

# CarGurus Instant Market Value

## Pricing Validation from the #1 Auto Shopping Site

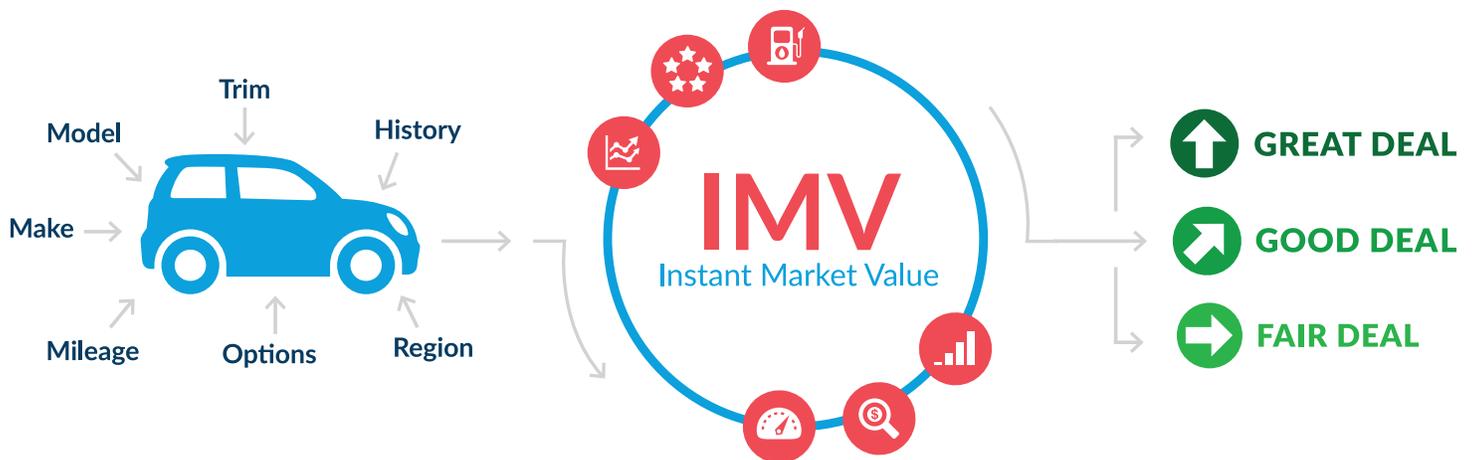


What makes CarGurus unique is our commitment to providing unbiased and transparent pricing validation through our proprietary Instant Market Value (IMV).

### What is CarGurus Instant Market Value?

The CarGurus Instant Market Value (IMV) is an estimated fair retail price for a vehicle based on a detailed analysis of comparable current and previous car listings in your market.

Every vehicle's IMV is calculated and updated daily using a complex algorithm that takes into account over five million data points, including make, model, trim, and more.



### Why does IMV matter?

In addition to giving shoppers the transparent, third-party pricing information they need to make an informed purchase—80% of CarGurus shoppers won't buy a car without it<sup>1</sup>—we use the IMV to inform our deal ratings and search rankings.

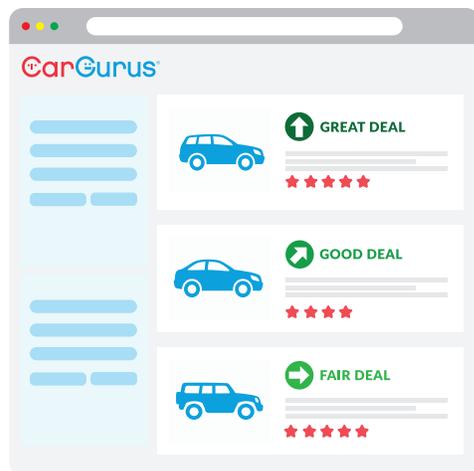
#### Used to determine the deal rating of a vehicle

Each used car listing on our site has a deal rating, which we use our IMV to help calculate. We compare the asking price of a vehicle to its fair market value (the CarGurus IMV), factoring in dealer reputation, to rate the quality of the deal as Great, Good, Fair, or other. Deal ratings are displayed on each listing and act as a visual indicator of the vehicle's value for shoppers.

## Influences where a listing ranks in search results

On CarGurus, listings with the best deal ratings rank highest in our search results. Because it's easy to find great deals from top-rated dealers, shoppers feel confident that they are getting a good deal—making them more likely to buy.

Because getting a deal is important to car buyers, knowing how to price your vehicles competitively is crucial. CarGurus IMV provides pricing guidance to help you price your inventory in line with your local market, maximizing VDP views and connections.



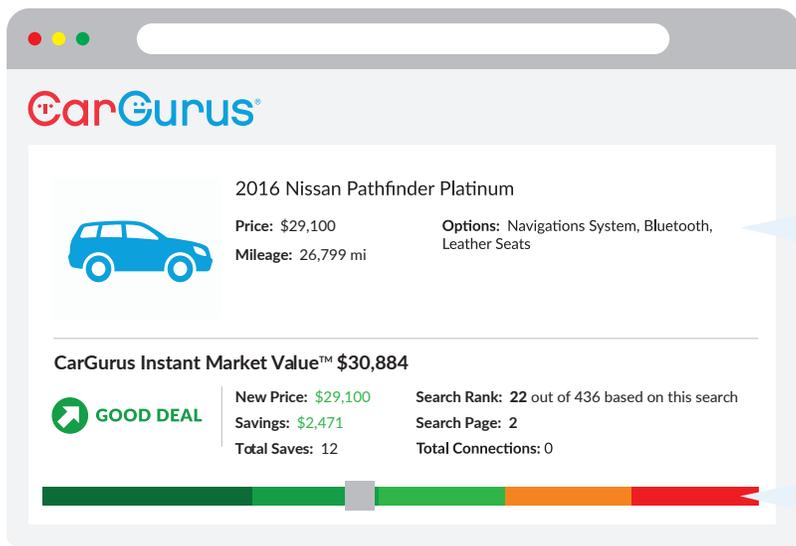
## Tips for ensuring an accurate IMV

### Add trim and options for every car

Trim and options allow our algorithm to make more accurate calculations, so make sure no cars are missing this information. Plus, listings with options accommodate search filters so shoppers can find the specific car they want with just a few clicks. Adding options is an easy way to generate more valuable connections for your dealership.

### Price your cars fairly

Use the CarGurus Pricing Tool to find the pricing sweet spot for your inventory. It shows exactly what it would take to make a listing a Great, Good, or Fair Deal, and makes it easy to find opportunities to increase prices without knocking a vehicle down to a lower deal rating. Shoppers don't necessarily need to get the best deal, they just want a fair deal—80% of CarGurus leads go to Fair, Good, or Great deals.<sup>2</sup>



### Trim and Options

Make it easy for shoppers to find your vehicle in filtered search results by adding trim and options

### Pricing Tool

Even the smallest pricing adjustment can improve your listing's search ranking and deal rating

1—CarGurus shopper surveys with 1K to 2K respondents  
2—CarGurus data, Q4 2017