

## 1997 MEDIUM AND HEAVY DUTY TRUCK SALES INCREASED 5.9% WHILE INDUSTRY ADVERTISING SPENDING GREW 2.4%

Total retail sales of medium and heavy duty trucks, Class 6, 7 and 8, grew by 5.9% or 17,411 units in 1997. Sales of Class 7 trucks led the growth, up 9.8%, with Class 8 trucks gaining 5.0% and Class 6 showing a 6.7% decline.

While medium and heavy truck sales edged 5.9% higher in 1997, expenditures for all truck related advertising monitored by **Truck Tracks** did not keep pace, rising only 2.4%, to \$81.1 million. Most of this moderate growth in spending came from three categories of advertisers, oil companies, major component manufacturers and tire suppliers. Advertising expenditures from truck OEM's dropped by nearly \$4 million, offsetting most of the spending increases of the three growth categories.

Owner/Driver, Dealer/Distributor and Vocational/Specialty publications were the only ones to see revenue growth in 1997. For the first time since 1991, Truck Fleet magazines realized an aggregate drop in revenues from the previous year. Much of this drop in revenues can be attributed to a fall off in truck OEM spending.

### TRUCK MANUFACTURER SPENDING

Total truck OEM ad expenditures for 1997 were significantly less than in 1996. Truck OEM spending overall was down 14.2% or \$3.7 million. Among the Class 8 truck OEM's, Ford, Volvo and Kenworth accounted for nearly \$4.3 million of the spending decline, down 61.9%, 40.3% and 34.7% respectively. Navistar and Peterbilt were the only Class 8 OEM's to post spending increases.

Without exception, all categories of publications were adversely affected by the decline in truck OEM advertising spending during 1997. Truck Fleet magazines saw the sharpest drop in truck OEM advertising revenue.

### SPENDING AVERAGES INCREASE

There were 36 fewer truck industry suppliers actively advertising in 1997, 496 as opposed to 532 advertisers in 1996. The average spending per advertiser increased in 1997. It was \$163,577 vs. \$148,826 in 1996, \$152,616 in 1995, \$140,826 in 1994 and \$130,116 in 1993.

### NEW TRUCK INDUSTRY AD TRACKING SERVICE TARGETS CANADIAN TRUCK MARKET

Consulting & Marketing Resources, marketer of the **Truck Tracks** Advertising Tracking Service, launched a Canadian version of its service in January 1998.

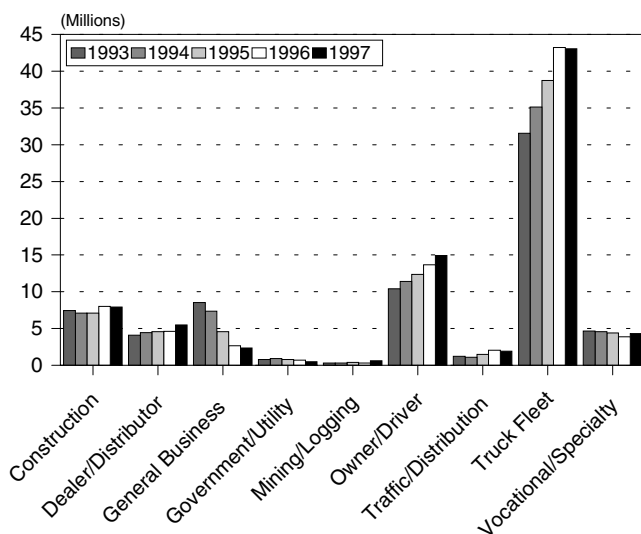
The new service, **Truck Tracks Canada**, was designed to provide U.S. and Canadian truck marketers with detailed competitive advertising expenditure information on advertising run in approximately 30 Canadian publications, where truck related advertising appears. Data is now available in all current **Truck Tracks** report formats.

For more detailed information on how we can help you monitor competitive activity, please contact us.

