GET IN GEAR

2017 AUTOMOTIVE INDUSTRY FACTBOOK

MNI targeted media INC.

WHAT'S INSIDE

Auto Industry Insights

Auto Ad Spending

Auto + Digital

Auto + Magazines

Recap

AUTO INDUSTRY INSIGHTS

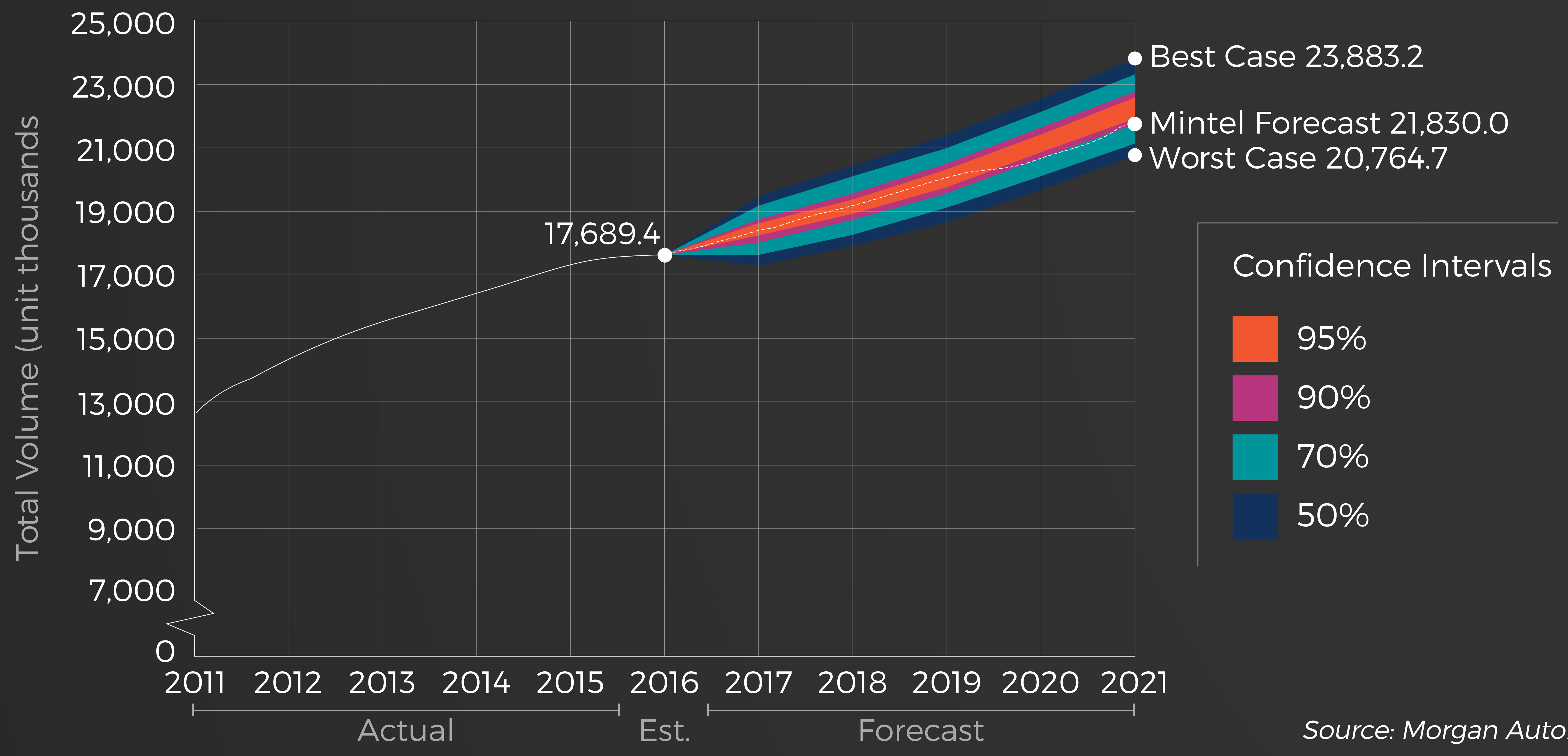
MNI targeted media INC.

American consumers, businesses, and government agencies registered more new vehicles in 2015 than in any year in history, and it's only going to grow...

AUTOMOTIVE INDUSTRY EXPERIENCES HEALTHY GROWTH

GROWTH IS EXPECTED TO CONTINUE, REACHING MORE THAN AN ESTIMATED 21.8M UNITS SOLD IN 2021.[2]

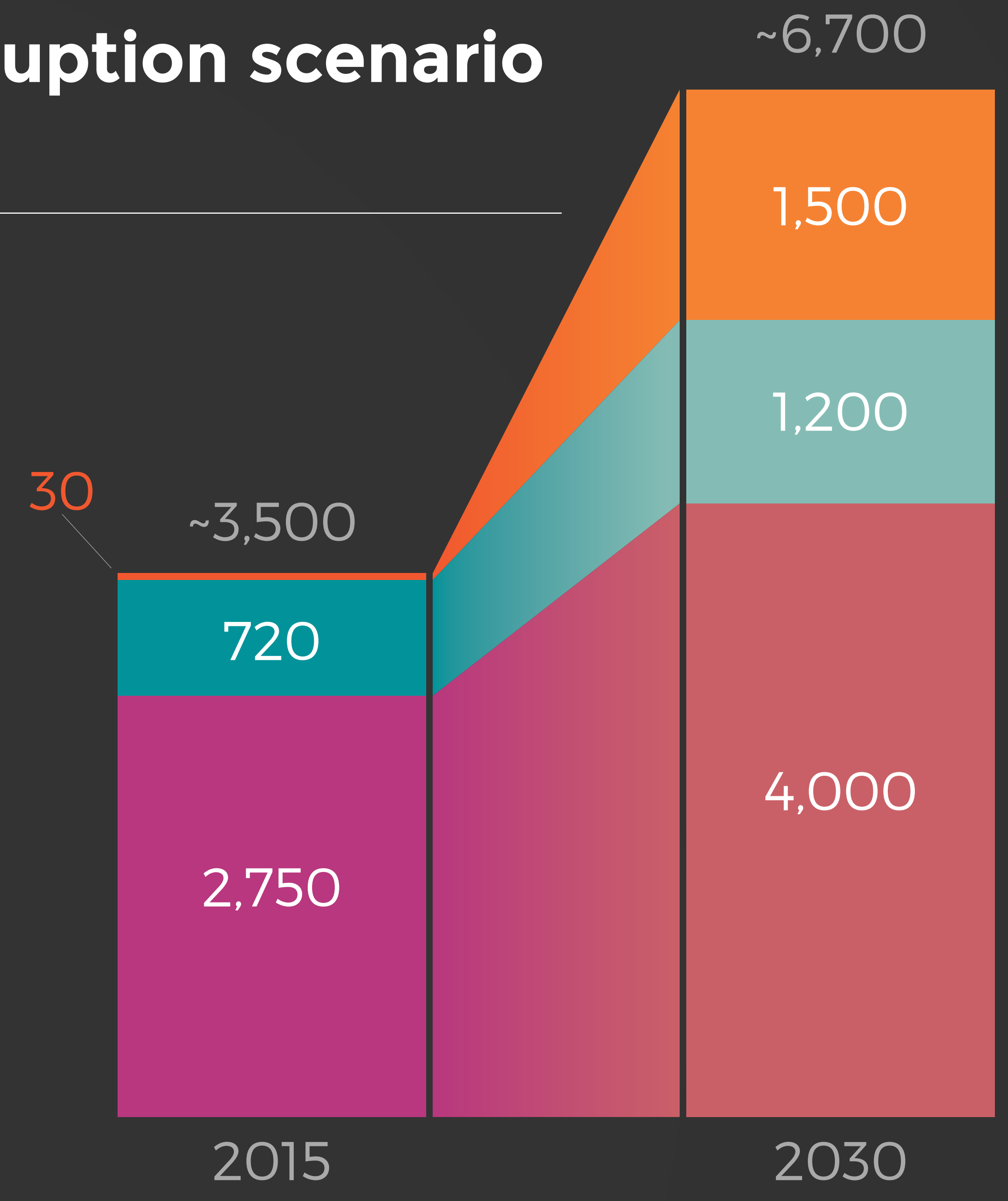
- Automakers sold 17.5M cars and light trucks in the U.S. in 2015, up 5.7% from 2014.[1]
- Growth will continue this year at a slightly decelerated rate, with approximately 17.7M units sold.[2]
- The U.S. auto industry reported more than 1.5M new vehicle sales last month.[3]



Source: Morgan Automotive, Mintel.

SUVS AND CROSSOVERS LEAD THE PACK

High-disruption scenario
$ billion



Recurring revenues from new services
- Shared mobility-—e.g. car sharing, e-hailing (excl. traditional taxis and rentals)
- Data-connectivity services—incl. apps, remote services, software upgrades

Aftermarket
- Growth from increased vehicle sales

One-time vehicle sales
- Appx. 2% annual increase driven by macroeconomic growth in emerging markets

Source: McKinsey & Company.

