Automotive Online Marketing Review

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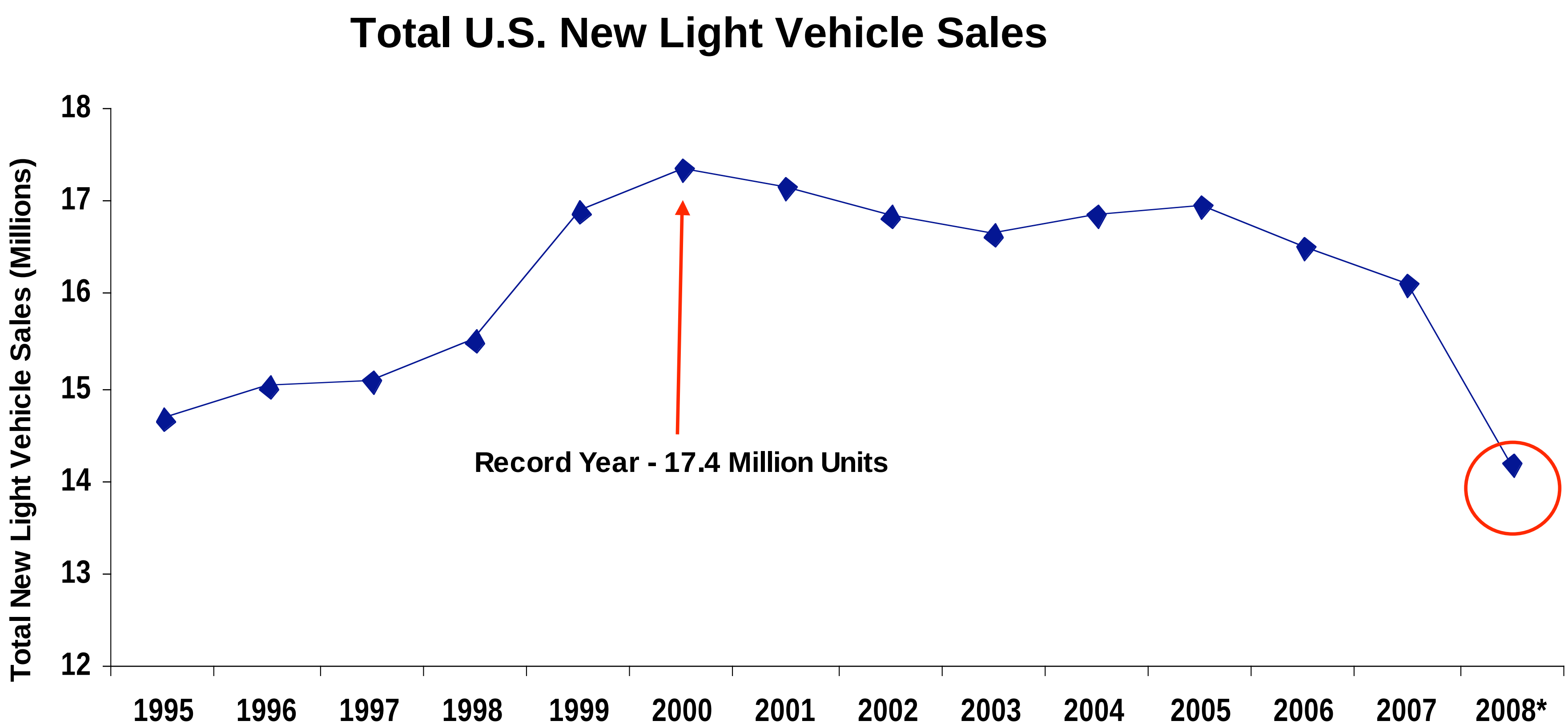
October 7th, 2008

2008 U.S. new vehicle sales will total about 14 million, the lowest annual result since 1993



Source: J.D. Power and Associates

*JDPA Forecast

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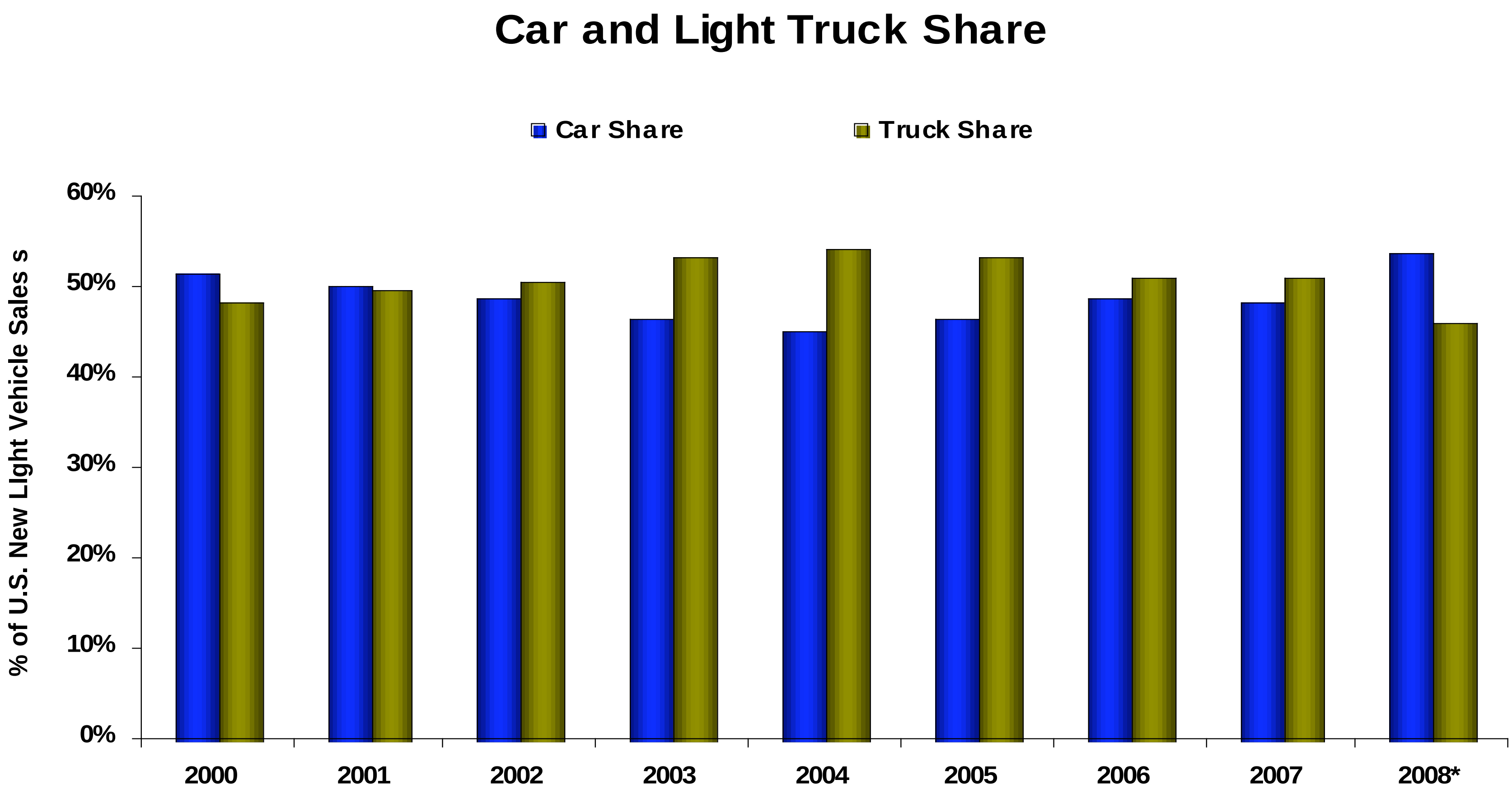
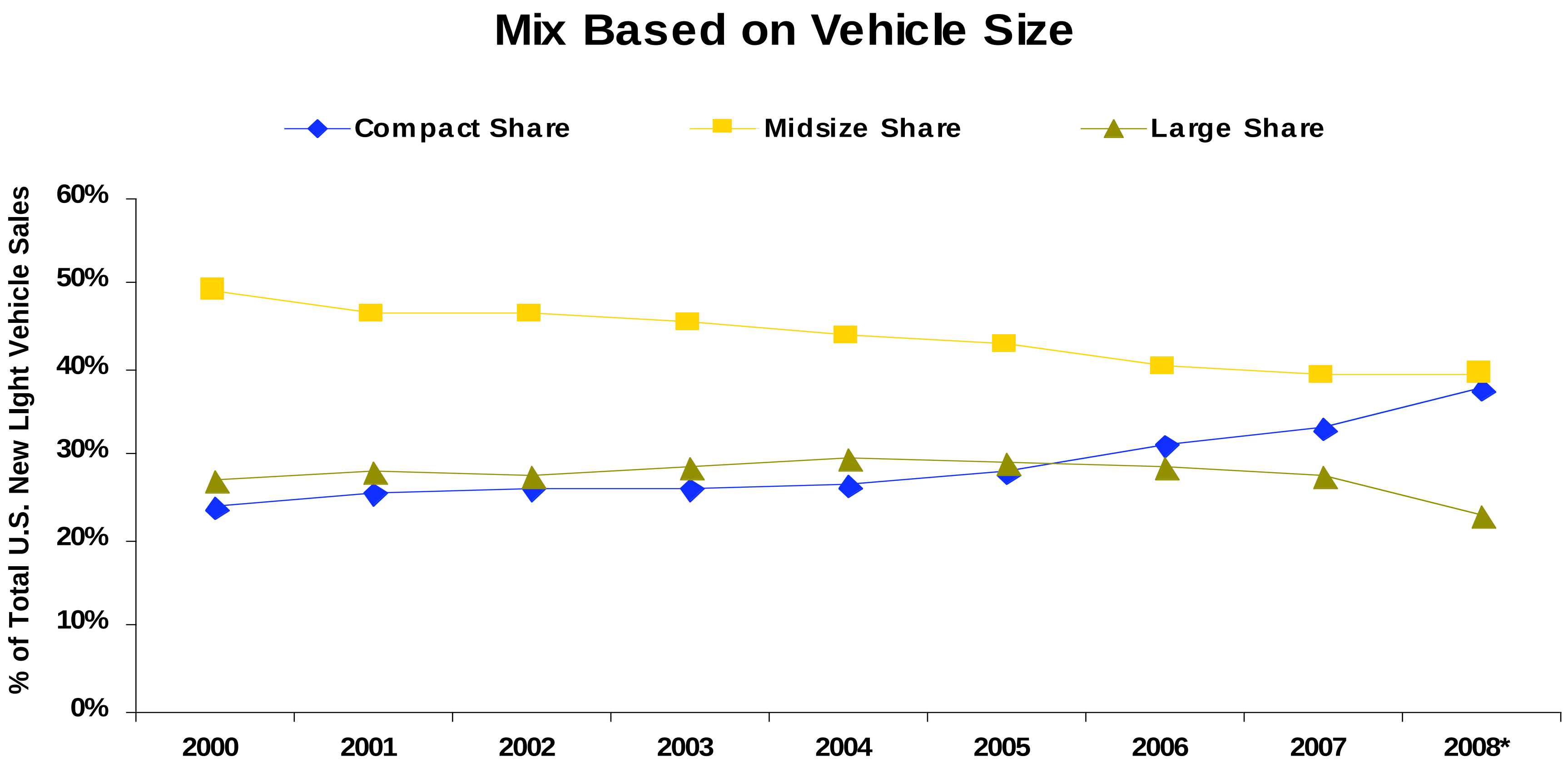
With higher gas prices, cars are now out-selling light trucks by a substantial margin



