

TechnoMetrica Auto Demand Index

March 2012



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About Us

- TechnoMetrica, founded in 1992, is a full-service Market Research consultancy that helps businesses identify, develop and capitalize on growth opportunities. Spotting trends and synthesizing insights that are well-defined, accurate, and forward-thinking is our passion. Research is the foundation for all our endeavors.
- TechnoMetrica is a thinkery. We harness the power of creative thinking in everything we do: to develop study designs that best answer research objectives; to communicate research findings with impact; to develop effective marketing strategies and new product development. Our creations are the true testimonies that reflect our depth of thinking. Our clients are our ambassadors of our reputation.
- In 1996, TechnoMetrica founded TIPP – the TechnoMetrica Institute of Policy and Politics. Shortly thereafter, TIPP joined forces with Investor’s Business Daily (1996 to present) – the nation’s fastest-growing financial publication – and with the Pulitzer Prize-winning Christian Science Monitor (1998 to present).

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I. Methodology

Methodology

- TechnoMetrica's Auto Demand Index is an early (monthly) indicator of consumers' intent to purchase or lease a new vehicle within the next 6 months. The index has been set to an initial value of 100 based on demand levels between February 2007 and April 2007.
- The Auto Demand Index is based on the responses Americans give to the question:
 - *How likely is it that you will buy or lease a new vehicle within the next 6 months? Would you say very likely, somewhat likely, not very likely or not at all likely?*
- We express purchase intent as an index score that varies as a linear function of the percentage of consumers who are either "very" or "somewhat" likely to purchase or lease a new vehicle within the next 6 months.
- Higher index readings correspond to greater demand or intent to purchase/lease new automobiles.
- The index and its movement is projectable to the national market for new automobiles, which consists of over 100 million U.S. households with drivers.
- Each month, TechnoMetrica uses a monthly Random Digit Dial (RDD) telephone survey to collect the survey data, with a sample size of 900+ respondents.

II. Auto Demand Index, Purchase Outlook

A. Auto Demand Index (Overall)

B. By Region

C. By Area Type

D. By Age

E. By Gender and Marital Status

F. By Parental Status and Race/Ethnicity

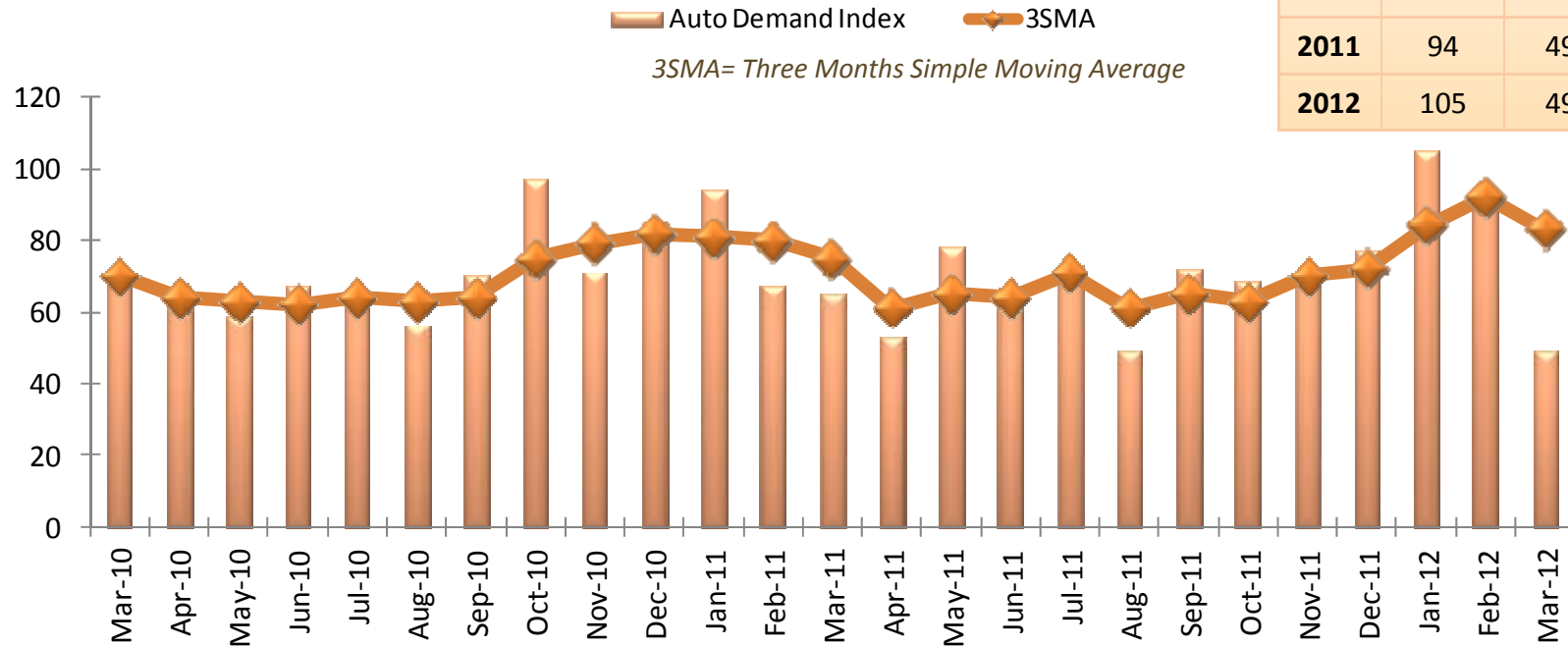
G. By Household Income

Auto Demand Index (Overall)

The TechnoMetrica Auto Demand Index nosedived by 49 points, or 48%, in March posting its all time low 49 vs. 94 in February and 105 in January.

Base = All Respondents

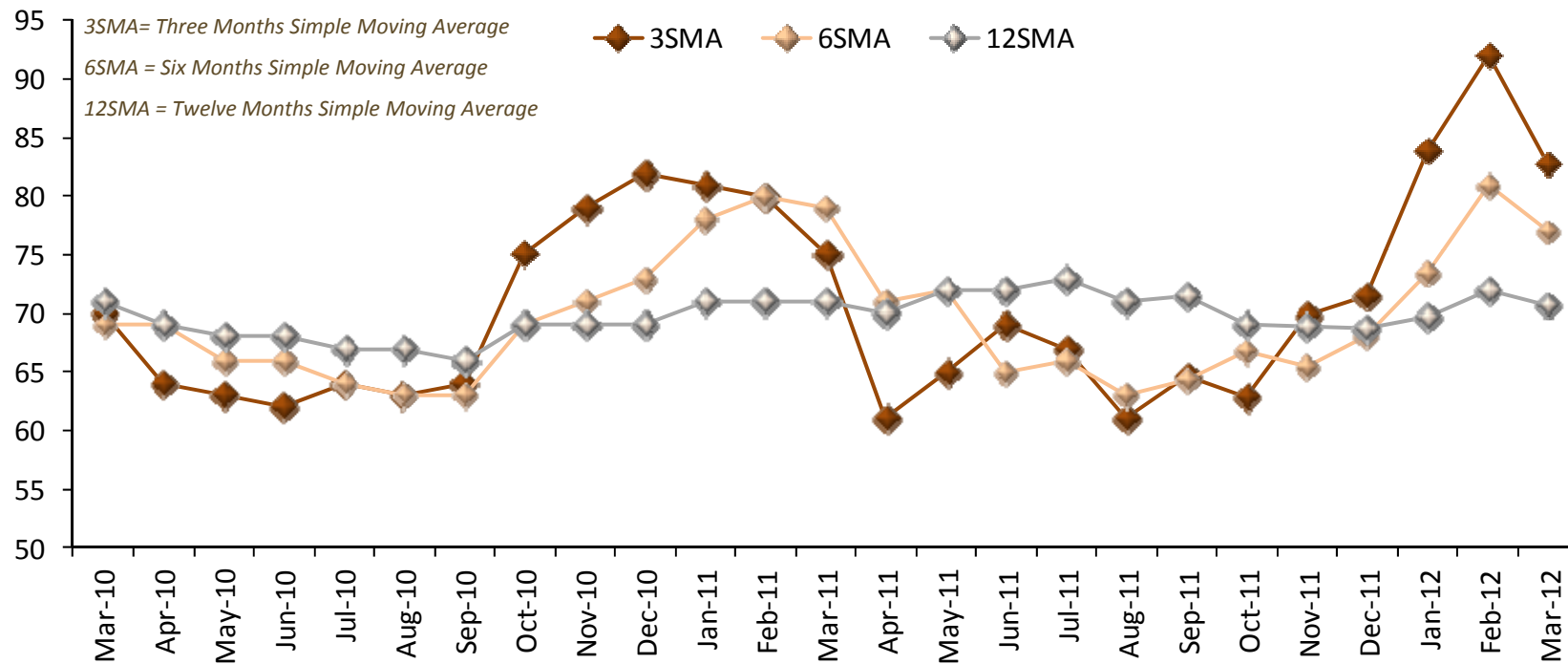
	High	Low
2007	129	79
2008	92	66
2009	95	55
2010	97	56
2011	94	49
2012	105	49



In March, the TechnoMetrica Auto Demand Index decreased significantly, going from 94 in February to 49 this month.

