

LOOKING BACK

2017 – 2018

INDUSTRY TRENDS
AND INSIGHTS

LOOKING AHEAD

Automotive is making headlines daily, and despite ongoing concerns that doomsday is near, the general sentiment is optimistic. And with every new development in autonomous tech, electrification, safety and performance—not to mention the competitors in the space—our enthusiasm continues to grow.

While we're elated by all of this, it has undoubtedly made the consumer purchase decision that much more difficult. Yes, information and options are abundant, but with what seems like endless choices among models, trims, technologies, etc., consumers have more decisions to make. This means they need better guidance from credible, trusted resources to ensure their purchase process is exciting, rather than daunting.

“ CONSUMERS HAVE MORE DECISIONS TO MAKE. THIS MEANS THEY NEED BETTER GUIDANCE FROM CREDIBLE, TRUSTED RESOURCES TO ENSURE THEIR PURCHASE PROCESS IS EXCITING, RATHER THAN DAUNTING. ”

Sitting at the cross-section of automotive publishing and advertising, we are not only obligated to guide the consumer through this process, but also to connect automotive marketers to consumers, from inspiration to purchase. These are the guiding principles of Hearst Autos, and we've spent the past year bringing this vision to life. Here is just a snapshot of what we've accomplished in the last 12 months:

- » Expanded our U.S. publisher portfolio to include CarStory, a site that uses patented tech to match consumers with the right car, and VehicleHistory.com, which provides consumers with free access to the most comprehensive historical data.
- » Launched a new **listings product** along with credit and trade-in **shopping tools** on CarandDriver.com, giving shoppers the ability to more easily access their trade-in values and determine their credit score. Ultimately, this gives OEMs and dealers access to a more qualified shopper.
- » Added Carpages.ca, a leading resource for research, specifications, pricing tools, and new and used car listings, to our Canadian portfolio, and continued to build out our tier 3 Canadian business.
- » Started working more closely with Hearst's 22 award-winning lifestyle brands, which allows auto marketers to connect with consumers *before* they're in market.

The 2018 outlook is positive: Fuel prices are low, consumer confidence is strong, and demand—especially for trucks and SUVs—continues to climb. For digital media, 2018 will be another year of disruption, and the challenge to prove ROI only becomes greater. Data is a minimum requirement, attribution is a key KPI in measuring effectiveness, and viewability continues to raise expectations for every digital business. As the hypercompetitive automotive environment continues to heat up, the brand and storytelling are now only one part of what informs advertiser investment.

We are committed to incorporating trusted content that will help guide consumers through the purchase process and to implementing best-in-class technology that truly moves metal for our advertisers. We look forward to sharing exciting announcements on the ad front and elsewhere in the coming months. Stay tuned.

Here's to guiding consumers into the seat of a car.



Nick Matarazzo

DIGITAL AUTOMOTIVE MARKETING

SCALE AND PERFORMANCE
CREATIVE SOLUTIONS
IN-DEPTH INSIGHTS

Exclusive Access To
One Of The Largest,
High-Performing Audiences
Of In-Market Shoppers
And Enthusiasts

WHAT'S INSIDE

08 The Jumpstart U.S. Audience

How U.S. shoppers reach our portfolio, the devices they're using, and more

16 U.S. Share Of Sales And Shopper Interest

From Top 10 brands to Top 5 vehicles in each segment

34 U.S. Regional Shopping Trends

The relationship between U.S. shoppers and vehicle preferences

68 Case Studies

Research uncovers what's driving U.S. and Canadian consumers' next purchase, and luxury auto shoppers' decisions

76 Perspectives And Predictions

Why SUVs and crossovers continue to dominate, how influencers are fueling marketing, our 2018 predictions, and more

38 The Jumpstart Canadian Audience

How Canadian shoppers reach our portfolio, the devices they're using, and more

46 Canadian Share Of Sales And Shopper Interest

From Top 10 brands to Top 5 vehicles in each segment

64 Canadian Regional Shopping Trends

The relationship between Canadian shoppers and vehicle preferences

WHERE WE LANDED

HOW JUMPSTART'S 2017 PREDICTIONS PLAYED OUT

Automakers Will Proceed With More Caution Amid Economic Uncertainty

After the 2016 election, there was speculation that the new administration's trade policies would have a profound negative impact on automakers. General uncertainty, combined with the anticipated cyclical downturn, drove our expectation that automakers would proceed with caution and be ready to pivot in 2017. Although the hype may have been played up, we saw automakers move quickly at the first sign of softening sales or stagnant inventory. By implementing production cuts faster than they had since the Great Recession and spending more on incentives than ever before, the auto market effectively retained its strength in 2017 and avoided a major downturn. We still see uncertainty as brands like Ford go back and forth regarding decisions to build plants in the U.S. or Mexico, and anticipate that some of the delayed launches of 2017 will be making their way to the market in 2018.

Experiences Will Become Increasingly Valuable

Automakers understand that shoppers are looking for total brand experiences and continue to come up with inventive ways to deliver. For example, Lincoln is offering an exclusive membership program called "Black Label," which includes a dedicated concierge, remote vehicle delivery, and complimentary culinary experiences. Others are experimenting with a brick and mortar presence. Cadillac opened its "multipurpose brand experience center," Cadillac House, in 2016 on the ground floor of the company's global headquarters in New York City. The space includes a public coffee shop, rotating art gallery, and retail store where an eclectic mix of interactive events are hosted. Luxury brands, such as Aston Martin, Porsche, and Ferrari, are expanding their brands outside of the automotive space entirely with ventures in real estate, resort

partnerships, and amusement parks. Through our most recent research with Ipsos Connect, we found that the impact of brand experiences is undeniable—more than 80% of respondents who attended experiential events came away with a more positive perception of a brand.

To Stay Relevant And Reach More Consumers, Automakers Will Continue Expanding Lineups

When consumer packaged goods (CPG) brands such as P&G, Unilever, and Coca-Cola want to stand out from competition and increase sales, they work tirelessly to develop, acquire, or redesign branding and packaging, to get products on shelves as quickly as possible. Automakers employ a similar strategy. To increase sales and meet consumer demand, auto brands adjust their designs, develop new products, and expand their product mix. As competition for consumer attention and loyalty remains fierce, we've seen drastic shifts in vehicle introductions. BMW, for one, is in the middle of rolling out 40 all-new and revamped vehicles for 2018 (a record for the brand). And even luxury and performance brands like Jaguar, Maserati, Lamborghini, and Alfa Romeo have expanded their lineups to now include models in the SUV/CUV segments. With 25 – 30 new entries anticipated in both 2018 and 2019, this expansion is sure to continue.



Image Source: ford.com



Image Source: porsche.com



Image Source: bmw.com

To stay up to date on all Jumpstart news, visit jumpstartauto.com/insights

Vehicle sales fell 2% to 17.1 million units in 2017—marking the first year-over-year sales decline since 2009.

2017 marked a year where we held our breaths in anticipation of a cyclical downturn that was expected to bring auto sales to a significant slowdown. In fact, we came out of the year faring well with only a 2% decline in sales, and still able to tout a third consecutive year of U.S. light vehicle sales surpassing 17 million units. And for perspective, the last time we saw a year-over-year decline, sales bottomed out at 10.4 million units. It's safe to say we ended the year much better than what many across the industry were anticipating.

The light truck category (SUVs, CUVs, vans, and trucks) dominated once again, outselling new cars by nearly 5 million units and holding 65% share of the market. And despite some increases in interest rates, the momentum has carried on due to low gas prices, high incentives, and relatively easy availability of credit. 2018 will continue to be a strong year for trucks and SUVs, with some much-anticipated launches coming out over the course of the year.

Source: WardsAuto, January 2016 – December 2017




U.S. AUDIENCE AND DATA

JUMPSTART IS:

Car and Driver, U.S. News Best Cars, J.D. Power Cars, NADAguides, Autoweek.com, Autobytel, Autolist.com, Daily News Autos, LeftLaneNews.com, CarSoup, CarBuzz, CarStory, and VehicleHistory.com

THE JUMPSTART AUDIENCE 20 MILLION STRONG

2016 – 2017 JUMPSTART VISITORS

| | 2016 | 2017 | % Change |
|---|------|------|----------|
|  DESKTOP | 37% | 33% | -12% |
|  SMARTPHONE | 56% | 59% | +6% |
|  TABLET | 7% | 8% | +18% |

SMARTPHONES AND TABLETS

57% IPHONE 43% ANDROID PHONE



2017 was another year of smartphone growth. But tablets also gained traction (+18%) after being down in 2016.




84% IPAD 16% ANDROID TABLET



Apple grew share of both the smartphone and tablet markets. Both the iPhone and iPad increased by double digits, while Android phones and tablets saw double-digit decreases.

Source: comScore Media Metrix Multi-Platform, October – December 2016 vs. 2017

AHEAD OF THE COMPETITION

| |  TOTAL MULTI-PLATFORM UNIQUE VISITORS (M) |  TOTAL PAGES VIEWED (M) |  AVERAGE VIEWS PER VISIT |
|-----------------------------------|--|---|---|
| Jumpstart Automotive Media | 19.9 | 149 | 4.6 |
| CarGurus | 17.5 | 472 | 6.5 |
| Autotrader.com | 15.7 | 251 | 6.7 |
| Edmunds.com | 12.4 | 45 | 1.8 |
| KBB.com | 9.5 | 163 | 4.7 |
| Cars.com | 9.1 | 132 | 6.5 |
| MSN Autos | 6.8 | 131 | 3.2 |
| Autoblog | 5.0 | 36 | 3.8 |
| TEN Automotive (In-Market) | 5.0 | 26 | 1.8 |
| TrueCar | 3.6 | 16 | 2.9 |

Jumpstart reaches the most in-market shoppers, and has low duplication (25% or less) among its competitive set. Shopper engagement remains strong with nearly 5 views per visit, on average.

Source: comScore Media Metrix Multi-Platform, October – December 2016 vs. 2017

ABOUT OUR SHOPPERS

AGE



The majority of Jumpstart's audience falls within the age range of 25 – 54 years old.

HOUSEHOLD INCOME



Jumpstart's \$100K+ audience surpassed 40% in 2017, 10% growth compared to 2016.

MEN AND WOMEN



Jumpstart's total audience still skews male, but when looking at shoppers that are one month or less out from purchase, the audience composition is more evenly split between men (54%) and women (46%).¹

Source: comScore Media Metrix Multi-Platform, October – December 2016 vs. 2017
1. Jumpstart Automotive Media 2018 Automotive Shopper Survey, February 2018

HOW SHOPPERS ARE REACHING OUR PORTFOLIO

NEW AND RETURNING VISITORS



TRAFFIC SOURCES

| | |
|--|-----|
| Search Landing on Jumpstart pages through natural (organic) search (non-sponsored or non-paid) | 63% |
| Direct Typing the exact URL for one of our sites into the browser | 17% |
| Referral Coming to Jumpstart from another site | 8% |
| Social Discovering Jumpstart through social platforms | 4% |
| Paid Search Landing on Jumpstart pages through a sponsored search link | 4% |
| Other Entering one of Jumpstart's sites most commonly from a campaign-tagged URL | 4% |

We continue to strengthen the quality of our audience as evidenced by more people reaching our sites through organic search in 2017, and reaching a higher percentage of new visitors each month.

Source: Google Analytics Premium, October – December 2017

PATH TO PURCHASE

SPOTLIGHT ON CROSS-SHOPPING TRENDS

When it comes to the path to purchase, there is no one, linear path. But what we do know is that cross-shopping (i.e., consumers looking at competitive brands, models, or segments to narrow down their decision) plays a very key part in today's auto shopping process. We've found this to be especially true in recent months as the used car market continues to heat up. Thanks, in part, to a record number of off-lease vehicles boosting supply, we've seen a surge of people cross-shopping. Across Jumpstart, used cross-shopping is up 19%, with the luxury category seeing the greatest increases. From our 2018 Auto Shopper Survey, we found that almost half of all new

car shoppers are considering used or CPO vehicles for their next purchase. Additionally, used and CPO car shoppers are 33% more likely to consider themselves enthusiasts, and act as a resource their friends and family turn to for advice.



And finally, shoppers who are considering a new vehicle are 10% more likely to consider switching to a used or CPO vehicle as they get closer to making a decision.

Here's a snapshot of the cross-shopping trends we're seeing.

Year-Over-Year Cross-Shopping Between New And Used Vehicles

| | 2016 | 2017 | % CHANGE |
|--|------|------|----------|
|  % Of New Shoppers Considering Used | 16% | 19% | +19% |

Year-Over-Year Cross-Shopping Between New And Used Vehicles Among Luxury And Non-Luxury Shoppers



| | 2016 | 2017 | % CHANGE |
|--|------|------|----------|
|  Luxury | 10% | 13% | +36% |
|  Non-Luxury | 17% | 19% | +13% |





Luxury shoppers are 46% more likely to have been asked their opinions by four or more people, and are 18% more likely than mass market shoppers to have influenced decisions.¹





New Shoppers Are Also Considering Used In These 3 Segments

| NEW SEDAN | 2017 | % CHANGE |
|---|------|----------|
|  Sedan | 18% | +16% |
|  SUV/CUV | 8% | +21% |

Used sedans and used SUVs/CUVs are breaking through the consideration set among new sedan shoppers with positive year-over-year increases. The midsize sedan segment shows a 15% increase in used cross-shopping compared to last year, while consideration in used midsize luxury sedans is up 35%.

| NEW TRUCK | 2017 | % CHANGE |
|--|------|----------|
|  Truck | 18% | +3% |
|  SUV/CUV | 9% | +4% |

Among the three pickup truck sizes (i.e. 3/4 & 1-ton, full-size, and midsize) available, the midsize pickup segment has the largest increase in used cross-shopping (+28%).

| NEW SUV/CUV | 2017 | % CHANGE |
|--|------|----------|
|  SUV/CUV | 17% | +19% |
|  Sedan | 6% | +16% |

With more SUV options to select from, cross-shopping for used SUVs/CUVs is up 19% from last year. The top two most cross-shopped used SUV/CUV segments are dominated by non-luxury large and midsize SUVs/CUVs, while compact luxury and subcompact are the two fastest-growing SUV/CUV segments with significant increases in used cross-shopping.

Source: Cross-Shopping Data from Jumpstart Internal Analytics, January 2016 – December 2017
 1. Jumpstart Automotive Media 2018 Automotive Shopper Survey, February 2018

TOP 10 BRANDS

Share Of U.S. Light Vehicle Sales

| Rank | Brand | % Change | 2017 Sales (M) |
|------|------------------|----------|----------------|
| 1 | FORD | 1% | 2.39 |
| | 2016 13.8% | | |
| | 2017 14.0% | | |
| 2 | TOYOTA | 5% | 2.13 |
| | 2016 11.8% | | |
| | 2017 12.4% | | |
| 3 | CHEVROLET | 0% | 2.06 |
| | 2016 12.0% | | |
| | 2017 12.0% | | |
| 4 | HONDA | 3% | 1.49 |
| | 2016 8.5% | | |
| | 2017 8.7% | | |
| 5 | NISSAN | 3% | 1.44 |
| | 2016 8.2% | | |
| | 2017 8.4% | | |
| 6 | JEEP | -9% | 0.83 |
| | 2016 5.3% | | |
| | 2017 4.8% | | |
| 7 | HYUNDAI | -12% | 0.66 |
| | 2016 4.4% | | |
| | 2017 3.9% | | |
| 8 | SUBARU | 7% | 0.65 |
| | 2016 3.5% | | |
| | 2017 3.8% | | |
| 9 | KIA | -7% | 0.59 |
| | 2016 3.7% | | |
| | 2017 3.4% | | |
| 10 | GMC | 5% | 0.56 |
| | 2016 3.1% | | |
| | 2017 3.3% | | |

TOP 10 BRANDS

Highest Growth In U.S. Light Vehicle Sales

| Rank | Brand | % Growth | 2017 Sales (M) |
|------|-------------------|----------|----------------|
| 1 | ALFA ROMEO | 2,276% | 0.01 |
| 2 | GENESIS | 202% | 0.02 |
| 3 | JAGUAR | 29% | 0.04 |
| 4 | INFINITI | 13% | 0.15 |
| 5 | AUDI | 10% | 0.23 |
| 6 | MINI | 16% | 0.05 |
| 7 | LEXUS | 15% | 0.31 |
| 8 | TOYOTA | 15% | 2.13 |
| 9 | KIA | 11% | 0.59 |
| 10 | LINCOLN | 10% | 0.11 |

Source: Sales Data from WardsAuto, January 2016 – December 2017
There are slight differences in brands reported by WardsAuto compared to Jumpstart Automotive

TOP 10 BRANDS

Share Of Jumpstart Shopper Interest

| Rank | Brand | % Change | 2017 Sales (M) |
|------|------------------|----------|----------------|
| 1 | CHEVROLET | 2% | 2.06 |
| | 2016 9.7% | | |
| | 2017 9.9% | | |
| 2 | FORD | 7% | 2.39 |
| | 2016 8.7% | | |
| | 2017 9.3% | | |
| 3 | TOYOTA | 15% | 2.13 |
| | 2016 6.8% | | |
| | 2017 7.8% | | |
| 4 | HONDA | 2% | 1.49 |
| | 2016 6.6% | | |
| | 2017 6.8% | | |
| 5 | NISSAN | -9% | 1.44 |
| | 2016 5.8% | | |
| | 2017 5.3% | | |
| 6 | AUDI | 1% | 0.23 |
| | 2016 4.2% | | |
| | 2017 4.2% | | |
| 7 | JEEP | 2% | 0.83 |
| | 2016 4.0% | | |
| | 2017 4.1% | | |
| 8 | BMW | -5% | 0.31 |
| | 2016 4.3% | | |
| | 2017 4.1% | | |
| 9 | MAZDA | -19% | 0.29 |
| | 2016 4.9% | | |
| | 2017 4.0% | | |
| 10 | SUBARU | 1% | 0.65 |
| | 2016 3.2% | | |
| | 2017 3.3% | | |

TOP 10 BRANDS













Highest Growth In Jumpstart Shopper Interest

| Rank | Brand | % Growth | 2017 Sales (M) |
|------|-------------------|----------|----------------|
| 1 | ALFA ROMEO | 157% | 0.01 |
| 2 | GENESIS | 98% | 0.02 |
| 3 | TESLA | 89% | 0.04 |
| 4 | JAGUAR | 30% | 0.04 |
| 5 | INFINITI | 23% | 0.15 |
| 6 | MINI | 16% | 0.05 |
| 7 | LEXUS | 15% | 0.31 |
| 8 | TOYOTA | 15% | 2.13 |
| 9 | KIA | 11% | 0.59 |
| 10 | LINCOLN | 10% | 0.11 |

