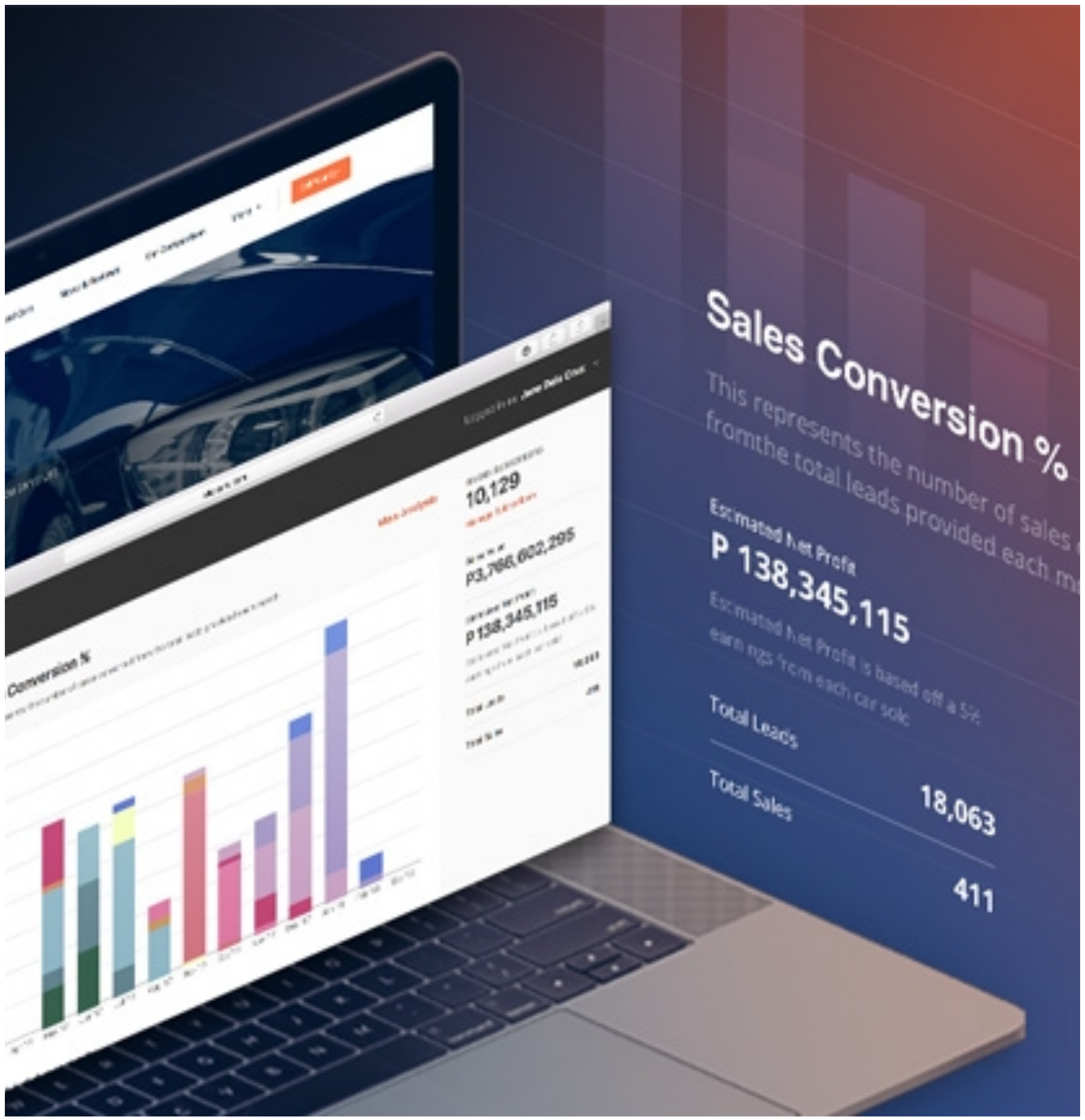
AUTODEAL

Q1 2018 | INSIGHTS REPORT Vol. V

We've lifted the hood on the AutoDeal platform in order to highlight key consumer trends and industry insights related to the car buying in the Philippines.

AUTODEAL

Important



Research and buying trends are constantly changing.

Longer buying times and changes in vehicle preference are just a few of the subtle changes that we've noticed occurring on the AutoDeal platform throughout the first three months of the year.

Despite uncertainty, skepticism and a relatively slow start to the year, one thing remains clear: the Philippine automotive industry is moving into a new era of heightened competition, where the fight to win sales is fought across multiple mediums at a more intense level than ever before. As such, it's now more relevant for brands and dealers to monitor consumer research behavior.

As such, this new edition of the AutoDeal Insights Report has been developed to provide more focus on the data itself. You may find our traditional (and occasionally witty) data commentary on many related subjects within our corporate blog.

Q1 Summary

AutoDeal is the number one automotive marketplace in the Philippines.

6,638,803	58,290	2,612	90,159
WEBSITE VISITS	**INQUIRIES**	**PURCHASES**	**CONVERSATIONS**
By Car Buyers, Vehicle Owners & Enthusiasts.	From buyers requesting quotes, asking questions or booking test-drives.	Tracked and confirmed from users who submitted leads in Q1 2018	Back and forth messages between prospective car buyers and dealers.

Key Findings

What we learned from the data generated in Q1 2018

Consumer Interest

- Interest levels measured in lead volume have grown 39% year on year.
- Lead volume from Q4 2017 to Q1 2018 has declined by 1%.
- Interest levels in subcompacts, light pick-ups, MPV/AUV's, compact crossovers and vans/ minivans continue to rise.
- Interest levels in mid-size SUV's drop considerably, contributing to only 14.4% of all inquiries. This represents a possible market-correction following high interest levels which started in Q2 2017.

Consumer Behavior

- Average lead to sale conversion timeline increased from 42 days in January to 59 days in February.
- Transaction times for light pickups remain the longest at 63 days.
- Prospective buyers have indicated that they will take longer to research and transact their vehicle purchases. This is indicated by more consumers stating that their buying time would be in 3-6 months or 6-12 months period.
- Consumers are predominantly car-shopping using mobile devices (64.8%).

