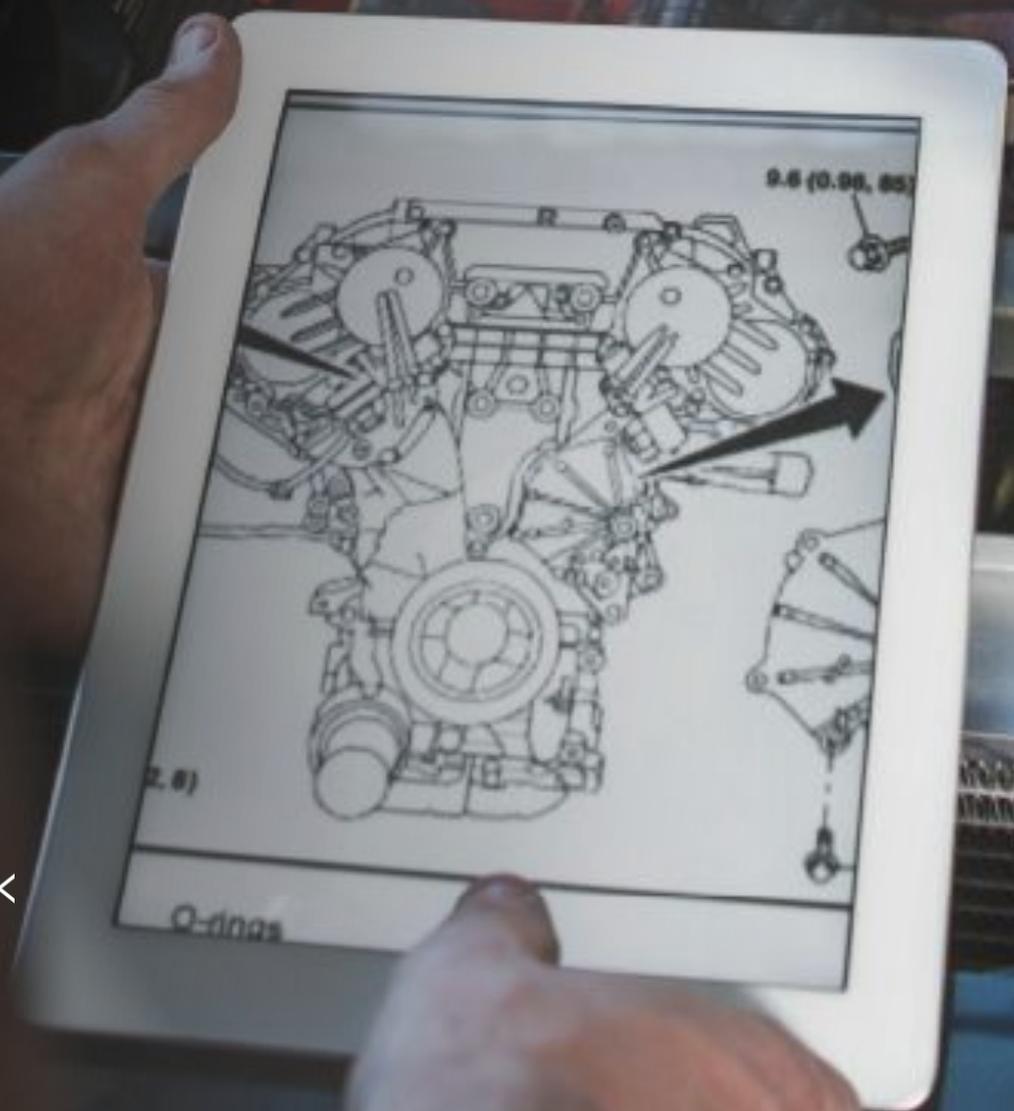


Engaging Today's Automotive Engineers

How to Reach Those Powering
Us Forward



weber
shandwick
engaging, always.





ENGAGING TODAY'S AUTOMOTIVE ENGINEERS

How To Reach Those Powering Us Forward

Introduction

It's a new world out there. The economy is in recovery, technology is progressing so rapidly that what was new yesterday seems old today, millennials are changing the workforce and communications channels are evolving. All of this change has had a profound impact on automakers and their entire supply chain. The question is: How are engineers in the industry reacting to these new realities and what do we need to do to reach them?

In a world of rapid change, how are automotive engineers keeping up? What's the best way for suppliers to introduce advanced technologies and innovations? What channels are most effective and how can they be leveraged to inform and engage the engineers who are shaping the industry?

To explore these questions, Weber Shandwick, with help from KRC Research, spoke with more than 500 engineers at the latest SAE World Congress, organized by SAE International. The engineers shared how they are using different communication channels and which ones they trust. Armed with this insight, Weber Shandwick is now better able to help clients engage engineers, strengthen their brands and corporate reputations, and drive revenue, value and growth.

“The focus of Weber Shandwick’s automotive technology practice has always been on client success through advocacy and engagement. With digital and social media greatly expanding the available sources of news and information, we needed to understand its value and influence among automotive engineers to continue delivering results.”