Source: J.D. Power and Associates

*August YTD

Compact vehicles have gained share at the expense of both Midsize and Large vehicles



*August YTD

Source: J.D. Power and Associates

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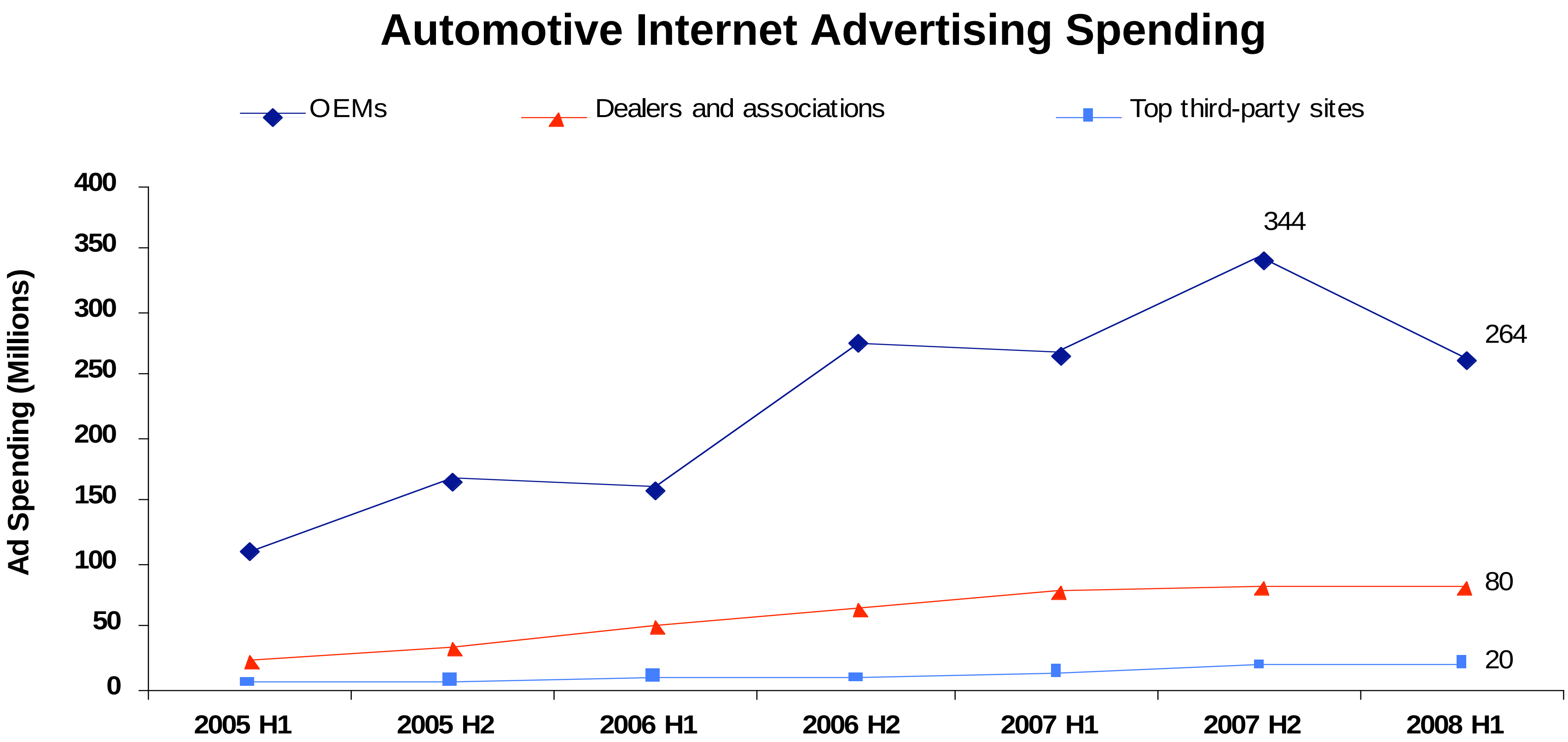
Online budgets are being reigned in this year. Reaching shoppers efficiently is more important than ever



