



The Future of Wholesale Vehicle Remarketing: The Omni-Channel Experience



Consumer Behavior

Today's Consumer



Simply put ...

Recognize me and where I am on my journey

Surface content I want (or may want) intuitively, based on intelligent understanding

Make it easy for me to buy – how and where I want

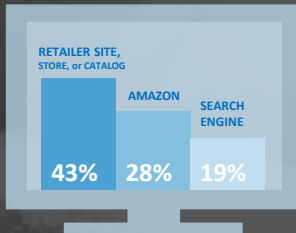
Empower me to share and interact on any platform

Maintain a consistent service experience beyond point of purchase

Path to Purchase

PRE-PURCHASE

WHERE TO START?



40%
Of smartphone users use their device to **FIND or REDEEM COUPONS**

1/3 of all shoppers & **1/2** of millennials say their purchases are influenced by **SOCIAL MEDIA**

SMART PHONES AND TABLETS
21% Of shoppers prefer Researching and
11% Prefer purchasing On these devices

2 Out of **3** Consumers use smartphones in store to **expand** shopping capabilities.

PURCHASE

93% Of online shoppers take action to qualify for free shipping

58% Have added to cart to qualify

35% Have chosen "ship to store" to qualify

85% are willing to wait 5 days or more for delivery, but the majority expect express shipping options

56% Prefer to see the **ACTUAL DATE OF ARRIVAL** rather than the number of days (5 business days)

JUNE 3 TUESDAY

ONLY 53% are satisfied with access to customer service information during checkout

83% Of shoppers are Willing to wait an additional **2 days or more to get free shipping**

50% have **ABANDONED** a cart due to **LENGTHY DELIVERY TIME** Or no delivery date provided

POST-PURCHASE

Online shoppers prefer **1 in 4** Packages delivered to locations other than their home

36% are likely to post on social media when satisfied with an online retailer-
21% When dissatisfied

HALF of consumers have purchased additional items from a retailer based on **COUPONS or SAMPLES** included in the delivery

ONLY 58% Are satisfied with Ease of making online returns/exchanges

YOU'RE SUBSCRIBED! **47%** would consider enrolling in the future

Less than **44%** of shoppers are satisfied with flexibility post-shipment in choosing delivery date and rerouting packages

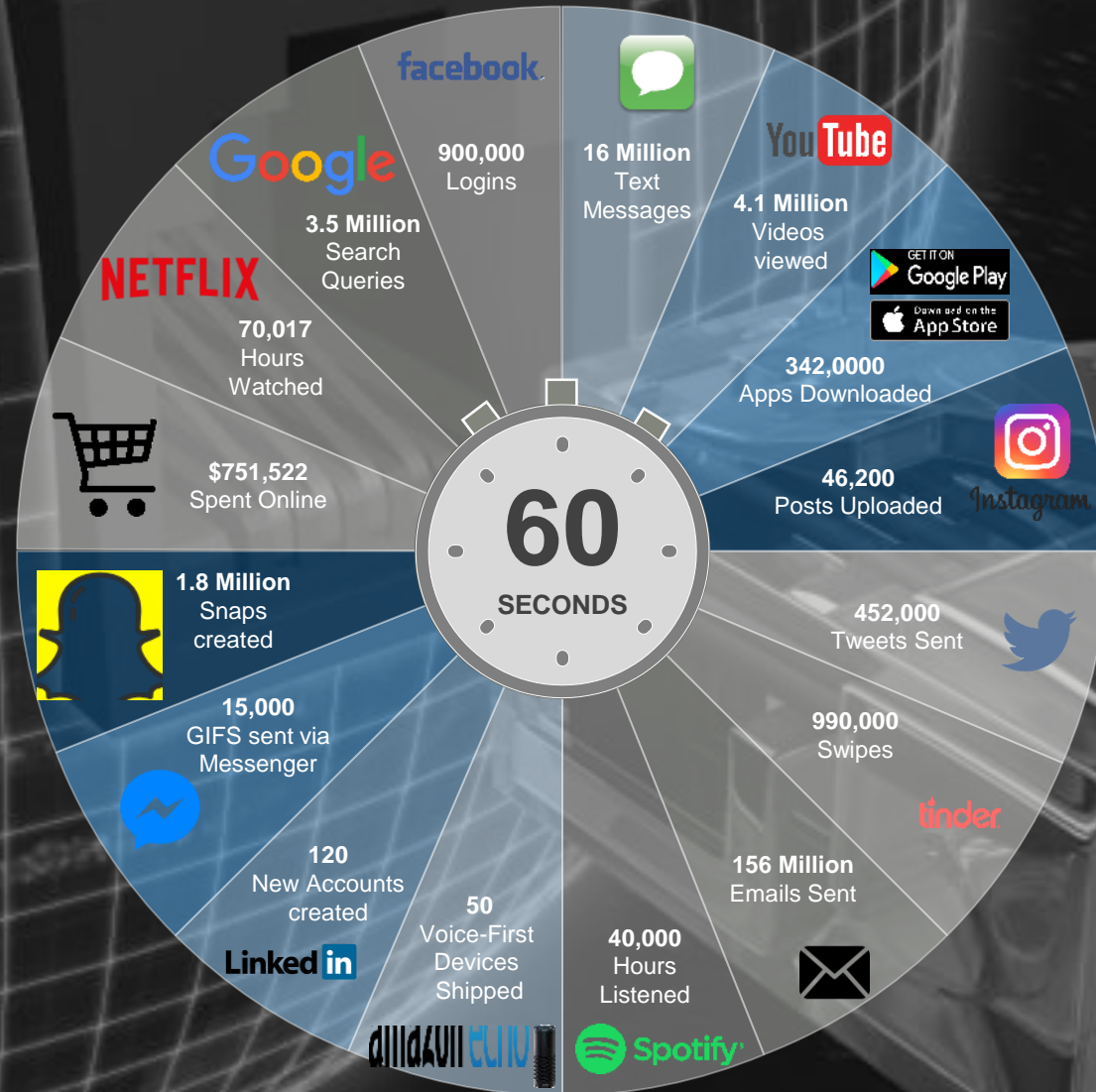
68% Say **FREE RETURN SHIPPING IS KEY** to a positive return experience

