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BLUE BOOK BRIEFING

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INDUSTRY INSIGHTS:

With Worst Over, Now What?

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

First for the good news: It seems at last we can report with certainty that the worst of the Great Recession is over. There has been growth in overall gross domestic product, and the seasonally adjusted light-vehicle sales rate has crept above the 11-million-and-change mark that it had hovered within for months. The economy was upbeat enough that General Motors was able to pull off a successful public offering of its stock, reducing federal government ownership of the company, and Ford Motor Company was able to persuade creditors that held about \$2.5 billion in debt obligations to take common stock instead. Obviously, more than a few people with cash to invest have a good feeling about the auto industry's potential for growth and profits, and that was one of many reasons why the just-concluded 2010 Los Angeles Auto Show had a nice, positive buzz.

Looking at each of the above-mentioned developments in turn, there is reason for optimism. Overall economic growth, even slow-paced growth, is better than no growth at all, and the same can be said for the growth in the light-vehicle market. Sure, in overall terms, November didn't produce as many sales as October did, but November is a traditionally weaker month than October. Adjusted seasonally, the sales rate is still peeking above 12 million. In the context of the decade, that is a disaster; but in the context of the past three years, it is a positive sign.

The GM IPO is especially good news for that company, because it will go a long way to help it ditch the derisive "Government Motors" tag that has been dogging it since the bailouts. Further, we have it on pretty good authority that there are those in GM who feel they could do without the government supervision that came as part of the bankruptcy-bailout deal. Meanwhile, Ford is the golden child of the domestic industry these days and one of the shining lights of the global industry, so it wasn't too hard to predict that it would be able to shed some major debt in return for an ownership stake. At the same time, Chrysler, which has had some difficulty convincing skeptics that it has a future, came out with an impressive new-product barrage at the Los Angeles Auto Show, and Nissan, which cut its auto show schedule deeply last year, was back with a similarly impressive array of new stuff. All in all, the mood in Los Angeles seemed to foretell brighter days to come.

So why isn't there a grin on the industry's face a mile wide? Because as recoveries go, the current one is about as tepid as one could imagine.

ADJUSTED SEASONALLY, THE SALES RATE IS STILL PEEKING ABOVE 12 MILLION. IN THE CONTEXT OF THE DECADE, THAT IS A DISASTER; BUT IN THE CONTEXT OF THE PAST THREE YEARS, THAT IS A POSITIVE SIGN...

- JACK R. NERAD

Yes, there are some signs of growth, but they seem weak and half-hearted compared to the many other recoveries I have witnessed in more than 30 years of covering the auto industry. Meanwhile, I see more empty showrooms, more retail space for lease and less construction activity than I can ever remember. If the goal is to make the United States more like Western Europe, it is happening in at least one sense – our no-growth growth rate is more like Western Europe than ever. The Federal Reserve just revised its growth estimates for this year and next downward – significantly downward. Its predictions on the employment picture are just as dismal. The unemployment rate has been stuck at more than 9.5 percent for months, and while the Fed predicts some improvement, it is not what the car business seeks. Among the Fed's predictions is that the unemployment rate will be 7.5 percent as we reach this time in 2013. That's just not good enough. Our only solace might be the fact that, since they've been wrong before, they might well be wrong this time, too.

LATEST NEWS STORIES ON KBB.COM :

Check out the very latest news stories by visiting www.kbb.com and scrolling down to the Latest News & Articles link on the home page. The following latest news stories by kbb.com's editorial staff went live on the site or were updated during November 2010.

Written Stories Posted to kbb.com:

