



Issue #8

Baby Boomers: Social Media Mavens?

Did you realize that the 55 and older crowd is one of the fastest growing segment on Facebook? Between October 2007 and January 2009 there was a 194.3% jump in the number of Baby Boomers using Facebook. This growth has taken Baby Boomers from less than 1% to 2.3% of the total Facebook users. It is no surprise that the largest increase in Facebook users was in the 35 to 54 age group with 276.4%. Notice in the graph how the yellow bars and the red bars have changed proportions for each of the generations during the course of less than 2 years.

Whatever happened to the conventional wisdom that marketing on the Internet was a waste of time when it came to Baby Boomers? Would you believe that there are now social media opinion leaders among Baby Boomers just like there are for Gen X and GenY? There are, and they have been dubbed Social Media Mavens.

Continuum Crew, recently announced the findings of their 2009 survey conducted by CPH Research. The survey is a follow-up to their Economic Impact Study released in December 2008. The findings show that there has been a shift in the media consumption of Baby Boomer-aged respondents', as the only media activity to rise dramatically was time spent on the Internet. This is one of several insights on the emergence of the new 'social media maven' among Baby Boomers, and indicates that social media has significantly carved out time generally reserved for traditional media.

Baby Boomers are defined as the generation born between 1946 and 1964, according to the U.S. Census Bureau. The generation is so large that some have come to call the younger Baby Boomers "Generation Jones," for those born between 1954 and 1964. Meanwhile many have come to refer to the older Baby Boomers as "Generation Ike" (Ikes) representing those born between 1934 and 1945.

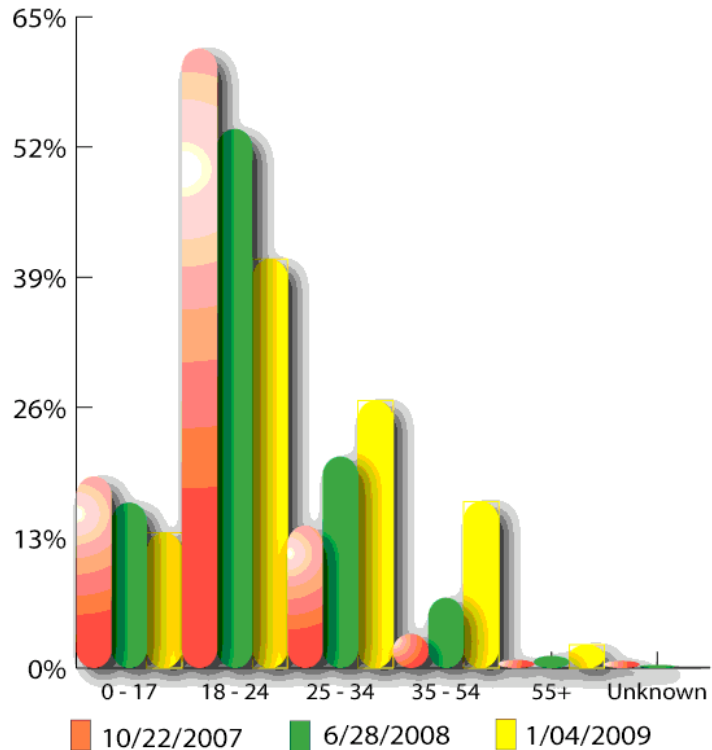
In interpreting all the responses about media consumption, they reflect the convergence of technology and content. Boomers are becoming more aware that national and local news, magazines, and to some extent television and movies, are available to them via the Internet. This may even indicate an increasing preference to access content this way. Also, these responses illustrate a seismic shift among older adults experimenting in the social media arena. This makes an inviting challenge to product marketers (beyond the platform networks themselves) as to

how they will work to engage those users who are merely 'lurking' and not fully participating.

Emergence of the New Social Media Maven

In the survey's measurement of levels of social media involvement, clear respondent types appeared, based on levels of interpersonal contact (whether in-person or not) and levels of recommendation of products or services to those in their personal or social network. One of these respondent types forms a significant segment to emerge within the Boomer group, which is dubbed the new 'Social Media Maven': the Boomers who said they connected with the most contacts each day and made the most recommendations. The profile of this group is one that is heavily connected, exploring and expanding their networks.