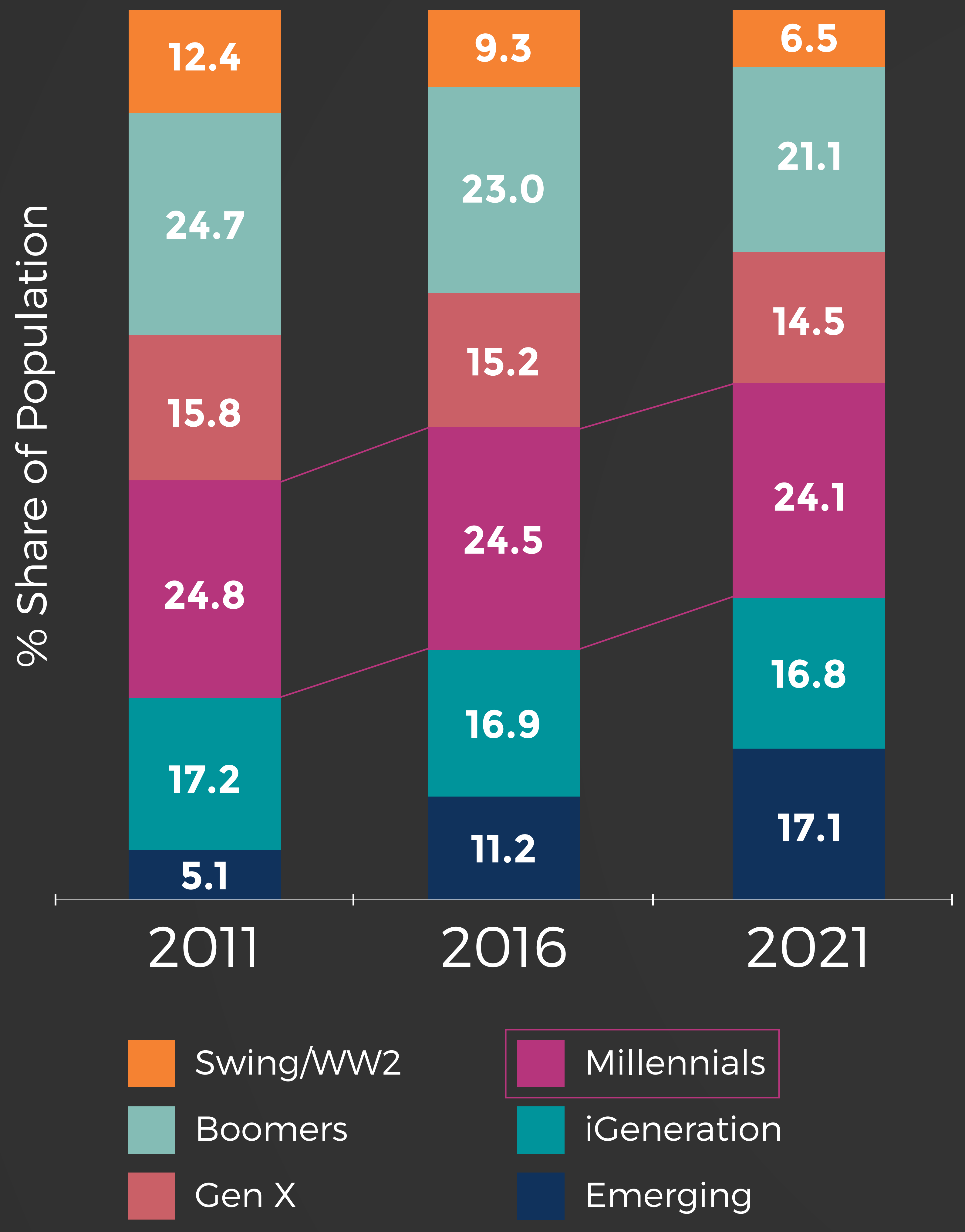
SUV AND CROSSOVER SALES IMPROVE, WHILE THE AUTO REVENUE POOL WILL EXPERIENCE DIVERSIFICATION.

- Pickup truck sales increased marginally, thanks to big midsize gains and a new Honda Ridgeline.[3]
- Commercial van sales improved by nearly 13%, while SUVs/crossovers improved 5% and outsold cars for a second consecutive month.[3]
- The automotive revenue pool will significantly increase and diversify toward on-demand mobility services and data-driven services.[4]
  - Driven by shared mobility, connectivity services, and feature upgrades, new business models could expand automotive revenue pools by about 30%, adding up to $1.5 trillion.[4]

A FOCUS ON MILLENNIALS AND PERSON-ALIZATION

MILLENNIALS REPRESENT $1.68 TRILLION DOLLARS IN SPENDING POWER,[5] AND SEEK PERSONALIZATION IN THEIR DIGITAL INTERACTIONS.

- The automotive industry is focused on connecting a consumer's experience across all of the digital platforms they use, which in turn helps consumers feel more engaged throughout multiple touch points.[2]
- The new car market will be driven predominantly by Millennials, as the generation enters peak earning years and begins starting families.[2]
- Because the automotive industry already bakes personalization into so many aspects of digital, they are succeeding in much of what Millennial consumers' desire.[5]



Source: U.S. Census Bureau, interim population projections released 2014 and annual population estimates; Mintel.

CONSUMERS PLAN AUTO PURCHASES DUE TO PROMISING ECONOMY

More than one-third

of those intending to buy a car in the next three years plan to do so in the next 12 months.[2]

EIGHT-IN-TEN CAR INTENDERS PLAN TO BUY A <u>NEW</u> VEHICLE, AS OPPOSED TO USED OR CERTIFIED PRE-OWNED CARS (CPO).[2]

- Car buyers in the U.S. have been energized by improving wages and confidence in the job market, low gas prices, and low interest rates.[1]
- 64% plan to buy a car in the next three years.[2]
- 84% of Millennials will likely consider a new car for their next vehicle.[2]
    - 86% of older Millennials are likely to buy a new car.[2]
    - 77% of the total population intends to do the same.[2]

SAFETY AND TECH FEATURES INFLUENCE AUTO SHOPPERS

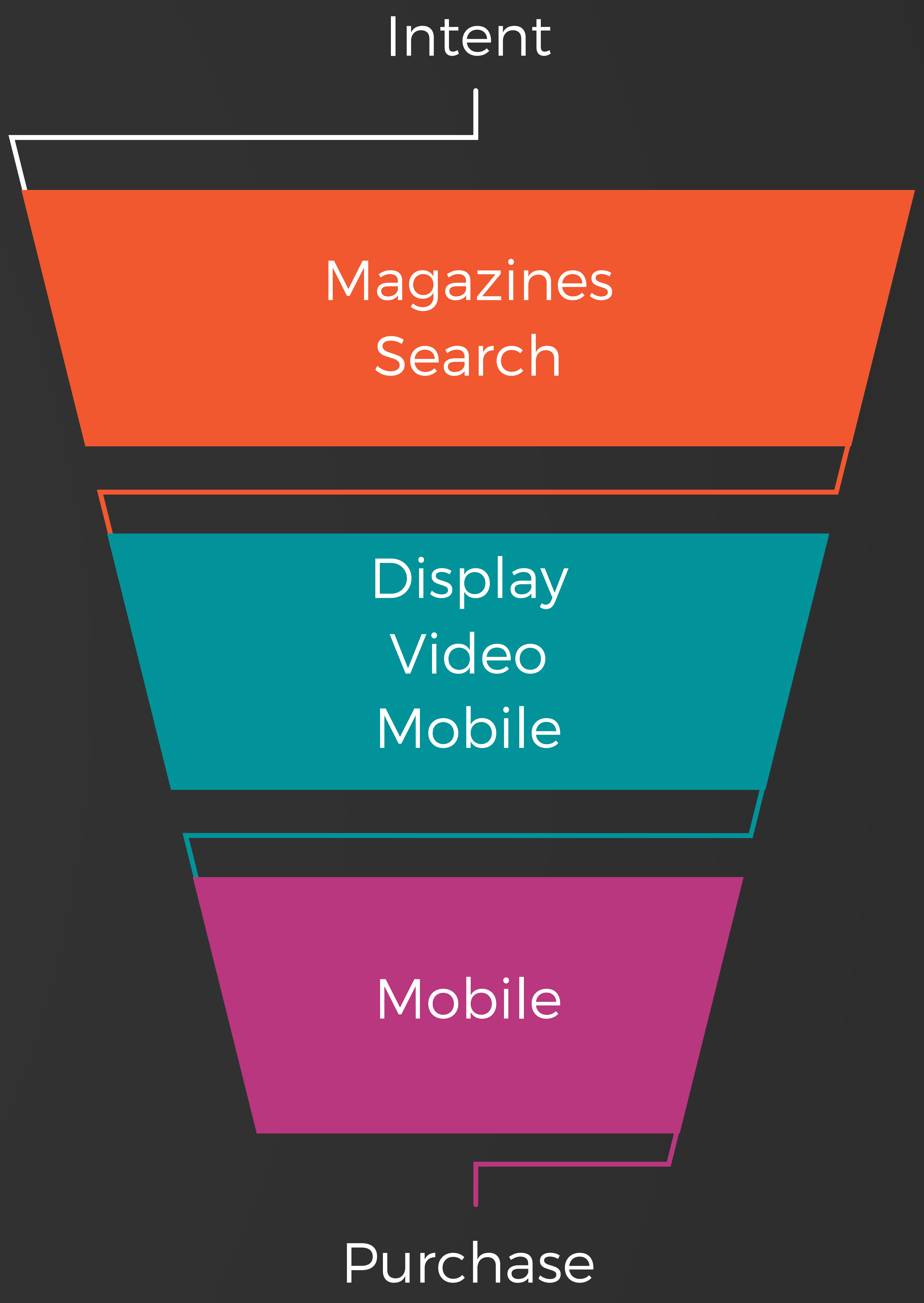
SAFETY AND TECHNOLOGY FEATURES ARE KEY FACTORS THAT AUTO INTENDERS ARE LOOKING FOR IN THEIR NEXT VEHICLE.

- 42% of those planning to purchase a new vehicle within the next three years cite the latest safety features as a key factor when considering a new vehicle.[2]
- Women place higher value on safety features, and may view compact crossovers as an attractive, larger vehicle conducive to keeping the driver and passengers safe.[2]
- 82% of American consumers regarded the presence of technology to be important when looking to buy a new car.[7]
- Millennials opt for newer technology and safety features in their purchases.[2]

CONSUMERS LEAVE NO STONE UNTURNED FOR AUTO INFORMATION

THE LONGER PURCHASE FUNNEL CALLS FOR AUTO ADVERTISERS TO EXPERTLY FUSE TRADITIONAL AND NEW MEDIA.

- Understandably, the purchase funnel is quite long for major purchases, such as a new vehicle.
- Advertisers must get comfortable with this longer path to purchase, and use both traditional and new media to create targeted campaigns to more precisely move shoppers quickly through the funnel.
- For digital campaigns, the use of data can help identify consumers who are in-market, and at what stage.