Auto Demand Index Moving Averages

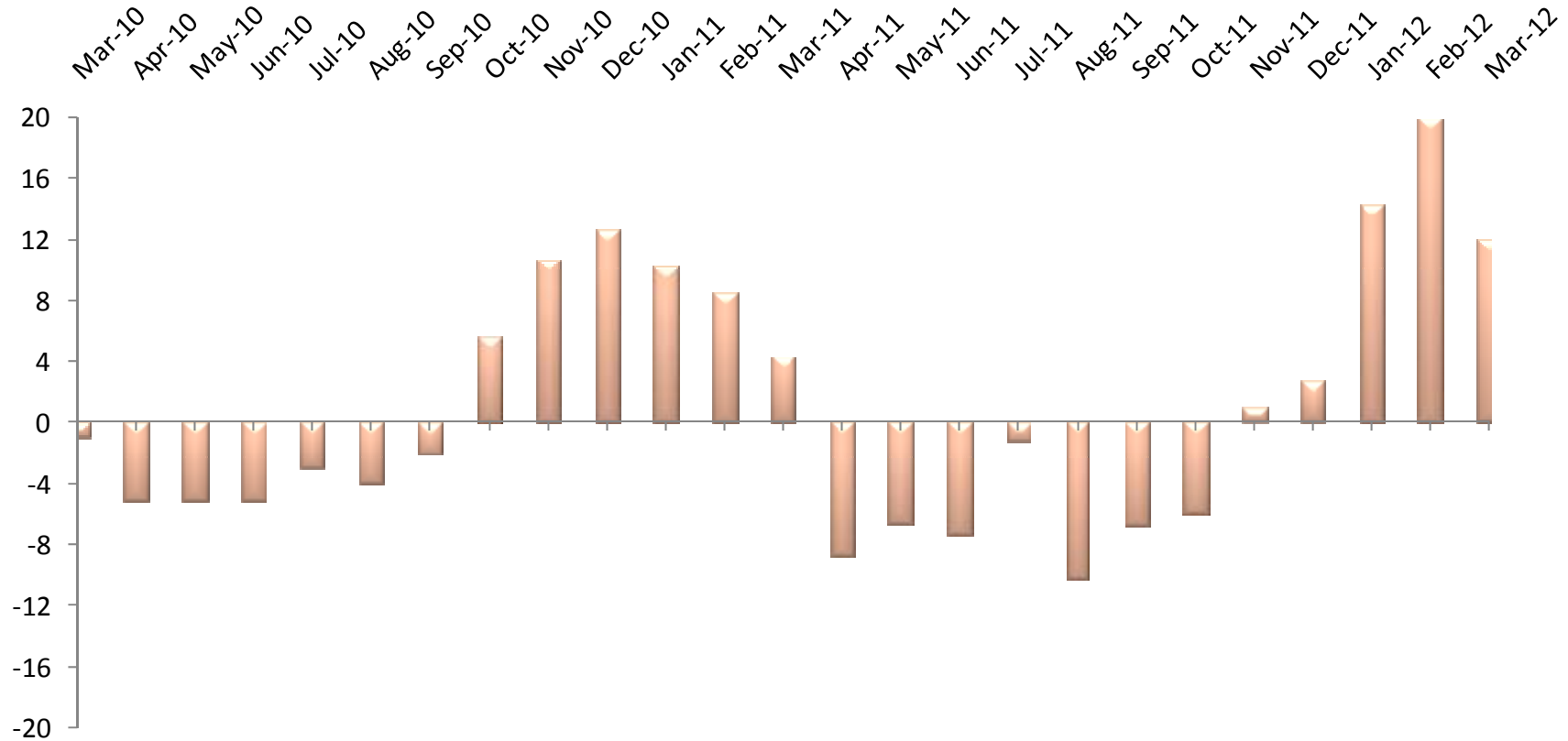
Base = All Respondents



MACD - Moving Average Convergence Divergence

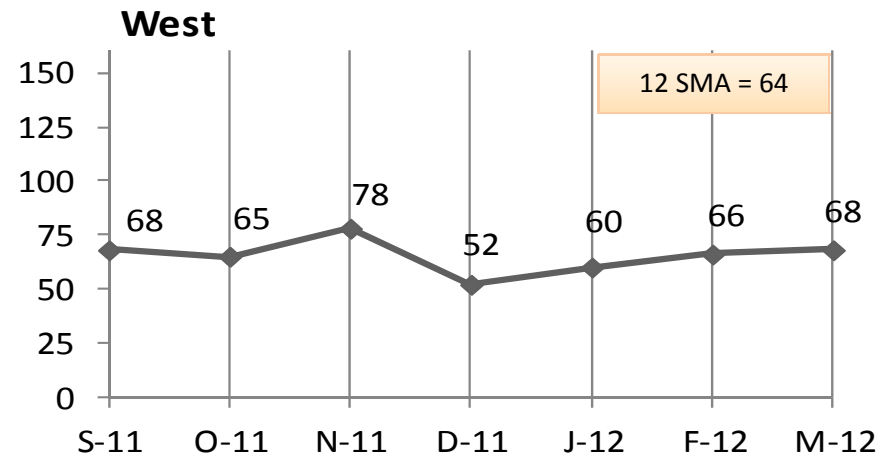
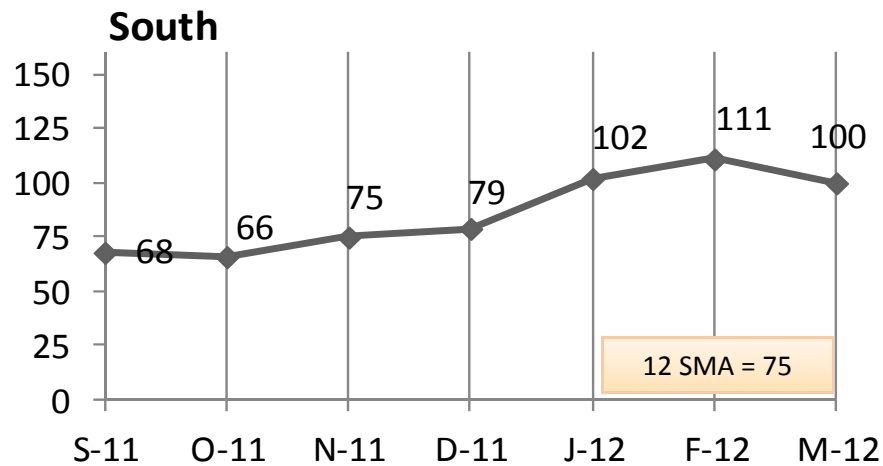
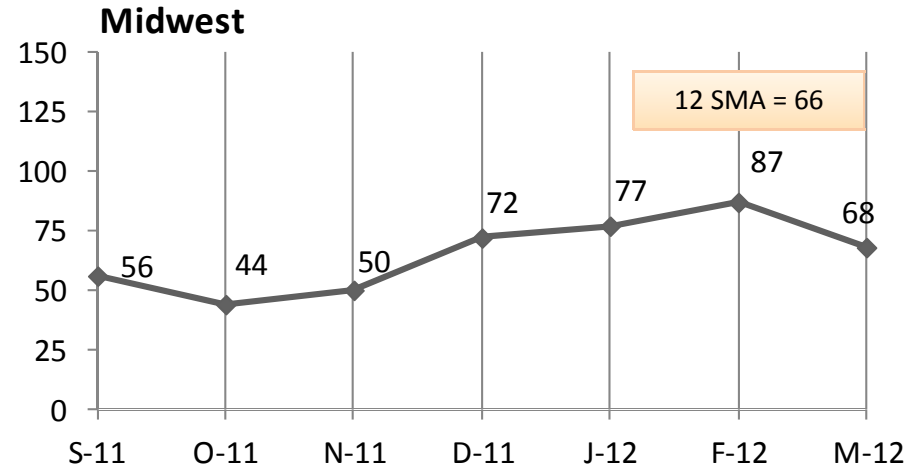
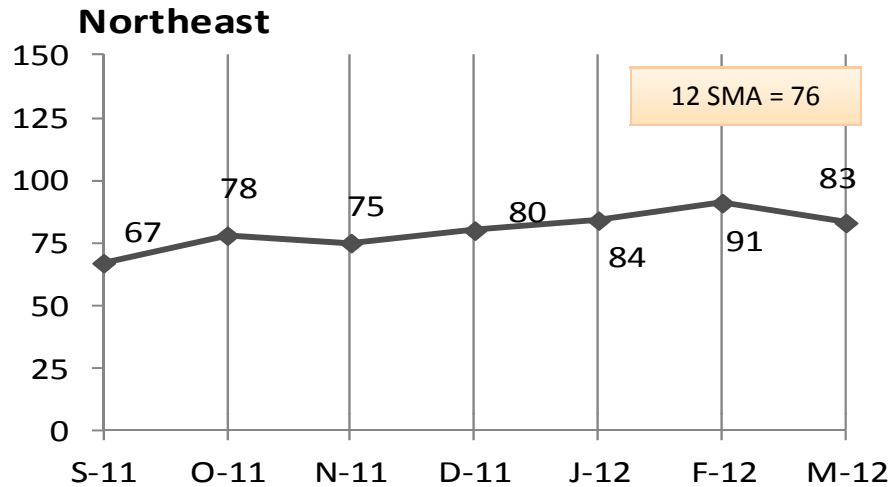
3 Month SMA (Fast Average) Vs 12 Month SMA (Slow Average)

Base = All Respondents



The momentum turned positive in November 2011 and since then increased steadily reaching an all-time high in February 2012, but fell in March.

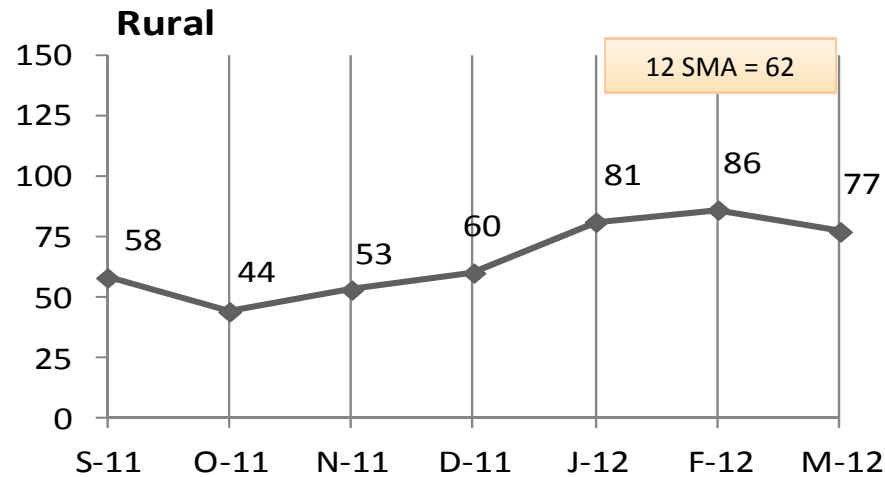
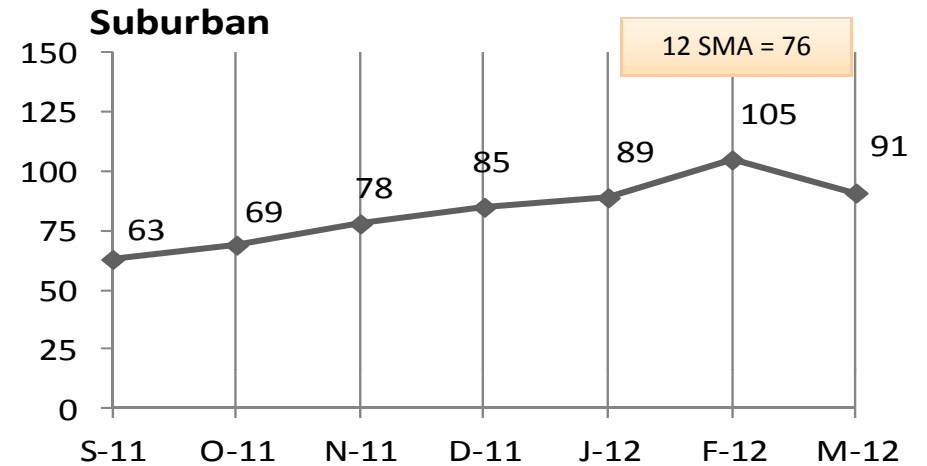
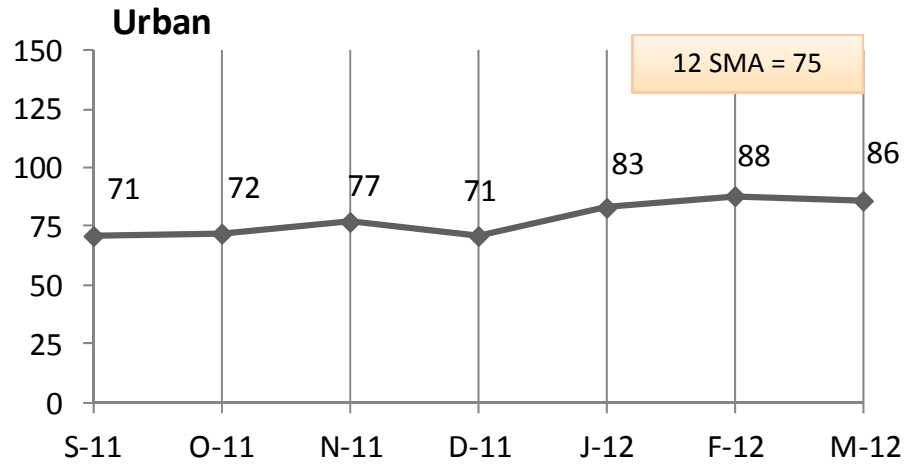
By Region 3 SMA



