

### Executive Summary

The automotive vertical, as defined by the U.S. government, represents an estimated \$16.3 billion of local advertising spending in 2017. It consists of five subcategories:

1. Auto dealers & manufacturers
2. Other motor vehicle dealers
3. Auto parts & accessory stores
4. Tire dealers
5. Gas stations & auto repair

**Auto dealers and manufacturers constitute the largest subcategory of automotive ad spending. Dealers and manufacturers are projected to spend \$12.06 billion on local advertising in the U.S. during 2017.**

This advertising spend represents nearly 75 percent of the defined vertical and should be a focus of media and platform companies' automotive activity.

There are approximately 16,708 new vehicle auto dealers in the United States. NADA reports the average auto dealer selling domestic brands has upped ad spending only 1.5 percent to \$244,835 this year. The average car dealers spend 8.2 percent of gross on advertising.

**We estimate that other motor vehicle dealers, including those selling motorcycles and RVs, will spend more than \$1.08 billion on U.S. local advertising in 2017.**

To bring this data into context, this report offers:

- A comprehensive examination of traditional and digital/online advertising spend for each of these categories.
- Tracks the distribution of automotive advertising spending by media and online spending for 2017 and 2021.
- Profiles the largest 25 automotive markets in the U.S. and provides an estimate of the per capita spend for the local automotive vertical and its subcategories in the top 10 markets in 2017 (see Table 1, page 12).

The report offers prescriptive advice to both media and platform companies on approaching and driving revenue within the industry.

Read the report to:

- Examine the largest 25 automotive markets in the U.S. and provides an estimate of the per capita spending for the local automotive vertical and its subcategories in the top 50 markets in 2017.
- Explore media's impact on how consumers search for, purchase and maintain automobiles, as well as how consumer behavior affects marketing and media spend.
- Review nationwide spending for key auto categories- tire dealers, parts and accessories, auto repair, gas stations, other vehicle dealers (motorcycle/RV)

The data featured in the report are drawn from BIA/Kelsey's proprietary data, including the [U.S. Local Advertising Forecast](#); [Media Ad View Reports](#); and the [Local Commerce Monitor™ \(LCM\)](#), our ongoing survey of small and medium-sized businesses.

SMBs constitute a significant segment of the automotive category, and this report reveals their top marketing priorities (i.e., SEM/SEO, mobile advertising, print advertising and social media advertising) for the coming year.