

New kbb.com Study Shows Consumers Concerned About Current Hybrids

Although Optimistic About the Future, Vehicle Shoppers Worry About Today's Hybrid Vehicle Technology

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The latest study available today from Kelley Blue Book Marketing Research reveals that consumers have concerns when it comes to current gasoline-electric hybrid vehicles, but at the same time a large percentage feel that hybrid technology is the wave of the future. The Kelley Blue Book New-Vehicle Buyer Attitudes Study on Hybrids shows vehicle shoppers' top concerns about current hybrids involve service and longevity issues, although many shoppers also believe these issues will be resolved over time. There also is a healthy amount of consumer skepticism regarding hybrids. More than half of consumers say they are either not interested in hybrids or feel they need to know more about the technology.

Despite the fact that hybrids have been the darling of the general media, vehicle shoppers are somewhat wary of the new systems. Sixty-one percent of consumers said they are very concerned about the difficulty and expense of fixing the complicated technology of hybrids, and 55 percent said they are very concerned about hybrids' limited battery-pack life. Consumers rated these concerns significantly higher than more publicized issues, such as hybrids failing to deliver the level of gas mileage promised or failing to offer adequate driving performance.

"Although they've been hyped in the media, the average consumer still questions whether hybrids are for them," said Jack R. Nerad, editorial director and executive market analyst for Kelley Blue Book. "Issues such as repair complexity and cost and battery-pack replacement are much harder to swallow than not getting the gas mileage or performance you'd originally thought. Based on the results of this study, it seems the auto manufacturers still have work to do before alleviating consumer concerns about the long-term viability of current hybrid technology."

Although consumers are expressing concerns about today's hybrids, they do have an optimistic outlook on hybrids of the future. More than one-third (36 percent) of vehicle shoppers think that gas/electric hybrid engines will be the dominant engine type in five to 10 years, three points higher than the 33 percent who think that regular gasoline engines will still be dominant. In addition, more than half of consumers think that in five to 10 years hybrids will provide higher fuel economy while at the same time offering driving performance similar to gas engines.

For consumers expressing an interest in hybrids, the average shopper is willing to pay a premium of \$2,355 to purchase one. The study uncovered a core group of hybrid advocates (six percent of new vehicle shoppers) who say they will buy a hybrid vehicle regardless of the premium they might have to pay for the technology.

"Although fuel costs have reached record new heights and other studies we've recently done have indicated gas price is a major concern among consumers, those responding to the latest New-Vehicle Buyer Attitude Study have shown they are thinking more about how today's hybrids will fare down the road rather than focusing on the short-term benefits," said Rick Wainschel, vice president of marketing research for Kelley Blue Book.

This New-Vehicle Buyer Attitude Study on Hybrids was administered on Kelley Blue Book's Web site, www.kbb.com, the No. 1 Internet site among car buyers in

the market to purchase or lease a new vehicle. More than 425 survey respondents were polled on July 11-12, 2005 to determine consumers' attitudes toward hybrid vehicles.

For the complete results of the New-Vehicle Buyer Attitude Study on Hybrids, or more information on other Kelley Blue Book New-Vehicle Buyer Attitude Studies and AutoVIBES, please contact Rick Wainschel, vice president of marketing research for Kelley Blue Book at 949-268-3074. All study results may be used for public and/or private use with clear attribution to Kelley Blue Book®. For all media inquiries, please contact Robyn Eckard at 949-268-3049 or Joanna McNally at 949-268-3079.

About Kelley Blue Book (kbb.com)

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 by Nielsen//NetRatings as well as No. 1 and first visited automotive site by J.D. Power and Associates seven years running. No other medium reaches more in-market car buyers than kbb.com; one in every four American car buyers complete their research on kbb.com.

SOURCE: Kelley Blue Book

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