[2010 Los Angeles Auto Show Top 10](#)
[2011 Best Resale Value Awards](#)
[2011 Best Resale Value Awards: Category Winners](#)
[2011 Chevrolet Camaro Convertible - Los Angeles Auto Show](#)
[2011 Chevrolet Corvette Z06X Concept -- Thinking even faster](#)
[2011 Chevrolet Volt gets a triple dose of EPA mileage numbers](#)
[2011 Chevrolet Volt Z-Spec Concept -- An exercise in eco-cool](#)
[2011 Chrysler Town & Country -- Los Angeles Auto Show](#)
[2011 Dodge Avenger - 2010 Los Angeles Auto Show](#)
[2011 Dodge Challenger SRT8 392 Limited Edition -- First look](#)
[2011 Dodge Charger - Los Angeles Auto Show](#)
[2011 Dodge Grand Caravan - 2010 Los Angeles Auto Show](#)
[2011 Dodge Journey - 2010 Los Angeles Auto Show](#)
[2011 Ford Transit Connect XLT Premium Wagon - 2010 LA Auto Show](#)
[2011 Honda Accord gets best score yet in new NHTSA crash testing](#)
[2011 Honda CR-Z MUGEN Limited Edition -- a DIY hybrid hauler](#)
[2011 Hyundai Elantra - 2010 Los Angeles Auto Show](#)
[2011 Kia Optima Hybrid - 2010 Los Angeles Auto Show](#)
[2011 Kia Soul White Tiger and Soul Hamstar Concepts](#)
[2011 Lexus CT 200h First Drive Review](#)
[2011 Morgan Threewheeler -- First look at a neo-retro classic](#)
[2011 Nissan LEAF Review - Boldly charging into the future](#)
[2011 Nissan LEAF wins European Car of the Year award](#)
[2011 Nissan Murano CrossCabriolet - 2010 LA Auto Show](#)
[2011 Nissan Quest - 2010 Los Angeles Auto Show](#)
[2011 RedLine Dodge Charger -- A preview of coming attractions](#)
[2011 Scion xB Release Series 8.0 - 2010 Los Angeles Auto Show](#)
[2011 Toyota Corolla - 2010 Los Angeles Auto Show](#)
[2011 Toyota Prius PLUS Performance Package - Green lightning](#)
[2011 Toyota Sienna SE -- Chillin' in the Swagger Wagon](#)
[2012 Buick LaCrosse eAssist -- Los Angeles Auto Show](#)
[2012 Buick Regal GS - Los Angeles Auto Show](#)
[2012 Fiat 500 - 2010 Los Angeles Auto Show](#)
[2012 Ford Focus will offer enthusiast-oriented handling packages](#)
[2012 Ford Mustang Boss 302 to offer street/track engine option](#)
[2012 Infiniti M35h Hybrid - 2010 Los Angeles Auto Show](#)
[2012 Mazda MAZDA5 - 2010 Los Angeles Auto Show](#)
[2012 Mercedes-Benz CLS63 AMG - 2010 Los Angeles Auto Show](#)
[2012 Mitsubishi 'i' - 2010 LA Auto Show](#)
[2012 Porsche Cayman R - 2010 Los Angeles Auto Show](#)
[2012 Range Rover Evoque Five-door -- Los Angeles Auto Show](#)
[2012 Saab 9-4X - Los Angeles Auto Show](#)
[2012 Volkswagen Eos - 2010 Los Angeles Auto Show](#)
[Asian brands top 2010 Consumer Reports Reliability Survey](#)
[BMW Vision EfficientDynamics supercar gets production approval](#)
[Cadillac Aera and smart 454 WWT win Design Challenge Los Angeles](#)
[Cadillac Urban Luxury Concept - Los Angeles Auto Show](#)
[Ford Stealth Police Interceptor Concept -- Flying under the radar](#)
[GE commits to buy 25,000 EVs by 2015](#)
[Happy Halloween: 10 Trick New Car Features](#)
[Honda Fit EV Concept -- 2010 Los Angeles Auto Show](#)
[KBB.com video contest winner samples the Nissan GT-R](#)
[Mazda MX-5 Super20 Concept -- Celebrating two decades of Zoom-zoom](#)
[New AAA survey finds driving while drowsy a major safety threat](#)
[New Cadillac compact model will challenge BMW and Mercedes-Benz](#)
[Nissan Ellure Concept - 2010 Los Angeles Auto Show](#)
[Porsche Announces \\$200 million expansion of Weissach R&D](#)
[Subaru Impreza Design Concept - 2010 Los Angeles Auto Show](#)
[Toyota Prius tops 2011 EPA fuel economy ratings](#)
[Volkswagen Golf Blue-e-motion](#)

Videos Posted to kbb.com:

[BMW 6 Series Concept - Los Angeles Auto Show](#)
[2011 BMW X3 Mobile Office - Los Angeles Auto Show](#)
[2011 BMW X3 - Los Angeles Auto Show](#)
[2012 Buick LaCrosse eAssist -- Los Angeles Auto Show](#)
[2012 Buick Regal GS - Los Angeles Auto Show](#)
[2011 Chevrolet Camaro Convertible - Los Angeles Auto Show](#)
[Cadillac Urban Luxury Concept - Los Angeles Auto Show](#)
[2011 Chrysler 200 - Los Angeles Auto Show](#)
[2011 Dodge Charger - Los Angeles Auto Show](#)
[2012 Fiat 500 - Los Angeles Auto Show](#)
[2012 Ford Focus ST and Electric- Los Angeles Auto Show](#)
[Honda Fit EV Concept - 2010 Los Angeles Auto Show](#)
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[Driving the 2010 Nissan GT-R with KBB's Video Contest Winner](#)
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[Toyota RAV4 EV Concept - 2010 Los Angeles Auto Show](#)
[Volkswagen Golf blue-e-motion - 2010 Los Angeles Auto Show](#)

The following new-vehicle reviews written by kbb.com's editorial staff went live on the site or were updated during November 2010. To see any new-vehicle review from kbb.com's editorial staff, please visit www.kbb.com and click on the News and Reviews tab, then select the make and model.