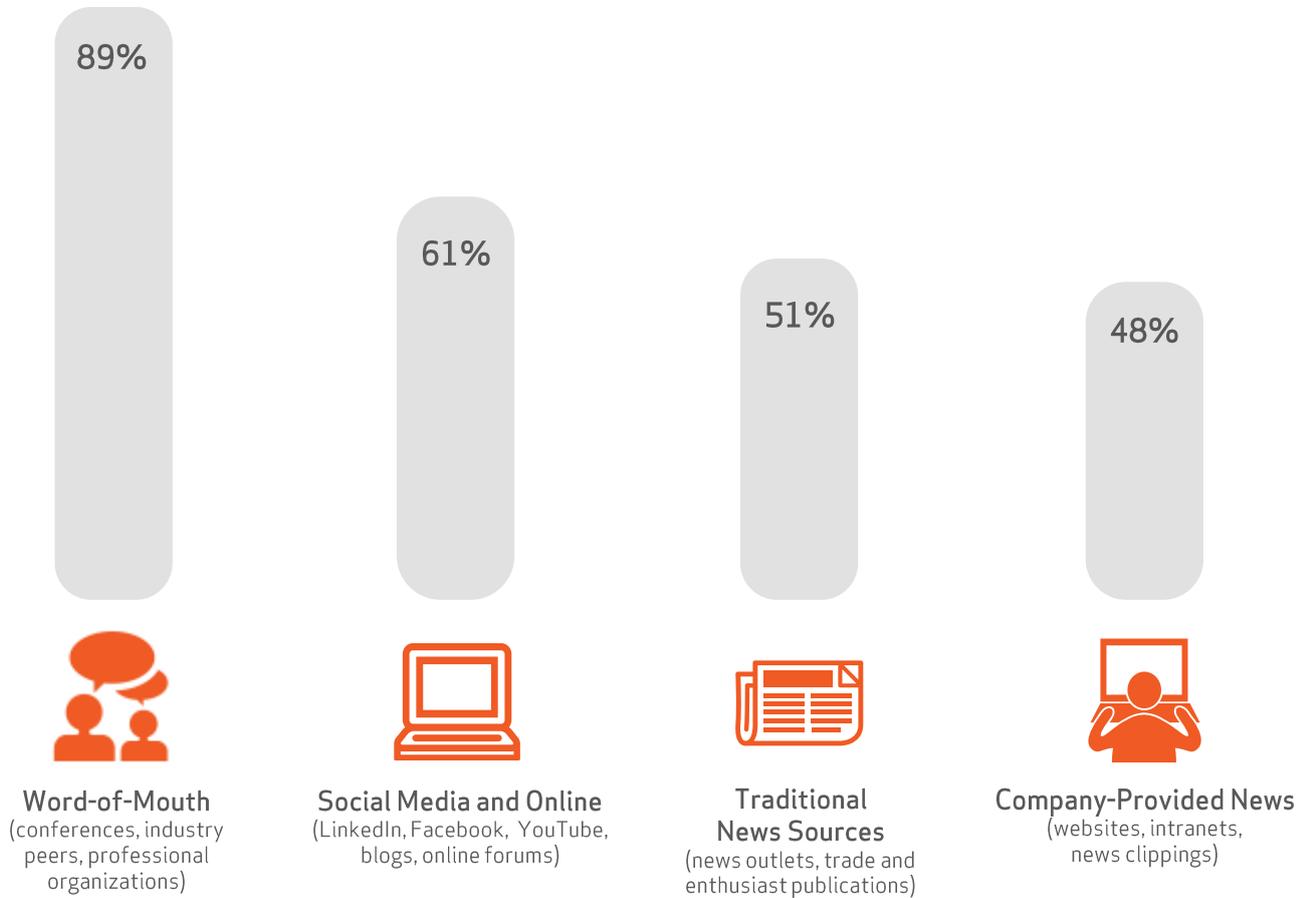
- **ANDY SCHUENEMAN**, GENERAL MANAGER
WEBER SHANDWICK, DETROIT

WHAT WE FOUND

How to reach engineers

The findings from the survey show some dramatic shifts in the consumption of media among the automotive engineers we interviewed. While they continue to use long-standing information sources, such as traditional news sources and word of mouth, they also are turning to newer channels such as YouTube and LinkedIn for information.

Primary Sources of Industry News and Information



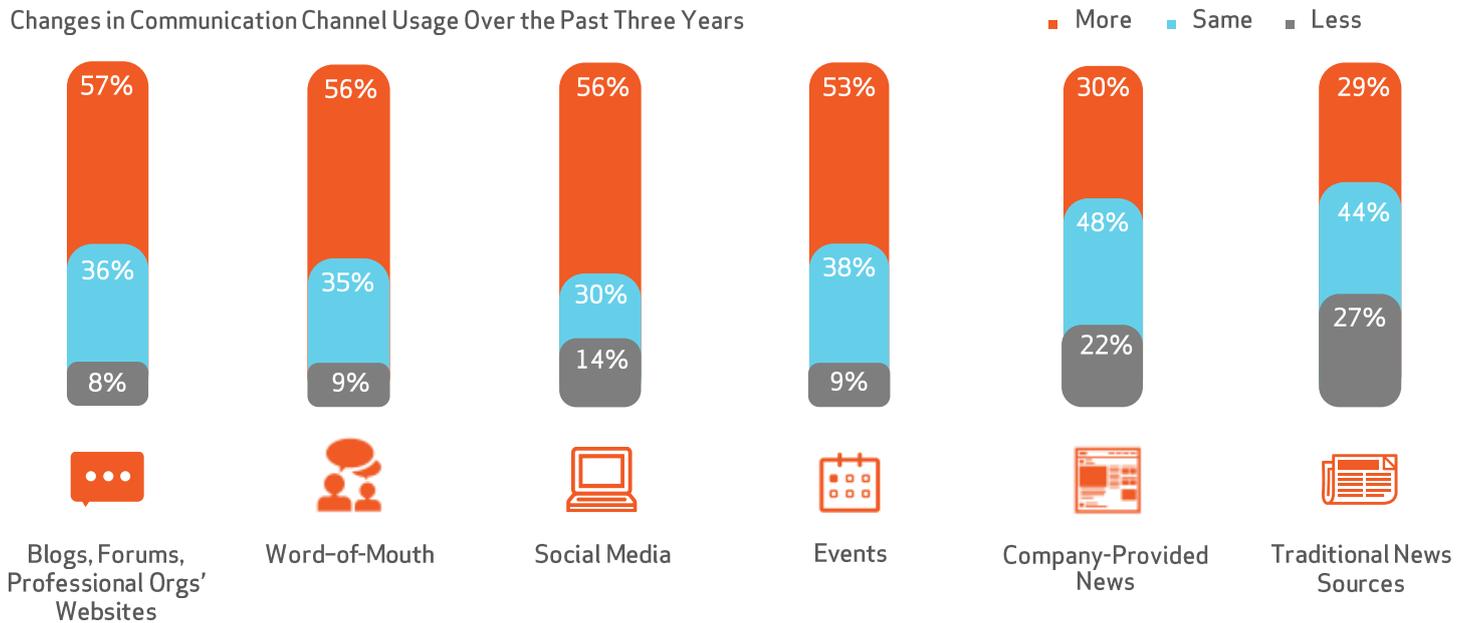
“ At their core, engineers are problem solvers and will seek answers from every available resource. It’s consistent with this mindset that they would embrace new communication channels that provide relevant and useful information.”