Q. How likely is it that you will buy or lease a new vehicle within the next 6 months?

By Area Type 3 SMA

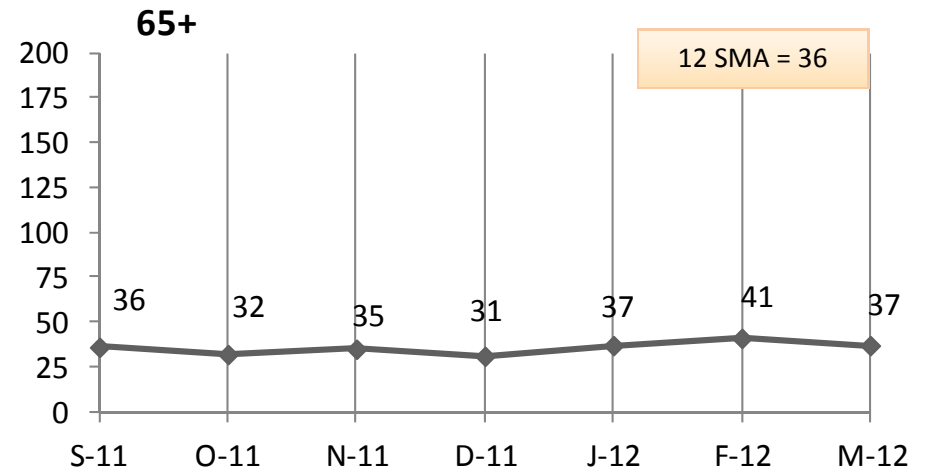
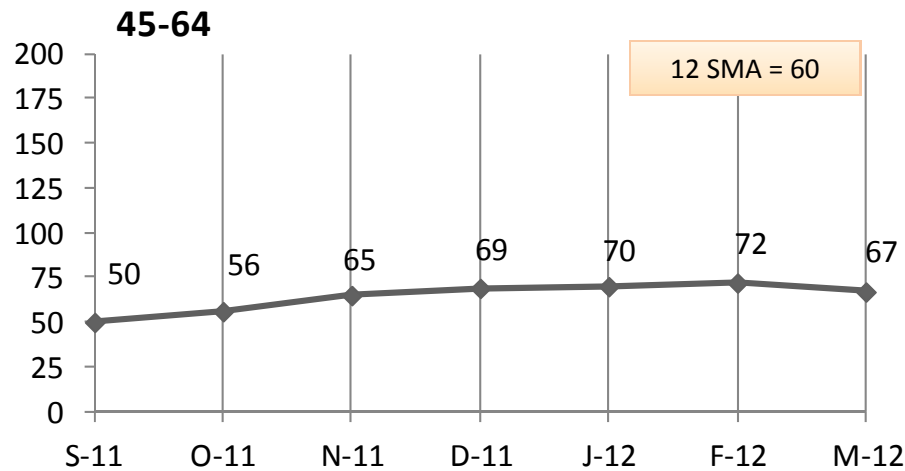
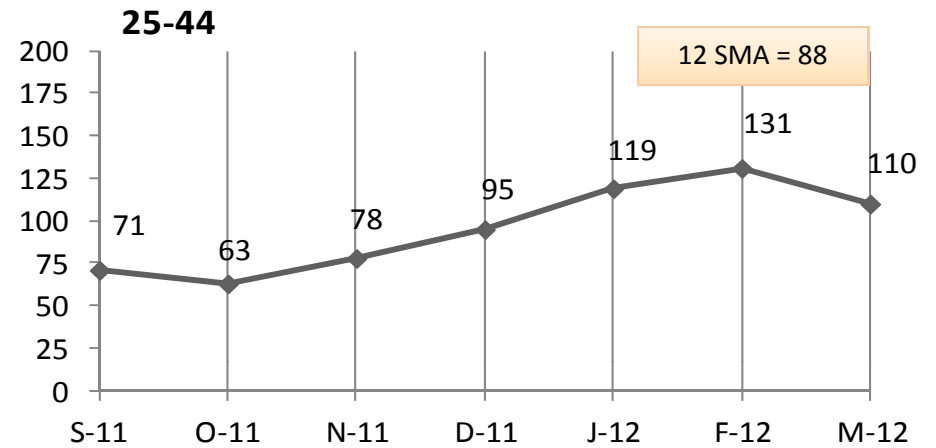
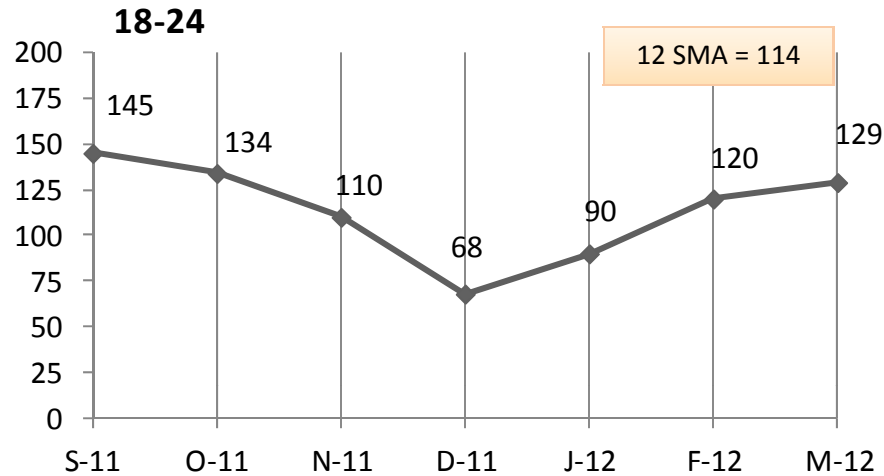
Base = All Respondents



Q. How likely is it that you will buy or lease a new vehicle within the next 6 months?

By Age 3 SMA

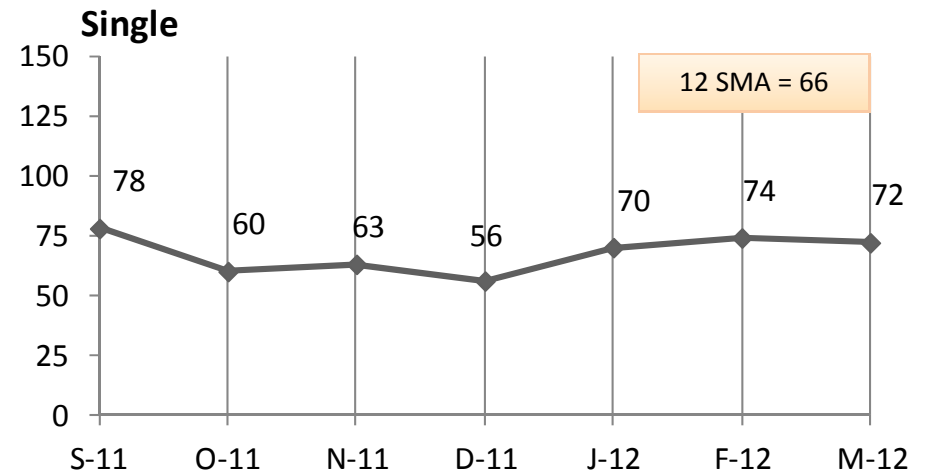
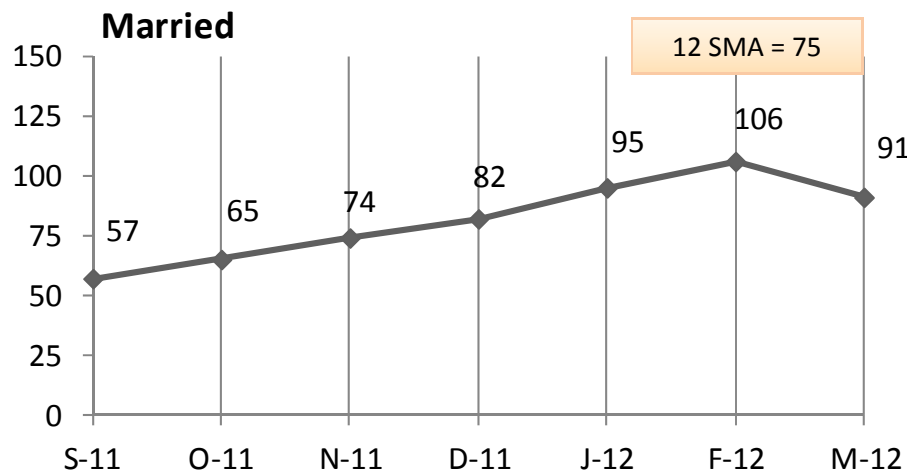
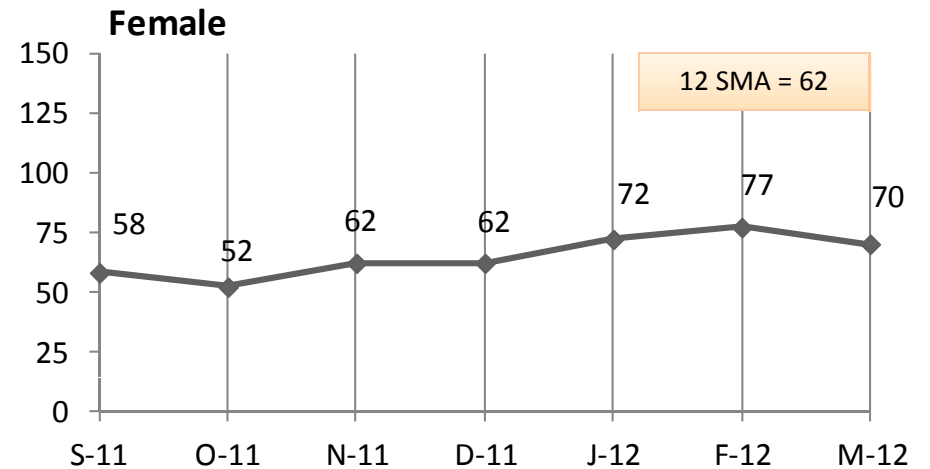
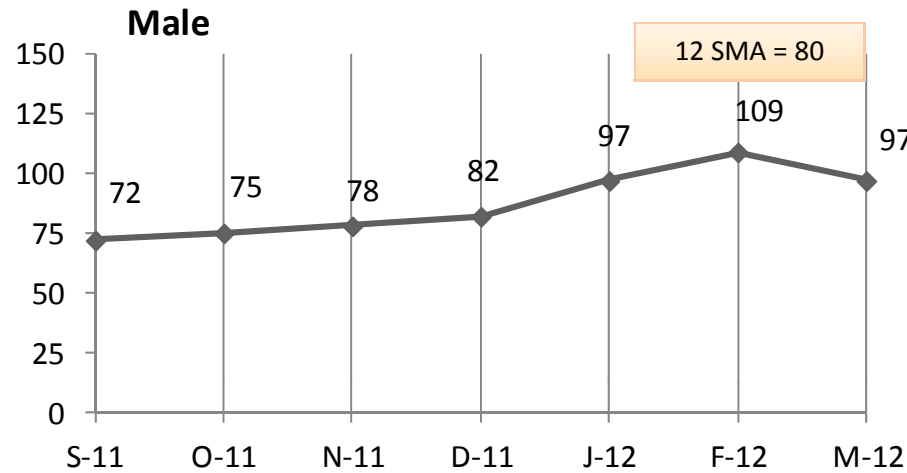
Base = All Respondents



