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Kelley Blue Book Public Relations Contacts:

949 267 4855 Lchintan talati@kbb.com

Chintan Talati | Senior Director, Public Relations Joanna Pinkham | Senior Public Relations Manager 404.568.7135 | joanna.pinkham@kbb.com

Brenna Robinson | Senior Public Relations Manager 949 267 4871 | brenna robinson@kbb com

Samantha Hawkins | Marketing Coordinator 949 268 2760 L samantha hawkins@kbh.com

INDUSTRY INSIGHTS:

Timely commentary from Jack R. Nerad, executive editorial director and executive market analyst, Kelley Blue Book's KBB.com: "The Joy of a 'Brand-New Car'

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 Kelley Blue Book's KBB.com, and links to consumer reviews and ratings on KBB.com

WHAT'S NEW:

KBB.com Named Online Auto Shopping Brand of the Year for Fourth Consecutive Year in Harris Poll EquiTrend®

10 Best Road Trip Cars of 2015 Named by KBB.com

New-Car Transaction Prices up More Than 4 Percent on Truck, SUV Demand, According to Kelley Blue Book

The Joy of a "Brand-New Car"

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

These are forward-looking times in which businesses are being invented and re-invented. Disrupters get high-fives, while developers are often viewed as too slow and too cautious. So forgive me if I reach back in time to discuss an issue that we believe will have substantial impact on the auto industry of the future.

Many of us remember a time when getting a new car was the absolute ultimate experience a family could have. Its acquisition typically involved Mom, Dad, sisters and brothers all trooping down to the dealership for tire-kicking, seat-sitting and new-car smelling. The single-brand, single-point dealership the family visited was almost undoubtedly owned by someone in the community who was likely some combination of Scoutmaster, Rotary Club president, church deacon and leader of the local Chamber of Commerce. After the family had finally chosen the new chariot and bid a fond farewell to their previous family car, typically a vehicle that was regarded with the same affection as the family pet, the deal would be done, and then the fun would really begin. The family would have the exquisite experience of driving that pristine, utterly new car home to park it conspicuously in their driveway. Usually within minutes neighbors would pour from their homes for what amounted to a viewing party. The owners of the brand-new car were the envy of the neighborhood, while the other families hoped to experience that same joy in a future month or year.

SO WHEN WAS THE LAST TIME YOU SAW THIS SAME LEVEL OF EXCITEMENT, OF SHEER WONDER, IN PEOPLE BUYING (OR LEASING) A NEW CAR? - JACK R. NERAD

This era was also a golden age of television game shows, and it is no coincidence that the ultimate grand prize, the most heavily wished-for reward for choosing the right curtain, answering the final question or specifying the correct price was a BRAND-NEW CAR. The excitement contained in the intonement of that phrase by announcers like Jay Stewart and Don Pardo were enough to shake the walnut cabinet that encased the TV screen.

So what, you might reply. To that my answer is: so when was the last time you saw this same level of excitement, of sheer wonder, in people buying (or leasing) a new car? And, I have to ask, since we are not seeing it, isn't that a problem?

If the pleasure and wish-fulfilment that has traditionally been associated with buying a new car has slipped away like air coming out of a leaky balloon, the impetus to buy a new car will be negatively affected. If a car is regarded as an appliance or, even worse, as a nuisance and a climate-destroyer, sales of new cars will undoubtedly de diminished. In fact, it is likely that such a dynamic is already taking place, and it will accelerate in the future if individual carmakers and the industry as a whole do not make buying a new vehicle compelling.

How can that be accomplished? By making each succeeding model-year's vehicle demonstrably different – and hopefully better – than the model that came before. By emphasizing that new car equals state-of-the-art technology. By infusing the new-car acquisition process with fun, joy and discovery, and by making certain that the purchase is not just a transaction but a positive exchange on a human level. In the absence of these factors, vehicle acquisition will slip to the same level as replacing a washing machine or a refrigerator. And the industry will be fundamentally changed.

LATEST NEWS STORIES ON KBB.COM:

Check out the very latest news stories by visiting <u>KBB.com</u> and clicking the the <u>KBB.com Top Picks</u> 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 May 2015.

Latest News:

2017 Chevrolet Bolt EV spied testing

2017 Ford Escape spied

2017 Hyundai Santa Fe previewed

2016 BMW 435i ZHP Coupe Edition - limited-run wonder unveiled

2016 BMW 7 Series unveiled

2016 BMW M6 Competition Package coming this summer

2016 BMW X1 xDrive28i redesigned for a fall debut

2016 Cadillacs enhances CUE with Apple/Android connectivity

2016 Chevrolet Camaro bows

2016 Ford F-150 to offer new Pro Trailer Backup Assist feature

2016 Ford Shelby GT350 V8: Tech background

2016 Hyundai Elantra adds Value Edition

2016 Lotus Evora 400 to start at \$89,900

2016 Mazda Mazda2 hatch on hold for America

2016 Nissan Juke-R Nismo to bow at Goodwood

2016 Porsche 911 Carrera and Boxster Black Editions unveiled

2016 Porsche Cayenne Turbo S and Cayenne GTS: Stuttgart's fastest SUVs

2016 Rolls-Royce Dawn due next spring

2016 VW Jetta GLI: Bolder, more tech

2015 Nissan Murano earns IIHS Top Safety Pick+ rating

2015 Ram 1500 Rebel, Laramie Limited priced

AAA Calls for Headlamp Improvements

After the flood: How to spot and avoid damaged cars

Audi R8 e-tron Piloted Driving Concept revealed

BMW 3.0 CSL Hommage Concept bows

BMW 3.0 CSL Hommage Concept teased

Chevrolet to offer Android Auto and Apple Car Play on 14 models

FCA Pentastar V6 production tops 5 million

Fiat Chrysler reduces 2016 powertrain warranty

Ford offers EV patents to rivals

Ford returns to Le Mans in 2016

GM announces \$1 billion upgrading of its Warren Technical Center

Hyundai Creta crossover teased

KBB Interview with NHTSA's Mark Rosekind: Safety Recalls Need Attention

24/7/365

Lamborghini confirms SUV for 2018

Latest airbag recall overwhelms NHTSA website

Living large, shopping small: Here's what to look for in your next economy car

Mazda and Toyota in Tech Tie-up

NHTSA tests anti-drunk driving technology

No 2016 McLaren 540C for the U.S.

SRT Tomahawk Vision: Gaming the system

Tesla launches a CPO program for the Model S in the U.S.

Volkswagen Golf GTE Sport and GTI Clubsport unveiled

Volvo's On Call app for Apple Watch and Android Wear

Zagato Maserati Mostro revealed

This Week in Car Buying: 2016 incentives land; Buick lowers prices; Midsize pickups a hit; Hybrids take an HOV sticker hit

This Week in Car Buying: Know your car; 2016 Volvos priced; EV's fall short, again

This Week in Car Buying: May deals lead-in Memorial Day Sales Events

This Week in Car Buying: Prices up; Longer loans; Cheap Leases; Buy a car, get some shoes

This Week in Car Buying: Summer sales start; What to insure and where; GM production tapers off; Interest rates tick up

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 May 2015. 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.

Video Posted to KBB.com:

Helicopter Skydive - Jeep Renegade Adventure

Video Review: 2015 Jeep Renegade

Video Review: 2015 Lamborghini Huracan

2015 Compact SUV Comparison Test

Written Stories Posted to KBB.com:

Highlights

2015 Midsize Sedan Comparison: Almost Foolproof

Midsize Sedan Comparison: 2016 Mazda6

Midsize Sedan Comparison: 2015 Chrysler 200

Midsize Sedan Comparison: 2015 Honda Accord

Midsize Sedan Comparison: 2015 Hyundai Sonata

Midsize Sedan Comparison: 2015 Subaru Legacy

Midsize Sedan Comparison: 2015 Toyota Camry

10 Best Road Trip Cars of 2015

10 Most Affordable SUVs

10 Coolest Cars Under \$18,000

10 Best CPO Luxury Cars Under \$30,000

Compact SUV Buyer's Guide

Vehicle Coverage:

First Drives/Reviews

2017 Audi Q7 First Review: Tech It to the Limit, One More Time

2016 Bentley Continental GT First Review: Norwegian good

2016 Ford Explorer Sport and Limited First Review

2016 Honda Pilot First Review

2016 Hyundai Sonata Hybrid and Plug-in Hybrid First Review

2016 Mitsubishi Outlander First Review

2016 Nissan Maxima First Review

2016 Volkswagen Beetle Dune Hybrid Concept First Review: Rugged meets frugality

Long Term Vehicle Updates

2015 Hyundai Genesis 3.8 Long-Term Update: Comfort

2015 Honda Fit Long-Term Update: Drivability

2014 Buick Enclave Long-Term Update: Silence is golden

Quick Takes

2015 Alfa Romeo 4C Spider Quick Take

2015 Ford Mustang Convertible Quick Take

2015 Lamborghini Huracan LP 610-4 Quick Take: A Legend is Born

2015 Land Rover Discovery Sport Quick Take

2016 Mazda MX-5 U.S. Spec Quick Take

2015 Nissan Murano SV AWD Quick Take: Sometimes Two is Greater than Three

2015 Cadillac Escalade Platinum Quick Take: Your rolling masseuse has arrived

2015 Bentley Continental GT Speed Convertible Quick Take

2015 Audi R8 V10 Plus Coupe S Quick Take: The everyday super car

2015 Ram 2500 Big Horn 4x4 Quick Take: Respect the Snow Plow

NEW-VEHICLE REVIEWS CONTINUED:

New Vehicle Reviews:

2016 Acura RDX

The Acura RDX offers up all the technology and creature comforts of a modern luxury SUV, but with a reasonable price and excellent long-term reliability.

2016 Audi A3

Starting at about \$30,000, the Audi A3 is the least expensive Audi you can buy. But don't call it cheap.

2016 Audi A7

The A7 blends style, function and tech as deftly as it does power and refinement. Just know that its qualities do not come cheap.

