

Retail Automotive Summary

Part 2: How the Hispanic Market Uses Advertising to Make New-Vehicle Acquisition Choices

To understand what role media and advertising plays in the Hispanic consumers' decision on a new-vehicle acquisition, it's important to look at the reasons behind the choice to make a vehicle purchase.

Reasons for Shopping

There is little doubt that the growing incentive levels are enticing more people to consider a new vehicle, but in a comparison with the pre-recession year of 2006, fewer

report this as a reason for shopping. While still high at 65.6 percent for the overall market, the Hispanic consumer is more sensitive to incentives with more than 70 percent saying incentives were a motivating reason for look at new vehicles.

But the Hispanic market, as reported last month, has seen total family work hours decline because of the recession and that, in turn, resulted in holding onto a current vehicle longer than the U.S. average.

For Hispanics, there has been a 6 percent increase in "Needed a new vehicle" to 65.4 percent compared to a 7 percent decline for the new-car shoppers *en toto*.

As the table below shows, motivations for Hispanics are significantly (continued)

Importance of Spanish In Advertisements			Reasons for Entering the New-Vehicle Market						
			Hispanic cy2006	Ttl U.S. Mkt cy2006	Hispanic cy2013	Ttl U.S. Mkt cy2013	Hispanic % Chng v 06	Ttl U.S. Mkt % Chng v 06	
First Generation									
	cy06	cy13							
Extremely	31.2%	32.4%	Incentives were compelling	71.2%	68.3%	70.3%	65.6%	-1.3%	-4.0%
Very	37.9%	42.3%	Needed a new vehicle	61.5%	58.3%	65.4%	54.1%	6.3%	-7.2%
Somewhat	20.2%	16.1%	Monthly payment was low	59.9%	52.3%	57.9%	55.5%	-3.3%	6.1%
Not at all	10.7%	9.2%	New model compelling	56.5%	54.4%	54.1%	58.8%	-4.2%	8.1%
	100.0%	100.0%	Saw ad on TV	52.4%	47.9%	50.9%	48.1%	-2.9%	0.4%
			Saw ad in magazine	48.3%	46.2%	46.6%	45.4%	-3.5%	-1.7%
			Information on Internet	24.4%	25.5%	38.2%	41.2%	56.6%	61.6%
			Saw ad in newspaper	24.3%	20.2%	20.7%	17.8%	-14.8%	-11.9%
Second Generation or Longer			Sticker price was low	23.4%	20.4%	21.4%	22.2%	-8.5%	8.8%
	cy06	cy13	New job higher pay	23.4%	18.7%	25.5%	19.1%	9.0%	2.1%
Extremely	21.5%	19.4%	Same job higher pay	19.8%	17.5%	21.7%	18.6%	9.6%	6.3%
Very	21.2%	19.2%	Other	12.5%	13.2%	15.5%	15.2%	24.0%	15.2%
Somewhat	43.9%	46.7%	Saw auto ad on web	4.3%	6.9%	9.7%	12.3%	125.6%	78.3%
Not at all	13.4%	14.7%	Lease completed	4.3%	12.4%	3.1%	10.7%	-27.9%	-13.7%
	100.0%	100.0%	Balloon note completed	0.2%	0.1%	0.3%	0.1%	50.0%	0.0%

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different in multiple other areas. As an example, while 25 percent of U.S. total market shoppers said they were driven to the new-car market because they had a new job with higher pay, only 19 percent of Hispanic intenders gave that as one of the reasons for entering the car market.

On a percentage change basis (2013 v 2006), seeing an auto ad on the web resulted in a 125 percent increase among Hispanics with a 78 percent increase in the overall market.

Spanish Language Important

Regardless of media options, there is a strong divide between first generation Hispanics in the U.S. and those who have lived here for two or more generations.

In 2006, 69 percent of respondents said a Spanish-language advertisement or commercial was very or extremely important to their decision to consider a particular brand. In 2013's study, that percentage increase to about 75 percent.

For second or later generations, however, the share saying "extremely" or "very" important fell from 43 percent to 38 percent.

That isn't a reason to consider English-only ads, however, because the bulk of respondents in both years said Spanish language ads were at least somewhat important.

