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AHG to open more yellow boxes

By NEIL DOWLING

BIG yellow boxes will be sited on three east-coast locations as Automotive Holdings Group Ltd (AHG) targets the $15 billion private car market and ramps up its Easyauto123 used-car warehouse concept.

The used-car warehouse concept is said to have particular economies over a traditional dealership and is designed to win back, for car retailers, much of the used-car business that has been lost by dealers to private sellers due to the success of websites such as Carsales and CarsGuide.

Before Carsales became entrenched with private buyers, following the loss of newspaper classified advertising, car dealers handled 60 per cent of used-car sales. But the attraction of private sellers and buyers using third party websites has seen that dealer share slip to 40 per cent.

But AHG believes that the Yellow Box concept can get it back into the game with private sellers and buyers.

AHG, which promised shareholders a significant move into the fixed-price used-car warehouse concept at its annual general meeting last year, has now confirmed three east-coast locations, plus a second outlet in Western Australia, will be operating before the end of this year.

It has also advertised for staff to man the new outlets.

At its annual general meeting in December, the company said its Easyauto123 was already entrenched in the private-to-private (P2P) automotive market that was “estimated to be in the order of $15 billion annually”.

AHG told shareholders that it was well-placed to increase its share of this revenue with its national used-car warehouse strategy and digital disruption strategies.

The company opened its first Easyauto123 outlet in the Perth northern suburb of Edgewater early last year and operated it as a trial. Reports from inside AHG indicate that it was a case of “ironing out the bugs” before it could be used as a template for future outlets.

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Now that Perth’s Edgewater has proved the concept, AHG has confirmed the next outlet will be in the western Sydney suburb of Seven Hills, probably by April.

That will be followed by a new outlet in Melbourne and a second warehouse in Perth by the middle of the year.

The Melbourne site is a warehouse in the near-city western suburb of Brooklyn.

AHG is also working in the southern Perth suburb of Canning Vale where it has taken over the lease of a former Coles Myer distribution centre. Coles Myer moved its distribution centre from Canning Vale to the Perth International Airport district about four years ago.

The group’s fifth store will open in the second half in Nudgee in Brisbane’s east near the airport.

AHG’s Tony Salerno, in an exclusive statement to GoAutoNews Premium said that the warehouse model is proving to be less capital-intensive than the traditional mix of new and used cars found in a dealership and that the return-on-capital is realised in a much shorter timeframe.

“A new car dealership, with used cars as part of the business, is a very significant investment,” he said.

Mr Salerno said: “The Joondalup warehouse was successful within a matter of months and we believe we can replicate that success by identifying the right locations.

“Each of the sites has high visibility with easy access and is positioned within great catchment areas.”

The Easyauto123 model is based on a selection of hundreds of fixed-price vehicles with a 48-hour money-back guarantee.

It does not use sales consultants. AHG said customers “are greeted by a product specialist whose remuneration is based on customer satisfaction rather than a sales commission”.

AHG said that the warehouse model attracts customers who would not normally shop for a vehicle at new-car dealerships.

“These are customers who would not normally shop at a traditional used-car yard or look at a private sale.

“We are very confident that this will not cannibalise used-car sales at our existing dealerships,” Mr Salerno added.
Cox Automotive announces leadership in Australia

Gary Martin and Greg Duncan chosen to head up new force for dealers

By JOHN MELLOR

Cox Automotive has appointed well-known automotive heavyweight, Gary Martin, to head up its new Australian operations as CEO and has called on the founding chairman of CarsGuide, Greg Duncan, to be chairman of the Cox Automotive Australia board of management.

Cox Automotive Australia was formed last December when the CarsGuide website was merged with the Australian operations of the US based Cox Automotive.

The company says that Mr Martin’s brief is to not only grow the portfolio of businesses contained within Cox Automotive Australia but “his top priority will be to explore the local introduction of Autotrader and Kelley Blue Book”.

Mr Martin has been based in the United States with Cox since 2011 running the company’s Xtime operations as COO and general manager. Xtime is a leading provider of hosted CRM software for automotive service departments in North America and is being rolled out in Australia.

