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INDUSTRY INSIGHTS:

Timely commentary from Jack R. Nerad, executive editorial director and executive market analyst, Kelley Blue Book's KBB.com: "Just Look What's Popular"

LATEST NEWS STORIES ON KBB.COM:

The latest video and written news stories by the editorial staff of Kelley Blue Book's KBB.com

NEW-VEHICLE REVIEWS ON KBB.COM:

All-new and updated video and written reviews from the editorial staff of Kellev Blue Book's KBB.com, and links to consumer reviews and ratings on KBB.com

WHAT'S NEW:

Concepts, Trucks and Performance Steal the Show at the 2015 North American International Auto Show Kelley Blue Book Recaps 2014, Forecasts 2015 Automotive Trends

Just Look What's Popular

Jack R. Nerad, executive editorial director and executive market analyst for Kelley Blue Book's KBB.com

It was more than a few years ago when critics of the auto industry started kicking dirt on the grave of the sport utility vehicle. To some, the big SUV represented everything that was bad about automobiles in general and the American auto industry in particular. In fact, some equated the SUV with all that is wrong with American society – profligate consumption with no regard for the consequences. With every spike in gasoline prices this contingent cheered as SUV sales dipped in commensurate fashion. And with each drop in SUV sales came the question, "Isn't this the end of the SUV?"

...THE SUV IS BECOMING DOMINANT. ONE PRIME INDICATOR OF THIS IS THE FACT THAT IN 2014 COMPACT SUVS ZOOMED PAST MID-SIZE CARS TO BECOME THE MOST POPULAR CLASS OF VEHICLES IN AMERICA. - JACK R. NERAD

It seems that I answered this question over and over again during my 10 years here at Kelley Blue Book. Yes, with every steep rise in gasoline prices sales of SUVs suffered. But every time gasoline prices dipped sales of SUVs rose again. Yes, SUV sales have ridden a roller-coaster over the past decade, but they are still among us. More importantly, as 2014 came to a close it became obvious that, far from being dead, the SUV is becoming dominant. One prime indicator of this is the fact that in 2014 compact SUVs zoomed past mid-size cars to become the most popular class of vehicles in America.

Yes, it should be noted that today's highest selling SUVs are not the big, V8-powered body-on-frame SUVs of the 1990s. Compact SUVs, virtually all based on car chassis, enjoyed remarkable growth in 2014. Further, subcompact SUVs, a segment that was largely an afterthought as recently as two years ago, has suddenly caught fire with new entries, and we at Kelley Blue Book see it as one of the big stories of 2015. But before you attribute all the growth in SUVs to small and smaller crossover vehicles, you also should be aware that mid-size and full-size SUV sales also were up in 2014. Cheap gas wasn't the only reason either, since the rapid decline in gasoline prices really took hold in the fourth quarter of 2014.

So what does this mean? Will the Chevrolet Suburban become 2015's biggest success story? No, I'm not trying to make that case. What I think this demonstrates is that the world's automakers are remarkably inventive when it comes to answering consumer needs. Many consumers have a need to transport a variety of people and objects in their everyday lives, and in response to that the auto industry has created a wide variety of versatile people-and-goods haulers that range from relatively small to positively large. And consumers have responded to those offerings by finding them preferable to conventional cars in answering their day-to-day desires. The best of the compact SUVs are versatile, fuel efficient and offer substantial passenger space that can be converted, often with the pull of a lever, to substantial cargo space. With high seating positions they offer both a command-of-the-road driving position and a seating position that makes it easy to get in and out. Four doors and a rear hatch make access all around quite simple for adults and children, not to mention pets and the inevitable "stuff."

What the rise of the compact SUV segment represents to me is our industry's ingenuity that is driven to find new ways to answer consumer desires by intense competition. It is doubtful to me that a governmentauthorized task force or an industry-disruptor funded by venture capital would have come up with a solution as good as today's compact SUVs. In other words, competition works.

LATEST NEWS STORIES ON KBB.COM:

Check out the very latest news stories by visiting <u>KBB.com</u> and clicking the the KBB.com Top Picks tab on the home page. The following latest news stories by KBB.com's editorial staff went live on the site or were updated during December 2014.