Q. How likely is it that you will buy or lease a new vehicle within the next 6 months?

By Gender and Marital Status 3 SMA

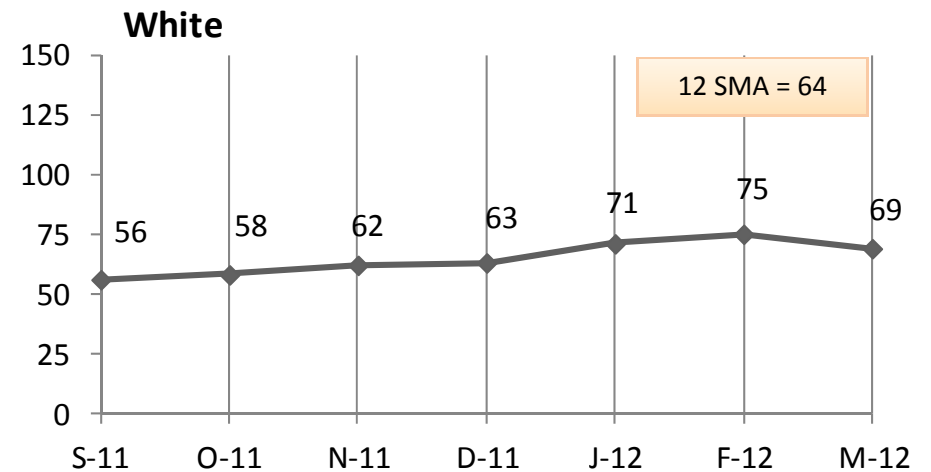
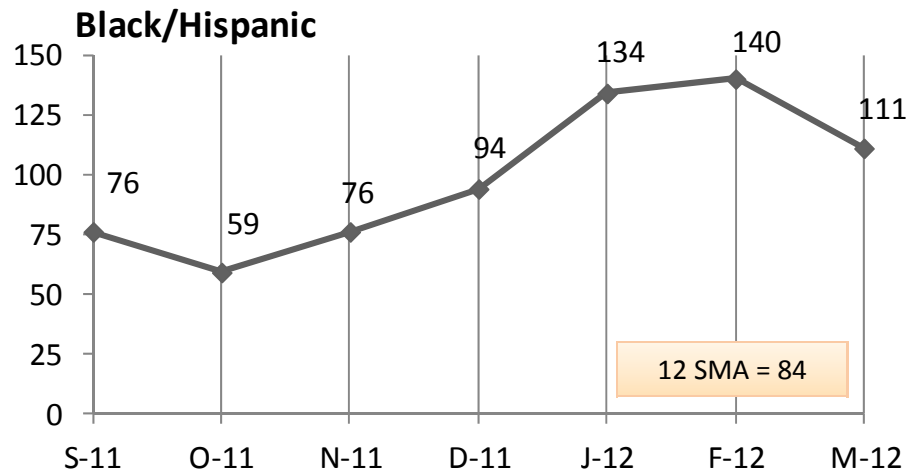
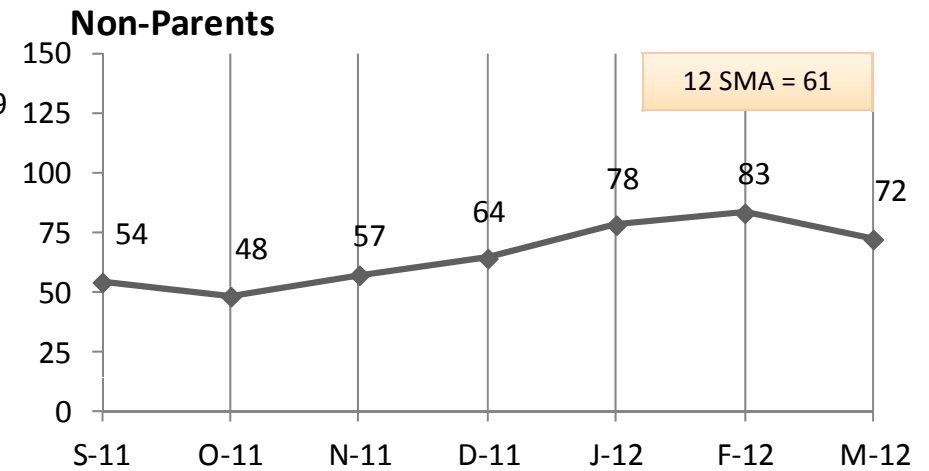
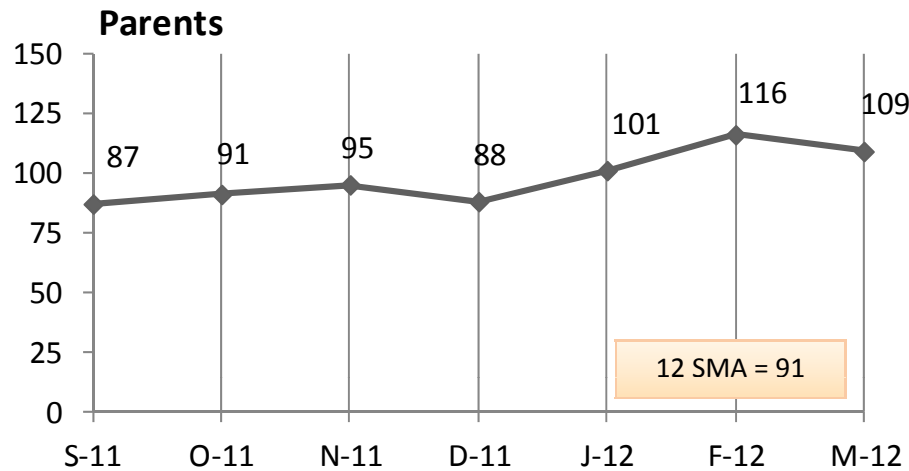
Base = All Respondents



Q. How likely is it that you will buy or lease a new vehicle within the next 6 months?

By Parental Status and Race/Ethnicity 3 SMA

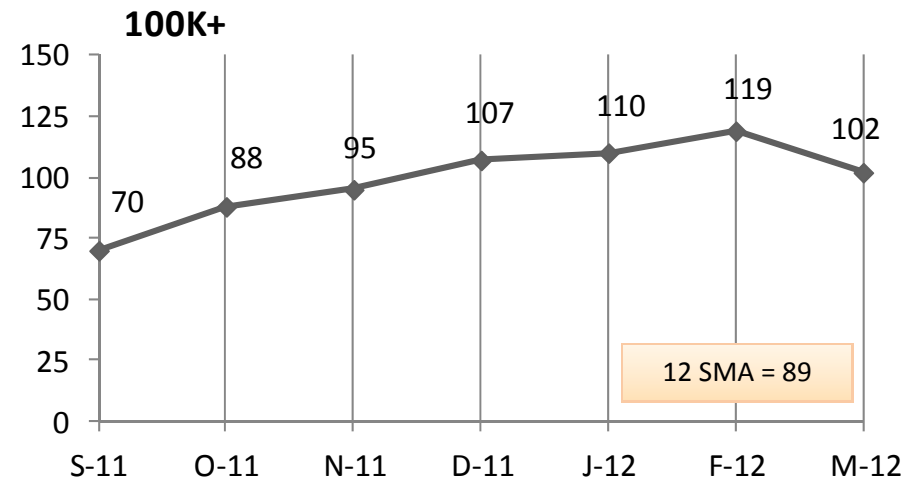
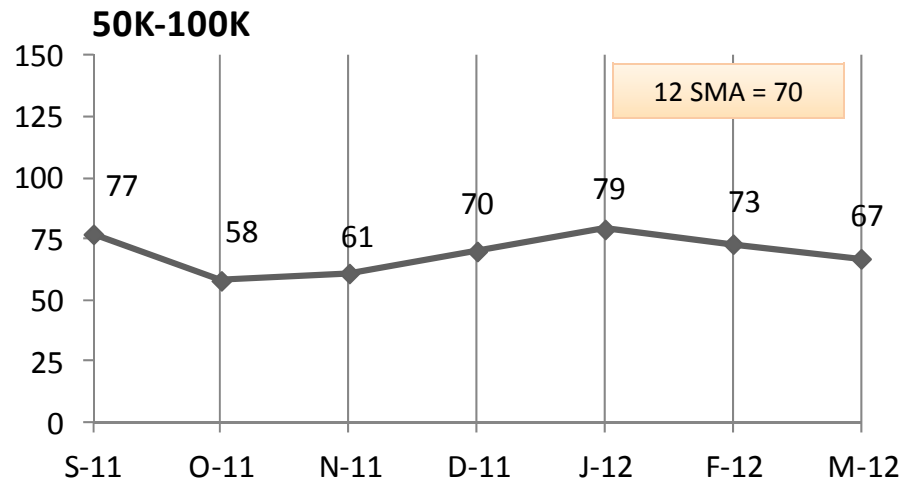
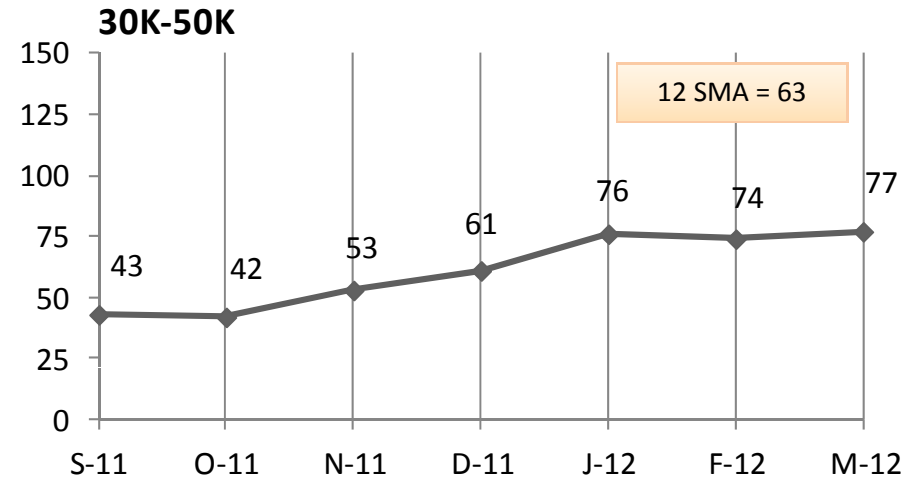
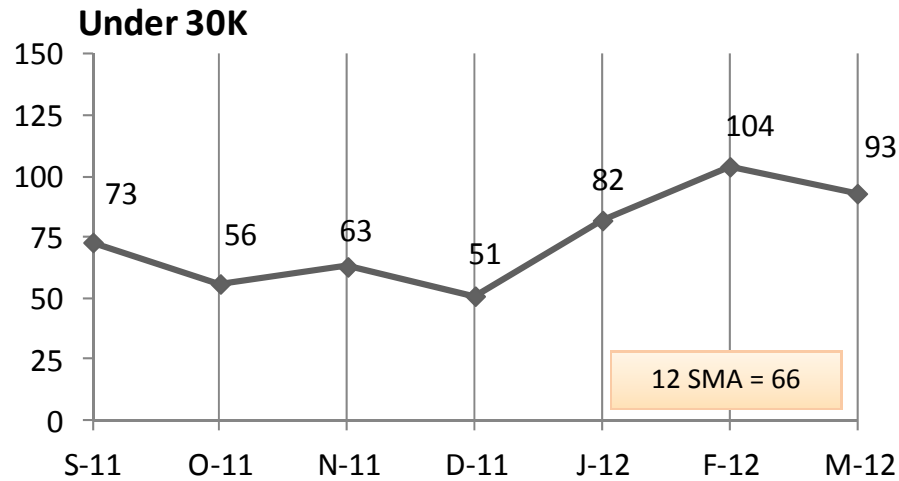
Base = All Respondents



Q. How likely is it that you will buy or lease a new vehicle within the next 6 months?

By Household Income 3 SMA

Base = All Respondents



Q. How likely is it that you will buy or lease a new vehicle within the next 6 months?

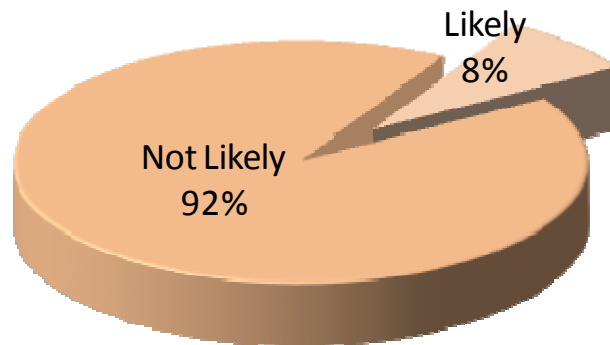
III. Demand For New Autos

- A. Vehicle Purchase/Lease Plans: Overall**
- B. Vehicle Purchase Plans: Purchase Likelihood Over Time**
- C. New Vehicle Purchase/Lease Time Frame**
- D. Vehicle Types Momentum**
- E. Preferred Vehicle Types 3 SMA**