Xtime has more than 4500 dealers on its books and services manufacturers including Lexus, BMW, Infiniti, Nissan, Mercedes, VW, Audi, Toyota and Hyundai.

Mr Martin is well-known in Australian automotive circles for his roles at Infomedia Ltd, the Australian-listed international IT parts information systems group which operates in more than 180 countries and counts 40 OEMs as its customers.

Mr Martin started with Infomedia in 1998 as the international sales manager after getting started in parts management in the Newcastle-based Kloster group from 1992.

He went on to become general manager and then CEO of Infomedia before moving on to Xtime.

Mr Duncan, fresh from being awarded the OAM in the New Year’s honours list, has a strong track record in company management using his disciplined background in economics to build up the Trivett group into Australia’s largest prestige car retailer with 17 brands across 23 sites.

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He sold the Trivett Group in 2013 and since then has been a partner in JWT Bespoke, a family-owned and operated boutique advisory and investment business. He is also a director of Australia’s largest dealership group, Automotive Holdings (AHG).

A fellow of the Institute of Chartered Accountants, Mr Duncan was a driving force behind the CarsGuide website joint venture with News Limited and key to the discussions with Cox Automotive which led to the newly-formed Cox Automotive Australia. Meanwhile, following the creation of three business groups within Cox Automotive Australia, Campbell Jones becomes CEO of the Inventory Solutions group (Manheim and Sell My Car), Lauren Williams is CEO of the Media Solutions group (CarsGuide and automotive digital advertising services) and Damian Jones is CEO of Dealer Solutions (software and online services to retailers).

Disclosure: Cox Automotive has a minority interest in GoAutoMedia Pty Ltd.
Maserati to add three dealers

Gold Coast dealership confirmed as Maserati eyes Canberra and Hobart

By DANIEL DeGASPERI

MASERATI Australia has been well-primed to boost the number of its local dealerships by almost one-third within the next 12 months thanks to the expected popularity of its Levante SUV, with an announcement imminent for a Gold Coast expansion and research under way for Canberra and Hobart outlets.

Speaking with GoAutoNews Premium at the national media launch of the Levante in northern New South Wales this week, Maserati Australia chief operating officer, Glen Sealey, explained that the company expects to double its volume this year and this would pave the way for an increased number of dealers; including one that would complement the existing Brisbane outlet.

“We’re looking to extend the Willims Motor Group in Brisbane and give them a second site on the Gold Coast. I wouldn’t say it’s 100 per cent locked in but we’re almost there,” he confirmed.

“We’ve always pondered (about) the Gold Coast. The call was made at the end of last year (and) we should see that in the third quarter of this year.”

Mr Sealey said that beyond the Gold Coast dealership addition – the eighth dealer for the brand nationwide – the next line of expansion would depend on how the company thought its all-wheel drive SUV would be used by owners compared with the existing two-door and four-door range, would be a key consideration.

“We’re currently looking at, what I would call, service opportunities given that (with Levante) our vehicles will now venture outside the metropolitan area,” he explained.

“When you look at our existing range with Ghibli, Quattroporte and Gran Turismo, it is very metro centric, with not too much travel.”

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He said the Gold Coast facility would not only service its immediate area in this market but down to northern New South Wales as well.

“In centres like Canberra and Hobart … we’re looking at whether we do (complete) dealerships or a full-service facility in these areas. There may be (only) demand for a full-service facility.

“We have a few customers (in Tasmania) at the moment who are transferring their cars over the border to Melbourne for servicing. So we need to look after those customers. And Canberra is about looking after customers on their way down to the snow, and the diplomatic market that exists there.

“I think there is an opportunity for used cars in both (Canberra and Hobart) as well. There is no doubt that the Maserati brand does attract a certain clientele, whether that be new or used. A dealer can work with the used-car department, if it’s working quite well.”

Asked what a potential dealership expansion could look like by the end of 2018, Mr Sealey replied: “Putting on Gold Coast will add one more (dealer), and if we then do Canberra and Hobart that will be another two, (so) it could be 10 dealers within the next year.”

