

## 1996 MEDIUM AND HEAVY DUTY TRUCK SALES DECLINED 11.6% WHILE INDUSTRY ADVERTISING SPENDING ROSE 6.4%

1996 ended with an 11.6% drop in domestic retail sales of Class 6, 7 and 8 trucks. Class 8's led the decline, with sales falling 15.5% compared to 1995's record levels.

While medium and heavy truck sales slowed in 1996, expenditures for all truck related advertising monitored by **Truck Tracks** rose 6.4%, to \$79.2 million. Most of the growth in spending came from two categories of advertisers, oil companies and service suppliers to the industry. The truck OEM's and component suppliers, as a group, spent about the same this year as last.

Truck fleet, owner/driver, construction and traffic/distribution publications were the prime beneficiaries of the roughly \$5 million in increased spending during 1996. The general business magazines, which have seen medium and heavy duty truck advertising virtually disappear, had 1996 revenue from truck industry suppliers decline by almost 60%. With the exception of light duty commercial truck advertising, business magazines appear to no longer be a part of the media mix for medium or heavy duty advertisers.

### TRUCK MANUFACTURER SPENDING

Total truck OEM ad expenditures for 1996 were only slightly less than in 1995, while overall spending for Class 8 truck OEM's fell off by nearly \$1/2 million. The moderate decline in ad expenditures was not felt equally among the categories of magazines monitored by **Truck Tracks**.

Only two categories saw any significant increases in revenue from the truck OEM's in 1996, the traffic/distribution and construction segments. All other categories saw a decline in ad revenue or maintained about the same as in 1995. The general business segment experienced the biggest decline in spending, \$1.25 million.

### SPENDING AVERAGES DECREASE

There were 39 more truck industry suppliers actively advertising in 1996, 532 as opposed to 493 advertisers in 1995. The average spending per advertiser dropped in 1996. It was \$148,826 vs. \$152,616 in 1995, \$140,826 in 1994, \$132,116 in 1993 and \$109,660 in 1992.

### 1996 TRUCK TRACKS TOP 25 RANKING DETAILED ON PAGE 4

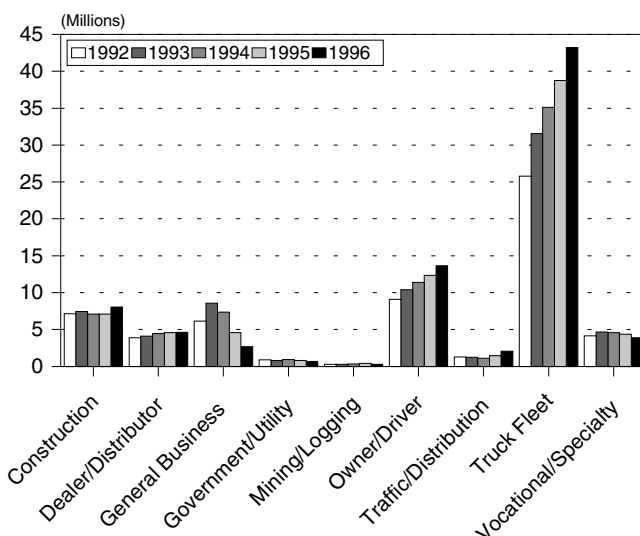
**Consulting & Marketing Resources** compiles data from the **Truck Tracks** data base and ranks the TOP 25 truck industry advertisers, on an annual basis.

The order ranking is based on the total advertising expenditures of each truck industry supplier in approximately 80 publications monitored by **Truck Tracks**.

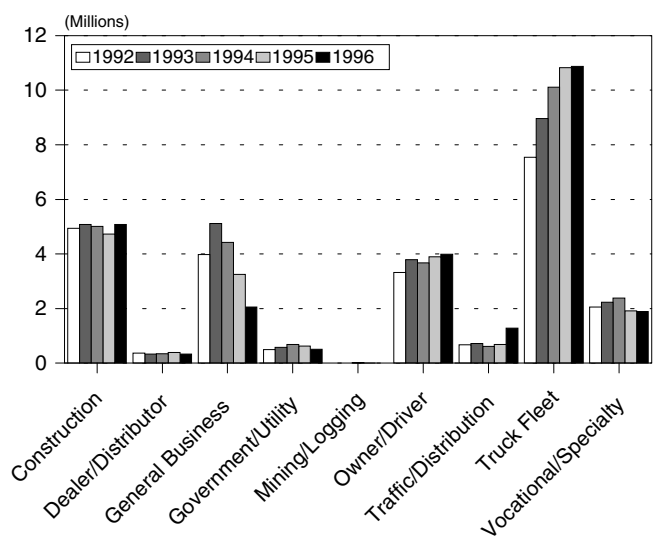
In addition to the current ranking, the TOP 25 report reflects the prior year's results for comparison purposes. Total ad pages placed by each advertiser are also shown.