**Consulting & Marketing Resources**  
 (517)739-4985 / Fax (517)739-7613  
 Email: sales@cmr-trucktracks.com

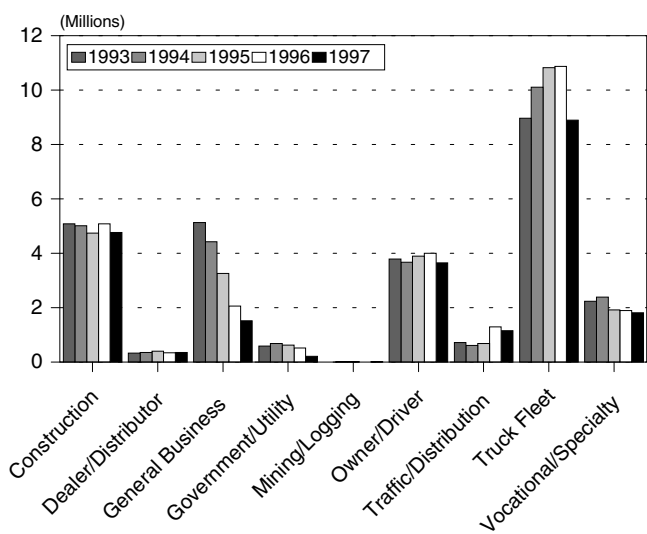
### TOTAL TRUCK INDUSTRY AD SPENDING

(1993 - 1997 by Magazine Category)



### TRUCK MANUFACTURER AD SPENDING

(1993 - 1997 by Magazine Category)



## TRUCK OEM SHARE OF TOTAL INDUSTRY AD SPENDING CONTINUES TO DROP IN 1997

The truck OEM's share of total industry ad spending declined further in 1997, down 5.4 percentage points from 1996 and 7.7 from 1995. Class 8 truck OEM's, as a group, spent 21% less in 1997 on trade press advertising than in 1996. When all truck OEM's are measured, 1997 spending was down \$3.7 million.

Oil and lubricant suppliers, on the other hand, increased their share of ad spending from 12.9% in 1996 to 14.9% in 1997, a jump of 2 percentage points or \$1.8 million. Component and tire manufacturers also saw their shares of total industry advertising spending rise sharply, 1.8 and 1.7 percentage points respectively, for a combined spending increase of \$3.4 million.

## AD PAGE LEADERSHIP RACE TIGHTENS FOR FIVE MAJOR MONTHLY FLEET MAGAZINES

**Truck Tracks** currently monitors 11 magazines in the Truck Fleet category. Ad revenues for the category as a whole declined a little over \$200,000 in 1997. The 5 major monthly fleet magazines combined saw industry spending drop by \$500,000 in their publications.

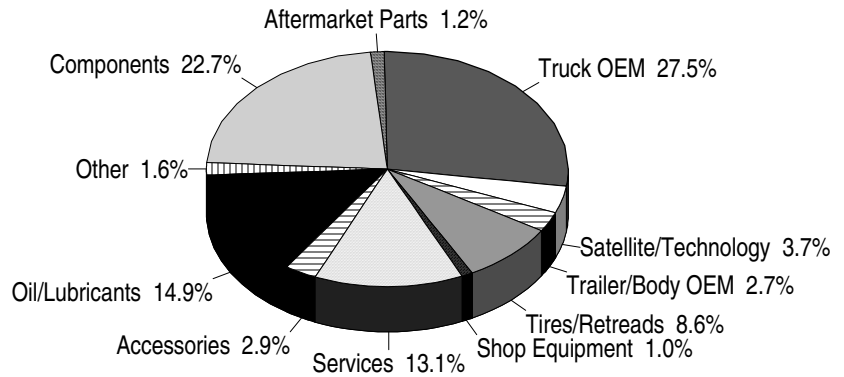
While all 5 major magazines experienced ad page attrition in 1997, their market shares grew closer together. Heavy Duty Trucking leads in ad pages for 1997, but Fleet Owner ended the year only 13 ad pages behind. CCJ had the sharpest drop in ad pages and saw its share decline by 1.2 percentage points.