-FRANK MENCHACA, CHIEF PRODUCT OFFICER
SAE INTERNATIONAL

Evolving communication channels

The diversity of communication platforms is further highlighted by looking at communication channel usage over the past three years. More than 50% of engineers report using social media, blogs and online forums, live events and word-of-mouth resources more now than they did three years ago. However, we are not seeing dramatic downturns in the usage of other media. Nearly three in 10 engineers (29%) rely on traditional media more than they did three years ago and 44% say they are using it as often as before. Just over one-quarter (27%) are using traditional media less often than they did three years ago. All in all, engineers are leveraging all resources available and spending more time using them. They are not shunning traditional sources and looking only to new social and digital sources. They seem open to embracing all sources.

Changes in Communication Channel Usage Over the Past Three Years



Word-of-mouth rules

Despite the many communication platforms engineers are using, nothing beats word-of-mouth. Engineers place word-of-mouth channels – conferences and events, peers, professional organizations – at the top of their preferred sources, with approximately nine out of 10 engineers citing word-of-mouth as their preferred information source, and over half turning to word-of-mouth more now than they did even three years ago. This preference appears to be channel agnostic, and reflects a desire to hear from their peers, colleagues, industry analysts and organizations.

Interestingly this preference holds across industry segments – original equipment manufacturer (OEM) and suppliers – as well as across generations of engineers as we don't see significant age differences in preference for word-of-mouth.

The power of word-of-mouth is emphasized further by the level of trust placed in word-of-mouth sources. More engineers say word-of-mouth sources are the most credible as compared to all other sources.