Source: tns media intelligence

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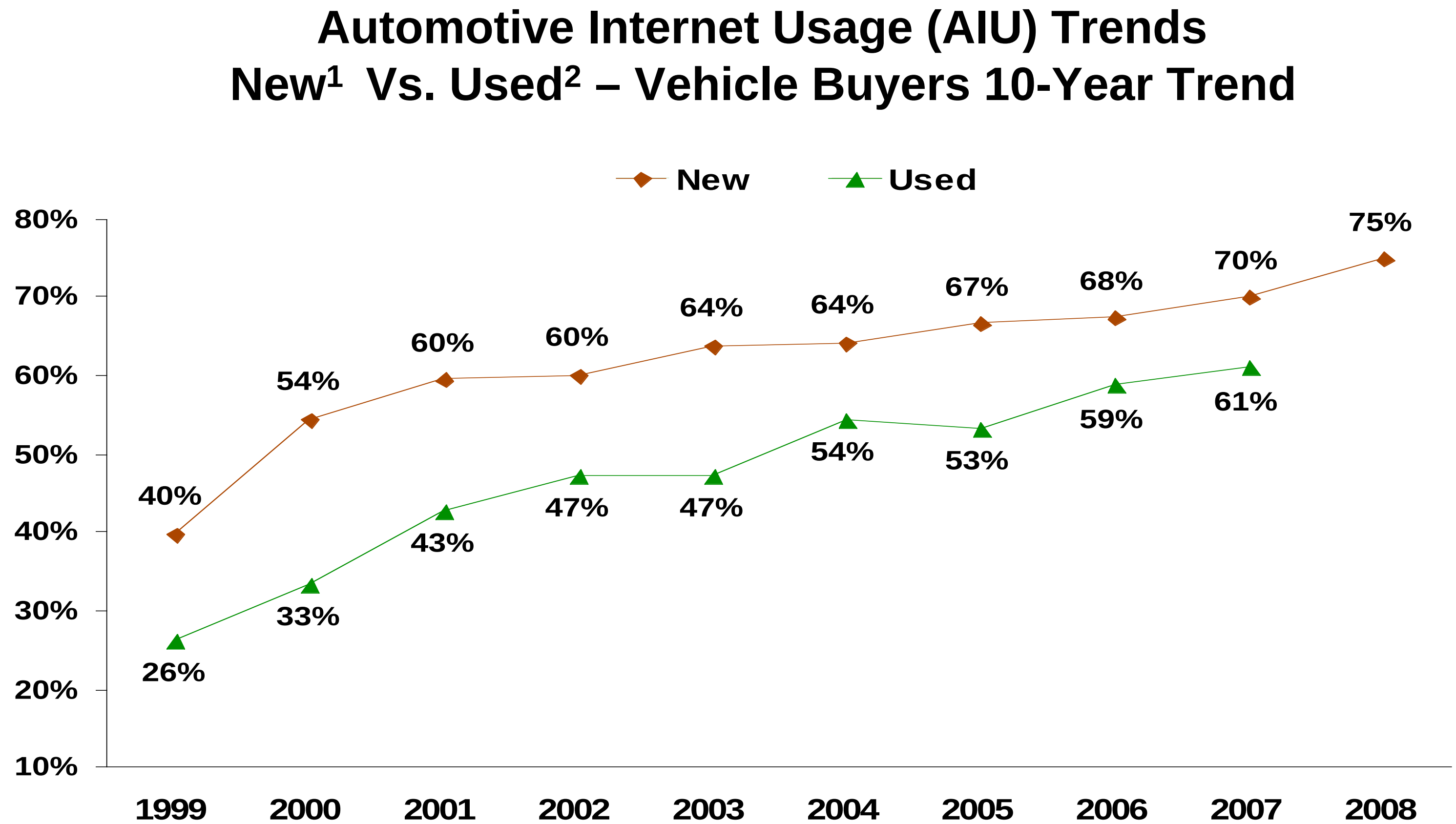
Automotive Internet usage (AIU) rates rise rapidly as shoppers change their purchase behaviors



[1]Based to new-vehicle buyers. Source: J.D. Power and Associates 1999-2008 New Autoshopper.com Studies
[2]Based to used-vehicle buyers. Source: J.D. Power and Associates 1999-2007 Used Autoshopper.com Studies

When do buyers begin shopping for vehicles?

Average/Median days prior to purchase

First shopped for any model	**89/87** days before
First shopped for a model within the vehicle segment which they purchased	**74/56** days before
First shopped for the model they ultimately purchased	**62/29** days before

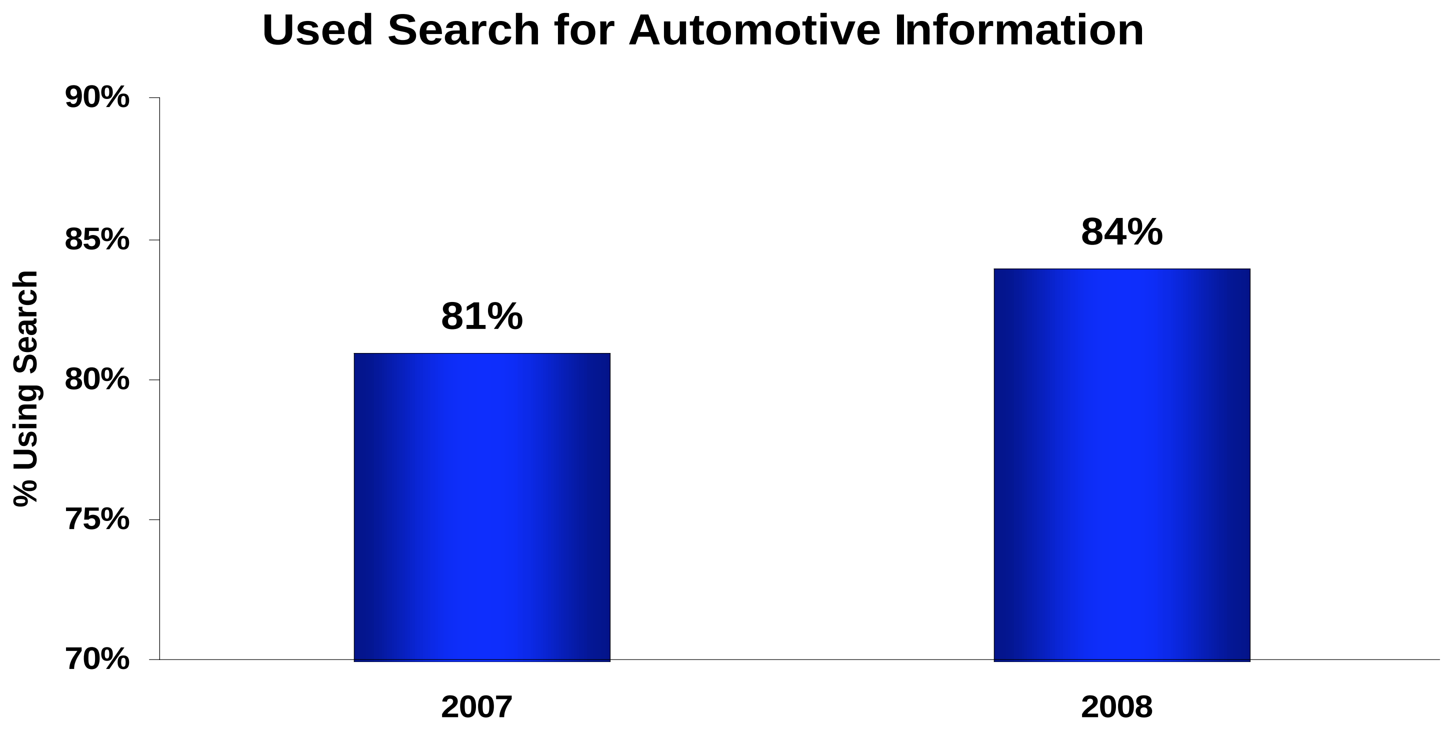
Based to AIUs. Preliminary Unweighted Data
Source: J.D. Power and Associates 2008 Auto Buyer Clickstream Study

Number of Models Shopped Increases in Month of Purchase

Timeframe	Number of Models Shopped per Buyer
5 Months Prior	1.0
4 Months Prior	1.1
3 Months Prior	1.1
2 Months Prior	1.2
1 Month Prior	1.5
Purchase Month	3.1

Based to AIUs. Preliminary Unweighted Data
Source: J.D. Power and Associates 2008 Auto Buyer Clickstream Study

