



ONTRACK

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A
Newsletter
FOR THE
Auto Auction Industry



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03

For Buyers Outside of the United States,
IAA Just Makes Sense

Onward and Outward

At IAA, we're always thinking bigger. Better. There are a number of initiatives that IAA will pursue in the coming year, from expanding the services that comprise IAA Total Loss Solutions™, to building upon the varied ways in which we provide access for buyers to bid and purchase vehicles. However, what we'll focus on in this issue of OnTrack is our continuous effort to cultivate a broad, thriving international buyer base.

First, when we talk about cultivating an international buyer base, we start by asking, what draws foreign buyers to IAA's auction model? How do they benefit, and how does IAA help achieve their business goals? We continue to explore these questions each time we look to penetrate a particular market, and we tweak our approach if it will help us to better connect with our buyers. Once we gain knowledge through the answers to these questions, we can then identify the tactical components of a plan to go about recruiting buyers in that area.

Our goals for global growth are twofold. We are eager to provide economic opportunity for our international buyers because we know there is foreign demand for the vehicles we sell, but our expansion is also driven by the needs of our vehicle providers and sellers. Creating an energetic and competitive auction environment drives results and creates healthy demand for our customers' vehicle inventory. IAA demonstrates world-class auction capabilities and services, and we love to showcase it worldwide.

Regards,




JOHN
KETT

Chief Executive Officer and President

GREETINGS

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For Buyers Outside of the United States, IAA Just Makes Sense

Success in modern business isn't always measured on a local, regional or even national scale alone. Technology in many different forms has raised the bar, and for a growing number of companies, to be a true power in the market, you must have a global reach.

Insurance Auto Auctions has a buyer base covering nearly every country around the world. It's that kind of reach that helps make us a leader in the salvage auction industry. From Mexico to Central America, West Africa to the Middle East and beyond, IAA has continued to increase awareness in foreign markets, and we are seeing a steady rise in engagement.

But for any U.S. company to be successful in other parts of the world, the value proposition has to make sense for those potential clients. If they can get the same products or services closer to home, why bother? When it comes to buying from IAA, there are many benefits to buyers outside of the United States.

First, IAA gives buyers in other countries greater access to vehicles. Through our online auction platform, buyers from all over the world can view high-definition photos of our inventory and bid on vehicles ideal for their local market. Foreign buyers like to purchase vehicles with American specifications or "spec" – specific trim packages for cars designed for use in the United States. This "spec" includes things like power steering, air conditioning, automatic transmissions and other convenient features. These desirable features often come standard on vehicles sold in the United States, making them an exceptional value.

Sale results also show that our diverse vehicle supply is very attractive to foreign markets. For example, people in Afghanistan and the United Arab Emirates prefer to buy foreign sedans. Buyers in Hong Kong are mostly looking for motorcycles, and Lebanese buyers are interested in SUVs. IAA is able to connect these buyers with different interests to the specific vehicles they want.

Price is always a key driver of buyer participation, and foreign-based buyers must also be able to make a profit despite the additional transportation and shipping costs they incur. Labor costs in many countries are more competitive than in the United States, and this creates opportunity for enterprising buyers to purchase in the United States, then ship and repair in their country where repair costs are less. This creates jobs and economic opportunity not only for our buyers, but for others involved in the transport, repair and sale of each vehicle.

As we continue to invest time and resources to expand our buyer base abroad, we know we will be able to extend our reach even further. Through integrated marketing campaigns, social media outreach and team member travel around the world, we remain committed to optimizing our global approach to benefit buyers and sellers alike.

Through all of this activity, it is important to remember that our entire international effort is dedicated to attracting additional bids and creating competition for the vehicles we sell. This is our singular focus – more bids, competitive selling prices and better economic outcomes for our clients.



Many foreign buyers discover that buying vehicles through IAA provides a distinct value they may not be able to find anywhere else.

Leveraging Global Markets

Expanding on a global scale takes tremendous effort. There are many questions to consider before IAA can effectively attract prospective buyers in another country. What is the state of the local economy and how does the government regulate vehicle imports? How does the local currency trade against the U.S. dollar? These questions contribute to how IAA will enter a given country. IAA sells to buyers in nearly every country on the globe, and we are constantly evaluating new markets or looking to expand existing ones.