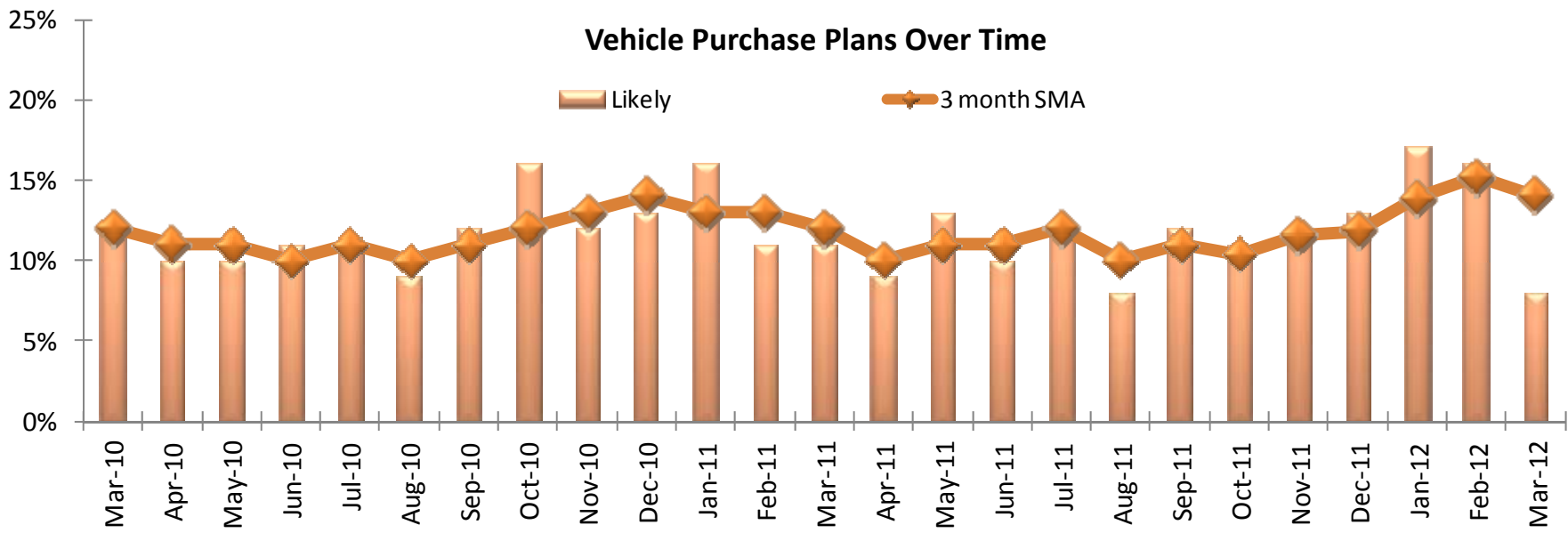
Vehicle Purchase Plans

March 2012

Base = All Respondents



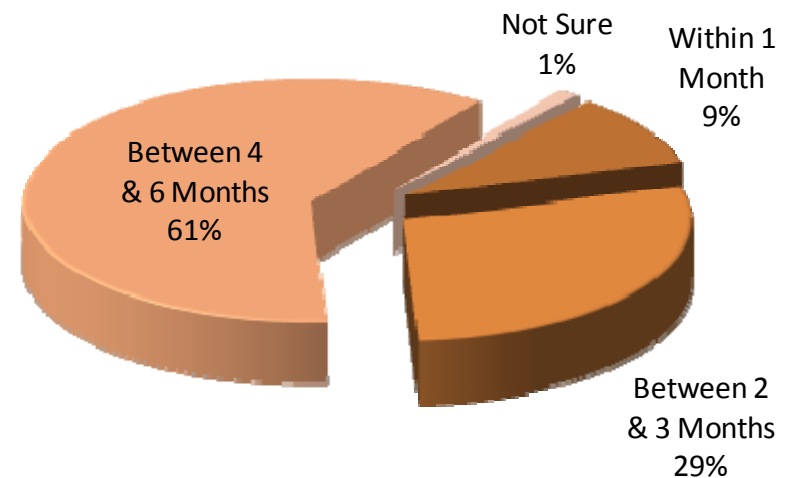
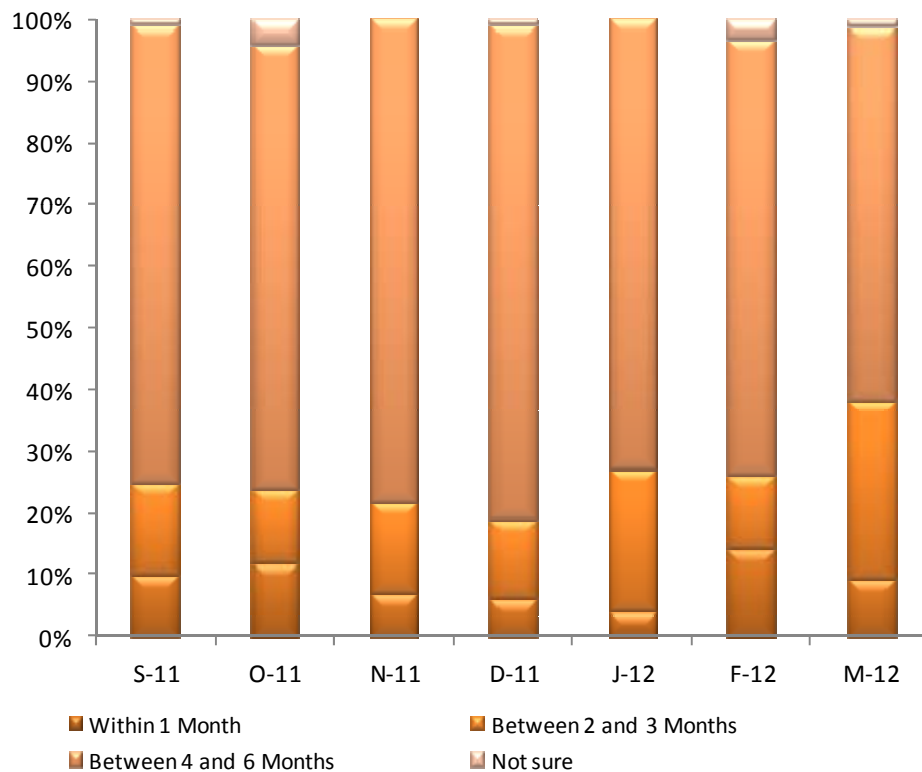
In March, the share of Americans who said they were likely to purchase or lease a new vehicle in the next six months was 8%.



Vehicle Purchase/Lease Time Frame

March 2012

Base = Potential Customers



This month, 9% of likely vehicle buyers say they will purchase or lease a new vehicle within one month, while 29% say they will do so within 2 to 3 months, while most (61%) are planning to do so further out (within 4 to 6 months).

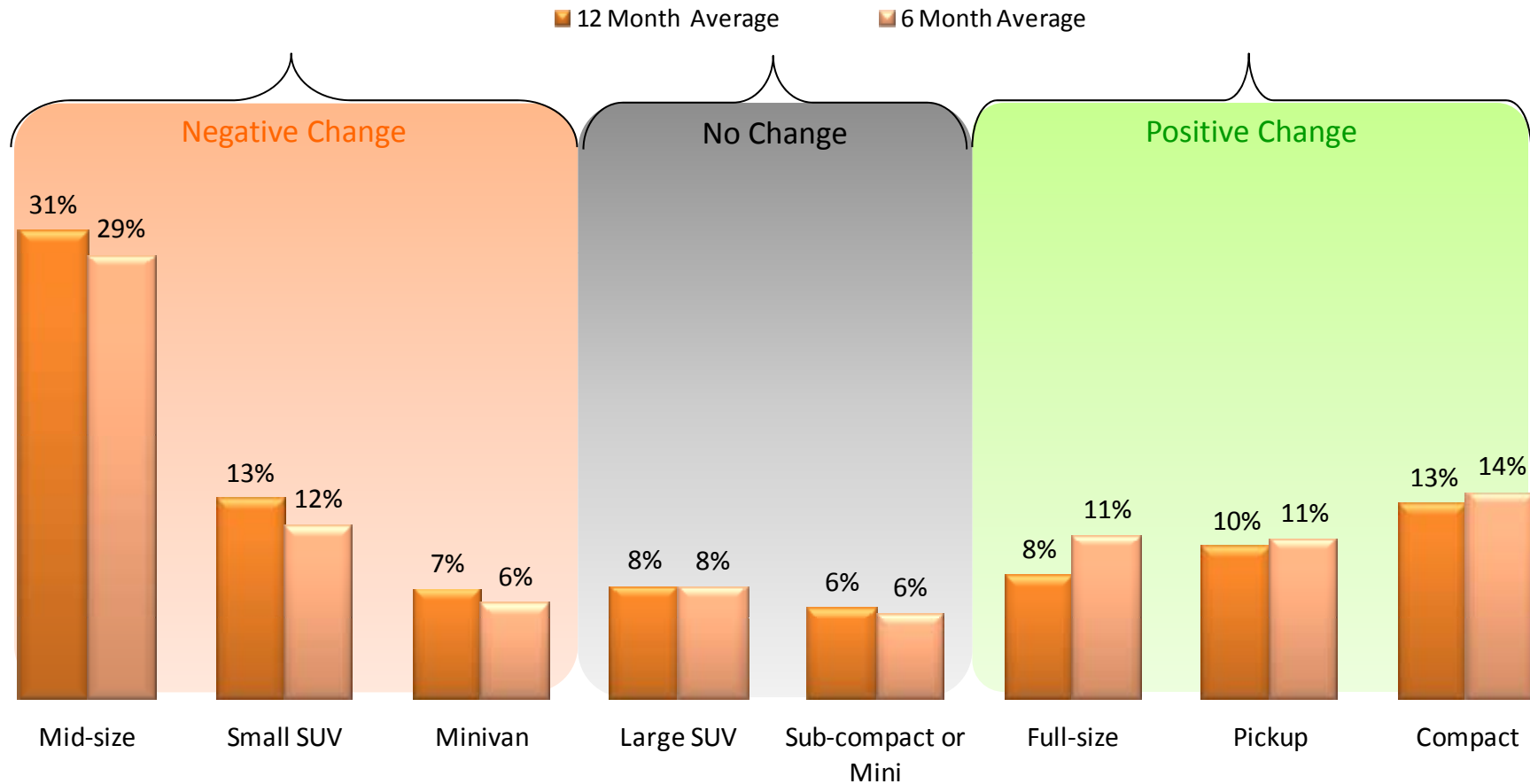
In March, the percentage of likely vehicle buyers within one month decreased to 9%.