For more detailed data on advertising expenditures please contact us. **Consulting & Marketing Resources** (517)739-4985 / Fax (517)739-7613 Email:sales@cmr-trucktracks.com

**TOTAL TRUCK INDUSTRY AD SPENDING**  
(1992 - 1996 by Magazine Category)



**TRUCK MANUFACTURER AD SPENDING**  
(1992 - 1996 by Magazine Category)



## TRUCK OEM SHARE OF TOTAL INDUSTRY AD SPENDING DROPS AGAIN IN 1996

The truck OEM's share of total industry ad spending continues to decline, down 2.3 percentage points from 1995 and 4.7 from 1994. Class 8 truck OEM's, as a group, spent 3% less in 1996 on trade press advertising than in 1995. When all truck OEM's are measured, 1996 spending was within a few thousand dollars of 1995.

Oil and lubricant suppliers, on the other hand, increased their share of ad spending from 9.8% in 1995 to 12.9% in 1996, a jump of almost \$3 million. Component suppliers spent about the same amount in 1996 as they did in 1995, and their share of total ad spending fell from 22.4% to 20.9%. Shop equipment, service suppliers and the trailer/body OEM's were the only other categories to increase spending share.

## MAJOR TRUCK FLEET BOOKS BENEFIT FROM MOST FROM SPENDING INCREASES

Truck fleet magazines saw supplier ad spending increase 11.6% in 1996 to \$43.2 million dollars. The five major monthly fleet publications accounted for \$3.5 million of the \$4.5 million increase in ad spending.

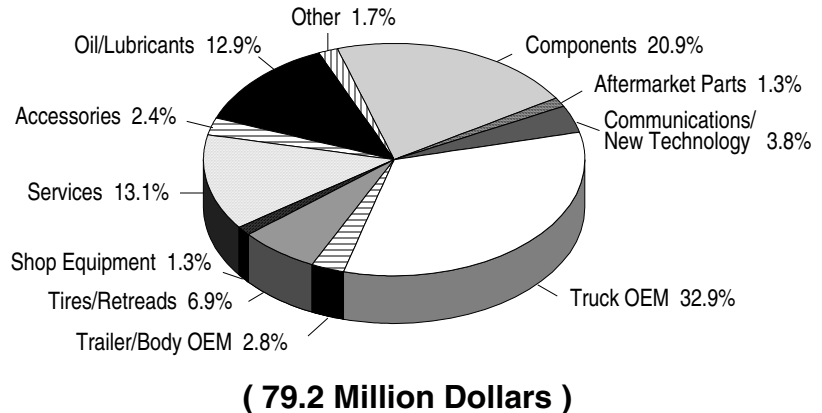
Among the remaining publications in the truck fleet segment, Transport Topics captured the bulk of the increased spending, gaining a little over \$1 million in additional revenue over their 1995 figures.

The market share ranking among the five major fleet magazines remained essentially the same as in 1995. Heavy Duty Trucking held on to the number one slot in advertising pages and revenue, but Fleet Owner and CCJ gained ground in both areas. Fleet Owner's *truck.com* editorial supplement accounted for about 40 of its overall 1996 advertising pages.

Truck Fleet Management and Fleet Equipment ended 1996 in a virtual ad page tie. Fleet Equipment's ad page counts, however, contained 26 ad pages which ran in its *Transport Technology Today* editorial supplement. This supplement became a free standing magazine in September and is no longer counted with the run of book advertising in Fleet Equipment.