* See definition on page 11

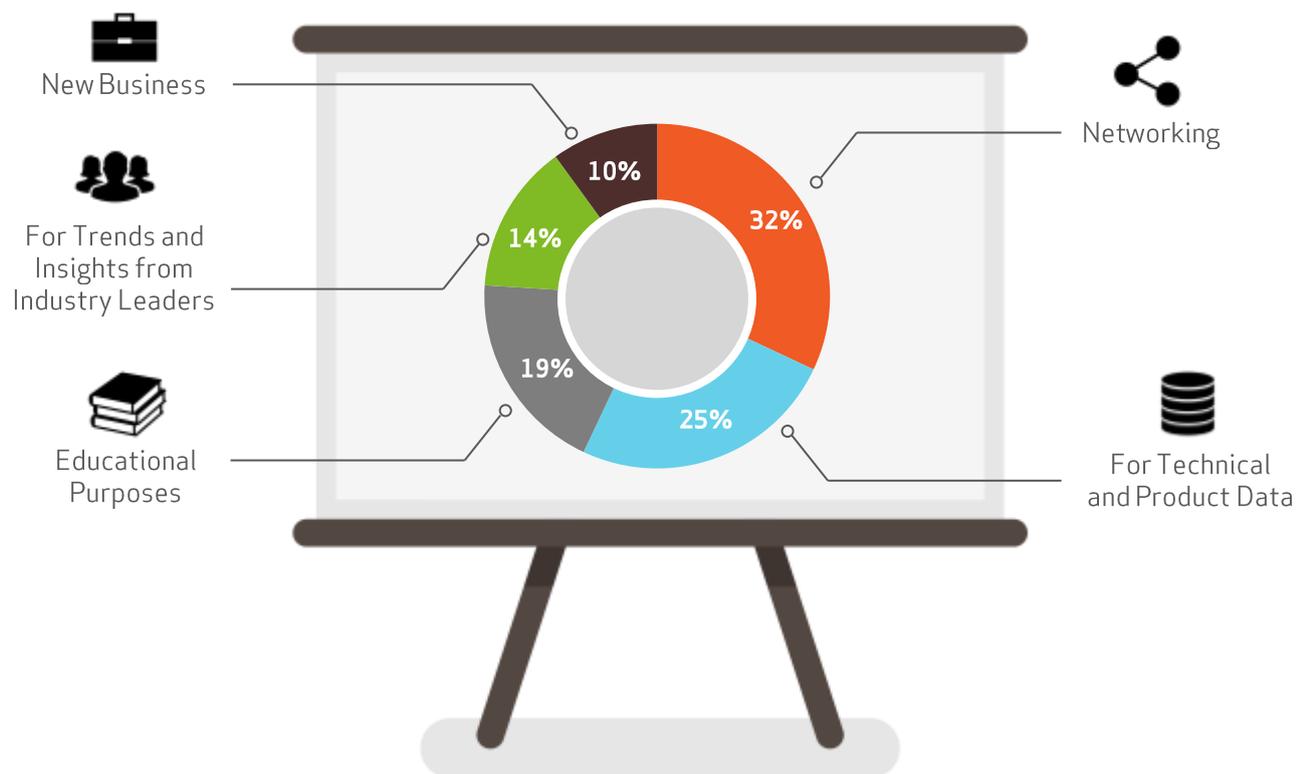
Conferences carrying more weight

Within the category of word-of-mouth, automotive engineers most often listed conferences (66%) as one of their primary sources of information, and more than half (53%) rely on events as a source of information more than they did three years ago. While this finding is not necessarily surprising given the survey was conducted at a conference, it doesn't discount the reasons given for why engineers attend conferences.

Gatherings such as conferences and auto shows are used by more than half (57%) to network with others in the field and to gather technical and product data. Other reasons for attending conferences include hearing from industry leaders and for general education purposes.

These findings are consistent with another study released earlier this year. **The CEO Reputation Premium: Gaining Advantage in the Engagement Era**, conducted by Weber Shandwick with KRC Research, identified the importance of company visibility at industry, trade and leadership events. More than eight in 10 global executives (82%) ranked conferences and events at the top of the list of external engagement activities that companies and their executives should partake in. Why do events rise to the top? First, the industry sector that a company sits within is one of the leading drivers of corporate reputation, according to surveyed executives. Second, speaking at industry-related conferences highlights a leader's expertise and prominence in the industry and levels the playing field among competitors. Third, the audiences at industry platforms are usually comprised of the best contacts to advance the company's business and attract new talent.

Benefits of Attending Industry Events and Conferences



Social Media: The online version of word-of-mouth

At 61%, social media and online forums and blogs are the second largest source of information for all engineers surveyed. Among younger engineers, 75% report these channels as their primary source of information.

The most popular social media channel used by the engineers surveyed is LinkedIn. Nearly two of every three engineers surveyed list LinkedIn as the specific social platform they use for connecting with colleagues and obtaining news. Engineers working for suppliers were even more likely to use LinkedIn than those working for OEMs.

LinkedIn is cited as providing the most help to automotive engineers in their job, with YouTube coming in as the second highest in terms of providing some benefit to their work. In fact, when asked to choose which formats they prefer to receive industry information, nearly half of the engineers surveyed prefer to view information through

video, second only to text online, which is nearly universally preferred by engineers.

“If I am looking for how to do something, it’s better for me to watch it than read it. I’ll still do the Google search but I’ll look through YouTube first.”

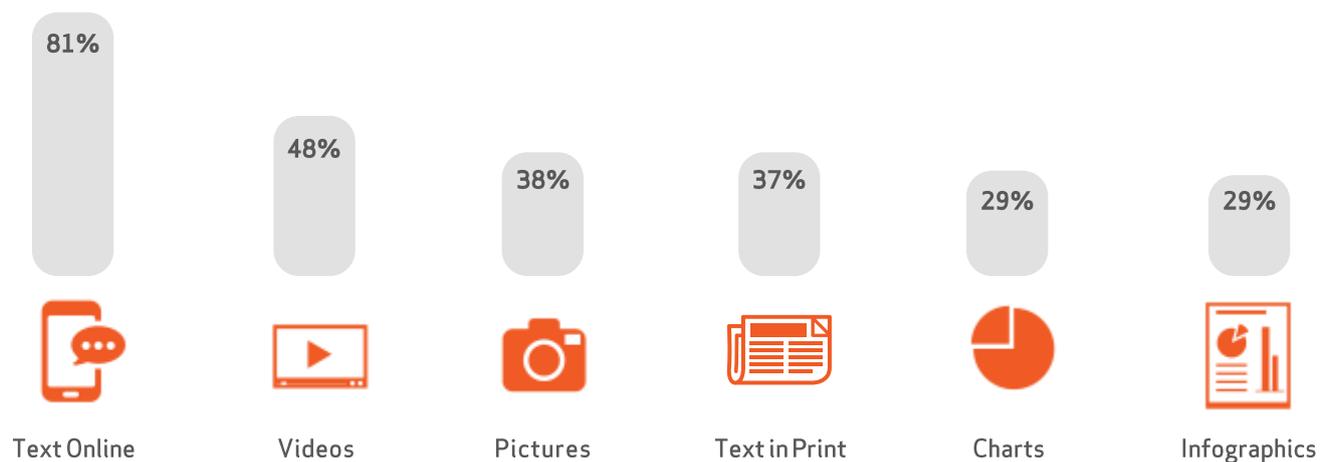
- SAE WORLD CONGRESS ATTENDEE

The survey results relative to both LinkedIn and YouTube mirror the findings of the broader **IHS Engineering360 Report, 2015 Social Media Use in the Industrial Sector**. This study listed how-to videos/tutorials, product demos and training videos as the top three most popular types of content to watch on video-sharing websites such as YouTube among industrial engineers.