Information Sources

How has the Hispanic market

cy2006	6 mo	5 mo	4 mo	3 mo	2 mo	1 mo	2 wks	Avg.
TV Ads	18.1%	16.3%	15.1%	12.5%	10.3%	8.8%	6.1%	12.5%
Consumer Magazine Ads	13.6%	15.9%	16.7%	17.6%	14.9%	8.8%	8.2%	13.7%
Friends/Relatives	13.8%	12.7%	11.3%	8.2%	10.6%	15.8%	10.7%	11.9%
Business Associates	11.9%	10.6%	9.4%	11.1%	10.2%	11.6%	13.4%	11.2%
Dealer Brochures	6.1%	6.2%	6.4%	5.8%	6.3%	6.1%	5.4%	6.0%
Consumer Reports	8.9%	8.7%	8.6%	8.7%	9.2%	9.2%	8.7%	8.9%
Newspaper Ads (Local)	1.8%	2.4%	2.6%	2.8%	3.9%	4.4%	12.8%	4.4%
Auto Articles (any source)	3.1%	3.2%	4.1%	5.4%	5.3%	6.9%	7.2%	5.0%
Radio Ads	2.1%	2.3%	2.7%	2.7%	2.8%	2.7%	2.6%	2.6%
Internet	7.4%	7.8%	8.3%	9.1%	8.6%	7.2%	6.6%	7.9%
Auto Magazine Ads	1.5%	1.5%	1.6%	1.9%	1.8%	1.8%	1.6%	1.7%
Auto Buyers' Guides	1.8%	2.2%	2.1%	1.9%	1.8%	1.8%	1.5%	1.9%
Co. Stores / Mall Displays	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Auto Shows	2.6%	2.7%	4.1%	4.9%	5.3%	5.2%	5.1%	4.3%
National Newspapers	1.2%	1.3%	1.8%	1.6%	1.5%	1.5%	1.4%	1.5%
Special Events	2.6%	3.4%	3.8%	4.4%	3.2%	2.8%	1.9%	3.2%
Other	3.5%	2.8%	1.4%	1.4%	4.3%	5.4%	6.8%	3.7%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

cy2013	6 mo	5 mo	4 mo	3 mo	2 mo	1 mo	2 wks	Avg
TV Ads	16.4%	15.7%	13.8%	11.4%	9.9%	8.2%	5.9%	11.6%
Consumer Magazine Ads	13.1%	15.2%	16.1%	17.3%	14.2%	8.5%	7.8%	13.2%
Friends/Relatives	15.6%	14.2%	12.3%	8.9%	11.6%	16.4%	12.0%	13.0%
Business Associates	9.1%	8.6%	8.2%	8.9%	8.7%	10.2%	12.5%	9.5%
Dealer Brochures	1.3%	1.4%	1.6%	1.5%	1.9%	2.2%	1.7%	1.7%
Consumer Reports	7.0%	7.2%	7.3%	7.2%	7.9%	8.1%	7.4%	7.4%
Newspaper Ads (Local)	2.2%	2.7%	2.9%	3.1%	4.2%	4.5%	12.9%	4.6%
Auto Articles (any source)	2.7%	2.5%	2.9%	3.8%	4.2%	5.5%	5.8%	3.9%
Radio Ads	2.8%	2.9%	3.2%	3.4%	3.2%	3.2%	2.9%	3.1%
Internet	10.6%	10.9%	11.4%	13.1%	12.4%	9.9%	9.2%	11.1%
Auto Magazine Ads	1.4%	1.3%	1.4%	1.5%	1.6%	1.4%	1.3%	1.4%
Auto Buyers' Guides	1.4%	1.8%	1.7%	1.8%	1.9%	1.8%	1.6%	1.7%
Co. Stores / Mall Displays	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Auto Shows	3.3%	3.5%	4.4%	5.2%	5.3%	5.1%	4.8%	4.5%
National Newspapers	0.9%	0.9%	0.8%	0.8%	0.9%	0.7%	0.6%	0.8%
Special Events	4.1%	4.6%	4.8%	4.8%	5.2%	4.7%	4.2%	4.6%
Other	8.1%	6.6%	7.2%	7.3%	6.9%	9.6%	9.4%	7.9%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

changed in terms of the primary source of automotive information? In some cases, the five years between studies seems to indicate important shifts.

Television ads, for example, are down from 12.5 percent to 11.6 percent. This includes both Spanish and English language TV programming. Conversely, newspaper ads (continued next page)

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-- both print and electronic – gained ground, up 9.7 percent.

While newspapers are seriously being hammered in the overall market, Hispanics are still tied to their local Spanish-language media including radio programming (up 21.2 percent in 2013 vs. 2006).

National newspapers have all but been abandoned by the Hispanic market with an overall decline during the Purchase Process dropping more than 44 percent for both print and electronic editions.

Friends and Family

A close-knit community, Hispanics have always relied on friends and family for advice and information about new and used car acquisitions.