Facebook User Trend By Generation



Source: Facebook's Social Ads Platform

These Social Media Mavens have more frequent contact with individuals across all types of groups within their social network, not just family or neighbors, but issue-oriented groups and co-workers as well (73% responded 'People often come to me for advice'). Not merely amassing 'friends' or 'connections' within these networks, they are communicating regularly. They also have more face-to-face contact and use smart phones more than other Boomers or Generation Jones respondents (78% responded 'New technology plays an important role in my life'). They are equally likely to be male as female, which defies the stereotypical female profile of the voracious social media consumer. Of this Social Media Maven group the majority are still working, more likely than the other segments to own their own business, most likely to engage in volunteer activity and to have the highest household income. Social Media Mavens are more likely to try new products, technologies and seek new experiences. They are recommenders who embrace the role of technology in their connected lives.

Source: Continuum Crew

Love of Muscle Cars Still Alive

NADAguides.com, recently announced the Top Five Most Researched Cars. Number one was the 2010 Chevrolet Camaro.

Although many automakers have used the LA and Detroit Auto Shows as their platform to debut small and more fuel-efficient vehicles, consumer data, based on model research volume within each brand, shows the highest consumer interest is in vehicles from Chevrolet, Lexus, Nissan and Honda. The Chevy Camaro, a muscle car favorite, led the way in most of 2009 and into the first weeks of 2010 as being the most researched vehicle on NADAguides.com.



"Although electric, hybrid and small cars are being showcased in Detroit this week, the patterns we are seeing from consumers show a desire for affordable and efficient vehicles that offer substantial performance, upscale amenities and impressive technology," said Mike Caudill, spokesperson for NADAguides.com. "This most recent data not only identifies the top cars consumers are most interested in, but also provides automakers with a clear roadmap of what consumers are looking to buy. One aspect that may also surprise critics is that despite the demand for small, fuel efficient hybrids, muscle cars, while a small part of the market, sold relatively well last year and continue to pique consumer interest."

NADAguides.com's Top Five Most Researched Cars :

1. 2010 Chevrolet Camaro
2. 2009 Lexus ES350
3. 2009 Nissan Altima
4. 2009 Honda Accord
5. 2010 Lexus RX 350

Much to the chagrin of economists, the passion of the 1960s-style muscle car is still alive and well with the 2010 Chevrolet Camaro topping the NADAguides.com list. GM sold more than 60,000 Camaros in 2009.

The really good thing is industry manufacturers are already offering products to go along with the American love for the modern muscle car. At the recent Media Trade Conference, there were many announcements of new products for these vehicles. Here is a sample:

- *ACT RELEASES SFI APPROVED XTREME TWINDISC CLUTCH KITS FOR 4.6L FORD MUSTANGS (SOHC & DOHC 6 OR 8 BOLT CRANK)*
- *ACT RELEASES SFI APPROVED XTREME TWINDISC CLUTCH KITS FOR THE GM LS1, LS2, LS3, AND LS7 APPLICATIONS*
- *AIRAID introduces Extreme Mustang GT Performance Intake*
- *AIRAID offers 2010 Chevrolet Camaro 6.2L V-8 Throttle Body Spacer*
- *Cherry Bomb Offerings for Late Model Mustang*
- *CORSA PERFORMANCE EXHAUSTS INTRODUCES 2010 FORD MUSTANG GT, GT500 EXHAUST SYSTEMS*
- *2010 CAMARO EXHAUST SYSTEM AVAILABLE FROM CORSA PERFORMANCE New Premium Exhaust for Camaro SS 6.2L Eliminates Drone during Cruise*
- *2010 CAMARO OWNERS CAN ENJOY ADDED POWER, SOUND AND LOOKS WITH THE LATEST DYNOMAX EXHAUST SYSTEM*
- *DYNOMAX® OFFERS PERFORMANCE EXHUAST OPTIONS FOR 2010 MUSTANG PLUS NEW SYSTEM FOR 05-09 GT MODELS*
- *FIDANZA ADDS CLUTCHES, FLYWHEELS FOR 2010 FORD MUSTANG GT, GT500*
- *FIDANZA INTRODUCES 2010 CHEVY CAMARO 6.2L V8 TWIN-DISC CLUTCHES*
- *PERFECT CalTool EFI TUNING Packages for LS2, LS3 & LS7 from Painless Performance*
- *2010 CAMARO HYDRAULIC RELEASE BEARING from Ram Clutch*
- *BOLT-ON POWER FOR THE 2010 CAMARO New Spectre hpR Cold Air Intake for the 2010 Camaro SS & RS is a fast, Easy way to add horsepower and torque across the powerband*

