



BLUE BOOK BRIEFING

MARCH
2014

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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

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Added Value

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

On March 12 I appeared on "Money with Melissa Francis" on Fox Business regarding the recent controversy in New Jersey that revolves around Tesla Motors and the state's auto dealer franchise laws. The issue is contentious, and each side in the controversy has its points. But in the interview one thing stood out.

In the course of the interview, I noted that auto dealers add value to the purchase process for both consumer and the manufacturer, and I was asked pointblank by anchor Melissa Francis, "Just what value do they add?"

It was presented as a bit of a challenge, but I took it as an opportunity to educate and, at the same time, an opportunity to learn.

First, the learning. What the question indicated to me is that even as car dealers have grown ever more sophisticated in the way they come to market, they still need to make the persuasive case that they bring benefits to the car sales process. In the industry, it is common knowledge that the dealer sales process has become much more user-friendly than in the past. Dealers and dealer groups pay close attention to customer satisfaction, knowing full well that the manufacturers are watching. But there is more to it, in many cases at least, than just posting a favorable CSI score. Treating people with respect is gaining renewed respect as the right way to do business.

So we, who are in the auto industry, know that dealers both add value and that the car-buying experience for most Americans is getting better. But the key learning is that dealers, dealer groups and the overall industry have not done the job that should be done in communicating these twin facts to the general public. Fact one: dealers earn the money they make in the sales process. Fact two: buying a car from a car dealer can be an enjoyable experience. No one in this industry gains if the consumer has the impression that visiting a car dealer is the psychic equivalent of making a trip to the oral surgeon.

Now how about the education part? Well, when I was asked the question of what value dealers add to the process, this was my answer:

Dealers make significant contributions to manufacturers' sales efforts by their massive investments in buildings and facilities, their training efforts, their after-sales service and their advertising and marketing spending on the local level. These are big multipliers for any vehicle manufacturer. And no less important than these expenditures is the retailing expertise and local market knowledge that dealers bring to the process. In the absence of dealers, manufacturers would find it necessary to acquire and operate retail facilities, hire and train retail salespeople and retail management, operate service departments, and do local advertising and marketing. As tempting as it might be for manufacturers to try to retain the dealer margin instead of forgoing it to the dealers, my guess is that in most instances car manufacturers would find it impossible to accomplish all this as inexpensively as their dealers do it.

But what, you might ask, is the benefit of the wholesale-retail system to the consumer? In my estimation at the top of the list is price competition. The competitive efforts of multiple same-brand dealerships typically result in lower purchase prices for consumers than they would encounter if there were no competition at retail. Beyond price there is the benefit of being able to buy products and access service at a local address versus having to travel farther to rely on the more centralized approach of the direct-selling model. Having local businesses that are active in the community is another benefit of the dealer system, and car dealers are well-known for their local involvement and philanthropy.

Does this mean there is no room in the auto industry for direct-sales efforts? Not necessarily. If such an effort can provide exceptional consumer benefits – benefits that trump those provided by the traditional two-tier system – so be it. Our system is always ready to embrace a better mousetrap. Could a well-financed vehicle manufacturer duplicate or improve upon all the functions that are currently handled by franchised dealers? Possibly. An important caveat regarding the potential success of any new product or system is it has to be better than the product or system it intends to replace. On that the jury is still out.

LATEST NEWS STORIES ON KBB.COM:

Check out the very latest news stories by visiting KBB.com 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 February 2014.