Use of Search is also growing, fueled by growth in the use of Google

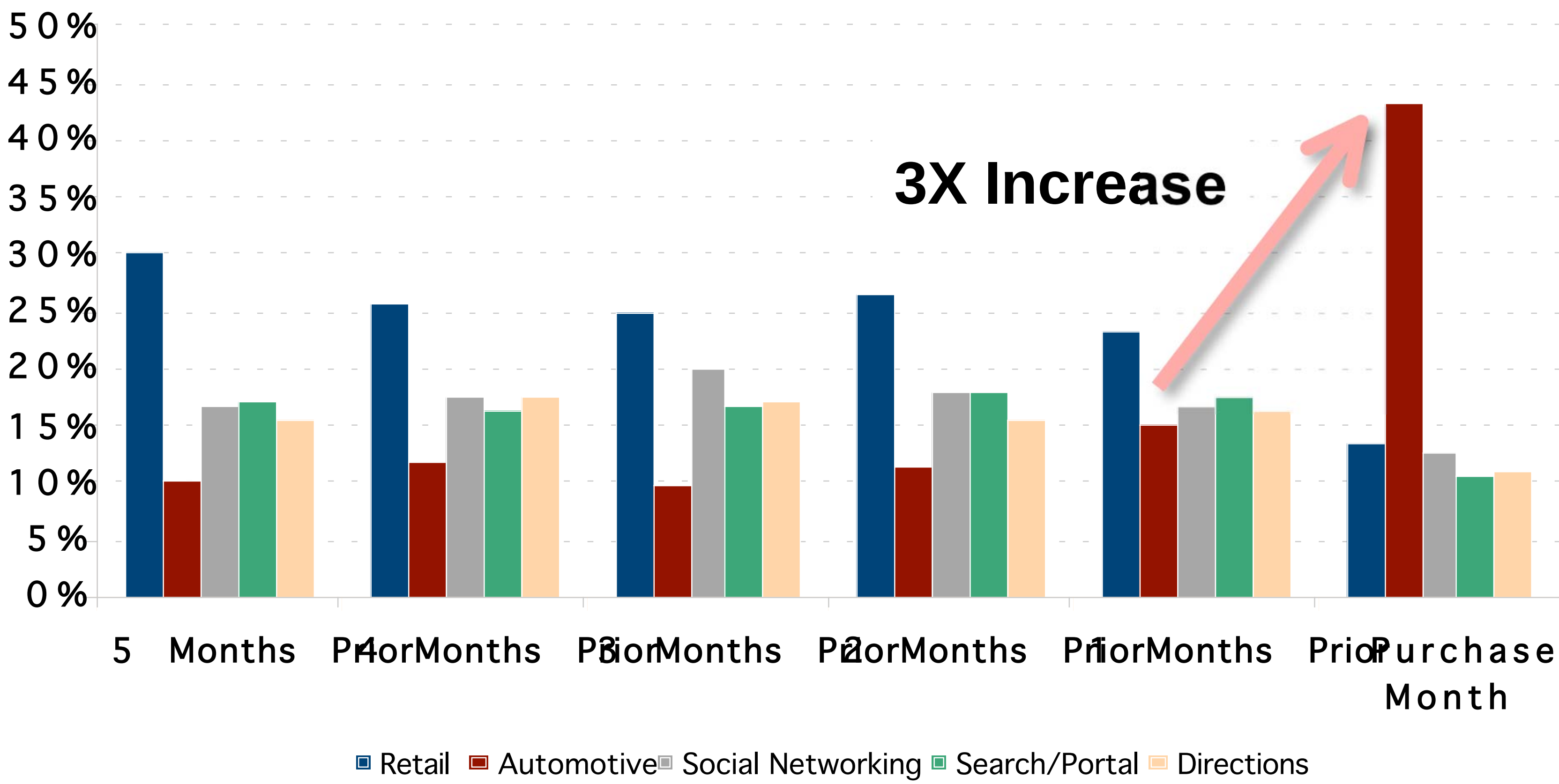


Based to AIUs. Source: J.D. Power and Associates 2007/2008 New Autoshopper.com Study

Online NVBs Increased their use of Automotive search terms the month of purchase

Categorized Search Terms throughout the Vehicle Purchase Horizon

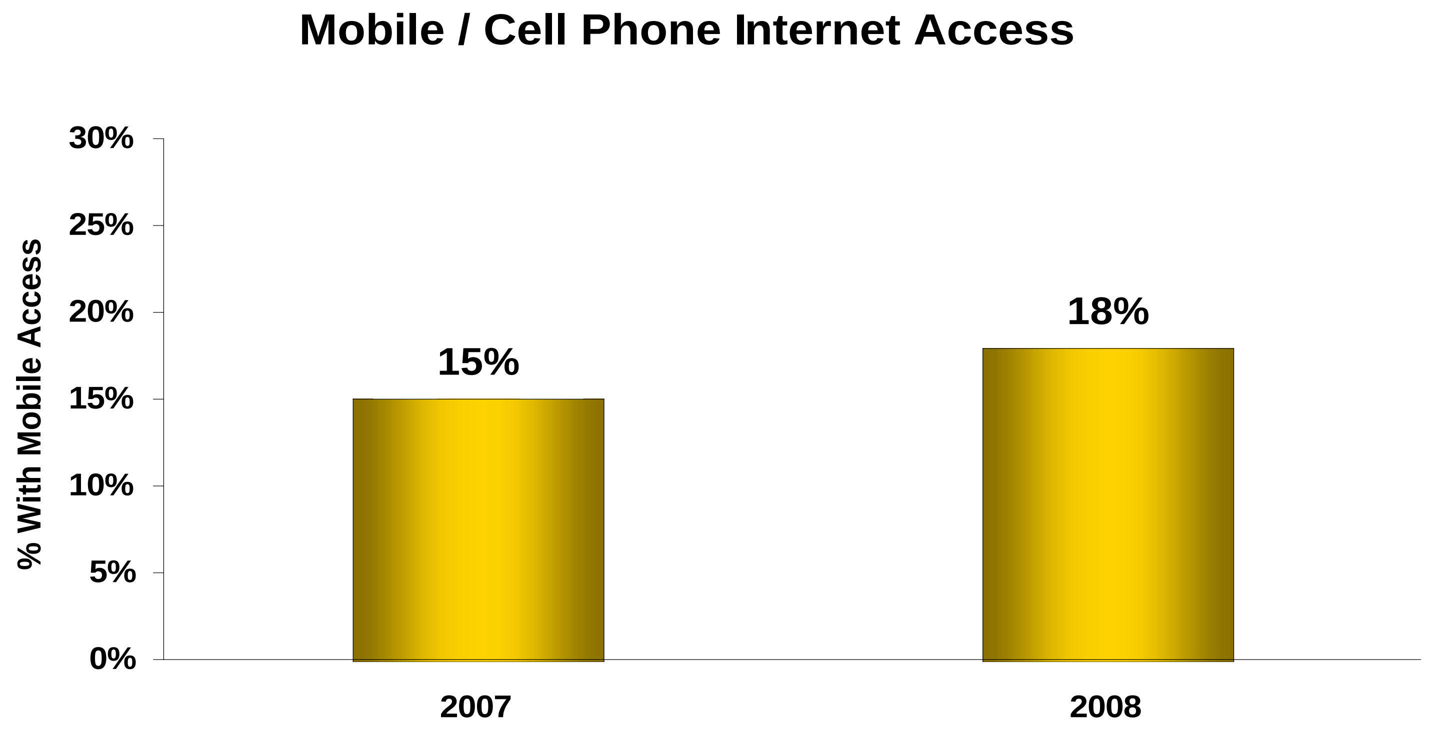
Percentage of the top 100 search terms by AIUs



Based to AIUs. Preliminary Unweighted Data

Source: J.D. Power and Associates 2008 Auto Buyer Clickstream Study

In 2008, use of Mobile access grew by 21% versus 2007



Based to AIUs. Source: J.D. Power and Associates 2007/2008 New Autoshopper.com Study

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Mobile should be on some OEMs' top priorities, but of less concern to others

Mobile / Cell Phone Access to the Internet	
Top 5	
Land Rover*	50%
Porsche	43%
BMW	37%
Jaguar*	36%
Audi	35%
Bottom 5	
Suzuki	13%
Mercury	11%
Buick	11%
Hyundai	10%
Kia	8%

Based to AIUs buying each brand. Source: J.D. Power and Associates 2008 New Autoshopper.com Study
*Caution: Small Sample. Land Rover (n=85), Jaguar (n=61)

