

AutoVIBES: Vehicle Shoppers Want Fuel Economy Standard Raised

More Than Half of Vehicle Shoppers Still Affected by Gas Prices

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According to consumer opinion data from the September 2006 AutoVIBES report, a monthly automotive study from Harris Interactive® and Kelley Blue Book Marketing Research, 46 percent of car-shoppers (those who plan to lease or purchase a new vehicle within the next twelve months) today strongly agree that our national energy policy should require vehicle manufacturers to increase their corporate average fuel economy (CAFE).

Even though per-gallon prices at local gas pumps are the lowest they have been since the beginning of the year, consumers feel that gas prices and oil usage are long-term issues that need to be addressed by the U.S. government. What to do about these issues is divided among age groups. Americans ages 55 and over strongly/somewhat agree that the government should require car companies to increase their average fuel economy (86%), drill for more oil in the U.S. (71%) and increase our usage of nuclear power (63%). America's youngest generation of drivers age 18 to 24, hold different beliefs on the issue asking that the U.S. government provide funding to energy companies to pursue alternative fuel technologies (80%) and to vehicle manufacturers to pursue emerging technologies (79%).

"Even though gas prices continue to fall and interest in mid-size SUVs has risen slightly, Americans are still concerned about the underlying issues," said Jack Nerad, executive editorial director and executive market analyst, Kelley Blue Book's kbb.com. "Today's car buyers are looking to the auto industry and government alike to lead the way in developing new technologies and perfecting existing technologies. I think we'll see these issues make a significant impact on government regulations and the types of vehicles coming from manufacturers in the next five to seven years."

Still, with pump prices falling to more manageable levels after the summer, more than 50 percent of vehicle shoppers say high fuel costs have either changed their mind about the vehicles they were considering (22%) or made them think strongly about purchasing vehicles which they wouldn't normally consider (29%). While this is down 11 percent from an all-time high of 61 percent in April of this year, car buyers are still mindful of the price of a fill-up and gas prices as a longer-term issue.

Further evidence of a longer-term shift in attitudes, interest in alternative fuel technologies such as gasoline-electric hybrid vehicles remains high and awareness of alternative fuels such as E85, which is made of 85 percent ethanol and 15 percent gasoline, is also on the rise. In January of this year, only 48 percent of consumers said they were familiar with E85, yet by the end of September, consumer awareness increased to 74 percent. Familiarity among vehicles equipped with flex-fuel systems, vehicles capable of running on both gasoline and E85, also rose during this period. In January 2006, 42 percent were familiar with flex-fuel vehicles and in September, that number shot up to 62 percent.

"General Motors' advertising and promotional activities have had a marked effect in putting E85 and flex fuel into the public consciousness," Nerad said. "Still at issue are the price and availability of E85, because flex fuel vehicles will have no benefits on either the environmental or petroleum depletion fronts if they are operated on gasoline."

AutoVIBES is a monthly omnibus survey of approximately 1,500 U.S. adults ages

18 and over who plan to purchase or lease a new vehicle within the next 12 months (the latest wave was among 1,615, of whom 144 were between the ages of 18-24 and 373 were 55 or older). This survey was conducted September 22-27, 2006 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.

The data were weighted by demographics and propensity to be online to reflect the general U.S. adult population of in-market vehicle buyers. With a pure probability sample of 1,615, one could say with a ninety-five percent probability that the overall results would have a sampling error of +/-3 percentage points. Sampling error for data based on sub-samples would be higher and would vary. However, that does not take other sources of error into account. This online survey is not based on a probability sample and therefore no theoretical sampling error can be calculated.

About Harris Interactive

Harris Interactive is the 12th largest and fastest-growing market research firm in the world. The company provides research-driven insights and strategic advice to help its clients make more confident decisions which lead to measurable and enduring improvements in performance. Harris Interactive is widely known for The Harris Poll, one of the longest running, independent opinion polls and for pioneering online market research methods. The company has built what could conceivably be the world's largest panel of survey respondents, the Harris Poll Online. Harris Interactive serves clients worldwide through its United States, Europe and Asia offices, its wholly-owned subsidiary Novatris in France and through a global network of independent market research firms. The service bureau, HISB, provides its market research industry clients with mixed-mode data collection, panel development services as well as syndicated and tracking research consultation. More information about Harris Interactive may be obtained at www.harrisinteractive.com.

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.

SOURCE: Kelley Blue Book

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