

KBB: NEW-VEHICLE TRANSACTION PRICE TOPS \$45,000

ANOTHER RECORD — FOR 6TH MONTH IN A ROW

New-vehicle prices hit another all-time high in September, marking the sixth straight record-setting month and surpassing \$45,000 for the first time, according to a new report from **Kelley Blue Book**.

At \$45,031, the average transaction price (ATP) for a new automobile was up 12.1% (or \$4,872) from a year ago and up 3.7% (or \$1,613) from August.

The all-time-high prices accompanied the fifth straight month of a slowing sales pace. Total sales last month numbered just 1,012,797, a 7.3% month-over-month decrease and one of the lowest volumes in the past decade. On top of supply dynamics, the vehicle mix shifted in September away from lower-priced sedans, compacts and entry-level segments toward more-expensive pickups, SUVs and the luxury market.

"The record-high prices in September are mostly a result of the mix of vehicles sold," said **Kayla Reynolds**, analyst for **Cox Automotive**. "Midsize SUV sales jumped in September compared to August and full-size pickup share moved up as well. Sales of lower-priced compact and midsize cars, which had been commanding more share during the summer, faded in September. As long as new-vehicle inventory remains tight, we believe prices will remain elevated."

Incentive spending fell in September to another record low, dropping to 5.2% of ATP last month, a decrease from 5.6% in August and well below the 10% of ATP recorded in September 2020. **Porsche, Land Rover, Genesis, Subaru** and **Toyota** had among the lowest incentive spend last month, all 3% of ATP or lower. On the other hand, **Alfa Romeo, Buick, Fiat** and **Infiniti** each had incentive levels above 10% of ATP.

ATPs in September continued to be driven higher by strong luxury vehicle sales. Luxury sales accounted for 16.6% of total market sales, up from 15.1% in September 2020.

Luxury share in September was among the highest in the past decade, and luxury buyers paid an average of \$60,845 for a new vehicle last month. Further, many luxury brands, notably **Acura, Cadillac, Genesis** and **Mercedes-Benz**, achieved year-over-year ATP gains in excess of 20%.

Cadillac, for example, saw ATPs jump up more than 32% last month, reaching \$81,939. Consumers continue to pay near \$100,000 for a new **Cadillac Escalade**. More than 3,500 were sold in September, a jump of more than 50% from August.

New light-vehicle sales in September fell for the fifth straight month to a SAAR of 12.2 million units, according to the **National Automobile Dealers Association**. September's SAAR was the lowest since May 2020's 12.1 million, dropping the 2021 Q3 average SAAR to 13.3 million. Tight inventories have limited both fleet and retail sales, with fleet sales likely accounting for just 12% of total sales volume, according to **J.D. Power**.

ADVERTISER NEWS

Hyundai Motor's global operating officer said yesterday the automaker wants to develop its own chips to reduce reliance on chipmakers, **Reuters** reports. A global shortage of semiconductors, triggered partly by surging demand for laptops and other electronic products during the pandemic, has shuttered some auto production lines globally this year... The 2022 **Toyota Tundra** will bank on an all-new chassis, hybrid powertrain and an impressive new infotainment system and virtual assistant as it tries to shake up the Detroit-dominated market for full-size pickups. The 2022 Tundra is new from the ground up, a long-awaited replacement for Toyota's first full-size pickup, which debuted as a 2007 model in 2006 — more than two generations ago for the **Chevrolet, Ford** and **Ram** pickups it competes with...

Circle K is now offering an artificial intelligence-based, fully checkout-free shopping experience in a Tempe, Ariz. store. The convenience retailer is partnering with retail computer vision platform provider **Standard AI** to open its retrofitted Tempe location, featuring a frictionless checkout system designed to allow shoppers to completely avoid waiting in a checkout line and deliver accurate receipts in minutes... Organized retail crime is taking a heavy toll on some retailers in San Francisco.

Walgreens Boots Alliance will close five Walgreens stores in San Francisco in November in response to ongoing organized retail crime in the city. Retail theft across the company's San Francisco stores has increased in the past few months to five times the chain's average, Walgreens spokesperson Phil Caruso told the **San Francisco Gate**... **99 Cents Only Stores** is the latest retailer to partner with online delivery platform **Instacart**. The value chain is now delivering online orders in two hours or less from more than 300 store locations across California, Arizona, Nevada and Texas, via Instacart. Building on an initial, successful 23-store pilot launched in May, the retailer is making its entire merchandise assortment available for same-day delivery... **Hobby Lobby Stores** has once again increased its hourly wage — this time for part-timers. The arts-and-crafts retailer is hiring 11,000 seasonal store employees. It also has raised its part-time minimum hourly wage by more than 18%, to \$13. In 2009, Hobby Lobby was one of the first retailers to establish a nationwide minimum hourly wage well above the federal minimum wage. It has since raised its minimum wages 11 times during the past 12 years... **Lowe's** is the latest in a rapidly growing line of retailers creating an omnichannel advertising platform to connect brands with its customers. The home improvement giant is launching **Lowe's One Roof Media Network**, a retail media service designed to provide a portfolio of omnichannel advertising services. The platform includes data-driven insights integrated with analysis of consumer behaviors and home category trends, as well as customized advertising products.



Kelley Blue Book

AUTOMAKER TV AD SPENDING GROWS IN SEPT.

Automakers spent almost \$12 million more this September on national television ads compared to a year ago but impressions were down, according to **iSpot.tv**.

