AUTOMOTIVE

TOYOTA

Phase 1: Canadian Toyota Dealer Macro Analysis

Phase 1 of this project was to provide, at a "macro" level, a Canada wide strategy that will permit the development of an optimal Toyota dealer network across Canada in the short, medium and long terms. The Phase 1 objective was to utilise "leading-edge" retail analytical techniques to determine, from a retail point-of-view, the prime demographic characteristics of a Canadian Toyota buyer and then to utilise that data to determine the current and future underserved Toyota markets across Canada.

The project involved conducting a detailed current market analysis of all Canadian Toyota dealers, linking their sales data to our Talbot Neighbourhood Life Cycle™ demographic clustering system, projecting future population growth, obtaining the locational and sales data of all competitive car dealers across Canada and then analysing and mapping the results utilising our internal Geographic Information System (GIS). We then incorporated our primary research into the "best practices" of other car manufacturers world-wide including, in particular, Toyota USA and Toyota Australia. Finally we developed an intuitive GIS based dealer network optimisation model, determined the optimal Canada-wide Toyota dealer network configuration by dealer category and recommended a Toyota national dealer network optimisation solution.

The final deliverable was a ranking of all Canadian markets, highlighting those markets where the major opportunity for increasing Toyota sales occurred and recommending a very specific, market by market, action plan. The Phase 1 project was successfully completed in 2001 and approval was granted to proceed to the "micro" level analyses at a presentation to all major executives including the Chairman and the President in early 2002. In August 2002 we presented our findings at the Toyota Canada Dealer Conference in Quebec City.

Phase 2: Canadian Toyota Dealer Micro Analysis

Phase 2 of this project was to focus on the priority Canadian markets identified in Phase 1. For each prioritised market we analysed, on a dealer by dealer basis, each Toyota dealer's sales records for a three year period and the comparable sales of each of their major competitors. We then delineated each dealer's trade area and analysed their current & historic trade area sales and trade area inflow & outflow. We then determined the "best" and "worst" individual Toyota customer segments by Talbot Neighbourhood Life Cycle™ and mapped them. Similarly we analysed the "best" and "worst" competitive, locational (including traffic) & adjacency factors. Then, utilising the above, we grouped the Toyota dealers with similar characteristics into categories and recommended an optimal Toyota dealer network strategy for that specific market for the short, medium and long terms. Our recommendations are currently being implemented with significant success. As a result we have conducted a similar national analysis for Lexus Canada.

LEXUS

Phase 1: Canadian Lexus Dealer Macro Analysis

Phase 1 of this project was to provide, at a "macro" level, a Canada wide strategy that will permit the development of an optimal Lexus dealer network across Canada in the short, medium and long terms. The Phase 1 objective was to utilise "leading-edge" retail analytical techniques to determine, from a retail point-of-view, the prime demographic characteristics of a Canadian Lexus buyer and then to utilise that data to determine the current and future underserved Lexus markets across Canada.

The project involved conducting a detailed current market analysis of all Canadian Lexus dealers, linking their sales data to our Talbot Neighbourhood Life Cycle™ demographic clustering system, projecting future population growth, obtaining the locational and sales data of all competitive car dealers across Canada and then analysing and mapping the results utilising our internal Geographic Information System (GIS). We then incorporated our primary research into the "best practices" of other car manufacturers world-wide including, in particular, Lexus USA. Finally we developed an intuitive GIS based dealer network optimisation model, determined the optimal Canada-wide Lexus dealer network configuration by dealer category and recommended a Lexus national dealer network optimisation solution.

The final deliverable was a ranking of all markets across Canada highlighting those markets where the major opportunity for increasing Lexus sales occurred and recommending a very specific, market by market, action plan. The Phase 1 project was successfully completed in 2003 and approval was granted to immediately conduct "micro" level analyses of the key potential markets across Canada. Phase 2 was completed in 2004. Additional projects are currently on-going.

Phase 2: Canadian Lexus Dealer Micro Analysis

Phase 2 of this project was to focus on the priority Canadian markets identified in Phase 1. For each prioritised market we analysed, on a dealer by dealer basis, each Lexus dealer's sales records and the comparable sales of each of their major competitors. We then delineated each dealer's trade area and analysed their current & historic trade area sales and trade area inflow & outflow. We then determined the "best" and "worst" individual Lexus customer segments by Talbot Neighbourhood Life Cycle™ and mapped them. Similarly we analysed the "best" and "worst" competitive, locational (including traffic) & adjacency factors. Then, utilising the above, we grouped the Lexus dealers with similar characteristics into categories and recommended an optimal Lexus dealer network strategy for that specific market for the short, medium and long terms. Finally we integrated the resultant database with our own proprietary retail development database to determine the optimal dealer location which would maximise its synergy with direct automotive competitors and the current or future major shopping centre node. Our recommendations are currently being implemented with significant success.