Dealer Engagement

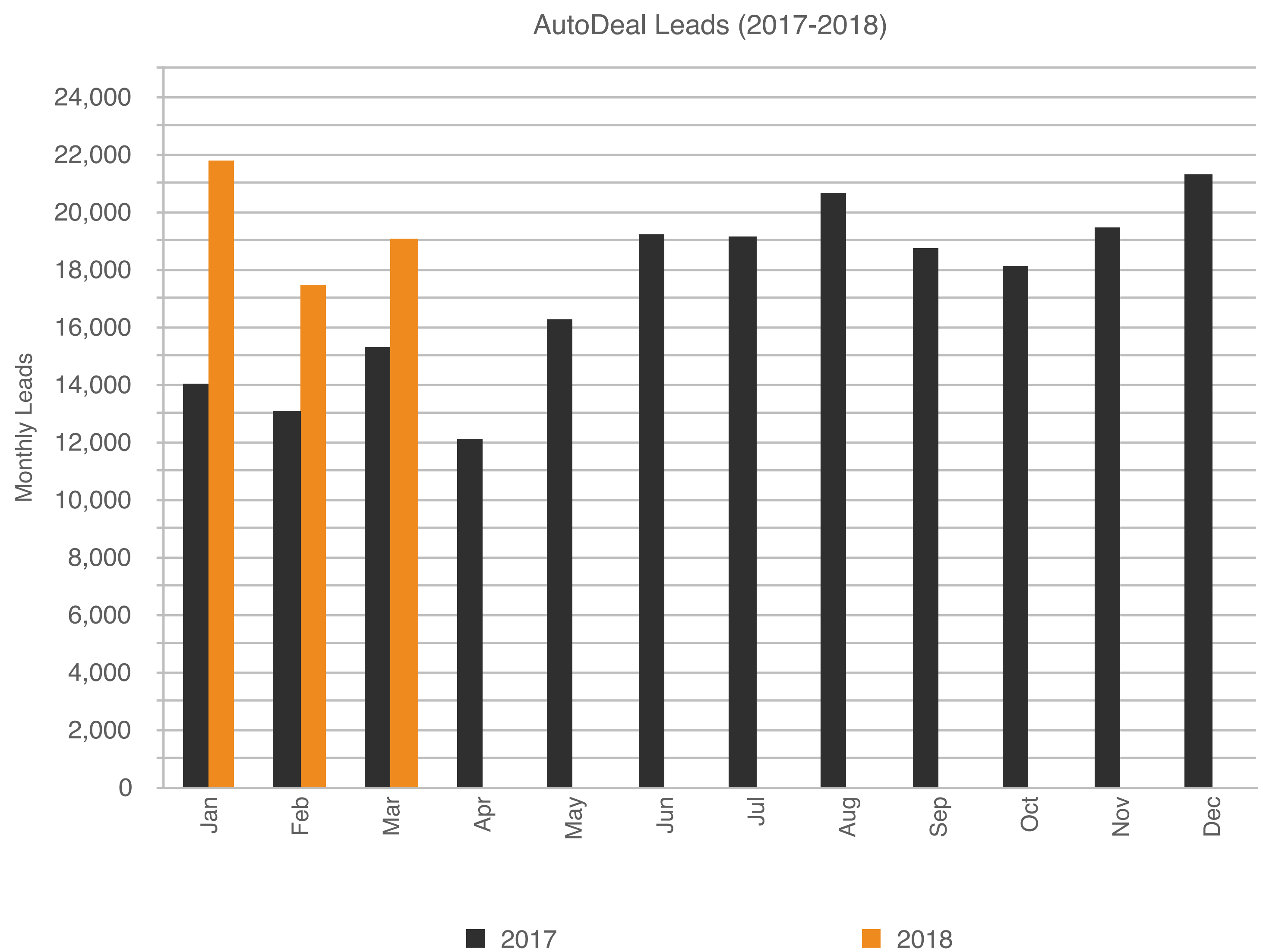
- AutoDeal Partner dealers have improved their response time by 45 hours on average in comparison to Q1 2017.
- Top 50 dealers are now responding to online inquiries within two (2) hours.
- Dealership conversion to online leads ranges from 0% to 20%.
- Strongest influence on online sales conversion continues to be dealership response time.

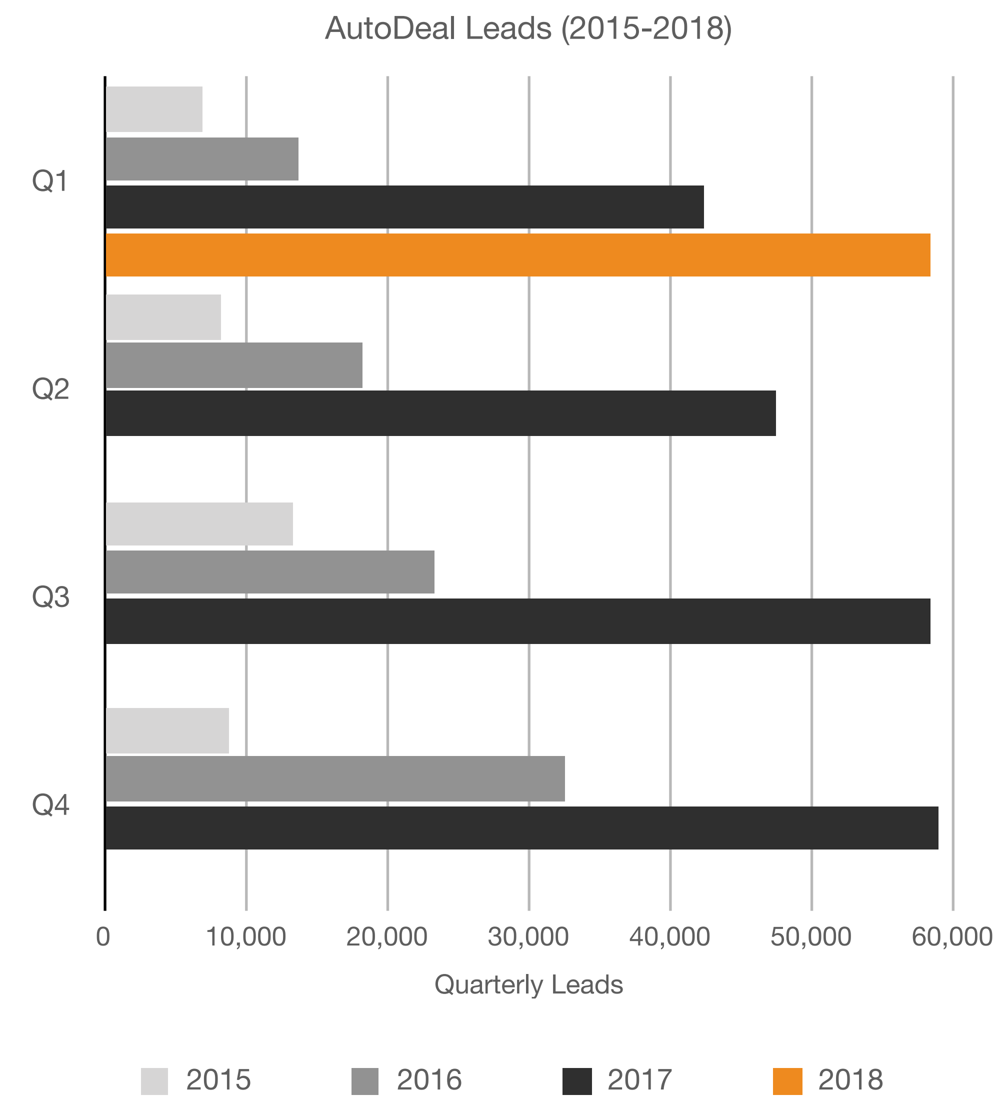
1. Leads

This section outlines key information related to the volume and nature of inquiries submitted by prospective car buyers on AutoDeal.com.ph from January 1, 2018 to March 31, 2018.