However, the COO also cautioned that the brand would not otherwise engage in a rapid expansion of dealerships despite the expected success of the Levante premium large SUV arriving locally this month.

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“We’re conscious that to do a Maserati dealership is not cheap,” Mr Sealey added.

“The tiles must be as they should be, the furniture needs to come from Italy, the design needs to be as per the Maserati design everywhere. If it doesn’t pay, we don’t do it.

“Dealer profitability is a key outcome for us. Profitable dealers are good dealers, a profitable brand is a good brand, we need profitable dealers and … right now we’re seeing that.”

This week a renewed Barbagallo’s Maserati dealership will open to the public in Perth, while the COO confirmed that a Sydney City overhaul was under way, the McCarroll’s Sydney North Shore dealership in Artarmon was complete alongside a larger service department in nearby Roseville; and both Melbourne and Brisbane were likewise refurbished.

Last year Maserati sold 483 vehicles in Australia, down 6.9 per cent compared with a record 2015 that saw 519 vehicles leave showrooms; thanks primarily to the launch of the Ghibli large sedan that nabbed 345 sales.

That model fell by 4.3 per cent in 2016 to 330 units and Maserati Australia is expecting that number to further decline this year as buyers switch to the Levante that has already accumulated 220 sales before it has gone on sale.

The brand is anticipating between 500 and 600 sales for its first SUV to, by itself, potentially eclipse total Maserati volume for each of the previous two years, on the way to a record 900-unit haul overall.

Last year, the elderly Gran Turismo/Gran Cabrio fell 27.8 per cent to 83 sales, while the Quattroporte upper-large sedan increased by 6.8 per cent to 63 units, and with no revisions planned for these models in 2017, no further gains would be expected.
Hard Shell

SHELL claims it never stopped being a sponsor in local touring car racing although it has fiddled at the fringes of late. But when DJR Team Penske took the wraps off its 2017 Shell V Power livery at an unveiling outside Melbourne’s Etihad Stadium earlier this week it was clear Shell was back big time.

Shell, which operates in Australia via licensee Viva Energy, has long links with racing, and DJR in particular, and is now back in Supercars full time after a toe-in-the-water title sponsorship of DJR Team Penske at a few marquee events last year.

Several million dollars will be spent backing two DJR Team Penske Falcons in a multi-year deal that represents a significant co-branding exercise between the well-recognised Shell and iconic DJR brands.

DJR Team Penske is a Supercars operation jointly owned by Australian Bathurst legend Dick Johnson and American billionaire auto industry businessman and race team boss Roger Penske.

This will be the team’s third season under the DJR Team Penske banner, and they are widely expected to be a front running squad this season. But the competition is tough and it is hard to win consistently in Supercars.

It is a fiercely competitive market for fuel sales too. Shell’s move back into full time motorsport sponsorship comes at a time when the competition for local fuel sales, particularly for higher margin premium blends, is becoming more intense.

With the mining boom officially over, and business to business (B-to-B) sales not growing, retail is now more important than it has been, at least in the recent past.
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Fuel sales to the general public are forecast to increase in coming years; but only marginally. Growth in profitability is likely to come from convenience store operations and car repairs.

The latter makes the size of an energy company’s service station network very important and is why there has been some significant retail network investments over the past couple of years.

Most recently, BP paid Woolworths $1.8 billion for its 527 Caltex supplied service stations, taking its national market share from 15 to 39 per cent.

The flow-on of this corporate maneuvering to the marketing arena has seen renewed or expanded energy company sponsorship elsewhere in the Supercars competition.

Caltex stepped up to be naming rights sponsor of a single car Triple Eight Race Engineering entry driven by Craig Lowndes last year via their Vortex premium fuels brand. Mobil also feature as more prominent sponsors of two Walkinshaw Racing entries this year.

But the general manager of consumer business for Viva Energy Australia Dan Ridgway told GoAutoNews Premium that increased competition for the retail petrol dollar was not the prime motivation for the company’s decision to ramp up its Supercars sponsorship.

