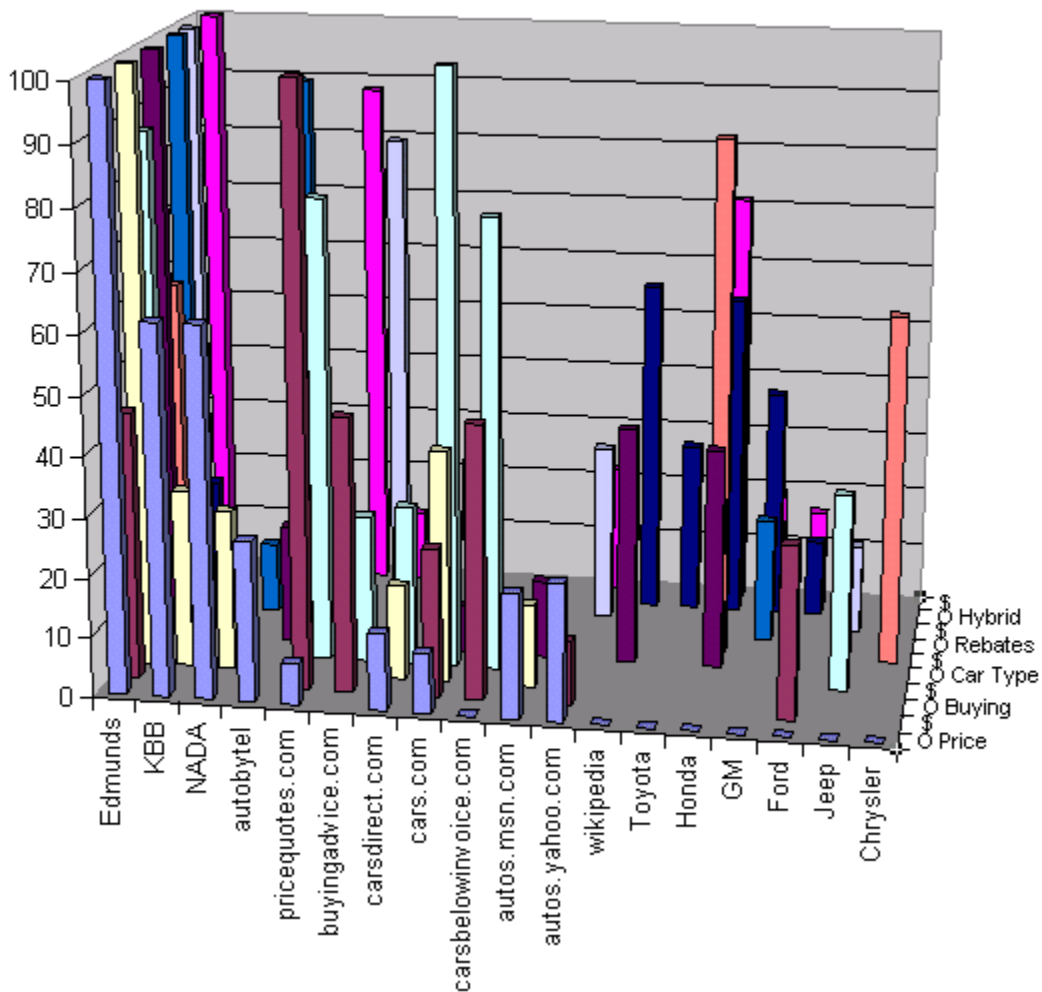


Automotive Study

In a highly competitive automotive space, Edmunds has established itself as the SEM player to beat in both the PPC and Natural Search worlds. In the PPC space, Edmunds plays along with an aggressive host of pricing and referral services including Autobytel, Carprices.com, CarsDirect.com, Pricequotes.com and many others. Natural Search competition is fierce – with publishers like Kelly Blue Book, Edmunds and NADA slugging it out with portals like autos.msn and autos.yahoo as well as a host of pricing and dealer referral services and – sometimes – actual car-makers. And, for the first time in a SEMA study, the Wikipedia emerges as a significant Natural Search competitor.

