

# News Release

**For Immediate Release**

## **AMERICANS LEADS THE WORLD IN CAR OWNERSHIP, CHINA AND INDIA FAST CATCHING UP IN ABSOLUTE NUMBER OF CARS OWNED**

## **AUTOMOTIVE MANUFACTURERS TAP INTO THE ENORMOUS CHINA MARKET DEVOTING CLOSE TO HALF THE REGION'S AUTOMOTIVE ADVERTISING SPEND**

May 7, 2007, Auckland – As economies continue to thrive hand in hand with consumers' propensity to spend, the race to drive car ownership is on, according to a 2006 Panorama study published by The Nielsen Company.

As the Study reveals, nearly nine in 10 Americans claim to own a car, representing 190.3MM people, making it the world's largest in terms of car penetration and absolute numbers. Further, the USA has enjoyed an increase of eight percentage points in penetration over the past 5 years – the highest recorded growth globally. Saudi Arabia follows the USA with the second highest car ownership (86%)<sup>1</sup>. (Chart 1)

In the Asia Pacific region, New Zealand, South Korea and Australia have the highest automotive ownership in the region, at 82 percent, 74 percent and 70 percent respectively. Car penetration in New Zealand ranks third after the USA and Saudi Arabia. Australia and Malaysia have enjoyed increases of seven percentage points over the past 5 years outperforming the other markets where year on year car penetration has remained quite stable.

The real opportunity lies with the two fastest growing countries: India and China. While having seemingly low penetration, India (9%) and China (6%) rank among the world's top markets in absolute numbers of cars owned. (Chart 2, 2.1)

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<sup>1</sup> According to Global TGI, Nielsen's worldwide media partner

“With these kinds of numbers, China’s market for car parts and accessories is already huge, and car manufacturers will be tapping into that potential. In addition, with current penetration sitting at the world’s lowest, the opportunity to entice the emerging and growing affluent Chinese consumers into car ownership is immense,” said Mr Richard Basil-Jones, Managing Director, Asia Pacific, Nielsen Media Research, The Nielsen Company. “And because of China’s size, increasing penetration by one or two percent would bring tremendous rewards for the automotive industry.”

According to Nielsen’s Advertising Information Service, the world’s car manufacturers invested a sizeable US\$1.85billion on advertising in China alone in 2006 – amounting to nearly half the region’s total automotive advertising - to grow their share of the country’s valuable, and burgeoning, car market.

“Affordability is obviously a consideration in some countries: as economies rebound, people are likely to indulge themselves by acquiring a car or upgrading to a new model,” commented Basil-Jones.

In total, automotive and related companies spent over US\$3.95 billion on advertising in 2006, of which China took the lion’s share of 47 percent, followed by Australia (17%), India (15%) and South Korea (6%). Car manufacturers invested the least in the Philippines, spending only US\$27MM on advertising in 2006. (Chart 3)

The top 10 car brands contributed to one half of the total automotive advertising expenditure in 2006 with Toyota, the region’s biggest advertiser in automotive-related advertising in 2006, spending US\$292MM, followed at a distant second by Hyundai (\$197MM) and Nissan (\$154MM) in third place.

**Media Index (Panorama in NZ/Aust)** is a single source multi-media survey from The Nielsen Company, providing insight into consumers’ media consumption of newspaper/magazines reading, TV viewing, radio listening, cinema visits, internet surfing; their lifestyles, attitudes, transport usage and product consumption across nine markets in Asia Pacific.

**Global TGI** (Target Group Index), a partner of The Nielsen Company, is a global network of single source market research surveys, providing data and marketing insight from over 50 countries across six continents. TGI is operated by the KMR Group (Kantar Media Research) [www.kmr-group.com](http://www.kmr-group.com)