Despite recent security issues, More **GAINED** trust (**18%**) than **LOST** trust (**13%**) in online shopping last year

52% Want to see a return label **right in the box**

FUTURE STATE: **22%** participate in "curation services" with personalized box shipments

The Internet Minute in 2017



Simplicity Pays

64%

of consumers are willing to pay more for simpler experiences

These numbers:

61%

of people are more **likely to recommend** a brand because it provides simpler experiences and communications

62%

of employees are considered brand champions in companies perceived to be **simple**

← vs. →

20%

of employees are considered brand champions in companies perceived to be **complex**

\$86 Billion

the amount of money brands are leaving on the table when they don't simplify

From Selling Products to Delivering Solutions and Services

What does it take to deliver truly simple experiences? emerging brands that are changing the stakes share what it takes to deliver simple, meaningful customer experiences

Global disrupters

These disrupters :

- 1 Empower people**
Sidestep traditional industry protocols and shift power to consumers
- 2 Reimagine experiences**
Turn underwhelming experiences into moments of delight
- 3 Remove friction**
Identify pain points in everyday processes, and remove them
- 4 Save time**
Value people's time by providing service where and when they need it most
- 5 Provide utility**
They demonstrate usefulness beyond their core offerings or services





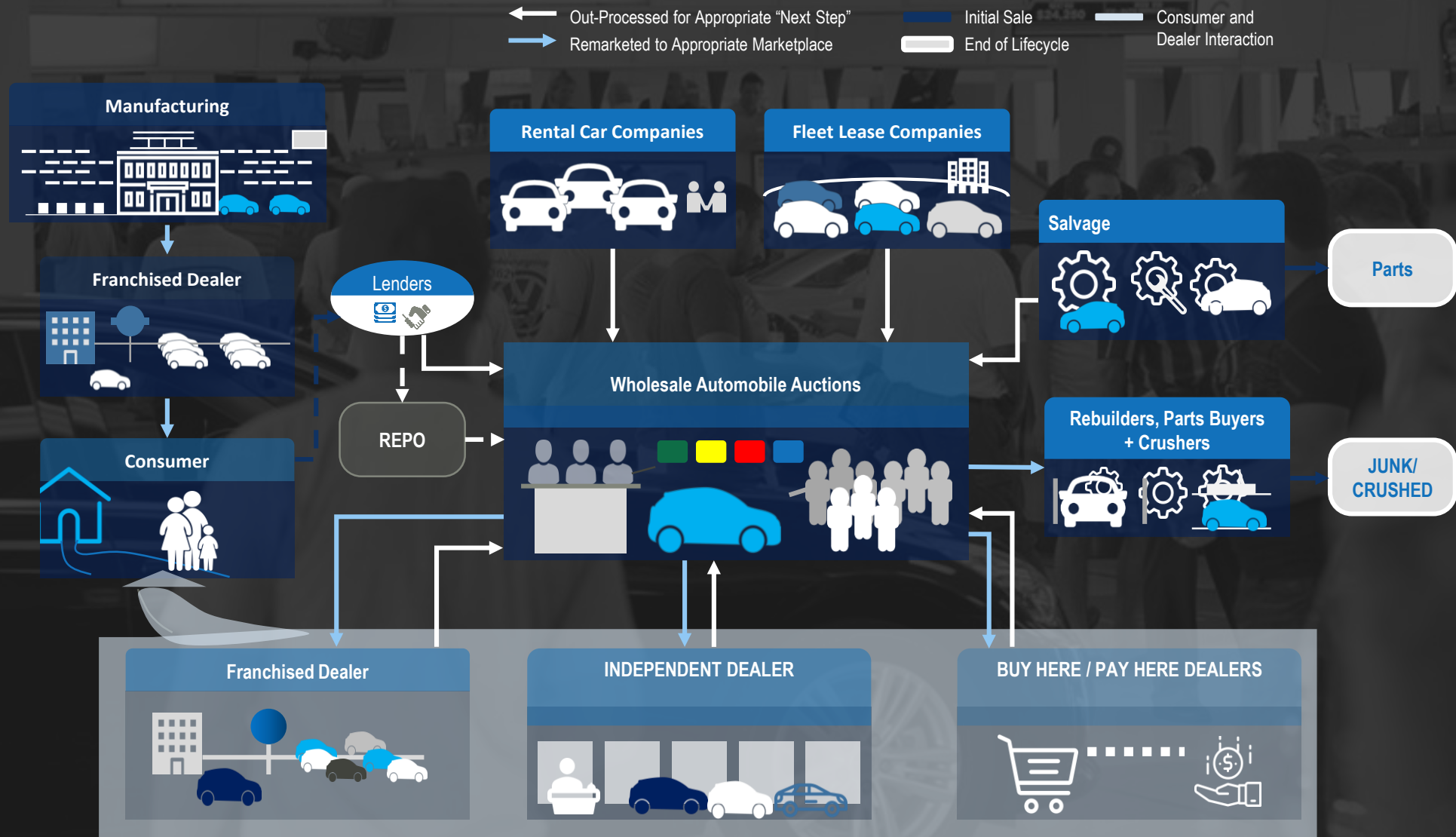
Current State

Industry History

TIMELINE

-
- 1938** J.M. Martin Rawls held the first Auto Auction
 - 1948** C.B. Drake assembles auto auctioneers and founds National Auto Auction Protection Association
 - 1954** Name is changed from NAAPA to simply National Auto Auction Association (NAAA)
 - 1959** Manheim, PA becomes world's largest auto auction
 - 1963** Chrysler's first ever "buy-back" sale of rental and company cars via auto auction is help
 - 1986** NAAA helps " Truth in Mileage Act" to become a law
 - 1994** First ever live satellite auction
 - 1996** NAAA.com is launched, featuring auction-to-auction emailing
 - 1997** Manheim Online launches, named one of Top 10 e-commerce sites by PC Week
 - 1998** Manheim Market Report now downloadable to dealers' PCs
 - 2001** Manheim introduces the Used Vehicle Value Index
 - 2002** First Simulcast Sale
 - 2006** NAAA Vehicle Condition Grading Scale and Arbitration Policy developed
 - 2009** Electronic Condition Report and National Arbitration Policy: In-Lane and Online approved
 - 2010** MMR now available on mobile devices