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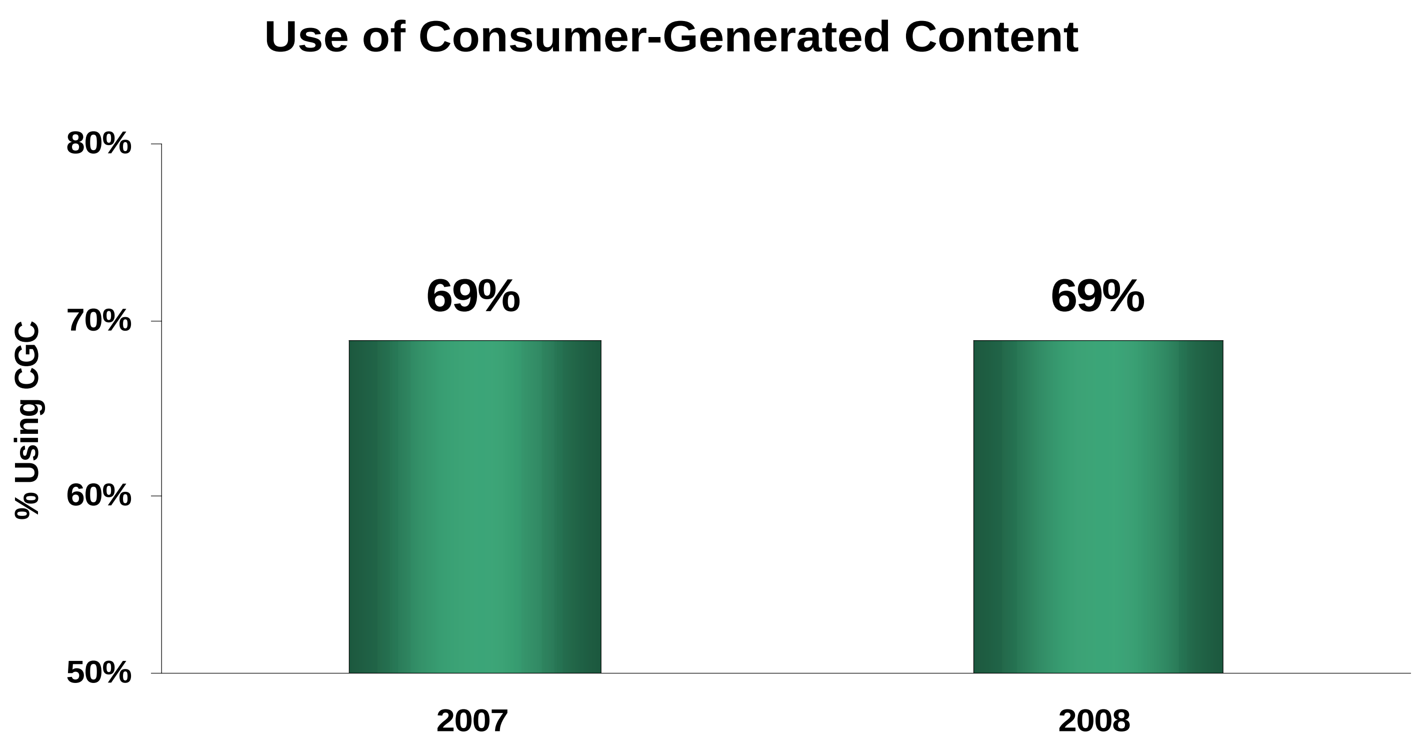
Consumer-generated content (CGC) remains an important part of the online shopping process



Based to AIUs. Source: J.D. Power and Associates 2008 New Autoshopper.com Study

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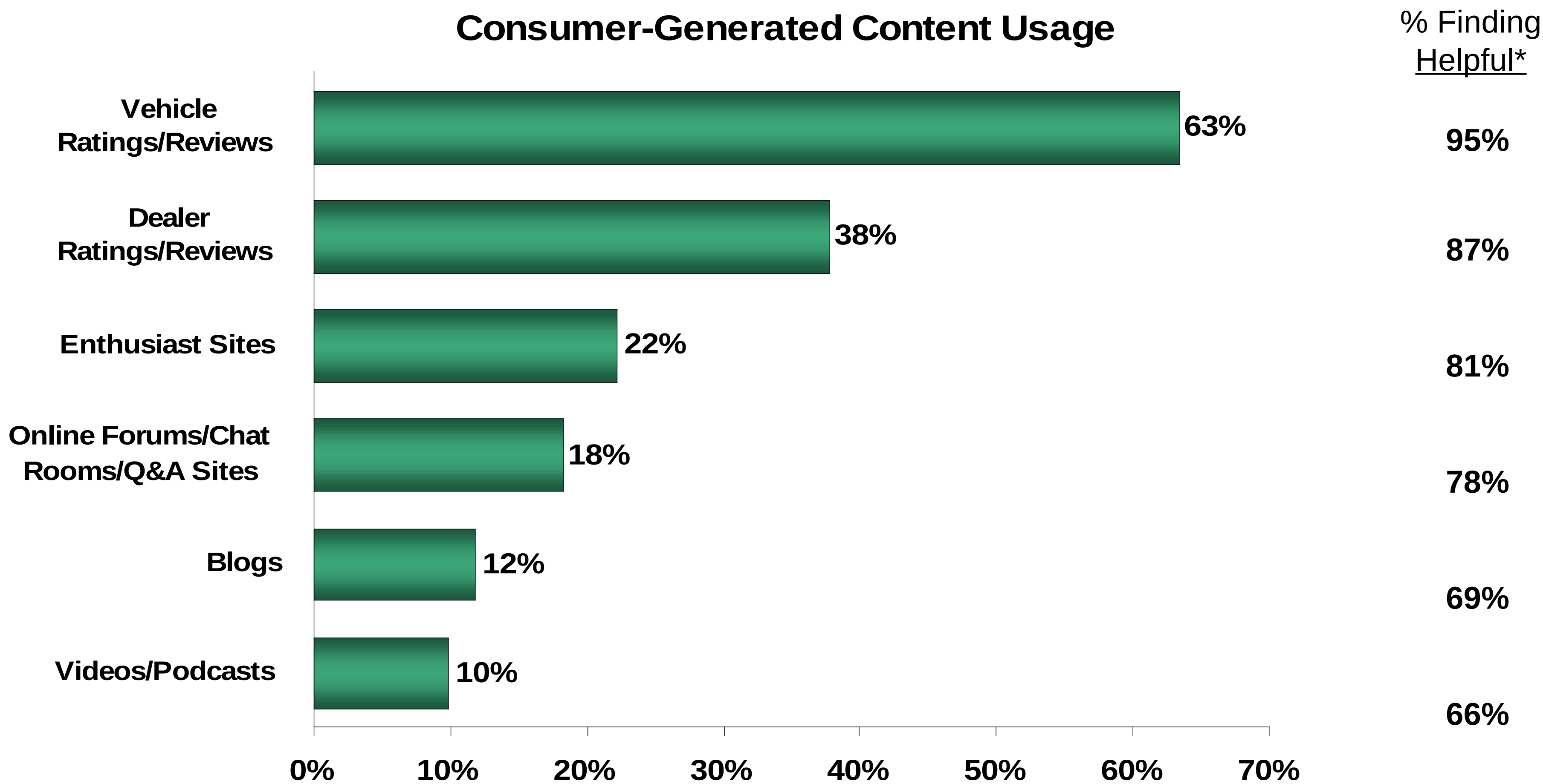
Vehicle Ratings and Reviews are by far the most used type of CGC



*Based to AIUs who used each type of CGC
Source: J.D. Power and Associates 2008 New Autoshopper.com Study

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The model purchase decision is impacted by Expert and Consumer Ratings & Reviews

Shoppers Using Consumer Ratings/Reviews (Not Expert)	
Model Purchased	**Share**
Toyota Camry	3.9%
Honda Accord Sdn	3.3%
Nissan Altima	3.2%
Toyota Yaris	2.8%
Toyota Corolla	2.6%
Toyota Prius	2.3%
Honda Pilot	2.2%
Ford Focus	2.2%
Honda Civic Sdn	2.2%
Ford F-150 LD	2.1%

Shoppers Using Expert Ratings/Reviews (Not Consumer)	
Model Purchased	**Share**
Honda Accord Sdn	3.7%
Nissan Altima	3.6%
Toyota Camry	3.2%
Honda CR-V	2.9%
Toyota Prius	2.5%
Honda Civic Sdn	2.1%
Chevrolet Silverado LD	2.0%
Ford F-150 LD	2.0%
BMW 3 Series	1.9%
Toyota Corolla	1.7%

