S

The total retail sales of medium and heavy duty trucks, Class 6, 7 and 8, rose 24.1% or 85,680 units in 1999. Sales of Class 6 trucks led the percentage gain, up 52.3%, with Class 8 trucks gaining 25.2% and Class 7 increasing 14.2%.

Class 8 heavy trucks again set a new sales record in 1999, reaching a year end mark of 262,316 units, up by 52,833. Class 6 and 7 unit sales increased 16,529 and 16,318 respectively.

The sales boom of the last several years has not resulted in comparable ad revenue increases for the industry magazines monitored by **Truck Tracks**. 1999 spending reached \$90.6 million, an increase of only 4.9% over 1998.

Most categories of industry publications saw little real revenue growth. The only segment showing a marked increase was the Owner/Driver category. This was due in part to the addition of a new publication to the mix.

TRUCK MANUFACTURER SPENDING

Total truck OEM ad expenditures for 1999 increased slightly. Truck OEM spending overall was up 8.7% or \$2.5 million. Class 8 truck OEM's accounted for almost 91% of the increase. Six of the Class 8 OEM's elevated spending while the remaining two spent less than in 1998.

While the Owner/Driver publication category saw most of the truck OEM spending increases, the Truck Fleet, Vocational/Specialty and Traffic/Distribution segments also benefitted.

SPENDING AVERAGES INCREASE

There were 3 more truck industry suppliers actively advertising in 1999, 502 as opposed to 499 advertisers in 1998. The average spending per advertiser increased in 1999. It was \$180,427 vs. \$173,167 in 1998, \$163,577 in 1997, \$148,826 in 1996 and \$152,616 in 1995.

TRUCK TRACKS FULL DATA AND REPORTS NOW AVAILABLE VIA EMAIL ATTACHMENTS

Consulting & Marketing Resources, marketer of the **Truck Tracks** Advertising Tracking Service, launched a new Internet distribution service for its reports and data in 1999.

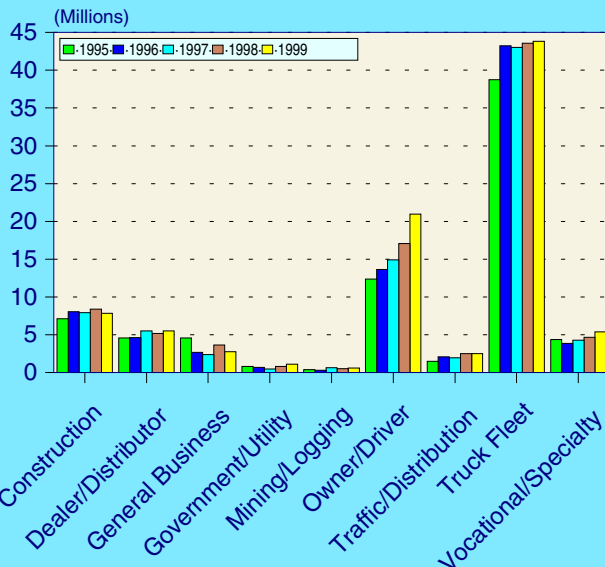
Subscribers to **Truck Tracks** can now receive their custom reports in Adobe Acrobat PDF files, delivered via email over the Internet. Adobe Acrobat files are easy to view, print and archive. **Truck Tracks** computer data base files can also be delivered over the Internet.

For more information on how we can help you better monitor your competitor's advertising activity, please contact us.

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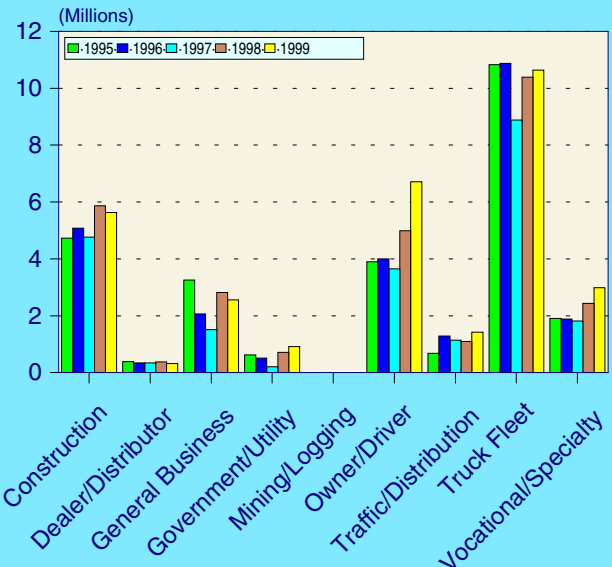
Total Truck Industry Ad Spending