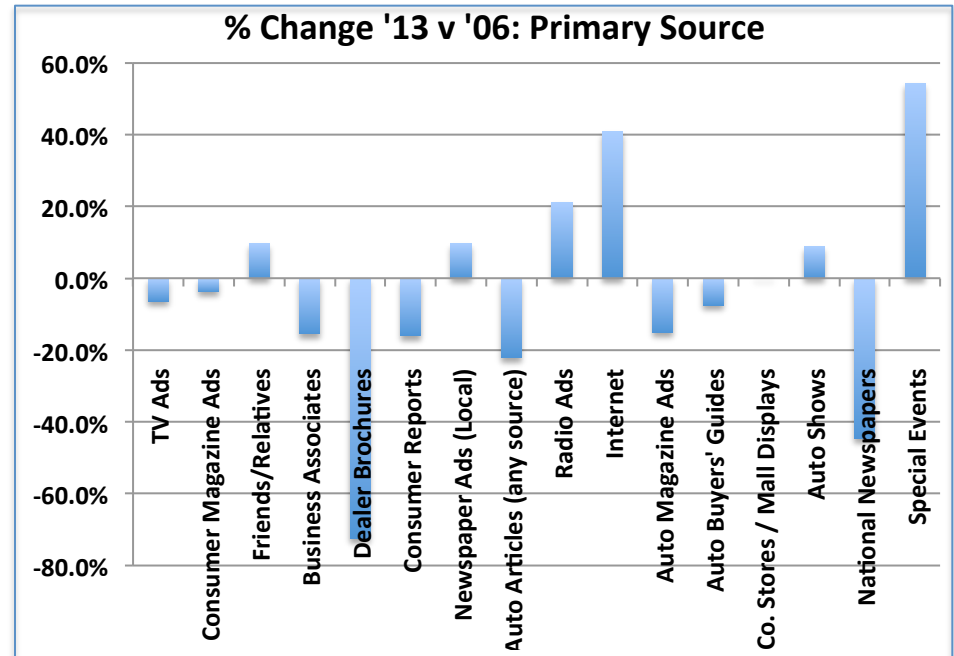
Between 2006 and 2013, that reliance has increased nearly 10 percent, one of only five categories showing a gain in that time period.

Because of fewer working hours and less time on the job, business associates or co-workers declined more than 15 percent.

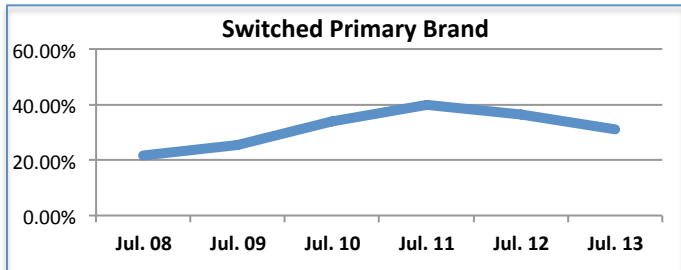
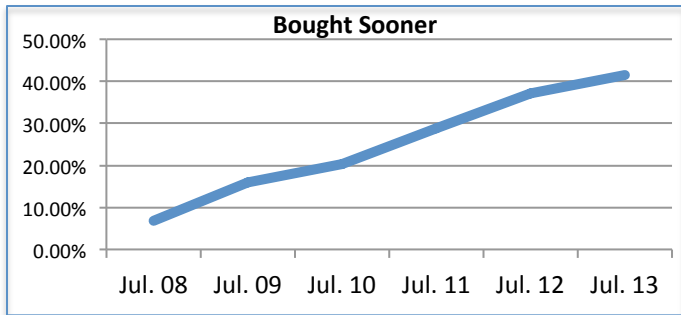
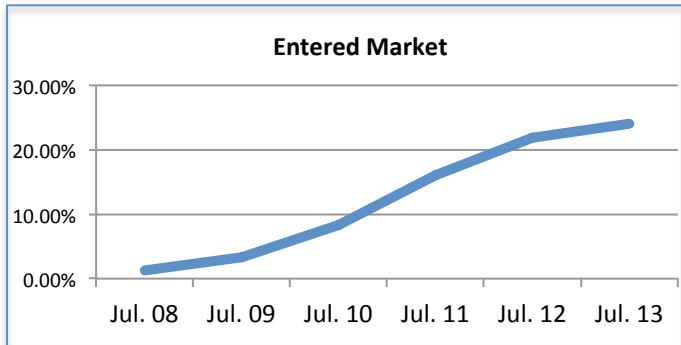
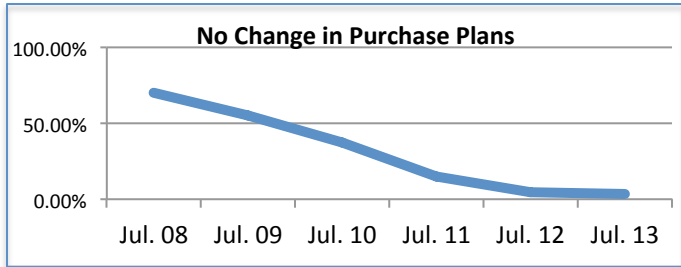
CONTEXT: With Hispanics set to see their share of the new-car market regain its footing and climb to around 14 percent over the coming three years, marketers would be well advised to lay the groundwork now to take advantage of this buyer segment.

As pointed out last month, Hispanics are becoming less loyal to brands and are considering more models from more automakers than in the past.

Clearly this opens the door to some brands that have not done well among the Hispanic market while simultaneously requiring those with a strong presence and preference among Hispanics to shore up any weak points in their Hispanic marketing approaches. Competition is going to get rougher to get this segment into showrooms and brands.



