



Luxury Car Brands Not Tapping Full Potential of Social Media

Study by MH Group Communications and Forum Strategies & Communications examines social media presence of global luxury automobile companies; finds German automakers dominate while Japanese and American brands are largely absent

NEW YORK, NY; October 12, 2009 —Luxury car makers are not maximizing the full potential of social media in their communications efforts, according to a new study announced today by independent New York-based consultancies MH Group Communications and Forum Strategies & Communications. The study, “Luxury Auto Brands and their Presence in Social Media,” is a comprehensive analysis of luxury auto brands and their presence within social networks.

Using the MH Group Communications Community Index and Conversation Index measurement methodologies to determine the size and activity level of communities around specific auto brands across Facebook, Twitter, YouTube, and Flickr, the study found that German automakers dominate the luxury auto business category, while Japanese and American brands are largely absent and unimpressive within social media.

In the study’s overall rating, the nine luxury auto brands considered ranked as follows in terms of their engagement in social networks:

1. BMW
2. Porsche
3. Audi
4. Mercedes
5. Cadillac
6. Lexus
7. Acura
8. Infiniti
9. Lincoln

Porsche had the highest community rating in the Community Index with a score of 5,448, followed by BMW at 3,681 and Audi at 3,612. In the Conversation Index measurement, BMW held a sizeable lead over competitors with a conversation rating of 6,164 for the period studied. (For further details, please see the attached charts.)

However, the study also concluded that the industry has yet to tap the full potential of social media by utilizing an integrated and holistic approach, and are focusing their efforts

on YouTube and Facebook rather than the full spectrum of social media platforms where benefits could be gained.

Additionally, the study found that the task of breaking through in social media for luxury car brands is complicated by the fact that all the brands face an extraordinary amount of online clutter as they try to attract a focused social media community. Unofficial Facebook pages, Twitter feeds, YouTube channels and Flickr communities created and managed by fans, vehicle dealers and individuals who incorporate a vehicle name in their online identities siphon attention and offer conflicting brand messages.

“Communications flow as easily between different social media platforms as within any specific platform,” said Mark Hass, CEO of MH Group Communications. “In this environment, a successful campaign within one social media platform is not sufficient to advance and protect the brand online. Luxury auto companies need to harness the synergies of using multiple social media platforms in an integrated campaign to obtain the full benefits of the technology.”

Other Key Findings:

The study revealed that social media conversations around luxury auto brands focused on four key topics, each of which offer specific challenges/opportunities:

- **Admiration:** The luxury auto sector enjoys a privileged admiration consumers express for most luxury brands. Being part of an “exclusive” club, these owners and fans err on the side of adoration when discussing their vehicles. *Challenge: Where is the tipping point, when the club no longer feels so exclusive because of the social media involvement of everyday consumers?*
- **Sales and Deals:** The auto industry’s huge investments into e-commerce and the dealer-based, decentralized sales network make deal talk the dominant topic of social media conversation. *Challenge: Brand management in this environment is a challenge, given that the community drives the conversation, rather than the brand, in contrast to pre-social media days, when sales messaging was focused around brand web sites.*
- **Questions about Features, Service, Availability:** Social media are a powerful tool for brands to monitor questions about their vehicles and address them directly and immediately. *Opportunity: This should be viewed as an opportunity to extend a brand’s customer service commitment, rather than just treat social media as a marketing tool.*
- **News and Vehicle Announcements:** There is a virtuous cycle of amplification among these brands, auto bloggers and social media networks, in which news is shared by the brands with influential bloggers, reposted or tweeted within social

networks by readers of those blogs, and further echoed within smaller SM groups. *Opportunity: Links to blog posts, rather than traditional media, are shared most often by consumers.*

Goodwill persists for luxury auto brands in the social media conversation:

While most other business sectors have brands that have been damaged by negative social media commentary, most luxury goods brands, including autos, enjoy mostly positive social media relationships. In fact, 90% of the commentary and content created about these brands is positive, since luxury brand consumers perceive that they receive a high-level of service and value by being associated with the brand.

“Given the positive online dialogue regarding luxury auto brands, the use of social media can no longer be regarded as an afterthought, but must be viewed as a foundational element that is part of any holistic communications strategy” said Jeffrey Sindone, President of Forum Media, Forum Strategies & Communications.

About the study

MH Group Communications and Forum Strategies & Communications partnered to perform this study because of their shared extensive experience and interest in the auto industry and social media. The top-selling luxury auto brands and luxury brands owned by major global automakers, including Acura, Audi, BMW, Cadillac, Infiniti, Lincoln, Lexus, Mercedes and Porsche were studied to assess their level of involvement and success in using social media. Researchers examined social media activity during August 2009 by the brands, as well as activity about the brands initiated by consumers, dealers or others. More information about the study is available at <http://mhgroupcom.com> or <http://www.forumstrategies.com>.