Total Leads

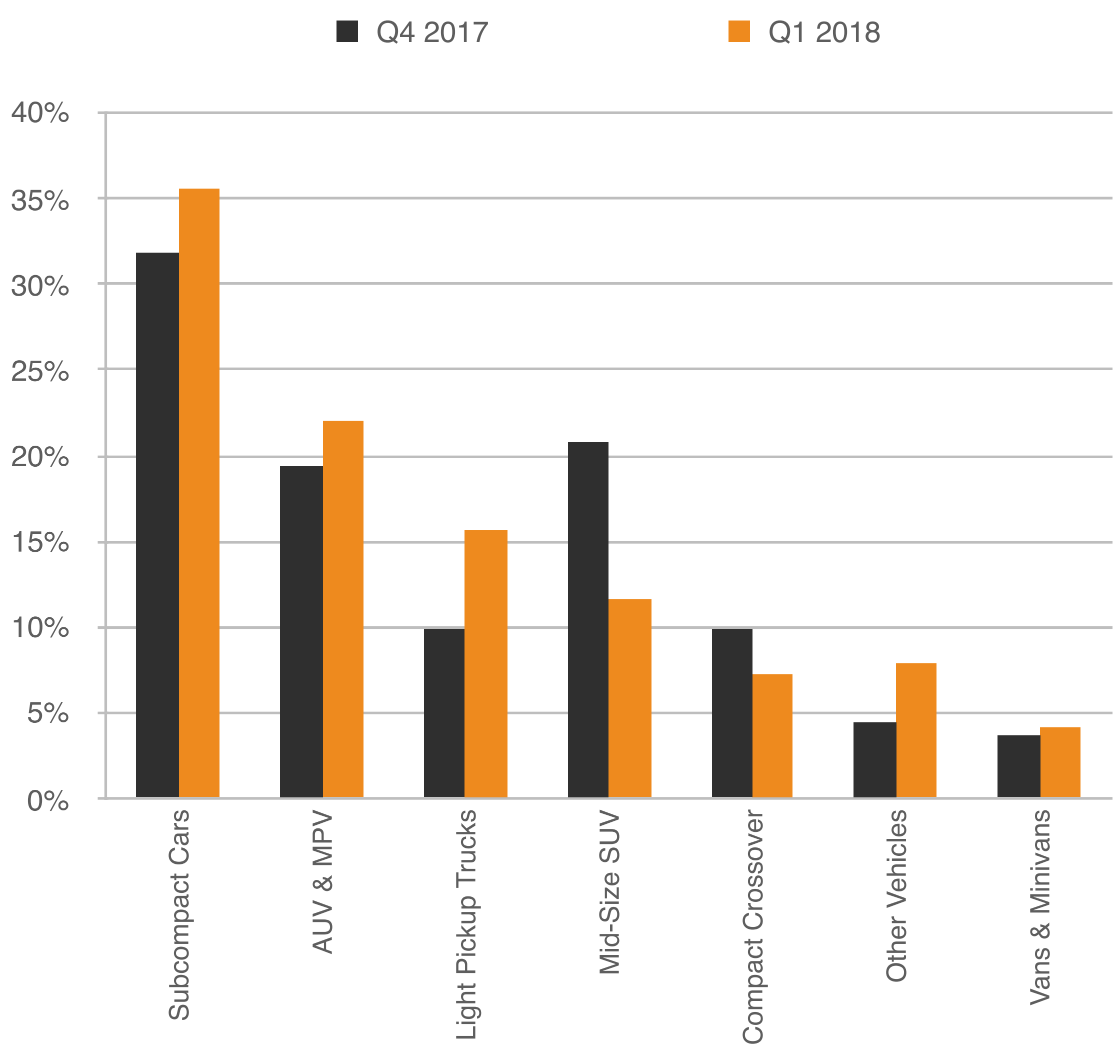
Total online car buying inquiries are up **39%** year on year, down just **1%** from Q4 2017.





Leads by Market Segment

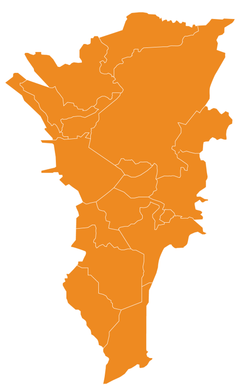
Based on AutoDeal inquiries for major vehicle categories



- ▲ 5.37% **Light Pickup Trucks**
- ▲ 3.75% **Subcompact Cars**
- ▲ 2.65% **AUV & MPV**
- ▲ 0.40% **Vans & Minivans**
- ▼ 0.39% **Compact Crossover**
- ▼ 9.10% **Mid-Size SUV**

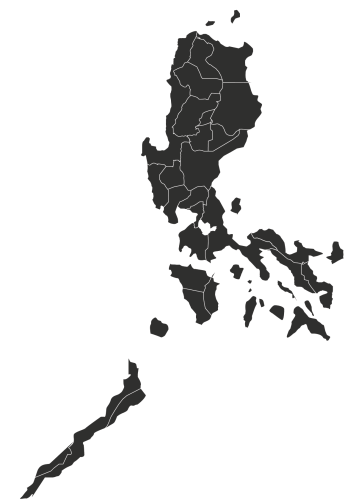
Leads by Location

Percentage of Total Inquiries from top 10 Locations in each major region.



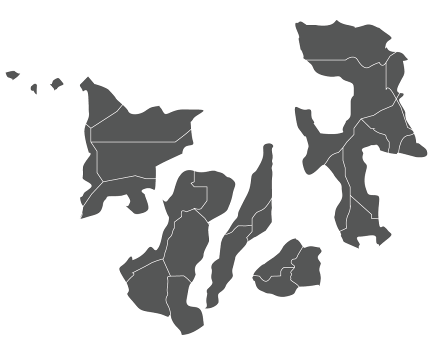
Metro Manila

			% of Total Leads
1	Quezon City	NCR	8.35%
2	Manila	NCR	6.08%
3	Makati City	NCR	3.15%
4	Taguig City	NCR	2.72%
5	Pasig City	NCR	2.56%
6	Caloocan City	NCR	2.54%
7	Paranaque City	NCR	2.11%
8	Las Pinas City	NCR	1.83%
9	Pasay City	NCR	1.50%
10	Mandaluyong City	NCR	1.31%



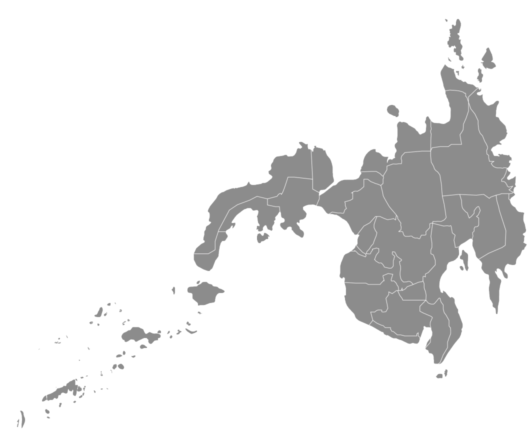
Luzon

			% of Total Leads
1	Bacoor City	Cavite	2.03%
2	Imus City	Cavite	1.77%
3	Angeles City	Central Luzon	1.71%
4	Antipolo City	Rizal	1.66%
5	Dasmarinas	Cavite	1.62%
6	Santa Rosa City	Laguna	1.35%
7	General Trias	Cavite	1.13%
8	Calamba City	Laguna	1.09%
9	Baguio City	CAR	0.99%
10	San Pedro City	Laguna	0.95%



Visayas

			% of Total Leads
1	Cebu City	Central Visayas	1.84%
2	Ilollo City	Western Visayas	1.22%
3	Bacolod City	Western Visayas	0.92%
4	Tacloban City	Eastern Visayas	0.79%
5	Lapu-Lapu City	Central Visayas	0.59%
6	Mandaue City	Central Visayas	0.52%
7	Tagbiliran City	Central Visayas	0.35%
8	Dumaguete City	Central Visayas	0.26%
9	Talisay City	Central Visayas	0.21%
10	Roxas City	Western Visayas	0.19%

