AutoVIBES: Consumer Dependency on Incentives Remains at High Levels

AutoVIBES, a monthly automotive study from Harris Interactive® and Kelley Blue Book Marketing Research tracking consumer automotive buying intentions, today reveals that as the year draws to a close, car buyers say the purchase of their next vehicle is still heavily dependant on rebates and incentives. Nearly half of U.S. adults in the market to buy or lease a new car within during 2005 say that they are not likely to purchase a new car in the absence of incentives, rebates or special financing. This measure had fallen to 44 percent in October, which was the lowest it had been all year, but crept back up to record levels in November and December.

"Automakers have been talking about reducing and even eliminating incentives in the new year, but with continued consumer dependency on them, there will have to be a staunch effort among all of the manufacturers for that to happen." said Charlie Vogelheim, executive editor and vehicle expert at Kelley Blue Book. "Incentives are a great tool for moving slow selling vehicles and it affords manufacturers pricing elasticity. When it comes to incentives, we expect 'status quo' in 2005."

AutoVIBES is a monthly omnibus survey of approximately 2,000 U.S. adults ages 18 and over who plan to purchase or lease a new vehicle within the next 12 months. The survey is conducted the third week of each month for five days on Kelley Blue Book's Web site (www.kbb.com), the most visited Web site among in-market vehicle buyers. The study was designed and analyzed jointly by Harris Interactive and Kelley Blue Book Marketing Research.

The data were weighted by demographics and propensity to reflect the general U.S. adult population of in-market vehicle buyers. Though this sample is not a probability sample, in theory, with probability samples of this size, one could say with 95 percent certainty that the results have a statistical precision of plus or minus 3 percentage points of what they would be if the entire U.S. adult population who plan to purchase or lease a new vehicle within the next 12 months had been polled with complete accuracy.

For more information about this study, please contact Kelley Blue Book Marketing Research at 949-268-3074 or Harris Interactive at 877-919-4765.

About Harris Interactive®

Harris Interactive (www.harrisinteractive.com) is a global research firm that blends premier strategic consulting with innovative and efficient methods of investigation, analysis and application. Well known for The Harris Poll® and for pioneering Internet-based research methods, Rochester, New York-based Harris Interactive conducts proprietary and public research to help its clients around the world achieve clear, material and enduring results.

Harris Interactive combines its intellectual capital, databases and technology to advance market leadership through its U.S. offices and wholly owned subsidiaries: London-based HI Europe (www.hieurope.com), Paris-based Novatris (www.novatris.com), Tokyo-based Harris Interactive Japan, recently acquired U.S.-based Wirthlin Worldwide (www.wirthlinworldwide.com) and through a global network of affiliate firms. EOE M/F/D/V

To become a member of the Harris Poll Online(SM) and be invited to participate in future online surveys, visit www.harrispollonline.com.

About Kelley Blue Book

Kelley Blue Book is the most trusted vehicle information resource by both consumers and the auto industry, providing research tools and up-to-date pricing on thousands of new and used vehicles, including the company's New Car Blue Book Value, which reveals what a new car is actually selling for. Since 1926, car buyers and sellers have relied upon Kelley Blue Book for authoritative and unbiased information to make well-informed automotive decisions. The company reports vehicle prices and values via products and services including the famous Blue Book Official Guide™, software and Internet site, kbb.com. Kbb.com has been rated the No. 1 automotive information site as well as No. 1 and first visited automotive site six years running. No other medium reaches more in-market car-buyers than kbb.com; one in every four American car-buyers completes their research on kbb.com.

SOURCE: Kelley Blue Book

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