TechnoMetrica Auto Demand Index

April 2016

TECHNOMETRICA
MARKET INTELLIGENCE

70 Hilltop Road, Ramsey, NJ 07446
Pho:201-986-1288 | Fax:201-986-0119
www.technometrica.com

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 – to produce their highly respected IBD/TIPP Economic Optimism Index.

Table Of Contents

I. Methodology

Methodology

- TechnoMetrica's Auto Demand Index is a forward looking 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. The margin of error is +/- 3.2 percentage points. The April Survey was conducted between March 28th and April 2nd.

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

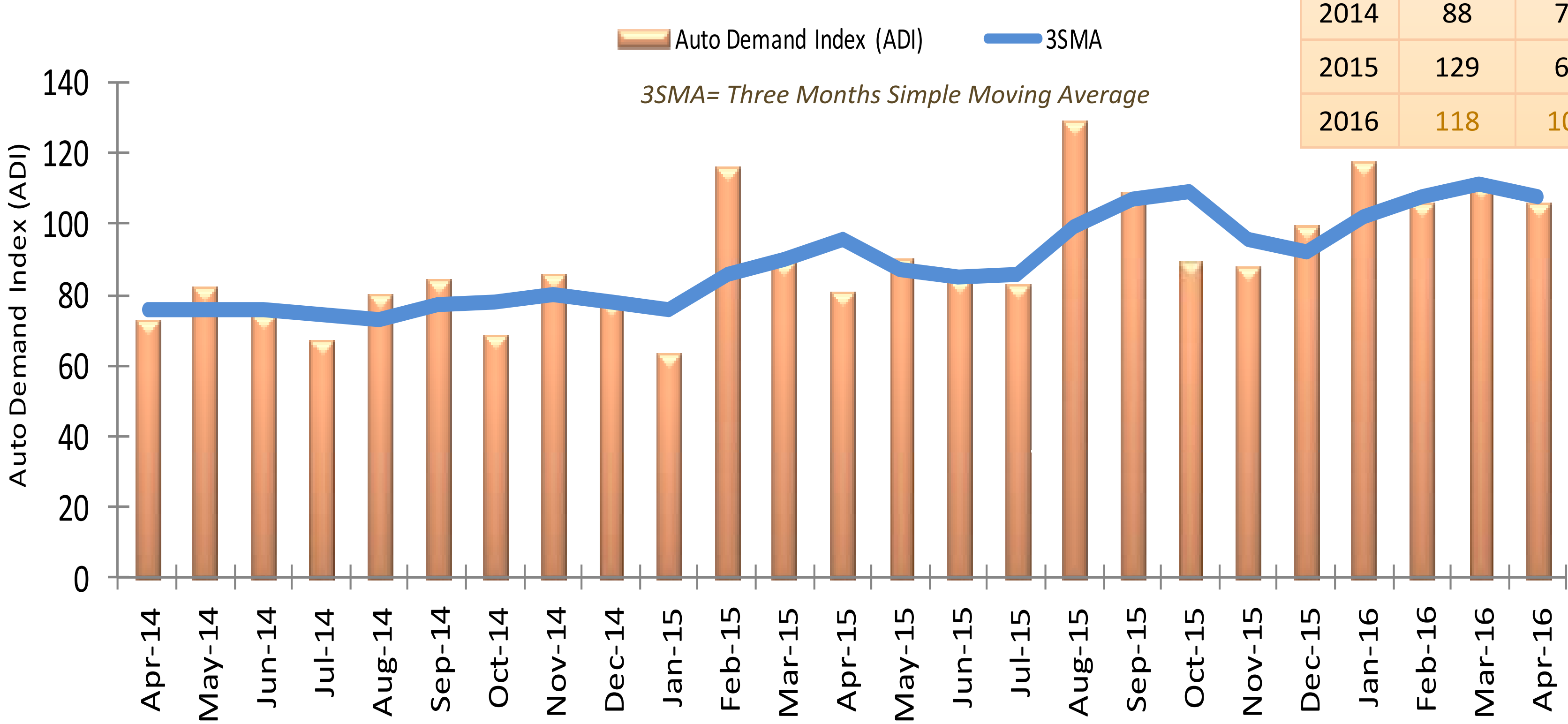
G. By Household Income

Auto Demand Index (Overall)

The Auto Demand Index level declined by five points in April, registering a score of 106. Last month, the Index had gained five points to attain a reading of 111.