He said that Shell was not taking a position of “the others are doing this so we have to match it”.

“We don’t look at our investment in a defensive way. We look at it more as what are all the opportunities we can use to grow the brand and the business,” he said.
By NEIL DOWLING

IT IS Australia’s second most popular brand with 10 per cent of the 2016 vehicle market but outside the Australian continental shelf, Mazda Motor Corporation is in a lot of pain.

Global sales in 2016 fell in every major overseas market except China, with North America posting a 4.5 per cent decline in the December quarter. Global sales rose 1.6 per cent to 387,000 vehicles in the quarter, buoyed almost entirely by a 38 per cent rise in China.

Sales in Japan for 2016 fell 18 per cent for Mazda though its other two major right-hand-drive markets showed gains. Australia had a 3.7 per cent rise in 2016 sales to 118,217 vehicles and in the UK, Mazda had a 1.7 per cent rise in 2016 to 46,609 sales for a 2.4 per cent market share.

If Mazda UK had the same market share as Australia it would have sold 250,000 units last year.

The stark difference with Australia goes back decades when Mazda Australia, under the guidance of Malcolm Gough who had experience in the business as a dealer, saw the way of the future was making Mazda a really strong brand, dedicated and relentless contact with Mazda owners and a strong dealer network with high throughput per dealer.

Mr Gough was responding to a period of very ordinary products and was laying the groundwork for the time when the products came good, but a succession of managing directors at Mazda Australia did not let up on these core principles and the results are there for all to see.

The company’s advertising is heavily brand focussed with much less retail activity than most other car-makers and in the time Mazda Australia increased sales from around 35,000 a year to 110,000 a year it has appointed only 10 more dealers.

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Visiting executives from other parts of the Mazda world quickly learned that their solution is a long-term one.

Mazda Australia marketing director Alastair Doak said the success of the Australian market was attributed to consistency in the focus on the customer, an excellent dealer network and an ongoing policy to improve all business sectors.

“It is about engagement with the customer and I think Australia has had a more fortunate start than many other markets because we had no reliance on fleet sales,” he said.

“Private sales means we as a company and each member of the dealerships can relate one-on-one with our customers. It’s about engagement and talking direct to the people who buy our product and this human element, I think, makes a huge difference.”

Mr Doak said other markets were aware of the success of the brand in Australia.

“We have had regular visits from Mazda in other markets – in fact we have Mazda Japan here now – to see how we have a large market share,” he said.

“But it’s not a cookie-cutter process. You can’t necessarily copy what we are doing and then apply it elsewhere. We’ve been following a successful philosophy for a long time – more than my 16 years here – and it’s always being examined to make it better. That’s hard to reproduce.”

But it wasn’t just sales that is affecting the bottom line. Mazda’s operating profit plunged 71 per cent in the December quarter as foreign exchange movements hit the yen and affected Mazda’s earnings.

The yen appreciated against the US dollar and other major currencies, chopping 37 billion yen ($A428 million) off the operating profit in the December quarter.

Operating profit was 13.7 billion yen ($A158 million) in the quarter, down from 47.5 billion yen ($A550 million) in the same period in 2015. Net income fell 32 per cent to 23.8 billion yen ($A275 million).
US Mazda dealers want changes

NEIL DOWLING

Mazda has to lift its brand into the premium sector in the US to regain sales, its dealer group said.

Mazda’s US National Dealer Advisory Council vice chairman Jim Bagan – also vice president of the Roger Beasley Automotive Group in Austin, Texas – said work needed to be done to lift the brand upmarket.

He said Mazda dealers wanted:

• More emotional ads that he said was “the missing ingredient in our marketing;”
• More attention to selling the CX-5 diesel that he said “enhances the brand” and was not affected by the Volkswagen diesel scandal; and,
• A yearly update to models instead of the traditional mid-cycle model change to stay current with what customers want.

Mr Bagan said reaction to the new CX-9 – which won the recent Wheels Magazine Car of the Year in Australia – was improving after a slow start.