(1995 - 1999 by Magazine Category)



Truck Manufacturer Ad Spending

(1995 - 1999 by Magazine Category)



CATEGORY SHARES OF TOTAL INDUSTRY SPENDING VARIES ONLY SLIGHTLY FROM 1998

The Truck OEM category's share of spending grew 1.2 percentage points, the largest shift among the eleven defined product categories. Even with the largest increase in share of spending, the Truck OEM category remains well below its high water mark of 40.1% share in 1993.

Tires/Retreads (up .4%) and Components (up .5%) were the only other categories with significant percentage point gains. The remaining categories saw share percentage drops, except for Oil/Lubricants, which remained even with 1998 levels.

TRUCK FLEET BOOKS SEE GROWTH STAGNATE AND THE DECK RESHUFFLED

Currently, **Truck Tracks** is monitoring a total of 11 publications in the Truck Fleet category, having replaced the failed Southern Motor Cargo with Trucking Co., a new magazine launched as a monthly in 1999. However, Southern Motor Cargo did published 7 issues through October, adding 109 pages to the Truck Fleet total ad page count for the year. Excluding these ad pages, the Truck Fleet category, as a whole, only increased by 30 pages.

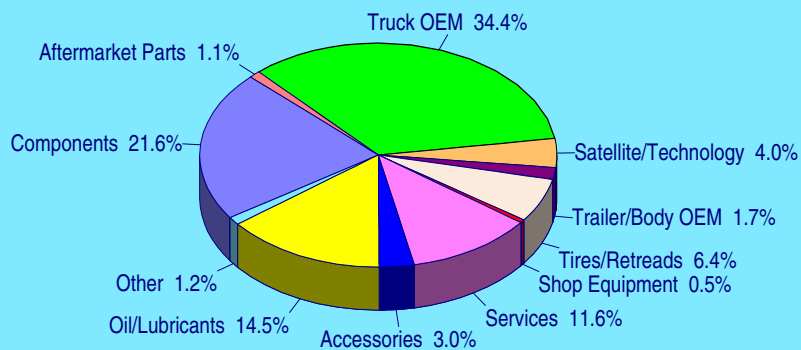
Due to Trucking Co.'s display ad page counts in its first year of publication, we have expanded the analysis of Major Monthly Truck Fleet magazines to include six publications.

Heavy Duty Trucking ranked first in category again in 1999, increasing its display ad pages by 86 over 1998. Fleet Owner grew its ad pages by 43 and finished second, while CCJ, Fleet Equipment and Truck Fleet Management saw their ad pages decline by 33, 10 and 96 pages respectively.

The five other publications making up the category all saw their ad pages decline in 1999. Transport Topics, a weekly publication, ended 1999 with the largest decline, a total of 767 display ad pages, for a drop of 123 pages.

TOTAL TRUCK INDUSTRY AD SPENDING

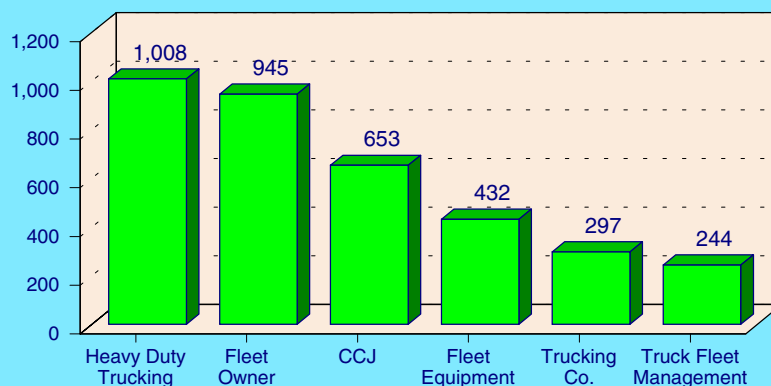
(1999 Share by Advertiser Category)