Automotive SEM Performance

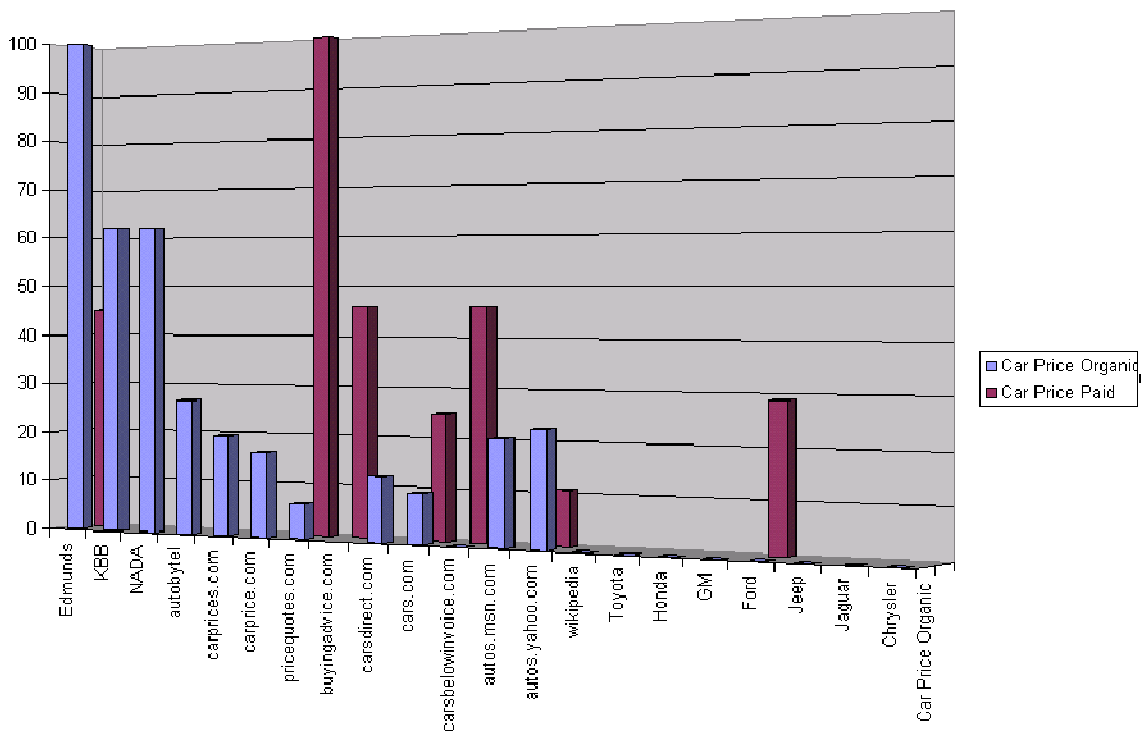


Semphonic analyzed the automotive keyword marketplace (using its competitive landscaping tool – CampaignTracker) by generating an industry keyword list with more than 1000 automotive terms. These terms were then categorized by type and the

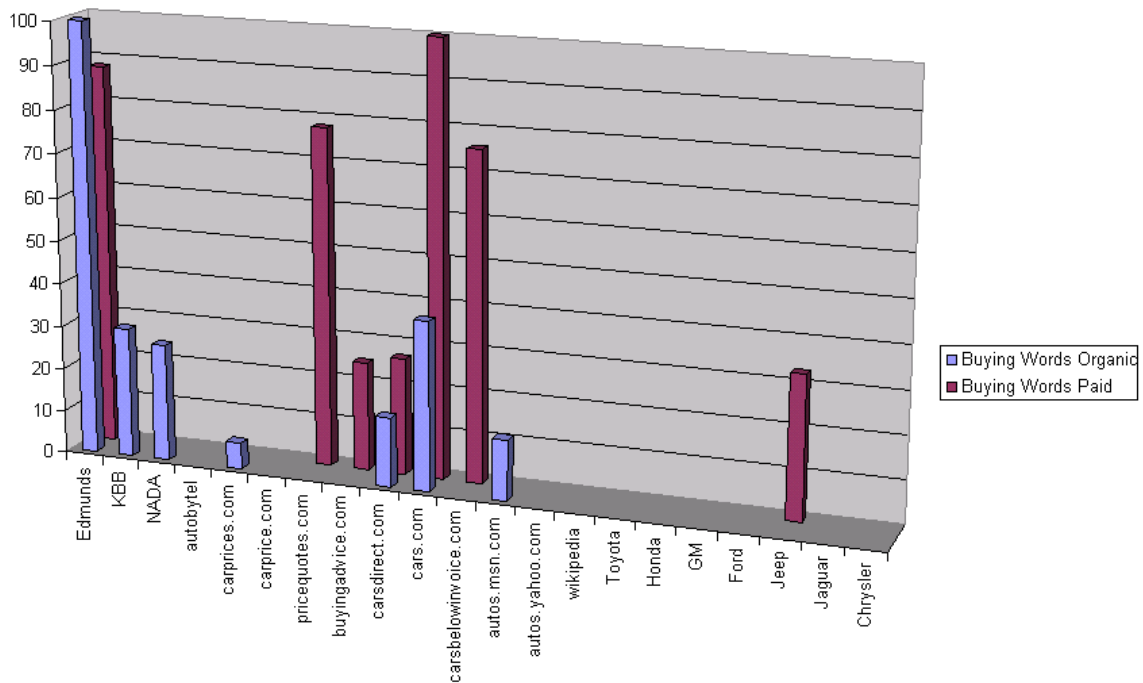
performance of all the competitors within each category was analyzed. The chart above shows the mathematical rankings for some of the more significant automotive sites across five sample categories. These include words about price (e.g. new car prices), words about buying (e.g. buying a new car, car purchase, etc.), words about car type (e.g. sedan, coupe, convertible, etc.), words about rebates (e.g. auto rebates, new car incentives, etc.) and words about hybrids (e.g. hybrid, fuel-efficient cars, etc.). Sites were rated for both their Natural Search (organic) position on Yahoo and Google and their Paid Position (if any) on those same engines.