Auto Remarketing Overview Today's Process

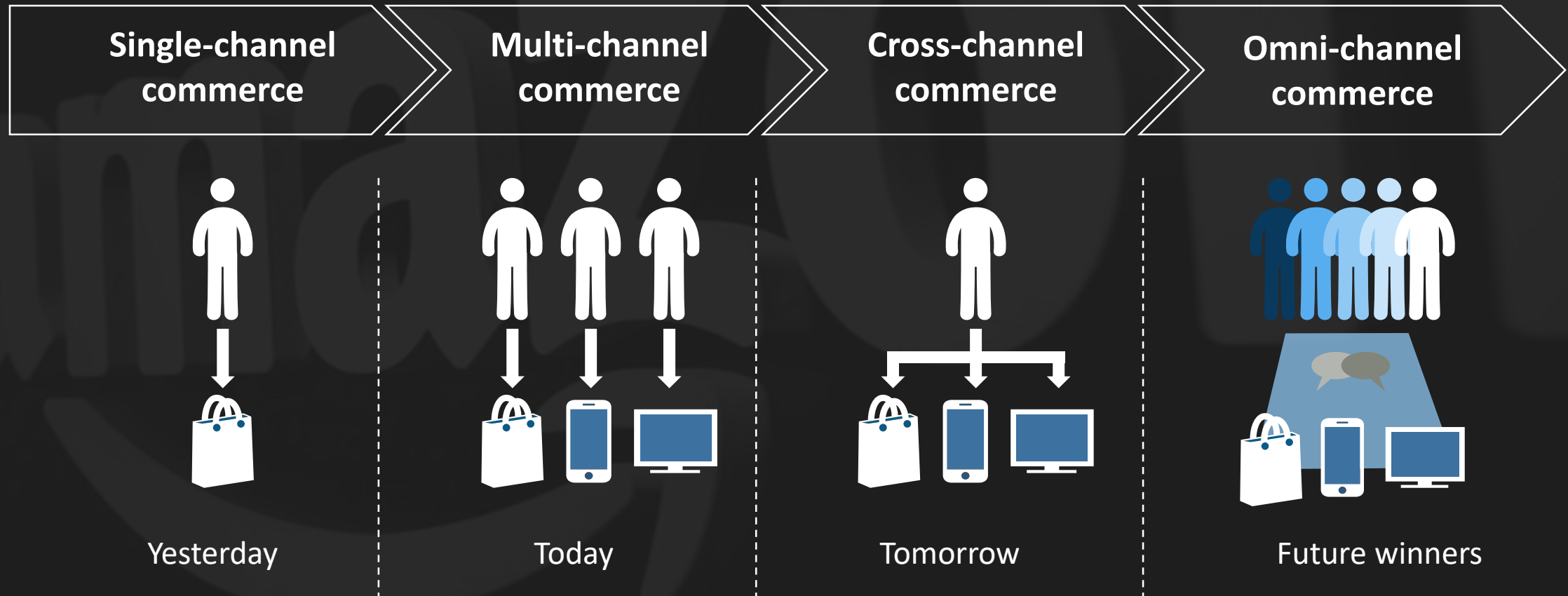




Marketplace/Omni-Channel Experience

Deliver an end-user experience from single to multiple touchpoints in sync with needs and preferences

FROM SINGLE TO OMNI-CHANNEL



Omni-Channel



No one benefit is derived from any single pillar, just as omni-channel cannot be delivered without the sum of its constituent parts. Omni = All (or nothing).

Emotional Connection of Branding

Before **Nike** there were simply sneakers.
Underneath that was a need or desire.

Buying the **emotional ties that align with them – being winners like the athletes who endorse them** – whether walking or running or playing or competing.

Branding is what **turns commodities into name brands** infused with value. The kind of value consumers are **willing to pay** for.

**FIND
YOUR
GREATNESS.**
NIKE PRO TURBOSPEED



Marketplace



Seamless
delivery across all
channels

- Customers see one brand and multiple touch-points operating together
- Retailers coordinate and operate in a differentiated manner across channels

A marketplace allows for more opportunities for buyers and sellers to connect and transact how they want and when they want.

Marketplace Benefits



The Extraordinary Size of Amazon

Amazon is bigger than most brick and mortar retailers put together
Market Value as of December 30, 2016

\$355.9B

The Amazon logo, featuring the word "amazon" in a bold, black, lowercase sans-serif font. A curved orange arrow starts under the letter 'a' and points to the right, ending under the letter 'z'.

\$297.8B

The Walmart logo, consisting of the word "Walmart" in a bold, blue, sans-serif font. To the right of the text is a yellow six-pointed starburst icon. Below the word "Walmart" is the tagline "Save money. Live better." in a smaller, blue, sans-serif font.

★ macy's

KOHL'S

NORDSTROM

jcpenny

Nick Peluso President Manheim Digital Marketplaces + RMS Automotive

Nick Peluso is President for Manheim Digital Marketplaces and RMS Automotive. Peluso's bold vision is defining the digital vision and strategy for Manheim's digital channels' growth efforts, enabling the digital portfolio of brands including OVE, Manheim.com, Simulcast, and RMS Automotive's global business to create faster responses to the market transition(s), increasing client relevance and redefining ROI.

A respected thought leader, Peluso is an industry veteran with over 30 years of experience, sought out regularly to speak at key industry events such as NRC/NAAA, CAR, NADA, and IARA. As the driving force in the growth of RMS Automotive, Peluso has served as the company's president since 2014 where he leads an executive team focused on the company's vision to accelerate portfolio management through intelligent remarketing solutions and advanced data analytics. Through his leadership, Peluso fosters a strong collaborative culture, which he believes is fundamental to continued growth and international expansion. RMS Automotive is now operating in 15 countries with further development planned globally. Peluso joined Cox Automotive in 2000 as president of remarketing solutions for Manheim and soon became senior vice president of customer management for Manheim before being named the president of RMS Automotive in 2014. Before Cox Automotive, Peluso spent 12 years in leadership positions with ADT Automotive, Inc., including vice president of sales and marketing.

Nick and his wife Jessie reside in Las Vegas, enjoying their new grandparents' status. In his free time, he enjoys cycling and a good game of golf.



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About Cox Automotive

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