[2011 Audi Q5](#)

We don't just like the idea of the premium compact crossover, we like most of those in the segment. From the agile and boldly styled BMW X3 to the larger, softer, best-selling Lexus RX 350, the category offers something good for everyone. But we never had a clear favorite until we drove the 2011 Audi Q5...

[2011 Dodge Durango](#)

Shortly after gas went to five dollars a gallon and the economy took a nose dive, the full-size SUV's days looked to be numbered. Dealer lots were buried rows deep in vehicles like the Dodge Durango, and no one was biting. One would think after coming through yet another near-death experience, Dodge might kick their old SUV habit to the curb and focus on small, fuel-efficient cars. But that's not what happened. Instead, under the stewardship of Fiat, Dodge has decided to reinvent the Durango, creating a smooth, roomy and efficient full-size SUV from a single unit body shared with the newly developed Jeep Grand Cherokee. A bold move? You bet it is, but one that apparently has the potential to pay off big for Dodge – that is as long as gas stays relatively cheap...

[2011 Honda Odyssey](#)

Minivan may not be the sexiest word in the automotive lexicon, but when life dictates a need for something functional, fuel efficient and family friendly, the 2011 Honda Odyssey is tough to beat. Its "lightning-bolt" beltline design ensures that you won't lose it in a Disneyland parking lot, and available features – like a widescreen rear-seat entertainment system with a 12-speaker, 650-watt 5.1 surround sound system – guarantee that you'll have street cred with your kids' carpool buddies. Plus, when you find yourself kid-free for the night, comfortable seating for up to eight adults makes it the perfect party bus...

[2011 Honda Pilot](#)

Upon its introduction, the Honda Pilot quickly earned a reputation for reliability, comfort and practicality. With seating for eight persons and ample room for all their stuff, this crossover echoed what people liked about SUVs without the heft or poor fuel economy as trade-offs. Benefiting from a complete redesign in 2009, the 2011 Pilot carries on offering a spacious interior, plenty of convenience-oriented features and respectable gas mileage. However, with the growth of the mid-size crossover in the last few years, the Pilot faces more competition than ever, and now must stand out from the likes of the Mazda CX-9, Chevy Traverse, Toyota Highlander, Hyundai Veracruz and the new Ford Explorer...

[2011 Jeep Grand Cherokee](#)

For the 2011 model year, Jeep ushers in its fourth-generation Grand Cherokee; one of the last products conceived during Chrysler's now defunct partnership with Daimler. The latest Grand Cherokee rides on an all-new platform that shares certain key components with the next-generation Mercedes-Benz ML, lengthening its wheelbase by more than five inches, but only slightly expanding overall exterior dimensions. As a result, the vehicle remains a dedicated five-seater unlike many of its competitors, which have added third row seating in recent years. Regardless of its modest commonality with the ML-Class, the Grand Cherokee feels like a distinctly Jeep product, offering improved levels of refinement and sophistication while retaining the key Grand Cherokee attributes of formidable off-road capabilities, rugged style and on-road competence...

[2011 Mercedes-Benz C-Class](#)

For many, the Mercedes-Benz name represents the pinnacle of automotive design and good taste. While they may not have the means to climb into a new S-Class, the upwardly mobile still have a shot at joining the exclusive M-B club without breaking the bank. Mercedes-Benz' most affordable offering, the 2011 C-Class, comes loaded with style and content. Starting around \$35,000, the C-Class must contend with the likes of the Audi A4, Infiniti G37 and Cadillac CTS. And while some will note the C-Class lacks such technological gadgets as adaptive cruise control and adaptive headlights, it is still a lot of car for the money. More importantly, it is a lot of Mercedes-Benz for the money...