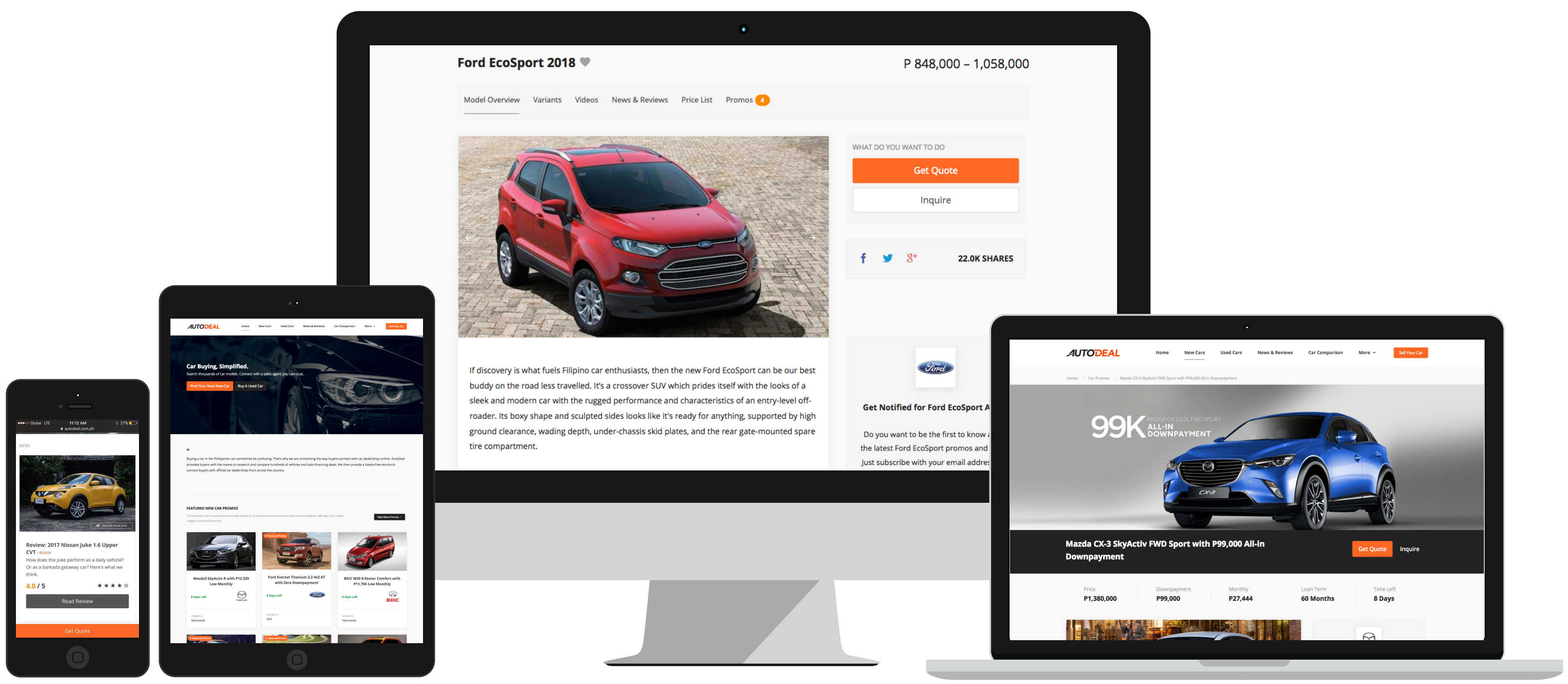


Mindanao

			% of Total Leads
1	Davao City	Davao	2.77%
2	Cagayan De Oro	N. Mindanao	1.86%
3	General Santos	SOCCSKSARGEN	1.00%
4	Iligan City	N. Mindanao	0.78%
5	Zamboanga City	Zamboanga	0.75%
6	Butuan City	CARAGA	0.56%
7	Koronadal City	SOCCSKSARGEN	0.42%
8	Tagum City	Davao	0.41%
9	Paradigan City	Zamboanga	0.40%
10	Kidapawan City	SOCCSKSARGEN	0.25%

Leads by Device

How are users interacting with AutoDeal and making inquiries?



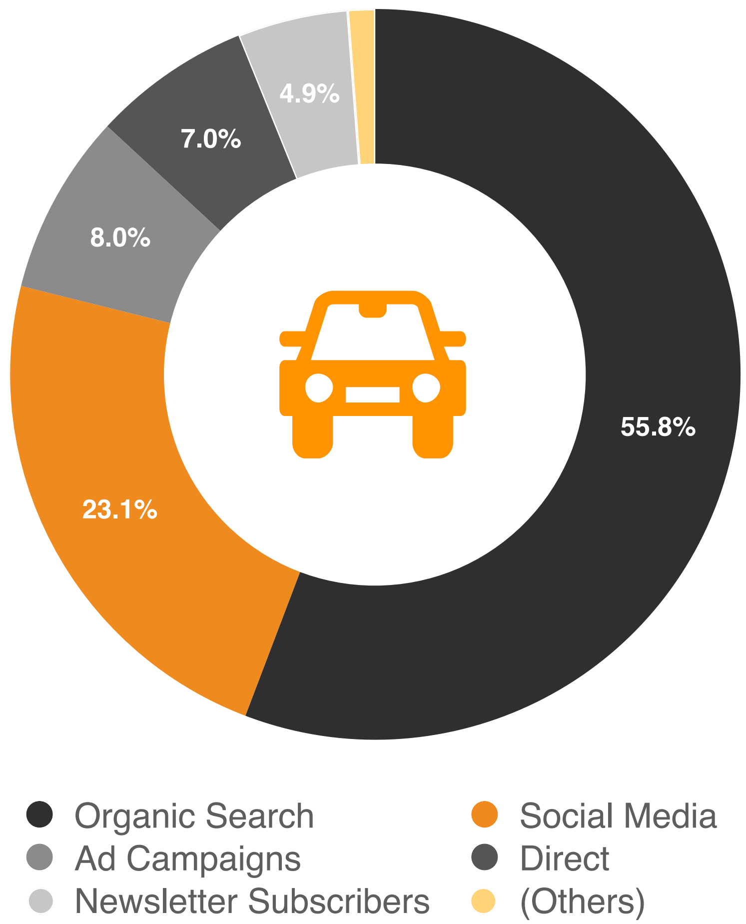
64.8%
On Mobile Devices

29.5%
On Desktop & Laptops

5.7%
On Tablets

Leads by Source

How does AutoDeal attract users and generate inquiries?



55.58% of our inquiries are driven from high quality sessions that originate from search engines queries.

23.1% of inquiries derive from social media platforms like Facebook, Twitter, YouTube and Instagram.

8.0% of inquiries come from users who are driven to AutoDeal through our own digital advertising campaigns.

7.0% of inquiries come from users directly accessing the AutoDeal.com.ph website or revisiting from a browser bookmark.

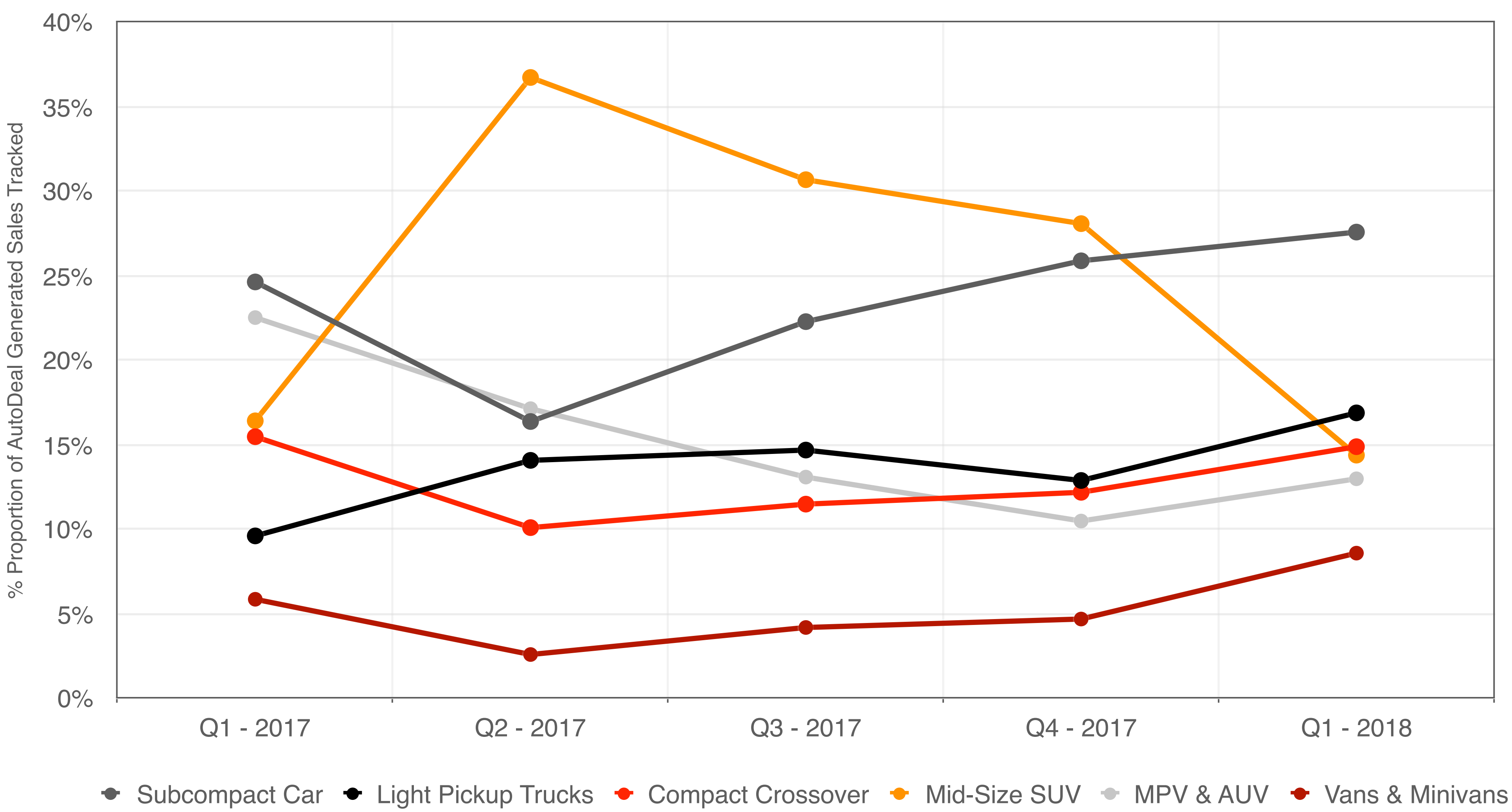
4.9% of inquiries are driven from our e-mail newsletter subscribers who receive our weekly content and promo eDMS.