Entry-level luxury sedans are also hitting the mark with consumers. The impressive Lexus ES350 landed in the second position and the practicality and reliability of the 2009 Nissan Altima placed it in third. The 2009 Honda Accord and Lexus RX 350 round out the top five proving that although small cars, electrics and hybrids are becoming more prevalent these days, consumers are still more interested in performance, refined amenities, and overall reliability.

Source: NADAguides.com, Fast Lane Research

January: US Auto Industry Accelerates, Toyota Hits Brakes

Manufacturers have reported new vehicle sales for January and the majority of brands have fared much better than they did during the same time last year. The only major exception has been Toyota who suffered during the month with a massive recall and halted sales on many of its most successful models.

Last month, sales of cars and light trucks jumped 6% from the sale time in 2009 due in part to the increase in sales to fleets and commercial buyers paired with a strong demand for newly designed market entrants. On a group level the biggest gains came from Ford Motor Co. (24.6%), Nissan North America (16.1%), General Motors (13.6%) and BMW Group (5.8%).

From the single-brand perspective the biggest winners were Mercedes-Benz (45.3%), Buick (44.4%), Volvo (41.9%), Volkswagen (41.4%), Audi (37.9%), and Chevrolet (36.4%). On the other end of the spectrum, the biggest losers were Pontiac (-95.7%), Saturn (-90.9%), Smart (-84.4%), Hummer (-78.3%) and Saab (-46.5%) with Smart being notable for being the only brand at the bottom that was not directly on the chopping block at some point during the past year.

The real news sponge has been debacle with Toyota's recalls and it's pending hearings by the U.S. House. Millions of cars around the world have been recalled as the result of safety concerns with faulty accelerator functions. Many reports confirm a mechanical failure from the part supplier, but other reports are now suggesting there may be an electrical system component to supplement the headache for Toyota. Sales for the year were down 16% overall for the corporation, but the Toyota brand has taken the blunt of the pain while Lexus and Scion have dodged the bullet – at least during the first stages.

Seasonal variations distort the picture with December sales often bloated by year-end incentives and January being a typically weak month. Automakers expected a rebound over last years slump and they received such a gift in the form of fleet sales. Rental companies and commercial consumers purchased vehicles to update their stables. General Motors and Ford were the lucky recipients of triple-digit increases in this area with 225% and 154% bumps, respectively. Not only do these transactions directly help the manufacturers that focus on fleet vehicles, but they also indicate an undercurrent in the health of the economy. Corporations and leisure-related businesses are beginning to invest in their products and capital, which are often early economic indicators of growth.