Base = All Respondents

	High	Low
2010	97	56
2011	94	49
2012	105	49
2013	86	64
2014	88	73
2015	129	64
2016	118	106



Auto Demand Index Moving Averages

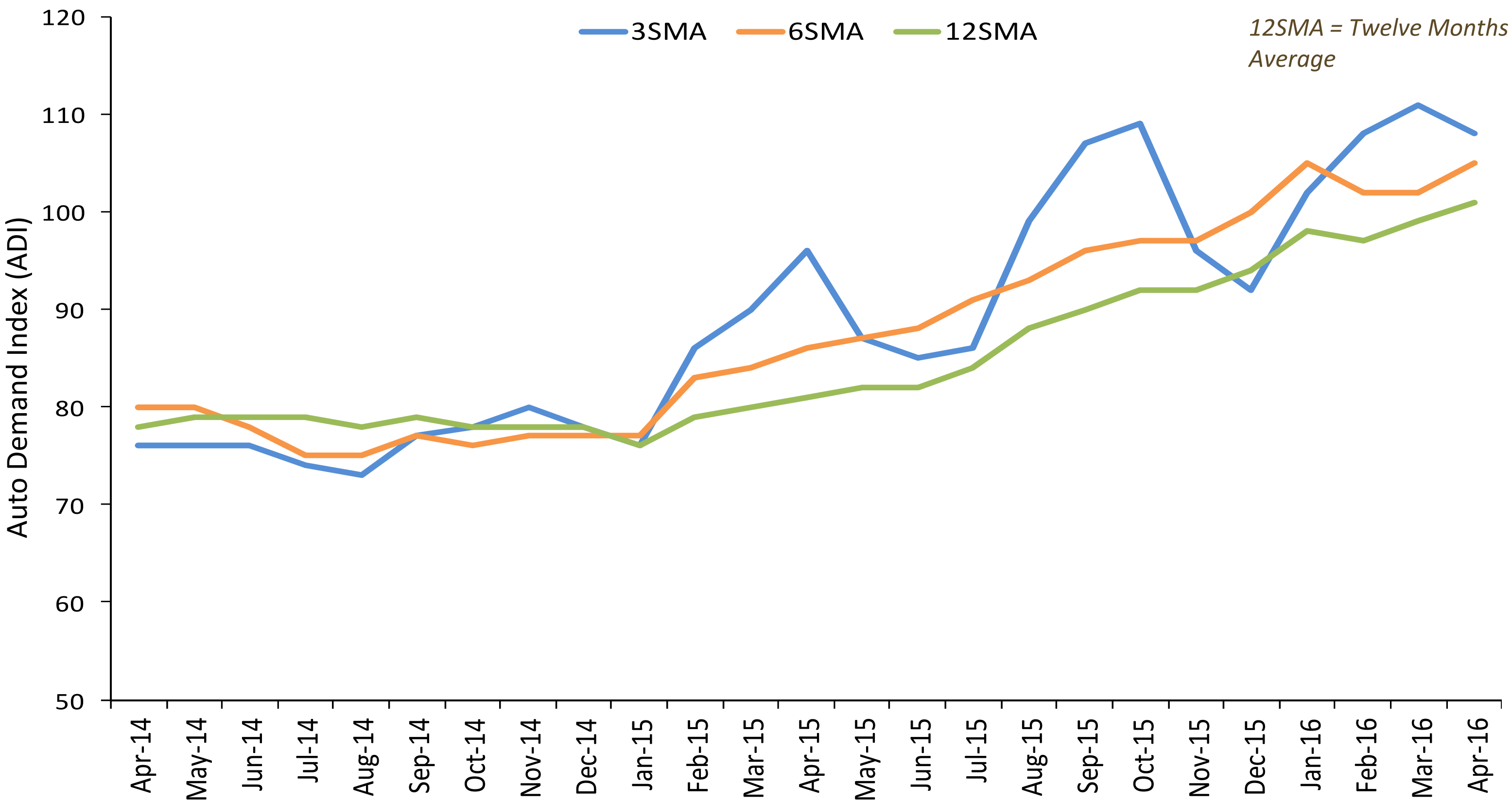
Base = All Respondents

After exhibiting three straight months of steady growth, purchase intent decelerated this month, as the 3-month moving average decreased three points to a score of 108. Meanwhile, both the 12-month moving and 6-month moving averages grew slightly in April.