The other 6 publications in the category have been making inroads into the 5 major fleet books share of ad pages for this segment. In 1996, the 5 major fleet books garnered 73.3% of the ad pages in the Truck Fleet category. The data for 1997 shows that the 5 major fleet books account for 70.6% of the total, a drop of 2.7 percentage points in share of category.

Total ad pages for the category fell 286 pages, 5,320 for 1996 vs. 4,944 in 1997. Only three magazines, Transport Topics, Southern Motor Cargo and Transport Technology Today, saw any increase in ad pages over 1996 levels.

## TOTAL TRUCK INDUSTRY AD SPENDING

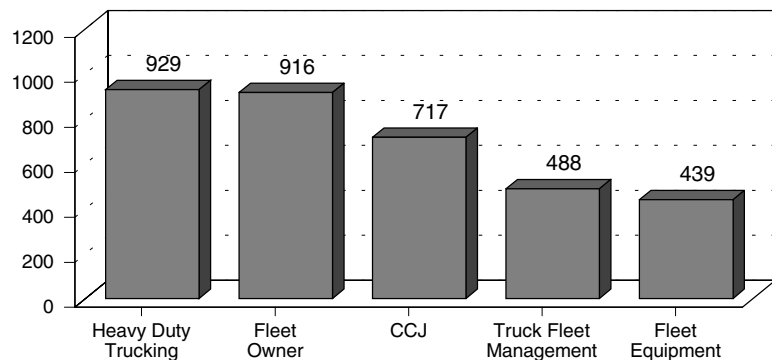
( 1997 Share by Advertiser Category )



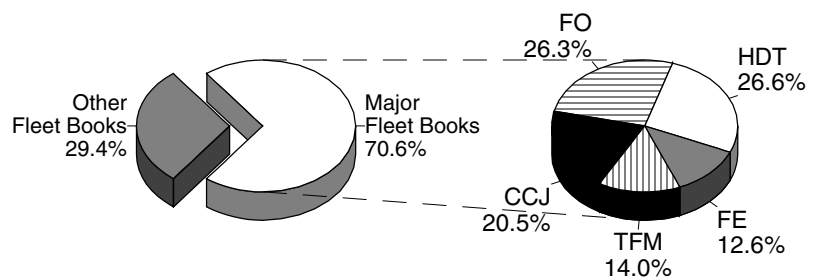
( 81.1 Million Dollars )

## TRUCK FLEET MAGAZINE MARKET SHARES

### 1997 MAJOR TRUCK FLEET MAGAZINE AD PAGES



### 1997 TOTAL TRUCK FLEET MAGAZINE SHARE OF MARKET



( 4,944 Total Ad Pages )

( Share of 3,490 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.

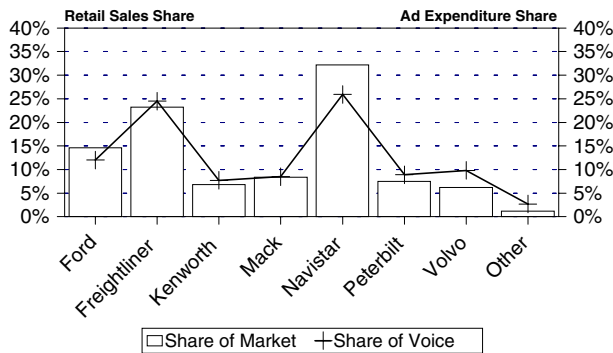
# CLASS 8 TRUCK OEM'S 1997 SHARE OF VOICE BEGINS TO TRACK CLOSER WITH SHARE OF MARKET FIGURES

Since **Truck Tracks** began this analysis in 1991, two factors have influenced the noticeable imbalance between the Class 8 OEM's Share of Voice and their comparable Share of Market for retail sales of medium and heavy duty trucks. They were Ford Truck's strong advertising spending and Navistar's weaker level of spending, as it relates to their respective sales market shares. When Freightliner purchased Ford's heavy duty business, Ford's advertising spending dropped dramatically.