New Vehicles Sales Update					
Brand	Jan. '10	Dec. '09	Jan.'09	%Chg Mnth	%Chg Year
Acura	7,132	10,575	7,856	-32.56%	-9.22%
Audi	6,510	9,030	4,722	-27.91%	37.87%
BMW	13,163	20,128	12,232	-34.60%	7.61%
Buick	10,061	12,237	6,969	-17.78%	44.37%
Cadillac	8,440	14,745	8,499	-42.76%	-0.69%
Chevrolet	105,294	135,622	77,186	-22.36%	36.42%
Chrysler	10,443	18,122	10,685	-42.37%	-2.26%
Dodge	19,953	47,591	19,853	-58.07%	0.50%
Ford	99,888	159,169	79,322	-37.24%	25.93%
GMC	21,303	31,220	19,120	-31.76%	11.42%
Honda	60,347	96,568	63,175	-37.51%	-4.48%
Hummer	265	325	1,222	-18.46%	-78.31%
Hyundai	30,503	33,797	24,512	-9.75%	24.44%
Infiniti	6,711	9,108	7,115	-26.32%	-5.68%
Jaguar	631		781		-19.21%
Jeep	15,715	20,810	16,834	-24.48%	-6.65%
Kia	22,123	21,048	22,096	5.11%	0.12%
Land Rover	1,958		1,876		4.37%
Lexus	15,517	28,565	14,722	-45.68%	5.40%
Lincoln	7,036	10,467	6,091	-32.78%	15.51%
Mazda	15,694	18,255	15,420	-14.03%	1.78%
Mercedes-Benz	15,158	20,025	10,433	-24.30%	45.29%
Mercury	5,482	9,381	5,183	-41.56%	5.77%
Mini	2,247	3,489	2,082	-35.60%	7.93%
Mitsubishi	4,170	4,355	4,730	-4.25%	-11.84%
Nissan	55,861	64,296	46,769	-13.12%	19.44%
Pontiac	389	8,410	9,104	-95.37%	-95.73%
Porsche	1,786	2,118	1,658	-15.68%	7.72%
Ram	11,032		14,785		-25.38%
Saab	511	868	955	-41.13%	-46.49%
Saturn	562	5,084	6,172	-88.95%	-90.89%
Smart	278	864	1,776	-67.82%	-84.35%
Subaru	15,611	23,074	12,194	-32.34%	28.02%
Suzuki	2,040		3,655		-44.19%
Toyota	83,279	159,295	102,565	-47.72%	-18.80%
Volkswagen	18,019	20,387	12,744	-11.62%	41.39%
Volvo	4,128	5,638	2,910	-26.78%	41.86%
American Honda	67,479	107,143	71,031	-37.02%	-5.00%
BMW Group	15,140	23,617	14,314	-35.89%	5.77%
Chrysler Group	57,143	86,523	62,157	-33.96%	-8.07%
Ford Motor Company	116,534	184,655	93,506	-36.89%	24.63%
General Motors	146,825	208,511	129,227	-29.58%	13.62%
Nissan NA	62,572	73,404	53,884	-14.76%	16.12%
Toyota Motor Co.	98,796	187,860	117,287	-47.41%	-15.77%

Connected Vehicles Opportunity

What we used to think of simply as telematics has evolved to something much bigger, and is referred to as connected vehicles. It started primarily as navigation and GPS services and then GM introduced OnStar and the game changed. Now there is Sync, which started with Microsoft and Ford, mbrace from Mercedes Benz, Lexus Enform and safety connect, to name some of the more notable offerings.



There continues to be an increasing amount of talk about connected vehicles. The promise of everyday life and all its social media options continuing as we move about in our vehicles is really amazing. Add to that the possibility of vehicle-to-vehicle and vehicle-to-infrastructure communications, and the scenario is nothing short of a chapter out of a science fiction novel.

When all of the connected vehicle bells and whistles become a reality there will be a huge opportunity to retrofit existing cars and light trucks on the road. So when will it become a reality?

The answer depends on who you listen to or what you read. In some cases it looks like we will see the full blown technology in just a couple of years, but there are some hurdles to overcome first. Keep in mind that the huge benefits also come with risks centered on safety, security, liability and privacy.

Even though dedicated short range communications (DSRC) needed to make it all possible already exist, the issue of data security and privacy has not been resolved yet. One of the many efforts around the world is the Connected Vehicle Proving Center (CVPC) at the University of Michigan which is working with various non-profit, community based, telecommunications and automotive related companies to find solutions.

There is even a trade association facilitating the progress toward connected vehicles: Connected Vehicle Trade Association (CVTA), and they had their first ever international conference in April 2009. The International Summit on the State of the Connected Vehicle was jointly sponsored by CVTA, the Michigan Department of Transportation and SAE.

Expect all the major OEMs to offer a connected vehicle solution of some type by 2015. But it's clear that starting with Ford and rapidly moving through the rest of the auto industry, automotive interiors will be built from the ground up around Internet connectivity.

That's a huge change, even though the technology for in-car Internet connectivity has already been around for a while, using hand-held devices and aftermarket accessories that are not original equipment in your car. What's new is that the car companies will start building interiors with that in mind, something that only the original-equipment manufacturers can do.