Source: Jumpstart Internal Analytics, January 2016 – December 2017
Sales data from WardsAuto, January – December 2017
There are slight differences in brands reported by WardsAuto compared to Jumpstart Automotive

BODY STYLES

SHARE OF INTEREST

| BODY STYLE | | 2017 | % CHANGE 2016 – 2017 |
|------------------|---|-------|----------------------|
| Luxury |  | 34.4% | -2% |
| Non-Luxury |  | 65.6% | 1% |
| <hr/> | | | |
| SUV/CUV |  | 30.5% | +6% |
| Sedan |  | 22.9% | -3% |
| Sport |  | 15.4% | -6% |
| Truck |  | 9.5% | -2% |
| Coupe |  | 4.6% | +6% |
| Performance |  | 4.1% | +2% |
| Hatchback/Wagon |  | 3.7% | -12% |
| Alternative Fuel |  | 3.3% | +33% |
| Van |  | 3.1% | -5% |
| Compact |  | 3.0% | -13% |

Source: Jumpstart Internal Analytics, January 2016 – December 2017

TOP 10 SEGMENTS

Share Of Interest

| Top 10 Vehicle Segments | 2017 |
|----------------------------|------|
| 1 Compact SUV/CUV | 9.2% |
| 2 Midsize SUV/CUV | 8.5% |
| 3 Midsize Sedan | 5.7% |
| 4 Compact Car | 5.5% |
| 5 Sports Car | 4.9% |
| 6 Entry Luxury Sedan | 4.7% |
| 7 Full-Size Pickup Truck | 4.3% |
| 8 Full-Size Luxury SUV/CUV | 3.9% |
| 9 Midsize Luxury SUV/CUV | 3.5% |
| 10 Midsize Luxury Sedan | 3.2% |

Source: Jumpstart Internal Analytics, January 2016 – December 2017

TOP 10 VEHICLES

2017 Rank

| |
|-----------------------|
| 1 Ford Mustang |
| 2 Ford F-150 |
| 3 Honda Accord |
| 4 Honda CR-V |
| 5 Jeep Wrangler |
| 6 Chevrolet Corvette |
| 7 Honda Civic |
| 8 Chevrolet Camaro |
| 9 Jeep Grand Cherokee |
| 10 Toyota Camry |

SHARE OF SHOPPER INTEREST AND SALES AUTOMOTIVE BRANDS

| BRAND | SHARE OF SHOPPER INTEREST | | SHARE OF LIGHT VEHICLE SALES | | 2017 SALES (M) |
|---------------------------|---------------------------|-------------|------------------------------|-------------|----------------|
| | 2017 | % CHANGE | 2017 | % CHANGE | |
| Chevrolet | 9.9% | 2% | 12.0% | 0% | 2.06 |
| Ford | 9.3% | 7% | 14.0% | 1% | 2.39 |
| Toyota¹ | 7.8% | 15% | 12.4% | 5% | 2.13 |
| Honda | 6.8% | 2% | 8.7% | 3% | 1.49 |
| Nissan | 5.3% | -9% | 8.4% | 3% | 1.44 |
| Audi | 4.2% | 1% | 1.3% | 10% | 0.23 |
| Jeep | 4.1% | 2% | 4.8% | -9% | 0.83 |
| BMW | 4.1% | -5% | 1.8% | -1% | 0.31 |
| Mazda | 4.0% | -19% | 1.7% | -1% | 0.29 |
| Subaru | 3.3% | 1% | 3.8% | 7% | 0.65 |
| Dodge | 3.2% | -3% | 2.6% | -10% | 0.45 |
| Hyundai | 3.0% | 5% | 3.9% | -12% | 0.66 |
| Mercedes-Benz | 2.9% | -23% | 2.2% | 1% | 0.37 |
| Kia | 2.9% | 11% | 3.4% | -7% | 0.59 |
| GMC | 2.6% | -10% | 3.3% | 5% | 0.56 |
| Volkswagen | 2.5% | 2% | 2.0% | 7% | 0.34 |
| Lexus | 2.3% | 15% | 1.8% | -6% | 0.31 |
| Porsche | 2.1% | -5% | 0.3% | 4% | 0.06 |

| BRAND | SHARE OF SHOPPER INTEREST | | SHARE OF LIGHT VEHICLE SALES | | 2017 SALES (M) |
|-------------------|---------------------------|-------------|------------------------------|---------------|----------------|
| | 2017 | % CHANGE | 2017 | % CHANGE | |
| Infiniti | 2.0% | 23% | 0.9% | 13% | 0.15 |
| Acura | 1.9% | 6% | 0.9% | -2% | 0.15 |
| Cadillac | 1.9% | -12% | 0.9% | -6% | 0.16 |
| Buick | 1.7% | -3% | 1.3% | -3% | 0.22 |
| Land Rover | 1.5% | -20% | 0.4% | 3% | 0.07 |
| Jaguar | 1.4% | 30% | 0.2% | 29% | 0.04 |
| Lincoln | 1.3% | 10% | 0.6% | 1% | 0.11 |
| Volvo | 1.3% | -9% | 0.5% | 0% | 0.08 |
| RAM | 1.1% | -17% | 3.2% | 4% | 0.56 |
| Tesla | 1.0% | 89% | 0.3% | 8% | 0.04 |
| Chrysler | 1.0% | -13% | 1.1% | -17% | 0.19 |
| Fiat | 0.8% | -4% | 0.2% | -18% | 0.03 |
| Mitsubishi | 0.7% | -25% | 0.6% | 10% | 0.10 |
| Alfa Romeo | 0.6% | 157% | 0.1% | 2,276% | 0.01 |
| MINI | 0.4% | 16% | 0.3% | -8% | 0.05 |
| Genesis | 0.4% | 98% | 0.1% | 202% | 0.02 |
| smart | 0.2% | -10% | 0.0% | -50% | 0.00 |

Source: Jumpstart Internal Analytics, January 2016 – December 2017

Sales data from WardsAuto, January 2016 – December 2017

There are slight differences in brands reported by WardsAuto compared to Jumpstart Automotive Media

1. Toyota: Scion models that transitioned to Toyota are not fully reflected in the Toyota number. All reporting will be adjusted in 2018.



BY THE NUMBERS

TOP 5 CARS

U.S. car sales declined 12% in 2017, grabbing only 35% share of market. This is largely due to gas prices remaining low and the number of competitive products flooding the SUV/CUV market. The trend towards SUVs, CUVs, and trucks isn't all that bad for manufacturers—these higher-priced and higher-margin

vehicles are helping their bottom line. Another contributor to this decline is the reduction of fleet sales by some of the larger manufacturers. If economic factors remain stable in 2018, we anticipate that car sales will be flat, if not slightly down.

Non-Luxury Car Segments

One of the most popular and competitive segments in the car category, midsize sedans, saw growth in shopper interest on Jumpstart sites in 2017 (9%). Most of this growth was fueled by the number one and two vehicles, Honda Accord (+31%) and Toyota Camry (+55%), both of which hold a wide margin on all other competitors in the segment. This category should continue to hold shopper interest with two big launches in 2018, Mazda Mazda6 and Nissan Altima.

In the compact car segment, competitors Subaru Impreza, Chevrolet Cruze, and Ford Focus saw growth ranging from 7% to 36%. Though not currently in the Top 5, Kia Forte is on our watch list in 2018. Already having seen 24% growth in shopper interest, we think Forte will jump in the segment as the 2019 refresh becomes available.

Luxury Car Segments

Among luxury car segments, all categories saw declines in sales except for midsize luxury sedans (+6%) and luxury specialty cars (mostly coupes, but not sports cars; +18%). However, shopper interest on Jumpstart sites painted a slightly different picture. The main growth in luxury car interest came from the entry luxury sedan category, which was up 8%, while the midsize category was down 8%. New entrant, Alfa Romeo Giulia, saw 121% increase in shopper interest, and ranked third in the category in its first full year in the U.S.. Another newcomer to the Top 5, Acura TLX, saw 21% growth in 2017, bumping Audi A3 and Volvo S60 to sixth and seventh among entry luxury sedans. In 2018, we're keeping our eyes on new entries, Kia Stinger and Genesis G70, and we anticipate more demand in this recently crowded segment.

Source: Jumpstart Internal Analytics, January 2016 – December 2017
Sales data from WardsAuto, January 2016 – December 2017



SUBCOMPACT CARS

| | | | % Change |
|---|------------------------|------------|----------|
| 1 | Honda Fit | | |
| | 2017 12.5% | 2016 9.5% | 31% |
| 2 | Ford Fiesta | | |
| | 2017 11.3% | 2016 12.4% | -9% |
| 3 | Nissan Versa | | |
| | 2017 8.0% | 2016 7.2% | 12% |
| 4 | Chevrolet Sonic | | |
| | 2017 8.0% | 2016 7.1% | 12% |
| 5 | Fiat 500 | | |
| | 2017 7.7% | 2016 7.6% | 1% |



MIDSIZE SEDANS

| | | | % Change |
|---|-------------------------|------------|----------|
| 1 | Honda Accord | | |
| | 2017 21.7% | 2016 16.6% | 31% |
| 2 | Toyota Camry | | |
| | 2017 16.6% | 2016 10.7% | 55% |
| 3 | Chevrolet Malibu | | |
| | 2017 7.5% | 2016 9.9% | -25% |
| 4 | Ford Fusion | | |
| | 2017 7.2% | 2016 8.1% | -11% |
| 5 | Hyundai Sonata | | |
| | 2017 7.1% | 2016 6.8% | 4% |



COMPACT CARS

| | | | % Change |
|---|------------------------|------------|----------|
| 1 | Honda Civic | | |
| | 2017 17.8% | 2016 18.8% | -5% |
| 2 | Mazda Mazda3 | | |
| | 2017 11.6% | 2016 13.3% | -13% |
| 3 | Subaru Impreza | | |
| | 2017 7.9% | 2016 7.3% | 7% |
| 4 | Chevrolet Cruze | | |
| | 2017 7.8% | 2016 7.1% | 10% |
| 5 | Ford Focus | | |
| | 2017 7.4% | 2016 5.5% | 36% |



FULL-SIZE SEDANS

| | | | % Change |
|---|-------------------------|------------|----------|
| 1 | Dodge Charger | | |
| | 2017 23.2% | 2016 23.5% | -1% |
| 2 | Chevrolet Impala | | |
| | 2017 16.0% | 2016 17.4% | -8% |
| 3 | Chrysler 300 | | |
| | 2017 13.8% | 2016 14.1% | -2% |
| 4 | Nissan Maxima | | |
| | 2017 12.0% | 2016 10.5% | 14% |
| 5 | Ford Taurus | | |
| | 2017 11.1% | 2016 9.7% | 15% |



LUXURY SPORTS CARS

| | | | % Change |
|---|---------------------------|------------|----------|
| 1 | Chevrolet Corvette | | |
| | 2017 39.6% | 2016 38.3% | 3% |
| 2 | Jaguar F-Type | | |
| | 2017 10.3% | 2016 7.1% | 46% |
| 3 | Porsche Boxster | | |
| | 2017 9.2% | 2016 9.7% | -5% |
| 4 | BMW Z4 | | |
| | 2017 5.9% | 2016 5.0% | 20% |
| 5 | Porsche Cayman | | |
| | 2017 5.9% | 2016 8.1% | -27% |



MIDSIZE LUXURY SEDANS

| | | | % Change |
|---|------------------------------|------------|----------|
| 1 | BMW 5-Series | | |
| | 2017 12.4% | 2016 8.4% | 48% |
| 2 | Mercedes-Benz C-Class | | |
| | 2017 11.4% | 2016 12.3% | -8% |
| 3 | Mercedes-Benz E-Class | | |
| | 2017 10.5% | 2016 12.3% | -15% |
| 4 | Cadillac CTS | | |
| | 2017 10.0% | 2016 11.0% | -9% |
| 5 | Audi A6 | | |
| | 2017 8.9% | 2016 8.3% | 7% |



ENTRY LUXURY SEDANS

| | | | % Change |
|---|--------------------------|------------|----------|
| 1 | BMW 3-Series | | |
| | 2017 10.8% | 2016 13.2% | -18% |
| 2 | Audi A4 | | |
| | 2017 9.1% | 2016 9.5% | -4% |
| 3 | Alfa Romeo Giulia | | |
| | 2017 7.1% | 2016 3.2% | 121% |
| 4 | Infiniti Q50 | | |
| | 2017 6.2% | 2016 6.9% | -11% |
| 5 | Acura TLX | | |
| | 2017 6.2% | 2016 5.1% | 21% |



FULL-SIZE LUXURY SEDANS

| | | | % Change |
|---|------------------------------|------------|----------|
| 1 | Tesla Model S | | |
| | 2017 16.1% | 2016 13.6% | 19% |
| 2 | Mercedes-Benz S-Class | | |
| | 2017 10.8% | 2016 10.9% | -1% |
| 3 | BMW 7-Series | | |
| | 2017 10.1% | 2016 11.4% | -12% |
| 4 | Porsche Panamera | | |
| | 2017 8.2% | 2016 11.2% | -27% |
| 5 | Cadillac CT6 | | |
| | 2017 7.7% | 2016 10.4% | -26% |



BY THE NUMBERS

TOP 5 SUVS AND CUVS

SUV and crossover sales topped cars again in 2017, accounting for 43% of all light vehicle sales (+8% vs. 2016). For reference, the entire light car category only grabbed 35% share of the market. Crossovers alone represent 81% share of all utility vehicles, and luxury segments across all sizes

Non-Luxury SUV/CUV Segments

Newcomers made a splash across all sizes of SUVs/ CUVs in 2017. In the subcompact segment, Toyota C-HR (+274%), Kia Niro Hybrid (+656%), and Ford EcoSport (+200%) were the highlights, and in the midsize segment Volkswagen's Atlas jumped 2,034% in its first year of reveal.

Compact and midsize SUVs/ CUVs are the top-shopped vehicle segments on Jumpstart sites, holding 9.2% and 8.5% share of shopper interest, respectively. Growth in the compact segment was spread across some of its key players: Honda CR-V (+24%), Chevrolet Equinox (+32%), Jeep Cherokee (+13%), and Subaru Crosstrek (+25%). But one of the most notable shifts was Honda CR-V bumping Wrangler from the number one spot for the first time. There was another shuffle in the midsize segment with Jeep Grand Cherokee jumping from third to first, passing both Honda Pilot and Toyota Highlander. Among large SUVs, Ford Expedition was the only one in the segment to gain significant traction (+33%), bumping Chevrolet Tahoe from the number one spot for the first time.

account for 17% share (+3% vs. 2016). For more insight into why this category continues to thrive, turn to our editorial, "No End In Sight: Why America's Love Affair With SUVs And CUVs Isn't Going Away Anytime Soon" on p.78.

Luxury SUV/CUV Segments

Among all luxury SUVs/ CUVs, the full-size and midsize segments continue to hold the highest share of shopper interest on Jumpstart sites (7%). Despite this, none of the main luxury SUV/ CUV segments saw growth in 2017. In fact, the only one that grew was the luxury performance SUV/ CUV segment, which consists of vehicles like Audi SQ5, BMW X5 M, Porsche Cayenne Turbo, among many others.

In the midsize segment Audi Q5 (+9%) grabbed the number one spot from Lexus RX, which has been the segment leader since 2015. Two other top five competitors, BMW X3 and Volvo XC60 also had strong results in 2017, with growth of 20% and 15%, respectively. Other notable momentum came from Jaguar F-Pace (+31%), Land Rover Discovery Sport (+17%), and Infiniti QX50 (+33%). Meanwhile, in the full-size segment many of the top vehicles saw declines in shopper interest, while Porsche Cayenne and Infiniti QX60 gained share of 28% and 19%, respectively. The largest increases however, were seen from new entries, new generations, and new badging: Alfa Romeo Stelvio (+940%), Land Rover Discovery (+344%), and Mercedes-Benz GLS-Class (+128%).

Source: Jumpstart Internal Analytics, January 2016 – December 2017
Sales data from WardsAuto, January 2016 – December 2017



SUBCOMPACT SUVS/CUVS

| | % Change | | |
|------------------------|------------|------------|------|
| 1 Honda HR-V | 2017 16.2% | 2016 17.1% | -5% |
| 2 Jeep Renegade | 2017 13.8% | 2016 19.0% | -27% |
| 3 Mazda CX-3 | 2017 13.7% | 2016 15.5% | -12% |
| 4 Toyota C-HR | 2017 10.3% | 2016 2.7% | 247% |
| 5 Buick Encore | 2017 10.0% | 2016 11.8% | -15% |



MIDSIZE SUVS/CUVS

| | % Change | | |
|------------------------------|-----------|-----------|------|
| 1 Jeep Grand Cherokee | 2017 8.8% | 2016 7.9% | 12% |
| 2 Toyota Highlander | 2017 7.2% | 2016 8.0% | -9% |
| 3 Honda Pilot | 2017 6.8% | 2016 8.1% | -16% |
| 4 Ford Explorer | 2017 6.5% | 2016 6.8% | -4% |
| 5 Dodge Durango | 2017 6.2% | 2016 7.2% | -15% |



COMPACT SUVS/CUVS

| | % Change | | |
|----------------------------|------------|------------|------|
| 1 Honda CR-V | 2017 11.7% | 2016 9.5% | 24% |
| 2 Jeep Wrangler | 2017 11.3% | 2016 11.4% | -1% |
| 3 Mazda CX-5 | 2017 8.5% | 2016 10.0% | -15% |
| 4 Chevrolet Equinox | 2017 7.0% | 2016 5.3% | 32% |
| 5 Ford Escape | 2017 6.2% | 2016 7.0% | -11% |



LARGE SUVS

| | % Change | | |
|-----------------------------|------------|------------|------|
| 1 Ford Expedition | 2017 22.2% | 2016 16.7% | 33% |
| 2 Chevrolet Tahoe | 2017 20.5% | 2016 19.8% | 3% |
| 3 Chevrolet Suburban | 2017 13.9% | 2016 14.3% | -3% |
| 4 Nissan Armada | 2017 12.0% | 2016 14.4% | -16% |
| 5 GMC Yukon | 2017 11.2% | 2016 13.0% | -13% |



COMPACT LUXURY SUVS/CUVS

| | % Change | | |
|--|------------|------------|------|
| 1 Lexus NX | 2017 18.3% | 2016 14.7% | 25% |
| 2 Acura RDX | 2017 16.0% | 2016 13.4% | 20% |
| 3 BMW X1 | 2017 14.7% | 2016 20.4% | -28% |
| 4 Mercedes-Benz GLA-Class | 2017 10.9% | 2016 11.4% | -4% |
| 5 Land Rover Range Rover Evoque | 2017 9.2% | 2016 9.9% | -8% |



FULL-SIZE LUXURY SUVS/CUVS

| | % Change | | |
|--------------------------|------------|------------|------|
| 1 Acura MDX | 2017 12.8% | 2016 14.6% | -13% |
| 2 Audi Q7 | 2017 11.0% | 2016 10.7% | 3% |
| 3 BMW X5 | 2017 9.4% | 2016 10.3% | -8% |
| 4 Volvo XC90 | 2017 8.4% | 2016 11.2% | -25% |
| 5 Porsche Cayenne | 2017 8.4% | 2016 6.5% | 28% |



MIDSIZE LUXURY SUVS/CUVS

| | % Change | | |
|--------------------------|------------|------------|-----|
| 1 Audi Q5 | 2017 11.3% | 2016 10.4% | 9% |
| 2 Lexus RX | 2017 11.1% | 2016 10.8% | 2% |
| 3 BMW X3 | 2017 9.8% | 2016 8.1% | 20% |
| 4 Volvo XC60 | 2017 8.1% | 2016 7.0% | 15% |
| 5 Porsche Macan S | 2017 7.2% | 2016 7.6% | -5% |



LARGE LUXURY SUVS

| | % Change | | |
|---------------------------------|------------|------------|------|
| 1 Land Rover Range Rover | 2017 15.7% | 2016 17.9% | -13% |
| 2 Cadillac Escalade | 2017 13.3% | 2016 12.2% | 9% |
| 3 Lincoln Navigator | 2017 12.9% | 2016 10.9% | 18% |
| 4 Infiniti QX80 | 2017 12.3% | 2016 9.0% | 37% |
| 5 Tesla Model X | 2017 9.8% | 2016 4.5% | 119% |



BY THE NUMBERS

TOP 5 TRUCKS AND VANS

Truck Segments

The truck market remained strong in 2017 with trucks accounting for 25% of the light truck category (which also includes SUVs, CUVs, and vans) and 16% of all light vehicle sales. And while both small and large pickup sales increased (1% and 6%, respectively), segment leader, Ford F-150, drove most of that growth. Similarly, large trucks saw 5% growth in shopper interest on Jumpstart sites with Ford F-150 increasing 29%, helping to sustain its number one spot in the segment, and building back its wide margin on large truck competitors.