Videos Posted to KBB.com:

[Video First Look: 2015 Audi A3](#)

[Video Review: 2014 Chevrolet SS](#)

[Video Review: 2014 Mercedes Benz CLA-Class](#)

[Video Review: 2014 Toyota Highlander](#)

[Video Review: 2015 Audi A3](#)

Written Stories Posted to KBB.com:

Highlights:

[10 Coolest Cars Under \\$25,000](#)

[10 Most Useful In-Car Technologies](#)

[2014 Compact SUVs](#)

[2014 Midsize Sedans](#)

[KBB.com Awards and 10 Best Lists](#)

[The 40 MPG Cars of 2014](#)

Vehicle Coverage:

[2014 Bentley Continental GTC V8 Quick Take](#)

[2014 Buick Regal GS AWD First Drive: A Sedan for All Seasons](#)

[2014 Chevrolet SS Quick Take](#)

[2014 Honda CR-Z Quick Take: Sport/Hybrid is not an oxymoron](#)

[2014 Lexus GX 460 Quick Take](#)

[2014 Lincoln MKZ Hybrid Quick Take](#)

[2014 Porsche Cayenne Diesel Quick Take: Torque Flight](#)

[Pie in the sky: Playing hooky with a 2014 Chevrolet Corvette Stingray Convertible](#)

Editors' Page:

[Editors' Page: 2014 Dodge Avenger](#)

[Editors' Page: 2014 Honda Accord](#)

[Editors' Page: 2014 Hyundai Sonata](#)

[Editors' Page: 2014 Kia Sportage](#)

[Editors' Page: 2014 Nissan Altima](#)

[Editors' Page: 2014 Toyota Camry](#)

[Editors' Page: 2014 Volkswagen Passat](#)

LATEST NEWS STORIES ON KBB.COM CONTINUED:

Latest News:

[2014 BMW i3 Flexible Payment Plan Bows](#)

[2014 Chevrolet Camaro Z/28 sports new Flowtie grille badge](#)

[2014 Dodge Journey SE V6 AWD Now Available](#)

[2014 Ford Focus Electric Quick Take: Undercover EV](#)

[2014 Geneva Auto Show: The New Cars](#)

[2014 Geneva: 6 Cool Cars Not For the U.S.](#)

[2014 Honda Civic Si starts at \\$23,580, brings bump in power and features](#)

[2015 Audi A3: Entry Audi now shaped for America](#)

[2015 Audi S3 Cabriolet revs up for Geneva](#)

[2015 Bentley Continental GT Speed brings more power, style and features](#)

[2015 Bentley Flying Spur V8 makes Geneva debut](#)

[2015 BMW Alpina B6 xDrive Gran Coupe is heading to America](#)

[2015 BMW X4 Sports Activity Coupe unveiled](#)

[2015 Chevrolet Tahoe/Suburban and GMC Yukon/Denali get EPA rated](#)

[2015 Ford Expedition adds EcoBoost power and Platinum trim](#)

[2015 Ford Focus revised, includes new 1.0-liter EcoBoost engine](#)

[2015 Ford F-Series Super Duty to Have Best-in-Class Power, Towing Capacity](#)

[2015 Hyundai Sonata set for New York debut](#)

[2015 Jeep Renegade Rocks in Geneva Debut](#)

[2015 Lexus NX crossover to make debut next month in Beijing](#)

[2015 Lexus RC 350 F Sport revealed](#)

[2015 McLaren 650S debuts in Geneva](#)

[2015 Nissan Juke redesign revealed - coming to America this fall](#)

[2015 Nissan Juke teased for Geneva](#)

[2015 Porsche Macan First Drive: A Hatchback SUV Worthy of the Porsche Crest](#)

[2015 Range Rover Evoque Autobiography Editions revealed](#)

[2015 Rolls-Royce Ghost Series II revealed](#)

[2015 Rolls-Royce Ghost Series II teased for Geneva](#)

[2015 Volkswagen Golf GTE unveiled in Geneva](#)

[2015 Volkswagen Scirocco revamp gets Geneva reveal](#)

[2016 Audi TT Coupe gains new edge](#)

[2016 Audi TT Coupe teased](#)

[2016 Jaguar XE Sedan teased in Geneva](#)

[Audi testing fuel-saving traffic light recognition technology](#)

[Audi TT Quattro Sport Concept shows high-powered potential](#)

[Automaker's Winter Woes May Benefit Buyers Come Spring](#)

[Class of 2015: New Vehicles Ready to Roll](#)

[Decisions, decisions: 2015 Subaru WRX or WRX STI](#)