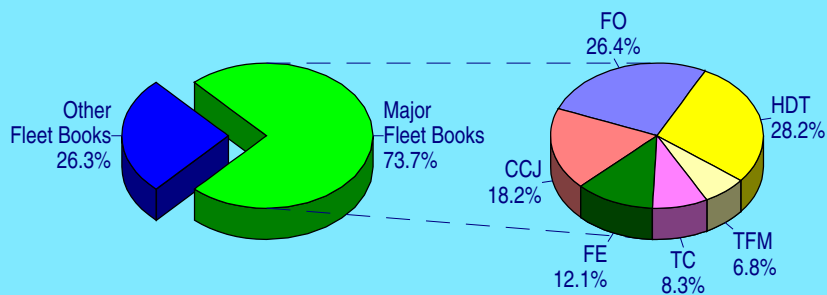
(90.6 Million Dollars)

TRUCK FLEET MAGAZINE MARKET SHARES

1999 MAJOR MONTHLY TRUCK FLEET MAGAZINE AD PAGES



1999 TOTAL TRUCK FLEET MAGAZINE SHARE OF MARKET



(4,857 Total Ad Pages)

(Share of 3,579 Ad Pages)

EXPENDITURE AND REVENUE CAVEAT

All dollar expenditures reported by **Truck Tracks** are derived from published onetime rates for the magazines tracked. This provides the only comparable means to calculate advertising expenditures across a wide range of publications.

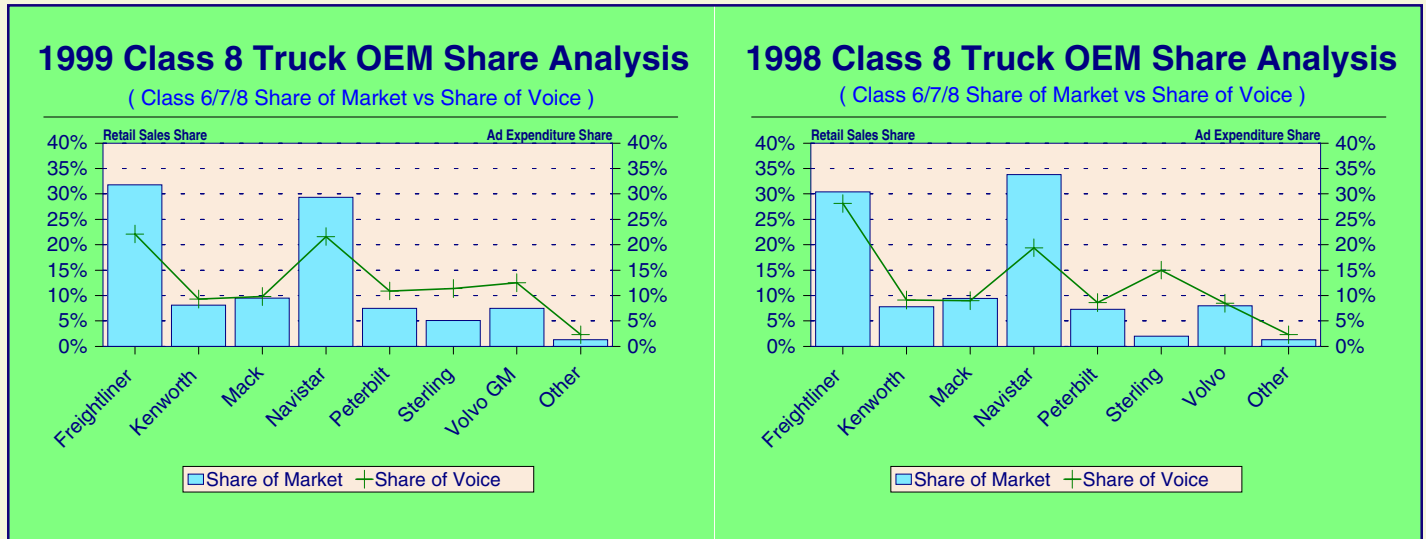
The rule of thumb in adjusting advertising expenditures for frequency discounts is to reduce the reported overall dollar expenditures by 12%. For advertisers with substantial budgets, use a percentage of 14%.

Magazine revenue can be closely estimated by reducing the gross dollar expenditures by 13%, then subtracting an additional 15% to reflect the discounts given to advertising agencies.