The new Ford systems will debut this year on the 2011 Ford Edge, and next year on the 2012 Ford Focus, an all-new, redesigned model. MyLincoln Touch will be standard equipment on new Lincolns beginning with 2011 Lincoln MKX later this year.

At the rate things are going now there should be nearly 70 million connected vehicles on US roads by then. CSM Worldwide has predicted that by 2015, 45 percent of all vehicles will offer connected services in North America. In fact, it will become standard on most luxury vehicles.

Will that bring the market to the tipping point? Will consumers who own existing vehicles be in the market for connected vehicle technology?

The answer is pretty much yes. Younger drivers (keep in mind we add nearly 4 million new drivers each year) will be less concerned with privacy and more inclined to want the connected vehicle capability. They have lived their whole lives having connectivity available to them, why should that stop when they get into a vehicle. Aging baby boomers will want some of the capability but will require a guarantee that their privacy is secure.

Informa Telecoms & Media has reported that at the end of 2008 there were 92.5 million mobile social networking users globally. By the end of 2013 Informa expects that population to have grown to more than 640 million. Telematics Update has projected that the European connected vehicle market will reach 6.2 billion euros by 2013.

In any case here is another opportunity for our industry to capitalize on a new trend in automotive technology.

Consumer Confidence Shows Positive Trend

Consumer confidence rose in January 2010 to its highest level since September 2008, the New York-based Conference Board reported. The index rose to a reading of 55.9 in January from a revised 53.6 in December. The reading rose for the third month in a row, and topped economists' forecasts of a 53.5 reading.

Consumers' assessment of present-day conditions was more positive than last month. Those stating business conditions are "good" increased to 9.0% from 7.5%, however, those stating business conditions are "bad" increased to 46.1% from 45.7%. Even if all the data can't be positive it can still be upbeat. Consider that consumers feeling that business conditions are good increased by 1.5 percentage points, while those who see conditions as bad only increased by 0.4 percentage points.



Consumers' assessment of the labor market improved moderately. Those claiming jobs are "hard to get" declined to 47.4% from 48.1%, while those claiming jobs are "plentiful" increased to 4.3% from 3.1%. These shifts aren't huge but any positive movement in the employment area is a very good sign for consumer confidence.

Consumers' short-term outlook, while overall more positive, was somewhat mixed. The percentage of consumers expecting an improvement in business conditions over the next six months decreased to 20.9% from 21.2%, while those anticipating conditions will worsen increased to 12.7% from 11.8%. Regarding the outlook for the labor market, those expecting fewer jobs decreased to 18.9% from 20.6%. However,

those expecting more jobs to become available in the months ahead declined to 15.5% from 16.4%. The proportion of consumers anticipating a decrease in their incomes declined to 16.2% from 18.4%.

Says Lynn Franco, Director of The Conference Board Consumer Research Center: "Consumer Confidence rose for the third consecutive month, primarily the result of an improvement in present-day conditions. Consumers' short-term outlook, while moderately more positive, does not suggest any significant pickup in activity in the coming months. Regarding their financial situation, while consumers were less dire about their income prospects than in December, the number of pessimists continues to outnumber the optimists."

The Consumer Confidence Survey® is based on a representative sample of 5,000 U.S. households.