## TOTAL TRUCK INDUSTRY AD SPENDING

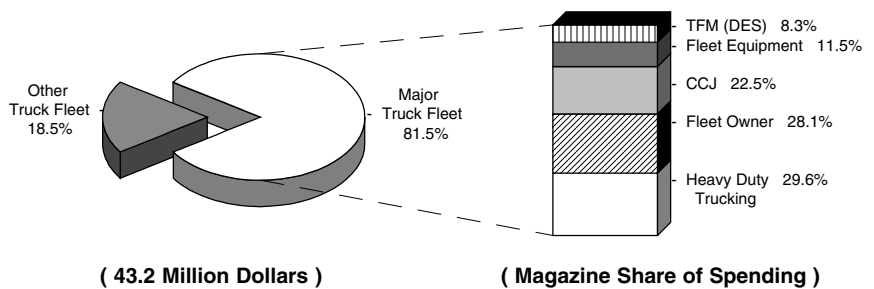
( 1996 Share by Advertiser Category )



## TRUCK FLEET MAGAZINE MARKET SHARES

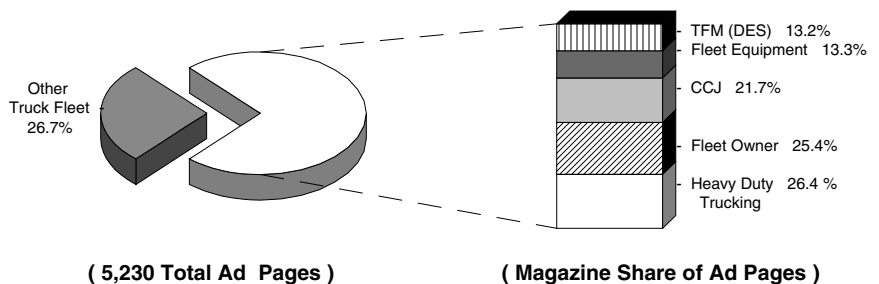
### TOTAL TRUCK FLEET AD SPENDING

( 1996 Share by Category )



### TOTAL TRUCK FLEET AD PAGES

( 1996 Share by Category )



### EXPENDITURE AND REVENUE CAVEAT

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

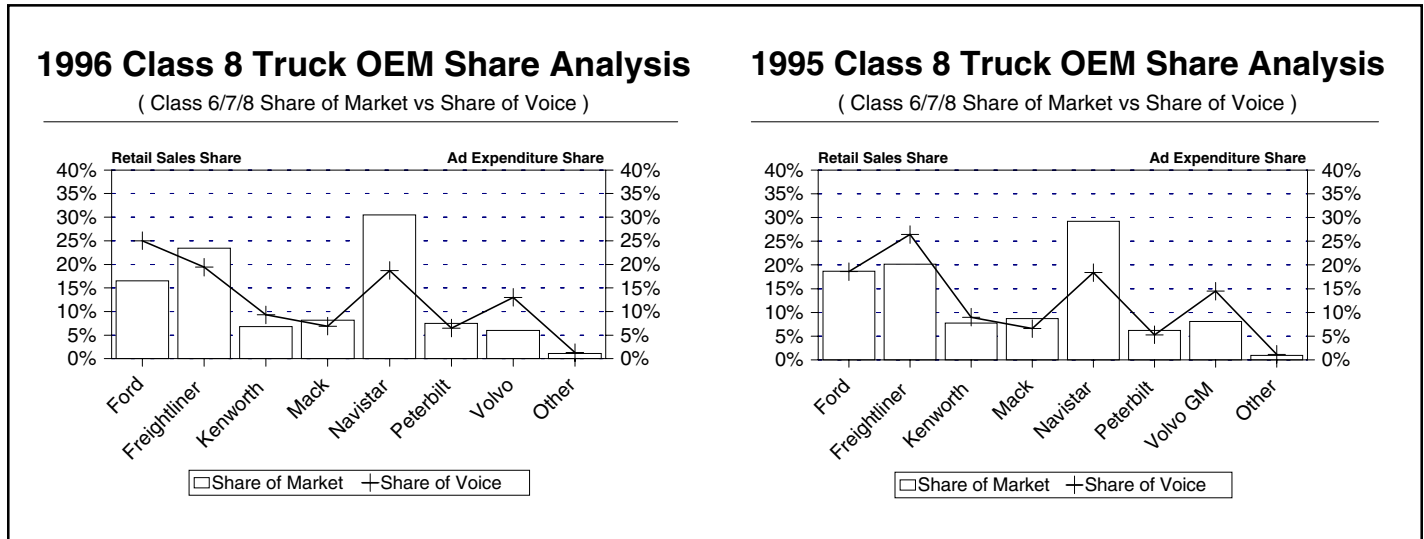
The rule of thumb in adjusting advertising expenditures for frequency discounts is to reduce the reported overall dollar expenditures by 12%. For advertisers with substantial budgets, use a percentage of 14%.

