Kbb.com: Toyota Brand Consideration, Vehicle Interest, Values Continue to Decline

Study Shows Week-Over-Week, More Consumers Defecting from Toyota, Lexus, Scion Brands

IRVINE, Calif., Feb. 10 /PRNewswire/ -- According to the latest Kelley Blue Book www.kbb.com Market Intelligence data, Toyota consideration and interest has dropped even further in the past week as the company continues to issue massive recall announcements. The latest kbb.com study results show 27 percent of those who said they were considering a Toyota prior to the recall now say they no longer are considering the brand for their next vehicle purchase, an increase of six percent from the 21 percent who indicated they had defected from Toyota the prior week (immediately following the initial recall announcement).

In addition, now 28 percent of those who said they were considering a Scion and 23 percent of those who said they were considering a Lexus prior to the Toyota recalls, now say they are no longer considering those brands.

Now nearly half (49 percent) of the car shoppers who have defected from Toyota say they are not sure if they will consider the brand again, even once Toyota's problems are resolved.

Kelley Blue Book updates its famous Blue Book® Values on a weekly basis, and the values continue to fall for Toyota models affected by the recall announcements. On February 5, 2010, company analysts initially decreased the used-car values of recalled Toyotas by 1 - 3 percent in response to the slowing demand for Toyota models in the marketplace following the consumer recall. This coming Friday, February 12, Kelley Blue Book will once again adjust values for these vehicles downward by an additional 1.5 percent on concerns around the growing supply of unsold Toyotas on both dealer lots and at auctions. The latest announcements about new 2010 Priuses and late-model 2009-2010 Corollas also have affected not just used-car values, but also new-car (transaction) values. After the latest Prius recall news, consumers can pick up a brand-new 2010 Prius closer to dealer invoice price than its suggested retail price, a difference of $1,000 - $1,500.

Kelley Blue Book Values Summary for Toyota

- **All Used Recalled Toyota Models:** Used-car values declined 1-3 percent (depending on the model) on February 5, 2010, and will drop an additional 1.5 percent on Friday, February 12, 2010
- **New 2010 Prius:** New Car Blue Book® Value (transaction price) will drop by $1,000 - $1,500 on February 12, 2010
- **Used Prius, 2009 and older models:** Used-car value dropped 1.5 percent on February 5, 2010, and will drop an additional 1.5 percent on February 12, 2010
- **Used Corolla, 2009 and older models:** Used-car values dropped 1.5 percent on February 5, 2010, and will drop an additional 1.5 percent on February 12, 2010

"We are seeing a softening of both used Toyota values and the New Car Blue Book values of new Toyotas this week," said Juan Flores, director of vehicle valuation, Kelley Blue Book. "The softening of values is a product of weakened consumer demand, and the realization that Toyota is going to have to offer lower prices to get some consumers to consider Toyota vehicles again."

In addition to the values decline, site traffic from Kelley Blue Book's kbb.com

detailed in the company's Market Watch® report also shows a continued decline in Toyota interest in the wake of the recall announcements. Toyota models have seen an overall 25 percent decline in page views since the recall news initially broke. Even Toyota models not specifically involved in the recall continue to see a decline in page views, demonstrating the negative impact the recall is having on current interest in all Toyota vehicles, not just the models named in the recall.

"It seems the longer Toyota is the subject of daily headlines with the continuing recall news, the more consumers are reacting negatively by defecting from Toyota, Lexus and Scion. We are seeing shoppers on kbb.com lean more toward competitors, especially the domestics like Ford and Chevy who are offering enticing conquest incentives," said James Bell, executive market analyst for Kelley Blue Book's kbb.com. "Toyota is going to have to work extra hard for quite some time to overcome the 'double-whammy' it is seeing with the continuing drop in values and consumer brand consideration."

When comparing Toyota's perceived safety ratings in Kelley Blue Book Market Intelligence's Brand Watch® survey from the week prior to the recall to the past week, the brand has experienced a drop from 8.4 to 7.0 (on a 10-point scale).

Some of Toyota's primary competitors are benefiting from the negative impact of the recall news. Many car shoppers now indicate they are considering brands they were not considering prior to the Toyota recall news, showing increased interest in Ford (eight percent), Chevrolet (seven percent), Hyundai (five percent) and Honda (five percent).

Of those competing brands offering specific incentives to Toyota owners/shoppers, Ford is garnering the most consumer attention, with 16 percent of car shoppers saying they were not considering a Ford prior to the Toyota recall but now are (due to Ford's Toyota-specific incentives). Chevrolet is in second place with eight percent saying they were not considering a Chevy prior to the recall news, but now are (due to Chevy's Toyota- specific incentives).

Toyota's share of dealer leads submitted by consumers on Kelley Blue Book's kbb.com also have experienced a decline since the recall news was announced, demonstrating the immediate impact the recall is having on Toyota dealers across the United States who are seeing fewer consumers interested in the models they sell.

This Kelley Blue Book Market Intelligence study on the Toyota recall was fielded to a total of 691 in-market car shoppers on Kelley Blue Book's kbb.com from January 29 – February 8, 2010 (Wave One was January 29 – February 1, 2010 with 406 respondents; Wave Two was February 4 – 8, 2010 with 285 respondents). Brand Watch data cited compared Toyota brand consideration from January 12-18, 2010 to February 4-8, 2010. Market Watch data cited compared Toyota model page views on kbb.com from the week of January 18, 2010 to the week of February 1, 2010.

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. - 2009 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. Kelley Blue Book's kbb.com also is a W3 Gold Award winner, sanctioned by the International Academy of Visual Arts. Kbb.com is a leading provider of new car prices, used car Blue Book Values, car reviews, new cars for sale, used cars for sale, and car dealer locations.

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