

AutoVIBES: Consumer Dependency on Incentives Rises to Highest Level

PRNewswire

ROCHESTER, N.Y. and IRVINE, Calif.

AutoVIBES, a monthly automotive study from Harris Interactive® and Kelley Blue Book Marketing Research tracking consumer views on new vehicle nameplates and timely automotive topics, today reveals that as manufacturer vehicle incentives continue to rise to their highest levels, so have the car-buying public's dependency on them. Exactly half of U.S. adults in the market to buy or lease a new car within the next 12 months say that they are not likely to purchase a new car in the absence of incentives, rebates or special financing. Nearly 40 percent are heavily dependant on incentives (timing is affected and would not buy a new car in their absence). Both of these measures are at their highest levels ever. Whether it's gas prices or just the desire to go 'green' SUV sales have fallen off. That being said manufacturers are implementing frighteningly large incentives on this vehicle segment as they are the last bastion of profitability," said Charlie Vogelheim, executive editor and vehicle expert at Kelley Blue Book. "Incentives are an integral part of the process now and they are drawing people into the marketplace that don't necessarily need a car. It's putting many buyers upside down in their loans or have them counting on hefty rebates to get them out of an upside down loan situation."

(Photo: <http://www.newscom.com/cgi-bin/prnh/20040928/LATU100>)

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.

According to Rick Wainschel, Director of Marketing Research at Kelley Blue Book, "The arrival of new 2005 models combined with a plentiful inventory of 2004s sitting on dealer lots, consumers can expect incentives to remain high, especially on SUVs through the end of the year."

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, a list of all nameplates tracked or how additional new nameplates fared among car shoppers, 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.

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