Sharp differences in focus emerged, with most publishers concentrating on organic results – optimizing their sites across a broad range of automotive terms – while online pricing and referral services tended to focus on Paid campaigns concentrated in the “price” and “buy” realms. Car makers mostly played in their own brand-space, the rebate/incentive space, and “hybrid/fuel efficiency” words.

“Car Price” words showed this pattern clearly, with Edmunds, Kelly Blue Book and NADA leading the natural search listings. BuyingAdvice.Com, Carsdirect.com and CarsBelowInvoice.Com led the PPC results with Edmunds close behind. Only Edmunds exhibited great strength in both the Organic and Paid realms. Of the major automakers, only Ford had a significant presence – confined to the Paid Space – and this presence was not carried through in other categories like “Online Buying”, “Car-Types” or “Rebates.”



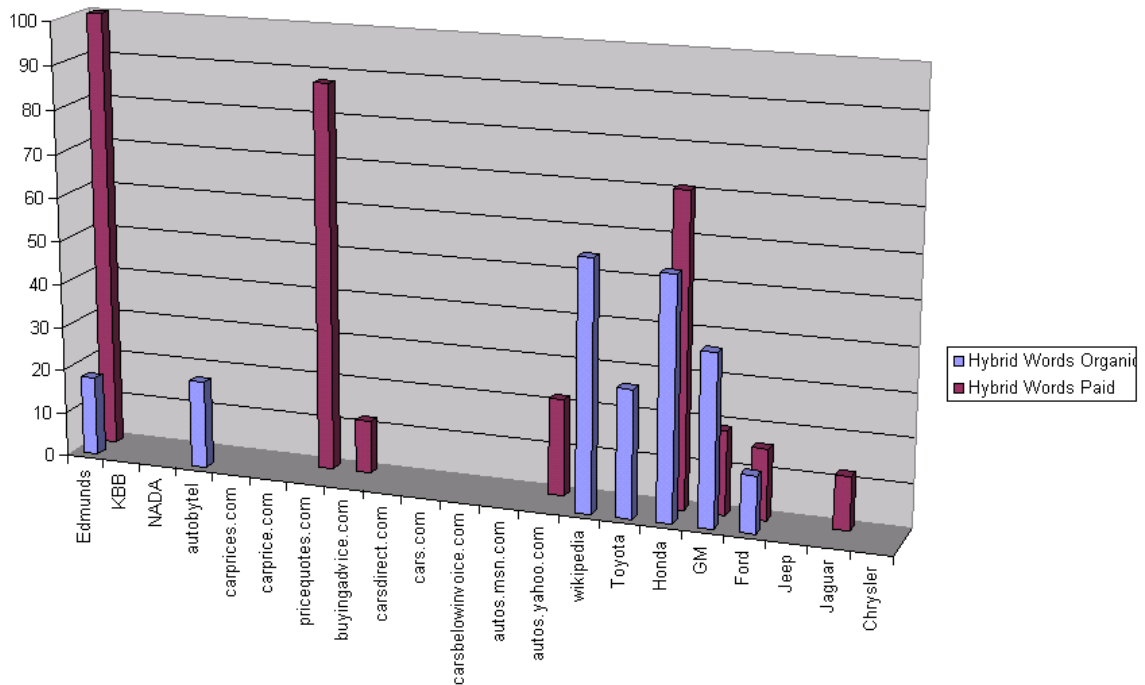
The “Online Buying” Category shows a similar pattern – with even more pronounced differences among the players:



Edmunds is dominant in the organic realm – trouncing all other competitors. In the Paid space, Cars.Com is the leader, followed closely by Edmunds, PriceQuotes.Com and CarsBelowInvoice. Only Jeep – among automakers - was showing any significant Paid buys in this category during the study.

According to Semphonic President Gary Angel, “The spottiness of presence we see from the major car-makers is typical of many industries where the traditional brands aren’t competing well with the online specialists. What’s interesting in the automotive space, however, is how Edmunds has managed to span both the Publishing and Buying Service domains – and how strong the publishing directories have been in maintaining their organic (Natural Search) advantage.”

Only in the “Brand” and “Hybrid/Fuel Efficiency” words did automakers register a significant and consistent presence:



Honda and Wikipedia lead in the Organic Results for “Hybrid” words. Edmunds and PriceQuotes led in the PPC market. But many of the automakers had respectable rankings in both Natural and Paid results in this category.

This was one of several categories (including Car Types) where the Wikipedia registered a significant organic rating. As the Wikipedia gains traction, this will probably become quite common and web-channel players will have to be very sensitive to the content posted there.