“We know from experience that the auto industry is empirical and heavily based on relationships. Our study looks at the use of social media and digital channels by engineers and the influence they have on the collective ‘show me don’t tell me’ mindset of engineers.”

- JANET TABOR, NORTH AMERICA AUTOMOTIVE TECHNOLOGY PRACTICE LEAD
WEBER SHANDWICK, DETROIT

Preferred Ways to View Information





Traditional news and owned channels

Traditional media sources continue to be a source of information for engineers across the industry. While falling behind word-of-mouth and social media, traditional and company-provided, or owned channels, are the primary source of information for almost half of engineers.

More than half of respondents cited news outlets and trade and enthusiast publications as one of their primary sources of information, with 48% identifying corporate websites, company-provided news clips and employee

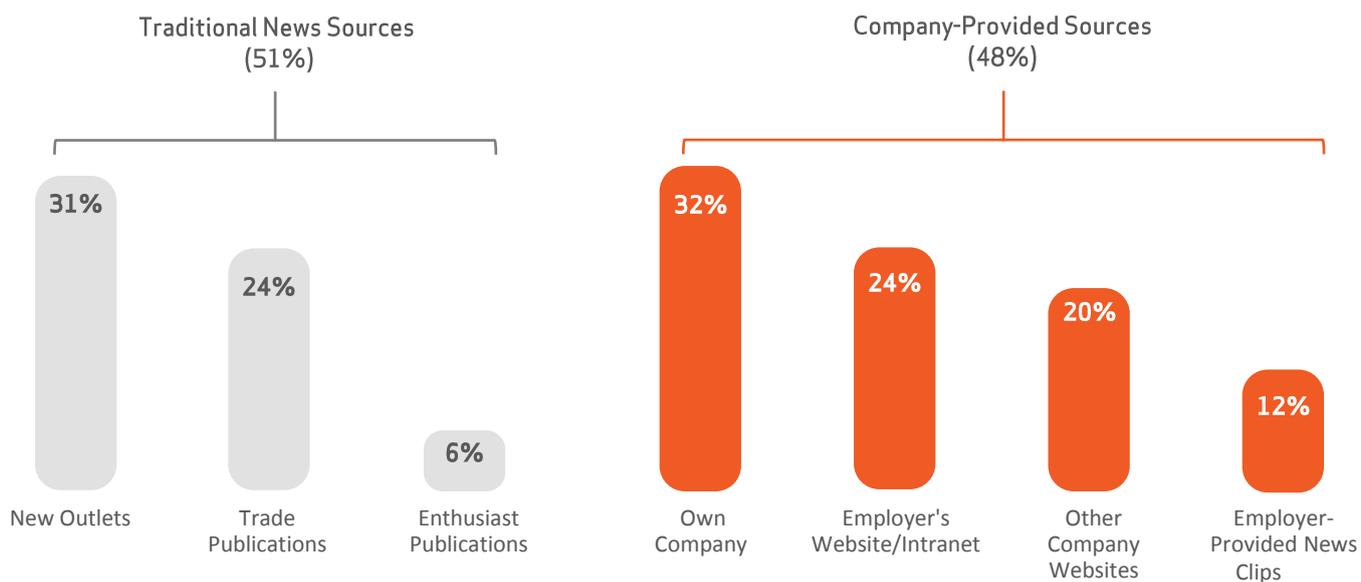
intranets. Many engineers continue to use traditional media the same as they did three years ago. However, this will be one to watch as more than one-in-four (27%) say they use it less.

From a credibility standpoint, traditional news outlets are viewed as most credible by employees of Tier 2 and 3 suppliers, though among all engineers, it is viewed less credibly than word-of-mouth.

“The robustness of media we have access to right now is such that we can make a decision about what sources we actually feel like we can trust, and really be selective about it.”

- SAE WORLD CONGRESS ATTENDEE

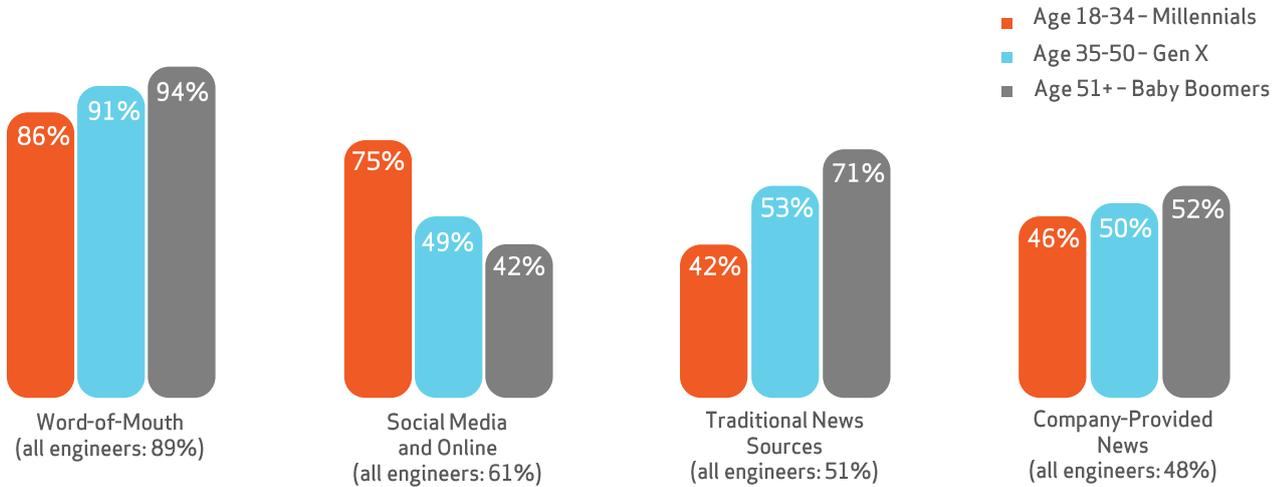
Breakdown of Traditional News and Owned Channels as Primary Sources of Information



