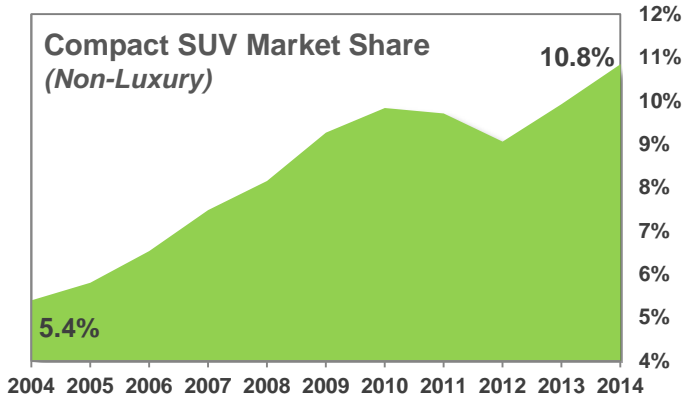


COMPACT SUVs:

Land of Opportunity in the Auto Market

Current Status:

Compact SUVs are the hottest-selling vehicles in the auto market right now, making up twice the market share they claimed a decade ago. The segment is the **FOURTH** highest selling vehicle segment behind midsize cars, compact cars, and large trucks. For many car shoppers compact SUVs check the boxes for many “must have” features: a reasonable price, generous cargo space and utility, and good fuel efficiency, all with a commanding view of the road.



Compact SUVs Have the Highest Conquest Rate Among the Major Segments

Only 21% of new compact SUV transactions involve a trade-in from the same segment.* So with the other 79% of trade-ins coming from other segments, compact SUVs are appealing to a wide range of shoppers. This translates into new opportunities for automakers and dealers to win the business of new customers.

How the other major vehicle segments stack up:

- 1 Large Truck: **61%** of new large truck purchases have a large truck trade-in
- 2 Compact Car: **45%** of new compact car purchases have a compact trade-in
- 3 Midsize Car: **42%** of new midsize car purchases have a midsize trade-in

*All figures based on the population of vehicles with a trade-in

Compact SUVs Aren't Just for Small Families

Ads suggest that compact SUVs are popular among 30-somethings who are about to or have just started a family. In reality, nearly **50%** of compact SUV buyers are over the age of **55**. In three short years, nearly half of the U.S. adult population will be 50+ and will control 70% of the nation's disposable income. With life expectancy now at 78.7 years-old, this group will continue to be important (and returning) customers in the near and longer term.

Sources: Nielsen; cdc.gov

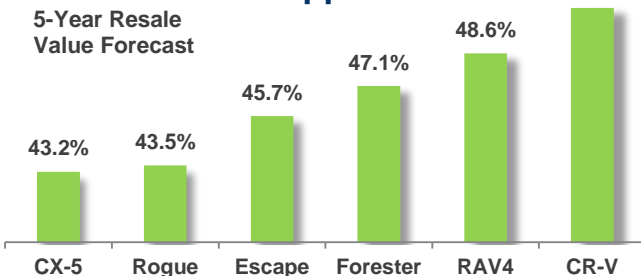
Compact SUVs Are the #1 Segment for Women Buyers

Compact SUVs have been embraced by women and that has partially fueled their growth. Automakers looking to capitalize are creating new niche segments -- such as subcompact SUVs and entry luxury SUVs, -- which are largely targeted toward female car shoppers.

Segments with the Highest Proportion of Female Registrants	Segment	Percentage
	Compact SUV	52.4%
	Subcompact Car	50.4%
	Compact Car	47.0%
	Entry Luxury SUV	46.2%
	Midsize Crossover	44.4%

Source: Polk

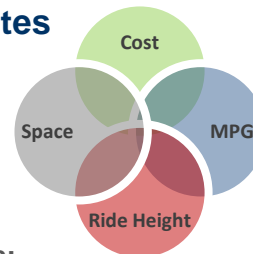
Good Resale Values Appeal to Smart Shoppers



The Honda CR-V is expected to be worth 50.7% of its original purchase price in five years, giving it one of the top resale values in the auto industry. The rest of the compact SUV market has strong resale values as well. In fact, the top 5 selling Compact SUVs (in chart above) all have resale values well above the industry median.

Compact SUVs Deliver on Many Attributes

Compact SUVs are most often shopped against midsize crossovers and midsize cars and stack up quite favorably when looking at key purchase drivers.



On average, compact SUVs:

- cost \$1,000 more than midsize cars and \$5,000 less than midsize crossovers
- get nearly 1 MPG less than midsize cars and 6 MPG more than midsize crossovers
- have an inch more ground clearance than midsize cars, and the same clearance as midsize crossovers
- have 11 cu-ft more interior volume than midsize cars and 15 cu-ft less than midsize crossovers.