Q. Will you make your purchase within the next 3 months, or in 4 to 6 months?

Vehicle Type Momentum

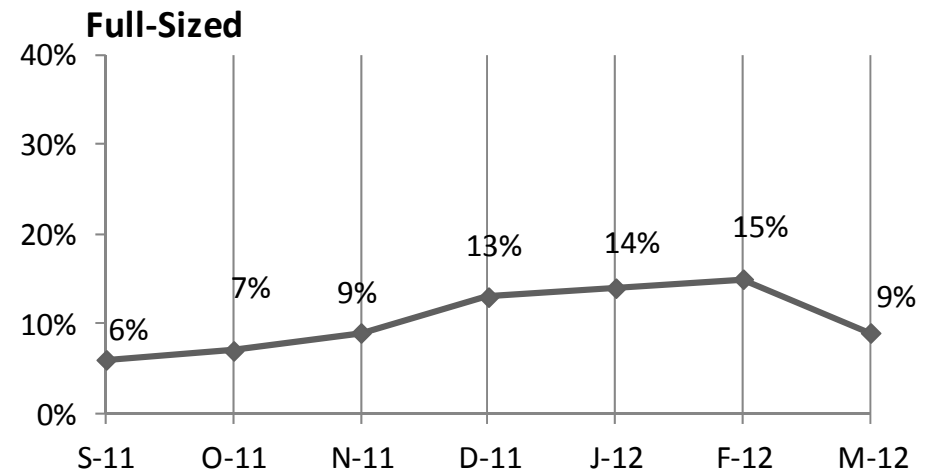
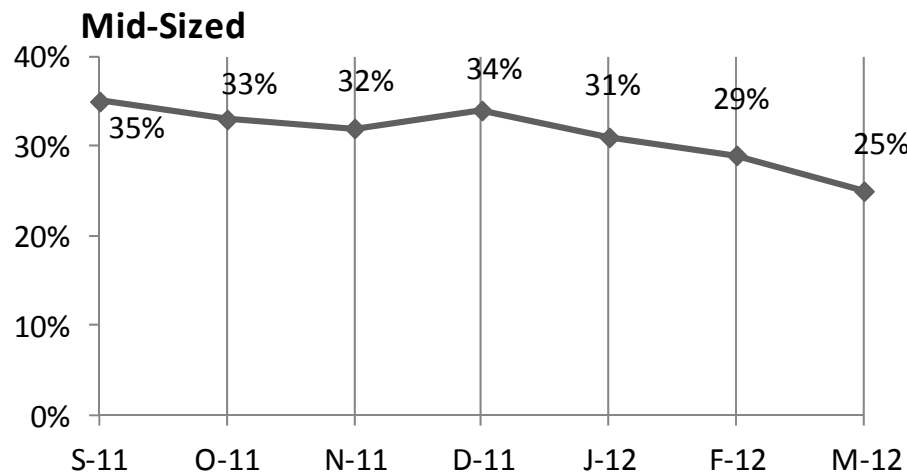
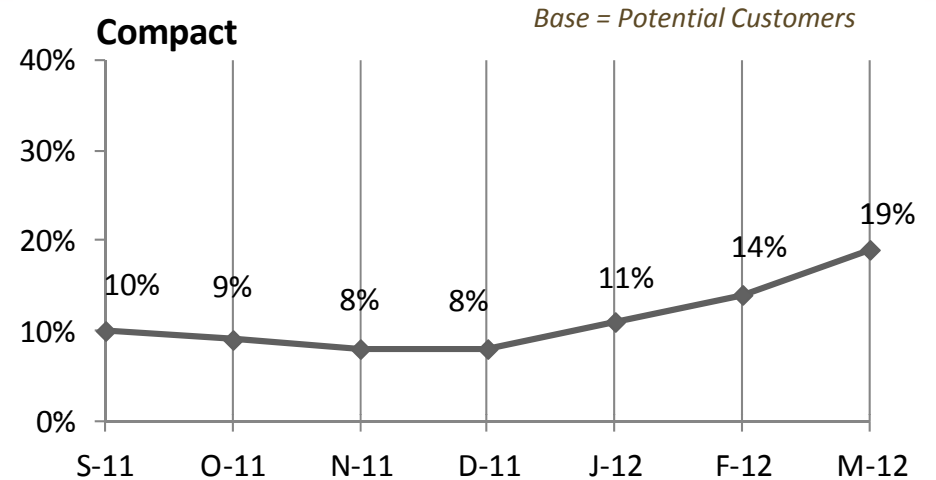
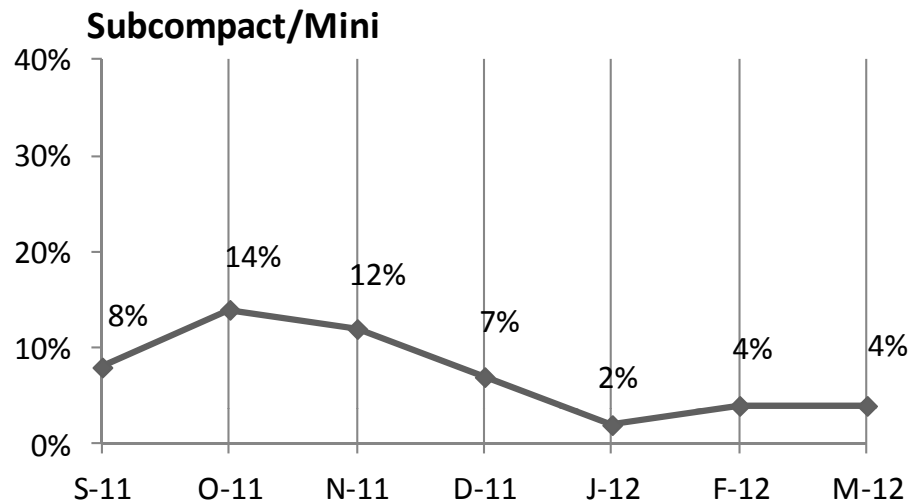
March 2012

Base = Potential Customers



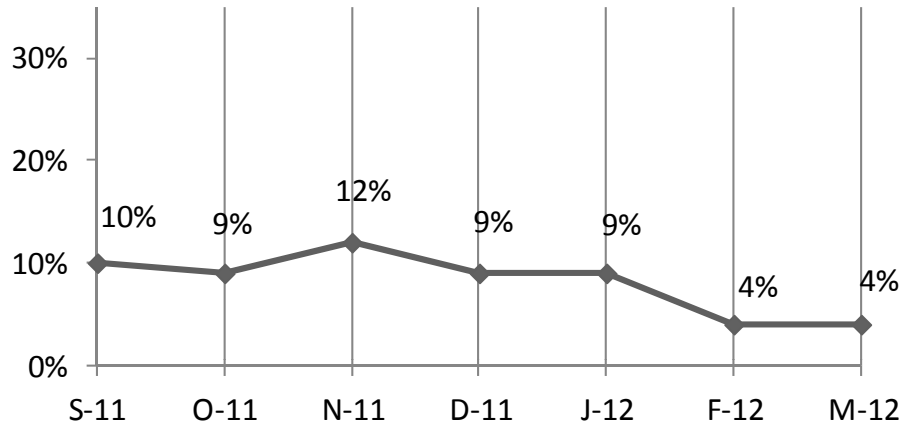
Q. What type of vehicle are you most likely to buy or lease?