As a result, the 1997 analysis now shows individual Class 8 truck OEM's Share of Voice percentage for trade press advertising in much closer sync with their Share of Market percentage. Navistar's spending increased 10% in 1997, moving it into the number one spot in **Truck Tracks** Top 25 listing of industry advertisers. While this increase in spending brought Navistar's Share of Voice closer to its Share of Market percentage, Navistar still displays the largest comparison differential.

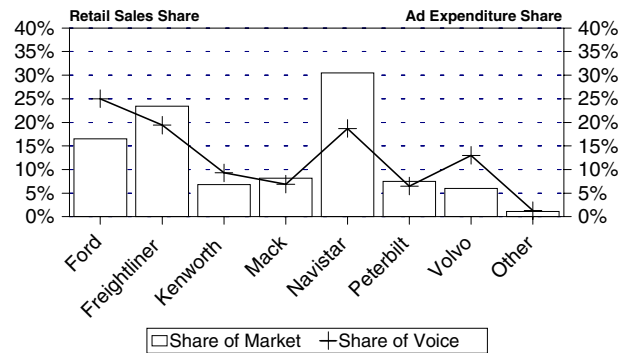
## 1997 Class 8 Truck OEM Share Analysis

( Class 6/7/8 Share of Market vs Share of Voice )



## 1996 Class 8 Truck OEM Share Analysis

( Class 6/7/8 Share of Market vs Share of Voice )



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

## TOTAL OWNER/DRIVER AD PAGES DECLINE 8.7% WHILE CATEGORY SPENDING GROWS

Owner/driver publications as a group finished 1997 with 119 fewer ad pages and a smaller share of the combined Truck Fleet -- Owner/Driver categories of tracked magazines. In 1996, they had 22.2% of the ad pages vs. 21.7% for 1997. Total 1997 industry advertising spending did however increase 9.1% in Owner/Driver publications.

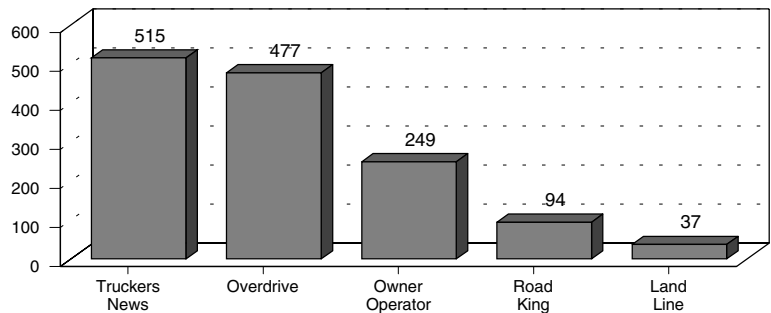
Truckers News led the category in total display advertising pages. Overdrive finished the year second, 38 pages behind Truckers News. Owner Operator continues its distant third place showing with about half the ad pages of the two category leaders.

## COMPARISON NOTE

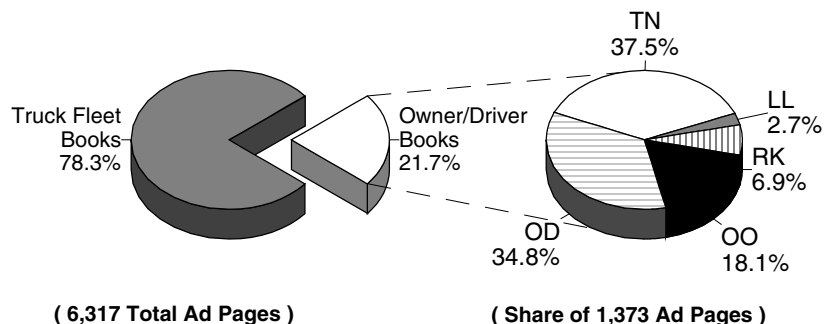
Truck Tracks ad page counts are on a "page is a page" basis. A standard 7"x10" magazine size ad page or larger is counted as one (1) page in tabloid size publications. Driver recruitment, classified, house, and trade show ads are not included, nor are advertising outserts or non-editorial supplements.