IAA has been extremely successful in identifying countries favorable to the importation of salvage vehicles and working to develop a buyer base in key markets. Some of our most basic strategies have produced results like having a buyer base that continues to grow and an increase in the number of bids received and units sold.

Establishing a digital presence.

- Social media has clearly changed the way people communicate. In many foreign markets, social media has become a business platform as much, or even more, than it is a personal platform. Many of our buyers use social media to attract customers and sell vehicles. In light of this, IAA also uses social media to communicate with buyers in various regions of the world on a platform that is more personal and direct. Here we can address the particular needs of buyers in a single country or region and help provide the information they need to maximize their bidding at the auction. One example of this is a Facebook application we created called *Buscador Express* or *Express Search* for buyers in Central America and Mexico. This powerful app allows users of the IAA Facebook page to search

for inventory before switching to the IAA website. Tens of thousands of users appreciate the convenience each month, and more prospective bidders are able to view available inventory than ever before.

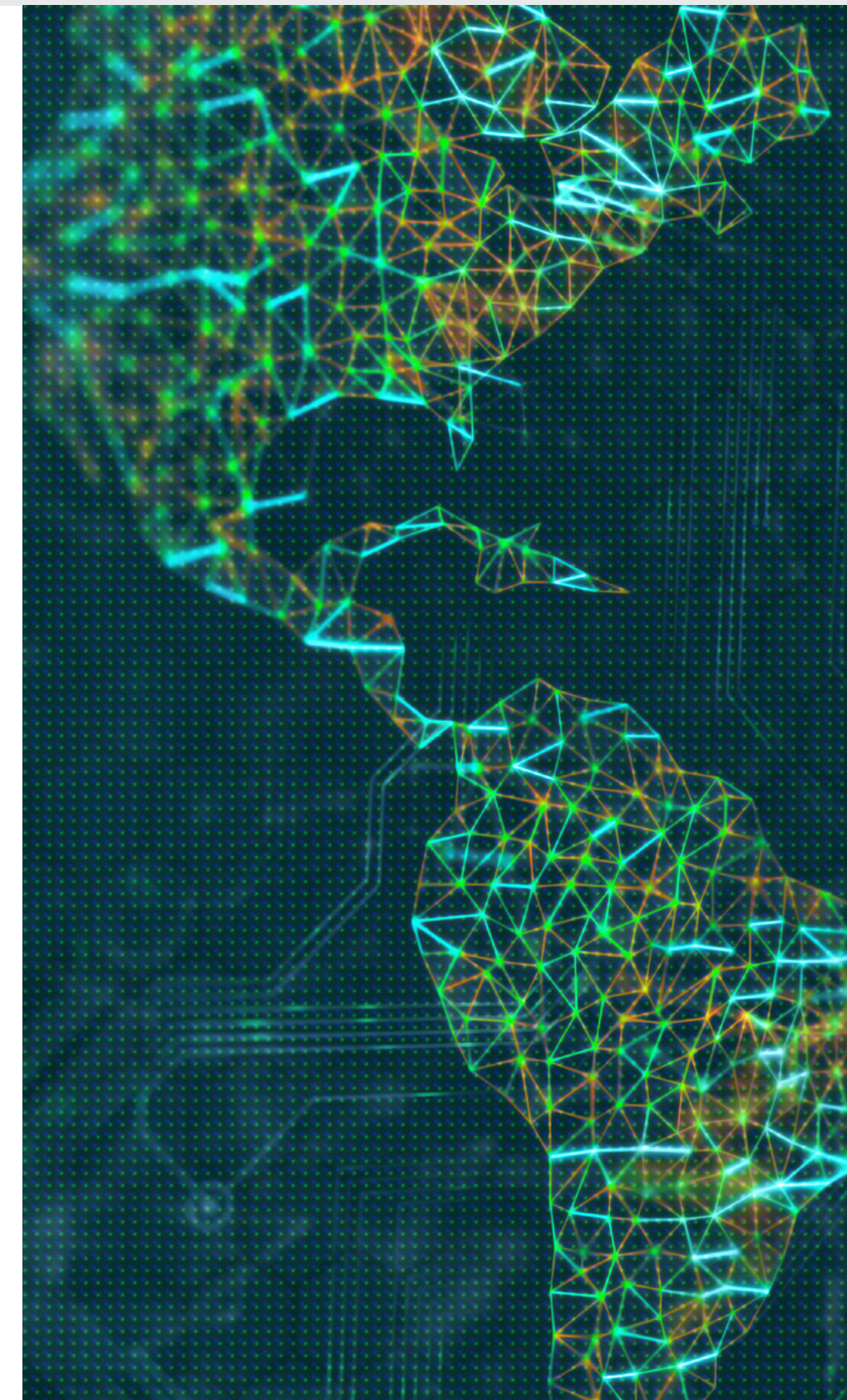
In-country promotion

- Social media tools and integrated marketing messages work for the day-to-day, but nothing is better than meeting in person. Over the years, IAA has successfully organized buyer education seminars as a valuable way to build the IAA brand outside of the United States. Local events held in various countries continue to draw crowds in the hundreds everywhere we go.

Partnering with local vendors

- Our international outreach enables us to work with more than just buyers. We have successfully established ongoing relationships with local businesses that also service our clients. These mutually-beneficial partnerships strengthen our ability to reach additional buyers and increase our presence in foreign markets.