2011 Nissan LEAF

The first pure electric-powered vehicle introduced by a major automaker, the 2011 Nissan LEAF heralds the dawn of a new era of ultra-clean motoring. Although distribution will be geographically limited and its numbers will be supply-constrained to only 20,000 units during the initial year of sales, all of those units have already been spoken for by eco-minded buyers and Nissan is gearing up its Smyrna, Tennessee, assembly plant to produce 50,000 of these five-passenger mid-size hatchback sedans here annually starting in 2012. With a 100-mile nominal range, driving characteristics that effectively mirror conventionally-powered cars and a surprisingly affordable price tag made even more attractive by various incentives, the LEAF is a legitimate and very real alternative choice, particularly for those considering its primary rival, the Extended-Range Electric Vehicle (E-REV) 2011 Chevrolet Volt...

2011 Nissan Sentra

With the addition of the Versa as Nissan's smallest car, the once tiny Sentra moves up the line to nearly mid-size status. Anchoring the lineup are the 2.0, 2.0 S, 2.0 SL and the sporty 2.0 SR models. In addition, the performance-oriented SE-R and SE-R Spec V variants (reviewed separately) appeal to the frugal enthusiast. This front-drive four-door boasts sophisticated styling, competent ride and handling, excellent fuel efficiency and a long list of standard and available creature comforts – traits that serve it well in dealing with market challenges from the likes of the Chevrolet Cruze, Ford Focus, Honda Civic, Hyundai Elantra, Kia Forte, Mazda MAZDA3 and Toyota Corolla...

2011 Nissan Versa

After a bruising bout with the economic realities of a bad recession, many Americans are moving to minimize their cost of living. That means giving up the big SUV for something more practical and fuel efficient. But, thanks to cars like the 2011 Nissan Versa, consumers don't have to give up comfort, room and technology. "For the first time in many years," said a Nissan senior marketing manager, many shoppers are "giving serious consideration" to smaller automobiles. These marketing folks detect a "void" in the sub-\$14,000 price range, noting that a new generation of young people, known as "echo boomers," will reach driving age soon. Billed as a "no-compromise" value-priced offering that reaches beyond basic amenities, the Versa offers class-leading horsepower and torque, along with a host of unique features and generous interior space...

2011 Toyota Highlander

The Highlander has been a family favorite for ten years running, a reliable, comfortable and dependable way to move passengers and cargo around without breaking the bank at the dealership or the gas pump. Growing in size and opulence over the years, many Highlander owners consider their vehicles to be nearly Lexus-like inside, which is not surprising considering the Highlander shares much of its structure with the Lexus RX 350. Environmentally conscious consumers can benefit from the Highlander Hybrid, an option not offered on any of the Highlander's competitors. Although it receives a minor update this year, the Highlander's styling is nowhere as distinctive as its upscale cousin. But, the Highlander offers its owners multiple benefits that include excellent ratings in the areas of safety, service and reliability, not to mention resale...

Kbb.com Study: Only Seven Percent of Shoppers Likely to Consider Electric Car for Next Vehicle Purchase; Concerned About Range, Charging Stations

Chevrolet Volt Garners Much Higher Awareness, Consideration than Nissan LEAF

IRVINE, Calif., Nov. 30, 2010 - Kelley Blue Book, www.kbb.com, the leading provider of [new car](#) and [used car](#) information, today reports the results of a recent Kelley Blue Book Market Intelligence study gauging consumer attitudes on [electric vehicles](#). The latest results show that only seven percent of car shoppers say they are likely to consider an electric vehicle for their next new-vehicle purchase or lease.

For the majority of survey respondents, the primary concerns about electric vehicles included the drivable range on a single charge (87 percent) and availability of charging stations (84 percent).

Most car shoppers (78 percent) said that if they were to purchase an electric vehicle, it would primarily be used as an everyday or commuter vehicle. In addition, on average, respondents said they would expect an electric vehicle to get 340 miles per charge in order for it to meet their needs... [MORE](#)

Kelley Blue Book's kbb.com® Releases 2011 Residual Value Analysis

Low Gas Prices Drive Small-Car Segments Down; U.S. Brands Continue to Improve Resale Values

IRVINE, Calif., Nov. 17, 2010 - Kelley Blue Book www.kbb.com, the leading provider of vehicle values and forecasts, today announces the availability of its 2011 Residual Analysis Report. Kelley Blue Book's residual values are a reflection of current vehicle data, market conditions for each vehicle, competition in each segment, expectations of the future economy and the combined experience of Kelley Blue Book's team of statisticians, economists and pricing analysts.