3SMA= Three Months Simple Moving Average

6SMA = Six Months Simple Moving Average

12SMA = Twelve Months Simple Moving Average

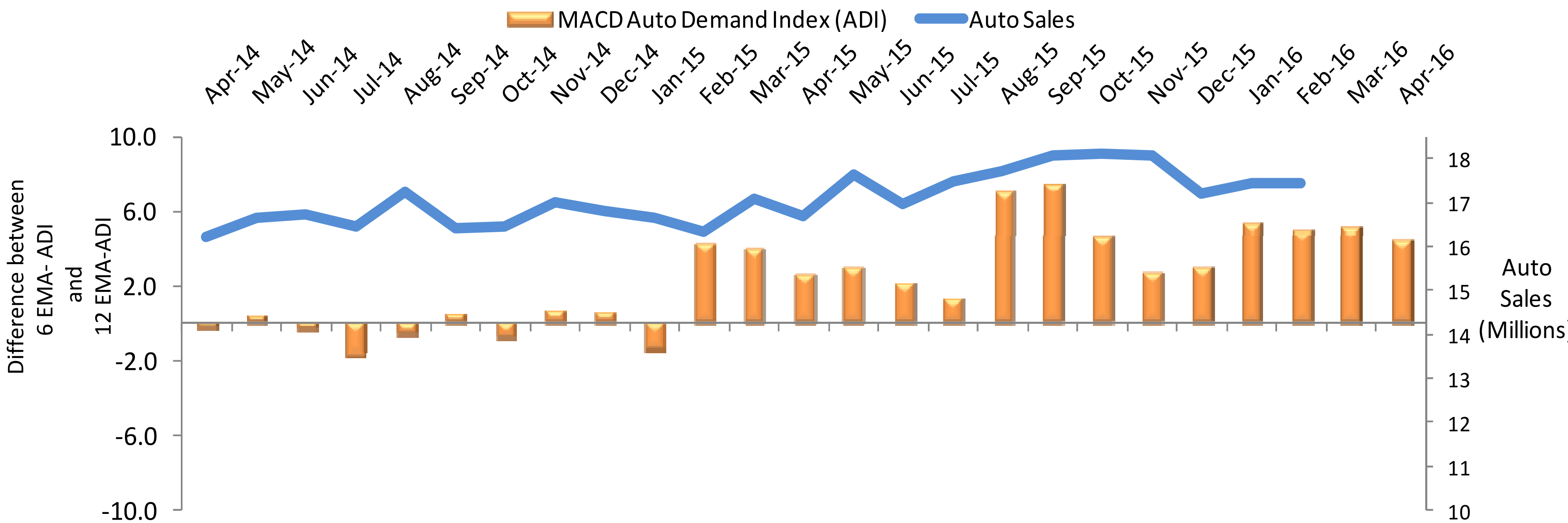


Momentum: Moving Average Convergence Divergence

Momentum= Fast Average (6-month exponential moving average) minus Slow Average (12-month exponential moving average)

Base = All Respondents

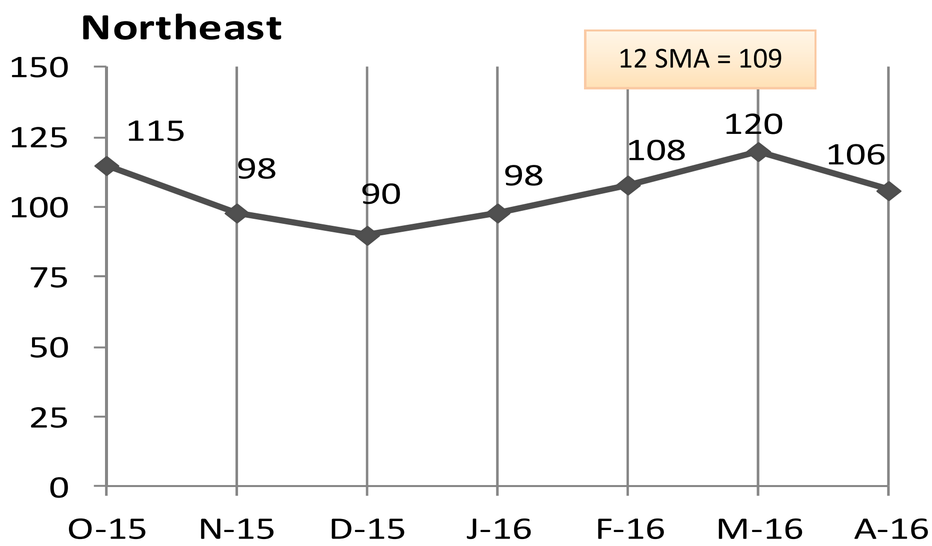
The Auto Demand Index maintained its positive momentum in April, though the reading declined slightly this month. TechnoMetrica anticipates that new vehicle sales will remain strong in the near future as the auto market persists in an uptrend. However, we expect that sales growth will occur at a slower rate over the coming months.