Preferred Vehicle Types Over Time - 3 SMA

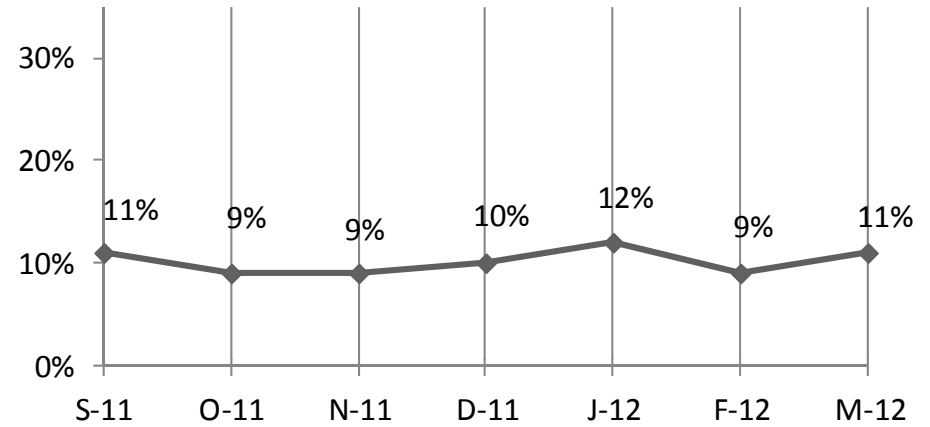


Preferred Vehicle Types Over Time 3 SMA

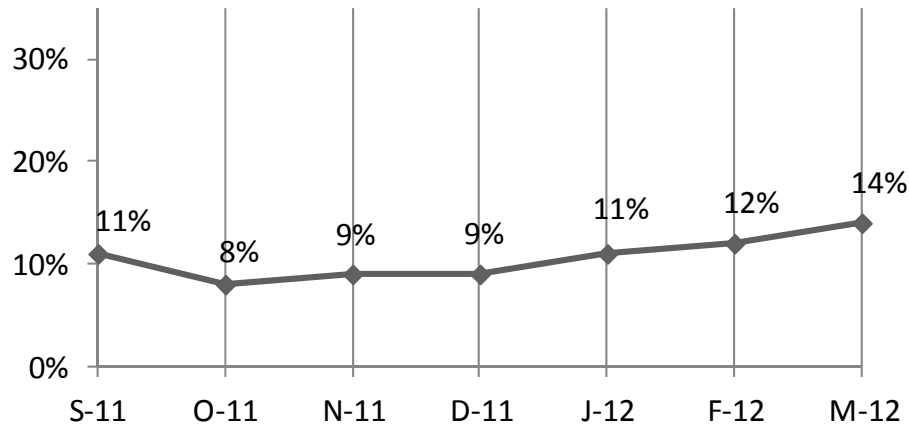
Minivan



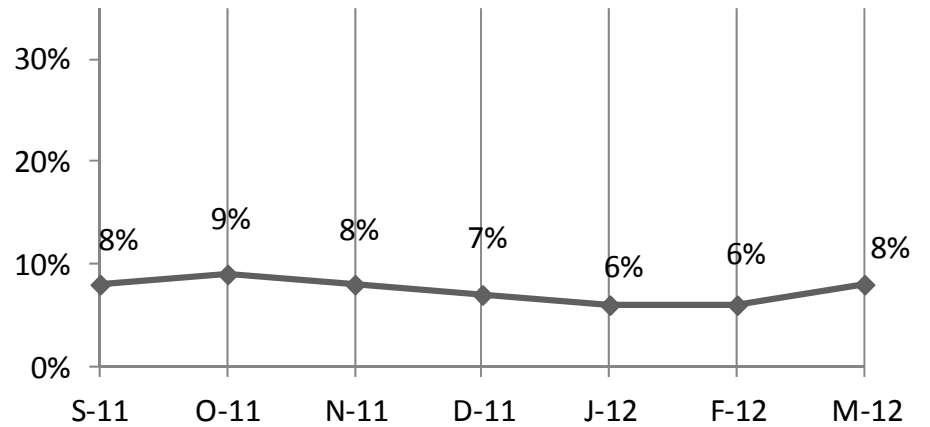
Pickup Truck



Small SUV



Large SUV



IV. Brand Preferences

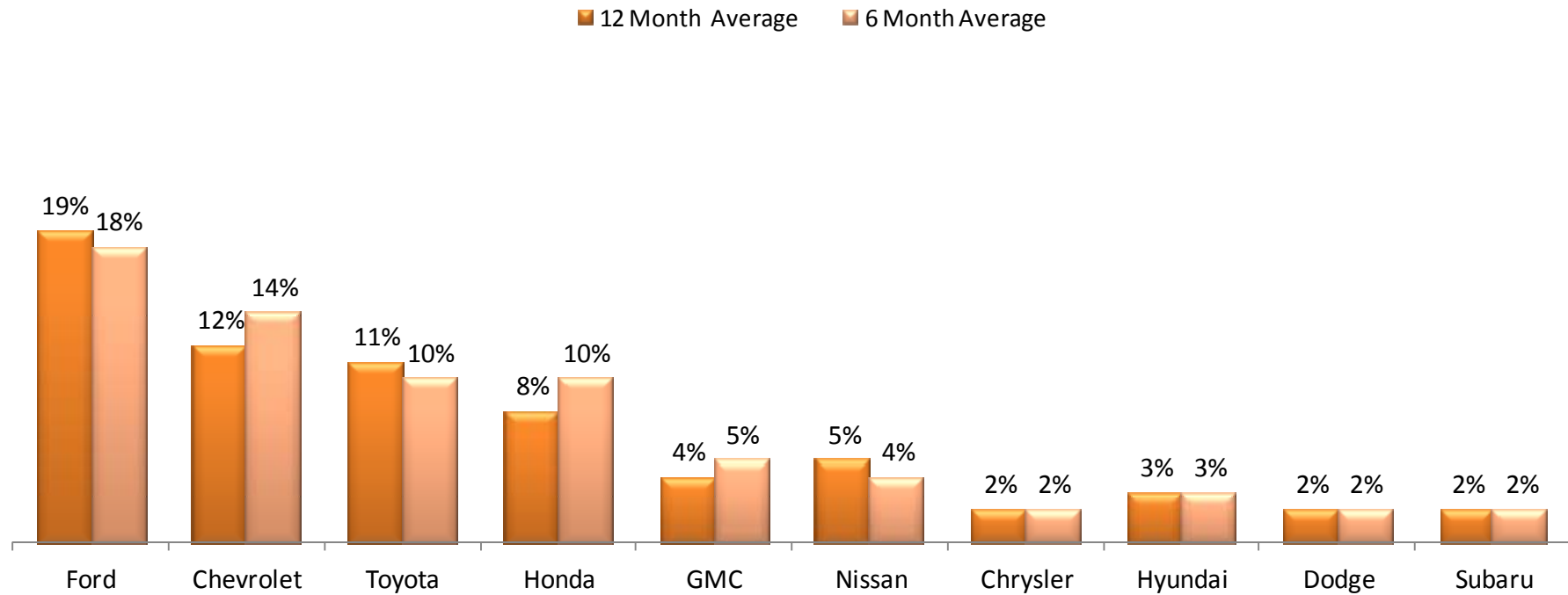
A. Top Ten Brands Consumers Would Buy

B. Brand Preference Over Time 3 SMA (Top Ten Brands)

Top Ten Brands Consumers Would Buy Today

March 2012

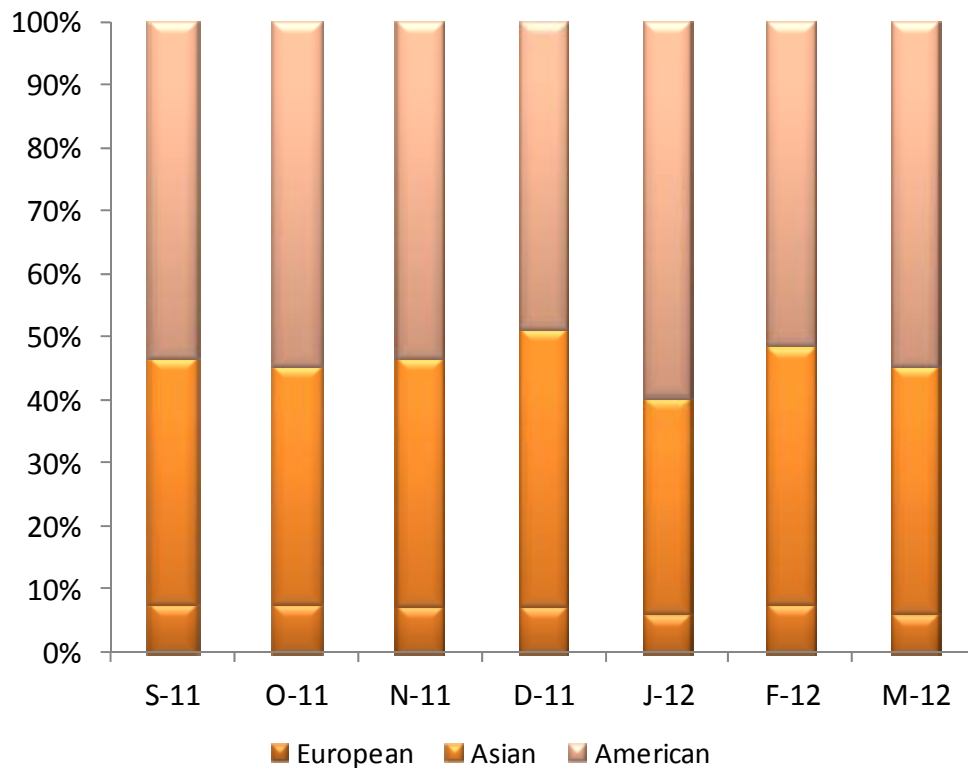
Base = Potential Customers



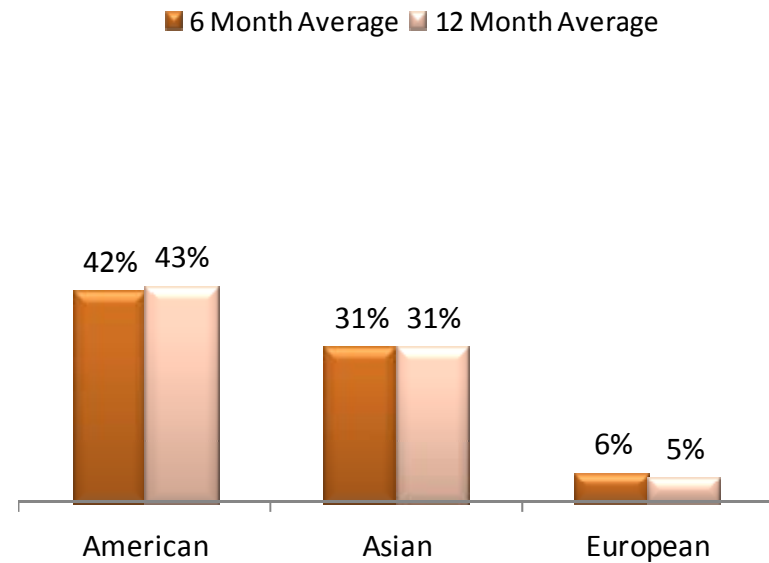
By Vehicle Origin

March 2012

Base = All Respondents



Likely to Purchase by Make

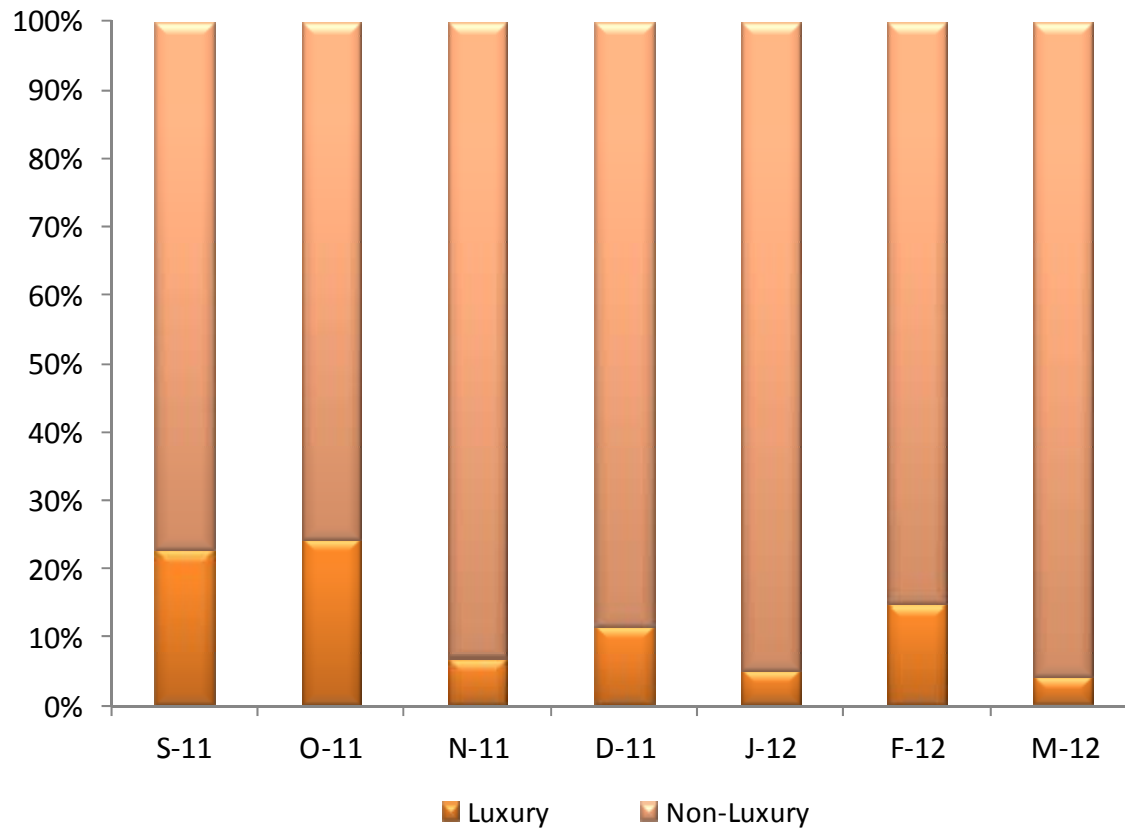


Q. If you were to buy a vehicle today, what brand would you buy?

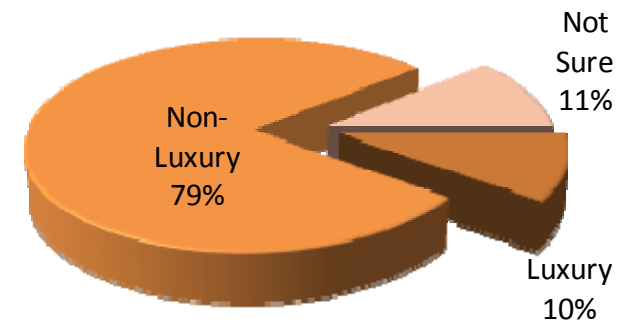
Luxury vs. Non-Luxury

March 2012

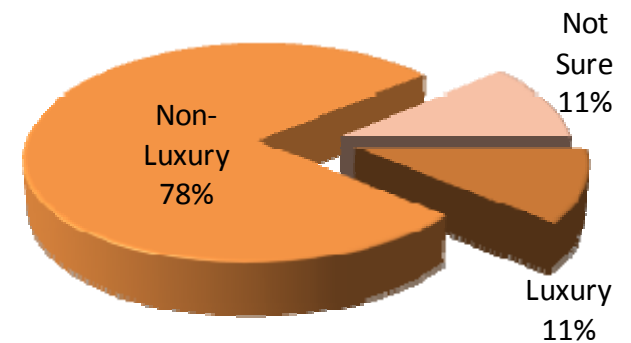
Base = All Respondents



6 Month Average



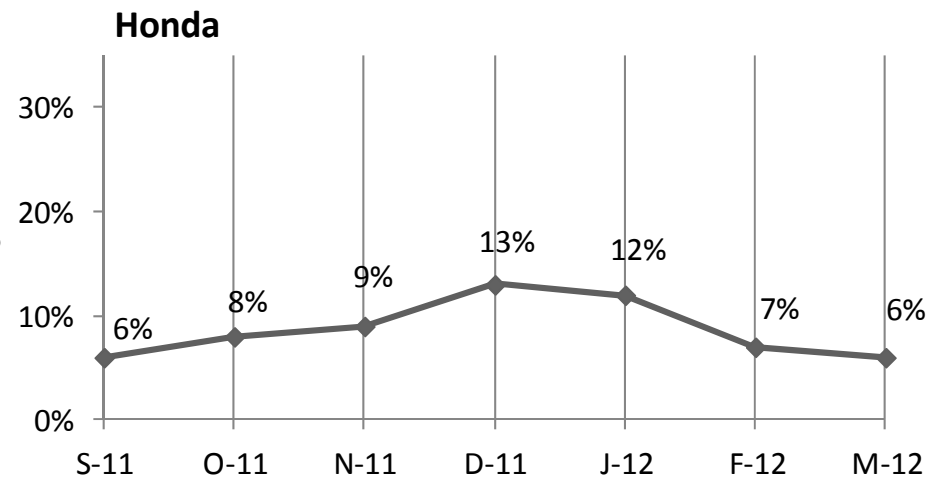
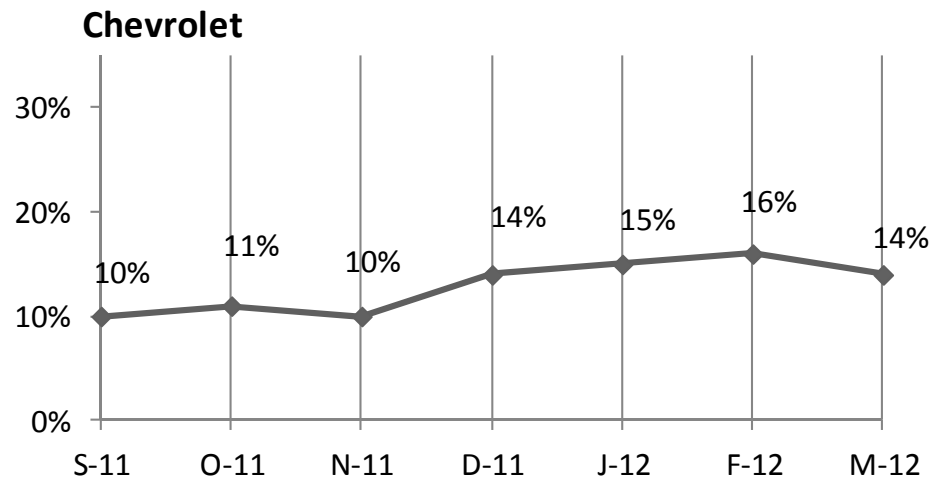
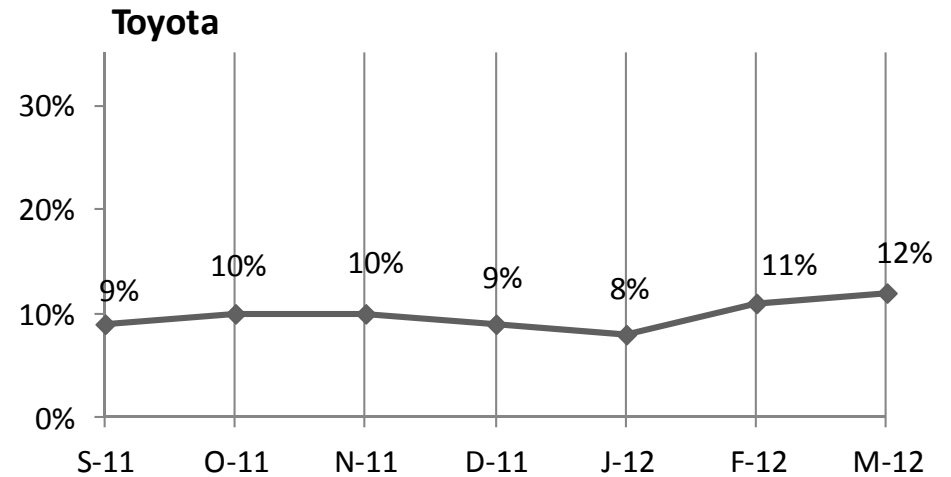
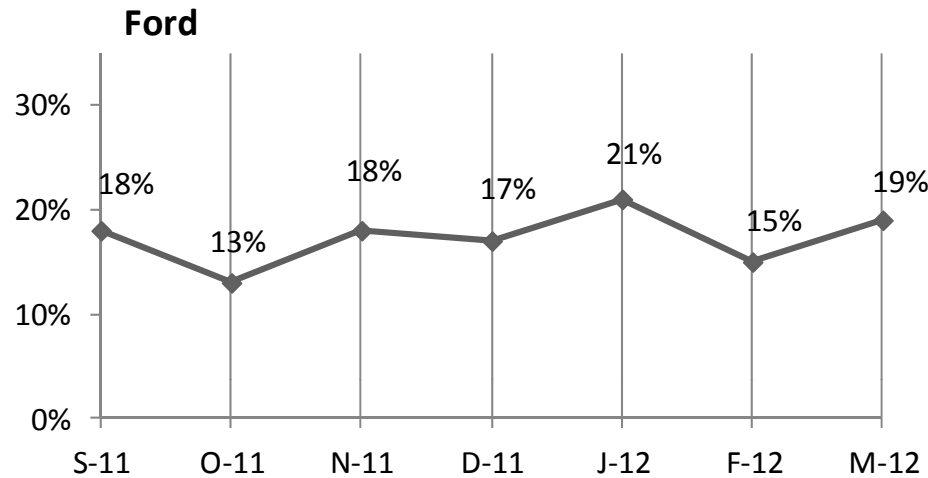
12 Month Average



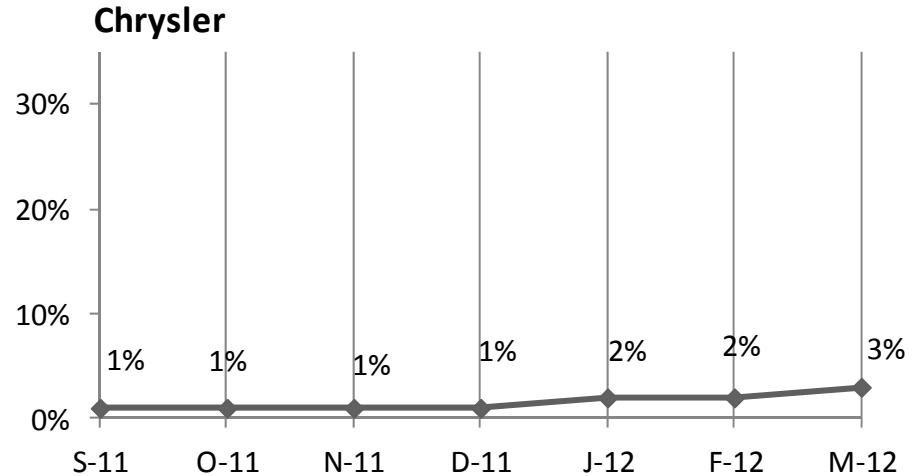
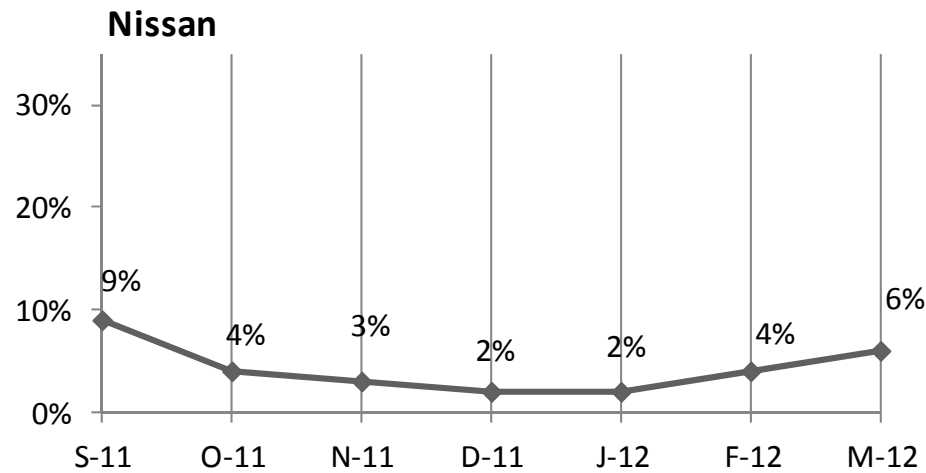
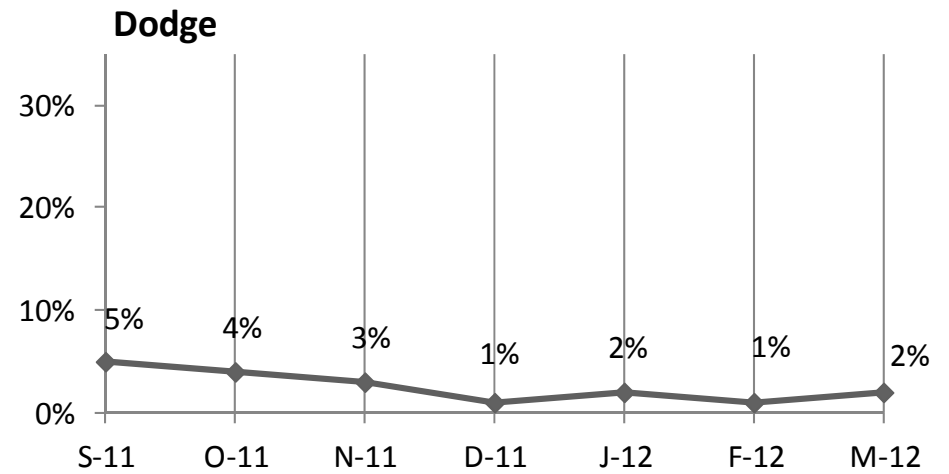
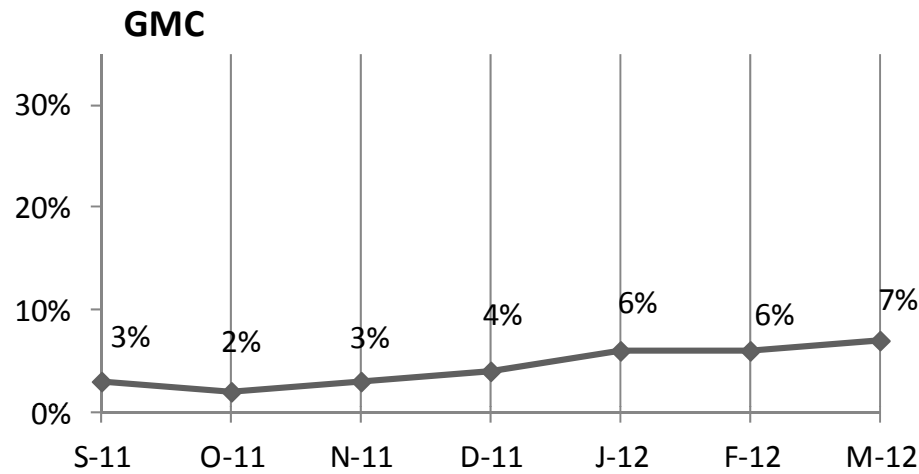
Q. If you were to buy a vehicle today, what brand would you buy?