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.

# CLASS 8 TRUCK OEM'S SEE CONTINUED SHIFTS IN SALES SHARES OF NEW MEDIUM AND HEAVY DUTY TRUCKS

In 1996, total retail sales of Class 6, 7 and 8 trucks declined by 38,424 units compared to 1995 figures. Freightliner and Peterbilt were the only Class 8 OEM's to post sales gains in this aggregate of weight classes, 3.8% and 8.9% respectively. While Freightliner's Class 8 unit sales were down 5.6%, its sales of Class 6 vehicles rose 170.2% and Class 7 unit sales increased by 43.3%. Peterbilt was the only Class 8 OEM to increase Class 8 sales over 1995 with a 7.8% gain or 1,418 units.

Ford's 25% Share of Voice led all Class 8 OEM's, though its Share of Market dropped 21.1% to 15.2% of total Class 6, 7 and 8 units sold. Freightliner, Navistar, Peterbilt and Mack's Share of Voice percentages were below their Share of Market positions, with Navistar showing the widest differential. Volvo GM saw the largest Share of Market drop among any of the Class 8 OEM's, falling 33.4% behind their 1995 unit sales. Freightliner had the largest Class 6, 7 and 8 Share of Market increase.



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

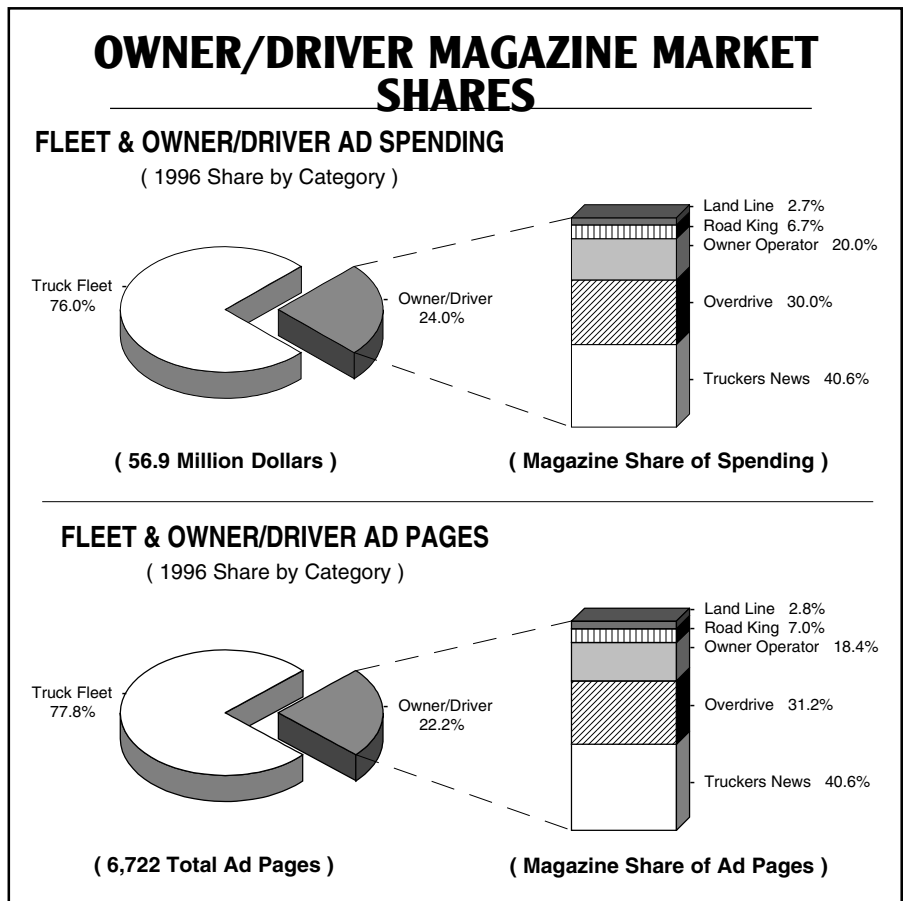
## OWNER/DRIVER MARKET AD SPENDING GROWS TO 13.7 MILLION DOLLARS

Owner/driver publications garnered 24% of the total advertising expenditures placed in truck fleet and owner/driver magazines. Combined revenues grew by \$5.8 million. The owner/driver segment increased revenue 11.4%, posting a gain of \$1.4 million over 1995 figures.