The estimated spend in September 2021 was \$239.5 million compared to \$227.7 million in September 2020.

However, impressions declined to 29.1 billion in September vs. 30.9 billion a year ago.

The top five brands by spend in September were **Toyota** (\$29.2 million), **Chevrolet** (\$21.4 million), **Hyundai** (\$19.5 million), **Kia** (\$18.7 million) and **Ford** (\$18.1 million).

Toyota emphasized tentpole events in September, as more than 55% of the brand's national TV ad spend came during **NFL** games, with 5.5% during the **MTV Video Music Awards** and 2.9% during college football. For Chevrolet, emphasis was on broadcast networks — as about 84% of national TV ad spend was utilized on **NBC**, **Fox**, **ABC** and **CBS**.

September quickly shifted auto brands' TV ad impressions toward football's return and an emphasis on weekend afternoons — the source of 15.8% of industry impressions for the month (second only to primetime). During September NFL games, six different auto brands had at least 100 million impressions.

The top five brands by TV ad impressions for the month were Toyota (2.7 billion), **Nissan** (2.6 billion), **Lexus** (2.6 billion), Hyundai (2.2 billion) and Chevrolet (2.1 billion).

ICSC PREDICTS 8.9% BOOST IN HOLIDAY SALES

The leading shopping center and mall industry organization is feeling quite optimistic about the upcoming holiday season — despite supply chain headaches — and is forecasting that sales in November and December will jump by 8.9% compared to last year.

The industry group, **ICSC**, is predicting holiday spending this year will outpace the record-breaking growth of Christmas 2020.

Last year, spending rose by 8.3%, more than double the 3.5% average growth of the previous five years, according to holiday figures reported by the **National Retail Federation**.

The ICSC predicts November-December sales will hit \$923 billion this year, based on a consumer survey it conducted in September.

NPD: VISITS TO FAST-CASUAL EATERIES REBOUND

A renewed emphasis on off-premises services is paying off for the nation's fast-casual restaurants.

Fast-casual restaurants didn't fare as well as traditional quick-service ones early in the pandemic, but their customers are returning, **The NPD Group** reports.

Online and physical visits to fast-casual outposts in the year ending in August were up 8% vs. a year ago, which keeps traffic on par or flat to pre-pandemic visits in August 2019. In the quarter ending June 2020, at the height of pandemic lockdowns and restaurant restrictions, fast-casual visits were down 23% vs. the prior year, according to NPD's daily tracking of the U.S. restaurant industry.

MLB: SINCLAIR STREAMER A SWING AND A MISS

Count **Major League Baseball** Commissioner **Rob Manfred** as not a fan of **Sinclair Broadcast Group's** \$250 million plan to parlay its 19 regional sports networks into a streaming service, **Next TV** reports.

For one thing, Manfred doesn't believe Sinclair has enough digital rights from the 14 MLB clubs it has licensing agreements with to pull off such an enterprise.

"The other set of rights they've talked a lot about is gambling rights, they don't have those either," Manfred said this week at the **CAA World Congress of Sports** event in New York.

"We've been very clear with them from the beginning that we see both those sets of rights as extraordinarily valuable to baseball, and we're not just going to throw them in to help Sinclair out."

Through an **SEC** filing in June, Sinclair revealed plans to raise \$250 million to create a live sports OTT venture based on its RSNs, which are managed by a separate company called **Diamond Sports Group**. Sinclair also outlined a plan to restructure about \$8 billion in debt.

Manfred described reports that MLB would agree to taking an ownership stake in order to offer Diamond the necessary digital rights as "not accurate."

MOST BUYERS GIVE THUMBS-UP TO IMPRESSIONS

More than 70% of media buyers in the U.S. and three other key markets agree that all forms of TV should be sold on impressions, according to the latest converged TV report from **TVSquared**.

The research included a survey of 300 U.S. client and agency buyers by **Advertising Perceptions** and **Dynata** surveys of buyers in the UK, Germany and Australia (nearly 1,000 buyers in total). In addition, ad impressions for 20 converged linear/streaming ad campaigns running on the **ADvantage** platform were analyzed.

Three-quarters of all marketers agreed TV is now defined as including linear and streaming (CTV/OTT) platforms, and that legacy currencies and practices are impeding the innovation of what advertisers can do with converged TV.

Among U.S. respondents, 80% agreed the upfronts need to be more data-driven, and 88% agreed that upfront deals need to make transacting across linear and streaming platforms more flexible and easier to transact.

Accuracy of cross-platform TV measurement and attribution was the converged TV advertising challenge most cited by U.S. buyers (57%), followed by lack of accurate and scalable ad occurrence and viewership data (43%), difficulties targeting audiences across linear and connected TV platforms (38%) and lack of standards for currencies across technology and platforms (38%) and lack of transparency (38%).

THIS AND THAT

The **Walt Disney Co.** and the **National Football League** have reached a five-year deal that will put a new Monday night wild card playoff game on **ESPN** and **ABC**, starting at the end of this year's regular season. The Disney networks plan to use the game as part of a megacast that will include a simulcast on ESPN and ABC, with **Peyton** and **Eli Manning** hosting their popular alternative telecast on **ESPN2** and **ESPN Plus**. **ESPN Deportes** will have a Spanish-language telecast and other productions are in the works, Disney said. One possibility is a kids-oriented telecast.