Generational differences

While the overall popularity of social media and online resources is prevalent among all generations of engineers, the auto industry is not immune to the generational differences in media consumption. As one would expect, millennial engineers (those under age 35) are much more likely to rely on social media and online channels as compared to their baby boomer counterparts (those over age 50). The inverse is true when looking at traditional media sources. Traditional channels are prevalent across all, but baby boomer engineers rely on them much more than millennials.

Primary Sources of Industry News and Information by Age

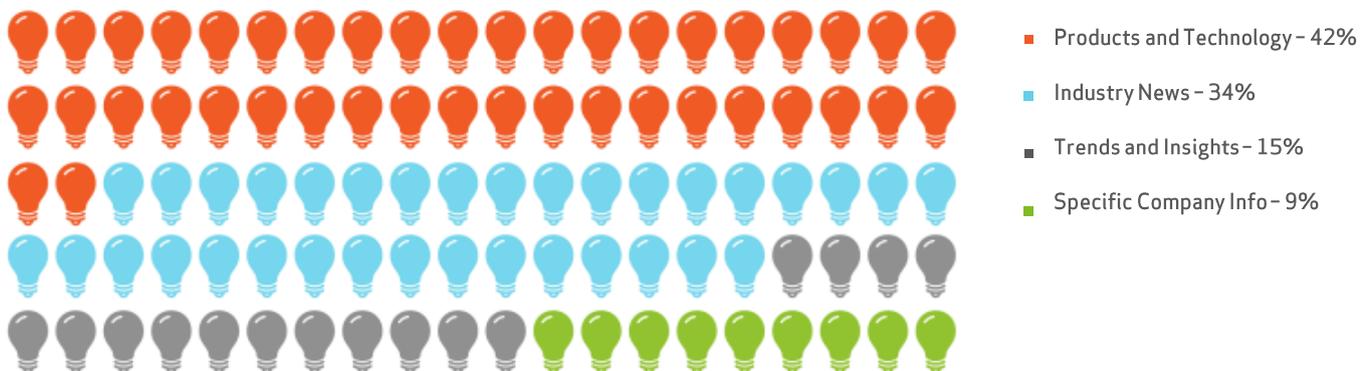


Looking more closely at traditional and social channels, baby boomer engineers are much more likely to rely on publications, including news outlets and trade journals, and Gen X (those age 35 to 50) and baby boomer engineers are more likely to rely on professional organizations for information compared to their millennial counterparts. Meanwhile, millennial engineers prefer social media, online forums and blogs.

What content are engineers looking for?

As we look to reach engineers via the many channels available, it is key to provide content that engineers will find the most useful. Among the engineers we spoke with, the number one thing they are looking for is information on products and technology. Second is overall industry news. Fewer than one in 10 are seeking specific company information.

Topics of Interest to Automotive Engineers





Suppliers as a trusted source

Generally speaking, engineers trust information coming from suppliers, with a majority (54%) rating suppliers a 7 or higher on a scale of one to 10.

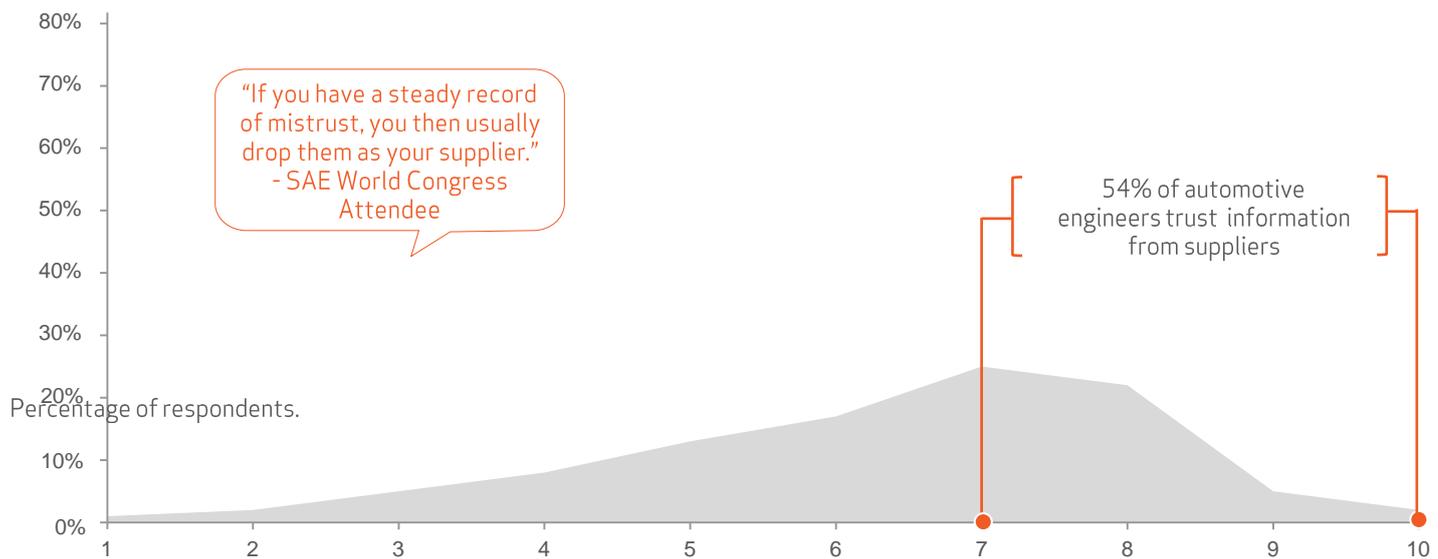
In fact, over four out of 10 engineers say they want to receive more information from suppliers – with more millennials than the other generations saying so. This group, reports wanting more communication from suppliers to get a better understanding of what is occurring at that level of the automotive industry's supply chain.

