

# Kelley Blue Book: March New-Car Sales To Reach Highest Levels Since 2007; 1,425,000 Units, 14.6 Million Seasonally Adjusted Sales Rate

**High Gas Prices Keep Fuel-Efficient Vehicle Demand Strong; Toyota, Honda Continue to Increase Market Share on Economical Lineups**

IRVINE, Calif., March 22, 2012 [PRNewswire/](#) -- Kelley Blue Book [www.kbb.com](http://www.kbb.com), the leading provider of [new car](#) and [used car](#) information, projects new-vehicle sales to reach 1,425,000 units, or 14.6 million seasonally adjusted sales rate (SAAR), in March 2012. This is a 24 percent gain from last month and a 14 percent gain from March 2011.

(Logo: <http://photos.prnewswire.com/prnh/20111102/AQ99077LOGO>)

At more than 1.4 million units, sales will be the highest for any March since 2007, when industry sales topped 1.5 million units overall. March traditionally is a strong month as consumers cash-in their tax returns and head to dealerships for the latest model-year vehicles. Kelley Blue Book expects this March will be especially strong due to high consumer demand for fuel-efficient models and interest in popular redesigns such as the [Toyota Camry](#), along with improving supply conditions and attractive finance opportunities.

In fact, in Kelley Blue Book's Q4 2011 Consumer Sentiment survey of in-market car shoppers on [kbb.com](http://kbb.com), 29 percent of respondents complained about a small selection of vehicles, while an additional 28 percent responded that they had difficulty finding the specific vehicle they wanted. Kelley Blue Book expects many consumers who delayed vehicle purchases due to a lack of selection late last year now will buy in March, as inventory conditions continue to improve. An abundant supply of new vehicles also will help entice used-car shoppers to consider a new vehicle, especially with late-model used-car values increasing at a rapid pace alongside high fuel prices.

"Although we anticipate strong sales in March, it will fall short of the 15.1 million SAAR posted last month," said Alec Gutierrez, senior market analyst of automotive insights for Kelley Blue Book. "Sales in February were aided by unseasonably warm weather across the United States and an additional selling day due to the Leap Year, triggering a strong seasonally adjusted sales rate that will not likely repeat this year. Conditions in the economy have generally been positive through the first few months of the year, and if conditions remain steady, the industry can expect to see continued strength in sales for the months ahead. Rising fuel prices could slow down the current momentum in sales growth if left unchecked, so this will be a key factor to monitor moving forward."

## **High Gas Prices Keep Fuel-Efficient Vehicles in High Demand**

Fuel prices are above \$3.80 per gallon nationally and as high as \$4.40 per gallon in California. As fuel prices continue to rise, consumers will be most interested in fuel-efficient compacts and hybrids to seek relief from the pump. A recent survey of in-market car shoppers on [kbb.com](http://kbb.com) found that 51 percent of respondents are now considering a smaller, more fuel-efficient vehicle, while 20 percent are considering an alternative-fuel vehicle such as a diesel or hybrid. Luckily for consumers, there are more fuel-efficient offerings than ever before to help counteract the effect of rising fuel prices on the family budget. There are several subcompact, compact and [hybrid cars](#) that offer nearly 40 mpg on the highway, so consumers should have plenty of options as they head to the dealership this

month.

"Subcompact car sales will be especially strong, since they are the most affordable vehicles in the marketplace today," said Gutierrez. "Not only are they cost effective, but the subcompacts available for sale today are of significantly higher quality than those offered just a few years ago. The [Ford Fiesta](#), [Hyundai Accent](#) and [Chevrolet Sonic](#) are new introductions that are reshaping the segment, while consumers also can look to traditional segment leaders such as the [Honda Fit](#), [Toyota Yaris](#) and [Nissan Versa](#) for something more familiar."

The [Toyota Prius c](#) is another small vehicle to watch. Demand for this hybrid vehicle has been white-hot since its introduction earlier this month, and with good reason. [Prius c](#) pricing starts below \$20,000 and offers 53 mpg, making it an absolute bargain compared to most other hybrids. Expect strong sales in fuel-efficient segments to continue as long as fuel prices remain elevated.

#### Rising Fuel Prices will Continue to Bolster Sales of Fuel-Sippers

Segment	Sales Volume			Market Share		
	Mar-12	Mar-11	YOY%	Mar-12	Mar-11	YOY
Mid-Size Car	269,500	209,962	28.3%	18.9%	16.8%	2.1%
Compact Car	221,000	210,993	4.7%	15.5%	16.9%	-1.4%
Compact Crossover	159,500	135,897	17.4%	11.2%	10.9%	0.3%
Full-Size Pickup Truck	147,000	130,437	12.5%	10.3%	10.5%	-0.1%
Subcompact Car	71,500	50,674	40.6%	5.0%	4.1%	1.0%
<b>Total</b>	<b>1,425,000*</b>	<b>1,246,668</b>	<b>14.3%</b>	-	-	-

\*Includes segments not shown

#### Toyota and Honda Continue to Increase Share as Inventory Levels Improve

[Toyota](#) and [Honda](#) have steadily regained market share during the past several months, and we expect this trend to continue in March. After hitting a low point of 10.2 percent and 7.6 percent market share respectively in mid-2011, Toyota and Honda have bounced back. Toyota and Honda accounted for 13.9 percent and 9.6 percent of all February sales (respectively), significantly above their 2011 lows. Inventory levels have continued to climb steadily in recent months and as a result, Kelley Blue Book expects both brands to continue gaining market share in the months ahead. Toyota and Honda likely will have the most significant gains with their fuel-efficient offerings. Toyota will look to the newly redesigned Toyota Camry and the 50-mpg [Prius](#) family to help bolster sales in March, while Honda will rely on the redesigned [Honda Civic](#) and [CR-V](#) to boost their March totals.

#### Solid Sales Gains Year-over-Year Expected for All Manufacturers

Manufacturer	Sales Volume			Market Share		
	Mar-12	Mar-11	YOY%	Mar-12	Mar-11	YOY
General Motors	256,500	206,621	24.1%	18.0%	16.6%	1.4%
Ford Motor Co	225,000	212,295	6.0%	15.8%	17.0%	-1.2%
Toyota Motor Co	199,500	176,222	13.2%	14.0%	14.1%	-0.1%
Chrysler Group	164,000	121,730	34.7%	11.5%	9.8%	1.7%
American Honda	138,000	133,650	3.3%	9.7%	10.7%	-1.0%
Nissan NA	129,500	121,141	6.9%	9.1%	9.7%	-0.6%
Hyundai Kia	118,500	106,052	11.7%	8.3%	8.5%	-0.2%
VW	51,500	37,131	38.7%	3.6%	3.0%	0.6%
<b>Total</b>	<b>1,425,000*</b>	<b>1,246,668</b>	<b>14.3%</b>	-	-	-

\*Includes brands not shown

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