Video Posted to KBB.com:

Video Review: 2015 Lexus NX

Video Review: 2015 Toyota Camry

Video Review: 2014 Cadillac ELR

Video Review: 2014 Chevrolet Silverado

Written Stories Posted to KBB.com:

2015 Nissan Rogue SV Quick Take

2016 Kia Sorento First Review

2015 Ram ProMaster City First Review: The Class of Class 1

2014 Buick Enclave Long Term Update

Editors' Page:

Editors' Page: 2015 Acura RLX

Editors' Page: 2015 Acura TLX

Editors' Page: 2015 Audi A4

Editors' Page: 2015 Audi A6

Editors' Page: 2015 Audi Q7

Editors' Page: 2015 BMW 3 Series

Editors' Page: 2015 BMW 5 Series

Editors' Page: 2015 BMW X5

Editors' Page: 2015 Buick Enclave

Editors' Page: 2015 Cadillac ATS

Editors' Page: 2015 Cadillac CTS

Editors' Page: 2015 Chevrolet Silverado

Editors' Page: 2015 Dodge Grand Caravan

Editors' Page: 2015 Ford Flex

Editors' Page: 2015 GMC Acadia

Editors' Page: 2015 GMC Sierra

Editors' Page: 2015 Honda Pilot

Editors' Page: 2015 Hyundai Santa Fe

Editors' Page: 2015 Infiniti Q50

Editors' Page: 2015 Infiniti Q70

Editors' Page: 2015 Infiniti QX60

Editors' Page: 2015 Jaguar XF

Editors' Page: 2015 Lexus GS

Editors' Page: 2015 Lexus GX

Editors' Page: 2015 Lexus IS

Editors' Page: 2015 Mazda CX-9

Editors' Page: 2015 Mercedes-Benz E-Class

Editors' Page: 2015 Mercedes-Benz M-Class

Editors' Page: 2015 Nissan Pathfinder

Editors' Page: 2015 Ram 1500

Editors' Page: 2015 Toyota Highlander

Editors' Page: 2015 Toyota Tundra

Editors' Page: 2015 Volvo S60

Latest News:

2017 Ford GT takes advanced racing tech to the street

2017 Ford Raptor Ready to Roll

2016 Acura NSX makes it official in Detroit

2016 Buick Cascada opens new horizons

2016 Cadillac CT6 to debut streaming video rear view camera

2016 Cadillac CTS-V boasts 640 horses and a mega-bad attitude

2016 Chevrolet Volt teased at CES Show

2016 Chevrolet Volt Unveiled: More range, passenger room

2016 Ford Shelby GT350R Mustang: Track ready, street legal

2016 Hyundai Sonata Hybrid to debut in Detroit

2016 Jaguar F-Pace: Jag's First Crossover

2016 Lexus GS F set for Detroit

2016 Lincoln MKX spied prior to Detroit launch

2016 Lincoln MKX crossover has global aspirations

2016 Mercedes-Benz C350 Plug-in Hybrid set for U.S. debut

2016 Mercedes-Benz GLE Coupe: Athletic crossover bows

2016 Nissan Titan -- More than a 1/2-ton

2016 Nissan Titan set for Detroit debut

2016 Porsche 911 Targa 4 GTS revealed

2016 Porsche Cayenne Turbo S revamped

2016 Range Rover HSE Td6/HSE Sport Td6: Diesel power for America

2016 Toyota Tacoma: Segment Leader Revamped

2016 Volvo S60 Cross Country makes Detroit debut

2016 Volvo S60 lineup adds Cross Country and Inspiration models

2015 Alfa Romeo 4C Spider - a high-styled sunchaser

2015 Aston Martin Works 60th Anniversary models revealed

2015 Audi RS 5 Coupe U.S. bound

2015 Chevy Silverado 1500 Custom Sport unveiled

2015 GMC Canyon Nightfall Edition: Visual drama with high value

2015 Lamborghini Aventador LP 700-4 Pirelli Edition unveiled

2015 North American International Auto Show: Detroit bounces back

2015 Ram 1500 Rebel breaks with convention

Auto Shows: Where New Cars are Born

LATEST NEWS STORIES ON KBB.COM CONTINUED:

BMW previews Remote Valet Parking Assistant North American Car and Truck of the Year: 2015 VW Golf and 2015 Ford F-150

Buick Avenir Concept: Future flagship for a global brand Scion sedan set for New York

Chevrolet Bolt EV Concept Takes on Tesla and Nissan Leaf

Volkswagen Cross Coupe GTE: Mid-size SUV of tomorrow

Class of 2016: New Cars Ready to Roll

Volkswagen Golf R Touch Concept: Gesture controlled infotainment

First Pics: Totally redesigned 2016 Audi Q7

Volvo shows new 3-cylinder Drive-E engine

Ford introduces Sync 3 -- infotainment gets a lot more user-friendly Volvo's AstaZero: A Safety-Focused Proving Ground

Ford Performance Goes Global Compact SUV Buyer's Guide

<u>Hyundai Santa Cruz Concept Mates a Crossover with a Pickup</u>
<u>Midsize Luxury Sedan Buyer's Guide</u>