Brand Preference Over Time 3 SMA (Top 4 Brands)

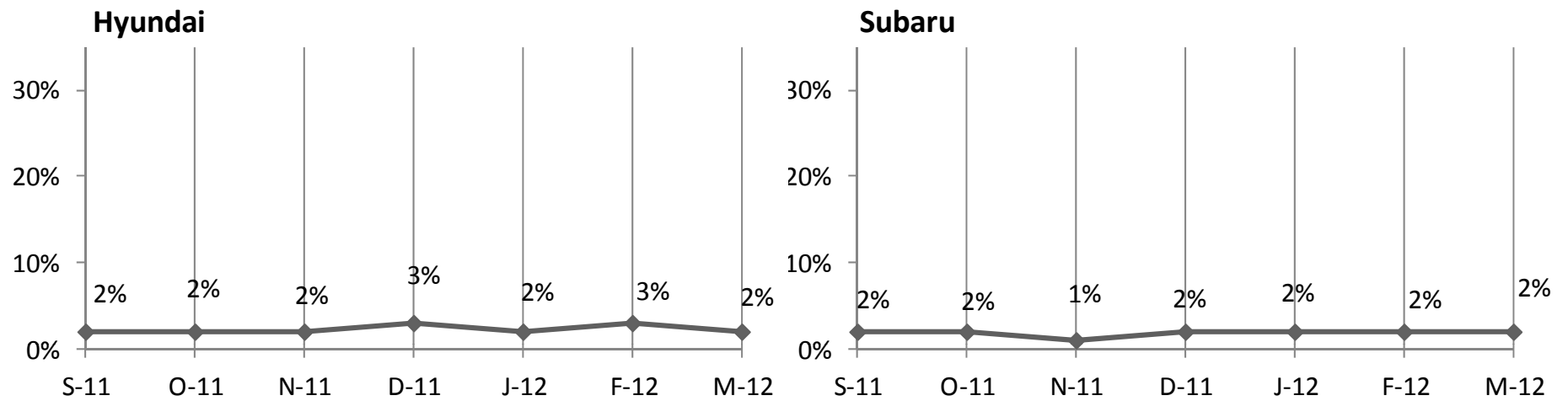
Base = Potential Customers



Brand Preference Over Time 3 SMA (Brands 5-8)



Brand Preference Over Time 3 SMA (Brands 9-10)



Conclusions

- The Auto Demand Index tumbles as a casualty to high gasoline prices. TechnoMetrica's research has shown high gasoline prices is the biggest wildcard car manufacturers face today.
- Only 8% of Americans are considering buying a new car within the next six months, down from 16% in February.
- Persisting high gasoline prices could drive down demand and add to the financial troubles of the already vulnerable auto industry. Further, a sharp slump has immense potential to affect the economy and employment significantly.
- Auto manufacturers and their dealers must proactively prepare for a slowdown. Auto factories take a long time to alter production rates and no manufacturer wants to have too many cars in inventory. The same holds true for car dealers, who must finance the unsold cars in their inventory.
- A rational energy policy, which acknowledges the realities of our resources, our preferences as consumers, and the realities of our environment, may be the best way to make America's gas pains disappear.

Contact Information

To request a full data set or for any questions, please contact us.

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