THE UPPER FUNNEL SEARCH AND MAGAZINES SPUR AWARENESS

Search engines were cited as the top source among U.S. car shoppers looking for information on local car dealerships.[1]

SHOPPERS EXPLORE VARIOUS INFORMATION SOURCES–INFLUENTIALS, FORUMS, REVIEW SITES, AND VIDEOS–TO AMASS INFORMATION ON THEIR AUTO CONSIDER-ATION SET.

- Six-in-ten car shoppers enter the market unsure about which car to buy. To help narrow their choices, many start by consulting someone they trust—reaching out to knowledgeable peers, reading blogs or forums, or searching review sites like Edmunds, KBB, and Car and Driver.[8]

ONLINE SEARCH IS THE PREFERRED DIGITAL FORMAT FOR GATHERING INFORMATION ON VEHICLES AND DEALERSHIPS.

- Many auto shoppers start their car-buying journey with online searches. 87% of respondents viewed search marketing as the most impactful digital format.[1]

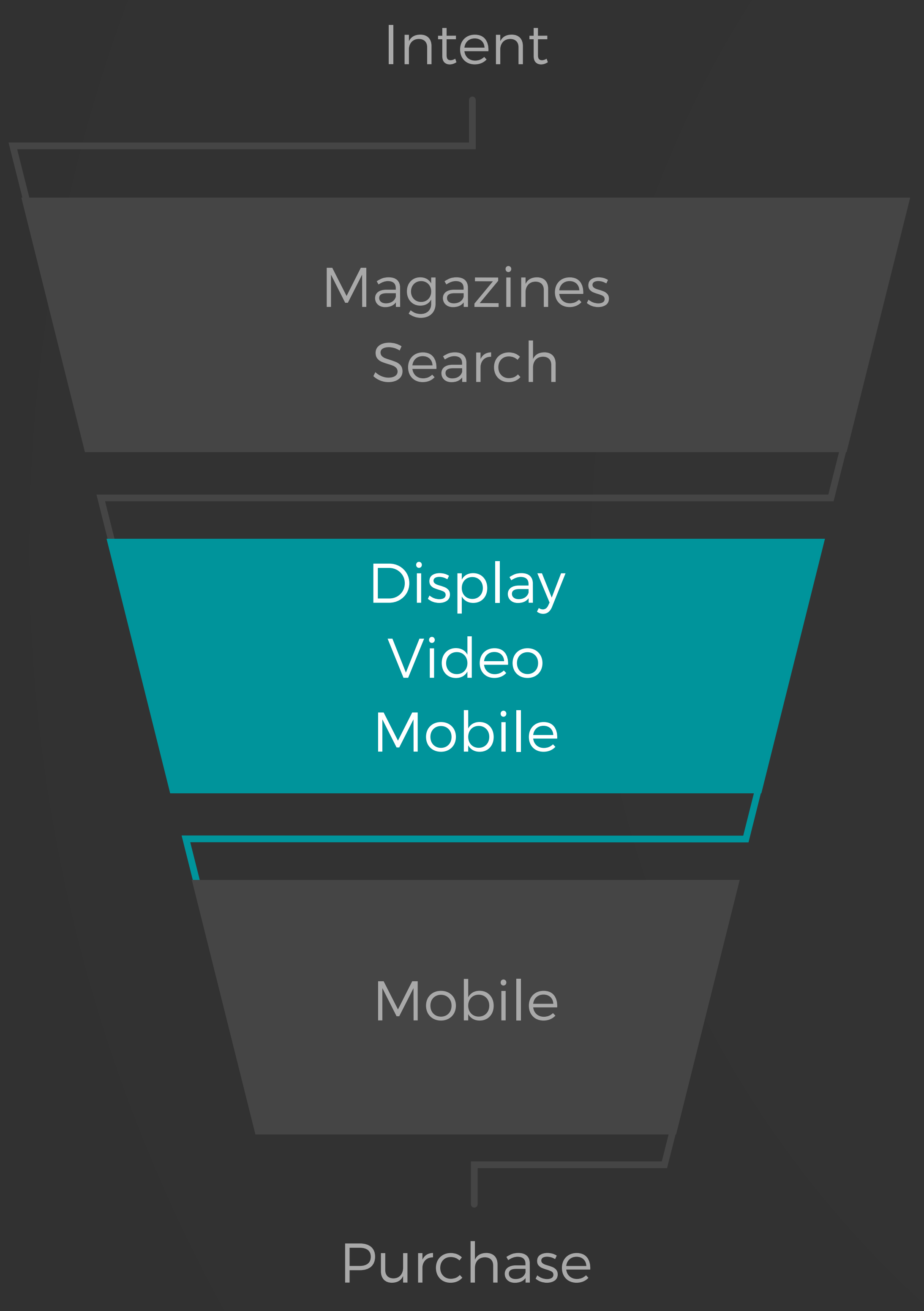
Consumers with the highest auto purchase intent are **heavy consumers of magazines.**[15] Magazine readers are word-of-mouth leaders, passing along their opinions and experiences in the automotive category.[16]

THE MID-FUNNEL DIGITAL DISPLAY AND VIDEO EDUCATE AND INFLUENCE INFORMATION SEEKERS

Top video content for auto shoppers includes Test Drives, Features and Options, and Walkthroughs.[8]

52% FIND DIGITAL VIDEOS USEFUL WHEN RESEARCHING THEIR NEXT CAR PURCHASE.[1]

- Technology features, comparisons, and expert reviews were among the most useful video content, perhaps indicating that during this phase of research consumers are more interested in detailed information that will help them narrow down their choices.[1]
- Auto review videos on YouTube have been watched for more than 3 million hours in the first nine months of 2015, of which more than 1.2M were on mobile, more than twice as many as the previous year.[8]



THE MID-FUNNEL MOBILE AIDS AUTOMOTIVE RESEARCHERS

71% USE MOBILE DURING THE PURCHASE PROCESS, WITH 58% SAYING THAT IN THE FUTURE, THEIR SMARTPHONE IS LIKELY TO BE THE ONLY DEVICE THEY USE FOR ALL THEIR VEHICLE RESEARCH.[9]

- Consumers who primarily use a mobile device for auto research were further along in their purchase path.
  - 76% of these consumers said they knew exactly what vehicle they wanted before going to a dealer.[1]
- One-in-four car purchasers turns to mobile every day to research vehicles.[8]
- 27% of respondents who plan to buy or lease a new vehicle in the next year do most of their car research on a mobile device.[1]
  - 45% of Millennials, 48% of Hispanics, and 41% of people with household incomes greater than $200,000 report doing most of their auto research on a mobile device.[1]

More than **one-quarter** of respondents used their smartphone at the dealership to compare prices.[1]

THE LOWER FUNNEL MOBILE CONNECTS THE DIGITAL AND PHYSICAL WORLDS

SEARCH FOR DEALERSHIPS IS CONDUCTED LARGELY ON MOBILE.

- Search interest for “car dealerships near me” has doubled in the past year. Whereas dealership review searches happen more on desktop during the week, mobile becomes the preferred method on weekends, making up 56% of searches.[8]
- Half of all car shoppers with mobile devices use their smartphones while at the dealership. The top action people perform with their phones while on the lot is confirming that they are getting a good price on a vehicle.[8]
- Search interest for MSRP and list prices is at its highest levels ever, growing 25% in the past year, driven in large part by mobile, which accounts for 70% of these searches.[8]

MSRP: Manufacturer’s Suggested Retail Price

One-in-three shoppers that used mobile devices as part of the purchase process located or called a dealer from their mobile device.[8]

AUTO INDUSTRY AD SPEND

THIS YEAR, AUTO WILL BE THE TOP AD SPENDER OF ALL INDUSTRIES

THE TOP CATEGORY THIS YEAR WILL BE THE AUTOMOTIVE INDUSTRY, WHICH WILL SPEND OVER $44B IN ADVERTISING, UP 2.8% OVER LAST YEAR'S ESTIMATED SPENDING.[10]

- Top brands—including Chrysler, Daimler, Ford, General Motors, Honda, Nissan, Toyota, and Volkswagen—will spend more than $2B each on advertising in 2016.[1]
- Advertising dollars continued to shift toward new media—which includes internet and mobile media such as search marketing, social media, and online video—and away from traditional media which includes network and cable TV, radio, and out-of-home.[11]

U.S. Automotive Dealership Total Media Ad Spending Share, by Medium, 2012–2015
% of Total

Medium	2012	2013	2014	2015
Digital	43.1%	50.1%	57.2%	66.5%
Newspapers	21.0%	18.0%	13.9%	9.4%
Broadcast TV	12.1%	9.2%	7.0%	5.7%
Direct Mail	4.4%	4.5%	4.9%	4.4%
Other Print	7.2%	6.7%	5.7%	3.5%
Radio	4.0%	3.3%	3.5%	3.3%
Cable	3.9%	4.0%	3.4%	3.2%
Telemarketing	1.6%	1.7%	2.1%	1.8%
Cinema	0.7%	0.9%	1.0%	1.2%
Out-of-Home	1.5%	1.4%	0.9%	0.8%
Directories	0.5%	0.3%	0.6%	0.2%

Note: numbers may not add up to total due to rounding.

Source: Borrell Associates, "Kick Automotive Co-Op Into High Gear: Optimizing OEM Dollars for Video and Mobile Marketing" sponsored by Netsertive, Sept. 9, 2015.

LAST YEAR, THE BULK OF THE AUTO AD SPENDING CAME FROM DEALERS, BOTH INDEPENDENT AND FRANCHISED.