<u>Infiniti Concept Vision Gran Turismo ready to race</u>

<u>Midsize Luxury SUV Buyer's Guide</u>

Infiniti Q60 Concept previews new high-performance coupe

Midsize SUV Buyer's Guide

Infiniti Q60 Concept to debut in Detroit

Minivan Buyer's Guide

Infiniti Q60 Coupe Concept previewed

New Car Buyer's Guides

Jaguar Land Rover tests 360-degree virtual windshield This Week in Car Buying: Sales up, cars more expensive, prices change

Jeep Renegade Mopar Off-Road Concept revealed This Week in Car Buying: Surfing the coming used car Tsunami

Jeep Renegade Mopar Urban Concept bows

This Week in Car Buying: What's in store for 2015

Mercedes-Benz F 015 Luxury in Motion: Private retreat on wheels This Week in Car Buying: Year-end deals, Volvo's virtual strategy

New Lexus F model to be unveiled in Detroit

NEW-VEHICLE REVIEWS ON KBB.COM:

The following new-vehicle reviews written by KBB.com's editorial staff went live on the site or were updated during December 2014. To see any new-vehicle reviews from KBB.com's editorial staff, please visit <u>KBB.com</u> and click on the *Car Reviews* tab, then select the make and model.

New Vehicle Reviews:

2015 BMW 2 Series

"An extra competitive, entry-level luxury-sports coupe, or convertible, that is affordable and looks good, the BMW 2 Series brings the goods."

2015 BMW M5

"Long regarded as the benchmark for midsize luxury sports sedans, the BMW 5 Series blends power and technology across a wide model range."

2015 BMW X5

"Power, performance and a premium-brand logo combine to make the X5 a versatile SUV with a definitive enthusiast streak."

2015 Dodge Charger

"The Charger is the ultimate sleeper family sedan with the addition of the all-new Hellcat supercharged V8 engine."

2015 Ford Flex

"Not quite an SUV, but also not a minivan, the boldly styled Flex offers a unique twist on the family wagon."

2015 Maserati Ghibli

"The Maserati Ghibli has the looks and pedigree to play in the midsize luxury performance league."

2015 Mercedes-Benz CLS-Class

"It's the sedan that looks like a high-priced exotic coupe, and it's exclusive and expensive. It's the Mercedes-Benz CLS-Class."

2015 Nissan Murano

"The Nissan Murano is designed with two couples in mind, but offers laudable all-around handling, top fuel economy and a string of cool features."

2015 Toyota Prius C

"The Prius C is the smallest of the Prius family, offering the best fuel economy in an inexpensive, compact and fun package."



Concepts, Trucks and Performance Steal the Show at the 2015 North American International Auto Show

Kelley Blue Book's Managing Editor, Micah Muzio, Reveals a Concept Truck from Hyundai, an All-New Tacoma from Toyota and the Expanding F Line from Lexus

DETROIT, Jan. 15, 2015 -- HYUNDAI INTRODUCES CONVENTION-SHATTERING SANTA CRUZ CROSSOVER TRUCK CONCEPT Hyundai's Fresh Take on the Sport Truck Concept Appeals to Trending "Urban Adventurer" Millennial Lifestyles. Appeal of a Modern CUV with the Incremental Utility of an Expanding Truck Bed. Hyundai revealed its innovative Santa Cruz Crossover Truck Concept at the North American International Auto Show in Detroit. This fresh concept reflects a completely new interpretation of truck utility for a new generation of buyers, especially Millennials, who represent the second-largest population of car buyers... MORE

Kelley Blue Book Recaps 2014, Forecasts 2015 Automotive Trends

New-Car Sales to Reach 16.9 Million Units in 2015, Up 2.5 Percent from 2014

IRVINE, Calif., Jan. 9, 2015 -- Kelley Blue Book www.kbb.com, the only vehicle valuation and information source trusted and relied upon by both consumers and the automotive industry, reports new-car sales in 2015 will reach 16.9 million (up 2.5 percent). However, it will be the slowest growth in new-car sales since 2009, when the industry declined 21.2 percent. In 2010, industry new-car sales were up 11.3 percent. Looking back at 2014, Kelley Blue Book compiled the list of Top 10 Most-Researched New Cars on KBB.com... MORE

About Kelley Blue Book (<u>www.kbb.com</u>)

Founded in 1926, Kelley Blue Book, The Trusted Resource*, is the only vehicle valuation and information source trusted and relied upon by both consumers and the automotive industry. Each week the company provides the most market-reflective values in the industry on its top-rated website KBB.com, including its famous Blue Book* Trade-In Values and Fair Purchase Price, which reports what others are paying for new and used cars this week. The company also provides vehicle pricing and values through various products and services available to car dealers, auto manufacturers, finance and insurance companies, and governmental agencies. Kelley Blue Book's KBB.com ranked highest in its category for brand equity by the 2014 Harris Poll EquiTrend* study and has been named Online Auto Shopping Brand of the Year for three consecutive years. Kelley Blue Book Co., Inc. is a Cox Automotive company.