In the midsize pickup truck segment, most of the growth came from Chevrolet Colorado and Nissan Frontier (5% and 10%, respectively). Honda Ridgeline, which had jumped to 20% share in 2016 (thanks in part to its redesign), lost some ground in 2017 and fell by 15%.

For 2018, the truck market will thrive with refreshes for Chevrolet Silverado and RAM 1500. Additionally, the anticipation for the re-entry of the Ford Ranger will shake up the midsize segment and create competition for GM and Toyota's midsize trucks.

Van Segments

Vans sales were down 8% in 2017, accounting for 8% of the light truck category and 5% of all light vehicles. Similarly, shopper interest in all vans on Jumpstart sites was down 5% in 2017, with small vans (cargo and passenger) seeing the sharpest decline (21%).

Many of the top models in the minivan segment saw growth, while Chrysler Pacifica saw a decline of 22% following its big launch year in 2016. Segment leaders, Honda Odyssey and Toyota Sienna, still hold a wide margin on competitors and both saw double-digit gains in shopper interest in 2017.

In the large van segment (cargo and passenger), Mercedes-Benz Sprinter Cargo and RAM ProMaster saw significant growth of 276% and 50%, respectively. Each now represents more than 11% of shopper interest and are closing the gap with competitor, Chevrolet Express. Ford Transit remains the segment leader and still holds a wide margin with nearly seven percentage points ahead of its next closest competitor. Outside of Sprinter's early 2018 refresh, there are no major changes anticipated in the category in the year ahead.

Source: Jumpstart Internal Analytics, January 2016 – December 2017
Sales data from WardsAuto, January 2016 – December 2017



MIDSIZE PICKUP TRUCKS

| | | | % Change |
|---|---------------------------|------------|-------------|
| 1 | Toyota Tacoma | | |
| | 2017 26.4% | 2016 27.5% | -4% |
| 2 | Chevrolet Colorado | | |
| | 2017 25.4% | 2016 24.2% | 5% |
| 3 | Honda Ridgeline | | |
| | 2017 17.2% | 2016 20.3% | -15% |
| 4 | Nissan Frontier | | |
| | 2017 14.4% | 2016 13.1% | 10% |
| 5 | GMC Canyon | | |
| | 2017 11.2% | 2016 13.0% | -14% |



3/4 & 1-TON PICKUP TRUCKS

| | | | % Change |
|---|-----------------------------------|------------|-------------|
| 1 | Ford F-250 Super Duty | | |
| | 2017 21.3% | 2016 22.3% | -5% |
| 2 | Chevrolet Silverado 2500HD | | |
| | 2017 15.1% | 2016 18.0% | -16% |
| 3 | RAM 2500 | | |
| | 2017 11.0% | 2016 15.0% | -26% |
| 4 | Ford F-350 Super Duty | | |
| | 2017 8.5% | 2016 7.7% | 11% |
| 5 | GMC Sierra 2500HD | | |
| | 2017 7.6% | 2016 9.1% | -17% |



FULL-SIZE PICKUP TRUCKS

| | | | % Change |
|---|---------------------------------|------------|-------------|
| 1 | Ford F-150 | | |
| | 2017 32.5% | 2016 25.2% | 29% |
| 2 | Chevrolet Silverado 1500 | | |
| | 2017 19.8% | 2016 19.8% | 0% |
| 3 | RAM 1500 | | |
| | 2017 13.1% | 2016 17.0% | -23% |
| 4 | Toyota Tundra | | |
| | 2017 11.7% | 2016 11.3% | 4% |
| 5 | GMC Sierra 1500 | | |
| | 2017 10.6% | 2016 11.8% | -10% |



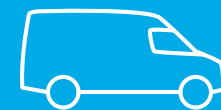
SMALL VANS

| | | | % Change |
|---|-----------------------------------|------------|-------------|
| 1 | Ford Transit Connect | | |
| | 2017 31.9% | 2016 27.7% | 15% |
| 2 | Mercedes-Benz Metris | | |
| | 2017 26.6% | 2016 29.0% | -8% |
| 3 | RAM ProMaster City | | |
| | 2017 15.4% | 2016 12.5% | 23% |
| 4 | Nissan NV200 Compact Cargo | | |
| | 2017 12.4% | 2016 10.7% | 16% |
| 5 | Chevrolet City Express | | |
| | 2017 9.3% | 2016 10.8% | -14% |



MINIVANS

| | | | % Change |
|---|---------------------------------|------------|---------------|
| 1 | Honda Odyssey | | |
| | 2017 26.6% | 2016 23.5% | 13% |
| 2 | Toyota Sienna | | |
| | 2017 21.0% | 2016 17.6% | 19% |
| 3 | Chrysler Pacifica | | |
| | 2017 12.8% | 2016 16.3% | -22% |
| 4 | Dodge Grand Caravan | | |
| | 2017 11.1% | 2016 10.0% | 11% |
| 5 | Chrysler Pacifica Hybrid | | |
| | 2017 9.0% | 2016 0.1% | 7,682% |

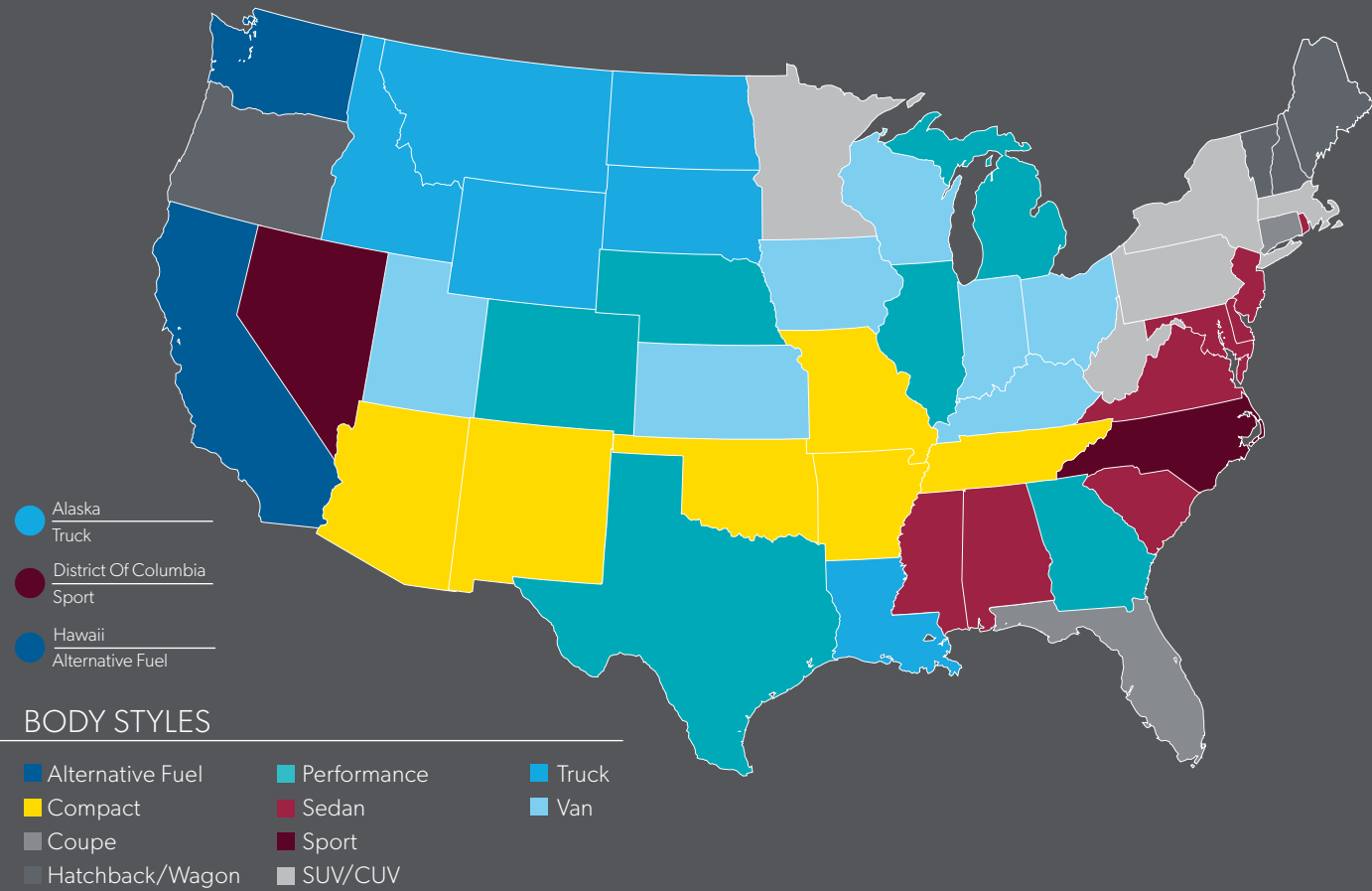


LARGE VANS

| | | | % Change |
|---|---|------------|-------------|
| 1 | Ford Transit | | |
| | 2017 21.9% | 2016 22.5% | -3% |
| 2 | Mercedes-Benz Sprinter | | |
| | 2017 15.4% | 2016 23.8% | -35% |
| 3 | Chevrolet Express | | |
| | 2017 14.6% | 2016 11.8% | 24% |
| 4 | Mercedes-Benz Sprinter Cargo Van | | |
| | 2017 11.7% | 2016 3.1% | 276% |
| 5 | RAM ProMaster | | |
| | 2017 11.4% | 2016 7.6% | 50% |

TAKING THE LEAD

BODY STYLE INTEREST, BY STATE



Highest Scores

Hatchbacks/wagons, alternative fuel, and performance vehicles hold the strongest consumer affinity in the country, scoring highest in Vermont, California, and Michigan, respectively.

The Love Of Cars Still Alive And Well

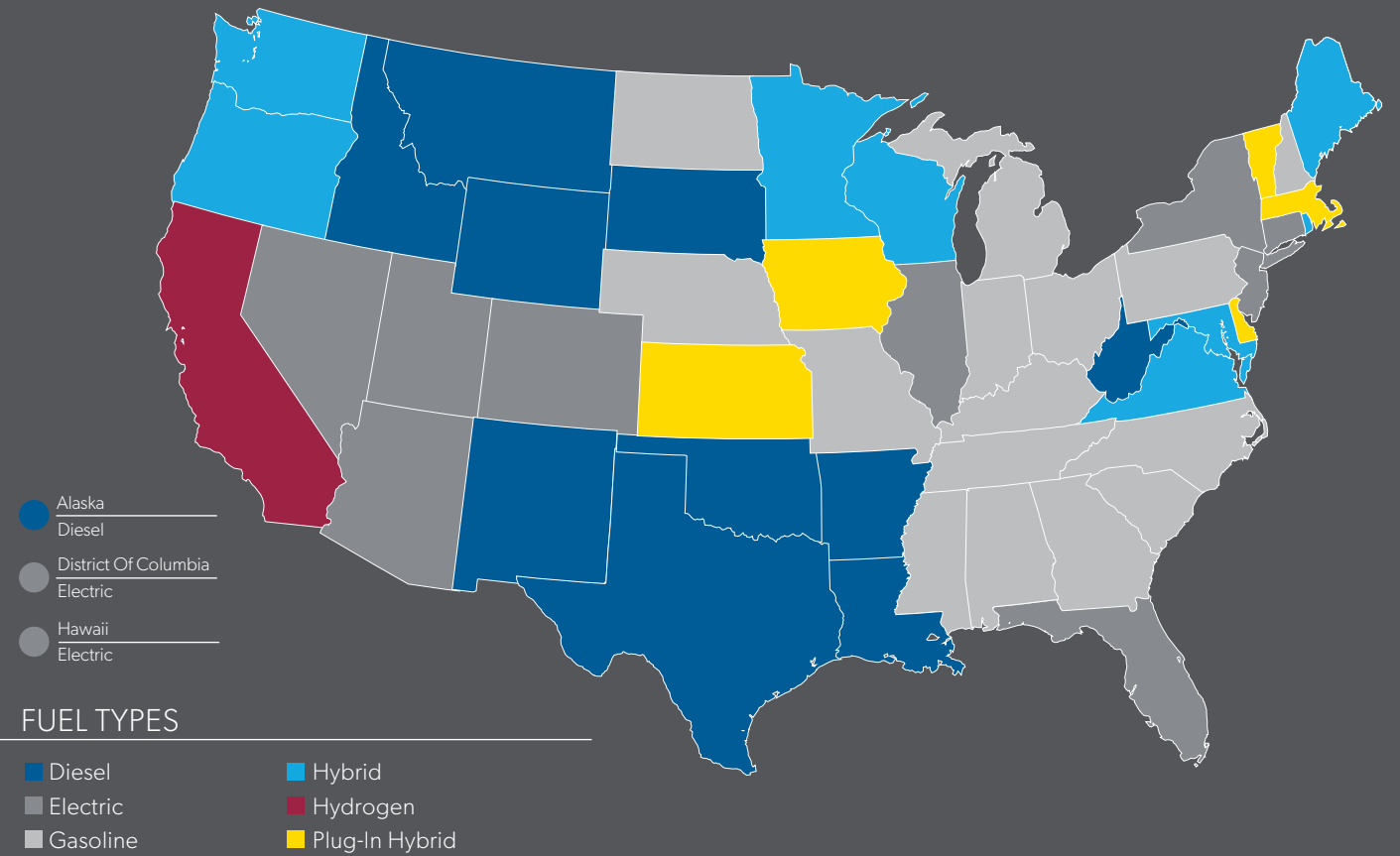
Performance vehicles are the #1 ranking body style in six states overall, up from four states in 2016. Building on SUVs and crossovers' continued dominance (which hold the top five fastest growing affinity scores in the country), some automakers are now focused on broadening that appeal; Jeep, Alfa Romeo, and Land Rover are just a few brands that are introducing performance versions of their SUVs/CUVs.

Here's a look at the fastest growing states for each body style

| BODY STYLE | STATE | % CHANGE |
|------------------|---------------|----------|
| Alternative Fuel | New Jersey | 10% |
| Compact | Kansas | 9% |
| Coupe | Mississippi | 7% |
| Hatchback/Wagon | Alaska | 10% |
| Performance | New Hampshire | 10% |
| Sedan | Kentucky | 8% |
| Sport | Kentucky | 9% |
| SUV/CUV | Utah | 55% |
| Truck | Michigan | 4% |
| Van | Hawaii | 9% |

MAKING A MOVE

FUEL TYPE PREFERENCES, BY STATE



Highest Scores

While down from 21 states in 2016 to 15 states in 2017, gasoline-powered vehicles are still the primary driver of interest—and sales—in the country.

Mindsets Are Shifting

In comparing year-over-year data, we see that 75% of states that switched from gas became more interested in diesel, and 100% of states that switched from diesel became more interested in electric. Consumer preference in alternative fuel is also moving beyond the West Coast; Vermont and Massachusetts are two states that are seeing some of the fastest growth in alternative fuel interest. While the country has not yet settled on any one dominant go-to form of alternative fuel, preference to this category is on the rise.

Here's a look at the fastest growing states for each fuel type

| FUEL TYPE | STATE | % CHANGE |
|----------------|---------------|----------|
| Diesel | West Virginia | 70% |
| Electric | Vermont | 11% |
| Gasoline | Utah | 77% |
| Hybrid | Massachusetts | 8% |
| Hydrogen | Oregon | 11% |
| Plug-In Hybrid | Iowa | 17% |

Source: Jumpstart Internal Analytics, January 2016 – December 2017. Using a mathematical score that takes into account the mean and standard deviation of traffic to Jumpstart sites, these maps display shopper interest in vehicle body styles and fuel types across all states.