Based to AIUs using either Consumer or Expert Ratings/Reviews, but not the other.
Source: J.D. Power and Associates 2008 New Autoshopper.com Study

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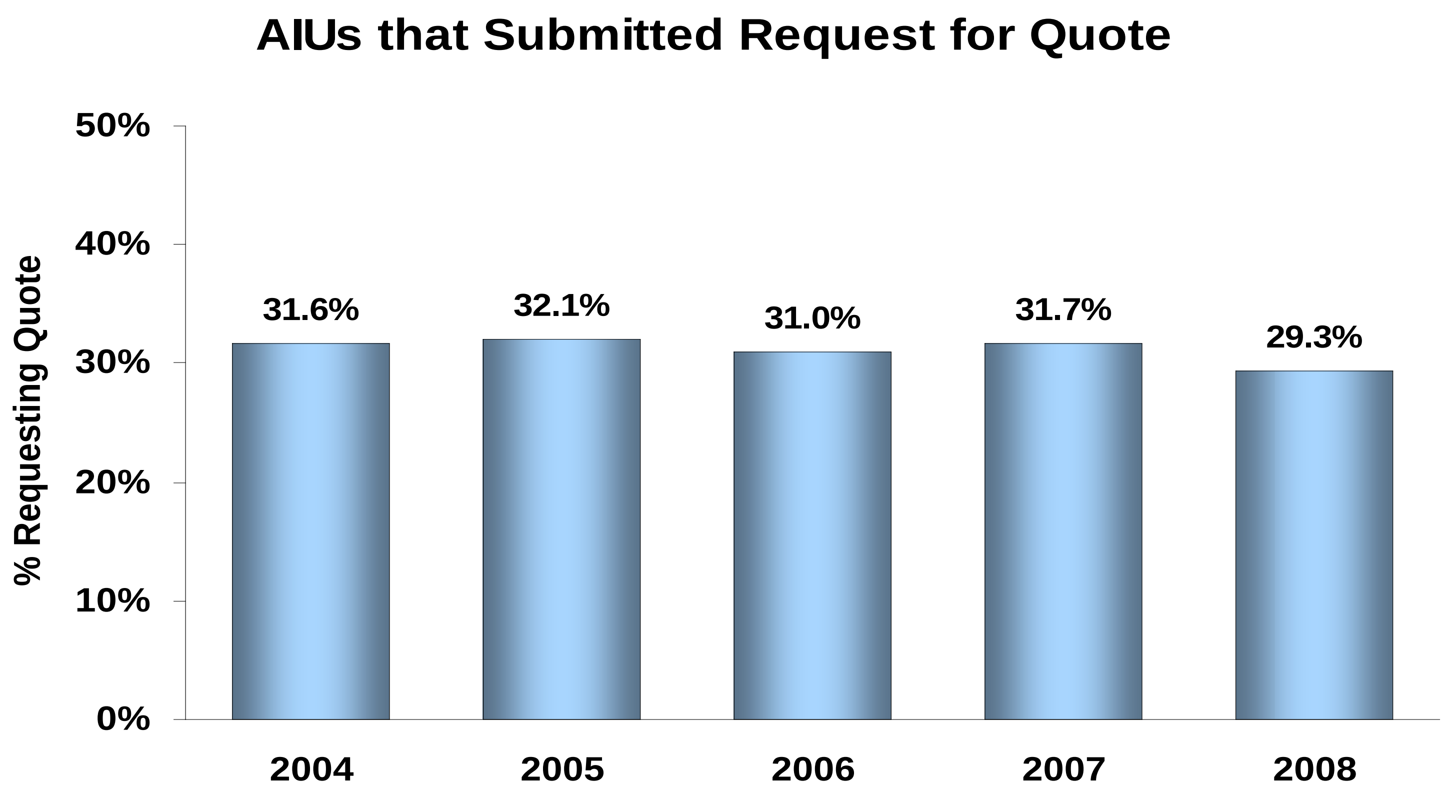
Online NVBs are avid users of Social and Video Sites

First 6 months 2008

	% Reach		Index
	NVB	IBP	NVB Reach/IBP Reach
go.com	74%	20%	371
youtube.com	71%	34%	210
myspace.com	68%	35%	196
facebook.com	49%	19%	261
abc.com	12%	1%	1,541
twitter.com	3%	1%	347
hulu.com	1%	1%	184

Based to Online New Vehicle Buyers. Preliminary Unweighted Data
Source: J.D. Power and Associates Total Online Media Behavior

As a percentage, online submissions hold relatively steady year-over-year



Based to AIUs. Source: J.D. Power and Associates 2004-2008 New Autoshopper.com Study

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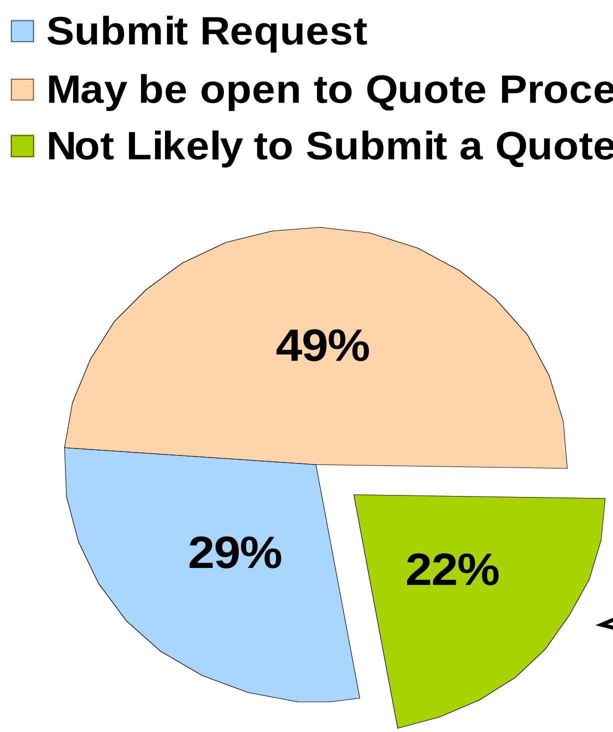
Realistically, 1 of 5 AIUs will never submit a Request for Quote



- Prefer to negotiate price in person or by phone
- Already have relationship with dealer and know where they'll next purchase
- Use alternate purchasing/discount program
- Etc…

