<table>
<thead>
<tr>
<th>MARKETING STABLE</th>
<th>BUDGETS SMALL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>64%</strong></td>
<td><strong>58%</strong></td>
</tr>
<tr>
<td>Retailers spent the same on marketing as last year</td>
<td>Manufacturers spent 5% or less of revenue on marketing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOP MARKETING CHANNELS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>99%</strong></td>
</tr>
<tr>
<td>Manufacturers exhibit at trade shows</td>
</tr>
</tbody>
</table>

| **90%**                |
| Retailers use social media |

| **82%**                |
| Manufacturers exhibit at automotive events |

| **76%**                |
| Manufacturers advertise in magazines |
Businesses see the strategic importance of understanding and reaching consumers.

Staying on top of consumer needs goes hand-in-hand with stronger digital presence and brand exposure.

Q4fut. Now let’s look to the future. Over the next 1-3 years, how important are each of these going to be for your business?

Base: Total Per Group

Issues Will Be ‘Very Important’ Over Next 1-3 Years

- **Understanding changing needs of customer base**
  - Manufacturer: 80%
  - Distributor: 76%
  - Retailer: 64%

- **Adding new products/product lines**
  - Manufacturer: 77%
  - Distributor: 58%
  - Retailer: 50%

- **Getting more exposure/ recognition for brand**
  - Manufacturer: 76%
  - Distributor: 60%
  - Retailer: 60%

- **Keeping up with new technologies**
  - Manufacturer: 75%
  - Distributor: 69%
  - Retailer: 75%

- **Growing our online/digital presence**
  - Manufacturer: 73%
  - Distributor: 62%
  - Retailer: 63%

- **Expanding retail/distribution coverage within U.S.**
  - Manufacturer: 66%
  - Distributor: 51%
  - Retailer: 27%

- **Reducing costs**
  - Manufacturer: 52%
  - Distributor: 49%
  - Retailer: 52%

- **Growing our international sales**
  - Manufacturer: 51%
  - Distributor: 24%
  - Retailer: 15%

- **Adding more younger customers**
  - Manufacturer: 49%
  - Distributor: 44%
  - Retailer: 44%

- **Hiring more employees**
  - Manufacturer: 34%
  - Distributor: 20%
  - Retailer: 30%
Many manufacturers increased their marketing spending over the past year.

But, most companies devote 10% or less of their revenue to advertising and marketing.

Note: Values may not sum to 100% due to "don't know" responses.

Q11. Which best describes how your company's spending on marketing and advertising has changed compared to twelve months ago?
Q12. Approximately what percentage of your company’s revenue is spent on marketing and advertising?

Base: Total Per Group

Change in Marketing/Advertising Spend Over Past 12 Months

- Increased
- Stayed Same
- Decreased

Manufacturer

- Increased: 42%
- Stayed Same: 39%
- Decreased: 11%

Distributor

- Increased: 22%
- Stayed Same: 69%
- Decreased: 9%

Retailer

- Increased: 22%
- Stayed Same: 64%
- Decreased: 10%

Percentage of Company Revenue Spent on Marketing/Advertising

- 0% - 5%
  - Manufacturer: 58%
  - Distributor: 62%
  - Retailer: 85%
- 6% - 10%
  - Manufacturer: 8%
  - Distributor: 31%
  - Retailer: 25%
- 11% - 15%
  - Manufacturer: 9%
  - Distributor: 5%
  - Retailer: 4%
- 15% +
  - Manufacturer: 8%
  - Distributor: 3%
  - Retailer: 2%
Top marketing methods include trade/auto event exhibits and social media.

Social media is rapidly growing in importance.

Marketing Efforts Utilized in Past 12 Months

- **Manufacturer**
  - Exhibits at Trade Events: 99%
  - Social Media: 89%
  - Exhibits at Auto Events: 82%
  - Magazines: 76%
  - Sponsorships: 76%
  - Banner Ads on Websites: 72%
  - Sponsored Videos: 65%
  - Blogs/Sponsored Content: 62%
  - Direct Mail/Catalog: 60%
  - Mobile Advertising: 49%
  - YouTube PreRoll Ads: 39%
  - Television Ads: 31%
  - Radio Ads: 22%
  - Other Method: 49%

- **Distributor**
  - Exhibits at Trade Events: 70%
  - Social Media: 58%
  - Exhibits at Auto Events: 42%
  - Magazines: 36%
  - Sponsorships: 39%
  - Banner Ads on Websites: 24%
  - Sponsored Videos: 27%
  - Blogs/Sponsored Content: 55%
  - Direct Mail/Catalog: 27%
  - Mobile Advertising: 21%
  - YouTube PreRoll Ads: 0%
  - Television Ads: 6%
  - Radio Ads: 36%
  - Other Method: 36%

- **Retailer**
  - Exhibits at Trade Events: 47%
  - Social Media: 90%
  - Exhibits at Auto Events: 19%
  - Magazines: 55%
  - Sponsorships: 55%
  - Banner Ads on Websites: 40%
  - Sponsored Videos: 40%
  - Blogs/Sponsored Content: 37%
  - Direct Mail/Catalog: 44%
  - Mobile Advertising: 24%
  - YouTube PreRoll Ads: 10%
  - Television Ads: 22%
  - Radio Ads: 39%
  - Other Method: 39%

Percentages indicate the number of companies using each marketing channel. Colored bars indicate changes in usage in the past 12 months.

Q2mkt. Next, let's talk a bit more about your company's marketing efforts. Over the past year, how have the amount of resources (time, money, effort, etc.) your company put towards advertising your brand or products changed in each of the following channels?

Base: Very/Somewhat Involved In Company's Marketing Efforts
Exhibits at trade events and social media receive the greatest share of marketing resources. Direct mail/catalogs are also key for distributors, while social media is vital for retailers.