He said Mazda needed product such as the CX-4 – a coupe-styled SUV based on the CX-5 – to regain interest in the brand.

The Mazda CX-4 is made in China and is exclusively sold in that market, but pressure from US dealers may see the car added to the global product list.

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Revenue fell 5.3 per cent to 802.3 billion yen ($A9.28 billion).

In the US, analysts state that Mazda sales are falling because it tried to control incentive spending as competitors started increasing incentives to buyers.

Mazda in the US has recently reacted, saying it will lift some incentive spending to generate sales.

Sales forecasts for the US have been revised with a drop of 1.4 per cent this financial year (ending March 31) to 432,000 sales, down from the previous estimate of 449,000 vehicles.

In Europe, Mazda sales in 2016 fell 3.4 per cent and operating profit dropped 54 per cent to 1.2 billion yen ($A13.9 million), compared with a 2.6 billion yen ($A30 million) operating profit a year earlier.

Mazda now expects full-year operating profit to drop 43 per cent to 130 billion yen ($A1.5 billion), from the year before. It had earlier predicted operating profit would drop to 150 billion yen ($A1.7 billion).

The company has also revised its net income outlook to 90 billion yen ($A1.05 billion), down 33 per cent from 2015. It had earlier forecast net income of 100 billion yen ($A1.16 billion).
KTM-Husqvarna relocate to Sydney

Business move to boost sales in Australia and NZ

By NEIL DOWLING

THE motorcycle business of Automotive Holdings Group Ltd (AHG) is being relocated from Perth to sit at the centre of its customer base in Sydney.

The KTM Australia and Husqvarna Motorcycles businesses are being moved to Prestons in the eastern suburbs of Sydney this month to share the recently established AHG east-coast corporate offices.

AHG took over the importation and distribution of KTM in Perth in 1993 and Husqvarna was added in 2014.

Revenue for the motorcycle businesses was up in the 2015-16 financial year but the bottom line was eroded by an unfavourable currency exchange.

KTM general manager, former world motocross star Jeff Leisk, said the move would benefit the dealership network in Australia and New Zealand.

“When we first began importing, the volume was around 400 units a year,” he said.

“In 2016 we handled more than 10,000 bikes across the two brands and we see the market as continuing to grow.”

AHG said the move was aimed at putting the distribution outlet and the administration closer to the major markets.

Mr Leisk said a significant portion of the motorcycles had for some time been delivered direct to Sydney but the office move would allow an increase in interaction between AHG and the customer.

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“There will be no disadvantage whatsoever to our Western Australian dealerships but this move will allow us to better service the near-80 per cent of our dealerships along the east coast of Australia,” he said.

“It will also put us closer to the vast majority of motorcycle riding activities and racing events.”

Relocation of staff from its current centre in the Perth south-eastern suburb of Welshpool started this month. Some staff will not relocate and AHG will start to recruit Sydney-based employees for vacant positions.

The Prestons office will put the KTM and Husqvarna management, operations, marketing, motorsports and dealer training in the one location.

Parts and accessories will be moved to Sydney in the middle of the year.

“Having the parts operation based on the east coast will speed up the delivery to many dealers and allow larger parts orders to be sent overnight to most east-coast locations,” Mr Leisk said.

“The time zone will also benefit our New Zealand operations.”

By NEIL DOWLING

AP Eagers tightens grip on rival AHG

Share buying adds three per cent of AHG at a cost of $14.7m

AP Eagers, aided by its major shareholder Nick Politis, through his WFM Motors Pty Ltd vehicle, yesterday grabbed another 2.95 per cent of AHG’s shares – valued at $14.76 million – to raise its stake in the WA-based retailer to 22.82 per cent.

It potentially sets the scene for a slow takeover of AHG.

The “creep” provision for increasing a shareholding is triggered when the shareholding exceeds 19.9 per cent.

AP Eagers has spent $60.9 million on 14.76 million AHG shares – averaged at $4.12 a share – since August 28 last year in a move that appears to be a take over. But perhaps not.