- Total U.S. automotive paid ad spending has surged in the past two years, driven by significant investments from automakers and OEMs (known as Tier 1), regional dealer associations (Tier 2) and dealers (Tier 3).[1]
- Spending by all tiers grew 17% between 2014 and 2015, reaching $35.5B.[1]
  - The amount spent by dealers was up 21.8% to total $21.2B in 2015—generating the bulk (59.7%) of automotive outlays.[1]
  - The amount spent by manufacturers was up 12.2%, to $12.3B, while the amounts spent by dealer associations and private parties were up 1.1% and 9.5%, respectively.[1]
- Spending by tier 2 grew by 5% in the first two quarters of 2016, as compared to 2015's Q1 and Q2.[17]

OEM: Original Equipment Manufacturer

U.S. Automotive Industry Ad Spending, by Advertiser Type, 2014 & 2015
$ billions

	2014	2015	% Change
Dealers	$17.40	$21.20	21.8%
Manufacturers	$10.90	$12.30	12.2%
Dealers' Associations	$1.20	$1.30	1.1%
Private-Party Sellers	$0.53	$0.58	9.5%
TOTAL	**$30.30**	**$35.50**	**17.0%**

Note: numbers may not add up to total due to rounding.

Source: Borrell Associates as cited by Broadcasting & Cable, eMarketer calculations, Nov. 4, 2014.

AUTO DEALERS DOMINATE THE AD SPEND PIE

DIGITAL AD SPENDING TO RISE

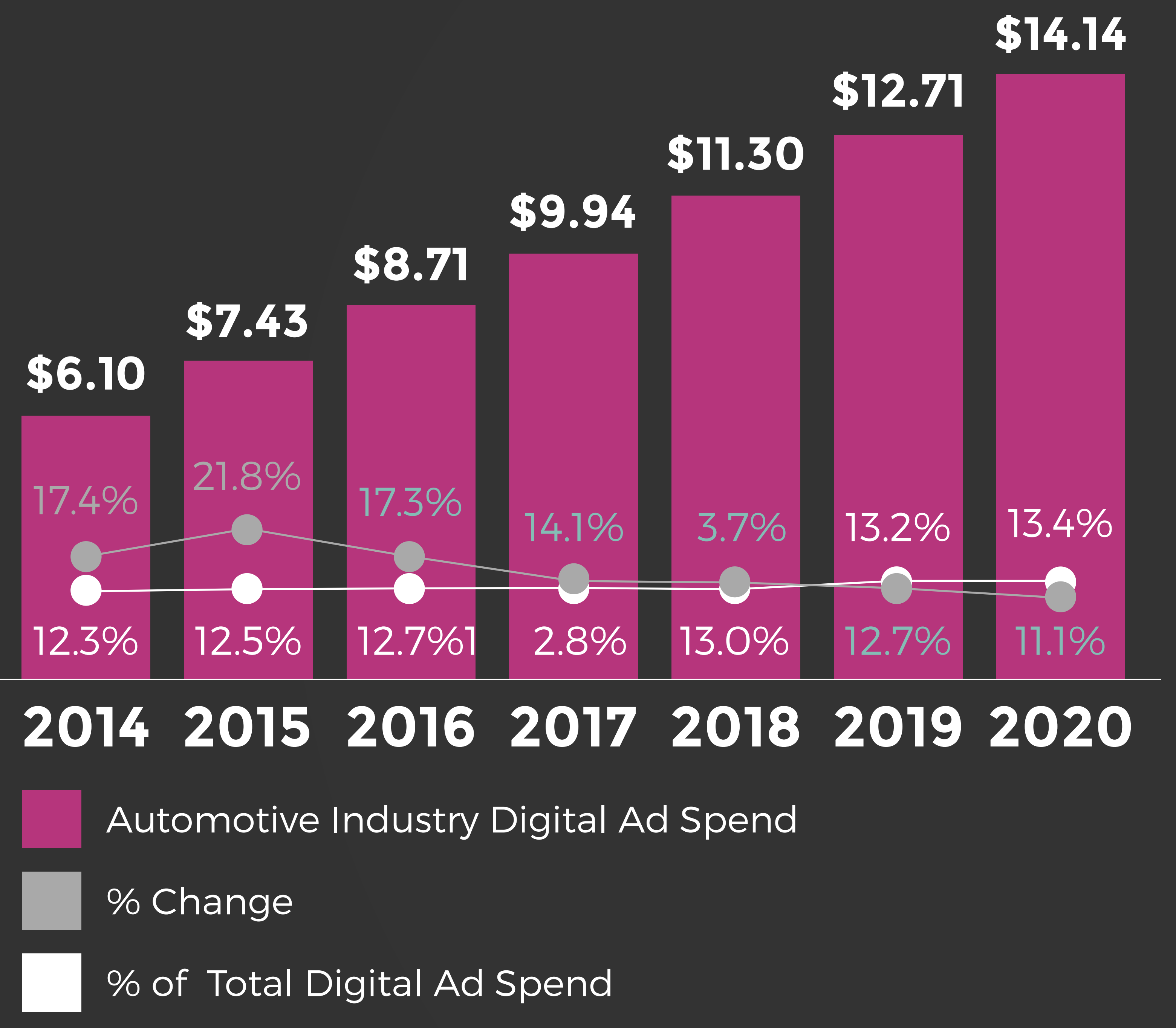
DIGITAL AD SPENDING WILL RISE ACROSS PLATFORMS, TACTICS, AND TIERS, TO STREAMLINE CROSS-FUNNEL EFFORTS.[1]

- The U.S. automotive industry will spend $8.71B on paid digital media in 2016, up 17.3% year-over-year. The sector is on track to hit $14.14B by 2020, for a CAGR of 13.7% from 2015 to 2020.[1]
- The auto industry will have the second-highest digital ad spend CAGR of all U.S. industries, trailing only entertainment.[1]
- Growth is anticipated in the sector's share of total U.S. digital spending, rising from 12.7% in 2016 to 13.4% by 2020. Automotive will continue to rank as the second-largest industry segment in the U.S. for digital ad spending, after retail.[1]

CAGR: Compound Annual Growth Rate

U.S. Automotive Industry Digital Ad Spending, 2014–2020

$ billions



Note: CAGR (2014–2020)=13.7%; includes advertising that appears on desktop and laptop computers, as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms.

Source: eMarketer, March 2016.

THIS YEAR, THERE WILL BE AN ALMOST EQUAL SPLIT IN SPENDING ON SEARCH AND DISPLAY FORMATS AMONG AUTO ADVERTISERS.[1]

- Cooperative advertising—costs that are shared between the manufacturer and dealer for locally-placed ads—stood at $6.5B in 2015, accounting for about 29% of all U.S. auto dealer advertising. This was up from $6.2B in 2014.[1]
- OEMs have increased the digital portion of their annual advertising budgets, from 31% in 2012 to 56% in 2015.[1]
- Regional associations and local dealers have increased their digital portion at a much faster rate, climbing from 43% in 2012 to 66% in 2015.[1]
- Automotive advertisers will spend $3.93B on paid search and $3.92B on display in 2016.[1]
  - Spending across both formats have increased significantly in the past year, with display climbing nearly 25% and paid search rising 18%.[1]

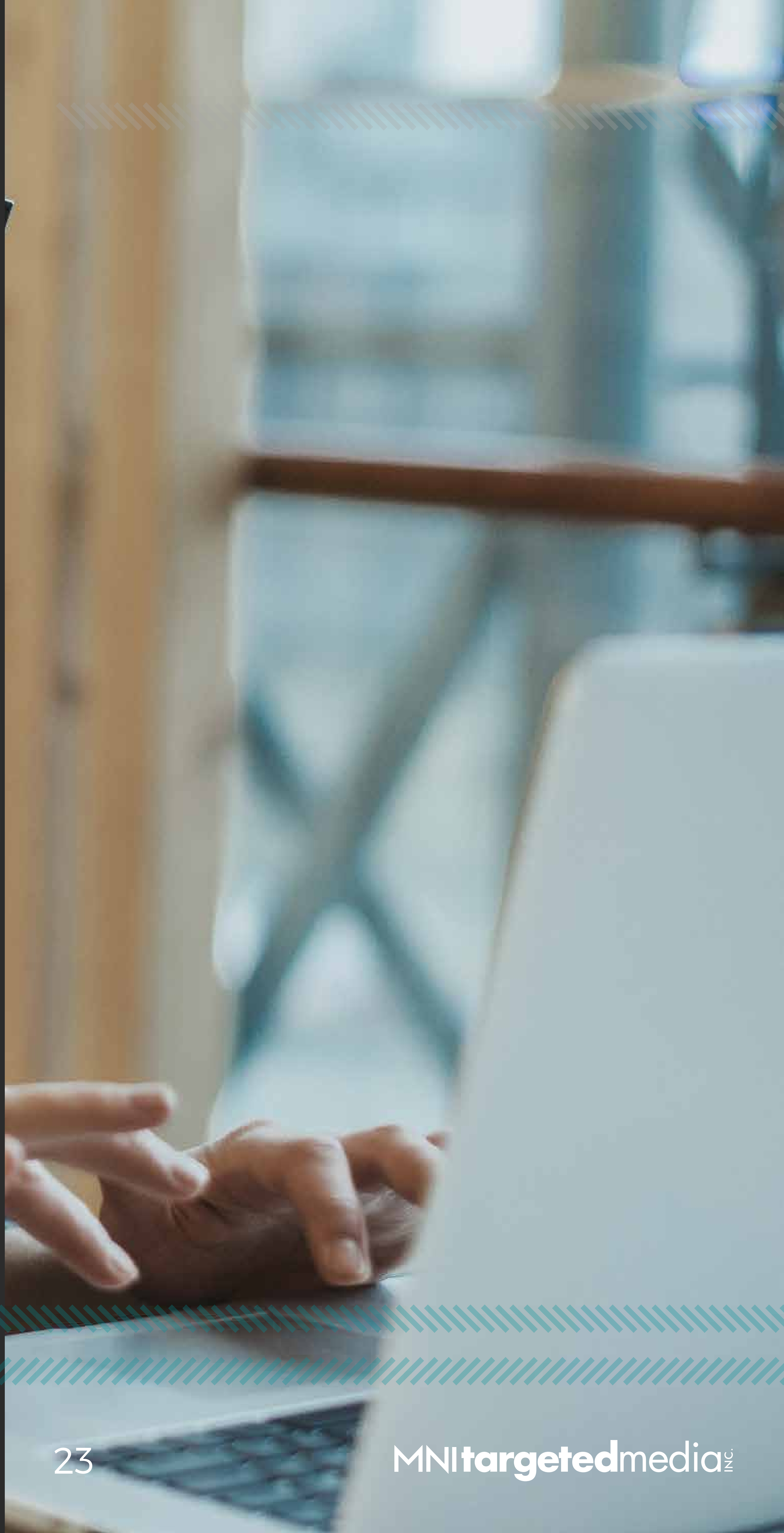
45.1% of total digital spending will go toward paid search, and **45.0%** will go toward display.[1]

AD SPEND GOES UP ACROSS TIERS, WITH SEARCH AND DISPLAY NECK-AND-NECK FOR THE LEAD

AUTO AND THE DIGITAL AFFINITY

Digital is vital for auto—to generate leads, promote dealership foot traffic, and even sell vehicles. Here are some trends that can impact auto intenders' decisions:

1. Display and Video Advertising
2. Programmatic
3. Search Advertising
4. Mobile
5. Social
6. Data-Driven Advertising



DISPLAY WILL BE THE WAY FORWARD FOR AUTO

1

DISPLAY ADVERTISING,* ESPECIALLY VIDEO, WILL GARNER ADVERTISERS' ATTENTION.