While the owner/driver segment lost some of its share of available ad dollars, Truckers News saw its revenue share rise to 40.6%, up from 39.5% in 1995. Overdrive ran second with a 30% share and Owner Operator finished 1996 at 20% share. Total ad placements in owner/driver magazines were up just 5 pages overall.

### COMPARISON NOTE

Truck Tracks ad spending data for this category includes revenues from all run of book display advertising appearing in the tracked publications. Ad page counts are on a "page is a page" basis. A 7"x10" magazine size ad page or larger is counted as (1) page in tabloid size publications. Driver recruitment, classified, house, and trade show ads are not included, nor are ad outserts or non-editorial supplements.



# Truck Tracks 1996 Top 25

1996 Rank	1995 Rank	1994 Rank	Medium & Heavy Duty Truck Industry Advertisers	Total Dollars (000)	Total Ad Pages
1	2	2	Ford Truck (No Light Duty)	\$4,447	623
2	1	1	Freightliner Corporation	\$3,450	374
3	3	3	Navistar International	\$3,320	544
4	5	8	Rockwell International (All Divisions)	\$2,678	335
5	4	11	Volvo GM	\$2,309	292
6	9	12	Shell Oil	\$2,002	191
7	8	6	GMC/Chevrolet (No Light Duty)	\$1,876	262
8	7	5	Kenworth Truck	\$1,662	206
9	12	13	Chevron Oil	\$1,651	177
10	17	15	Eaton Corporation (All Divisions)	\$1,590	223
11	16	18	Mobil Oil	\$1,557	163
12	6	7	Goodyear Tire	\$1,444	161
13	14	4	Ryder	\$1,327	108
14	11	9	Mack Trucks	\$1,235	170
15	10	10	Dana Spicer (All Divisions)	\$1,221	148
16	13	21	Texaco (All Divisions)	\$1,181	125
17	18	14	Peterbilt Motors	\$1,153	124
18	19	22	Bandag	\$1,020	121
19	20	20	Caterpillar Engines	\$991	95
20	-	-	Pennzoil	\$948	94
21	21	23	Bridgestone/Firestone Tire	\$876	131
22	23	17	Cummins Engines	\$786	112
23	-	-	Qualcomm	\$750	89
24	22	16	Michelin Tire	\$729	87
25	-	-	Hendrickson (All Divisions)	\$616	85
Totals for 1996 Top 25 Advertisers				\$40,818	5,040

With the increased ad expenditures for its first quarter introduction of the new Louisville line of heavy duty trucks, Ford regained first place in the **Truck Tracks** Top 25 ranking of the industry's medium and heavy duty truck advertisers. Ford leapfrogged Freightliner in both spending and ad page exposure, essentially mirroring what had taken place when Freightliner moved into first place ranking with the launch of its Business Class line of trucks. The impending sale of Ford's heavy truck product line to Freightliner will certainly change the landscape in ad spending from these perennial leading Top 25 advertisers.

Navistar maintained its third place ranking, while spending \$40,000 less in advertising than in the previous year. Ford spent a little over \$1 million more in 1996 than in 1995 and Freightliner spent about \$1.4 million less. Volvo-GM spending decreased by \$350,000 dropping them to 5th place while Rockwell increased spending by nearly \$200,000, moving them up into 4th place. Goodyear made the biggest downward move in ranking, going from 6th to 12th place.

Ford led in overall industry exposure with 623 ad pages placed in publications monitored by **Truck Tracks**, with Navistar second at 544 ad pages and Freightliner third at 374 ad pages.

As a group, **Truck Tracks** 1996 Top 25 advertisers spent \$2.8 million more (a 7.2% increase) than their 1995 counterparts, with 199 additional ad pages of exposure. Three 1995 Top 25 advertisers -- American Mobile Satellite, Detroit Diesel and Transport International Pool -- did not make the 1996 Top 25, while Hendrickson, Pennzoil and Qualcomm made the ranking for the first time. There were twelve Top 25 advertisers which rose in rank, eight which dropped in rank and two that stayed even with their 1995 ranking.



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