AHG is a consistent dividend payer and this could be seen as an important source of revenue. AHG paid dividends of 22.5 cents a share in the 2016 financial year, giving AP Eagers close to $14 million in dividends.

With its recently increased shareholding, it would grow to $17 million this year if the dividend payments remained static.

A takeover of AHG by AP Eagers is possible, but not with the same level of new-car franchises. Most distributors cap the number of franchises owned by one company – Mazda and Volkswagen particularly – with restrictions on how many can be held in one city or one state.
Expansion for Toowoomba truck group

Wideland takes over Hi-Way 1 outlets

By NEIL DOWLING

TOOWOOMBA truck, car and machinery company Wideland Group has added another four dealerships to its portfolio, bringing its outlets to 13 in Queensland and NSW with plans for further expansion.

The 11-year-old company that started as a used-machinery trader has also become one of Australia’s biggest Avis and Budget franchisors.

Wideland, headed by directors Mick McDonald and Andrew Kibble, bought four truck dealerships from Dennis Jurss’ Hanner Truck Group that had previously operated seven Hi-Way 1 Truck Centre outlets from the Sunshine Coast to Cairns and two Central Isuzu outlets in Rockhampton and Gladstone. This was in addition to Wideland’s purchase of the Spann Scania outlet in Toowoomba last year.

Hi-Way 1 outlets now under Wideland’s ownership are at Rockhampton, Forest Glen (Sunshine Coast) and Maryborough and it has sales representation at the Jurss-owned Gympie site.

The Hi-Way 1 sites bought by Wideland are now branded Wideland Truck and Equipment but the Rockhampton Isuzu outlet will retain the Central Isuzu name.

Wideland now has truck brands Scania, Hino, Western Star, Iveco, Dennis Eagle, Isuzu and MAN. It also has dealerships for Ford and Toyota in Muswellbrook and Isuzu Ute in Scone; and agricultural dealerships in Toowoomba and Dalby for Case and JCB products.

The company previously reported that it has plans to introduce JCB products into its truck dealerships.

Mr Jurss told GoAutoNews Premium that he had been negotiating with Wideland following an approach from the company.

Four of Mr Jurss’ nine outlets were sold to Wideland for an undisclosed sum. His Iveco dealership in Mackay was sold to RGM Maintenance Group; the Cairns Iveco dealership went to Wesco Trucks; and the Gladstone Isuzu outlet was closed.

Penske then bought the Mackay and Townsville franchises and the North QLD-based Honeycombes group purchased the Hi-Way 1 Hino and Iveco business in Townsville.

“I have retained the Gympie site for used trucks, parts and for service,” said Mr Jurss.

“It works well for us because it’s a business I know very well. I have been in trucking since 1969 and operated a fleet for 30 years before buying a dealership in 2001 in Gympie.”

~ READ ONLINE ~
The creative for Super Bowl cars ads tells us a lot about the car brands

By NEIL DOWLING

IT’S a series of slick mini-films interrupted by men in body armour chasing a small ball, but the Super Bowl annual contest of promoting cars through advertisements is a more gruelling and ultimately more prized than the winner of the ball game.

In 2017, a 30-second space on the television broadcast that claims 110 million viewers cost $US5 million ($A6.57 million). That equates to $US166,667 ($A218,910) a second and that is just the time on the screen.

The big costs are production and publicising the ad so that it has been estimated that one Super Bowl campaign could cost up to $US30 million ($A39.4 million).

Prices for the ad spots have been increasing each year, opening in 1967 at $US40,000 ($A52,500) for 30-seconds. Over the past 51 years, advertisers have coughed up $US4.9 billion ($A6.44 billion) in televised time alone.

There has been no let up in advertisers despite numerous surveys that have found 80-90 per cent of ads just don’t stick in the viewers’ minds.

The biggest winner was Rupert Murdoch’s 21st Century Fox which recorded the first “half billion dollar day” on television. The broadcaster made the revenue from advertising, affiliate fees and retransmission fees from the Super Bowl game.