- Digital video is one of the most compelling forms of digital advertising for this sector, with more than half (52%) of auto intenders finding digital video useful in informing their next car purchase.[1]
- Auto marketers have taken note of digital video as a natural extension of TV advertising, and not a replacement of it.[1]
- U.S. auto advertisers will spend $1.37B, or 34.9% of all auto display ad spending, on digital video in 2016.[1]

*Display includes banners, rich media, sponsorships, video and ads such as Facebook's News Feed Ads and Twitter's Promoted Tweets that appear on desktops, laptops, mobile phones, tablets, and other internet-connected devices.[1]

Estimated U.S. Automotive Industry Digital Ad Spending, by Format, 2016
$ billions

	2016	% of Total
Search	$3.93	45.1%
Display*	$3.92	45.0%
—Video	$1.37	15.7%
Other**	$0.86	9.9%
TOTAL	**$8.71**	**100.0%**

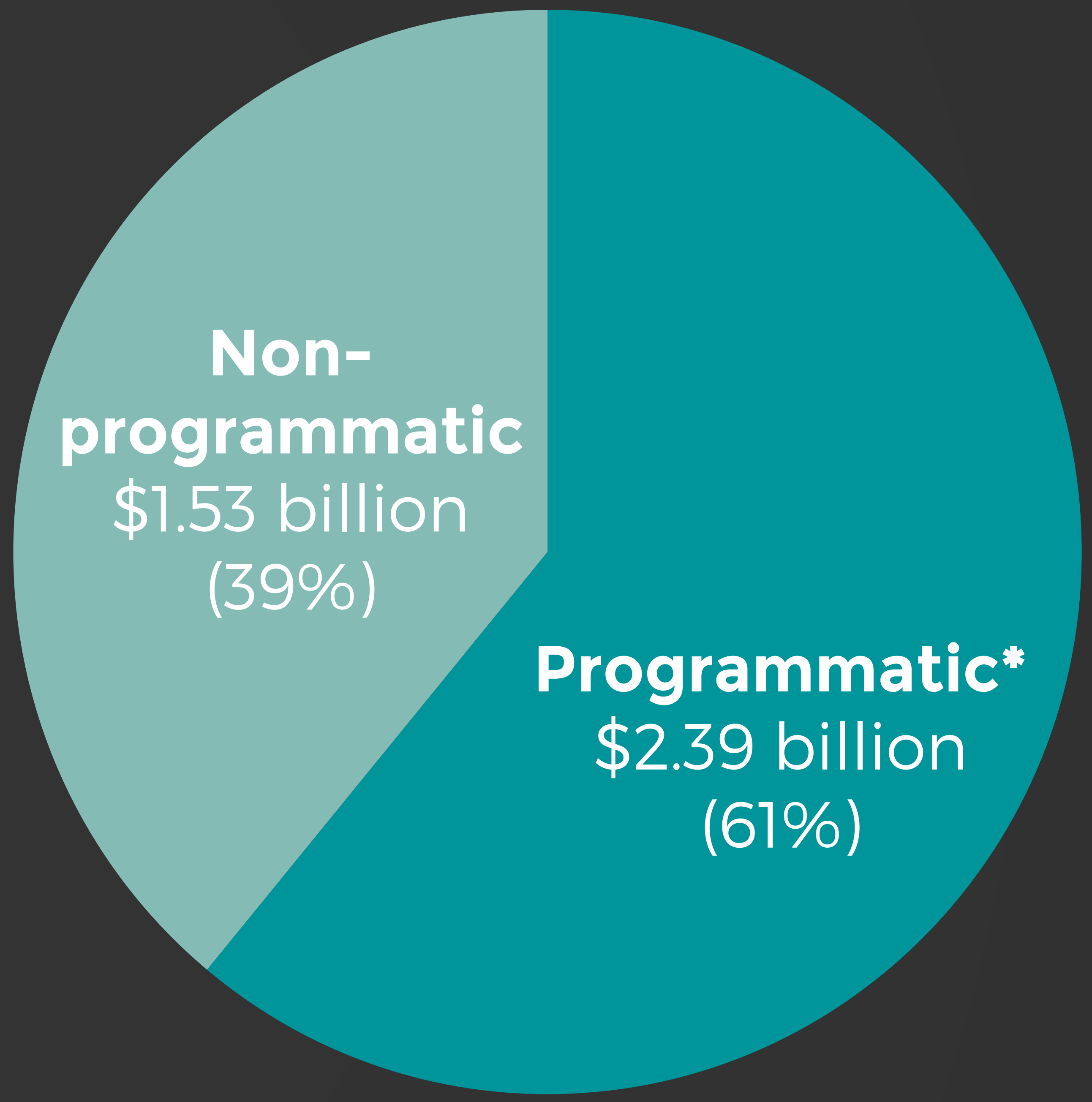
Note: Includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices on all formats mentioned.

*Includes banners, rich media, sponsorships, video, and ads such as Facebook's News Feed Ads and Twitter's Promoted Tweets.

**Includes classifieds and directories, email, lead generation, and mobile messaging.

Source: eMarketer, April 2016.

Estimated U.S. Automotive Industry Digital Display Ad Spending, by Transaction Method, 2016



Total=$3.92 billion

Note: Includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices; includes banners, rich media, sponsorship, video, and other.

*Digital display ads transacted via an API, including everything from publisher-erected APIs to more standardized RTB technology.

Source: eMarketer, April 2016.

61% OF AUTO DISPLAY ADS WILL BE PURCHASED PROGRAMMATICALLY THIS YEAR.[1]

- Last year, automotive brands were responsible for purchasing 26% of U.S. audience-targeted mobile programmatic ad impressions.[1]
- $2.39B (61%) of the $3.92B in digital display ads purchased by U.S. auto advertisers in 2016 will be programmatic, a 52% increase year-on-year.[1]
- The fact that the majority of display buying will be done through programmatic channels in 2016 is due mainly to increased social and native advertising spending on Facebook and Twitter, which is now possible to buy programmatically.[1]

AUTO WILL INVEST AGRESSIVELY IN PROGRAM-MATIC BUYING

2

SEARCH ADVERTISING TO HAVE A STRONG STANDING THIS YEAR

3

SEARCH IS PREFFERED BY AUTO INTENDERS FOR RESEARCH, PARTICULARLY FOR MSRP AND LIST PRICES.

- Automakers, regional dealer associations, dealers, and aftermarket businesses rely heavily on search to accomplish a variety of goals, such as lead generation, promoting dealership foot traffic, and ultimately selling vehicles.[1]
- Among U.S. internet users, searches for images of specific automotive brands on Google were up 23% year-over-year in November 2015.[1]

Types of info that U.S. internet users search for when shopping for cars on OEM vs. auto research websites (ARW), March 2016
% of total respondents

	ARW	OEM Sites
Pricing/financing	77%	76%
—Look up car pricing	48%	48%
—Build and price	34%	46%
—Find info on special offers	22%	28%
—Request a dealer pricing quote	20%	23%
—Find financing info	15%	20%
Read car reviews	42%	33%
Compare models	40%	45%
Fuel economy	36%	46%
Find value of current vehicle	32%	19%
Determine reliability of car	29%	26%
Look at photo gallery for a specific vehicle	29%	39%
Look up safety analyses	28%	31%
Look for a vehicle for purchase/lease	28%	28%
Certified pre-owned (CPO)	21%	22%
Find dealer info	19%	27%
Review car trends	19%	13%
See videos of cars of interest	18%	20%
Trim levels	13%	23%

