kbb.com Study: Cash for Clunkers Significantly Increased New-Vehicle Purchase Consideration, Dealer Showroom Traffic

Shoppers Reveal Which Auto Manufacturers' CARS-Specific Incentives Most Impacted Brand Consideration

IRVINE, Calif., Aug. 26 /PRNewswire/ -- According to the latest Kelley Blue Book www.kbb.com Market Intelligence Study, the CARS 2009 program, commonly referred to as Cash for Clunkers, was successful in changing in-market car shoppers' consideration set from 'used' to 'new' vehicles. From the program's official inception in July to late August when Cash for Clunkers ended, a significant percentage of in-market car shoppers said they previously considered buying a used vehicle, but now considered buying new (from 12 percent in July to 20 percent in August).

In addition, the latest kbb.com survey showed that the Cash for Clunkers program positively impacted dealership foot traffic. In the August survey, 59 percent of respondents said they were likely to visit a dealership participating in the Cash for Clunkers program, and 60 percent of those consumers said they will go to their local dealer specifically to see what bargains are available.

Of the auto manufacturers who offered CARS 2009-specific incentives in addition to the government rebate, Toyota and Ford proved to be the most successful at increasing brand consideration, according to the Kelley Blue Book study. Fifty percent of survey respondents indicated they were more likely to consider Toyota due to its Cash for Clunkers incentives, and 47 percent increased brand consideration for Ford. In addition, 44 percent said they were more likely to consider Nissan, and 40 percent said they increased brand consideration for Chevrolet.

Throughout the Cash for Clunkers program, in-market shoppers increasingly felt the government-sponsored incentive was both successful and helpful to the auto industry. In July only 33 percent of survey respondents said Cash for Clunkers would help the auto industry, but by August that number had jumped to 51 percent. In July only 19 percent of in-market car shoppers said the program would be very successful and run out of funding quickly, but by August 48 percent agreed with that sentiment.

"While the specific details, perceived successes and failures of the CARS 2009 program can be debated at length, the latest Kelley Blue Book Market Intelligence study shows that Cash for Clunkers successfully got consumers in the mind-set to shop for a new car again, despite the economic hardships the country is experiencing," said Rick Wainschel, senior vice president, market intelligence and brand strategy for Kelley Blue Book and kbb.com. "Manufacturers who placed heavy marketing emphasis and incentives on pushing the Cash for Clunkers program were winners in the end, both in increasing brand consideration in the minds of American car shoppers and likely upping their new-car sales as well."

This Kelley Blue Book Market Intelligence study was fielded to 414 in-market car shoppers on Kelley Blue Book's kbb.com from August 11-20, 2009, all of whom indicated they currently own a vehicle and intend to purchase or lease a new or used vehicle within the next 12 months.

About Kelley Blue Book (www.kbb.com)

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 Web site, www.kbb.com, provides the most up-to-date pricing and values, including the New Car Blue Book® Value, which reveals what people actually 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. - 2008 Spring Automotive Web Site Usefulness Study, kbb.com is the most useful automotive information Web site among new and used vehicle shoppers, and half of online vehicle shoppers visit kbb.com. Kbb.com is a leading provider of new car prices, car reviews and news, used car blue book values, auto classifieds and car dealer locations. No other medium reaches more in-market vehicle shoppers than kbb.com.

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