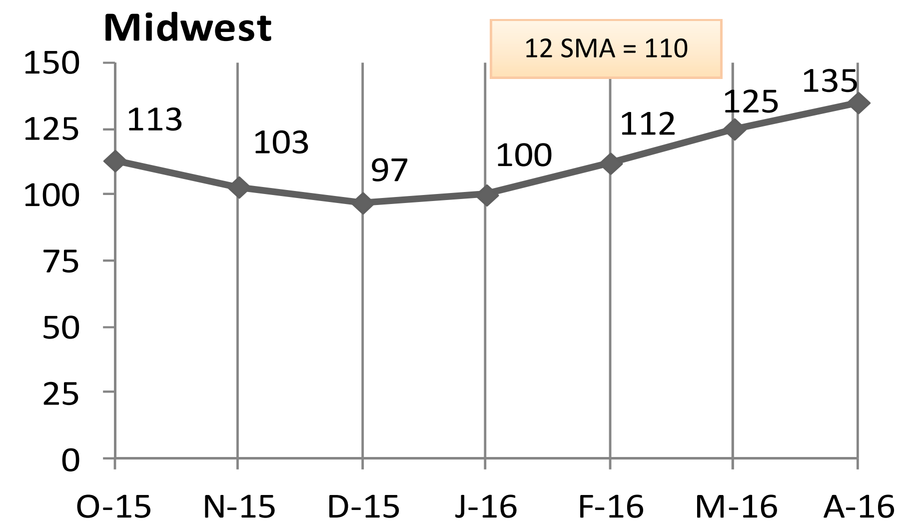


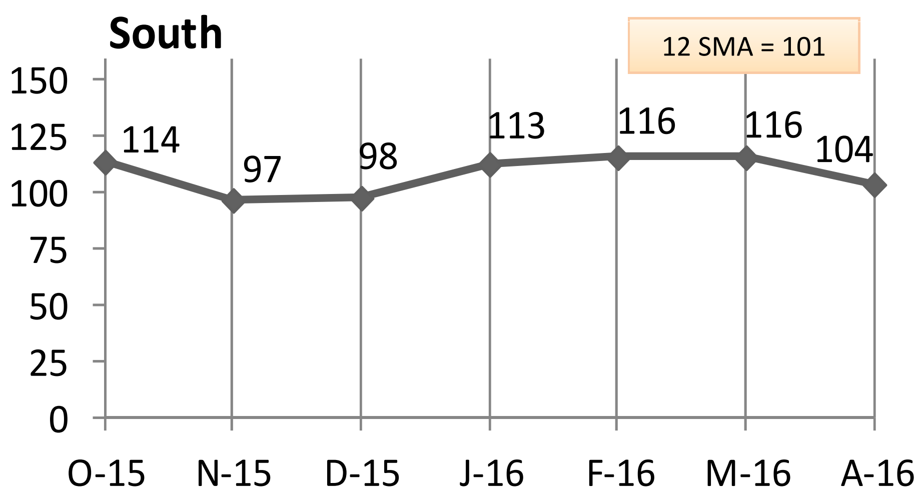
Difference between 6 EMA auto sales and 12 EMA auto sales