This points to a ripe opportunity for relationship building with engineers early in their careers. Suppliers who take the

time to cultivate those relationships and capitalize on their trustworthy-status by providing relevant and useful information stand to reap long-term benefits as those millennial engineers move into decision-making positions.

The best method of communication used by suppliers' sales representatives to contact engineers is by far email. The survey shows 72% of the respondents prefer email, stating they are much more likely to read that as opposed to social media, newsletters or website content. Weekly to monthly emails are cited as the most appropriate, with daily communications becoming a nuisance.

Information from Suppliers Viewed as Trustworthy



"On a scale of 1-10, how likely are you to trust the information you receive from a supplier company, with 1 being not at all likely and 10 being extremely likely?"

STRATEGIC IMPLICATIONS – WHAT THIS TELLS US

Based on our findings from **Engaging Today's Automotive Engineers: How to Reach Those Powering Us Forward**, Weber Shandwick recommends that companies looking to inform and influence automotive engineers consider six strategies to bolster marketing communications efforts and increase ROI.

1 Accept the new world order. Engineers are voraciously seeking and consuming information from many different types of sources. Adapt to being a multi-platform content provider to maximize visibility among engineers and optimize relationships with them.

2 Diversify your channels. Automotive engineers use a variety of resources – online and off – to find the information they are looking for. This calls for including a variety of channels in your marketing communications mix to ensure you are reaching your intended audience in multiple places.

- **Social Media/Digital** – In addition to LinkedIn and YouTube, look for ways to engage online, such as webinars, chats, and industry forums. Be sure to monitor and join conversations.
- **Events** – Develop a tactical event plan that supports your overall marketing communications strategy. Go beyond attending and have your subject matter experts and executives present at key conferences and events to strengthen your brand, establish thought leadership, educate and network.
- **Traditional Media** – Among more seasoned automotive engineers who may sway purchase decisions, traditional media remains a viable and influential channel. Consider paid advertising to amplify earned media coverage to reach an even wider audience.

3 Consider your employees as an important channel. Leverage personal relationships and train people within your organization who interact face-to-face with your target audience to use social channels for the benefit of your organization. Teach your account managers, sales reps, R&D leaders and executives how to set up their social channels and profiles and then provide them with relevant content to share.

4 Integrate video whenever possible. For automotive engineers, video is second only to online text in researching new products and technology. Take advantage of this impactful format and remember that YouTube is the top video-sharing site, as well as one of the most used search engines.

5 Align marketing and communications efforts with the sales cycle. Understand your company's sales process and cycle. Then, be sure your stories, distribution plans and timing line up. Stories about a new technology told by a credible third party can influence sales decisions if timed correctly.

6 Repurpose content. Repurpose and tailor content for use in different formats across different channels. Research shows that engineers look at multiple sources in the course of their search for company, product and technology news. Telling the same story through different channels, in different formats, and perhaps with different spokespeople, will increase its stickiness and ultimate influence.



SUMMARY

The value of word-of-mouth communication to automotive engineers is strong and getting stronger. At the same time, the age of new media has had a definite impact on the way this audience gets information related to their jobs. Social media and digital channels are increasingly becoming a go-to source for product and technology information as well as industry news. And, in an industry rooted in word-of-mouth communications, it's a natural extension for automotive engineers to take conversations online where they can continue to engage with their peers.

Today, companies can be proactive in the conversation by shaping their own story both online and off. To reach today's engineers, companies need to implement integrated marketing and communication programs that use a variety of traditional, online and event channels.

This is especially important in the current dynamic landscape as younger engineers turn to online resources and social media more than ever and senior engineers stick to some of the tried-and-true methods. The potential for this conversation to grow as younger engineers advance in the workforce is there, and it should be done through the lens of connecting peers in an online space.