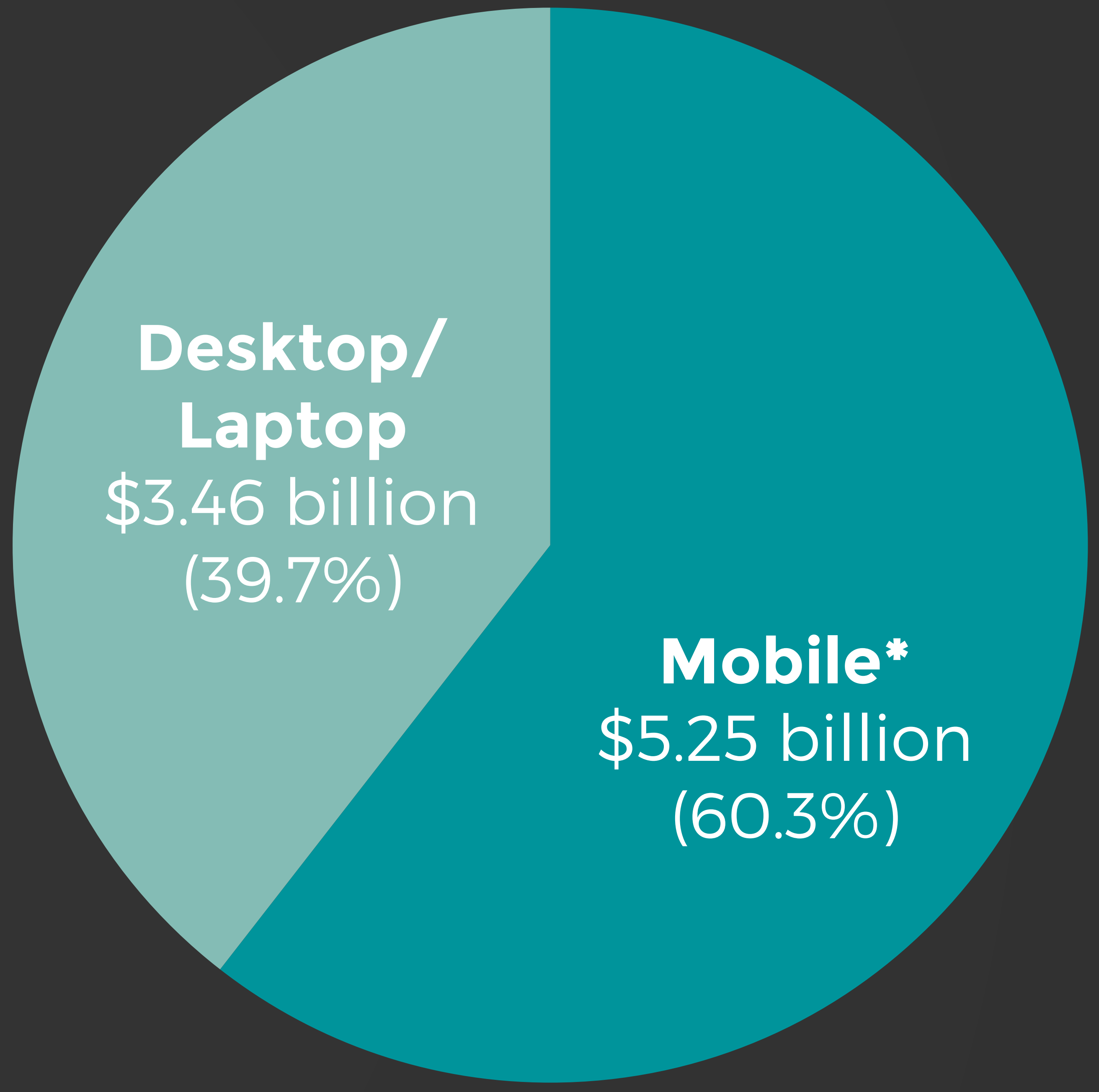
Note: ages 18–64 who had purchased a car in the past year or intend to purchase one in the next 6 months.

Source: Jumpstart Automotive Group and Ipsos, "Today's Auto Shoppers: How They Research and Why Trust is So Essential in Winning Them Over," June 27, 2016.

AUTO INDUSTRY TO GET UP-CLOSE WITH THE SMALL SCREEN

4

Estimated U.S. Automotive Industry Digital Ad Spending, by Device, 2016



Total=$8.71 billion

Note: Digital ad spending includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms.

*Includes classified, display (banners and other rich media and video), email, lead generation, messaging-based advertising; ad spending on tablets is included.

Source: eMarketer, April 2016.

CONNECTING WITH CAR SHOPPERS IN A MOBILE-FRIENDLY FORMAT, AS WELL AS SHOWCASING FEATURES THAT INTEGRATE PHONES WITH THEIR CAR, CAN WIN OVER MILLENNIALS SEEKING CONVENIENCE AND UTILITY.[2]

- In 2015, the auto sector spent $3.43B on mobile ads in the U.S., representing 47% of the industry's total digital ad spending.[12]
- Mobile spending among U.S. auto brands will rise to $5.25B in 2016, making up more than 60% of total digital ad spend, reflective of the increasing amount of time consumers are spending with mobile devices and the advances in attribution and targeting on mobile devices.[1]

AUTO INDUSTRY TO GET UP-CLOSE WITH THE SMALL SCREEN

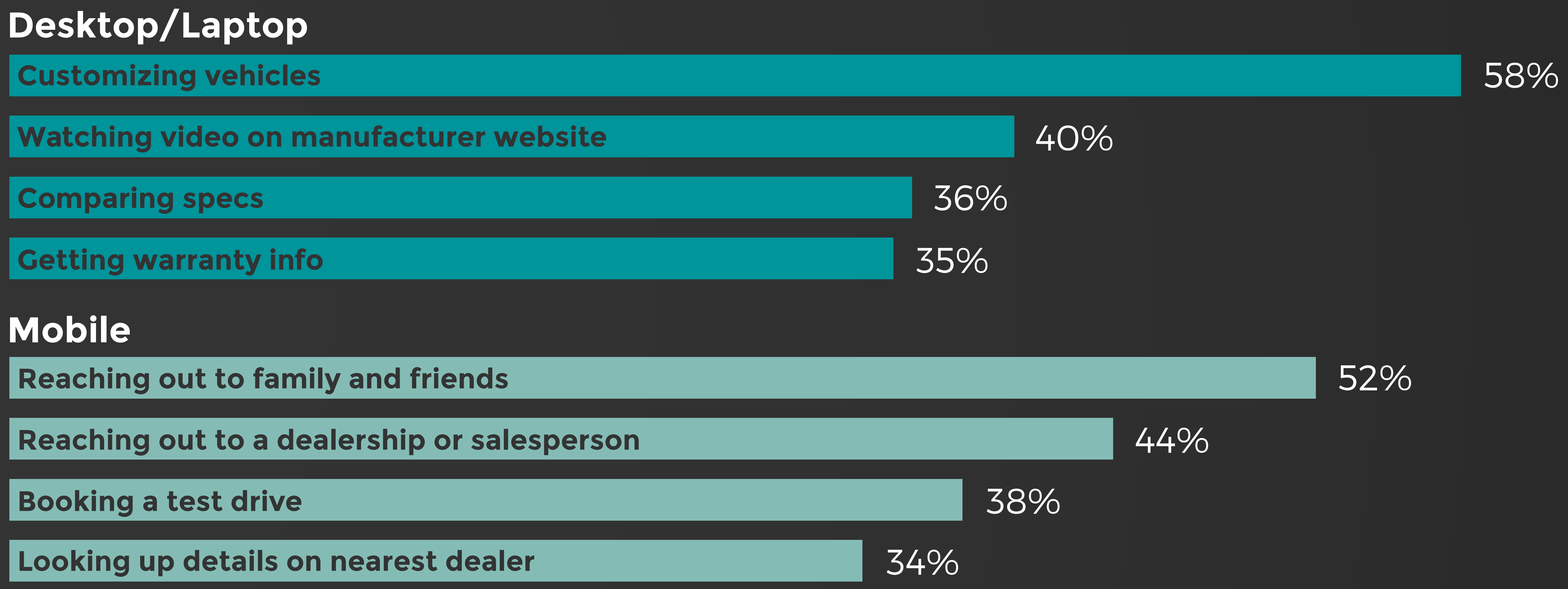
4

AS MOBILE ADOPTION ACCELERATES AND MORE LOCAL TARGETING OPTIONS BECOME AVAILABLE, AUTO MARKETERS ARE RACING IN.[1]

- Consumers employ their mobile devices for activities such as reaching out to peers for recommendations, contacting dealerships, and booking test drives.[18]
- 24% of mobile-first auto consumers have requested a quote online; 66% use mobile apps for research while 73% use m-sites.[9]
- Search interest for "pictures of [automotive brand]" is up 37% year-over-year.[8]
    - 80% of these searches are happening on mobile.[8]
    - Even on smaller mobile screens, configuration searches are 3X higher than last year.[8]

Vehicle Shopping Activities that Work Better on Desktop/Laptop vs. Mobile Devices According to U.S. Vehicle Shoppers, Sept. 2015

% of respondents



Note: ages 18–64 who intend to buy/lease a new vehicle in the next year, among those who primarily use a mobile device for auto research.

Source: Facebook, "Mobile-first Auto Consumers," conducted by Ipsos Media CT, Jan 7, 2016.