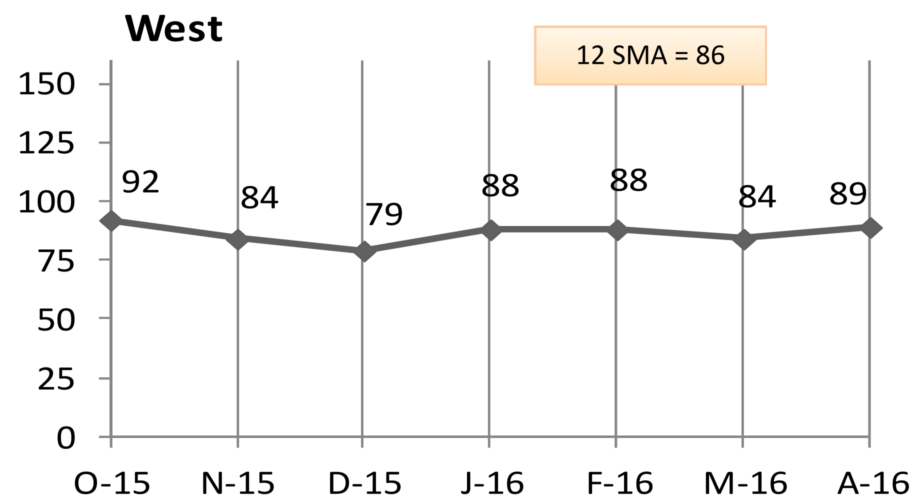
By Region 3 SMA

Base = All Respondents





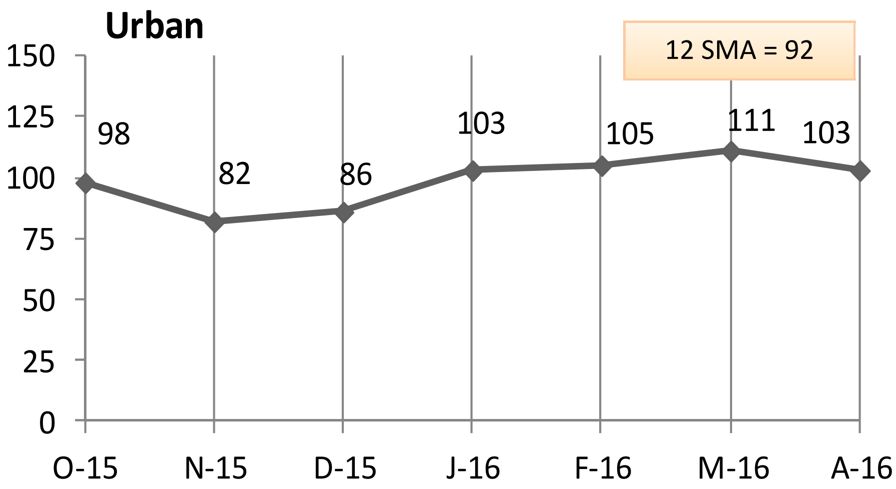


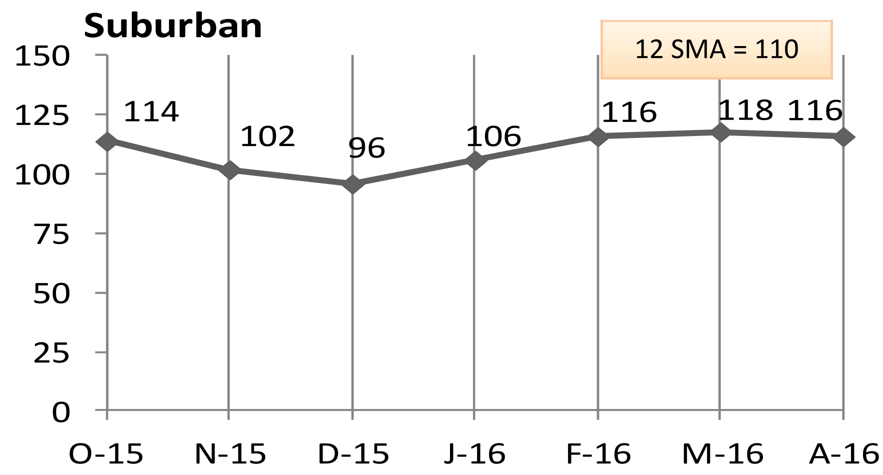


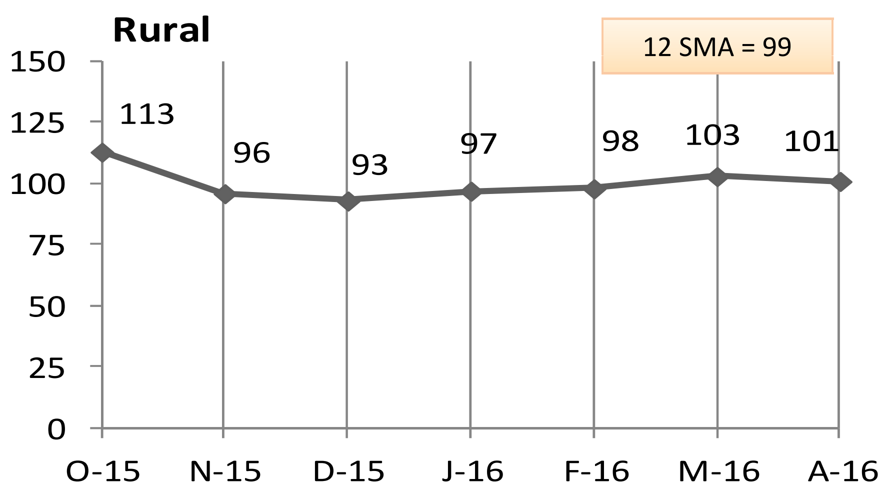
Q. How likely is it that you will buy or lease a new vehicle within the next 6 months?

