

New KBB Study: Car Buyers Find Zero Percent Financing Most Appealing

Kelley Blue Book Marketing Research Releases Results of 2006 Purchasing and Pricing Study

PRNewswire
IRVINE, Calif.

Kelley Blue Book (www.kbb.com), the leading provider of new and used vehicle information, today releases the results of its 2006 Kelley Blue Book New-Vehicle Buyer Attitude Study on Vehicle Purchasing and Pricing. This year's study shows 37 percent of today's in-market car buyers find zero percent financing the most appealing incentive, up 11 points from last year. At the same time, the study showed that employee-pricing programs, popularized by domestic vehicle manufacturers in the summer of 2005, have become the least appealing offer with only 10 percent calling it the most attractive incentive.

(Photo: <http://www.newscom.com/cgi-bin/prnh/20060921/LATH011>)

"Last year all three American manufacturers participated in and heavily promoted their employee pricing programs, making last August one of the best sales months ever in the U.S.," said Jack R. Nerad, executive editorial director and executive market analyst. "This year, General Motor's lack of participation in the employee pricing wars and the less prominent promotion of the programs by Ford and Chrysler did not spur car-buyers into the market or make them feel compelled to buy the way they did the previous summer."

When it comes to the price of a vehicle, more and more consumers each year say they prefer a single set price to negotiating with the dealer and the percentage preferring to negotiate continues to decline. When broken down into sub-groups, the study further reveals that men and younger shoppers are more likely to prefer negotiating the final purchase price of a vehicle than other groups.

"Older shoppers often have more discretionary income and know exactly how much they can spend when buying a new car," said Nerad. "It's more about, 'what is my time worth,' than negotiating that last \$50 or \$100."

According to Kelley Blue Book Marketing Research, shoppers may prefer a single set price, but that does not mean the MSRP or sticker price. Seventy-three percent of today's vehicle shoppers 'somewhat' or 'strongly' disagree that paying the MSRP or sticker price for a new car is fair.

Gender is the great differentiator on this topic with 59 percent of men and 79 percent of women somewhat or strongly disagreeing that paying sticker price is fair.

This survey was administered via the Internet on kbb.com from August 29-September 6, 2006, among nearly 500 in-market new-vehicle shoppers planning to purchase or lease a new vehicle in the next 12 months. This is the third wave of this annual study.

For the complete results of the New-Vehicle Buyer Attitude Study on Purchasing and Pricing, or more information on other Kelley Blue Book New-Vehicle Buyer Attitude Studies, please contact Kelly Gim, account manager, marketing research services for Kelley Blue Book at 949-268-2756. All study results may be used for public and/or private use with clear attribution to Kelley Blue Book®.

About Kelley Blue Book (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, 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. Kbb.com is rated the No. 1 automotive information site by Nielsen//NetRatings and the most visited auto site by J.D. Power and Associates eight years in a row. No other medium reaches more in-market vehicle shoppers than kbb.com; nearly one in every three American car buyers performs their research on kbb.com.

Photo: NewsCom: <http://www.newscom.com/cgi-bin/prnh/20060921/LATH011>

AP Archive: <http://photoarchive.ap.org/>

PRN Photo Desk, photodesk@prnewswire.com

SOURCE: Kelley Blue Book

CONTACT: Robyn Eckard of Kelley Blue Book, +1-949-268-3049,
reckard@kbb.com

Web site: <http://www.kbb.com/>

<https://stage.mediaroom.com/kbb/press-releases?item=105774>