BY THE NUMBERS

A LOOK AT LUXURY AND NON-LUXURY BRAND PREFERENCES, BY STATE

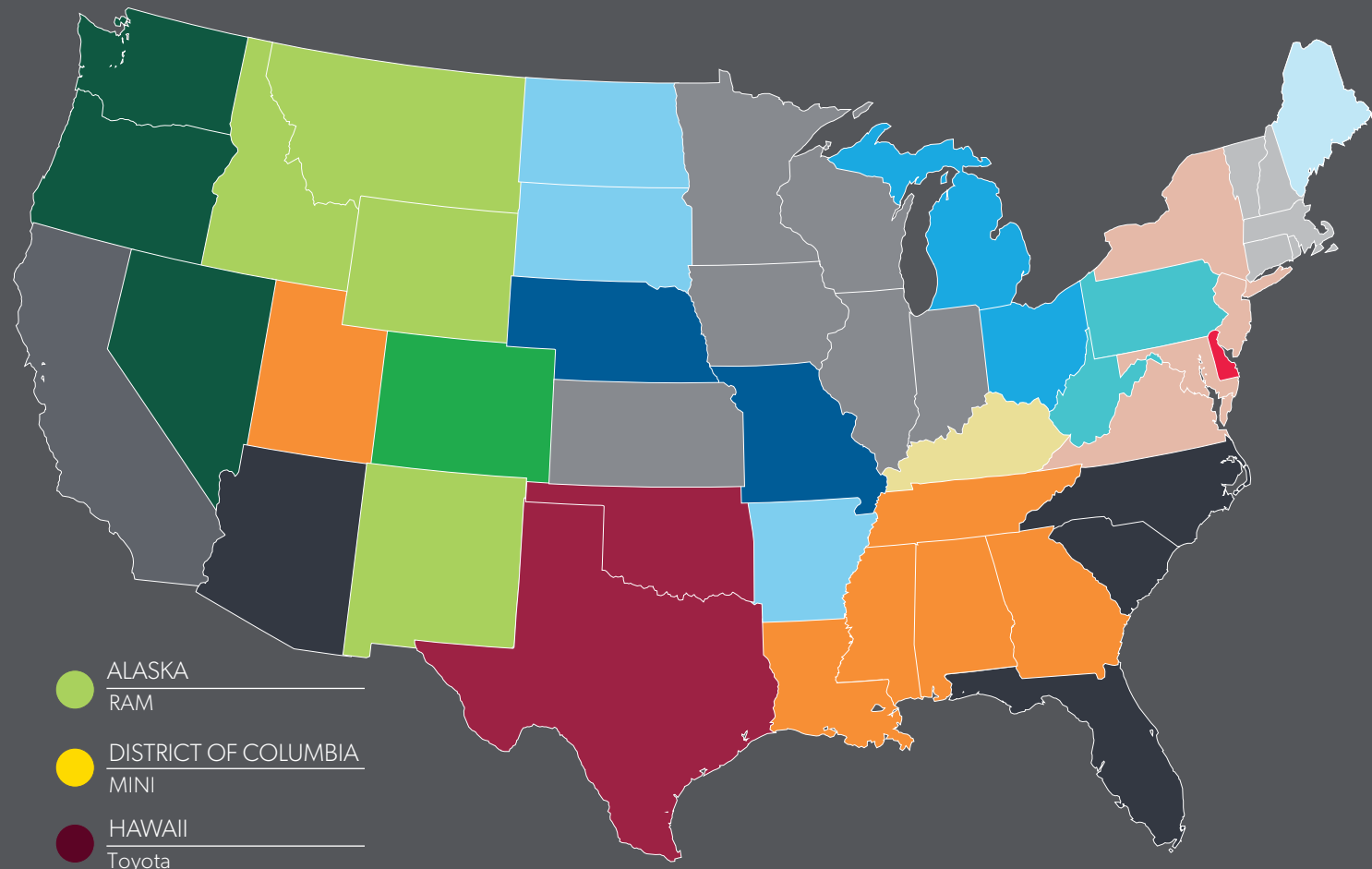
While personal style, budget, and family necessities play a huge part in a consumer's purchase decisions, there are many other regional-specific environmental and economic factors at play. For example, shoppers who live

in more densely populated areas may choose a smaller vehicle that will help ease the pain of city parking. People living in mountainous regions may opt for larger vehicles that can better handle rugged terrain and extreme

weather conditions. And whether it's simply pride for one's country or the auto industry's deep American origins, regional ties still play a significant role in today's market. For example, if a brand has a factory located in

a particular state, and its presence is helping to drive the local economy, consumers often consider that information when it comes down to decision time.

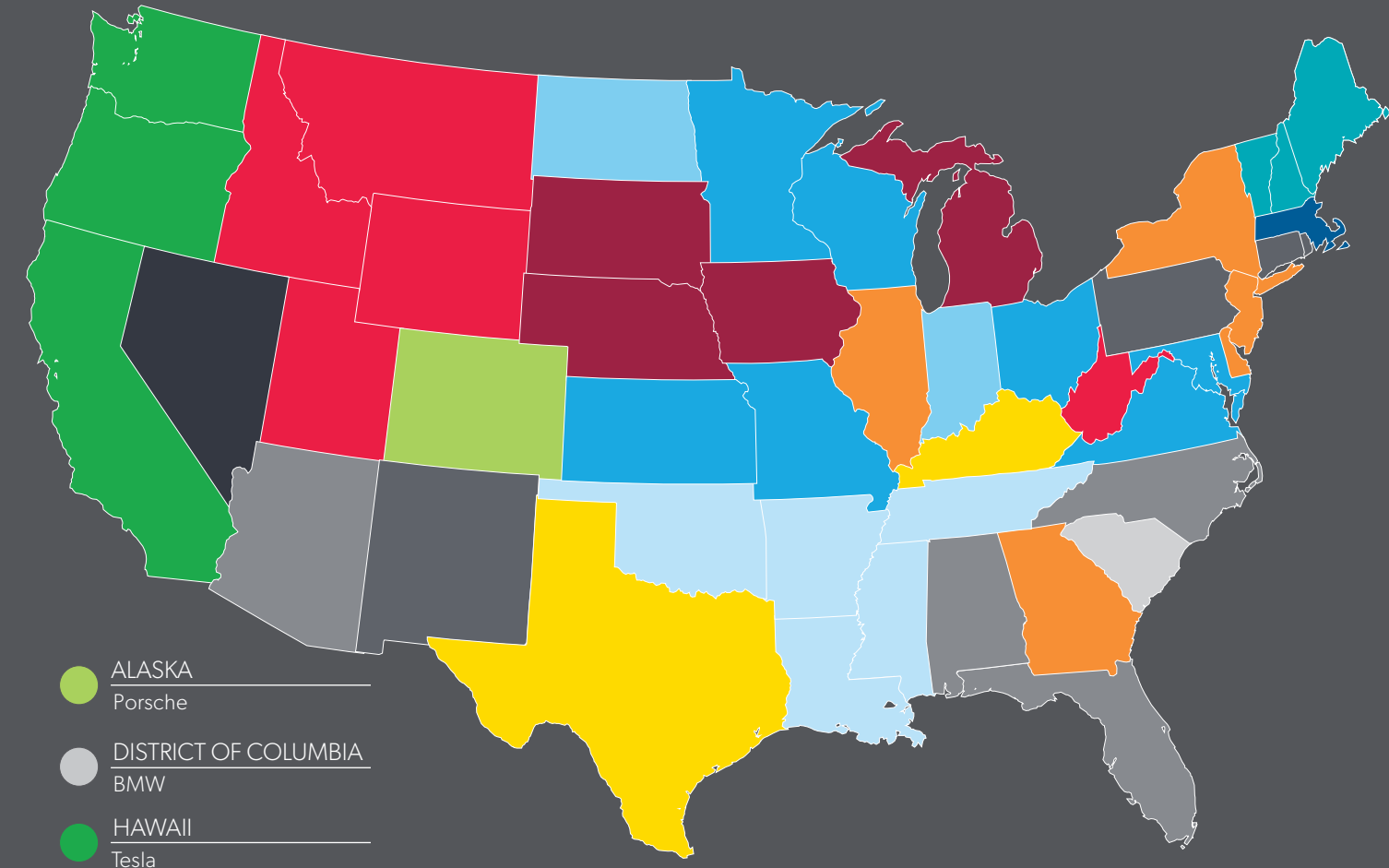
NON-LUXURY BRANDS



BY STATE



LUXURY BRANDS



BY STATE



Source: Jumpstart Internal Analytics, January 2016 – December 2017. Using a mathematical score that takes into account the mean and standard deviation of traffic to Jumpstart sites, these maps display shopper interest by brand across all states.

In 2017 Canadian car dealers sold more than 2 million new light vehicles for the first time ever. With an increase of 4.6% compared to 2016, new light vehicle sales of 2.04 million units marked the eighth consecutive year of auto sales increases in Canada, and the fifth year of record-breaking sales.

The Canadian auto industry had a lot to celebrate in 2017—record-breaking sales, on many levels, and an optimistic outlook to start the year in 2018. Light truck sales (SUVs, CUVs, vans, and trucks) continued to drive the market growth, increasing 9% and representing nearly 69% share. Meanwhile, passenger car sales were down more than 3%, selling only 640,000 units, the lowest car sales volume since 1964.

At the OEM level many auto manufacturers saw double-digit growth, including GM (13.3%), Jaguar/Land Rover N.A. (13.1%), Tesla Motors (66.7%), Volvo Canada (16.4%), and VW Group (16.6%). Luxury brand sales have remained strong, accounting for 14% share of the Canadian car market, with a slight increase of 2% compared to 2016. But more significant growth can be seen at individual brand levels (e.g., Alfa Romeo more than 1,000% increase, Genesis more than 400% increase). Despite breaking records, Canadian auto analysts feel confident that 2018 sales will fall back below 2 million, and even if market conditions remain relatively stable, the sentiment is that sales will hover around 1.85 million units.

Source: WardsAuto, January 2016 – December 2017




CANADA AUDIENCE AND DATA

JUMPSTART IS:

Car and Driver, Canadian Black Book, U.S. News Best Cars, J.D. Power Cars, NADAguides, Autoweek.com, Autobytel, Autolist.com, Daily News Autos, LeftLaneNews.com, CarSoup, CarBuzz, CarStory, Carpages.ca, and VehicleHistory.com.

THE JUMPSTART AUDIENCE 1.4 MILLION STRONG

2016 – 2017 JUMPSTART VISITORS¹

| | 2016 | 2017 | % Change |
|---|------|------|----------|
|  DESKTOP | 49% | 47% | -5% |
|  SMARTPHONE | 37% | 41% | +11% |
|  TABLET | 14% | 12% | -13% |

TOP SMARTPHONE BRANDS¹

| | 2016 | 2017 | % Change |
|---------|------|------|----------|
| APPLE | 51% | 52% | +1% |
| SAMSUNG | 28% | 28% | -1% |
| LG | 5% | 6% | +10% |



Smartphone usage on Jumpstart sites was up 11% compared to 2016, with LG phones seeing growth of 10%.

TOP TABLET BRANDS¹




| | 2016 | 2017 | % Change |
|-----------|------|------|----------|
| APPLE | 77% | 77% | -1% |
| SAMSUNG | 15% | 13% | -11% |
| MICROSOFT | 1% | 4% | +412% |



Despite tablet usage being down, Microsoft saw significant growth and grabbed 4% share of our tablet audience.

Source: comScore Media Metrix Multi-Platform, December 2016 vs. 2017
1. Google Analytics Premium, October – December 2016 vs. 2017

AN ENGAGED AUDIENCE

| |  TOTAL MULTI-PLATFORM UNIQUE VISITORS (M) |  TOTAL PAGES VIEWED (M) |  AVERAGE VIEWS PER VISIT |
|-----------------------------------|--|---|---|
| KIJJI.CA Cars & Vehicles | 3,638 | 173 | 6.0 |
| AutoGuide Group | 2,222 | 16 | 2.4 |
| Autotrader.CA | 1,862 | 54 | 7.1 |
| Jumpstart Automotive Media | 1,364 | 13 | 4.8 |
| Internet Brands Automotive | 1,287 | 8 | 2.5 |
| MSN Autos - Canada | 931 | 21 | 2.8 |
| CarGurus | 863 | 12 | 5.0 |
| Driving.CA | 633 | 2 | 2.0 |
| TEN Automotive (In-Market) | 324 | 1 | 1.8 |
| Autoblog | 313 | 2 | 2.4 |
| Cars.com | 205 | 2 | 2.6 |
| Edmunds.com | 187 | 0 | 1.6 |
| KBB.com | 48 | 1 | 9.1 |

Jumpstart ranks among the top 5 third-party automotive websites in Canada for unique visitors, pages viewed, and average views per visit.

Source: comScore Media Metrix Multi-Platform, December 2016 vs. 2017

ABOUT OUR SHOPPERS

AGE

53% 25-54 YEARS

27% 18-34 YEARS

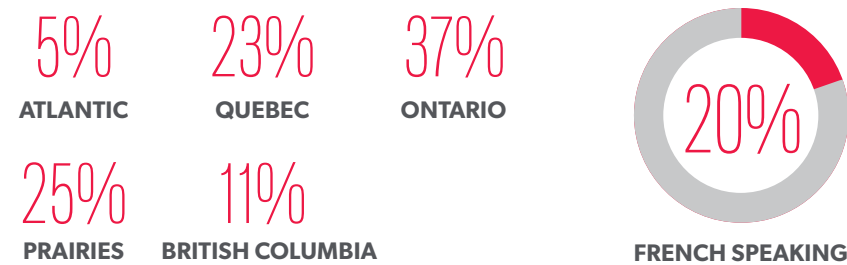
Within some of these ranges, Jumpstart's audience over-indexes for adults 35 - 44 (151 index) and adults 18 - 24 (131 index).

HOUSEHOLD INCOME

C\$88K MEDIAN HOUSEHOLD INCOME

The median household income for Jumpstart's audience increased 21% compared to 2016.

REGION AND LANGUAGE



The composition of Jumpstart's audience in Quebec grew by 32% in 2017, resulting in 38% growth in French speakers across our sites.

AUDIENCE: MEN AND WOMEN



Jumpstart's male audience grew by 20% in 2017.

Source: comScore Media Metrix Multi-Platform, December 2016 vs. 2017

HOW SHOPPERS ARE REACHING OUR PORTFOLIO

NEW AND RETURNING VISITORS



TRAFFIC SOURCES

| | |
|--|-----|
| Search Landing on Jumpstart pages through natural (organic) search (non-sponsored or non-paid) | 72% |
| Direct Typing the exact URL for one of our sites into the browser | 16% |
| Paid Search Landing on Jumpstart pages through a sponsored search link | 5% |
| Referral Coming to Jumpstart from another site | 4% |
| Other Entering one of Jumpstart's sites most commonly from a campaign-tagged URL | 2% |
| Social Discovering Jumpstart through social platforms | 1% |

In 2017, 88% of our Canadian audience reached our sites through direct access or through organic search, which was up 9% from 2016.

Source: Google Analytics Premium, October - December 2017

PATH TO PURCHASE

SPOTLIGHT ON CROSS-SHOPPING TRENDS

When it comes to the path to purchase, there is no one, linear path. But what we do know is that cross-shopping (i.e., consumers looking at competitive brands, models, or segments to narrow down their decision) plays a very key part in today's auto shopping process. We've found this to be especially true in recent months as the used car market continues to heat up. Thanks, in part, to rising new car prices, we've been seeing a surge of people cross-shopping. Across Jumpstart, used cross-shopping is up 27%, with the luxury category seeing the greatest increases. From our 2018 Auto Shopper Survey, we

found that more than half of all new car shoppers are considering used or CPO vehicles for their next purchase. Additionally, used and CPO shoppers are 11% more likely than new car shoppers to be open to different brands.



And finally, shoppers who are considering a new vehicle are 17% more likely to consider switching to a used or CPO vehicle as they get closer to making a decision. **Here's a snapshot of the cross-shopping trends we're seeing.**



Year-Over-Year Cross-Shopping Between New And Used Vehicles

| | 2016 | 2017 | % CHANGE |
|--|------|------|----------|
|  % Of New Shoppers Considering Used | 25% | 30% | +18% |



Year-Over-Year Cross-Shopping Between New And Used Vehicles Among Luxury And Non-Luxury Shoppers



| | 2016 | 2017 | % CHANGE |
|--|------|------|----------|
|  Luxury | 13% | 17% | +27% |
|  Non-Luxury | 27% | 32% | +17% |




Luxury shoppers are 68% more likely to consider themselves enthusiasts, and act as a resource their friends and family turn to for advice¹.

New Shoppers Are Also Considering Used In These 3 Segments

| NEW SEDAN | 2017 | % CHANGE |
|---|------|----------|
|  Sedan | 36% | +24% |
|  SUV/CUV | 10% | +14% |

| NEW TRUCK | 2017 | % CHANGE |
|--|------|----------|
|  Truck | 31% | +24% |
|  SUV/CUV | 11% | +8% |

| NEW SUV/CUV | 2017 | % CHANGE |
|--|------|----------|
|  SUV/CUV | 25% | +20% |

Midsized and full-size are the top two most cross-shopped used sedan segments. The midsized sedan segment shows a 33% increase in used cross-shopping compared to last year, while consideration for used full-size sedans is up 29%.

Among the three pickup truck sizes (i.e. 3/4 & 1-ton, full-size, and midsize) available, the midsize pickup segment has the largest increase in used cross-shopping (35%), followed by 3/4 & 1-ton pickups with 24% growth compared to last year.

With more SUV options to choose from, cross-shopping for used SUVs/CUVs is up 20% from last year. The top two most cross-shopped used SUV/CUV segments are dominated by non-luxury compact and midsize SUVs/CUVs, while compact and subcompact are the two fastest-growing SUV/CUV segments with significant increases in used cross-shopping.