In 2011, Kelley Blue Book analysts expect both the economy and the auto industry to recover at a snail's pace. The company forecasts that gas prices likely will remain stable over the next two years, with per-gallon prices ranging between \$3 and \$4. This projected stability in fuel prices and slow economic recovery will likely reduce the possibility of market variability and allows auto manufacturers to better manage their fleets... [MORE](#)

Kelley Blue Book Announces Winners of 2011 Best Resale Value Awards

Kbb.com Offers Advice on Choosing New Vehicles Predicted to Hold Value Down the Road

IRVINE, Calif., Nov. 17, 2010 - Kelley Blue Book, www.kbb.com, the leading provider of [new](#) and [used vehicle](#) information, announces the all-new 2011 model-year vehicle winners of its annual Best Resale Value Awards, which recognize current and forthcoming vehicles for their projected retained value five years from now. Since depreciation (or loss of value) is typically a car-buyer's primary expense during ownership, these awards, like all of kbb.com's new- and used-vehicle information, are designed to help consumers make more informed car-buying decisions... [MORE](#)

Kbb.com App Available On Windows® Phone 7

Kbb.com Has Only App to Aid Car-Buying Process on Microsoft's New Mobile Platform

IRVINE, Calif., Nov. 15, 2010 - Kelley Blue Book www.kbb.com, the leading provider of new car and used car information, today announces the official launch of its premier app for Windows Phone 7. The free, interactive app provides Windows Phone 7 users with crucial car-buying and -selling information to help make confident purchase decisions...

To view the multimedia assets associated with this release, please click: <http://multivu.prnewswire.com/mnr/kbb/46433/>

Kbb.com \$10,000 Video Contest Winner, 'Coroollaaa Guy,' Reviews Nissan GT-R With Experts

Illinois Native Claims Cash Prize, Travels to California to Be Kelley Blue Book Editor for a Day, Review Supercar

IRVINE, Calif., Nov. 9, 2010 - Kelley Blue Book, www.kbb.com, the leading provider of [new car](#) and [used car](#) information, today announces that the first-place winner of its \$10,000 Video Car Review Contest has claimed the prize. Clark Olson Media's satirical review of a white [2000 Toyota Corolla](#) won not only \$10,000 and a trip to California from its home base in Chicago, but also the chance to be a kbb.com editor for the day, joining the experts to participate in the production of a video review of the complete antithesis of the rational [Corolla](#): the [2010 Nissan GT-R supercar](#).

Launched in May 2010, kbb.com's video car review contest encouraged all interested gear-heads and nascent vehicle reviewers to step up to the plate and show the Kelley Blue Book editors a video car review of two minutes or less. Three prizes were up for grabs to entrants meeting contest criteria: First place received \$10,000 and the chance to be a kbb.com editor for a day, second place received \$5,000 and third place received \$1,000... [MORE](#)

Kbb.com: Majority of New-Car Shoppers Waiting to Find Right Deal Before Making Final Purchase Decision

More than Half of New-Car Shoppers Have Delayed Purchase in Past Year

IRVINE, Calif., Nov. 3, 2010 - According to the latest study from Kelley Blue Book www.kbb.com, the leading provider of [new car](#) and [used car](#) information, nearly three-quarters (72 percent) of new-car shoppers say they are waiting to find the right deal before making their final purchase decision. In addition, 43 percent of new-car shoppers say they have not yet finalized their purchase or lease decision because they are still undecided on the specific vehicle they want to purchase.

The latest data from Kelley Blue Book Market Intelligence also reveals that more than half of new-car shoppers (52 percent) have delayed their purchase in the past year. Of those who said they have delayed their new-car purchase in the past year, 41 percent say they have waited seven months or more, and 36 percent say they have waited four to six months... [MORE](#)

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Since 1926, Kelley Blue Book, The Trusted Resource®, has provided vehicle buyers and sellers with the new- and used-vehicle information they need to accomplish their goals with confidence. The company's top-rated website, www.kbb.com, provides the most up-to-date pricing and values, including the Fair Purchase Price, which reports what buyers are paying for new cars. The company also reports vehicle pricing and values via products and services, including software products and the famous Blue Book® Official Guide. According to the C.A. Walker Research Solutions, Inc. - 2009 Spring Automotive Website Usefulness Study, kbb.com is the most useful automotive information website among new- and used-vehicle shoppers, and half of online vehicle shoppers visit kbb.com. Kelley Blue Book's kbb.com also is a W3 Silver Award winner, sanctioned by the International Academy of Visual Arts. Kbb.com is a leading provider of new car prices, used car values, car reviews, new cars for sale, used cars for sale, and car dealer locations.