Based to AIUs. Source: J.D. Power and Associates 2008 Follow-Up Study to NAS

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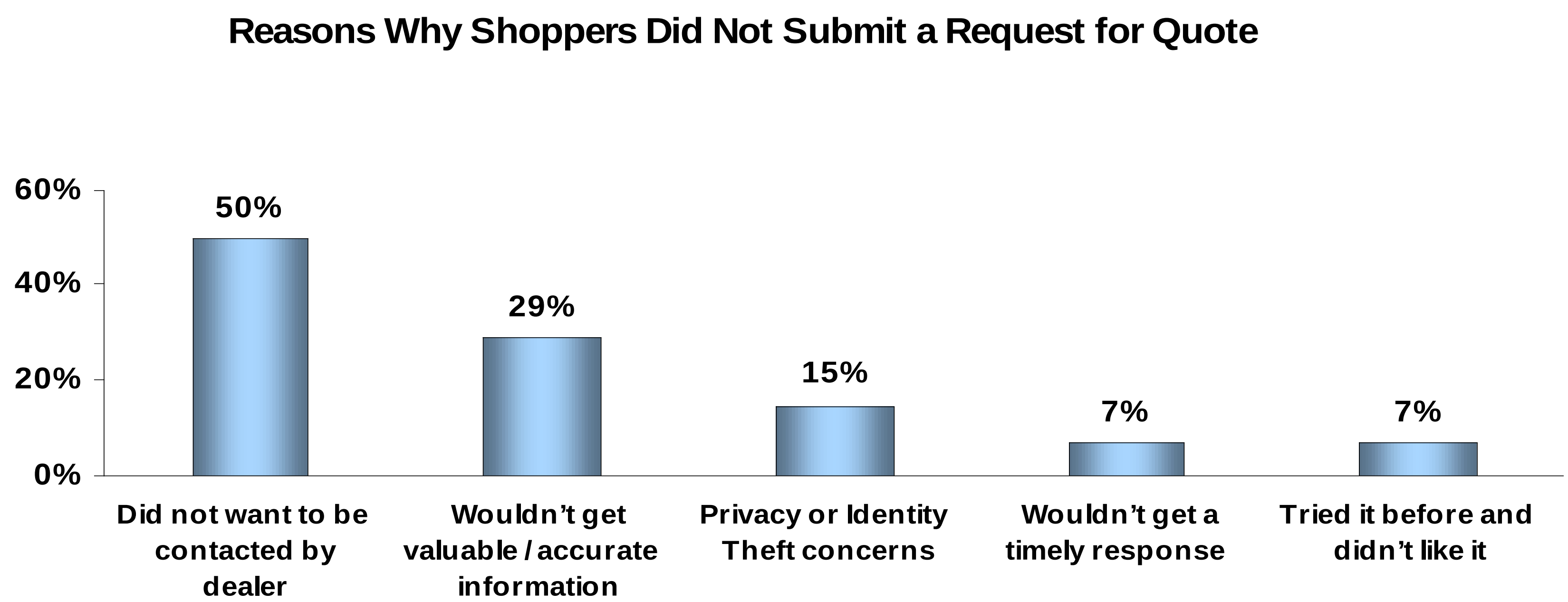
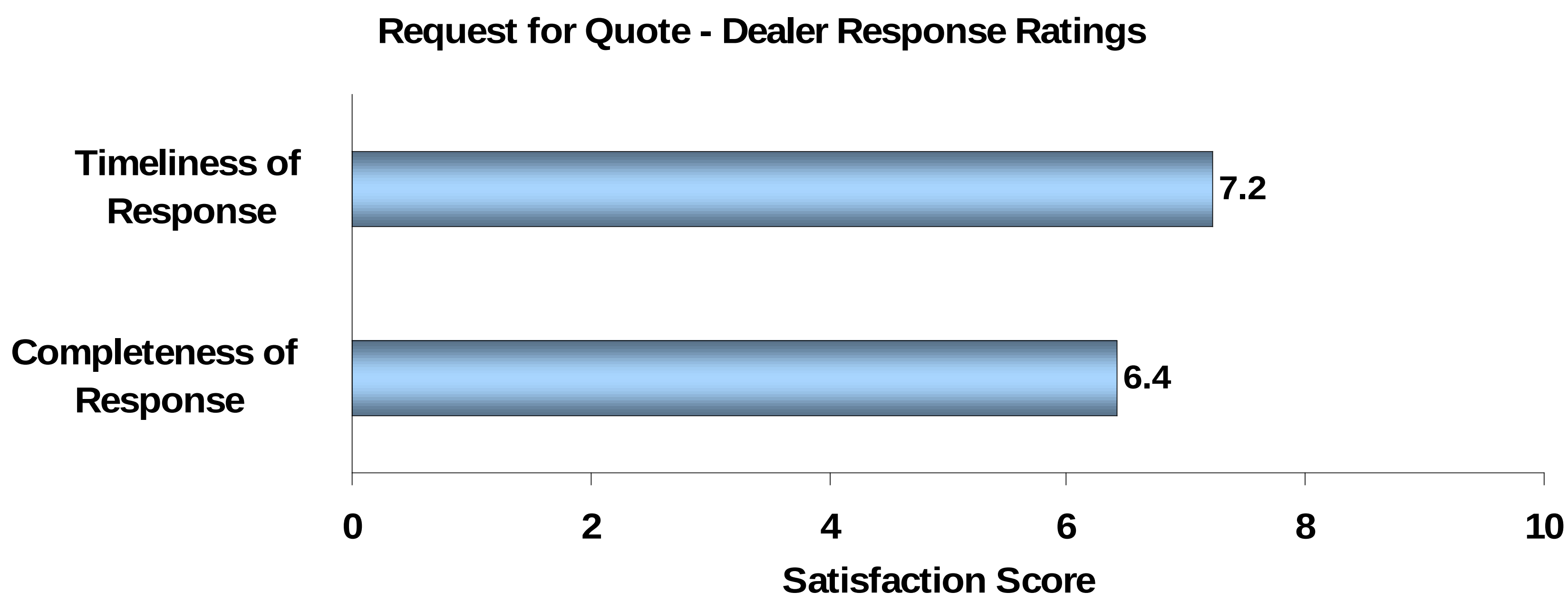
Fear of dealer contact and doubts about receiving valuable or accurate information deters shoppers from submitting requests



Based to AIUs that did not submit a request for quote
Source: J.D. Power and Associates 2008 Follow-Up Study to NAS

Providing quality responses to requests is at the heart of the problem



Based to AIUs that submitted a request for quote
Source: J.D. Power and Associates 2008 Follow-Up Study to NAS

Active Online Shoppers have a relatively limited use of sites within type

Active Online New Vehicle Buyers in 6 Months Prior to Purchase by Type of Site	Average Number of Sites Visited
Third Party Sites	3.3
OEM Sites	3.1
Dealer Sites	2.6

Based to AIUs. Preliminary Unweighted Data
Source: J.D. Power and Associates 2008 Auto Buyer Clickstream Study

What do shoppers find most useful about different types of sites?

Top 10 Most Useful Content by Type of Site

Independent Web Sites		Manufacturer Web Sites		Dealer Web Sites	
Pricing/Incentives/MSRP	40%	Research Info/Options, Features, Specs	43%	Inventory Locator	44%
Reviews/Forums/Ratings	21%	Pricing/Incentives/MSRP	20%	Pricing/Incentives/MSRP	35%
Compare Vehicles	17%	Equip a Vehicle	17%	Research Info/Options, Features, Specs	14%
Research Info/Options, Features, Specs	12%	Navigation/Easy to Use	15%	Navigation/Easy to Use	10%
Navigation/Easy to Use	11%	Inventory Locator	7%	Request Quote/Contact Dealer	7%
Trade-In Value	8%	Vehicle Images/360 Tool/Video	7%	Find a Dealer	6%
Vehicle Images/360 Tool/Video	2%	Compare Vehicles	4%	Vehicle Images/360 Tool/Video	4%
Request Quote/Contact Dealer	1%	Find a Dealer	4%	Compare Vehicles	2%
Find a Dealer	1%	Monthly Payment Calculator/Estimate	3%	Monthly Payment Calculator/Estimate	1%
Monthly Payment Calculator/Estimate	1%	Request Quote/Contact Dealer	2%	Equip a Vehicle	1%