2. Sales & Conversion

This section provides analysis on confirmed transactions made using the AutoDeal platform. This includes data related to product preferences and purchase journey characteristics.

Sales by Segment

Transaction Proportions of vehicles sold on AutoDeal.com.ph*



*Based on sales data remitted by AutoDeal Partners.

Notes:

This graph shows the breakdown of sales transactions recorded through the AutoDeal platform from the year 2017 to first quarter (Q1) of 2018. Despite total transactions being up, there has been a decline or possible normalization in the ratio of SUV transactions to total transactions recorded. This drop has been offset by proportional growth in the subcompact, light pickup, MPV/AUV and Van/Minivan categories.

Q1 Best Sellers

Top Selling Vehicles on the AutoDeal Platform for Q1 2018*

Subcompact Car

TOYOTA VIOS

Mid-Size SUV

MITSUBISHI MONTERO SPORT

Light Pickup

NISSAN NAVARA

MPV/AUV

SUZUKI ERTIGA

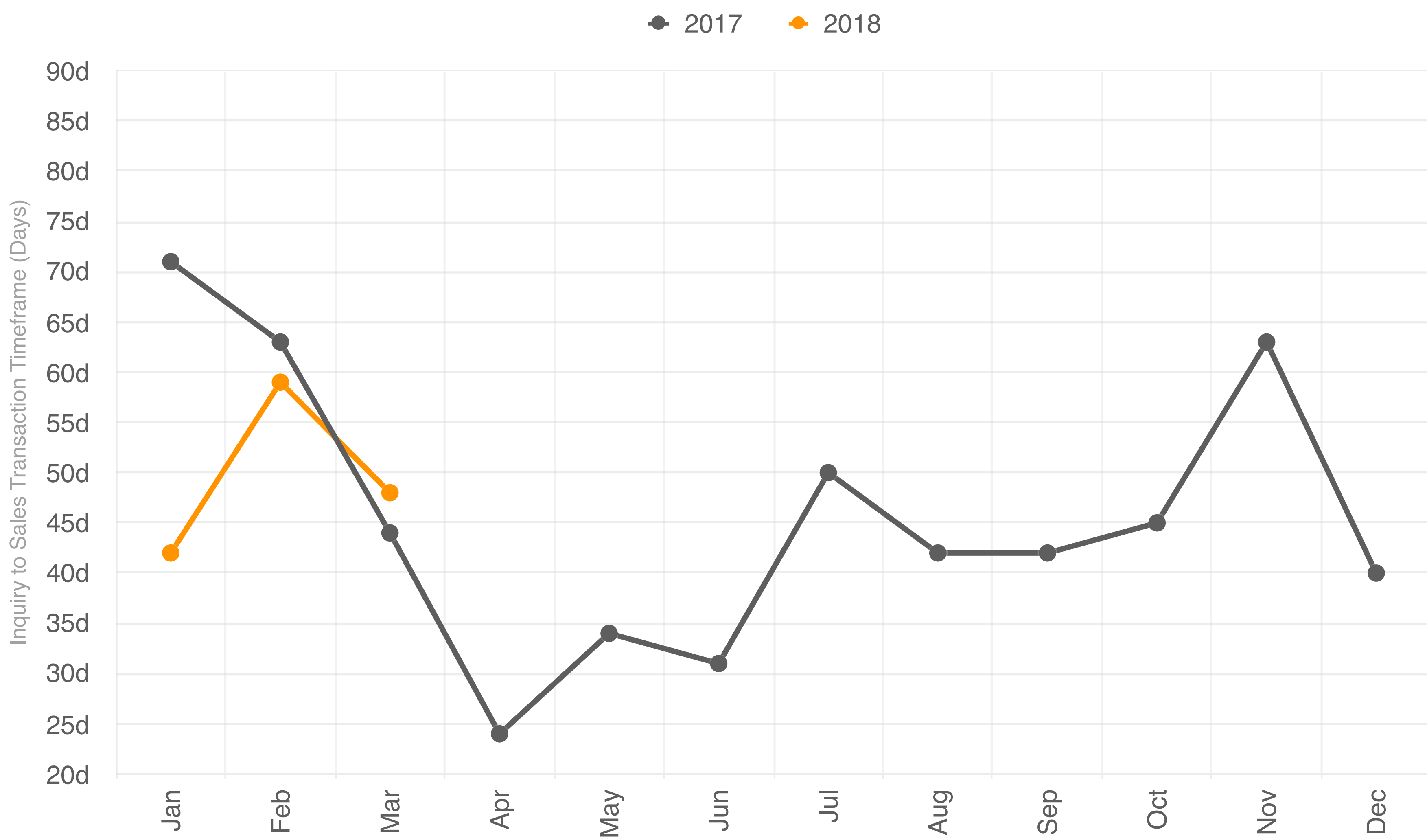
Compact Crossover

FORD ECOSPORT

*Based on sales generated and reported on the AutoDeal Platform.