Source: Cross-Shopping Data from Jumpstart Internal Analytics, January 2016 – December 2017
 1. Jumpstart Automotive Media 2018 Automotive Shopper Survey, February 2018

TOP 10 BRANDS

Share Of Canada Light Vehicle Sales

| Rank | Brand | % Change | 2017 Sales (K) |
|------|-------------------|-------------|----------------|
| 1 | FORD | | |
| | 2016 15.0% | -4% | 291.5 |
| | 2017 14.5% | | |
| 2 | TOYOTA | | |
| | 2016 9.9% | 0% | 199.7 |
| | 2017 9.9% | | |
| 3 | HONDA | | |
| | 2016 8.6% | 2% | 176.9 |
| | 2017 8.8% | | |
| 4 | CHEVROLET | | |
| | 2016 7.9% | 8% | 171.0 |
| | 2017 8.5% | | |
| 5 | HYUNDAI | | |
| | 2016 7.2% | -10% | 129.7 |
| | 2017 6.4% | | |
| 6 | NISSAN | | |
| | 2016 5.8% | 7% | 125.4 |
| | 2017 6.2% | | |
| 7 | RAM | | |
| | 2016 4.8% | 6% | 102.7 |
| | 2017 5.1% | | |
| 8 | GMC | | |
| | 2016 4.4% | 13% | 99.5 |
| | 2017 4.9% | | |
| 9 | JEEP | | |
| | 2016 4.3% | -19% | 70.3 |
| | 2017 3.5% | | |
| 10 | DODGE | | |
| | 2016 4.3% | -12% | 76.1 |
| | 2017 3.8% | | |

TOP 10 BRANDS

Highest Growth In Canada Light Vehicle Sales

| Rank | Brand | % Growth | 2017 Sales (K) |
|------|-------------------|---------------|----------------|
| 1 | ALFA ROMEO | 1,153% | 1.1 |
| 2 | GENESIS | 440% | 0.5 |
| 3 | JAGUAR | 46% | 4.6 |
| 4 | TESLA | 22% | 3.2 |
| 5 | AUDI | 13% | 36.0 |
| 6 | GMC | 13% | 99.5 |
| 7 | PORSCHE | 12% | 8.2 |
| 8 | VOLVO | 11% | 7.1 |
| 9 | VOLKSWAGEN | 11% | 69.6 |
| 10 | CHEVROLET | 8% | 171.0 |

Source: Sales Data from WardsAuto, January 2016 – December 2017
There are slight differences in brands reported by WardsAuto compared to Jumpstart Automotive

TOP 10 BRANDS

Share Of Jumpstart Shopper Interest

| Rank | Brand | % Change | 2017 Sales (K) |
|------|------------------|-------------|----------------|
| 1 | FORD | | |
| | 2016 9.1% | 1% | 291.5 |
| | 2017 9.2% | | |
| 2 | TOYOTA | | |
| | 2016 6.4% | 14% | 199.7 |
| | 2017 7.3% | | |
| 3 | HONDA | | |
| | 2016 7.6% | -4% | 176.9 |
| | 2017 7.3% | | |
| 4 | CHEVROLET | | |
| | 2016 8.1% | 3% | 171.0 |
| | 2017 8.3% | | |
| 5 | HYUNDAI | | |
| | 2016 3.2% | 8% | 129.7 |
| | 2017 3.5% | | |
| 6 | NISSAN | | |
| | 2016 5.7% | -9% | 125.4 |
| | 2017 5.2% | | |
| 7 | RAM | | |
| | 2016 1.6% | -15% | 102.7 |
| | 2017 1.3% | | |
| 8 | GMC | | |
| | 2016 2.6% | 7% | 99.5 |
| | 2017 2.8% | | |
| 9 | DODGE | | |
| | 2016 3.2% | 1% | 76.1 |
| | 2017 3.2% | | |
| 10 | MAZDA | | |
| | 2016 5.3% | -8% | 74.1 |
| | 2017 4.9% | | |

TOP 10 BRANDS













Highest Growth In Jumpstart Shopper Interest

| Rank | Brand | % Growth | 2017 Sales (K) |
|------|-------------------|-------------|----------------|
| 1 | ALFA ROMEO | 284% | 1.1 |
| 2 | GENESIS | 64% | 0.5 |
| 3 | TESLA | 53% | 3.2 |
| 4 | MINI | 21% | 7.1 |
| 5 | KIA | 21% | 73.7 |
| 6 | VOLKSWAGEN | 15% | 69.6 |
| 7 | LEXUS | 15% | 24.8 |
| 8 | TOYOTA | 14% | 199.7 |
| 9 | HYUNDAI | 8% | 129.7 |
| 10 | GMC | 7% | 99.5 |

Source: Jumpstart Internal Analytics, January 2016 – December 2017
Sales data from WardsAuto, January – December 2017
There are slight differences in brands reported by WardsAuto compared to Jumpstart Automotive

BODY STYLES

SHARE OF INTEREST

| BODY STYLE | | 2017 | % CHANGE 2016 - 2017 |
|------------------|---|-------|----------------------|
| Luxury |  | 32.7% | -3% |
| Non-Luxury |  | 67.3% | 2% |
| SUV/CUV |  | 31.3% | 6% |
| Sedan |  | 23.3% | -2% |
| Sport |  | 14.1% | -11% |
| Truck |  | 9.5% | -2% |
| Performance |  | 4.2% | 1% |
| Hatchback/Wagon |  | 4.0% | 4% |
| Coupe |  | 4.0% | -5% |
| Van |  | 3.3% | -7% |
| Compact |  | 3.3% | 6% |
| Alternative Fuel |  | 3.1% | 45% |

Source: Jumpstart Internal Analytics, January 2016 - December 2017

TOP 10 SEGMENTS

Share Of Interest

| Rank | Top 10 Vehicle Segments | 2017 |
|------|--------------------------|-------|
| 1 | Compact SUV/CUV | 10.9% |
| 2 | Midsize SUV/CUV | 8.1% |
| 3 | Compact Car | 7.7% |
| 4 | Full-Size Pickup Truck | 4.9% |
| 5 | Midsize Sedan | 4.8% |
| 6 | Entry Luxury Sedan | 4.6% |
| 7 | Midsize Luxury SUV/CUV | 3.8% |
| 8 | Full-Size Luxury SUV/CUV | 3.8% |
| 9 | Sports Car | 3.6% |
| 10 | Subcompact SUV/CUV | 3.1% |

Source: Jumpstart Internal Analytics, January 2016 - December 2017

TOP 10 VEHICLES

2017 Rank

| | |
|----|---------------------|
| 1 | Ford F-150 |
| 2 | Honda CR-V |
| 3 | Honda Civic |
| 4 | Mazda CX-5 |
| 5 | Ford Mustang |
| 6 | Jeep Wrangler |
| 7 | Honda Accord |
| 8 | Jeep Grand Cherokee |
| 9 | Mazda Mazda3 |
| 10 | Chevrolet Corvette |

SHARE OF SHOPPER INTEREST AND SALES AUTOMOTIVE BRANDS

| BRAND | SHARE OF SHOPPER INTEREST | | SHARE OF LIGHT VEHICLE SALES | | 2017 SALES (K) |
|---------------------|---------------------------|----------|------------------------------|----------|----------------|
| | 2017 | % CHANGE | 2017 | % CHANGE | |
| Ford | 9.2% | 1% | 14.5% | -4% | 291.5 |
| Chevrolet | 8.3% | 3% | 8.5% | 8% | 171.0 |
| Toyota ¹ | 7.3% | 14% | 9.9% | 0% | 199.7 |
| Honda | 7.3% | -4% | 8.8% | 2% | 176.9 |
| Nissan | 5.2% | -9% | 6.2% | 7% | 125.4 |
| Mazda | 4.9% | -8% | 3.7% | 2% | 74.1 |
| Jeep | 3.9% | 1% | 3.5% | -19% | 70.3 |
| BMW | 3.8% | -10% | 1.9% | -3% | 38.6 |
| Audi | 3.6% | -8% | 1.8% | 13% | 36.0 |
| Subaru | 3.6% | 3% | 2.7% | 4% | 54.6 |
| Volkswagen | 3.6% | 15% | 3.5% | 11% | 69.6 |
| Hyundai | 3.5% | 8% | 6.4% | -10% | 129.7 |
| Dodge | 3.2% | 1% | 3.8% | -12% | 76.1 |
| Kia | 3.2% | 21% | 3.7% | 1% | 73.7 |
| Mercedes-Benz | 3.2% | -16% | 2.6% | 7% | 51.9 |
| GMC | 2.8% | 7% | 4.9% | 13% | 99.5 |
| Acura | 2.3% | -3% | 1.0% | -4% | 20.3 |
| Lexus | 2.2% | 15% | 1.2% | 5% | 24.8 |

| BRAND | SHARE OF SHOPPER INTEREST | | SHARE OF LIGHT VEHICLE SALES | | 2017 SALES (K) |
|------------|---------------------------|----------|------------------------------|----------|----------------|
| | 2017 | % CHANGE | 2017 | % CHANGE | |
| Porsche | 2.2% | -11% | 0.4% | 12% | 8.2 |
| Infiniti | 1.9% | 2% | 0.6% | -2% | 12.4 |
| Cadillac | 1.7% | -11% | 0.7% | 5% | 13.3 |
| Land Rover | 1.6% | -7% | 0.5% | -4% | 9.1 |
| Volvo | 1.4% | 6% | 0.4% | 11% | 7.1 |
| Buick | 1.4% | 6% | 0.9% | -5% | 19.0 |
| RAM | 1.3% | -15% | 5.1% | 6% | 102.7 |
| Jaguar | 1.2% | 6% | 0.2% | 46% | 4.6 |
| Lincoln | 1.2% | 5% | 0.4% | -7% | 8.1 |
| Chrysler | 0.9% | -33% | 0.7% | -20% | 13.4 |
| Tesla | 0.8% | 53% | 0.2% | 22% | 3.2 |
| Mitsubishi | 0.8% | -12% | 0.8% | -6% | 15.7 |
| Fiat | 0.7% | -10% | 0.1% | -5% | 2.3 |
| Alfa Romeo | 0.6% | 284% | 0.1% | 1,153% | 1.1 |
| MINI | 0.4% | 21% | 0.4% | 2% | 7.1 |
| Genesis | 0.3% | 64% | 0.0% | 440% | 0.5 |
| Scion | 0.3% | -48% | 0.0% | -99% | 0.1 |
| smart | 0.2% | 1% | 0.0% | -81% | 0.4 |

Source: Jumpstart Internal Analytics, January 2016 – December, 2017

1. Toyota: Scion models that transitioned to Toyota are not fully reflected in the Toyota number. All reporting will be adjusted in 2018.



BY THE NUMBERS

TOP 5 CARS

Car sales declined more than 3% in 2017, and now represent 31% share of the Canadian car market. Consumer demand globally has been steadily shifting to larger vehicles, but some factors at play may help to increase the demand

Non-Luxury Car Segments

Among non-luxury car segments, compact cars are still the most shopped on Jumpstart sites but saw a decline of nearly 8% in 2017. Midsize sedans (second-highest car segment) saw the most car growth (6%), which was largely driven by the top two players, Honda Accord (+24%) and Toyota Camry (+56%). Their increases widened the margin between their competitors even more (the next nearest competitor to Camry is Ford Fusion, and still nine percentage points behind).

Although the subcompact segment didn't have as much growth in 2017, Hyundai Accent and Toyota Yaris both saw double-digit increases in shopper interest (19% and 12%, respectively) and the most significant gain among Top 5 compacts was by Toyota Corolla (+10%). One vehicle we're watching in 2018 is Volkswagen's e-Golf, which is gaining traction in the compact segment and although it comes with a \$36K price tag, it also boasts up to \$14K in government incentives, making it an attractive option for consumers.

for cars in the near future. Most notably is the role that fuel prices play. Until recently, gas prices have remained relatively flat, but Canadians have been hit with increases that are expected to continue on a steady trajectory throughout 2018.

Luxury Car Segments

The only luxury car category in the Top 10 segments for shopper interest on Jumpstart sites is entry luxury sedans. This segment ranks sixth overall, and third among cars (only behind non-luxury compact and midsize sedans). It boasts 5% share of interest and increased 6% from 2016. The two Top 5 vehicles that made a big splash in 2017 were Acura TLX (+40%) and Alfa Romeo Giulia (+94%). But there are a number of new entries in this segment that are seeing significant increases (more than 150%): Kia Stinger, Volkswagen Arteon, and Genesis G70. We'll be watching these vehicles throughout 2018 to determine how shopper interest translates into vehicle sales.



SUBCOMPACT CARS

| | % Change | | |
|-------------------------|------------|------------|-------------|
| 1 Honda Fit | 2017 13.4% | 2016 12.8% | 4% |
| 2 Hyundai Accent | 2017 12.1% | 2016 10.2% | 19% |
| 3 Ford Fiesta | 2017 9.7% | 2016 11.2% | -13% |
| 4 Toyota Yaris | 2017 7.9% | 2016 7.1% | 12% |
| 5 Fiat 500 | 2017 7.7% | 2016 7.6% | 1% |



MIDSIZE SEDANS

| | % Change | | |
|---------------------------|------------|------------|-------------|
| 1 Honda Accord | 2017 21.4% | 2016 17.3% | 24% |
| 2 Toyota Camry | 2017 17.4% | 2016 11.2% | 56% |
| 3 Ford Fusion | 2017 8.3% | 2016 10.5% | -21% |
| 4 Hyundai Sonata | 2017 7.3% | 2016 6.4% | 15% |
| 5 Chevrolet Malibu | 2017 7.3% | 2016 10.3% | -30% |



COMPACT CARS

| | % Change | | |
|--------------------------|------------|------------|-------------|
| 1 Honda Civic | 2017 18.0% | 2016 22.0% | -18% |
| 2 Mazda Mazda3 | 2017 12.3% | 2016 11.9% | 3% |
| 3 Toyota Corolla | 2017 7.9% | 2016 6.9% | 15% |
| 4 Chevrolet Cruze | 2017 7.9% | 2016 7.4% | 7% |
| 5 Hyundai Elantra | 2017 7.4% | 2016 7.4% | 0% |



FULL-SIZE SEDANS

| | % Change | | |
|---------------------------|------------|------------|------------|
| 1 Dodge Charger | 2017 21.6% | 2016 22.7% | -4% |
| 2 Chrysler 300 | 2017 17.4% | 2016 17.5% | -1% |
| 3 Chevrolet Impala | 2017 14.2% | 2016 14.2% | 0% |
| 4 Ford Taurus | 2017 11.8% | 2016 10.8% | 9% |
| 5 Nissan Maxima | 2017 11.4% | 2016 10.4% | 9% |



LUXURY SPORTS CARS

| | % Change | | |
|-----------------------------|------------|------------|-------------|
| 1 Chevrolet Corvette | 2017 34.0% | 2016 31.9% | 7% |
| 2 Jaguar F-Type | 2017 9.5% | 2016 7.5% | 26% |
| 3 Porsche Boxster | 2017 9.3% | 2016 10.6% | -12% |
| 4 BMW M4 | 2017 7.8% | 2016 9.6% | -19% |
| 5 Porsche Cayman | 2017 6.4% | 2016 7.9% | -19% |



MIDSIZE LUXURY SEDANS

| | % Change | | |
|--------------------------------|------------|------------|-------------|
| 1 Mercedes-Benz C-Class | 2017 14.6% | 2016 19.3% | -24% |
| 2 BMW 5-Series | 2017 12.3% | 2016 9.6% | 28% |
| 3 Mercedes-Benz E-Class | 2017 12.0% | 2016 10.5% | 14% |
| 4 Cadillac CTS | 2017 8.6% | 2016 8.2% | 4% |
| 5 Jaguar XF | 2017 7.8% | 2016 7.4% | 5% |



ENTRY LUXURY SEDANS

| | % Change | | |
|----------------------------|------------|------------|-------------|
| 1 BMW 3-Series | 2017 12.1% | 2016 16.2% | -26% |
| 2 Audi A4 | 2017 8.7% | 2016 11.0% | -21% |
| 3 Acura TLX | 2017 7.7% | 2016 5.5% | 40% |
| 4 Alfa Romeo Giulia | 2017 6.7% | 2016 3.5% | 94% |
| 5 Volvo S60 | 2017 6.6% | 2016 6.5% | 1% |



FULL-SIZE LUXURY SEDANS

| | % Change | | |
|--------------------------------|------------|------------|-------------|
| 1 Tesla Model S | 2017 19.7% | 2016 14.3% | 38% |
| 2 Mercedes-Benz S-Class | 2017 11.9% | 2016 11.0% | 8% |
| 3 BMW 7-Series | 2017 9.2% | 2016 12.3% | -25% |
| 4 Porsche Panamera | 2017 8.5% | 2016 12.1% | -30% |
| 5 Audi A8 | 2017 8.1% | 2016 7.7% | 5% |



BY THE NUMBERS

TOP 5 SUVS AND CUVS

SUV/CUV sales led the market once again in 2017 and accounted for more than 40% of all light vehicles sold in Canada. Although share was relatively flat from 2016, the two categories that drive the majority of volume are non-luxury midsize and compact SUVs/CUVs. The segments that saw the most significant sales growth

Non-Luxury SUV/CUV Segments

Despite representing just 2% share of shopper interest, large SUVs increased 27% from 2016. Most of this growth (in a relatively small competitive set of 6) is attributed to the top two vehicles, Ford Expedition (+21%) and Chevrolet Tahoe (+6%). Expedition's overhaul for 2018 has been highly anticipated, and the increases in shopper interest in Canada and the U.S. are proving that this redesign is grabbing the attention of SUV shoppers.

Among the smallest SUV/CUV segment (subcompacts), newcomers Toyota C-HR and Kia Niro Hybrid made giant strides during their launch years, while compact standards, Honda CR-V and Chevrolet Equinox gained notable share in a highly competitive segment (+21% and +36%, respectively). CR-V bumped Mazda CX-5 from the top spot, while CX-5 declined 5% in 2017.

however, were the midsize luxury (+38%) and the subcompact (+24%) segments. For 2018, we anticipate SUV and crossover sales and shopper interest to remain strong, but we anticipate some hesitation from consumers as gas prices continue to rise throughout the year.

Luxury SUV/CUV Segments

Two luxury segments saw growth in shopper interest in 2017, large luxury SUVs and midsize luxury SUVs/CUVs (+7% and +4%, respectively). Although the compact segment saw a decline of 7% overall, there were some shakeups in the category. BMW X1 fell from the top spot with nearly 22% share to rank third with 16% share. Lexus NX leaped ahead to claim the top rank and represents nearly 18% of shopper interest (+41% growth from 2016).

In the midsize segment, Volvo XC60 increased share of shopper interest by 82%, bringing it to rank fifth and represent nearly 8%. All competitors in the top five of this competitive category saw growth from 2016, and despite ranking ninth, Infiniti QX50 had a strong year with 27% growth. And finally, in the large luxury SUV segment three of the top five competitors saw double-digit growth: Infiniti QX80 (+19%), Cadillac Escalade (+24%), and Lincoln Navigator (+16%). This segment could continue to thrive in 2018 as it has for the past two years.