Source: The Conference Board

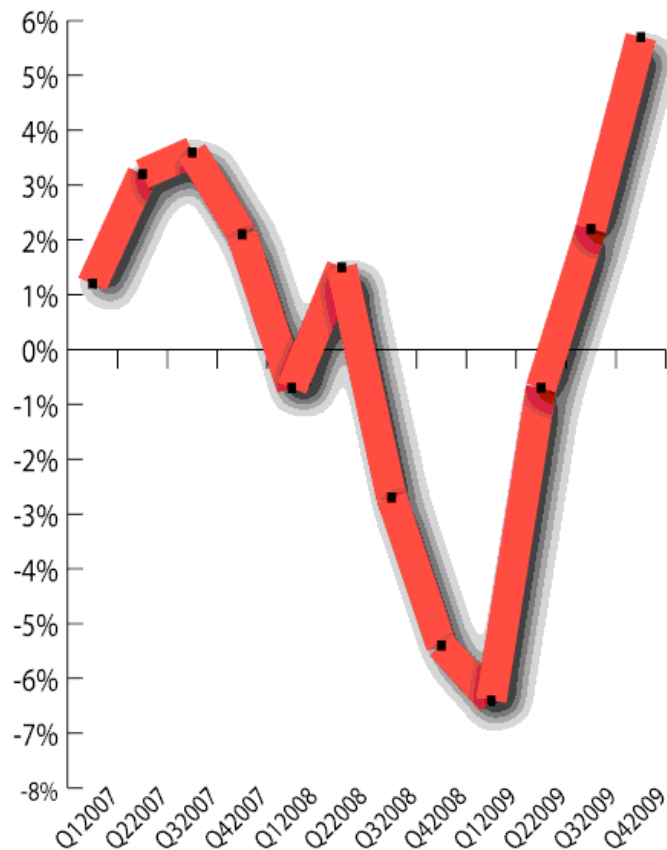
Economy Growing

Gross domestic product (GDP) increased at an annual rate of 5.7% in the fourth quarter of 2009 compared to the third quarter 2009 according to the "advance" estimate released by the US Bureau of Economic Analysis. Not bad considering that the third quarter GDP increased 2.2% over the second quarter. Some are even saying that this is the largest jump in GDP quarterly growth since 2003. The increase in GDP in the fourth quarter 2009 was caused primarily from private inventory investment, exports, and personal consumption expenditures (PCE). Real personal consumption expenditures increased 2.0% in the fourth quarter, compared with an increase of 2.8% in the third. Even though the increase wasn't as large, the continued growth is a very positive sign.

Current-dollar personal income increased \$119.2 billion (4.0%) in the fourth quarter, compared with an increase of \$35.1 billion (1.2%) in the third. The consumer income of most interest to the automotive performance parts and accessories industry is disposable income, since that's what is used to buy industry products. In the fourth quarter 2009 disposable personal income increased \$130.8 billion (4.8%), compared with an increase of \$31.6 billion (1.2%) in the third. That's a much welcomed increase!

With increased disposable income the concern switches to consumer

US GDP Quarterly Change Trend



Source: US Dept of Commerce

confidence which determines in large part where the money will go. The Conference Board has reported that consumer confidence went up in both November and December 2009-more good news.

Personal outlays increased \$109.0 billion (4.2%) in the fourth quarter, compared with an increase of \$132.3 billion (5.2%) in the third. Personal saving -- disposable personal income less personal outlays -- was \$516.9 billion in the fourth quarter, compared with \$495.0 billion in the third. The personal saving rate -- saving as a percentage of disposable personal income -- was 4.6 percent in the fourth quarter, compared with 4.5 percent in the third.

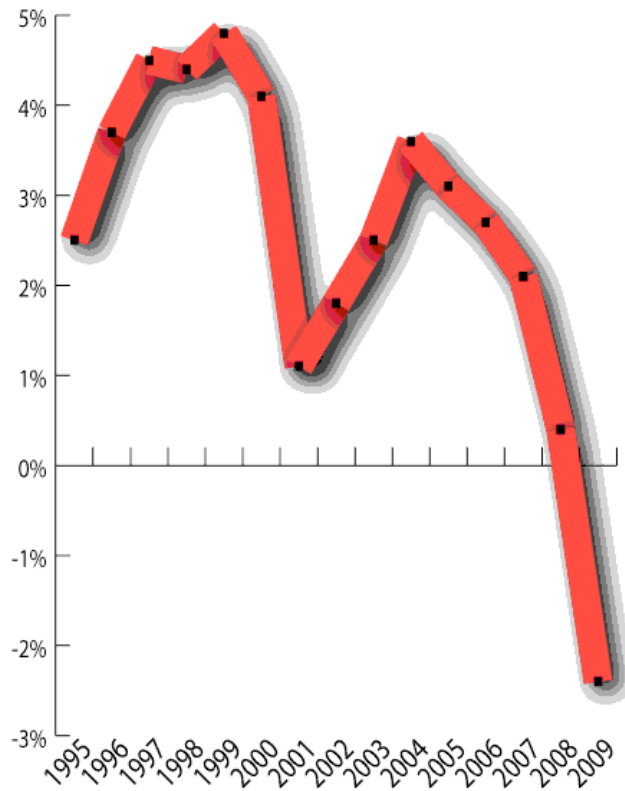
Motor vehicle output added 0.61% to the fourth-quarter change in GDP after adding 1.45% to the third-quarter change.