2016 Cadillac ATS-V

The ATS-V brings track-ready cred to the ATS lineup with performance that matches or beats luxury rivals like the BMW M3.

2016 Honda Pilot

The Honda Pilot adds refinement, high-tech features, a more powerful engine and new transmission choices under sleek new styling.

2016 Mazda MX-5 Miata

The MX-5 is the fourth generation of Mazda's 2-seat roadster, and it's as fun and affordable as it has ever been.

2016 Mitsubishi Outlander

Mitsubishi's 7-passenger Outlander SUV has a fuel-efficient engine, unique styling, loads of value, and an excellent warranty.

2016 Nissan 370Z

The Nissan 370Z in Coupe, Roadster or Nismo forms is a sports car with excellent value and performance at a fair price.

2016 Nissan GT-R

The amazing thing about the GT-R isn't that it can outrun Italian exotics, but that it's a \$100,000 Nissan that outruns exotics.

2016 Nissan Maxima

Nissan says the 2016 Maxima is still a 4-door sports car, but in reality it's a comfortable sporty sedan. And that's no bad thing.

2016 Porsche Cayenne

The Porsche Cayenne SUV continues its genre-defying ways this year, with two new models to further make drivers believe they bought a sports car, and not a practically designed family hauler.

2016 Subaru WRX

With a powerful 4-cylinder engine and sharp handling plus a new continuously variable transmission (CVT) the Subaru WRX can be appreciated by anyone.

NEW-VEHICLE REVIEWS CONTINUED:

2015 Aston Martin Vanquish

The curvaceous, fast, well-crafted Aston Martin Vanquish coupe and convertible are the gold standard for elite grand tourers.

2015 Bentley Flying Spur

At nearly \$200,000, the Bentley Flying Spur is an ultra-luxury sedan that is as discriminating in taste as it is a pleasure to drive.

2015 Bentley Mulsanne

Part land yacht, part automotive masterpiece, the Bentley Mulsanne makes a statement as only a \$300,000-plus ultra-luxury sedan can.

2015 Chevrolet City Express

As the compact work van segment expands, the all-new Chevrolet City Express joins the fold with some help from its friends at Nissan.

2015 Ferrari 458 Italia & Spider

It's a cliche to call something an "instant classic," but the Ferrari 458 Italia and Spider deserve their place on lists of "best-ever Ferraris."

2015 Ferrari F12berlinetta

Let's just keep this simple: The 2015 Ferrari F12berlinetta is the most desirable supercar on the road today.

2015 Rolls-Royce Wraith

As the freshest, most powerful Rolls-Royce, the \$300,000 Wraith 4-passenger coupe appeals to a younger generation of the hyper-wealthy.

KBB.com Named Online Auto Shopping Brand of the Year for Fourth Consecutive Year in Harris Poll EquiTrend® Study

Kelley Blue Book Ranked Highest Among Third-Party Automotive Websites in 2015; Top-Rated Website Reaches Record Traffic Levels in May 2015

IRVINE, Calif., June 22, 2015 -- For the fourth year in a row, KBB.com is awarded Online Auto Shopping Brand of the Year in the Harris Poll EquiTrend® study, announces Kelley Blue Book www.kbb.com, the only vehicle valuation and information source trusted and relied upon by both consumers and the automotive industry. In addition, Kelley Blue Book's top-rated website, KBB.com, reached an all-time traffic record with more than 24 million unique visitors in May 2015... MORE

10 Best Road Trip Cars of 2015 Named by KBB.com

As Summer Kicks Off, Kelley Blue Book Editors Match Top Vehicles with Various Types of Road Trips

IRVINE, Calif., June 11, 2015 -- What is more quintessentially American than a summertime road trip? The words conjure up images of exciting possibilities, new friends, memorable experiences, perhaps even a taste of romance. The expert editors Kelley Blue Book www.kbb.com, the only vehicle valuation and information source trusted and relied upon by both consumers and the automotive industry, recently named the 10 Best Road Trip Cars of 2015. Whether your idea of a road trip is a quick jaunt to a nearby weekend getaway or a raucous blast across a continent, there is a vehicle on this list for you... MORE

New-Car Transaction Prices up More Than 4 Percent on Truck, SUV Demand, According to Kelley Blue Book

Domestic Brands Profit Most from Truck, Utility Lineups; Interest Rate Hikes Could Disrupt Sales and Average Transaction Prices

IRVINE, Calif., June 2, 2015 /PRNewswire/ -- The analysts at Kelley Blue Book www.kbb.com, the only vehicle valuation and information source trusted and relied upon by both consumers and the automotive industry, today report the estimated average transaction price (ATP) for light vehicles in the United States was \$33,363 in May 2015. New-car prices have increased by \$1,363 (up 4.3 percent) from May 2014, while dropping \$130 (down 0.4 percent) from last month... MORE

About Kelley Blue Book (www.kbb.com)

June 2015

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 2015 Harris Poll EquiTrend* study and has been named Online Auto Shopping Brand of the Year for four consecutive years. Kelley Blue Book Co., Inc. is a Cox Automotive company.