## OWNER/DRIVER MAGAZINE MARKET SHARES

### 1997 OWNER/DRIVER MAGAZINE AD PAGES



### 1997 TOTAL OWNER/DRIVER MAGAZINE SHARE OF MARKET



( 6,317 Total Ad Pages )

( Share of 1,373 Ad Pages )

# Truck Tracks 1997 Top 25

1997 Rank	1996 Rank	1995 Rank	Medium & Heavy Duty Truck Industry Advertisers	Total Dollars (000)	Total Ad Pages
1	3	3	Navistar (All Divisions)	\$3,646	424
2	2	1	Freightliner (All Divisions)	\$3,442	358
3	6	9	Shell Oil	\$3,082	329
4	4	5	Meritor Automotive (All Divisions)	\$2,802	332
5	7	8	GMC/Chevrolet (No Light Duty)	\$2,186	238
6	11	16	Mobil Oil	\$2,123	244
7	10	17	Eaton Corporation (All Divisions)	\$2,005	211
8	9	12	Chevron Oil	\$1,958	207
9	24	22	Michelin Tire	\$1,789	194
10	1	2	Ford Truck (No Light Duty)	\$1,692	167
11	12	6	Goodyear Tire	\$1,523	168
12	5	4	Volvo Trucks	\$1,379	133
13	18	19	Bandag	\$1,372	165
14	15	10	Dana Corporation (All Divisions)	\$1,308	152
15	17	18	Peterbilt Motors	\$1,248	117
16	19	20	Caterpillar (All Divisions)	\$1,239	133
17	14	11	Mack Trucks (All Divisions)	\$1,194	147
18	8	7	Kenworth Truck	\$1,086	110
19	21	21	Bridgestone/Firestone Tire	\$1,059	167
20	13	14	Ryder	\$996	80
21	16	13	Texaco (All Divisions)	\$936	94
22	23	-	Qualcomm	\$885	111
23	25	-	Hendrickson (All Divisions)	\$862	134
24	20	-	Pennzoil	\$805	79
25	-	-	Kendall Refining	\$565	45
Totals for 1997 Top 25 Advertisers				\$41,181	4,539

As stated in **Truck Tracks** 1996 Top 25 review, the sale of Ford's heavy truck product line to Freightliner has unquestionably changed the landscape in ad spending among **Truck Tracks** Top 25 advertisers. Ford Truck's spending fell off sharply in 1997, dropping it from a first place ranking in 1996 to tenth. Freightliner's newly formed subsidiary, Sterling Truck Corporation, will now market the Ford heavy duty product line. Sterling has already begun advertising for its newly nameplated offerings. It is too early to predict if Sterling will take up where Ford left off in future **Truck Tracks** Top 25 rankings.

While the Freightliner acquisition of Ford heavy trucks was being put into place, Navistar increased its ad spending by 10% over 1996 and advanced to first place in **Truck Tracks** 1997 Top 25 rankings. Kenworth Truck had the largest drop in ranking, moving from 8th to 18th. Michelin Tire had the sharpest rise, moving from 24th to 9th.

Navistar also led 1997 in overall industry exposure with 424 ad pages placed in the publications monitored by **Truck Tracks**. Freightliner was second at 358 ad pages and Meritor (Rockwell) third at 332 ad pages. This is in sharp downward contrast to the top 3 ad page exposure leaders in 1996 -- Ford Truck at 623 ad pages, Navistar at 544 ad pages and Freightliner at 374 ad pages.

As a group, **Truck Tracks** 1997 Top 25 advertisers spent \$363,000 more (a 0.8% increase) than their 1996 counterparts, with 501 fewer ad pages of exposure. Only one 1996 Top 25 advertiser -- Cummins Engine -- did not make the 1997 Top 25, while Kendall Oil made the rankings for the first time. There were fifteen 1997 Top 25 advertisers which rose in rank, seven which dropped in rank and two that stayed even with their 1996 ranking.



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