The biggest boost to the economy came from the change in private inventories which added 3.39% to the fourth-quarter change in GDP after adding 0.69% to the third-quarter difference.

That equates to businesses decreasing inventories a net of \$33.5 billion in the fourth quarter, after they had already cut \$139.2 billion in the third quarter and \$160.2 billion in the second. This is positive news for the US economy all by itself, considering that those decreases were caused by sales.

Another contributing factor was the shift in exports compared to imports. Exports increased 18.1% in the fourth quarter, compared with an increase of 17.8% in the third. Which is no big deal, but at the same time imports increased only 10.5% percent, compared with an increase of 21.3% in the third quarter of 2009.

Annual US GDP Change Trend



Source: US Dept of Commerce

Washington DC didn't really help the situation much considering that federal government consumption expenditures and gross investment increased only 0.1% in

the fourth quarter, compared with an increase of 8.0% in the third. Add to that, national defense spending decreased 3.5%, in contrast to an increase of 8.4% the quarter before. Nondefense spending did make up a little bit of the difference with an increase of 8.1%, compared with an increase of 7.0% in the third quarter. We have now seen two straight quarters of growth that followed a record four quarters of economic decline in the US. The Department of Commerce report provided an upbeat end to an otherwise dismal year: The US economy declined 2.4% annually in 2009, the largest drop since 1946, and the first yearly decline since 1991.

Many economists are projecting that the US GDP will grow around 2.5% to 3% in the first quarter of 2010 and about 2.5% or below for the whole year-which would put the year on par with what we saw in 2003 when the economy grew 2.5%.

State of the Internet: Did Social Media Influence the Grammys?

Companies are embracing the internet in entirely new ways to engage with consumers and increase their exposure. Some myths still exist about who is online and how they are behaving, leaving some companies scratching their heads. On the other hand, a few traditional publications and events are taking progressive approaches to build their audiences successfully.

Information graphics, or "Infographics" as they have become commonly accepted, are reemerging into modern journalism. Infographics are useful tools when complex ideas, concepts or sets of information need to be understood quickly and uniformly. These graphics enable their viewers to become immersed in data with the help of visual aids. For hundreds of years they have become one of the easiest and most effective means to convey information to an inquiring audience. Now, they are helping us digest modern issues by compiling information from several sources into a singular instrument.

Focus, a business media company, has produced an infographic on the current snapshot of internet usage at the end of 2009, titled "State of the Internet." Some of the details within the item are fascinating and entertaining while others must be taken seriously for being harbingers of things to come.

For example, the age group with the most internet usage is the 18-29 year old range with 93% penetration. Basically, nearly all teens and 20-somethings have internet access and use it regularly – nothing shocking. But, would you have expected the 50-64 year old Baby Boomers to have 70% usage?

What about blogging? This same group of 50-64 year olds accounts for 24% of bloggers while nearly matching the same amount as 25-34 year olds (25%). Younger web surfers are much less inclined to blog with only 7% of 18-24 year olds claiming to use this venue proactively.

The recent Grammy's were an experiment in social media connectivity and should be viewed as a case study for how near-future entertainment consumption may be designed. Award show success has waned since the early 2000's with attendance falling each year, but the 2010 Grammy's were the highest viewed event since 2004 with an audience of 26.6 million tuned-in live; a 35% surge over the previous year. Part of the turn-around has been attributed to the effect of social media and immediate interaction. Facebook, Twitter and blogs have replaced the traditional "water cooler" discussions and have taken the rate of participation into warp speed. No longer are people waiting to publicize their feelings until the following day with coworkers. Instead, they blast their comments and opinions out to their friends immediately, sharing personal views and content as a stream rather than as after-thoughts. This places a greater emphasis on viewing an event and participating as it happens. The following day is too late and people have moved on. Automotive enthusiasts have already begin adopting this mentality into their automotive lifestyle and the forecast for social media consumption and integration only points higher.

<http://www.focus.com/fyi/information-technology/state-internet/>