% Change '13 v '06	6 mo	5 mo	4 mo	3 mo	2 mo	1 mo	2 wks	Avg
TV Ads	-9.4%	-3.7%	-8.6%	-8.8%	-3.9%	-6.8%	-3.3%	-6.4%
Consumer Magazine Ads	-3.7%	-4.4%	-3.6%	-1.7%	-4.7%	-3.4%	-4.9%	-3.8%
Friends/Relatives	13.0%	11.8%	8.8%	8.5%	9.4%	3.8%	12.1%	9.7%
Business Associates	-23.5%	-18.9%	-12.8%	-19.8%	-14.7%	-12.1%	-6.7%	-15.5%
Dealer Brochures	-78.7%	-77.4%	-75.0%	-74.1%	-69.8%	-63.9%	-68.5%	-72.5%
Consumer Reports	-21.3%	-17.2%	-15.1%	-17.2%	-14.1%	-12.0%	-14.9%	-16.0%
Newspaper Ads (Local)	22.2%	12.5%	11.5%	10.7%	7.7%	2.3%	0.8%	9.7%
Auto Articles (any source)	-12.9%	-21.9%	-29.3%	-29.6%	-20.8%	-20.3%	-19.4%	-22.0%
Radio Ads	33.3%	26.1%	18.5%	25.9%	14.3%	18.5%	11.5%	21.2%
Internet	43.2%	39.7%	37.3%	44.0%	44.2%	37.5%	39.4%	40.8%
Auto Magazine Ads	-6.7%	-13.3%	-12.5%	-21.1%	-11.1%	-22.2%	-18.8%	-15.1%
Auto Buyers' Guides	-22.2%	-18.2%	-19.0%	-5.3%	5.6%	0.0%	6.7%	-7.5%
Co. Stores / Mall Displays	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Auto Shows	26.9%	29.6%	7.3%	6.1%	0.0%	-1.9%	-5.9%	8.9%
National Newspapers	-25.0%	-30.8%	-55.6%	-50.0%	-40.0%	-53.3%	-57.1%	-44.5%
Special Events	57.7%	35.3%	26.3%	9.1%	62.5%	67.9%	121.1%	54.3%
Other	131.4%	135.7%	414.3%	421.4%	60.5%	77.8%	38.2%	182.8%



Impact of Incentives Changing in 2013

As incentive levels increase, one by product has been the ability to get fence-sitters to take the plunge and get into the new-car market.

First a definition: CNW counts everything that reduces the MSRP to the shopper as an incentive. This includes subsidized leases, low-interest loan rates, higher trade-in values, dealership salespeople spiffs, quota awards, short-term upgrades in equipment, extended warranties, local and regional discounts and more.

Driving Consumers to Market

As calendar year 2013 has progressed, the number of Key Market consumers who have bought sooner than they anticipated because of higher incentives has risen to more than 40 percent. Prior to the recession, in 2008, that percentage was below 10 percent.

Incentives also caused 23 percent of those who were not even in the market for a new car to consider it – jumping to 22 percent this year from a recession-depressed 3 percent in 2008.

Incentives on Cars, Trucks Shift

To gain a perspective on just how pervasive incentives were prior to the recession, the table at right shows the average MSRP an average transaction

Year	MSRP	Tran Prc	% Difference
cy13			
Avg Car	\$31,438	\$28,852	91.77%
Avg Truck	\$43,942	\$36,429	82.90%
cy12			
Avg Car	\$30,943	\$28,867	93.29%
Avg Truck	\$41,826	\$34,094	81.51%
cy11			
Avg Car	\$30,529	\$26,737	87.58%
Avg Truck	\$38,772	\$32,407	83.58%
cy10			
Avg Car	\$28,816	\$25,582	88.78%
Avg Truck	\$33,719	\$27,153	80.53%
cy09			
Avg Car	\$29,067	\$21,964	75.56%
Avg Truck	\$33,605	\$26,972	80.26%
cy08			
Avg Car	\$30,444	\$24,719	81.19%
Avg Truck	\$35,283	\$27,947	79.21%
cy07			
Avg Car	\$29,799	\$23,137	77.64%
Avg Truck	\$33,486	\$27,891	83.29%
cy06			
Avg Car	\$30,689	\$24,037	78.32%
Avg Truck	\$34,413	\$28,967	84.17%
cy05			
Avg Car	\$28,062	\$22,791	81.22%
Avg Truck	\$33,428	\$27,313	81.71%

Source: CNW Research

prices from 2005 through 2012.

This includes both manufacturer and dealer-to-consumer incentives.

Data for 2013 shows a re-widening between MSRP and TP for both cars and trucks, impacting everyone's bottom line.

Consideration of Used-Car Source

Hard to believe, but in 1997 and beyond, more than 70 percent of used-car shoppers would actually consider buying a repossessed vehicle even though a majority had been abused.