[Honda Civic Type-R Concept forecasts a fast future](#)

[Honda Insight Discontinued Slow, sales cited in move to drop model](#)

[Hyundai Eyes Adding a Soul Mate, Small Crossover Spied in Testing](#)

[Hyundai Intrado Concept previews hydrogen future for automaker](#)

[IED Hyundai PassoCorto Concept bows in Geneva](#)

[Infiniti Q50 Eau Rouge Concept showcases 560-hp twin-turbo V6](#)

[Italdesign Clipper Concept bows in Geneva](#)

[Jaguar XK production to end this summer](#)

[Kia shows new mild-hybrid system and 7-speed dual-clutch trans](#)

[Koenigsegg Agera One:1 unveiled, boasts 1,341 horsepower](#)

[Maserati Alfieri Concept bows in Geneva](#)

[Mazda Hazumi Concept hints at next-gen Mazda2](#)

[Mazda Hazumi Concept: Showcar may point direction for next Mazda2](#)

[Mini Clubman Concept previews the next new-gen model](#)

[Mini's Small World, Grows Additional production slated for the Netherlands](#)

[Nissan introduces new Smart rearview mirror](#)

[Porsche 919 Hybrid - 2.0-liter V4 turbo, electric power for Le Mans](#)

[Redesigned Nissan Titan Coming, Slated for Detroit Debut](#)

[Rinspeed XchangE Concept makes Geneva debut](#)

[Scion's Sales Have Slipped, but the Goal Remains the Same](#)

[Subaru Viziv 2 Concept plugs into tomorrow](#)

[Subaru VIZIV 2 Concept previewed for Geneva](#)

[Volkswagen T-Roc Concept rolls into Geneva](#)

[Volvo Concept Estate showcases intuitive new interface](#)

[Volvo Concept Estate teased for Geneva](#)

[Winter Woes Widen, Chevy extends incentives through March](#)

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 February 2014. To see any new-vehicle review from KBB.com's editorial staff, please visit KBB.com and click on the *Car Reviews* tab, then select the make and model.

[2014 Aston Martin DB9](#)

The stunningly designed DB9 is akin to a civilized touring car fitted with a captivatingly powerful engine plus all the amenities.

[2014 Aston Martin Vanquish](#)

The Vanquish exudes stellar craftsmanship, timeless style and a reserved, confident class.

[2014 BMW 2 Series](#)

All new and sophisticated.

[2014 Chevrolet SS](#)

A high-performance car cloaked in an understated package.

[2014 Hyundai Genesis Coupe](#)

Sharp looking, with abundant features and impressive performance.

[2014 Land Rover Range Rover Evoque](#)

The stylish Evoque offers efficiency in a light-weight, aerodynamic body.

[2014 Land Rover LR2](#)

The LR2 is the real go anywhere off-road vehicle with standard all-wheel drive and ample ground clearance.

[2014 Land Rover LR4](#)

A supercharged trail blazer with true off-road capabilities.

[2014 Nissan Rogue Select](#)

A capable SUV that is also smart, comfortable and affordable.

[2015 Audi TT](#)

A luxurious 2-seater that offers year-round driving excitement.

[2015 Jaguar XK Series](#)

Beauty and power in an elegant package.

[2015 Kia Sorento](#)

The impressively feature-rich Sorento not only offers a lot for the money, but it also scores big in power, safety and fuel economy.

[2015 Mazda MAZDA6](#)

Agile handling, impressive fuel economy and sensual styling make the MAZDA6 a serious midsize sedan contender.

[2015 Nissan GT-R](#)

A supercar for the budget-conscious the GT-R offers powerful performance and seating for four.

[2015 Volvo S80](#)

World-class luxury and subdued styling at a reasonable price.

[2015 Volvo V60](#)

Sharp styling, a great interior and efficiency are all ingredients for a premium family hauler.