SUBCOMPACT SUVS/CUVS

| | % Change | | |
|--------------------------|------------|------------|-------------|
| 1 Mazda CX-3 | 2017 18.0% | 2016 23.1% | -22% |
| 2 Honda HR-V | 2017 14.9% | 2016 17.1% | -13% |
| 3 Toyota C-HR | 2017 12.4% | 2016 4.3% | 187% |
| 4 Jeep Renegade | 2017 10.2% | 2016 15.0% | -32% |
| 5 Kia Niro Hybrid | 2017 9.8% | 2016 1.4% | 600% |



MIDSIZE SUVs/CUVS

| | % Change | | |
|------------------------------|-----------|-----------|-------------|
| 1 Jeep Grand Cherokee | 2017 8.3% | 2016 8.0% | 3% |
| 2 Toyota Highlander | 2017 6.4% | 2016 7.1% | -9% |
| 3 Mazda CX-9 | 2017 6.3% | 2016 6.1% | 3% |
| 4 Dodge Durango | 2017 6.2% | 2016 6.6% | -6% |
| 5 Honda Pilot | 2017 6.2% | 2016 7.1% | -14% |



COMPACT SUVs/CUVS

| | % Change | | |
|----------------------------|------------|------------|-------------|
| 1 Honda CR-V | 2017 11.9% | 2016 9.9% | 21% |
| 2 Mazda CX-5 | 2017 10.2% | 2016 10.7% | -5% |
| 3 Jeep Wrangler | 2017 8.8% | 2016 8.5% | 4% |
| 4 Ford Escape | 2017 7.3% | 2016 8.4% | -12% |
| 5 Chevrolet Equinox | 2017 6.4% | 2016 4.7% | 36% |



LARGE SUVs

| | % Change | | |
|-----------------------------|------------|------------|-------------|
| 1 Ford Expedition | 2017 22.8% | 2016 18.8% | 21% |
| 2 Chevrolet Tahoe | 2017 16.5% | 2016 15.6% | 6% |
| 3 Nissan Armada | 2017 14.2% | 2016 16.3% | -13% |
| 4 Chevrolet Suburban | 2017 13.7% | 2016 15.5% | -12% |
| 5 Toyota Sequoia | 2017 12.0% | 2016 11.6% | 4% |



COMPACT LUXURY SUVs/CUVS

| | % Change | | |
|----------------------------------|------------|------------|-------------|
| 1 Lexus NX | 2017 17.6% | 2016 12.5% | 41% |
| 2 Acura RDX | 2017 16.4% | 2016 14.6% | 13% |
| 3 BMW X1 | 2017 16.3% | 2016 21.5% | -24% |
| 4 Mercedes-Benz GLA-Class | 2017 11.9% | 2016 10.8% | 10% |
| 5 Audi Q3 | 2017 9.1% | 2016 10.2% | -11% |



FULL-SIZE LUXURY SUVs/CUVS

| | % Change | | |
|--------------------------|------------|------------|-------------|
| 1 Acura MDX | 2017 13.4% | 2016 14.4% | -7% |
| 2 Audi Q7 | 2017 10.6% | 2016 11.6% | -9% |
| 3 Volvo XC90 | 2017 8.9% | 2016 10.5% | -16% |
| 4 BMW X5 | 2017 8.5% | 2016 10.3% | -17% |
| 5 Porsche Cayenne | 2017 7.6% | 2016 6.7% | 12% |



MIDSIZE LUXURY SUVs/CUVS

| | % Change | | |
|------------------------|------------|------------|------------|
| 1 Audi Q5 | 2017 13.3% | 2016 12.4% | 7% |
| 2 BMW X3 | 2017 11.1% | 2016 9.8% | 14% |
| 3 Lexus RX | 2017 9.9% | 2016 9.5% | 4% |
| 4 Jaguar F-Pace | 2017 8.1% | 2016 7.4% | 9% |
| 5 Volvo XC60 | 2017 7.7% | 2016 4.3% | 82% |



LARGE LUXURY SUVs

| | % Change | | |
|---------------------------------|------------|------------|-------------|
| 1 Land Rover Range Rover | 2017 13.9% | 2016 16.2% | -14% |
| 2 Infiniti QX80 | 2017 13.2% | 2016 11.1% | 19% |
| 3 Cadillac Escalade | 2017 12.1% | 2016 9.7% | 24% |
| 4 Mercedes-Benz GL-Class | 2017 11.0% | 2016 13.3% | -17% |
| 5 Lincoln Navigator | 2017 10.5% | 2016 9.1% | 16% |



BY THE NUMBERS

TOP 5 TRUCKS AND VANS

Trucks

Trucks accounted for 21% of light vehicle sales in Canada, up nearly 11% from 2016. Among shopper interest however, trucks account for less than 10% share, and saw a slight decline of 2% compared to last year. The full-size truck segment ranks fourth in shopper interest overall and saw 5% growth in 2017, coming mainly from the number one truck, Ford F-150. While this long-standing dominance is not likely to fall, there will be greater competition in 2018 from RAM 1500 and Chevrolet Silverado. Both have launches and redesigns that are already spurring shopper attention and may capture some share back from F-150 in the coming year.

In the small/midsize truck category, the majority of growth came from the number one and number five trucks, Chevrolet Colorado and Nissan Frontier (+15% and +23%, respectively). After a successful launch of a redesign in 2016, Honda Ridgeline fell 26%, but still captured 20% share of shopper interest in the segment. For 2018, there is a lot of anticipation building for the re-entry of Ford's Ranger truck, which is likely to shift interest to the category overall.

Vans

Vans captured 6% share of overall sales in 2017 after reaching 7% in 2016. This brings van sales volume back to similar levels of 2015. Minivans drive the majority of van sales but saw slight declines year-over-year. Slight increases were seen among the large van category, which includes a mix of both passenger and cargo options.

From the perspective of shopper interest, the minivan segment is seeing some significant growth for Chrysler's Pacifica Hybrid, and all of the Top 5 competitors saw double-digit increases in 2017. Aside from Pacifica as a new entry however, the Top 5 remained in a similar rank order. Meanwhile, RAM's ProMaster has gained share in both its City and large Cargo options, gaining 16% among small vans and 27% among large van shoppers. In 2017 Chevrolet Express also gained 38% share of the large van category and moved up one spot in the rankings.

Source: Jumpstart Internal Analytics, January 2016 – December 2017
Sales data from WardsAuto, January 2016 – December 2017



MIDSIZE PICKUP TRUCKS

| | 2017 | | 2016 | | % Change |
|---|---------------------------|-------|------|--|----------|
| 1 | Chevrolet Colorado | | | | |
| | 23.8% | 20.7% | | | 15% |
| 2 | Toyota Tacoma | | | | |
| | 23.3% | 23.9% | | | -3% |
| 3 | Honda Ridgeline | | | | |
| | 20.4% | 27.6% | | | -26% |
| 4 | GMC Canyon | | | | |
| | 14.4% | 14.8% | | | -3% |
| 5 | Nissan Frontier | | | | |
| | 13.9% | 11.3% | | | 23% |



FULL-SIZE PICKUP TRUCKS

| | 2017 | | 2016 | | % Change |
|---|---------------------------------|-------|------|--|----------|
| 1 | Ford F-150 | | | | |
| | 36.2% | 31.4% | | | 15% |
| 2 | RAM 1500 | | | | |
| | 16.5% | 20.9% | | | -21% |
| 3 | Chevrolet Silverado 1500 | | | | |
| | 15.4% | 15.5% | | | 0% |
| 4 | GMC Sierra 1500 | | | | |
| | 12.6% | 11.9% | | | 5% |
| 5 | Toyota Tundra | | | | |
| | 8.3% | 7.8% | | | 7% |



3/4 & 1-TON PICKUP TRUCKS

| | 2017 | | 2016 | | % Change |
|---|-----------------------------------|-------|------|--|----------|
| 1 | Ford F-250 Super Duty | | | | |
| | 18.1% | 21.4% | | | -15% |
| 2 | Chevrolet Silverado 2500HD | | | | |
| | 14.2% | 13.9% | | | 1% |
| 3 | GMC Sierra 2500HD | | | | |
| | 13.0% | 13.2% | | | -1% |
| 4 | RAM 2500 | | | | |
| | 12.5% | 15.9% | | | -22% |
| 5 | Ford F-350 Super Duty | | | | |
| | 12.1% | 9.4% | | | 28% |

Source: Jumpstart Internal Analytics, January 2016 – December 2017



SMALL VANS

| | 2017 | | 2016 | | % Change |
|---|-----------------------------------|-------|------|--|----------|
| 1 | Ford Transit Connect | | | | |
| | 34.9% | 32.0% | | | 9% |
| 2 | Mercedes-Benz Metris | | | | |
| | 28.0% | 29.8% | | | -6% |
| 3 | RAM ProMaster City | | | | |
| | 14.1% | 12.2% | | | 16% |
| 4 | Nissan NV200 Compact Cargo | | | | |
| | 13.2% | 11.0% | | | 20% |
| 5 | Chevrolet City Express | | | | |
| | 9.0% | 8.9% | | | 1% |



MINIVANS

| | 2017 | | 2016 | | % Change |
|---|---------------------------------|-------|------|--|----------|
| 1 | Honda Odyssey | | | | |
| | 25.3% | 20.5% | | | 24% |
| 2 | Dodge Grand Caravan | | | | |
| | 20.4% | 17.5% | | | 17% |
| 3 | Toyota Sienna | | | | |
| | 20.1% | 15.4% | | | 30% |
| 4 | Chrysler Pacifica Hybrid | | | | |
| | 9.4% | 0.1% | | | 12,100% |
| 5 | Kia Sedona | | | | |
| | 8.1% | 7.3% | | | 11% |



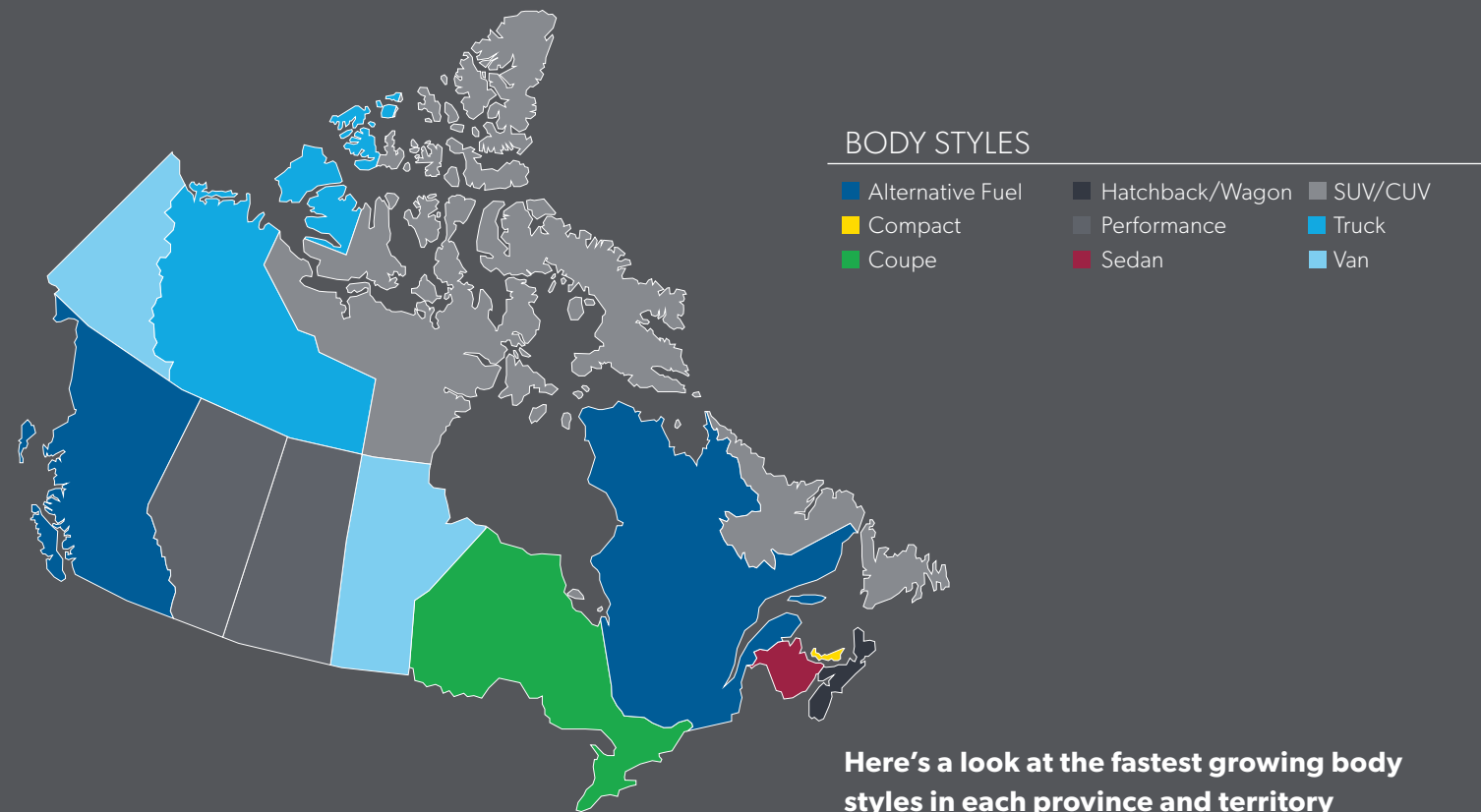
LARGE VANS

| | 2017 | | 2016 | | % Change |
|---|-------------------------------|-------|------|--|----------|
| 1 | Ford Transit | | | | |
| | 24.7% | 22.9% | | | 8% |
| 2 | Mercedes-Benz Sprinter | | | | |
| | 16.7% | 24.8% | | | -32% |
| 3 | RAM ProMaster | | | | |
| | 13.3% | 10.4% | | | 27% |
| 4 | Chevrolet Express | | | | |
| | 12.4% | 9.0% | | | 38% |
| 5 | Nissan NV Passenger | | | | |
| | 10.9% | 9.6% | | | 14% |

Source: Jumpstart Internal Analytics, January 2016 – December 2017

TAKING THE LEAD

BODY STYLE INTEREST, BY PROVINCE/TERRITORY



Here's a look at the fastest growing body styles in each province and territory

Taking The Lead: Body Style Shopper Interest, By Province/Territory

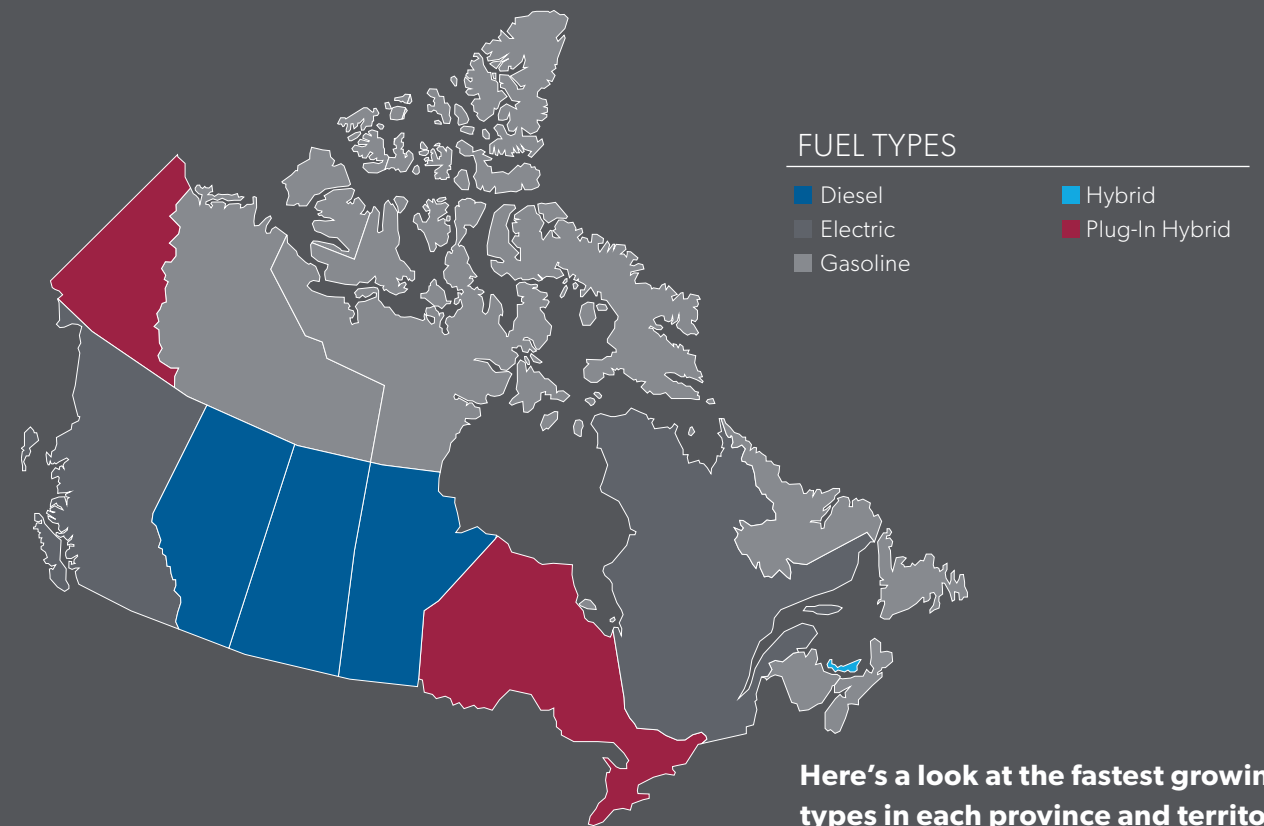
The Canadian market is very diverse when it comes to body style preferences. In comparing 2017 and 2016, we find that the #1 body style changed in five of the 13 provinces/territories. Vans, alternative fuel, and coupes—three disparate body styles—hold the strongest consumer affinity, scoring highest in Yukon, British Columbia, and Ontario, respectively.

Given that much of the country sees its share of extreme weather conditions, and that it's also home to some of the most remote regions in the world, it's not much of a surprise that SUVs and crossovers continue to be popular across the entire market. However, hatchbacks and wagons are seeing strong growth as well. As *U.S. News Best Cars* recently pointed out, "carmakers are offering wagons that ride higher and have all-wheel drive." With the comfort and compact size of a sedan and the all-terrain capabilities of SUVs and crossovers—this really is a segment that gives consumers the best of both worlds.

| PROVINCE | TOP BODY STYLE | % CHANGE |
|---------------------------|------------------|----------|
| Alberta | Van | 11% |
| British Columbia | SUV/CUV | 9% |
| Manitoba | Performance | 8% |
| New Brunswick | Hatchback/Wagon | 3% |
| Newfoundland and Labrador | Van | 12% |
| Northwest Territories | Alternative Fuel | 15% |
| Nova Scotia | SUV/CUV | 11% |
| Nunavut | Compact | 21% |
| Ontario | Performance | 10% |
| Prince Edward Island | Performance | 11% |
| Quebec | Hatchback/Wagon | 6% |
| Saskatchewan | Hatchback/Wagon | 7% |
| Yukon Territory | Sport | 8% |

MAKING A MOVE

FUEL TYPE PREFERENCES, BY PROVINCE/TERRITORY



Here's a look at the fastest growing fuel types in each province and territory

Highest Scores

Alternative fuel is the top-ranking preference in three of Canada's largest markets. Electric is the #1 ranking alternative fuel type in Quebec, which has arguably become the center of the Canadian electric car market, plug-in hybrids rank #1 in Ontario, and electric and hydrogen rank first in British Columbia.