By Area Type 3 SMA

Base = All Respondents



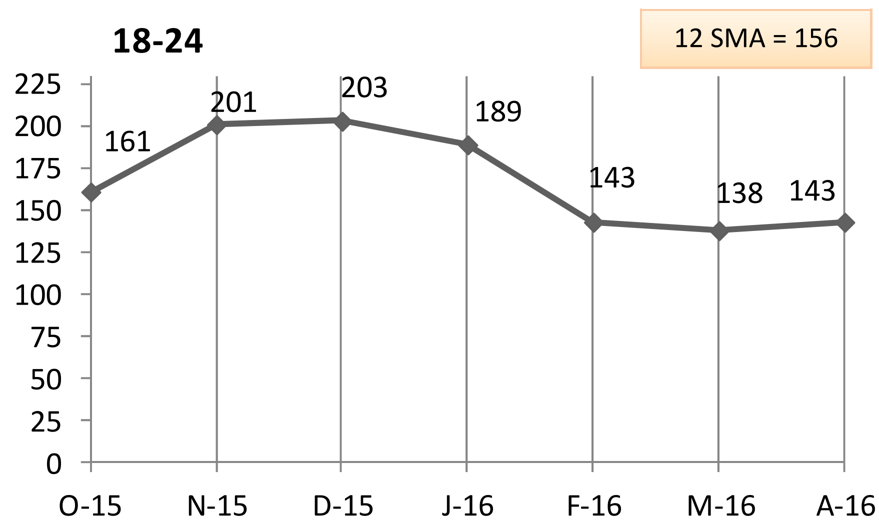


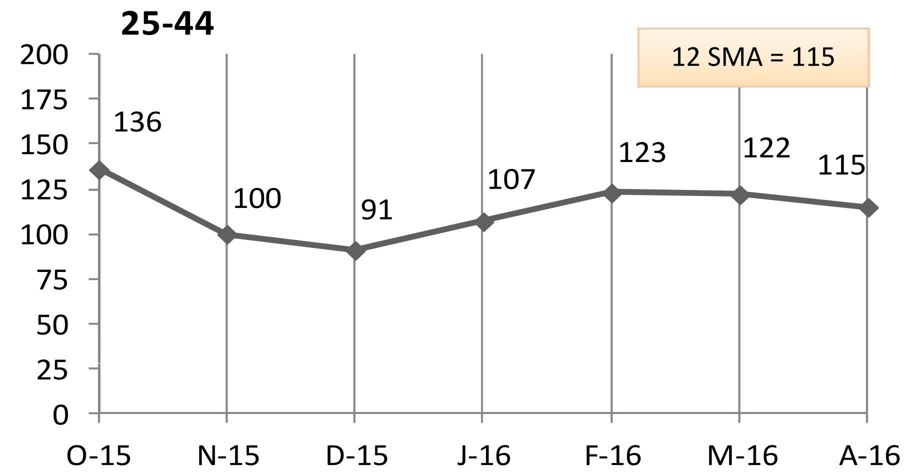


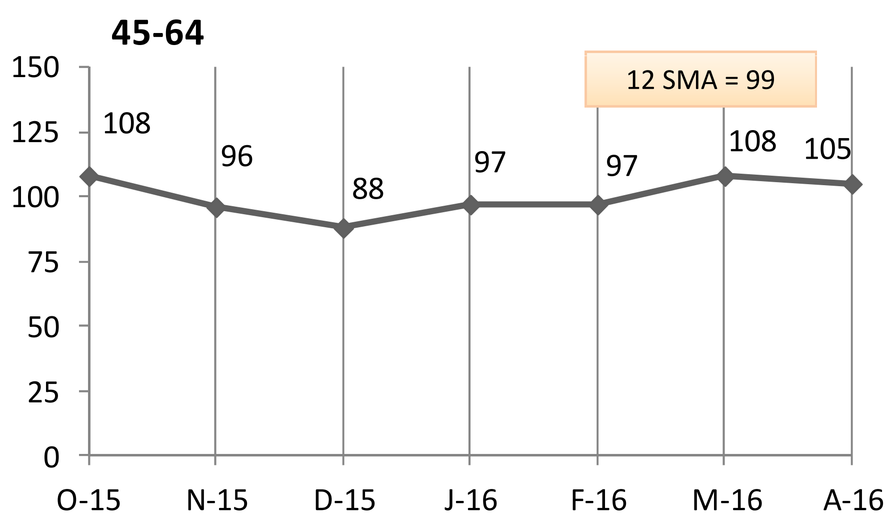
Q. How likely is it that you will buy or lease a new vehicle within the next 6 months?