10 Coolest New Cars Under \$25,000 of 2014 Named by KBB.com

Kelley Blue Book Editors Announce Top Picks for "Cool," Affordable Rides; Scion FR-S No. 1 for Second Consecutive Year

IRVINE, Calif., March 6, 2014 -- New-car shoppers in the market for a cool and fun-to-drive car that won't put a hole in their pocket will be happy to know the expert editors 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, have named their list of the 10 Coolest New Cars Under \$25,000 of 2014. Taking the top spot on the list for the second year in a row is the Scion FR-S... [MORE](#)

New-Car Transaction Prices Up Nearly 2 Percent in February 2014, According to Kelley Blue Book

Honda, Acura Show Greatest Transaction Price Gains, Nissan Drops 2 Percent on Altima Sales

IRVINE, Calif., March 3, 2014 -- As February comes to a close, the expert analysts at Kelley Blue Book www.kbb.com, the leading provider of new and used car information, today reports the estimated average transaction price for light vehicles in the United States was \$32,160 in February 2014. New-car prices have decreased by \$64 (down 0.2 percent) from January 2014, while increasing \$587 (1.9 percent) year-over-year... [MORE](#)

New-Car Sales to Report Sixteenth Consecutive Month Above 15 Million SAAR According to Kelley Blue Book

Chrysler, Nissan Continue to Post Gains; Compact Crossovers Outpace Industry

IRVINE, Calif., Feb. 26, 2014 -- New-vehicle sales are expected to hit a total of 1.19 million units, and an estimated 15.3 million seasonally adjusted annual rate (SAAR), according to Kelley Blue Book www.kbb.com, the leading provider of new and used car information. While a 15.3 million SAAR is flat compared to February 2013, it marks the sixteenth month in a row above 15 million... [MORE](#)

10 Best All-Wheel-Drive Cars & SUVs Under \$25,000 Named by KBB.com

Amid Extended Winter Weather across America, Kelley Blue Book Editors Pick Top Affordable New AWD Models

IRVINE, Calif., Feb. 25, 2014 -- While much of the United States has been slammed by extensive winter weather, leaving drivers to battle icy snowstorm conditions in recent weeks, the expert editors at Kelley Blue Book www.kbb.com, the leading provider of new and used car information, have chosen their list of the 10 Best All-Wheel-Drive Cars & SUVs Under \$25,000. By hand-picking the top affordable AWD choices, the KBB.com experts highlight the best vehicles for new-car shoppers who want to be completely prepared on the road for winter weather and other driving challenges. ... [MORE](#)

Kelley Blue Book Analyst Karl Brauer Discusses Advancements in Technology, Performance and the Future of Transportation

CHICAGO, Feb. 19, 2014 -- The 2014 Chicago Auto Show is now open to the public. Held in the McCormick Place complex, the Chicago Auto Show is the largest auto show in North America and has been held more times than any other auto exposition on the continent. Exhibitions include: multiple world and North American introductions; a complete range of domestic and imported passenger cars and trucks; sport utility vehicles; and experimental or concept cars. In total, nearly 1,000 different vehicles will be on display... [MORE](#)

10 Best Hybrid Cars Under \$30,000 Named by KBB.com

Kelley Blue Book Editors Highlight the Top Affordable Hybrid Vehicles

IRVINE, Calif., Feb. 17, 2014 -- New-car shoppers looking to make the switch from all gas to a hybrid vehicle may be surprised to know they have more than 20 models to choose from that are priced under the \$30,000 mark. Sorting through all these options, the expert editors at Kelley Blue Book www.kbb.com, the leading provider of new and used car information, have chosen their list of the 10 Best Hybrid Cars Under \$30,000. By hand-picking the top hybrids out of all the available choices, the KBB.com experts have simplified the decision process by aiding shoppers in making the most informed car buying choice... [MORE](#)

About Kelley Blue Book (www.kbb.com)

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 and Suggested Retail Values, and Fair Purchase Price, which reports what others are paying for new 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 Co., Inc. is a subsidiary of AutoTrader Group, which includes AutoTrader.com, vAuto, VinSolutions and HomeNet Automotive. AutoTrader Group is a majority-owned subsidiary of Cox Enterprises.