

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 /PRNewswire/ -- 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, including:

1. [Honda CR-V](#)
2. [Honda Accord](#)
3. [Honda Civic](#)
4. [Toyota Camry](#)
5. [Toyota Highlander](#)
6. [Mazda CX-5](#)
7. [Toyota RAV4](#)
8. [Subaru Forester](#)
9. [Ford Fusion](#)
10. [Ford Escape](#)

Some highlights from the 2014 Most-Researched New Cars list include the Toyota Highlander moving up eight spots from No. 13 in 2013 to No. 5 in 2014. The Nissan Rogue, though not in the Top 10 this year, significantly moved up to No. 14 after ranking No. 52 in 2013. The brand-new Jeep Cherokee ranked No. 21 on this year's list.

Kelley Blue Book's KBB.com also noted the following trends from 2014:

Consumer Preference Shifted as Gas Prices Continued to Decline¹ – As gas prices began their descent in 2014, consumers altered the types of vehicles being purchased. As a result, the industry saw an increase in sales of crossovers and SUVs being sold at new-car dealerships. Some interesting points include:

- Small luxury crossover/SUV sales were up 18.6 percent compared to last year, and it took an average of 59 days to sell upon arrival at the dealership lots. Compact SUV and crossover sales increased by 14.5 percent, while mid-size SUV/crossover sales increased by 12.3 percent. It took on average 49 days to sell a compact SUV/crossover, while it took 59 days to sell a mid-size SUV/crossover upon arrival at a dealership's lot. The industry average for days to sell a vehicle once reaching the dealership lot was 69 days.
- Non-luxury car sales were largely flat in 2014, up just 0.8 percent, and hybrid vehicle sales were down 11.5 percent compared to 2013. In addition, the full-size car segment dropped 9.8 percent, and the popular mid-size car

segment increased slightly, only up 1.2 percent for the year. Cars averaged 46.1 percent of sales in 2014, the lowest percentage since 2005.

"Consumers shifted toward crossovers and SUVs in 2014, as gas prices fell to the lowest levels in more than five years," said Alec Gutierrez, senior analyst at Kelley Blue Book. "If gas prices continue to stay at these levels, there will be growing pressure from manufacturers to revisit Corporate Average Fuel Economy (CAFE) standards."

¹*Historical data from OEM sales announcements*

Transaction Prices Remain Strong – Increased spending occurred in 2014 at dealerships, as consumers wanted highly contented vehicles (or vehicles with numerous added options). As a result, average transaction prices across the industry increased 2.2 percent from 2013 to \$32,804. Some interesting points include:

- Daimler saw the largest increase in transaction prices, up 4.9 percent from the previous year, while Mitsubishi reported the largest decrease in transaction prices in 2014, down 4.1 percent. Other key movers included General Motors and Fiat-Chrysler, up 4.8 percent and 4.0 percent, respectively. Nissan North America was down 3.8 percent, while American Honda was down 0.3 percent from the previous year.

2015 Automotive Trends Forecasted by Kelley Blue Book –Kelley Blue Book is forecasting auto sales will rise for the sixth straight year in 2015 to 16.9 million units sold, up from 16.5 million units in 2014. Other projected trends in 2015 include:

- New and redesigned models will bring more consumers to the showroom, including the Acura NSX, Honda HR-V, Hyundai Tucson, Jaguar XE, Jeep Renegade, Lexus RX and Lincoln MKX.
- Incentives will rise to the highest levels since 2004(\$2,942), averaging nearly \$3,000 per unit being sold. As sales slow in 2015, automakers will need to stay disciplined and not "pay for the sale."
- Average transaction prices also will continue to rise, so while incentive spending might be at its highest levels, transaction pricing will be, too. The ratio of incentive spending to average transaction prices should remain below pre-recession levels.
- Subcompact SUVs will increase in market share from 0.5 percent in 2014 to 1 percent in 2015 with new models being introduced, including the Chevrolet Trax, Mazda CX-3, Jeep Renegade and Honda HR-V.
- Leasing will continue to rise to near-record levels of 26 percent, up from approximately 25 percent in 2014.
- Lincoln will sell more than 100,000 vehicles in 2015, which the automaker last did in 2008.
- Jeep will continue to improve in market share as gas prices remain low, especially with the introduction of the Jeep Renegade and continued success of the Jeep Cherokee.
- Tesla U.S. sales growth will continue to slow, with slight improvement in international locations, especially in China.
- Volkswagen brand market share could drop to 2 percent as new products are still in development. This is down from a high of 3 percent in 2012.
- Fuel cell vehicle options will continue to grow with the introductions of the Toyota Mirai and Hyundai Tucson Fuel Cell.
- Returning off-lease vehicles will continue to climb next year and for the next five years. For 2015, 2.3 million vehicles are expected to return to market.
- Ford's sales volume will steadily grow as the redesigned 2015 F-150 reaches full production capacity, allowing the automaker to once again leverage the truck's massive customer base for increased showroom traffic and sales.

To discuss this topic, or any other automotive-related information, with a Kelley Blue Book analyst on-camera via the company's on-site studio, please contact a member of the Public Relations team to book an interview.

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