AUTO INDUSTRY TO GET UP-CLOSE WITH THE SMALL SCREEN

4

AUTO GOES SOCIAL

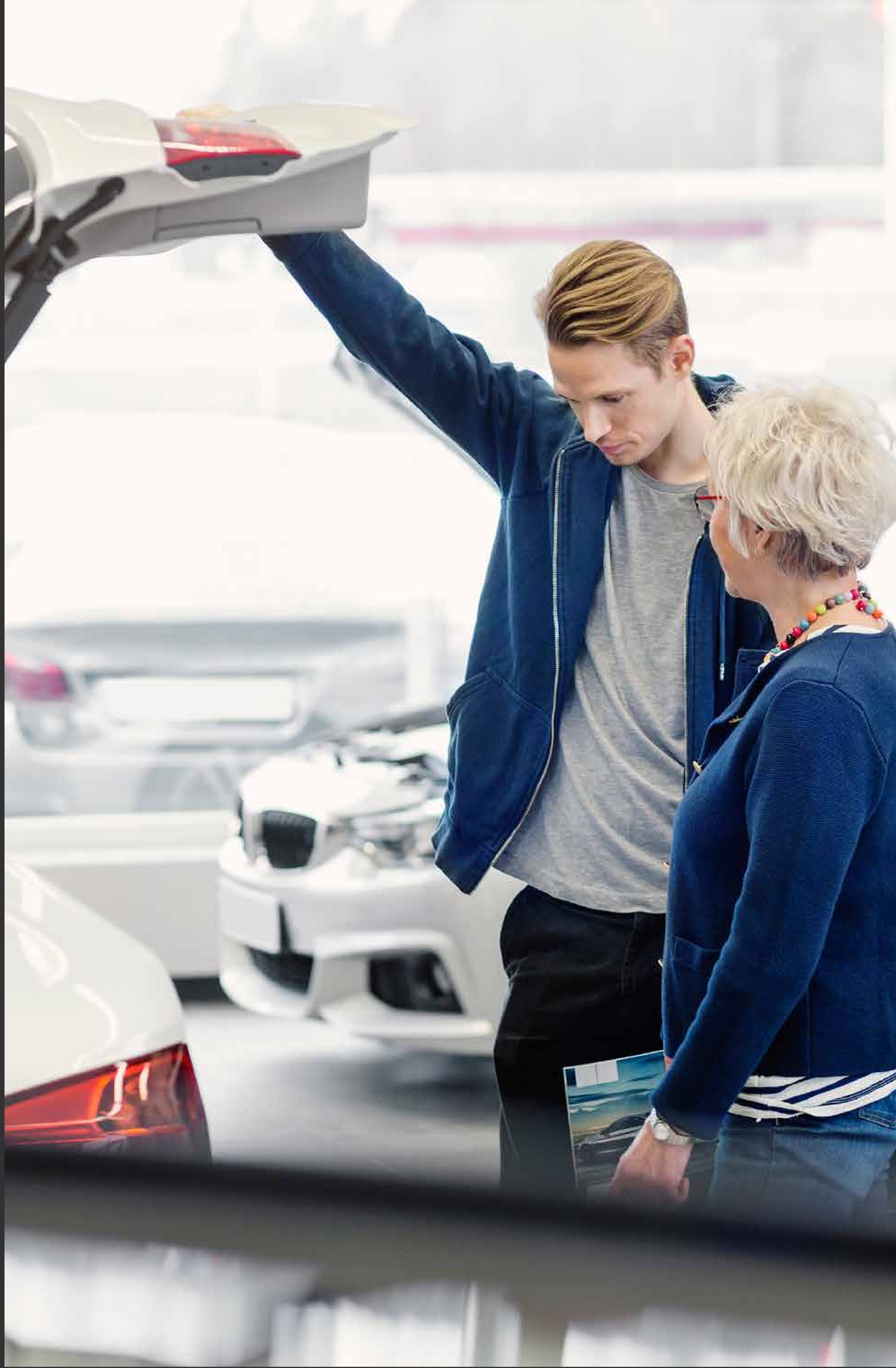
5

LEVERAGING THE POWER OF CONNECTIVITY AND SHAREABILITY OFFERED BY SOCIAL MEDIA IS PROVING TO BE ADVANTAGEOUS TO AUTO ADVERTISERS.

- 55% of automotive marketers polled used social media advertising in their campaigns.[1]
- Nearly one-in-four new vehicle internet shoppers reported using a social media site as a source for auto information.[13]
- YouTube is the #1 social channel used by consumers for auto research.[13]

69% of people

who used YouTube while buying a car were influenced by it.[8]



AUTO DEALERSHIP WEBSITES GENERATE 29% OF LEADS,[22] THEREBY HOUSING VOLUMES OF CUSTOMER DATA THAT CAN BE LEVERAGED FOR CUSTOMIZED ADVERTISING.

- 40.9% of marketing professionals said that, as a result of data-driven marketing activities, their organizations' revenues grew from Q1 to Q2 2016.[20]
- Close to 75% of engaged data-driven marketers say they are seeing increased customer engagement, while two-thirds are seeing new customers, as a result of data-driven efforts.[21]

Where Competititve Advantage Has Been Achieved as a Result of Data-Driven Marketing—by Industry Group

	Customer Loyalty	New Customers	Customer Satisfaction
Travel	67%	56%	59%
Consumer Packaged Goods	59%	31%	31%
Retail	55%	52%	50%
Ad or Marketing Agency	50%	36%	36%
Telecommunications	45%	49%	41%
Automotive	**43%**	**26%**	**26%**
Technology	41%	46%	33%
Media	35%	35%	27%
Banking	33%	40%	40%
Energy	30%	10%	10%

Source: Data Driven and Digitally Savvy: The Rise of the New Marketing Organization, Forbes Insights, January 2015.

DATA-DRIVEN MARKETING PROMISES COMPETITIVE ADVANTAGE

6


AUTO
AND
PRINT
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MAGAZINES DRIVE AUTO PURCHASE CONSIDER-ATION

Heavy magazine readers are **most likely to purchase or lease a new vehicle** in the next 12 months, compared to heavy users of other media. They are also trusted recommenders of the automotive category.[14]

DESPITE THE INCREASED USAGE OF DESKTOP, MOBILE AND VIDEO, THESE SOURCES SUPPLEMENT—RATHER THAN REPLACE—PRINT MAGAZINE ADS AS AUTOMOTIVE INFORMATION SOURCES.[14]

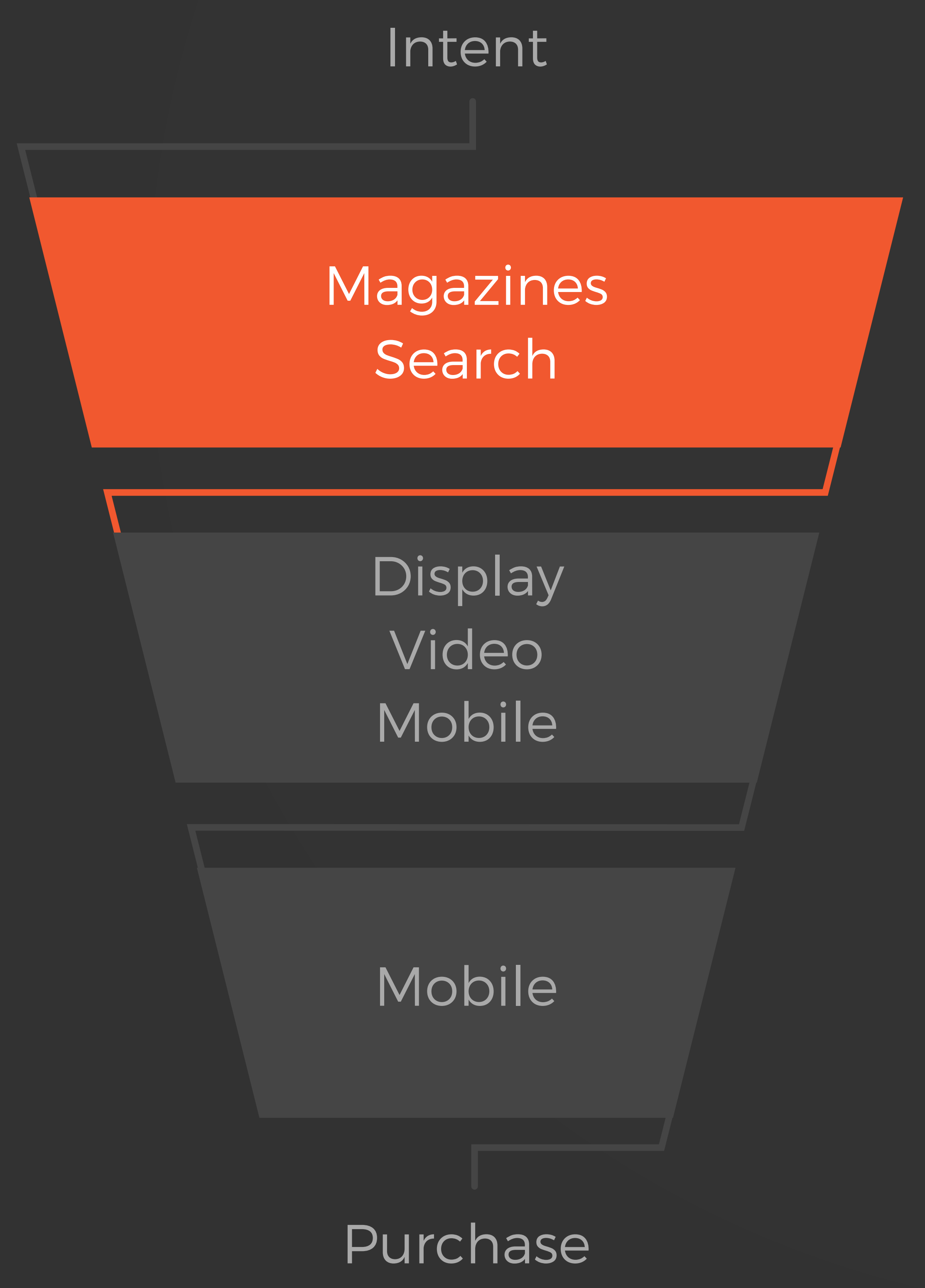
- New-vehicle drivers read an average of 7.9 magazines a month, up from 7.6 in 2015.[14]
- Drivers of premium brand vehicles read more magazines than drivers of non-premium vehicles (9.2 vs. 7.7, respectively).[14]
- Readers' increased engagement with auto ads in magazines over the last four years shows that the medium continues to garner attention and drive purchase consideration.[14]

MAGAZINES DRIVE AUTO PURCHASE CONSIDER-ATION (CONT'D)

MAGAZINES DRIVE TOP-OF-THE-FUNNEL CONSIDER-ATION FOR AFFLUENTS AND MILLENNIALS.

- Print publications are increasingly valued among Affluent Auto Intenders, and are a more important source in the decision journey than internet or broadcast media.[14]
- Affluents rate print magazine ads #1 for being "informative" and providing "fair exchange for content", compared to ads in other media/platforms. Print ads in magazine are also the least intrusive.[14]
- Perhaps because many are first-time buyers, Millennials are even more engaged. More than half take notice of auto ads, and of these, two-thirds read most of the copy, and nearly three-in-four take some action in response to the ad.[14]

59% of auto intenders have noted ads in magazines, and 50% have taken positive actions as a result.[15]



MAGAZINES DRIVE AUTO PURCHASE CONSIDER-ATION (CONT'D)

MNI'S PROPRIETARY MAGA-ZINE NETWORKS REACH THE RIGHT AUDIENCE, AND INFLUENCE AUTO PURCHASES.