Conversion Timeline

Average Inquiry to Closed Sale transaction timeline tracked on AutoDeal*



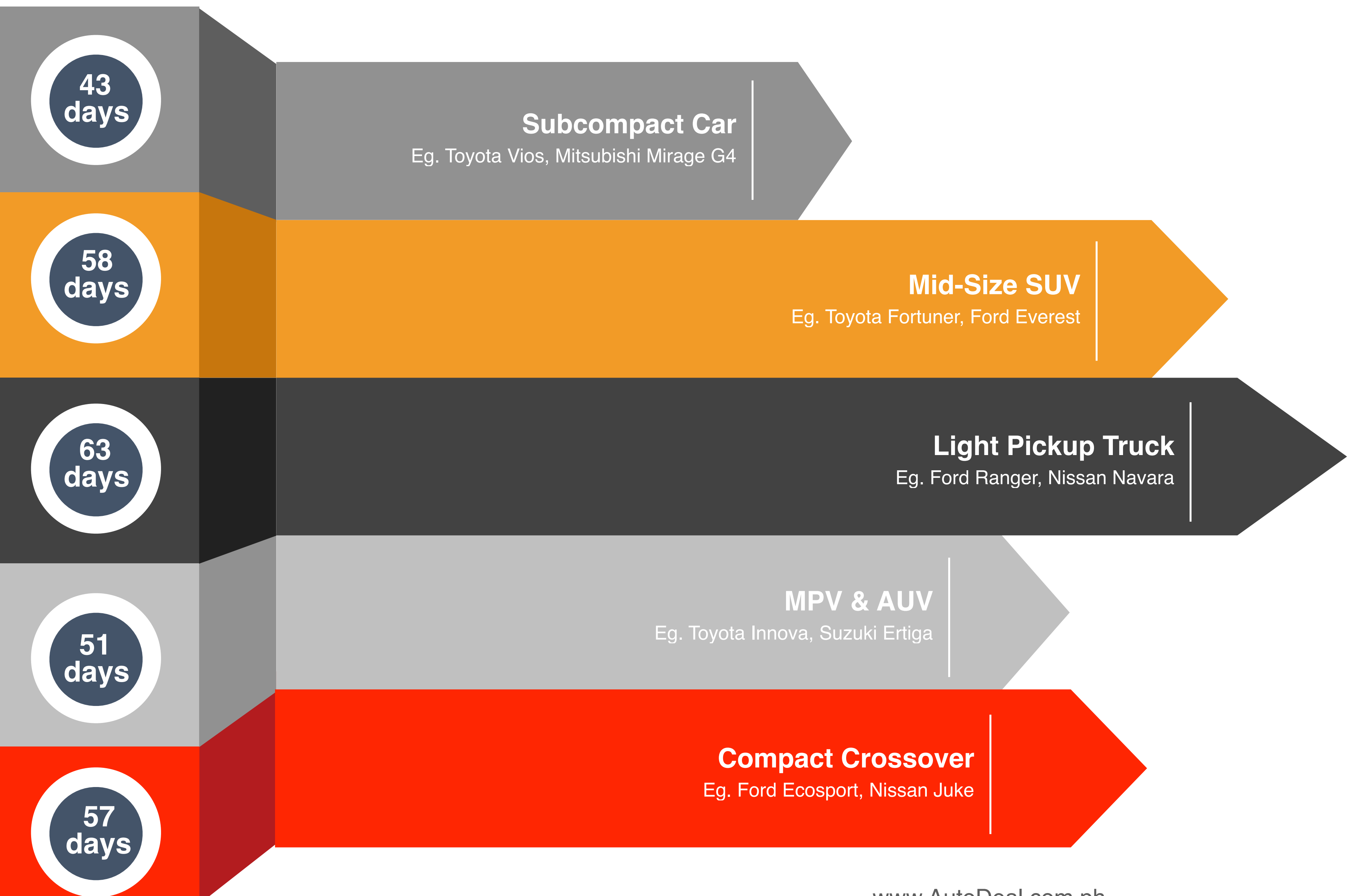
*Sorted by month of final reported sales transaction.

Notes:

While transaction times are faster year-on-year, the average time taken for an online inquiry to convert to a sale has seen a steady rise following the rush experienced in December and January 2017. Will April 2018 see a faster speed of sales' pace?

Segment Conversion Timeline

Average Inquiry to Sale conversion timeline by market category in Q1 2018.



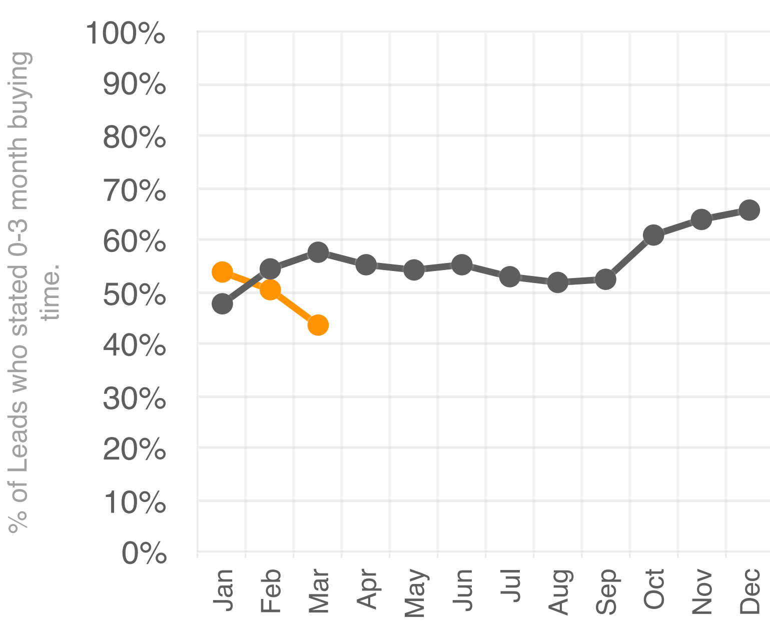
LONGER DECISION MAKING OR LONGER WAITING TIME?

Are the characteristics of a longer lead-to-sale conversion timeline for Light Pickup Trucks and Mid-Size SUVs part of a longer decision making process or a more lengthy waiting time due to unit availability?

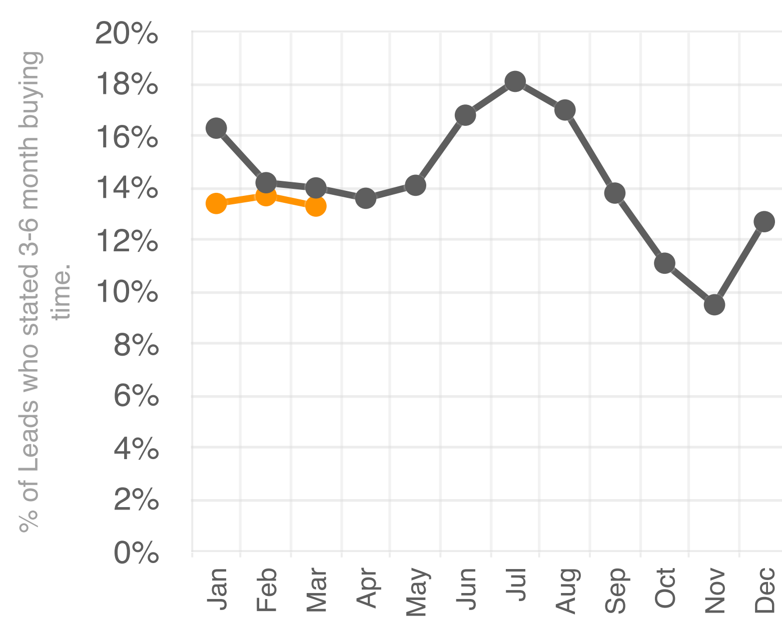
Inquiring & Buying Trends

When are prospective buyers planning to buy?