This year nine car companies posted ads on the big – and small – screens. Here’s a free look at their efforts.

Mercedes-Benz: This big-buck ad was directed by Joel and Ethan Coen and with an Easy Rider theme that includes Steppenwolf’s “Born to be Wild” hit and Peter Fonda. In a car.

Kia: Melissa McCarthy takes on the problem of saving the world and ends up missing the mark. The message is that because she’s an eco warrior, she drives Kia’s new hybrid Niro.

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**Audi:** A bit of a political message about a father wanting his daughter to succeed and be seen as being as valuable as a man.

**Lexus:** Slick visual ad about the emotions of a car seen through freestyle dancer Lil Buck.

**Alfa Romeo:** Voted the best auto ad - actually three different ads - at the Super Bowl and centres on "riding on the backs of dragons" to illustrate its beginnings in motorsports and then adapting that to the driving experience of its new Giulia QV.

**Honda:** This is a talking high-school yearbook with old photos of current celebrities come to life and talk about why you should persevere even though life may not take you where you expect. Features Steve Carell, Robert Redford and other sports and film stars.

**Ford:** This is more about mobility than car ownership and features several people – mainly youths – in hapless situations much like the Charlie Brown episodes. It features bicycling, car-sharing, ride-sharing, electric cars and autonomous cars.

**Buick:** Miranda Kerr makes an appearance along with footballer Cam Newton. The line is a father looking at a stylish car and remarking “if that’s a Buick then I’m a supermodel”.

**Hyundai:** Director Peter Berg shot this car ad that shows no cars. Instead it’s about US soldiers in a military base in Poland being selected to individually watch the game while a 360-degree camera gets their family back home to sit alongside.

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**Michelin debuts at Super Bowl with new global campaign**

**By NEIL DOWLING**

- **MICHELIN** has joined some of the world’s best automobile makers with a 30-second advertising appearance at the recent Super Bowl.

  The ad, introducing a new global campaign for the French tyre-maker, revives the animated Michelin Man in a clip entitled “I Need You” about getting motorists home safely.

  The ad follows the lives of people in different cultures – a young father, a mother, a friend – interrupting their schedules to be there for the ones they love in safety.

  It was filmed in Cape Town, South Africa; Paris; and Guangzhou, China. It was produced by the New York office of TBWA Chiat/Day, directed by the team of Anna Sandilands and Ewan McNichol, and features musical excerpts from the song ‘Stay Alive’ by artist José González of Gothenburg.

  The advert can be viewed via Michelin North America's YouTube channel.
Carsales posts a half-year increase

By NEIL DOWLING

ONLINE classified group Carsales.com Ltd has posted a seven per cent rise in revenue to $179 million for the first six months of the 2017 financial year, but net profit was hit by a $7.1 million write down of one of its offshore assets.

Its results were also clipped by reduced earnings from its finance business – it has major shareholdings in Stratton Finance and RateSetter – because of volume shortfalls attributed to an unnamed major lender that it said affected bonus incentives.

Its investment in iCar Asia – the online automotive classified business operating in three Asian countries – was written down to what Carsales.com terms as “market value” and this reduced net profit by eight per cent to $47.2 million compared with the previous corresponding period.

Despite the minor negatives, Carsales.com grew its earnings per share by five per cent to 22.6 cents a share. It will pay a half-year dividend of 18.7 cents per share paid in the first half of the 2016 financial year. Outgoing CEO Greg Roebuck said the core business of the company was “robust” and continued to return “great results” for customers and shareholders.

“The Carsales.com business has again delivered a strong performance driven by solid domestic and promising international growth,” he said.

“In the reporting period, Carsales.com bought the DeMotores online automotive classified business that operates in Argentina, Colombia and Chile. It also has similar businesses in Brazil and Mexico. Mr Roebuck said he expected the full financial year to show solid revenue and net profit growth.

“The growth in our domestic business has been extremely satisfying and continues to demonstrate that there are still significant opportunities in the Australian market,” he said.
Cars are back in charge but utes are tailgating them

Top Selling cars

January 2017

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