Based to AIUs
Source: J.D. Power and Associates 2008 New Autoshopper.com Study

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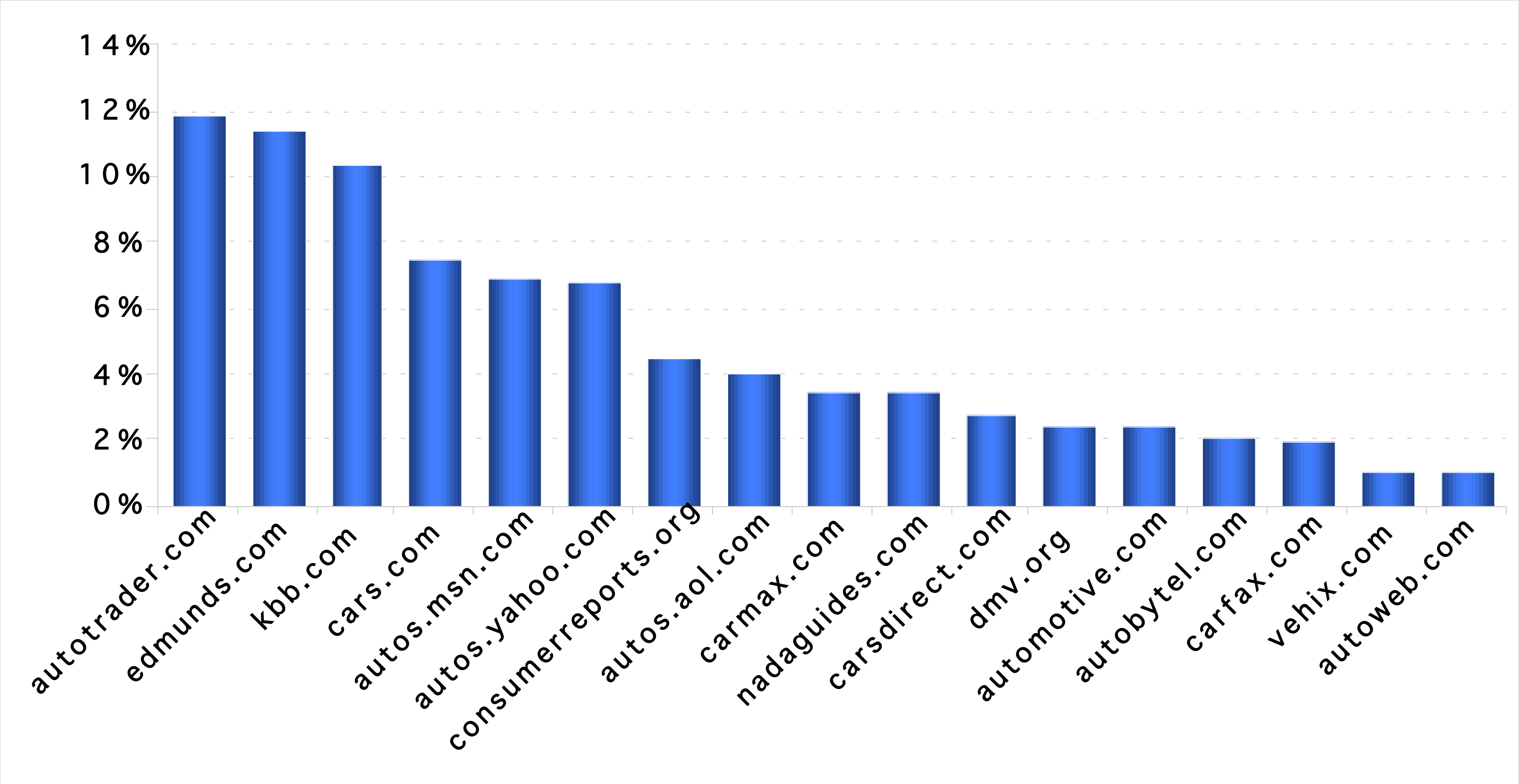
Online New Vehicle Buyers Visit a "Long Tail" of Third-Party Sites

Top Third Party Sites Share of Total Third Party Sessions



Based to AIUs. Preliminary Unweighted Data
Source: J.D. Power and Associates 2008 Auto Buyer Clickstream Study

Carving out a niche is important to growing and sustaining a useful site

Top 10 Most Useful Site Content

	Independent Site Visitors	Edmunds.com	Kelley Blue Book	Cars.com	Vehix.com
Pricing/Incentives/MSRP	40.2%	47.9%	53.7%	28.5%	7.8%
Reviews/Forums/Ratings	20.9%	29.6%	8.4%	13.5%	5.3%
Compare Vehicles	17.4%	16.1%	7.0%	24.3%	59.3%
Research Info/Options, Features, Specs	12.1%	12.5%	6.0%	9.8%	13.5%
Navigation/Easy to Use	11.0%	8.4%	7.4%	27.6%	16.3%
Trade-In Value	7.8%	4.4%	27.0%	1.9%	0.0%
Vehicle Images/360 Tool/Video	1.5%	0.6%	0.1%	8.1%	5.3%
Request Quote/Contact Dealer	1.5%	1.6%	0.2%	2.9%	1.3%
Find a Dealer	1.4%	1.0%	0.2%	8.4%	3.4%
Monthly Payment Calculator/Estimate	0.8%	0.7%	0.8%	4.7%	1.2%

Based to AIUs visiting each site who thought that site was most useful
Source: J.D. Power and Associates 2008 New Autoshopper.com Study

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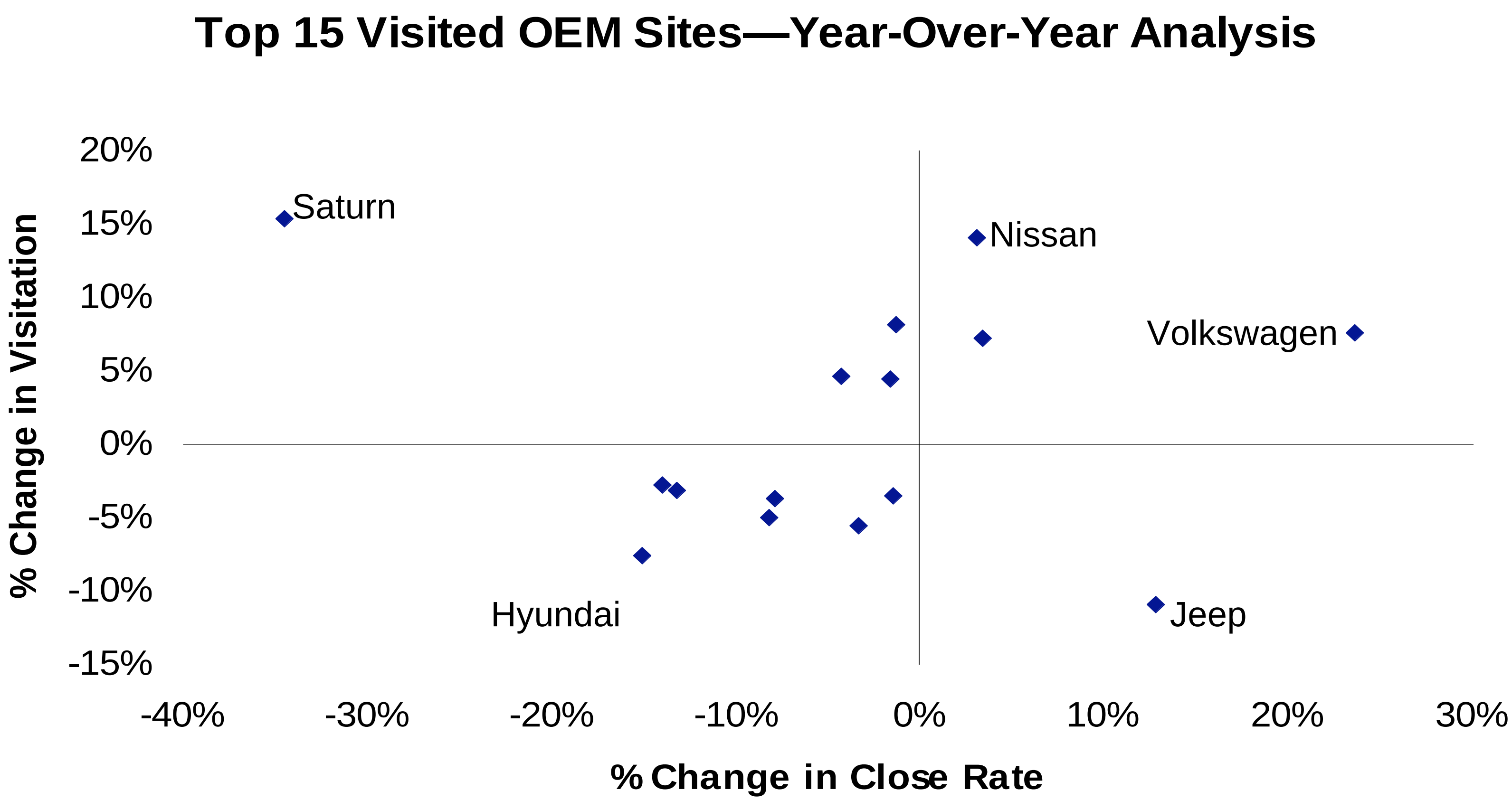
Getting more traffic to the brand site is great, as long as it's the right traffic



Visitation: Based to AIUs. Close Rate: Based to AIUs visiting each site.
Source: J.D. Power and Associates 2008 New Autoshopper.com Study

Summary Observations

- Difficult market
  - Tighter sales
  - Major shifts in purchase patterns by Segment
- Increasing Internet use with shifts in patterns, fragmentation
  - Consideration counts are not expanded for models or sites used for shopping
  - Third Party Sites exhibit long tail, suggesting fragmentation
  - CGC, Mobile, Video, ?
  - Shoppers/Buyers in new territory, use of internet
- Request for Quote is only effective if it responds to shoppers, is complete, not just rapid

Summary Observations

- Challenge to become more efficient and effective
- Targeting more important than ever, customize targeting
  - Join the conversation
    - Common interest
    - Add value
    - Build engagement
    - Relevant traffic that converts
- Understand shoppers, position your site and marketing to give them a reward
- Leverage information throughout the organization

Thank you!