STRONG SALES GROWTH OF ALL FREIGHTLINER MODELS RESHAPES SHARE OF MARKET AMONG CLASS 8 OEM'S

The **Truck Tracks** Share of Market/Share of Voice comparison is compiled and charted to demonstrate the relationship between an OEM's retail unit sales market share and their expenditures related to business-to-business trade magazine advertising. In an ideal environment, without external forces to impact on the data, year to year comparisons should reveal any important market shifts.

In 1999, Freightliner succeeded in replacing Navistar as the leading producer of Class 6, 7 and 8 trucks, in aggregate. With combined unit sales of 119,948, Freightliner exceeded Navistar's total sales by 9,316 units. Freightliner's sales of Class 8 trucks more than doubled Navistar. Navistar's increased ad expenditures improved its Share of Voice/Share of Market relationship, but may be too little too late.



Sources: Share of Market - Wards Communications figures on Retail Sales / Share of Voice - **Truck Tracks** data base of advertising expenditures

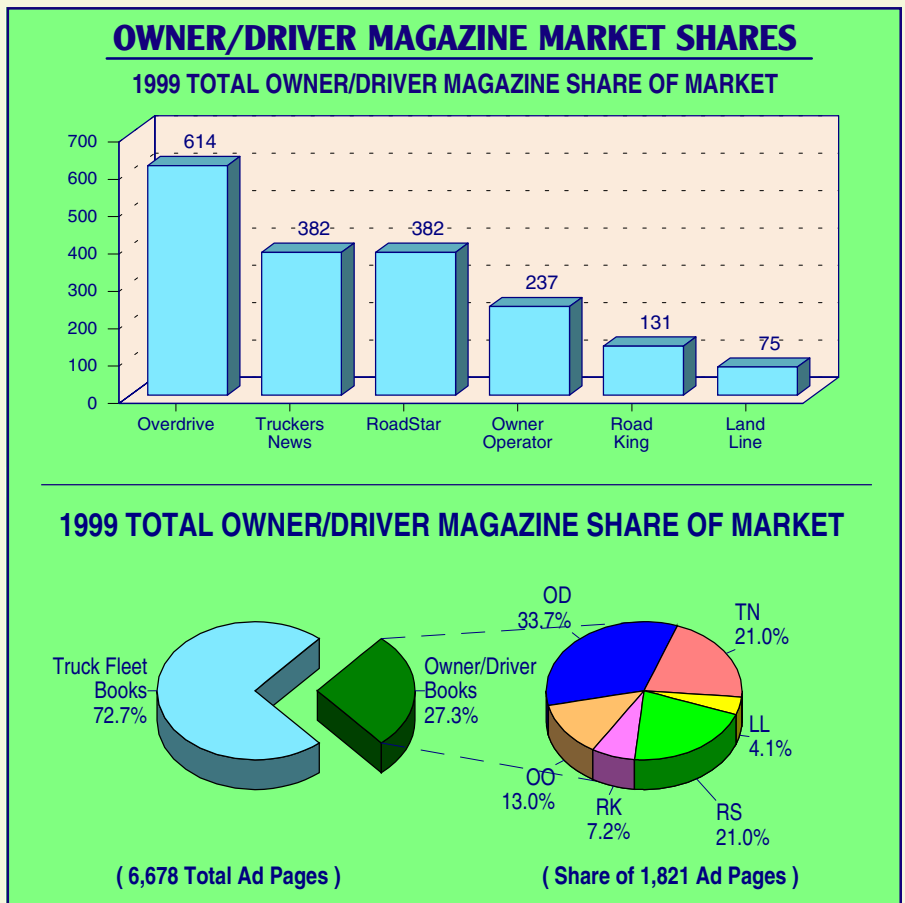
NEW PUBLICATION BRINGS FURTHER GROWTH TO OWNER/DRIVER CATEGORY

The Owner/Driver category saw a new entry in 1999, with the launch of RoadStar. The category grew its share by more than 3 percentage points. While Overdrive took the lead in category display ad space, RoadStar leveled the playing field among the tabloid truck stop magazines by equaling the display ad space of its primary rival, Truckers News, in its first year of publication.

Truckers News display ad space fell 184 pages, moving it from first place in 1998 to a tie for second. Overdrive grew its space by 79 pages to take first.