About MH Group Communications

MH Group Communication specializes in integrating traditional C-Suite corporate communications services with the opportunities provided by emerging social networks and other digital tools. It offers creative and contemporary programs that take advantage of the dynamic environment surrounding consumer and stakeholder communications. For more information on MH Group Communications please visit <http://mhgroupcom.com>.

About Forum Strategies & Communications

Forum Strategies & Communications aims to help clients better shape the social and political landscape in which they operate through innovative, progressive public affairs strategies, targeted and compelling communications and integrated corporate affairs programs that get results. Its executive team has a track record of success on controversial, high-profile issues, and brings decades of combined experience in: Strategic issues and communications counsel, reputation-critical campaigns, multifaceted communications programs, issue advocacy, reputation and branding campaigns. For more

information on Forum Strategies & Communications please visit
<http://www.forumstrategies.com>.

Contact:

Daniel P. Bingham

MH Group Communications

Daniel.bingham@mhgroupcom.com

408-621-5786

Jeffrey Sindone

Forum Strategies & Communications

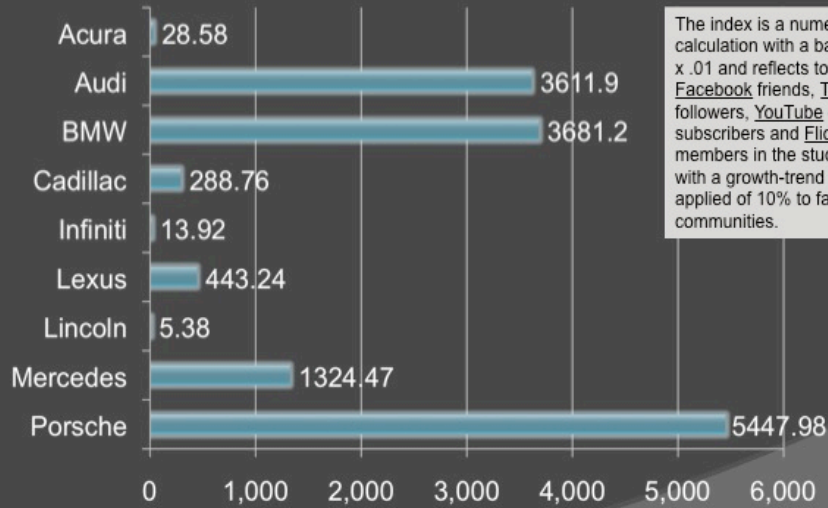
sindone@forumstrategies.com

212-554-2157

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Community Index

Hand-raisers who have willingly identified themselves as followers or friends of the brand

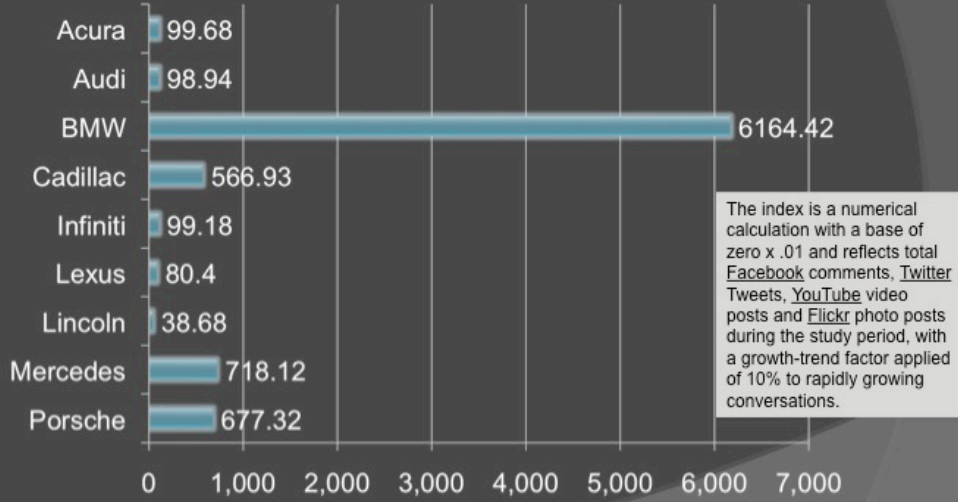


The index is a numerical calculation with a base of zero x .01 and reflects total [Facebook](#) friends, [Twitter](#) followers, [YouTube](#) channel subscribers and [Flickr](#) group members in the study period, with a growth-trend factor applied of 10% to fast-growing communities.

Index period: 8/1/09 – 8/31-09

Conversation Index

The volume of all commentary about the brands from both outside and within their communities



Index period: 8/1/09 – 8/31-09