Canada's Progressive Mindset

Thanks to generous incentives, hefty sales rebates, legislation efforts to increase Canada's zero-emission vehicle adoptions, and the country's push toward hydrogen fuel (Ontario is getting Canada's first public hydrogen fueling station and the Quebec government recently purchased the country's first fleet of hydrogen fuel cell vehicles), Canada continues to strengthen its reputation as a leader in alternative fuel technology advancements.

| PROVINCE | TOP FUEL TYPE | % CHANGE |
|---------------------------|----------------|----------|
| Alberta | Diesel | 7% |
| British Columbia | Gasoline | 2% |
| Manitoba | Diesel | 12% |
| New Brunswick | Hydrogen | 12% |
| Newfoundland and Labrador | Diesel | 6% |
| Northwest Territories | Hydrogen | 33% |
| Nova Scotia | Hydrogen | 19% |
| Nunavut | Diesel | 15% |
| Ontario | Hydrogen | 8% |
| Prince Edward Island | Electric | 13% |
| Quebec | Gasoline | 7% |
| Saskatchewan | Diesel | 33% |
| Yukon Territory | Plug-In Hybrid | 21% |

Source: Jumpstart Internal Analytics, January 2016 – December 2017. Using a mathematical score that takes into account the mean and standard deviation of traffic to Jumpstart sites, these maps display shopper interest in vehicle body styles and fuel types across all provinces and territories.

BY THE NUMBERS

A LOOK AT LUXURY AND NON-LUXURY BRAND PREFERENCES, BY PROVINCE / TERRITORY

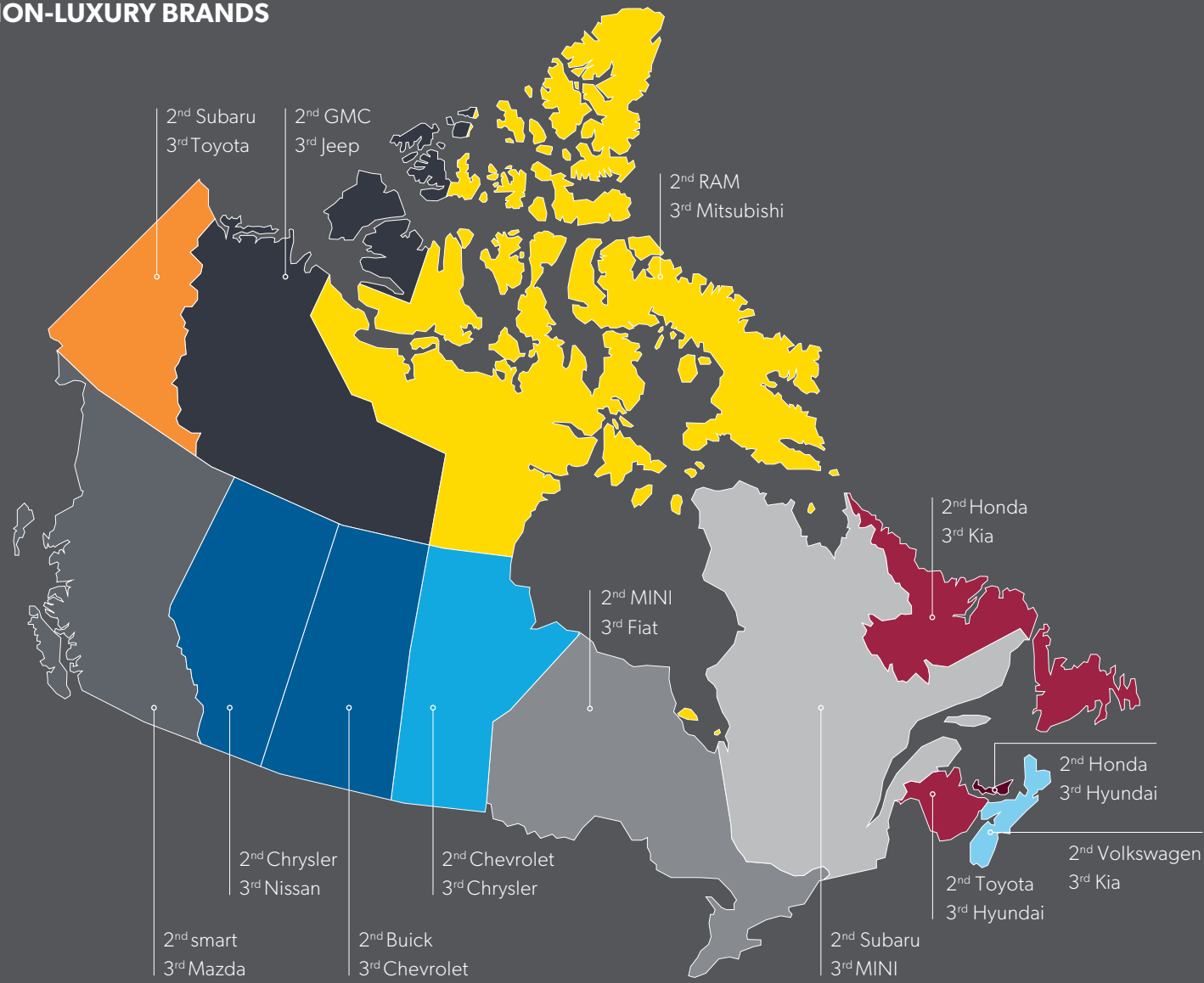
While personal style, budget, and family necessities play a huge part in a consumer's purchase decisions, there are many other regional and environmental factors at play. People living in urban areas, which encompasses 70% of Canada's

population, prefer smaller vehicles that help ease the pain of city parking. People living in especially mountainous regions opt for larger vehicles that can better handle rugged terrain and extreme weather conditions. Also, in the provinces

that are within 100 miles of the U.S. border, we see greater preference for U.S. brands. Factors such as household income also influence buying decisions. For example, we found that shoppers in Alberta, which ranks in the top four

in terms of median income, gravitate more toward luxury performance SUVs and CUVs; a trend that may indicate that these shoppers are willing to spend their extra money on performance vehicles that really satisfy their love of driving.

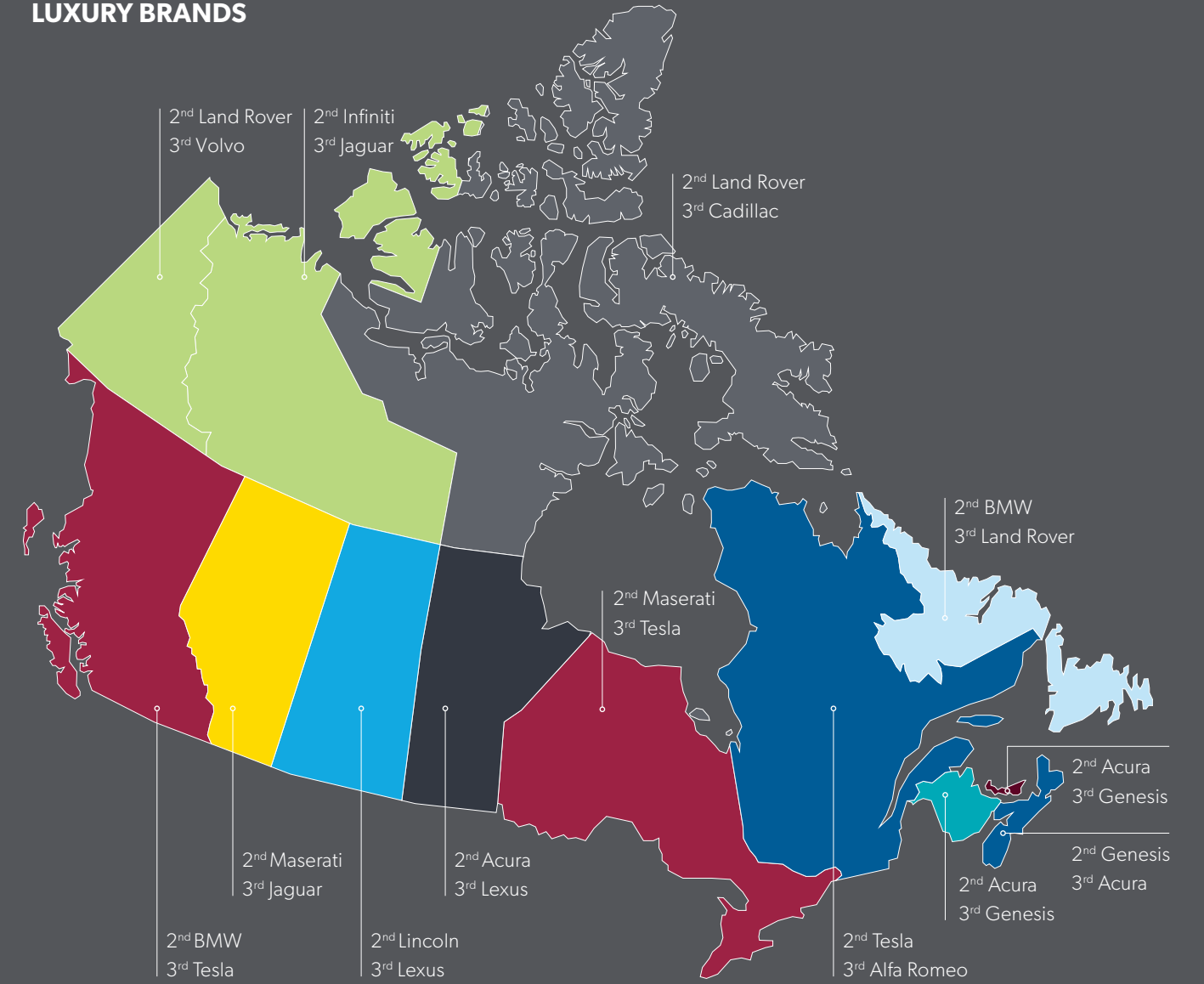
NON-LUXURY BRANDS



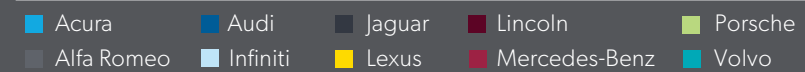
BY PROVINCE/TERRITORY



LUXURY BRANDS



BY PROVINCE/TERRITORY



Source: Jumpstart Internal Analytics, January 2016 – December 2017. Using a mathematical score that takes into account the mean and standard deviation of traffic to Jumpstart sites, these maps display shopper interest by brand across all provinces and territories.

CASE STUDIES

JUMPSTART'S 2018 U.S. SHOPPER SURVEY

As automotive publishers, we stay laser-focused on analyzing the overarching trends that shape the industry, and understanding the ever-changing ways people shop for vehicles online. In our continued effort to better connect with our audience, we surveyed 1,143 U.S. auto shoppers across our portfolio of 13 automotive websites. By asking

a range of questions, including how long it takes them to make a decision, whether they consider themselves an enthusiast, how they feel about the shopping process (44% find it a "painful task"), and more, we gain a deeper understanding into the motivations and perspectives that are driving today's auto shoppers into the seat of their next car.

THE AUDIENCE

Jumpstart's audience is comprised of shoppers who are just months away from purchasing a car as well as enthusiast auto experts who are constantly influencing

current—and future—auto buying decisions of everyone around them.

IN-MARKET SHOPPERS

65% Are Planning To Buy Or Lease In The Next 6 Months

31% Plan To Buy Or Lease In The Next 30 Days

80% Of Our Total Audience Have Purchased At Least One Vehicle In The Last 5 Years

ENTHUSIASTS & INFLUENCERS

50% Of Our Audience Consider Themselves An Enthusiast

82% Were Asked Their Opinion About A Car By 2 Or More People

89% Of Enthusiasts Have Purchased At Least One Vehicle In The Last 5 Years

THE PURCHASE

When it comes to the path to purchase, we know that there are factors driving shoppers' decisions, and particular considerations that point them in

one direction or another. We also know this varies across demographics.

LOYALTY

92% Are Willing To Consider A Different Brand From What They Currently Own

8% Are Set On Buying The Same Brand

35% Indicate That They Will Definitely Buy A Different Brand

Millennials are 41% less likely to "definitely" buy the same brand (vs. the total in-market audience) and are 57% more likely than the average in-market shopper to buy a truck for their next purchase.

BODY STYLES

 **44%** Car

 **35%** SUV/CUV


 **15%** Trucks


Luxury shoppers are 49% more likely to purchase an SUV as their next vehicle.

Used shoppers are researching cars 50% more than SUVs.

TOP 3 MUST-HAVES

 Fuel Efficiency

 Lower Monthly Payment

 Finding A Good Deal (e.g., Incentives)

Luxury shoppers are 20% more likely to list "safety technology" as a must-have than non-luxury shoppers.

Women are 31% more likely than men to list "lower price/lower monthly payment" as a must-have.

TOP 3 CHALLENGES FOR ALL IN-MARKET SHOPPERS

63% Finding The Best Deal

45% Negotiating Finances

44% Finding The Best Fit

Luxury shoppers are 59% more likely to list "vehicle availability" as a top challenge (vs. the non-luxury shopper).

Women are 61% more likely to list "auto industry terminology" as a top challenge (vs. men).

MOST IMPORTANT SHOPPING TOOLS

| RANK | NEW SHOPPER | USED SHOPPER | CPO SHOPPER |
|------|-------------------------------|------------------------|-------------------------------|
| #1 | Search Local Inventory | Vehicle History | Vehicle History |
| #2 | Expert Car Reviews | Used Car Values | Search Local Inventory |
| #3 | Detailed Car Specs | Finance Options | Used Car Values |

Source: Jumpstart Automotive Media 2018 Automotive Shopper Survey, February 2018



JUMPSTART'S 2018 CANADIAN SHOPPER SURVEY

As automotive publishers, we stay laser-focused on analyzing the overarching trends that shape the industry, and understanding the ever-changing ways people shop for vehicles online. In our continued effort to better connect with our audience, we surveyed 802 Canadian auto shoppers across our portfolio of 15 automotive websites. By asking a

range of questions, including how long it takes them to make a decision, whether they consider themselves an enthusiast, how they feel about the shopping process (48% find it a "painful task"), and more, we gain a deeper understanding into the motivations and perspectives that are driving today's auto shoppers into the seat of their next car.

THE AUDIENCE

Jumpstart's Canadian audience is comprised of shoppers who are just months away from purchasing a car as well as the enthusiast auto experts who are

constantly influencing current—and future—auto buying decisions of everyone around them.

IN-MARKET SHOPPERS

- 55%** More Than Half Are Planning To Buy Or Lease In The Next 6 Months
- 31%** Plan To Buy Or Lease In The Next 30 Days
- 80%** Of Our Total Audience Have Purchased At Least One Vehicle In The Last 5 Years

ENTHUSIASTS & INFLUENCERS

- 36%** Of Our Audience Consider Themselves An Enthusiast
- 88%** Were Asked Their Opinion About A Car By 2 Or More People
- 87%** Of Enthusiasts Have Purchased At Least One Vehicle In The Last 5 Years

THE PURCHASE

When it comes to the path to purchase, we know that there are factors driving shoppers' decisions, and particular considerations that point them in

one direction or another. We also know this varies across demographics.




LOYALTY

- 91%** Are Willing To Consider A Different Brand From What They Currently Own
- 9%** Are Set On Buying The Same Brand
- 33%** Indicate That They Will Definitely Buy A Different Brand

Millennials are 61% more likely to say they will "definitely" buy a different brand.

New shoppers are 24% less likely to buy the same brand than used car shoppers.

BODY STYLES

- 38%** Car 
- 43%** SUV/CUV 
- 10%** Trucks 

Enthusiasts are 113% more likely to buy a truck (vs. in-market shoppers).

Used shoppers are 98% more likely to buy a truck (vs. new shoppers).

TOP 3 MUST-HAVES

-  Fuel Efficiency
-  Performance
-  Safety Technology

Luxury shoppers are 60% more likely to list "safety technology" as a must-have than non-luxury shoppers.

Women are 79% more likely than men to list "lower price/lower monthly payment" as a must-have.

Millennials are 58% more likely to list "infotainment technology (e.g., Apple CarPlay) as a must-have (vs. all the respondents).

TOP 3 CHALLENGES FOR ALL IN-MARKET SHOPPERS

- 67%** Finding The Best Deal
- 46%** Finding The Best Fit
- 29%** Vehicle Availability

Luxury shoppers are 44% more likely to list "vehicle availability" as a top challenge (vs. non-luxury shoppers).

French speaking Canadian auto shoppers are 217% more likely to list "auto industry terminology" as a top challenge (vs. English speaking, used and CPO shoppers).

MOST IMPORTANT SHOPPING TOOLS

| RANK | NEW SHOPPER | USED & CPO SHOPPER |
|------|---------------------------|-------------------------------|
| #1 | Expert Car Reviews | Used Car Values |
| #2 | Model Comparisons | Vehicle History |
| #3 | Trade-in Offers | Search Local Inventory |



UNDERSTANDING TODAY'S LUXURY AUTO OWNER

Over the years, we've watched as the luxury segment has grown. Across Jumpstart, we've found that 34% of shoppers are researching luxury vehicles, up 4% from 2014. As the segment continues to evolve and increase in popularity, we wanted to better understand the luxury owner mindset.

Working with global research firm, Ipsos Connect, we found that a majority of luxury auto owners fall into one of these two groups.

AGE RANGE

1/3 Of Luxury Owners Are Between The Ages Of 25 – 34 Years Old

When Looking At This Group:

72% have a household income of **more than \$100K.**

82% are purchasing a **new vehicle** to be used as their **primary vehicle.**

77% typically purchase or lease a new vehicle **every three years or less.**

Here's a look at their demographics and what's driving their purchase decisions.

HOUSEHOLD INCOME

1/3 Of Luxury Owners Have A HHI Of Less Than \$100K

When Looking At This Group:

They are 37% more likely to associate "unique knowledge or taste" with luxury, which speaks to the need to express their individuality.

1 in 4 are single or living with a partner, and **1 in 5** are **first-time** luxury owners.

This group lives for the thrill or experience of driving and is 12% more likely to place a greater emphasis on vehicle performance.

When looking at all the respondents and participants in the study, we found some interesting trends in regards to overall perceptions of luxury, and how emotion, experience, and loyalty are driving purchasing decisions.