These powerful strategies, combined with our fully integrated marketing plans, continue to produce meaningful results on the global stage. Buyers are consistently responding to these efforts with dramatic increases in buyer registration, auction attendance, bids submitted and units sold. This winning combination continues to produce the results our sellers have come to expect from IAA. With global demand for affordable transportation higher than ever before, there seems to be no end in sight for continued growth in sales to buyers outside of the United States.



Strategic marketing and education efforts have helped IAA expand its presence around the globe.

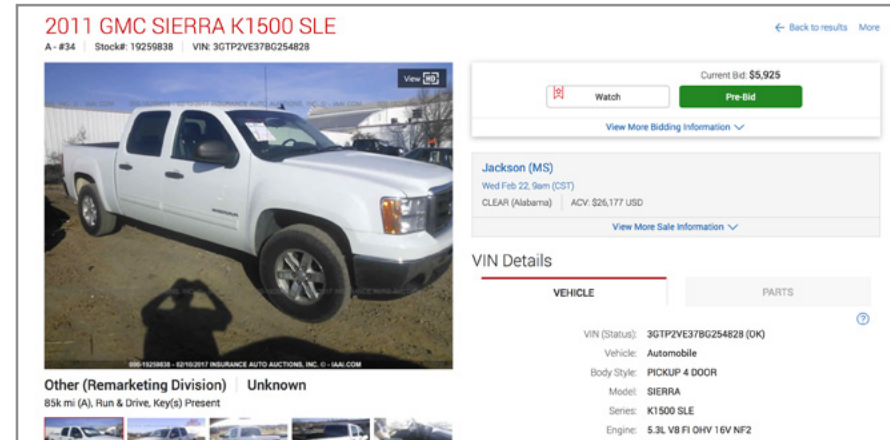
What's New at IAA

From expanding our services to networking with peers in the industry to responding in times of weather-related crises, everyone at IAA stays busy. Here's what we've been up to.



IAA Title Procurement

As part of IAA Total Loss Solutions™, IAA Title Procurement gives you the resources and tools you need to help you save time, better utilize staff and boost customer satisfaction. Backed by IAA's experienced title services team, you'll have access to SettlementAssistant.com, MyVehicleClaim.com and the Title Procurement Dashboard. [Learn more.](#)



The Details Matter

IAA continues to lead the industry in providing buyers with the most complete vehicle information. Our revamped Vehicle Details page now features up to 320 additional VIN details, expandable content for a deeper dive, easier-to-find data with less scrolling and much more to help buyers make more informed bidding decisions. [Get the scoop.](#)

UPDATES

Send comments about ONTRACK to: OnTrack@iaai.com

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Stay Ahead of the Curve

IAA continually monitors economic trends that affect our industry. Broken out by segment, we publish quarterly reports focused on insurance, remarketing, charity and specialty vehicles and provide these analyses free of charge to keep you up to speed on what's influencing the market. [Check out our latest reports today.](#)