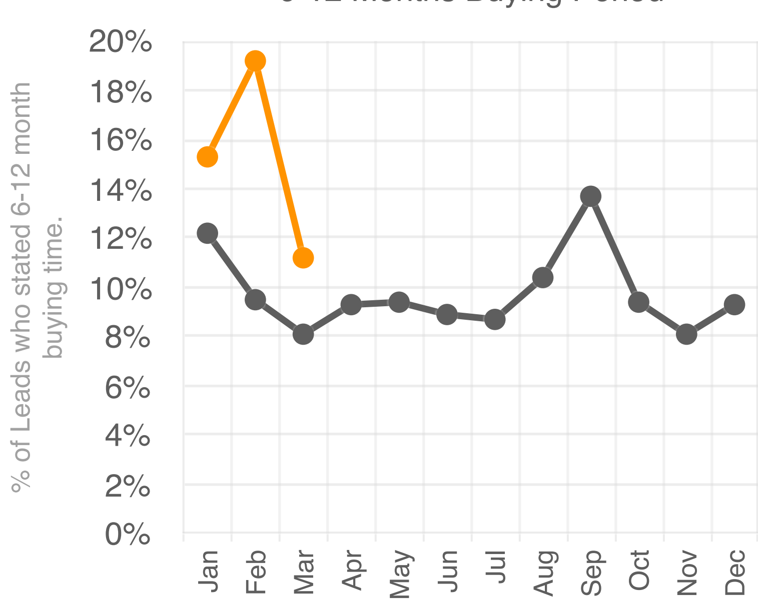
0-3 Month Buying Period



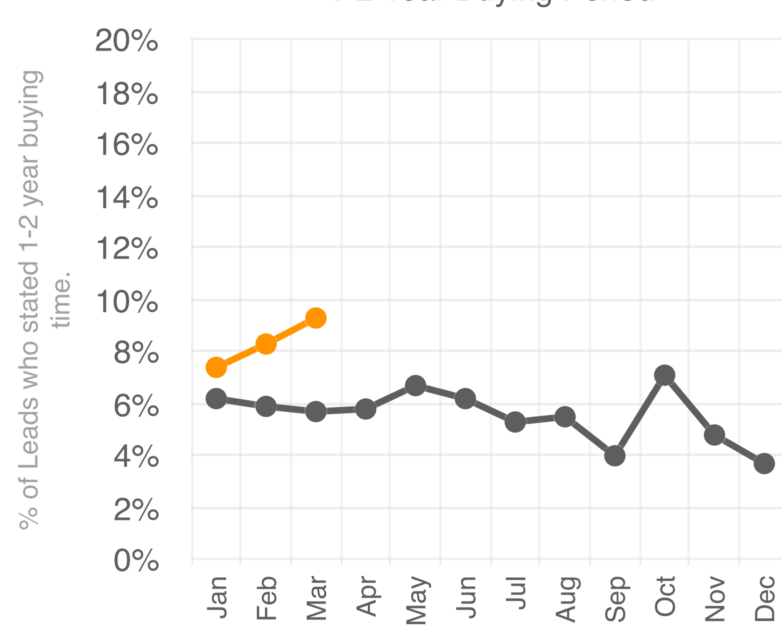
3-6 Month Buying Period



6-12 Months Buying Period



1-2 Year Buying Period



2017 2018

Notes:

The data is derived from the indicated buying time per all AutoDeal inquiries.

DEALERS SHOULD EXPECT LONGER BUYING CYCLES.

Data indicates a small but relevant drop in immediate purchase intent, with prospects indicating a longer buying timeline. While many prospects still indicate that they plan to buy within the year, it will be crucial, now more than ever, for brands and dealers to nurture customers over a longer period of time.

RESEARCH:

PROMOS

15% of all users who visit AutoDeal.com.ph do a portion of their research within the Car Promos section. **41.1%** of all AutoDeal inquiries are generated from users within Car Promo Pages.

Our data suggests that the **interest levels** of consumers is largely fixated on All-In or Low Downpayment deals; further suggesting that initial cash-out remains the primary concern for most cost-driven consumers.