1 THE PURCHASE CYCLE

62% Expect To Hold Onto Their Vehicle For Three Years Or Less

70% Are Buying Their Primary Vehicle New, And Are 41% Less Likely To Purchase A Used Vehicle

36% Of Mass Market Owners Are Considering A Luxury Vehicle For Next Purchase

2 DEFINING LUXURY AND PURCHASE MOTIVATIONS

68% "Quality" Is The One Word That Best Describes Luxury

72% Want A Car That "Stands Out" Rather Than "Fits In"

67% Agree That The Vehicle A Person Drives Says A Lot About Who They Are

3 THE BRAND EXPERIENCE

50% More Likely To Attend An Experiential Event

88% Came Away From An Experiential Event With A More Positive Perception Of The Brand

3/4 Of Luxury Owners Use The Dealership For Service, Which Presents An Opportunity For OEMs To Continue To Influence Brand Perception

THE BOTTOM LINE

Focus On Brand Experience And Innovation

Loyalty is strong among luxury auto shoppers. As luxury brands continue to use post-sale service as a way to differentiate themselves from the competition, a solid dealership visit becomes more important than ever. Creating unique, memorable brand experiences is a powerful way to build loyalty and trust. And for those loyal luxury shoppers staying within the same brand or family of brands, innovation becomes the key differentiator—so emphasizing innovation is paramount when speaking to this audience.

Connect With Mass Market Shoppers

Across Jumpstart, we see that 31% of visitors are cross-shopping between luxury and non-luxury vehicles, which presents a huge opportunity for marketers. To better connect with this audience, brands and marketers should put additional focus on highlighting a vehicle's quality and addressing concerns about high maintenance costs.

Speak To The Individual

Both current luxury owners and would-be luxury owners see the luxury vehicle as a badge of personal and professional success. However, emotions are influencing decisions more than anything. Both groups like the idea that they are part of an exclusive community of fellow luxury auto owners and are, above all else, purchasing luxury models because the vehicle makes them feel good. Marketers must remember to play up the quality and enjoyment that a luxury vehicle provides as these are the most important factors driving consumers into luxury brands today.

Methodology:

Research was conducted by Ipsos Connect for Jumpstart Automotive Media from December 2016 through May 2017.



For full study and methodology, visit jumpstartautomotivemedia.com

PERSPECTIVES AND PREDICTIONS

NO END IN SIGHT

WHY AMERICA'S LOVE AFFAIR WITH SUVs AND CUVs ISN'T GOING AWAY ANYTIME SOON

Like every other auto marketer and industry analyst out there, we've been watching in awe as SUVs and crossovers have become wildly popular. Over the past few years, it seems these vehicles have taken over the world...well, the roads at least. Just when we think we might be hearing signs it's about to slow down (e.g., recent *Bloomberg* and *Automotive News* articles suggesting station wagons or sport utility coupes may be the cure-all for an impending "SUV fatigue"), research and sales trends tell us otherwise.

SUV and crossover sales are on an upswing, and demand is staying strong. When looking at global sales, the industry grew by only 3% in 2017, while the SUV/CUV segment saw 12% growth. And when looking at U.S. numbers, 2017 saw an overall auto market decline of 2%, while SUVs/CUVs enjoyed an 8% increase. What's more, IHS Markit reported in July 2017 that customer loyalty to SUVs and CUVs was at its "highest ever" with rates at nearly 70% (up from less than 53% in 2012). Tom Libby, manager of automotive loyalty solutions and industry analysis at IHS Markit told *CNBC*, "It is extremely rare to see a loyalty rate above 60%, let alone close to 70%, which is what we have with SUVs and crossovers right now."

Automakers have been responding by producing a dizzying range of sizes, features, and price points, which have, in turn, only fueled consumer appetite even more. Brands also continue to tweak production plans in response to the SUV/CUV frenzy. This January, at the 2018 Deutsche Bank Global Auto Industry Conference in Detroit, Ford announced that it would be "boosting" its SUV mix. And performance brands—nameplates like Maserati, Bentley, and Lamborghini that are known for making the world's finest luxury sports cars—are now getting into the SUV/CUV game. You know when you see Lamborghini making a sport utility vehicle, the trend is far from over.

"It is extremely rare to see a loyalty rate above 60%, let alone close to 70%, which is what we have with SUVs and crossovers right now."

So, what's the big deal? Yes, people are buying SUVs and CUVs for logical reasons: gas prices are low, technical advancements have made them more environmentally sound (read: no more stigma), and a wide range of options continue to make them more and more enticing for every auto shopper. But we think there might be another underlying factor at play.

1. LMC Automotive, January 2018

2. IHS Market from "Love for SUVs and pickups surge to record height", *CNBC*, July 2017

2017 SUV/CUV SEGMENT SALES GROWTH¹

+12% GLOBAL SALES

+8% U.S. SALES

2017 SUV/CUV CUSTOMER LOYALTY RATE²

≈ 70% "HIGHEST EVER"

NEWCOMERS IN THE SUV/CUV GAME



MASERATI



BENTLEY



LAMBORGHINI

DRIVING FACTORS



EMOTION



EXPERIENCE



FUNCTION



As marketers, we spend a great deal of time figuring out ways brands can stand out and make long-lasting connections with customers.

And auto shoppers are doing the same. They are spending more time finding the brand that best represents their values, state of mind, and passions. They're also thinking more about how they spend their time. And let's face it, we spend a lot of time in our cars. Yes, it might be commuting and running errands, but our cars have always served much more than just a utility purpose. Now more than ever, they represent freedom and one of the last places where we can find true peace of mind. It's the one place we have (almost) complete control over our environment.

So, doesn't it make sense that we would naturally choose to spend that time in a vehicle that is roomier and more comfortable, feels safer, and can accommodate any kind of hauling situation—whether it's for functionality or just plain ol' fun? And this is exactly the sweet spot that SUVs and CUVs hit. These vehicles appeal to consumers' functional and emotional needs, and enhance the driving experience.

In our minds, the reason America is so in love with SUVs and CUVs may be quite simple: it's just a more rewarding space in which to spend our time.

NEW RULES

HOW INFLUENCERS AND ENTHUSIASTS ARE FUELING THE FUTURE OF MARKETING

Brand advocacy is nothing new. Companies have always worked hard to keep customers happy because they know the value of loyal advocates who share their personal brand experiences. While we still see plenty of brands employing the more traditional, celebrity endorsement methods (think: Matthew McConaughey and Lincoln), influencers—especially on social media—are really changing the marketing game.

Advocates or, if you prefer, ambassadors, enthusiasts or evangelists, are the people who test or buy our products and services, and love them enough to tell everyone. They are the celebrities and spokespersons that increase our brand awareness and drive sales. And more than ever, today they are the everyday consumers—the people who have the most intimate relationship with a brand. **They come in many forms, but brand advocates all have something in common: they share their personal experiences and influence decisions. Constantly.**

In our digital world, content creators, whether they're bloggers or social media influencers, are powerful components in any successful digital marketing strategy. According to a 2017 report from *Celebrity Intelligence*, digital influencers surpassed celebrities as the most popular choice for brand endorsements in 2017. What's more, 61% of respondents said they had worked with digital influencers in the past 12 months and almost 50% believe that digital influencers will be best suited for their future endorsement opportunities. Also, according to a 2017 eMarketer report citing November 2016 research from marketing solutions provider, Linquia, 48% of US marketers polled planned to increase their budget for influencer marketing in 2017. eMarketer also points out that influencer marketing spend, which used to fall under public relations, is now funded by content marketing budgets with some companies.

61% of respondents said they had worked with digital influencers in the past 12 months



The explosion of social media influencers has made it abundantly clear that these folks cannot—and should not—be ignored. Perhaps one of the greatest examples of this is the #vanlife movement we've seen play out on Instagram over the past few years. People, for better or for worse, take up permanent residence in a van (popular choices include vintage VW camper vans, Ford Transits, and Mercedes-Benz Sprinters), they document their carefree lifestyles through Instagram, rack up thousands of followers, and partner with brands to make money through sponsored posts. Some automakers have taken this strategy a step further by incorporating innovative methods of delivery, and leveraging social media's most influential pets. In 2016, Mercedes-Benz partnered with Loki, a Siberian husky, Malamute, Arctic Wolf mix with more than 1 million Instagram followers, to launch a 360-degree VR ad campaign.

“Undoubtedly, word-of-mouth recommendations from people they know and trust are the best way to promote your products to consumers.”

The spot featured Loki and his owner, Kelly Lund, as they explored a snowy Colorado landscape with a 2017 GLS. As Mark Aikman, general manager of marketing services at Mercedes-Benz USA told *Fortune* magazine in 2016, “It's not a hard sell on the GLS, it's about the experience of the story.”

As powerful as social media influencers are, research tells us that customers still place great value on word-of-mouth recommendations. In 2015, Craig Johnson, managing director of marketing effectiveness and reach portfolio at Nielsen said, “Undoubtedly, word-of-mouth recommendations from people they know and trust are the best way to promote your products to consumers.”

When it comes to purchasing a vehicle, a big decision that requires a lot of research, we've found that consumers feel recommendations from friends and family—especially from auto experts and enthusiasts—are very important to their decision-making process. Our partners at Hearst conducted a survey among *Car and Driver's* enthusiast followers in December 2017, and found that:



92% of those surveyed expressed their passion as an enthusiast through talking about it, sharing, or following on social media.



An average mean of 7.7 people asked enthusiasts for advice in the past 12 months, and an average mean of 22.3 people asked in the last 3 years.



The most common people asking enthusiasts for advice are: Family (87%), Friends and neighbors (78%), Coworkers (50%); People on social media were only 7%.

Additionally, Jumpstart's most recent shopper survey found that 35% of consumers state they will probably buy a different brand for their next purchase, and 84% are considering two or more brands. This doesn't necessarily mean there was dissatisfaction with their current car or the brand; consumers often want change, and in a market that is saturated with so many good options, keeping customers in a brand family is becoming an even greater challenge. Auto manufacturers may in fact be fighting a losing battle, but those satisfied customers (even if not repeat buyers), can still become advocates.

The value is hard to quantify, but automotive marketers arguably need advocates, enthusiasts, and influencers more than most product categories. And at the end of the day, the concept isn't new, but the face and the medium are what's changing the game.

LOOKING AHEAD

JUMPSTART'S PREDICTIONS ON WHAT'S IN STORE FOR 2018

More Brands Will Start Offering Subscription Programs

The success of subscription media services like Netflix and smartphones (think, iPhone upgrades) is undeniable. Today's always-on consumer is increasingly looking for convenience and flexibility in their products and services, and this is exactly what subscriptions promise. So, it makes sense that automakers are jumping into the game. Several brands, including Ford, Lexus, Volvo, Hyundai, and Cadillac now offer subscription options. While each brand's program works differently, they all basically allow customers to subscribe on a shorter-term basis—with service and insurance included (unlike leasing, where consumers pay for long-term contracts, then pay for insurance and maintenance separately). This strategy allows brands to more easily get products and services into consumers' hands, sidestepping long-term commitment challenges. But it also presents a potential opportunity to build stronger relationships. For example, Book by Cadillac, which charges \$1,500 a month and lets people cancel any time, gives its customers the option to trade out their vehicle up to 18 times a year—that's 18 opportunities to communicate with one customer and entice them with new products. We expect to see more brands responding to today's anytime, anything, anywhere mindset with subscription programs.

Automakers Will Continue To Expand Electric Lineups

U.S. consumers have been hesitant about investing in electric vehicles; skepticism that stems primarily from high upfront costs and general anxiety around range limitations. Nevertheless, auto shoppers are interested. According to 2017 Jumpstart analytics, some of the fastest growth in interest in electric vehicles is happening on the East Coast; notable because interest has been historically centered in California. EV news has definitely been making headlines too. Despite production delays, more than 400 thousand people have put down a

deposit for the new Tesla Model 3, and 2018 marks the first year GM's Chevrolet Bolt EV will be available nationwide. In addition, most major automakers have plans for electric, and some even for completely electrifying lineups (e.g., Volvo). While consumer interest is up, and brands are exploring more options, there's no arguing that the infrastructure does not yet exist on a broad scale, and gasoline-powered vehicles are still the main driver of sales. We expect to see consumer interest continue to rise, but the translation of that into sales will be slower in the immediate future.

Consumer Interest In CPO Will Gain Speed

Between rising interest rates, looming fears of another subprime loan bubble, new-vehicle sales leveling off, and, what Automotive News called a "glut of off-lease vehicles returning to the market," Certified Pre-Owned (CPO) vehicles are becoming an attractive option for consumers. In a recent Jumpstart study, we gained some insight into why CPO is appealing to consumers. Participants talked about the peace of mind that comes with buying a CPO vehicle (warranty, inspection), and that it is, in fact, one of the top reasons they may change their mind from buying new to buying used. In a recent presentation titled, "CPO's Most Important Days Lie Ahead," Head of Consulting and Analytics at J.D. Power, Tyson Jominy, talked about how off-lease vehicles continue to "enhance the used supply." The market has been steadily increasing since 2013, with significantly greater increases of 33% in 2016 and another 9% in 2017 (it's forecasted to grow another 11% in 2018). And last year marked the seventh straight year of record growth in CPO sales, reaching an estimated 3 million units sold in the U.S. With additional marketing investment, more vehicles coming off lease, and a softening new vehicle market, we expect CPO will continue to gain speed in 2018.

To stay up to date on all Jumpstart news, visit jumpstartauto.com/insights



Image Source: cadillac.com



Image Source: volvo.com

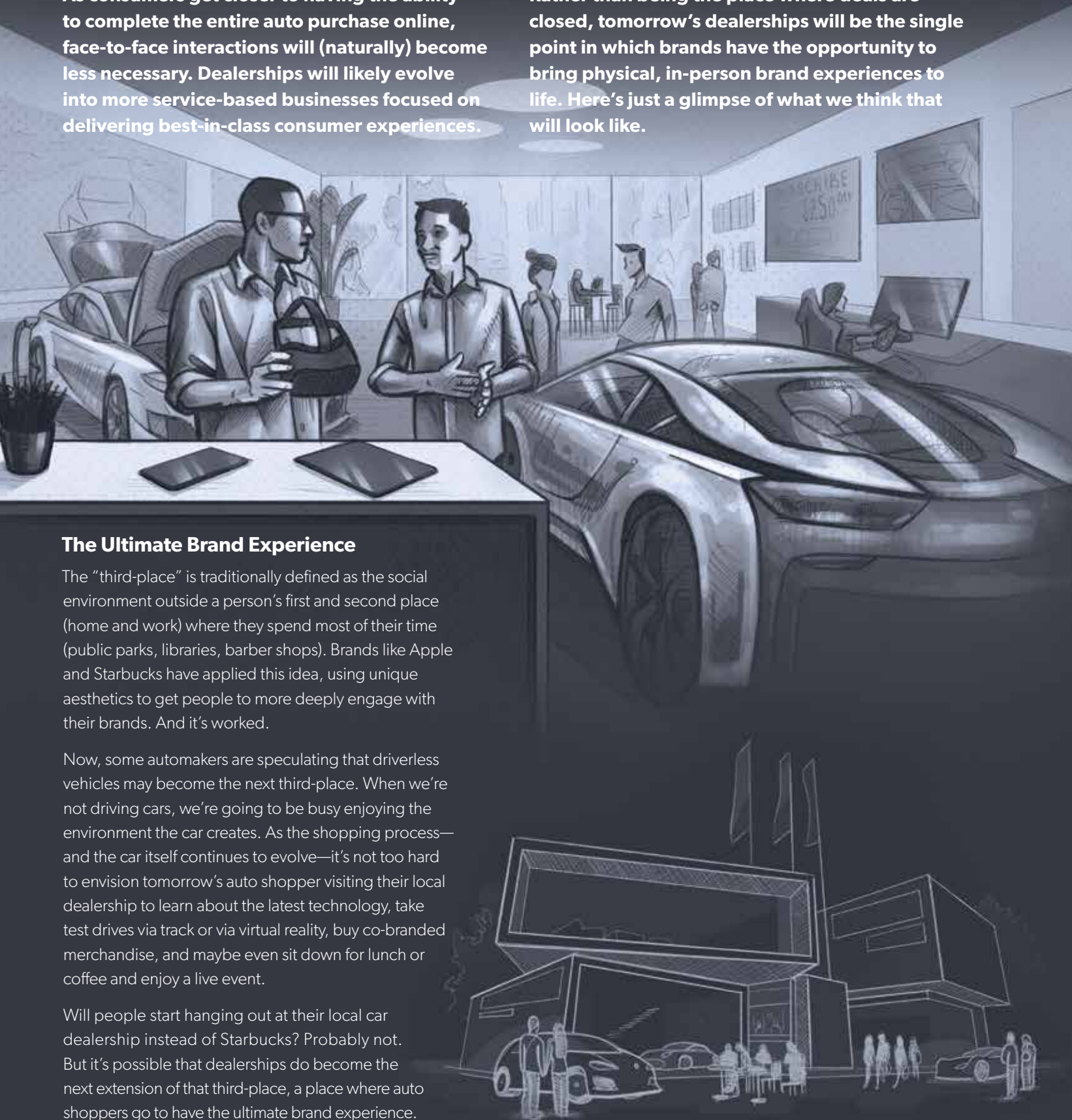


SHIFTING GEARS

IMAGINING THE DEALERSHIP OF TOMORROW

As consumers get closer to having the ability to complete the entire auto purchase online, face-to-face interactions will (naturally) become less necessary. Dealerships will likely evolve into more service-based businesses focused on delivering best-in-class consumer experiences.

Rather than being the place where deals are closed, tomorrow's dealerships will be the single point in which brands have the opportunity to bring physical, in-person brand experiences to life. Here's just a glimpse of what we think that will look like.



The Ultimate Brand Experience

The “third-place” is traditionally defined as the social environment outside a person’s first and second place (home and work) where they spend most of their time (public parks, libraries, barber shops). Brands like Apple and Starbucks have applied this idea, using unique aesthetics to get people to more deeply engage with their brands. And it’s worked.

Now, some automakers are speculating that driverless vehicles may become the next third-place. When we’re not driving cars, we’re going to be busy enjoying the environment the car creates. As the shopping process—and the car itself continues to evolve—it’s not too hard to envision tomorrow’s auto shopper visiting their local dealership to learn about the latest technology, take test drives via track or via virtual reality, buy co-branded merchandise, and maybe even sit down for lunch or coffee and enjoy a live event.

Will people start hanging out at their local car dealership instead of Starbucks? Probably not. But it’s possible that dealerships do become the next extension of that third-place, a place where auto shoppers go to have the ultimate brand experience.

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We Thank You!



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