Nissan Canada Inc., Phase 1: Canadian Nissan Dealer Macro Analysis

Phase 1 of this project was to provide, at a "macro" level, a Canada wide strategy that will permit the development of an optimal Nissan dealer network across Canada in the short, medium and long terms. The Phase 1 objective was to utilise "leading-edge" retail analytical techniques to determine, from a retail point-of-view, the prime demographic characteristics of a Canadian Nissan buyer and then to utilise that data to determine the current and future underserved Nissan markets across Canada.

The project involved conducting a detailed current market analysis of all Canadian Nissan dealers, linking their sales data to our Talbot Neighbourhood Life Cycles™ demographic clustering system, projecting future population growth, obtaining the locational and sales data of all competitive car dealers across Canada and then analysing and mapping the results utilising our internal Geographic Information System (GIS). We then incorporated our primary research into the "best practices" of other car manufacturers world-wide.

Finally we developed an intuitive GIS based dealer network optimisation model, determined the optimal Canada-wide Nissan dealer network configuration by dealer category and recommended a Nissan national dealer network optimisation solution. The final deliverable was a ranking of all markets across Canada highlighting those markets where the major opportunity for increasing Nissan sales occurred recommending a very specific, market by market, action plan. The Phase 1 project was successfully completed in 2003.

Nissan Canada Inc., Phase 2: Canadian Nissan Dealer Micro Analysis

Phase 2 of this project was to focus on the priority Canadian markets identified in Phase 1. For each prioritised market we analysed, on a dealer by dealer basis, each Nissan dealer's sales records and the comparable sales of each of their major competitors. We then delineated each dealer's trade area and analysed their current & historic trade area sales and trade area inflow & outflow. We then determined the "best" and "worst" individual Nissan customer segments by Talbot Neighbourhood Life Cycle™ and mapped them. Similarly we analysed the "best" and "worst" competitive, locational (including traffic) & adjacency factors. Then, utilising the above, we grouped the Nissan dealers with similar characteristics into categories and recommended an optimal Nissan dealer network strategy for that specific market for the short, medium and long terms. Finally we integrated the resultant database with our own proprietary retail development database to determine the optimal dealer location which would maximise its synergy with direct automotive competitors and the current or future major shopping centre node. Our recommendations have been implemented in several markets. As a result we were also retained by Nissan to conduct a similar national analysis for Infiniti Canada.

Nissan Canada Inc., NADAP Expert Witness

In 2004 Talbot Consultants was retained by Nissan Canada Inc. to prepare a NADAP (National Automobile Dealer Arbitration Program) report and provide NADAP expert witness testimony for an important dealership development case. After extensive analysis and discussions the matter was settled in Nissan's favour.

INFINITI

Infiniti Canada Inc., Phase 1: Canadian Infiniti Dealer Macro Analysis

Phase 1 of this project was to provide, at a "macro" level, a Canada wide strategy that will permit the development of an optimal Infiniti dealer network across Canada in the short, medium and long terms. The Phase 1 objective was to utilise "leading-edge" retail analytical techniques to determine, from a retail point-of-view, the prime demographic characteristics of a Canadian Infiniti buyer and then to utilise that data to determine the current and future underserved Infiniti markets across Canada.

The project involved conducting a detailed current market analysis of all Canadian Infiniti dealers, linking their sales data to our Talbot Neighbourhood Life Cycles™ demographic clustering system, projecting future population growth, obtaining the locational and sales data of all competitive car dealers across Canada and then analysing and mapping the results utilising our internal Geographic Information System (GIS). We then incorporated our primary research into the "best practices" of other car manufacturers world-wide. Finally we developed an intuitive GIS based dealer network optimisation model, determined the optimal Canada-wide Infiniti dealer network configuration by dealer category and recommended an Infiniti national dealer network optimisation solution.

The final deliverable was a ranking of all markets across Canada highlighting those markets where the major opportunity for increasing Infiniti sales occurred and recommending a very specific, market by market, action plan. The Phase 1 project was successfully completed in 2003 and approval was granted to immediately conduct "micro" level analyses of the key potential markets across Canada. Phase 2 was completed in 2004.

Infiniti Canada Inc., Phase 2: Canadian Infiniti Dealer Micro Analysis

Phase 2 of this project was to focus on the priority Canadian markets identified in Phase 1. For each prioritised market we analysed, on a dealer by dealer basis, each Infiniti dealer's sales records and the comparable sales of each of their major competitors. We then delineated each dealer's trade area and analysed their current & historic trade area sales and trade area inflow & outflow. We then determined the "best" and "worst" individual Infiniti customer segments by Talbot Neighbourhood Life Cycle™ and mapped them. Similarly we analysed the "best" and "worst" competitive, locational (including traffic) & adjacency factors. Then, utilising the above, we grouped the Infiniti dealers with similar characteristics into categories and recommended an optimal Infiniti dealer network strategy for that specific market for the short, medium and long terms. Finally we integrated the resultant database with our own proprietary retail development database to determine the optimal dealer location which would maximise its synergy with direct automotive competitors and the current or future major shopping centre node. Our recommendations are currently being implemented with significant success.

Talbot Consultants
MARKET STRATEGISTS

Talbot Consultants International Inc.