- MNI magazine networks reach nearly half of all U.S. auto intenders, and influences fifty cents for every dollar spent on auto purchases.[15]
- 53% of readers have noted automotive ads in MNI magazine networks.[19]
- 58% have taken action on noting these ads, including visiting the advertiser's website, looking for additional information, recommend-ing the auto advertiser, visiting or planning to visit the dealership, and considering purchase.[19]

Auto intenders: Likely to buy a new vehicle or lease a vehicle in the next 12 months

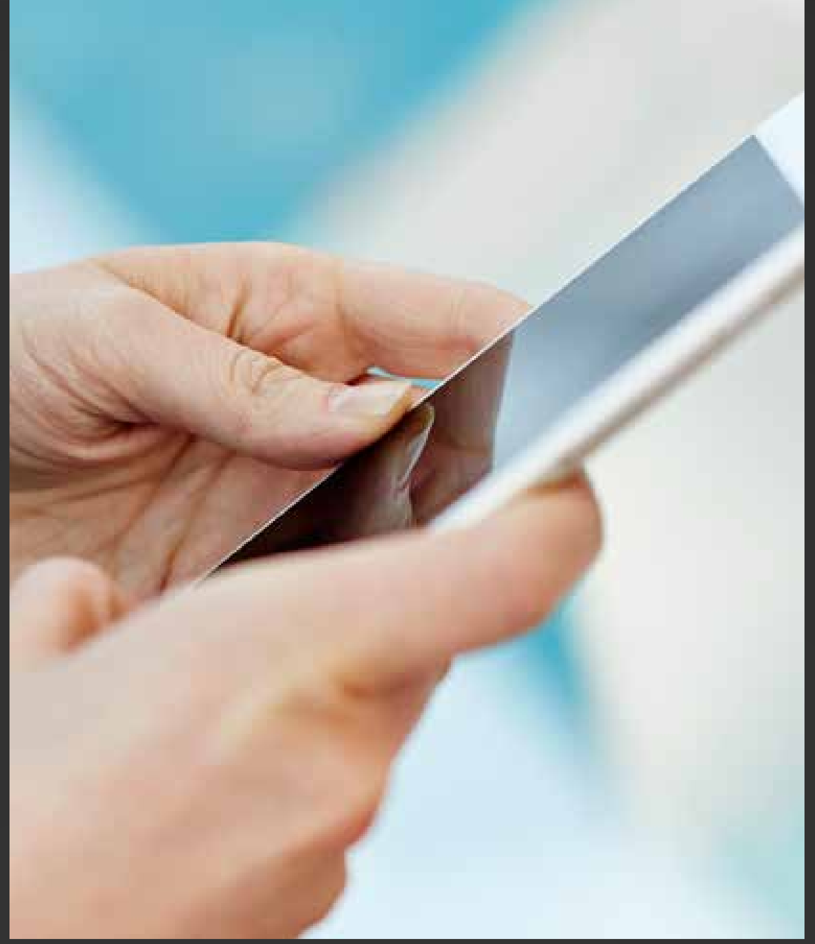
Auto purchases: Total amount spent on most recently purchased new vehicle (excludes leased)


RECAP
MNItargetedmedia INC.

AUTO INSIGHTS RECAP

Auto sales will experience a **healthy growth this year,** thus ensuring the industry is on an upward growth track toward the 2021 forecast.

A promising economic outlook will result in more auto intenders opting to **purchase new vehicles,** as opposed to used or CPO. The spotlight will fall on older Millennials, as they move toward making big-ticket purchases.



Online search, video, review sites, recommendations from influentials, and forums will be the **top sources of information** for consumers. Mobile will play a key role during the entire auto purchase process.

The auto industry will be the **top ad spender** this year, choosing to focus on digital channels, with an agnostic approach across platforms, tactics, and tiers.

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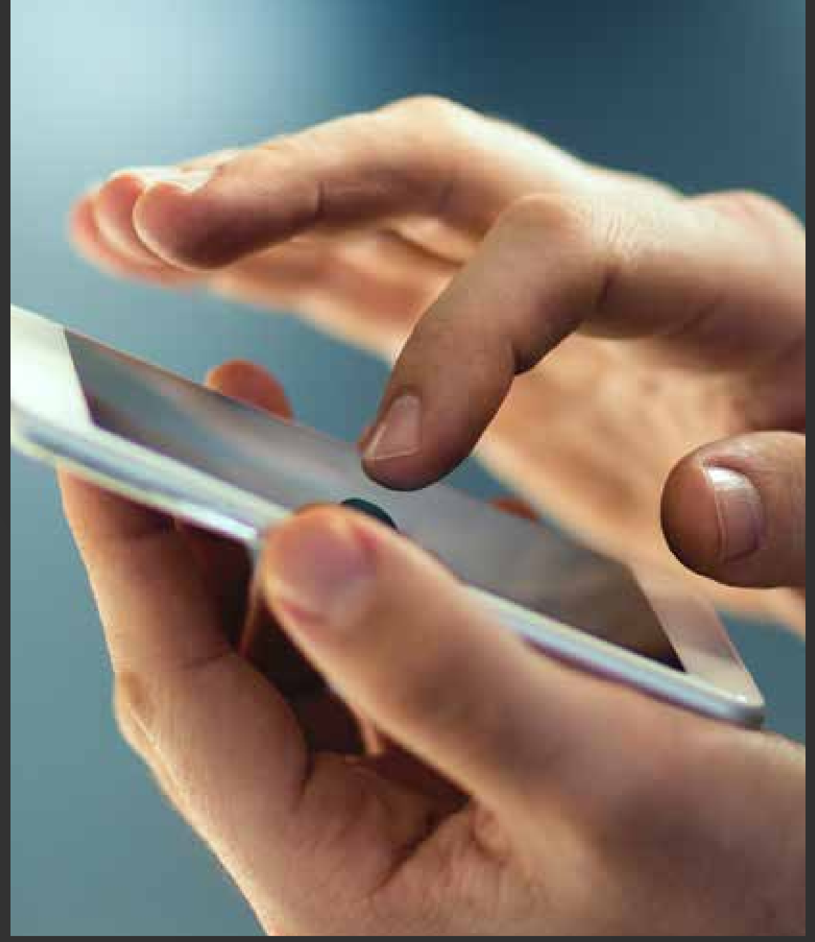
Display advertising, especially video advertising, will be the crowd favorite, gaining a considerable share of ad budget dollars.

Programmatic buying will experience a boost, as more than half of all auto display ads will be purchased programmatically.

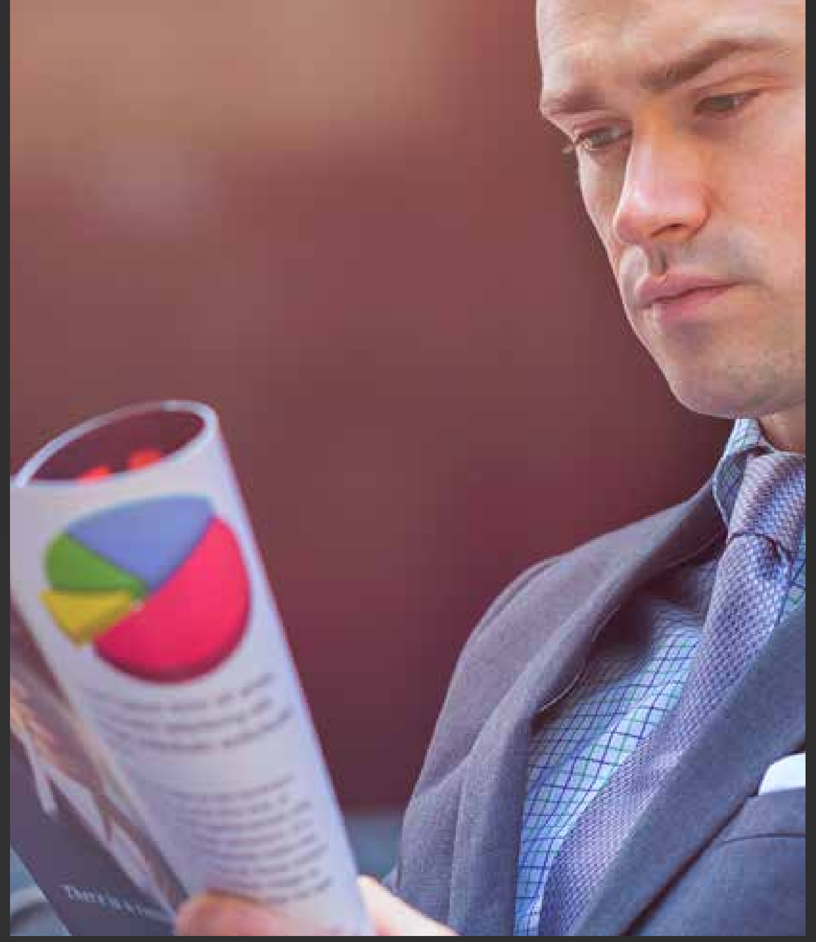
Search advertising, being a preferred means of research by auto intenders, will enjoy favorable spending by automakers, regional dealer associations, dealers, and aftermarket businesses alike.

Mobile advertising will be a key focus this year, thanks to auto shoppers performing most of their price and dealership searches via mobile.

Our comprehensive digital solutions—including our proprietary MNIx Programmatic and DataMatch Auto technologies—run seamlessly across every platform. Access to the most cutting edge digital targeting tactics ensures that we can reach the most precise automotive audiences and intenders, across devices.



Social advertising offers auto advertisers a platform to connect with consumers; auto shoppers view social media as a credible source for auto information.



Print advertising still rules the roost as a valuable source of auto-related information, with digital sources supplementing magazine ads, rather than replacing them.

AUTO INSIGHTS RECAP

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225 High Ridge Road, Stamford, CT 06905 | 800.225.3457 | mni.com

MNI targeted media INC.