Today, that figure has fallen to 31.8 percent and, even more telling, 55 percent of used-car shoppers say they wouldn't even consider it (up from 8 percent in '97.)

cy 1997		Certified OL	Off-Lease	Financed	Repo	Commercial Fleet	Daily Rental	Corp. Fleet (PU)
Consider		88.9%	83.4%	83.1%	70.4%	42.7%	2.4%	54.1%
May Consider		11.1%	10.4%	9.7%	17.3%	31.5%	8.3%	26.2%
Unlikely Consider		0.0%	6.2%	7.2%	6.1%	11.8%	64.6%	11.8%
Definitely Not Consider		0.0%	0.0%	0.0%	6.2%	14.0%	24.7%	7.9%
cy2000		Certified OL	Off-Lease	Financed	Repo	Commercial Fleet	Daily Rental	Corp. Fleet (PU)
Consider		93.6%	87.1%	79.7%	49.2%	39.5%	2.1%	49.6%
May Consider		6.4%	12.8%	11.4%	8.7%	26.2%	9.8%	23.1%
Unlikely Consider		0.0%	0.1%	8.9%	4.1%	10.6%	66.3%	16.7%
Definitely Not Consider		0.0%	0.0%	0.0%	38.0%	23.7%	21.8%	10.6%
cy2013		Certified OL	Off-Lease	Financed	Repo	Commercial Fleet	Daily Rental	Corp. Fleet (PU)
Consider		98.2%	95.6%	88.3%	31.8%	46.3%	1.8%	56.9%
May Consider		1.8%	4.4%	10.4%	6.6%	29.4%	7.5%	27.1%
Unlikely Consider		0.0%	0.0%	1.3%	6.7%	14.2%	61.4%	14.4%
Definitely Not Consider		0.0%	0.0%	0.0%	54.9%	10.1%	29.3%	1.6%

Off Lease in Big Demand

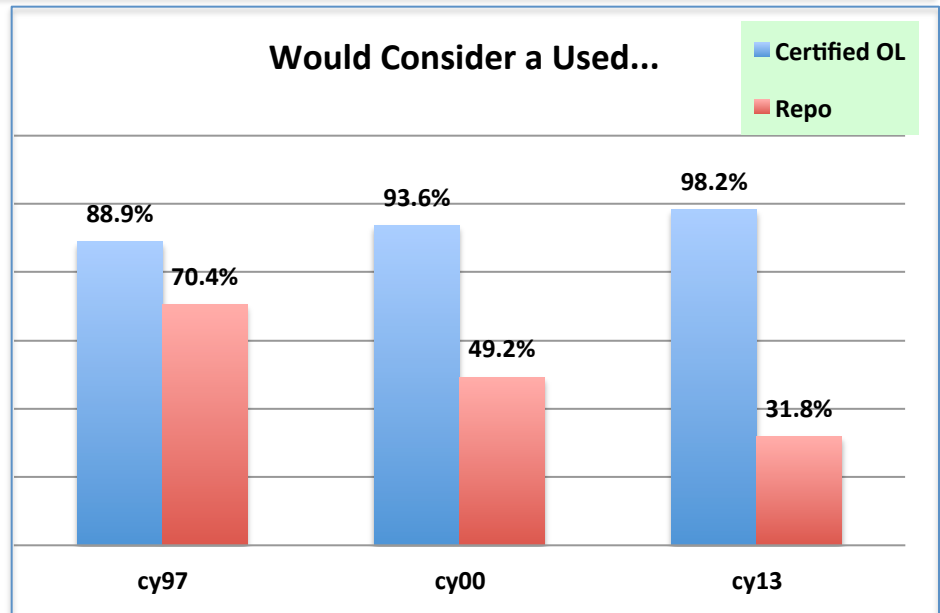
It's no surprise that used-car shoppers find off-lease cars to be the best alternative, but even here we've seen a significant increase since 1997.

In that year, 83 percent said they would consider an off-lease car or truck. Today the figure approaches 96 percent. In fact, virtually everyone in the used-car market would either "Consider" or "May Consider" off-lease models.

The Changing Demands

What's changed in those 16 years?

First and foremost, consumers are becoming increasingly more selective in what they will buy used. They want a vehicle meeting exacting specifications from color to options to mileage. In 1997 and before, a less finicky shopper might accept a blue model instead of the desired red one or abandon the desire for power seats. Not any longer. Even those looking at 10-year or older vehicles are quick to reject an offering that doesn't meet an increasingly strict criteria.



September Looking Positive; Jitters Way Up

If everything falls into place, September could be a 15.8 SAAR month based on deliveries made thus far this month. That would be a 12 percent increase over the same month a year ago.

But there are some thunder clouds on the distant horizon, most notably the significant month-over-month jump in the CNW Jitters Index. The 1.72 percent increase vs. August is the largest month to month increase since the opening days of the recession. The measurement hit its second highest level since the Index was established in the mid-1990s. At 7.90 compared to October of last year's 7.93.

For comparison, in the opening years of the new millennium, the Jitters Index was in the 6.2 range.

There is only so much home-centric economic gurgling before spending on non-essentials stops.

Food prices hit the highest level in Jitters history while federal and state taxes topped 9.95 on a 10-point scale.

What impact does a high Jitters
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Jitters Index

1.72%

vs. last month

Sub-Prime Approval v Last Month

-0.46%

Sub-Prime Approv. v Last Yr.