Average % of Marketing Resources Spent On Each Channel

**Manufacturer**
- Exhibits at Trade Events: 32%
- Social Media: 18%
- Exhibits at Auto Events: 11%
- Magazines: 9%
- Sponsorships: 6%
- Banner Ads on Websites: 5%
- Direct Mail/Catalog: 4%
- Blogs/Sponsored Content: 4%
- Television Ads: 3%
- Sponsored Videos: 3%
- Mobile Advertising: 2%
- YouTube PreRoll Ads: 1%
- Radio Ads: 1%
- Other Method: 3%

**Distributor**
- Exhibits at Trade Events: 22%
- Social Media: 11%
- Exhibits at Auto Events: 6%
- Magazines: 6%
- Sponsorships: 6%
- Banner Ads on Websites: 5%
- Direct Mail/Catalog: 20%
- Blogs/Sponsored Content: 3%
- Television Ads: 0%
- Sponsored Videos: 2%
- Mobile Advertising: 3%
- YouTube PreRoll Ads: 1%
- Radio Ads: 1%
- Other Method: 13%

**Retailer**
- Exhibits at Trade Events: 5%
- Social Media: 34%
- Exhibits at Auto Events: 11%
- Magazines: 2%
- Sponsorships: 6%
- Banner Ads on Websites: 6%
- Direct Mail/Catalog: 5%
- Blogs/Sponsored Content: 4%
- Television Ads: 2%
- Sponsored Videos: 2%
- Mobile Advertising: 6%
- YouTube PreRoll Ads: 1%
- Radio Ads: 4%
- Other Method: 10%

Q3mkt. Roughly how much of your marketing resources (time, effort, money, etc.) are spent on each of the channels you use? Your best guess is fine. Base: Very/Somewhat Involved In Company’s Marketing Efforts
Manufacturer use of specific magazine types is flat over the past year.

Marketing Efforts Utilized Magazines in Past 12 Months

Use of Magazine Types Over Past 12 Months

<table>
<thead>
<tr>
<th>Magazine Type</th>
<th>Increase</th>
<th>Stay Same</th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Auto Enthusiast Magazines</td>
<td>82%</td>
<td>45%</td>
<td>17%</td>
</tr>
<tr>
<td>Automotive Trade Magazines</td>
<td>77%</td>
<td>47%</td>
<td>15%</td>
</tr>
<tr>
<td>General Automotive Magazines</td>
<td>56%</td>
<td>35%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Percentages indicate the number of companies using magazine type.
Colored bars indicate changes in usage in the past 12 months.
Q4mkt. Now thinking specifically about the magazines you use for marketing, how has the amount of resources you allocate to each of the following changed in the past year?
Base: Very/Somewhat Involved In Company’s Marketing Efforts
The amount of social media advertising effort going toward paid posts varies widely.

Marketing Efforts Utilized Social Media in Past 12 Months

- Manufacturer: 89%
- Distributor: 70%
- Retailer: 90%

Social Media Resources That Went to Paid/Sponsored Posts

Among Companies Who Utilized Social Media

<table>
<thead>
<tr>
<th>Marketing Efforts Utilized Social Media in Past 12 Months</th>
<th>Social Media Resources That Went to Paid/Sponsored Posts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturer</td>
<td>Distributor</td>
</tr>
<tr>
<td>89%</td>
<td>23%</td>
</tr>
<tr>
<td>21%</td>
<td>28%</td>
</tr>
<tr>
<td>35%</td>
<td>26%</td>
</tr>
<tr>
<td>10-19%</td>
<td>19%</td>
</tr>
<tr>
<td>20-29%</td>
<td>13%</td>
</tr>
<tr>
<td>24%</td>
<td>3%</td>
</tr>
<tr>
<td>30-50%</td>
<td>3%</td>
</tr>
<tr>
<td>Over 50%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Caution: Small base size
Q5mkt. How much of the resources you put toward social media advertising go to paid/sponsored posts? Base: Very/Somewhat Involved In Company’s Marketing Efforts
Trade events and publications are key sources for new industry information. Retailers often look to parts manufacturer websites as well.

<table>
<thead>
<tr>
<th>Key Resources When Looking for New Industry Information</th>
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<tbody>
<tr>
<td>Manufacturer</td>
</tr>
<tr>
<td>Trade Events</td>
</tr>
<tr>
<td>Trade Publications</td>
</tr>
<tr>
<td>Trade Websites</td>
</tr>
<tr>
<td>Consumer Events</td>
</tr>
<tr>
<td>Specialty Websites</td>
</tr>
<tr>
<td>Facebook</td>
</tr>
<tr>
<td>Press Releases</td>
</tr>
<tr>
<td>Retailer Websites</td>
</tr>
<tr>
<td>Parts Manufacturer Websites</td>
</tr>
<tr>
<td>Online Magazine Sites</td>
</tr>
<tr>
<td>Consumer Print Magazines</td>
</tr>
<tr>
<td>General News Reports</td>
</tr>
<tr>
<td>Instagram</td>
</tr>
<tr>
<td>Advertisements</td>
</tr>
<tr>
<td>Twitter</td>
</tr>
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<table>
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Q6: When looking for new information on the industry, which of the following do you consider key resources? Base: Very/Somewhat Involved In Company’s Marketing Efforts
Results in this report are based on 538 interviews with individuals representing specialty-equipment manufacturers, distributors, and retailer/installers conducted in Spring 2018.

SEMA conducts these interviews twice a year in conjunction with our independent research partner, Directions Research. If you are among the industry professionals invited to participate, please do.

We would love to hear from you!
QUESTIONS?

Comments and suggestions appreciated.
Happy to provide clarifications.
Open-ended responses available.
SEMA Market Research is here to help.

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