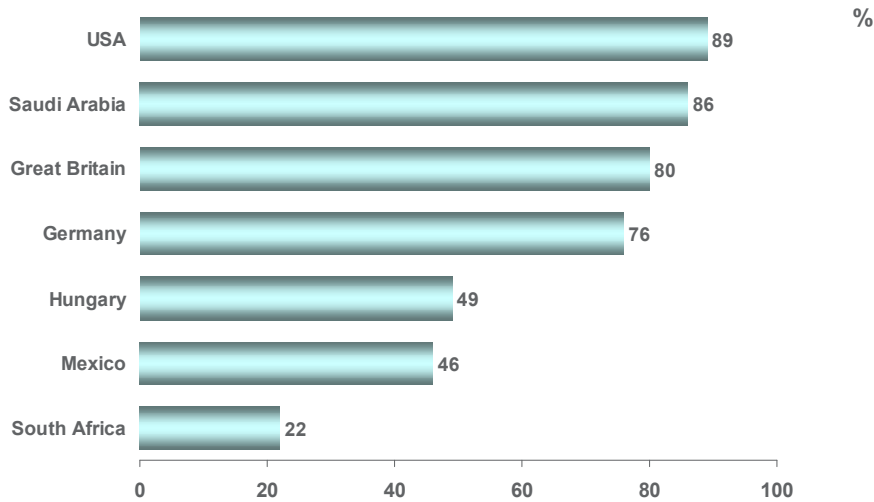
**About The Nielsen Company**

The Nielsen Company is a global information and media company with leading market positions and recognized brands in marketing information (ACNielsen), media information (Nielsen Media Research), business publications (Billboard, The Hollywood Reporter, Adweek), trade shows and the newspaper sector (Scarborough Research). The privately held company has more than 42,000 employees and is active in more than 100 countries, with headquarters in Haarlem, the Netherlands, and New York, USA. For more information, please visit, [www.nielsen.com](http://www.nielsen.com).

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**Chart 1**

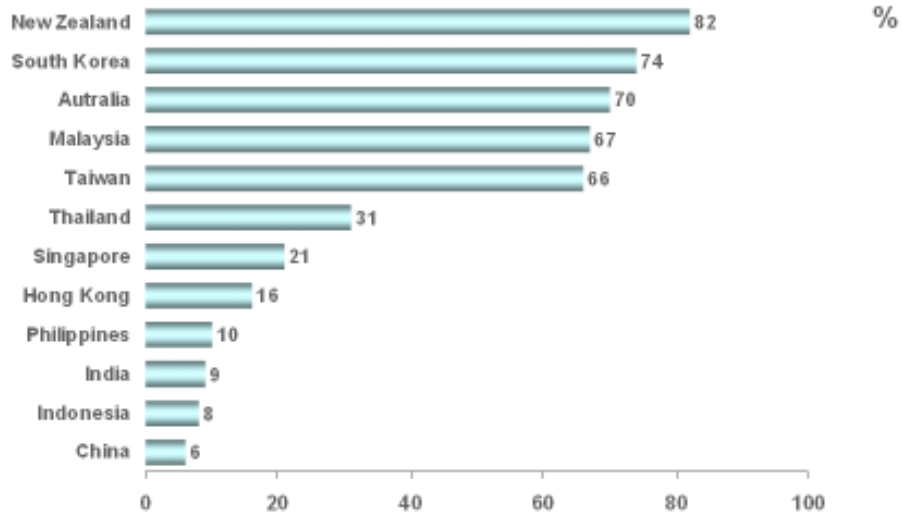
**Percentage of Cars penetration outside Asia Pacific**



Source : TGI surveys  
Base : 18+

Chart 2

## Percentage of Cars penetration in Asia Pacific



Source : Nielsen Media Index & TGI survey  
 Base : All 18+ except Hong Kong 18 to 64, Thailand 20+, Taiwan 18 to 65

Chart 2.1

Country	Penetration (%)	'000	Base	RANKING (ABSOLUTE NUMBER)
USA	89	190,305	people 18+	1
Germany	76	46,937	people 18+	2
GB	80	36,959	people 18+	3
South Korea	74	22,261	people 18+	4
Thai	31	14,077	people 20+	5
Mexico	46	14,023	people 18+	6
Aus	70	11,002	people 18+	7
Taiwan	66	10,083	people 18-65	8
Saudi Arabia	86	9,691	people 18+	9
Malaysia	67	8,063	people 18+	10
India	9	5,815	people 18+	11
China	6	3,848	people 18+	12

Chart 3

## Automobile Advertising Expenditure Total Spending

Country	US\$000's	Share (%)
China	1,855,653	47.0
Australia	677,257	17.2
India	577,770	14.6
South Korea	216,840	5.5
Thailand	118,531	3.0
New Zealand	111,875	2.8
Hong Kong	98,189	2.5
Malaysia	73,762	1.9
Indonesia	67,648	1.7
Taiwan	64,863	1.6
Singapore	55,628	1.4
Philippines	27,369	0.7
<b>Total Automobile Spending</b>	<b>3,945,385</b>	<b>100.0</b>

Source : Nielsen Advertising Information Services (AIS)  
Period : Jan to Dec 2006