-3.26%

NEW	Pent Up Dmnd		12 v 11 Change	Avg. Delay Avg. Delay			Still Plan Acq
	Mo. '13	Mo. '12		Mo. '13	Mo. '12	% Change	
Jan '13	94,250	106,300	88.7%	3.52	3.92	-10.2%	95.37%
Feb	118,250	109,500	108.0%	3.97	3.87	2.6%	94.62%
Mar	101,800	97,500	104.4%	3.74	3.59	4.2%	94.28%
Q1 13	314,300	313,300	100.3%	3.74	3.79	-1.3%	94.8%
Apr	106,500	101,000	105.4%	3.52	3.44	2.3%	94.07%
May	101,700	97,500	104.3%	3.11	3.27	-4.9%	94.16%
June	105,250	98,250	107.1%	3.06	3.19	-4.1%	94.86%
Q2 13	313,450	296,750	105.6%	3.23	3.30	-2.1%	94.4%
July	103,500	90,400	114.5%	3.09	3.24	-4.6%	95.01%
August	105,800	96,700	109.4%	3.01	3.22	-6.5%	95.27%
September	109,500	101,000	108.4%	2.89	3.26	-11.3%	95.41%

Closing Ratio v Last Month

4.01%

New Floor Traffic

6.37%

Used Days Supply

-4.78%

Same Store Sales

4.96%

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Index have on spending patterns? All indications are the home-centric economic condition shifts at least 20 percent of a family's budget from one category to another – e.g. transportation to food.

JITTERS	Fed	Gas	Child's	Job	Day to Day	Condition of	Food	Local	Jitters
INDEX	Taxes	Prices	Edu	Stability	Needs	Investments	Prices	Taxes	Index
Vs. Prev Mo.	0.00%	2.67%	10.25%	5.94%	1.43%	0.47%	0.20%	0.00%	1.72%
Vs. Mo. '12	0.91%	8.48%	13.03%	-5.77%	0.13%	-11.93%	3.11%	0.30%	0.16%

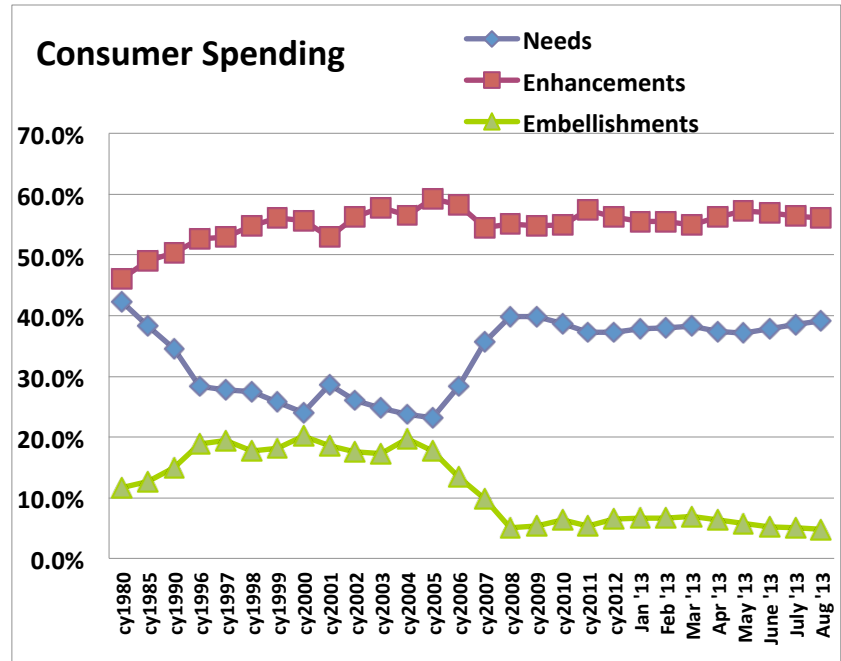
New or Used, Transportation a Necessity

In CNW survey after survey, having transportation is consistently listed third behind housing and food as a true necessity. Within that context, however, the top three are always open to change or adjustment. Housing may mean a smaller home or adding a room rather than buying a new house. Food may mean buying more store brands and transportation often means selecting a somewhat older used car than originally intended or downscaling the new-car acquisition.

The common thread, though, is this: Family budgets are typically fixed-sum games with slight adjustments for selling an unused piece of furniture or lawn equipment or other items.

Defining Luxuries

CNW's annual study of spending categorizes the dollars being spent on Needs, Enhancements (those items making life easier) and Embellishments (goods, services that are purely luxury items). Throughout the 1980s and



'90s and into the early years of the new century, the country witnessed massive growth in luxury items

With a significant decline in the share of household income spent on necessities.

While some might argue that the recession is over, spending patterns have yet to return to pre-recession levels. In fact, looking at the data on a monthly basis, there seems to be a recent upward movement in the amount households have to spend on necessities.

William Jeanes, former editor of Car and Driver, publisher of Car and Driver and Road & Track recently wrote: "Our country's plagued with growing individual debt, reduced job opportunities, and a painfully slow recovery from the financial crisis that's reducing expectations. Yet, cars are selling. At some point, however, there's got to be a slowdown in new vehicle sales. They last longer, cost more, and are not the aspirational acquisition they once were."