COMPARISON NOTE

Truck Tracks ad page counts are on a "page is a page" basis. A standard 7"x10" magazine size ad page or larger is counted as one (1) page in tabloid size publications. Driver recruitment, classified, house, and trade show ads are not included, nor are advertising outserts or non-editorial supplements.



Truck Tracks 1999 Top 25

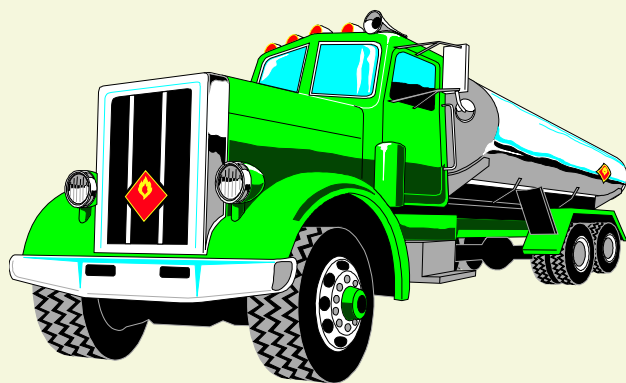
1999 Rank	1998 Rank	1997 Rank	Medium & Heavy Duty Truck Industry Advertisers	Total Dollars (000)	Total Ad Pages
1	1	2	Freightliner (All Except Sterling)	\$4,303	419
2	3	1	Navistar International	\$4,219	508
3	2	3	Shell Oil	\$3,159	280
4	12	12	Volvo Truck	\$2,435	190
5	20	10	Ford Truck Operations	\$2,386	162
6	4	4	Meritor (All Divisions)	\$2,273	243
7	6	5	GMC/Chevrolet (No Light Duty)	\$2,236	266
8	5	-	Sterling Truck	\$2,232	287
9	8	7	Eaton/Roadranger (All Divisions)	\$2,124	299
10	11	15	Peterbilt Motors	\$2,122	208
11	16	21	Texaco Lubricants	\$2,039	194
12	10	17	Mack Truck	\$1,919	240
13	9	18	Kenworth	\$1,820	263
14	13	11	Goodyear Tire	\$1,689	182
15	7	8	Chevron	\$1,646	145
16	14	6	Mobil Oil	\$1,453	133
17	-	-	Cummins Engine	\$1,340	132
18	22	9	Michelin Tire	\$1,248	147
19	19	16	Caterpillar Engines	\$1,106	118
20	17	23	Hendrickson (All Divisions)	\$1,005	133
21	-	-	TravelCenters of America	\$979	90
22	24	24	Pennzoil	\$948	79
23	-	-	Allison Transmission	\$916	119
24	21	22	Qualcomm	\$882	100
25	23	19	Bridgestone/Firestone Tire	\$779	118
1999 Top 25 Totals				\$47,256	5,055

In last year's Market Report, we commented that Freightliner was poised to replace Navistar as the number 1 maker of combined Class 6, 7 and 8 trucks in the U.S. market. The year end sales statistics show that in 1998, Freightliner trailed Navistar by 10,530 units and in 1999 Freightliner's total Class 6, 7 and 8 sales exceeded Navistar's by 9,316 units. Freightliner's Sterling Truck subsidiary sold an additional 19,358 units.

Together, Freightliner and Sterling represented 14% of the **Truck Tracks** Top 25 total dollar expenditures. This is a 3 percentage point drop from 1998, when both had higher expenditures. Navistar increased their overall spending slightly and moved into second place in the Top 25 rankings. Freightliner actually spent less than Navistar in new truck ads.

Navistar led 1999 in overall industry exposure with 508 ad pages placed in the publications monitored by **Truck Tracks**. Freightliner was second at 419 ad pages and Eaton third at 299 ad pages.

As a group, **Truck Tracks** 1999 Top 25 advertisers spent \$3,859,000 more (a 8.9% increase) than their 1998 counterparts, with 354 more ad pages of exposure. Three 1998 Top 25 advertisers did not make the 1999 rankings; Bandag, Ryder Systems and Dana Corporation. Cummins Engine, TravelCenters of America and Allison Transmission replaced them. There were seven 1999 Top 25 advertisers which rose in rank, thirteen which dropped in rank and two that stayed even with their 1998 ranking.



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