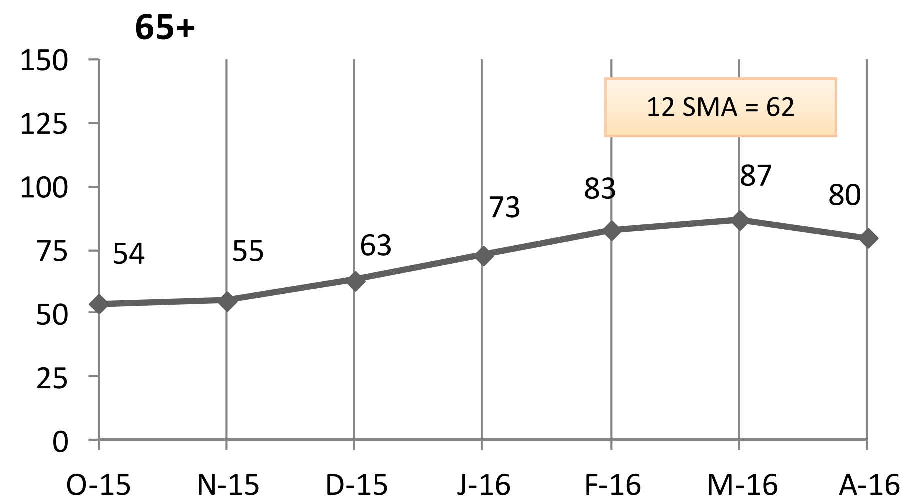
By Age 3 SMA

Base = All Respondents





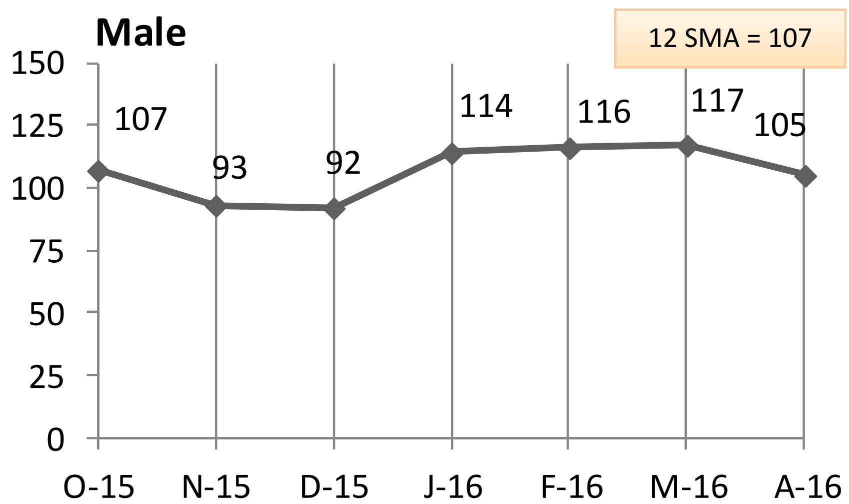


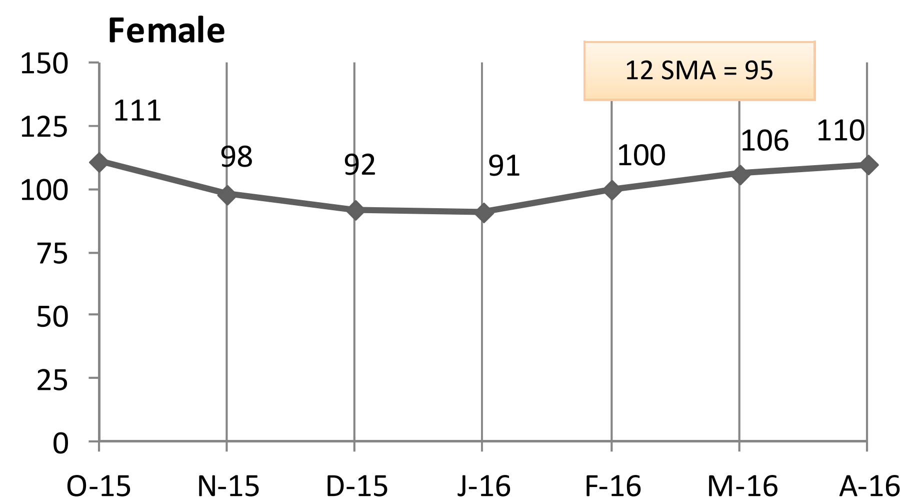


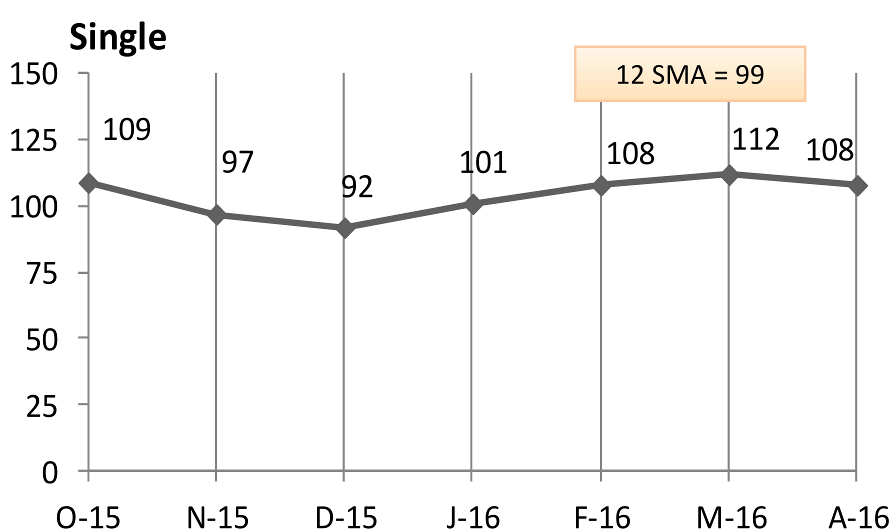
Q. How likely is it that you will buy or lease a new vehicle within the next 6 months?