To that assessment, the Consumer Spending data and Jitters Index seem to agree.

	Needs	Enhancements	Embellishments
cy2006	28.4%	58.2%	13.4%
cy2007	35.7%	54.5%	9.8%
cy2008	39.8%	55.1%	5.1%
cy2009	39.9%	54.8%	5.3%
cy2010	38.7%	54.9%	6.4%
cy2011	37.2%	57.4%	5.4%
cy2012	37.3%	56.2%	6.5%
Jan '13	37.8%	55.6%	6.6%
Feb '13	37.9%	55.5%	6.6%
Mar '13	38.2%	54.9%	6.9%
Apr '13	37.4%	56.2%	6.4%
May '13	37.1%	57.2%	5.7%
June '13	37.9%	56.9%	5.2%
July '13	38.5%	56.4%	5.1%
Aug '13	39.1%	56.1%	4.8%

	Anticipated Sept	Actual Sept	% Chng	YTD	YTD	% Chng
Document 106m	cy13	cy12	13v12	cy2013	cy2012	13v12
Franchised Sales	1,393,963	1,338,536	4.1%	12,013,368	11,565,716	3.9%
Independent Sales	1,252,565	1,333,971	-6.1%	10,828,417	10,641,734	1.8%
Casual Sales	1,011,636	838,867	20.6%	9,617,714	9,160,292	5.0%
Total Sales	3,658,164	3,511,374	4.2%	32,459,499	31,367,742	3.5%

September Casual Sales Soar Again

As expected, casual sales regained momentum in September with an estimated 20 percent gain for the month vs. a year ago. Most of the increase can be traced to back-to-school acquisitions, older models and lower private party prices.

Franchised dealers are seeing a September gain that outpaces the year-to-date increase slightly (4.1 percent against 3.9 percent).

Independent dealers were active, but continue to be hardest hit by the increases in private party sales. That's somewhat deceiving, however, because there is a typical decline in the number of independent outlets at the end of the summer – more so this year than last. Of the active independents, sales are actually on a par or slightly higher than last year.

Pent Up Demand Continues Upward

For the third straight month, the number of consumers who are saying they postponed a vehicle purchase but still intend to buy within six months has increased. The September '13 figure is about 3.7 percent higher than last year.

Equally important, the number still planning to acquire a car or truck remains at 94.75 percent, the second highest of 2013.

Back to Market

Checking back with those who postponed a purchase in the first quarter of this year, 91 percent have already purchased a vehicle. Another 4 percent say they are within a month or two of making the acquisition.

Of the second-quarter postponers, 84 percent have returned to market and made a used-car acquisition.

Both return rates are above the averages for the past five years indicating the Pent Up Demand is turning into a robust pool of potential buyers.

CONTEXT: Unlike the new-car market, the driving force in used remains the need to replace an aging vehicle. That will likely continue til October.

USED	Pent Up Dmnd	Pent Up Dmnd	12 v 11	Avg. Delay	Avg. Delay	% Change	Still Plan Acq
	Mo. '13	Mo. '12	Change	Mo. '13	Mo. '12		
Jan '13	107,000	94,000	113.8%	2.67	2.41	10.8%	94.26%
Feb	105,200	83,500	126.0%	2.31	2.37	-2.5%	94.83%
Mar	101,500	83,000	122.3%	2.29	2.41	-5.0%	94.18%
Q1 13	313,700	260,500	120.4%	2.42	2.40	1.1%	94.42%
Apr	104,750	84,750	123.6%	2.21	2.53	-12.6%	93.58%
May	80,800	76,200	106.0%	2.28	2.43	-6.2%	93.81%
June	75,500	79,400	95.1%	2.19	2.57	-14.8%	94.06%
Q2 13	261,050	240,350	108.6%	2.23	2.51	-11.3%	93.82%
July	92,750	80,500	115.2%	2.22	2.79	-20.4%	94.25%
August	96,250	84,700	113.6%	2.19	2.93	-25.3%	94.73%
September	98,500	95,000	103.7%	2.16	2.96	-27.0%	94.75%

	Franchised	Independent	Franchised	Franchised	Independent	Independent
Document 107m	Asking Price	Asking Price	Trans Price	% of Asking	Trans Price	% of Asking
Jan. '13	\$11,336	\$9,867	\$10,558	93.14%	\$9,158	92.81%
Feb '13	\$11,321	\$9,892	\$10,562	93.21%	\$9,174	92.74%
Mar '13	\$11,806	\$10,276	\$11,112	94.12%	\$9,640	93.81%
Apr '13	\$11,716	\$10,143	\$11,042	94.25%	\$9,529	93.95%
May '13	\$11,682	\$10,127	\$11,020	94.33%	\$9,444	93.26%
June '13	\$11,597	\$10,106	\$10,981	94.69%	\$9,507	94.07%
July '13	\$11,563	\$10,101	\$11,010	95.22%	\$9,527	94.32%
Aug '13	\$11,592	\$10,227	\$11,058	95.39%	\$9,687	94.72%
Sept '13	\$11,729	\$10,437	\$11,193	95.43%	\$9,903	94.88%
Sept '12	\$11,827	\$9,767	\$10,894	92.11%	\$8,853	90.64%
Oct '12	\$11,419	\$9,872	\$10,553	92.42%	\$9,019	91.36%
Nov. 12	\$11,583	\$9,991	\$10,894	94.05%	\$9,334	93.42%
Dec. '12	\$11,186	\$10,148	\$10,654	95.24%	\$9,452	93.14%
Percent Change Yr over Yr	-0.83%	6.86%	2.75%	3.60%	11.86%	4.68%
Month Over Month Price	1.18%	2.05%	1.22%	0.04%	2.23%	0.17%