ALL-IN, ZERO OR LOW DOWNPAYMENT DEALS

94%

LOW MONTHLY DEALS

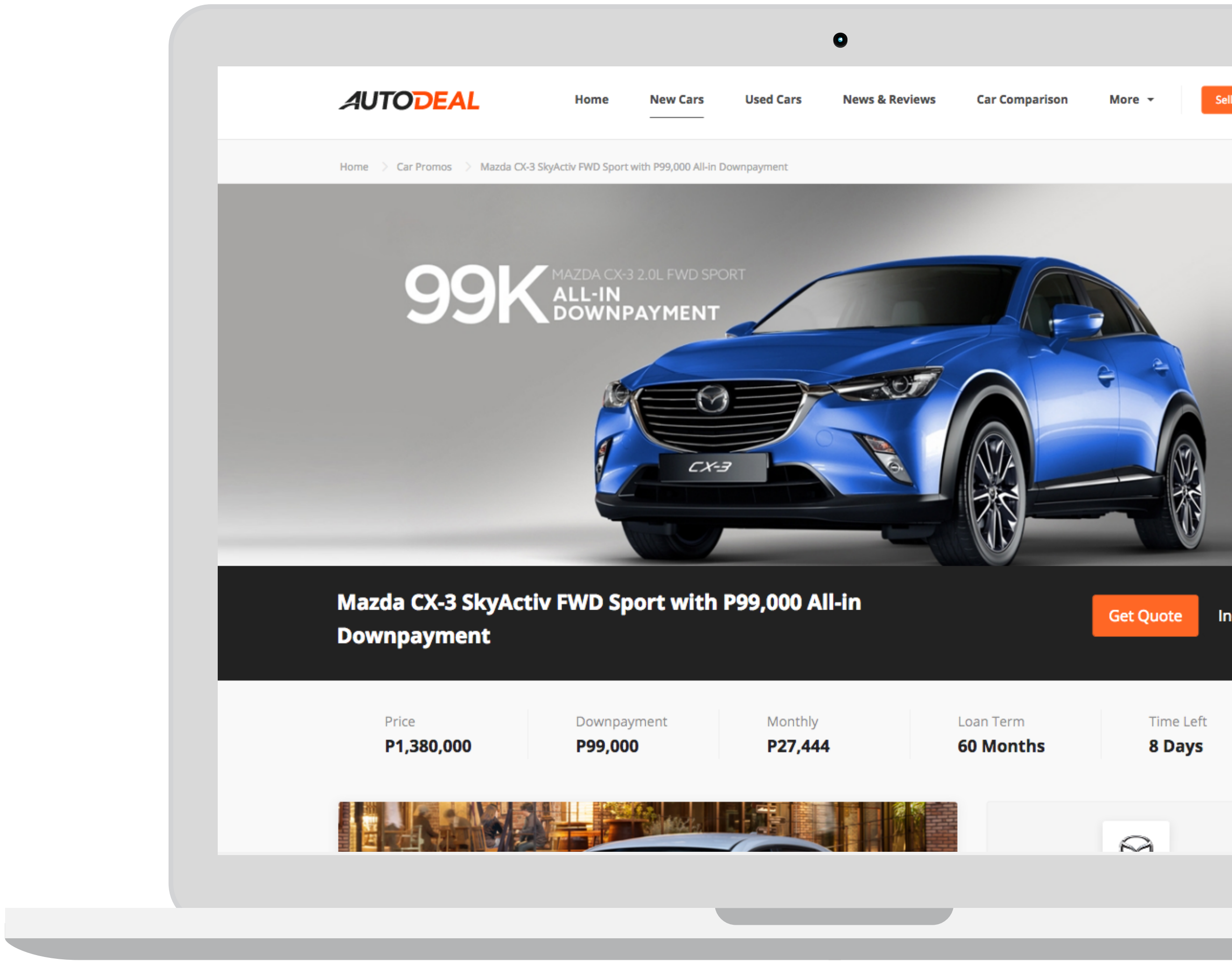
5.8%

DISCOUNTS & FREEBIES

0.11 %

LOW INTEREST

0.04 %



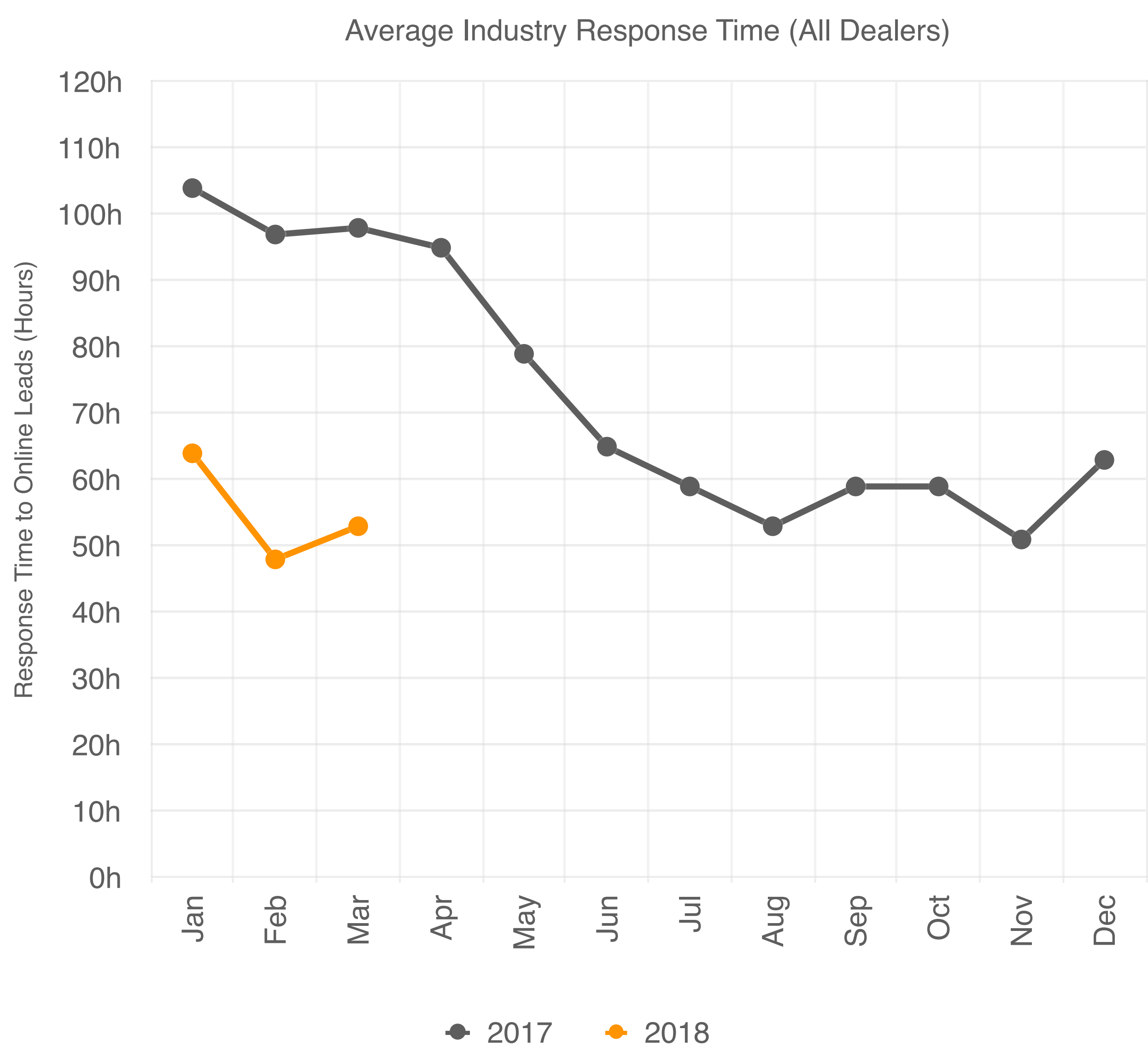
The advertisement of car promos are an integral feature provided to all AutoDeal subscribed brands and dealers.

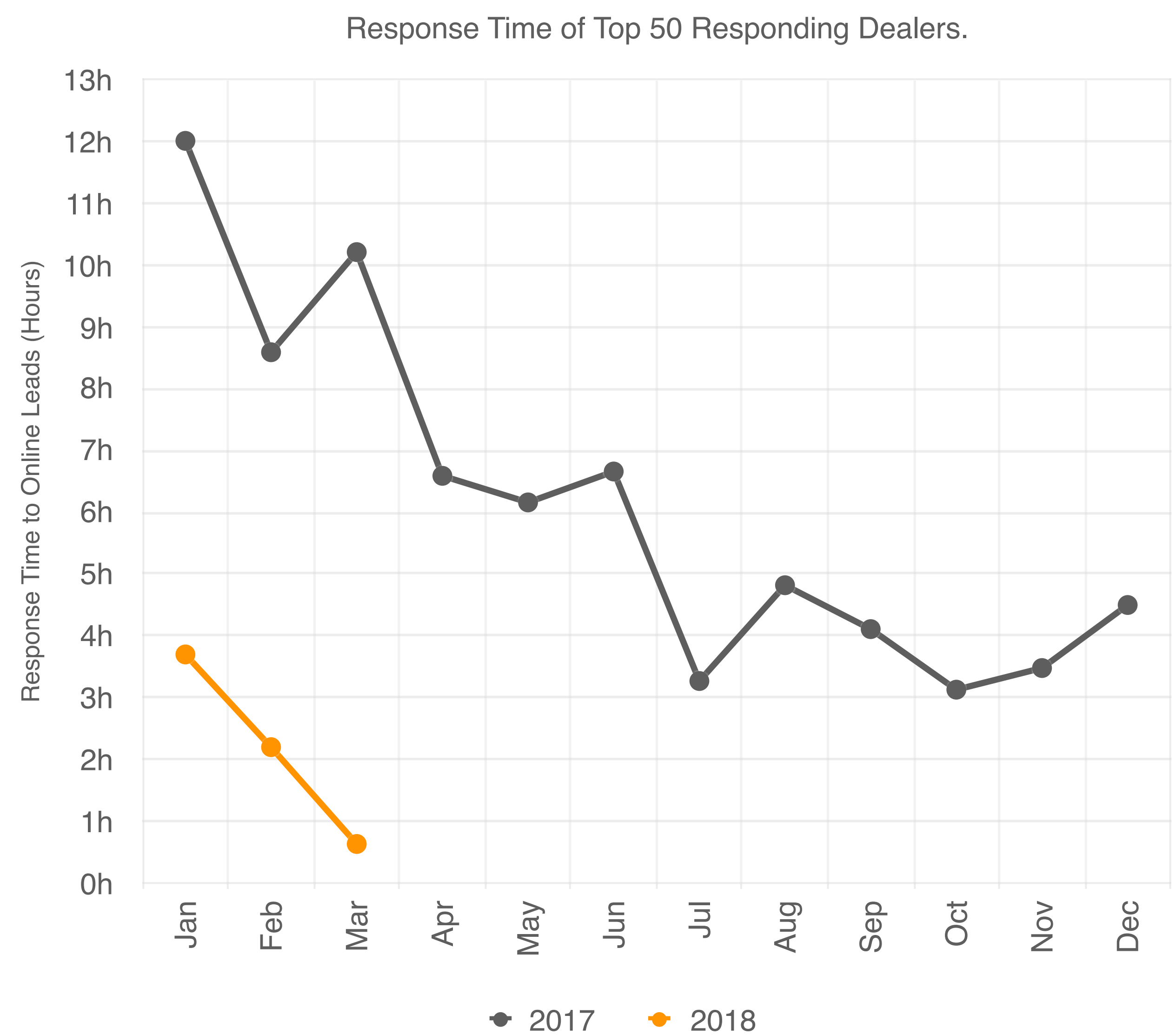
3. Dealer Engagement

This section identifies trends related to dealership response time and conversion rates across multiple brands. It also highlights the top performers for Q1 2018.

Industry Response Time

Q1 Average response time to online inquiries has improved by 45 hours year on year.





*As tracked through the AutoDeal Lead-Management System

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Q1 Top Converting Dealers

These Top 5 Dealers push impressive lead-conversion above industry standards.

01 **Nissan, Palawan**

02 **Nissan, Southwoods**

03 **Nissan, Shaw Mandaluyong**

04 **Mazda, Cavite**

05 **Chevrolet, Dagupan**

*Figures are based on lead to sale conversion figures for leads generated January to March, 2018.

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About AutoDeal.com.ph

Every day AutoDeal helps thousands of prospective car-buyers to compare vehicles, find promos and connect with car dealers across the country.

With thirteen (13) partner brands, three hundred and fifty (350) partner dealers and more than 2.5 million monthly website visits, AutoDeal is the number one online car buying portal in the Philippines; contributing to more than 15,000 confirmed sales in 2017.

Contact Information

AutoDeal.com.ph
Building #10 and 12
Jupiter Street
Barangay Bel-Air
Makati City

T: 02 894 1891

E: info@autodeal.com.ph