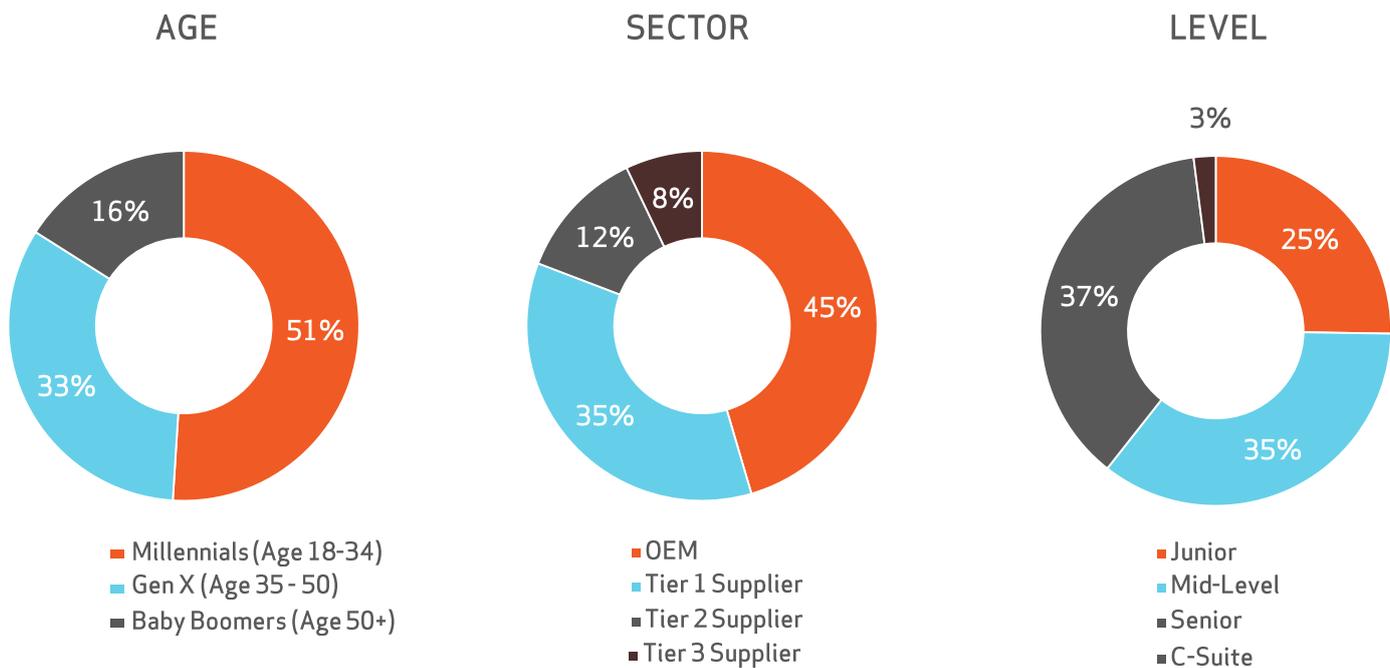
The bottom line is that engineers see value in hearing from their supplier partners and look to them to be a trusted resource. That means there is significant opportunity to more closely align marketing and communication strategies with sales in an effort to tell corporate and product stories that will ultimately drive sales consideration. This requires thoughtful planning from suppliers to ensure they are telling the right story and positioning that information in front of the right people at the right time in the sales cycle, and most importantly, using the right channels to do so.

HOW WE DID THE RESEARCH

Weber Shandwick partnered with KRC Research to conduct 506 in-person interviews on-site at the 2015 SAE World Congress in Detroit on April 21 and 22. The research focused on engineers' preferred sources of information related to their jobs and looked at their use of social media, traditional news and supplier communications.

To gain supplemental insight, KRC Research conducted a focus group among engineers at the SAE World Congress on the morning of April 23 to hear from engineers in their own words about their preferred communications channels.

Participating engineers varied in age, industry experience, education, engineering profession and career level. The engineers profiled were from original equipment manufacturers (OEM) and Tier 1, 2, and 3 suppliers*.



*The terms Tier 1, 2 and 3 suppliers indicate the commercial distance in the relationship between the original equipment manufacturer (OEM) and supplier. Tier 1 companies are direct suppliers to the OEMs. Tier 2 companies are primary suppliers to Tier 1 firms without supplying a product directly to an OEM. Tier 3 firms supply to Tier 2 companies.

ABOUT

About Weber Shandwick

Weber Shandwick is a leading global communications and engagement firm in 75 cities across 34 countries and operations extending to 123 cities in 81 countries. The firm's diverse team of strategists, analysts, producers, designers, developers and campaign activators has won the most prestigious awards in the world for innovative, creative approaches and impactful work, including being honored as an *Ad Age* A-List Agency in 2014 and 2015, *PRWeek's* 2015 Global Agency of the Year and *The Holmes Report's* 2014 Global Agency of the Year. Weber Shandwick and its Prime unit have won a combined 25 Cannes Lions since 2009. Weber Shandwick was also named a Best Place to Work by *Ad Age* in 2014 and *PRWeek* in 2013 and 2014. The firm deploys deep expertise across sectors and specialty areas, including consumer marketing, corporate reputation, healthcare, technology, public affairs, financial services, corporate social responsibility, financial communications and crisis management, using proprietary social, digital and analytics methodologies. Weber Shandwick is part of the Interpublic Group (NYSE: IPG). For more information, visit www.webershandwick.com.

About KRC Research

KRC Research is a full-service market research firm that specializes in the kind of research needed for effective communications—communications that reach, engage and persuade. A unit of the Interpublic Group (NYSE: IPG), KRC Research offers the quality and custom service of a small firm along with the reach of a global organization. For over 30 years, KRC Research has worked on behalf of corporations, governments, not-for-profits and the communications firms that represent them. Staffed with market research professionals from the worlds of political campaigns, consumer marketing, journalism and academia, KRC Research is flexible, practical, creative, knowledgeable and fast, combining sophisticated research tools with real-world communications experience. For more information, visit www.krcresearch.com.

About SAE International

SAE International is a global association of more than 138,000 engineers and related technical experts in the aerospace, automotive and commercial-vehicle industries. SAE International's core competencies are life-long learning and voluntary consensus standards development. SAE International's charitable arm is the SAE Foundation, which supports many programs, including A World In Motion® and the Collegiate Design Series. For more information, visit www.sae.org.

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