Used Retail Prices Close Gap; Supply Flat

The used-car industry may well be seeing the end of year-over-year declines in transaction prices, if September's early weeks are any indication.

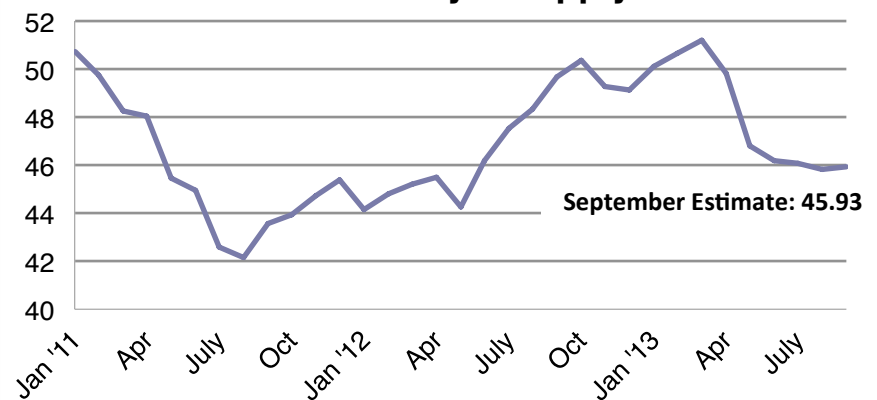
Franchised dealers are holding onto 95.24 percent of their asking prices, sending transaction prices up by 2.75 percent compared to the same month a year ago and 1.22 percent higher than last year.

Independent dealers in September had a near-12 percent increase in transaction prices vs. 2012 and 2.23 percent rise over August.

These each mark the continuation of a month-over-month improvement starting in June.

Days' Supply of used vehicles is flat compared to August at 45.93 days. Some dealers are still strapped for inventory of the most popular vehicles (age and model), but are at least keeping their lots full so they can offer a wide enough variety to cast a big net. A growth-driving supply of used cars and trucks now looks to be in the 50-days range.

Used Vehicle Days' Supply



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*Deliveries not sales	Sept 1-15	Sept 1-15	% Chng	Actual Sales	Sept '13	Full Mo
Based on First 15 Days of June	cy2013	cy2012	13 v 12	Sept '12	Sales	Change
New Cars					Extension	
Detroit 3	140,825	129,462	8.8%	177,565	193,150	8.8%
Asian	171,378	156,904	9.2%	351,743	384,190	9.2%
European	37,662	29,573	27.4%	85,006	108,257	27.4%
Ttl Pass. Cars	349,865	315,939	10.7%	614,314	685,598	11.6%
New Trucks						
Detroit 3	204,378	182,819	11.8%	344,999	385,683	11.8%
Asian	59,971	51,376	16.7%	195,960	228,743	16.7%
European	6,227	5,771	7.9%	33,075	35,688	7.9%
Ttl Lt. Trucks	270,576	239,966	12.8%	574,034	650,115	13.3%
Ttl Industry	620,441	555,905	11.6%	1,188,348	1,335,713	12.4%
	Sept 1-15	Full Sept	% Chng	Prev Mo	Prev Mo	% Chng
	cy2013	cy2012	13 v 12	cy2013	cy2012	13 v 12
Lease Share	28.7%	28.0%	2.6%	28.2%	27.5%	2.4%
Floor Traffic - New	93.34	77.96	19.7%	94.49	76.25	23.9%
Floor Traffic - Used	97.83	87.16	12.2%	97.7	86.22	13.3%
	Sept 1-15	Prev Yr	% Chng	% Chng	Pent Up Demand	Units
	cy2013	cy2012	Same Mo '12	Prev Mo	Sept est. '13	109,500
Avg. New MSRP	\$38,361	\$37,451	2.43%	0.31%	Sept est. '12	101,000
Total Discounts	\$5,631	\$5,026	12.04%	0.65%	% Change	8.4%
Manufacturer Incentives	\$4,244	\$3,681	15.29%	0.58%		
Dealer Incentives	\$1,387	\$1,345	3.12%	0.85%	Purchase Delay	Months
Core Transaction Price****	\$32,730	\$32,425	0.94%	0.25%	Sept est. '13	2.89
% Mfg Incentive of MSRP	11.06%	9.83%	12.6%		Sept est. '12	3.26
% Ttl Discounts of MSRP	14.68%	13.42%	9.4%		% Change	-11.3%