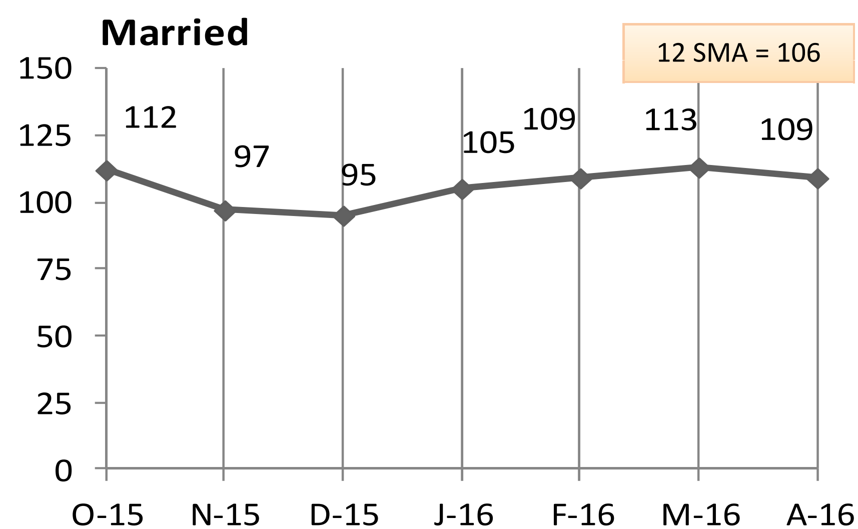
By Gender and Marital Status 3 SMA

Base = All Respondents







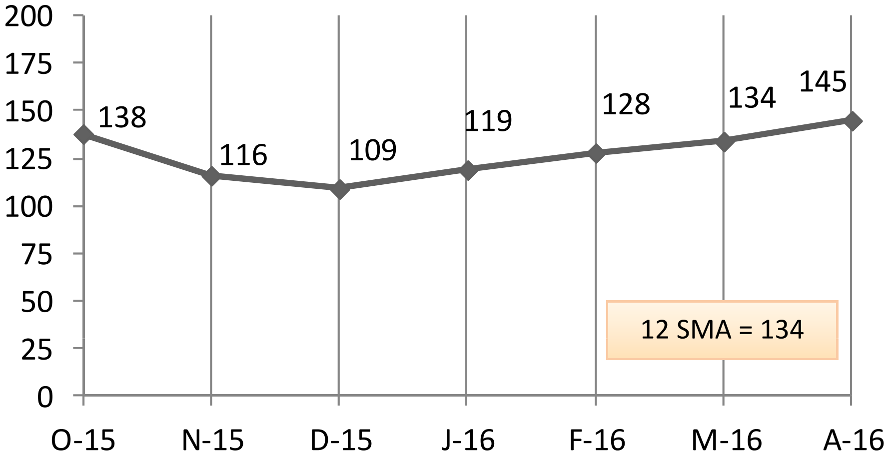


Q. How likely is it that you will buy or lease a new vehicle within the next 6 months?

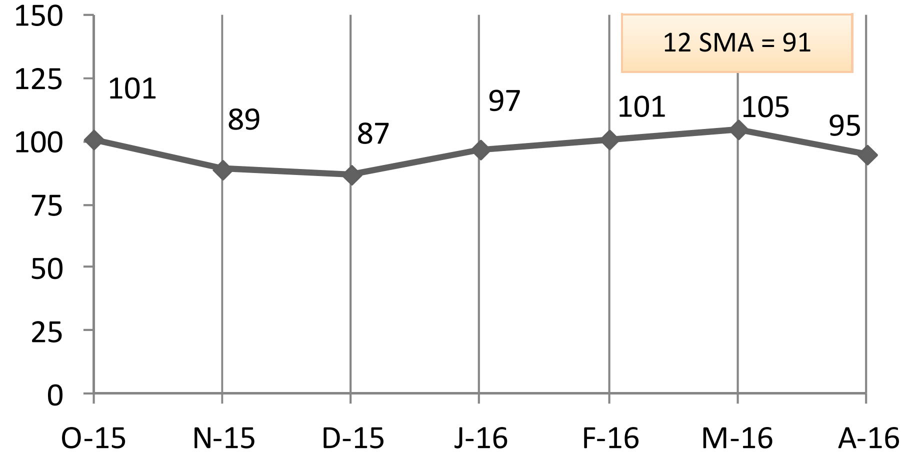
By Parental Status and Race/Ethnicity 3 SMA

Base = All Respondents

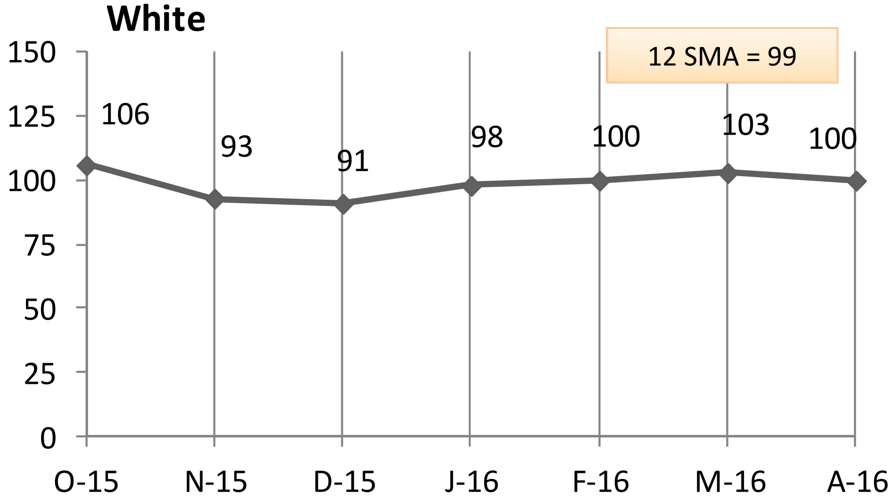
Parents



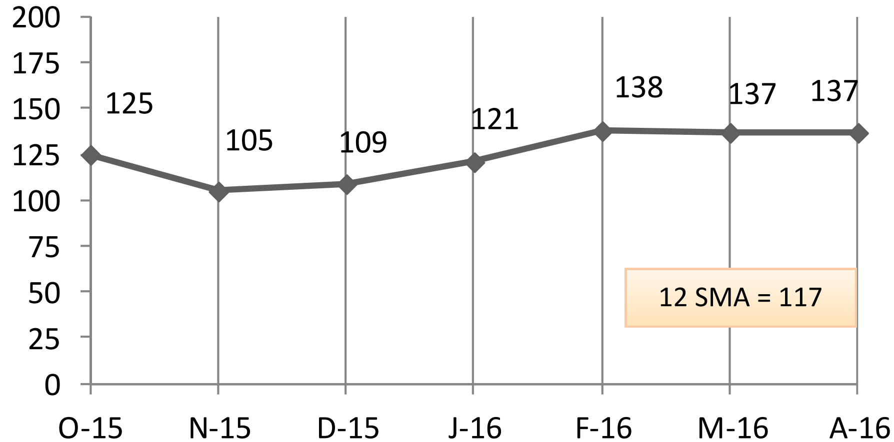
Non-Parents



White



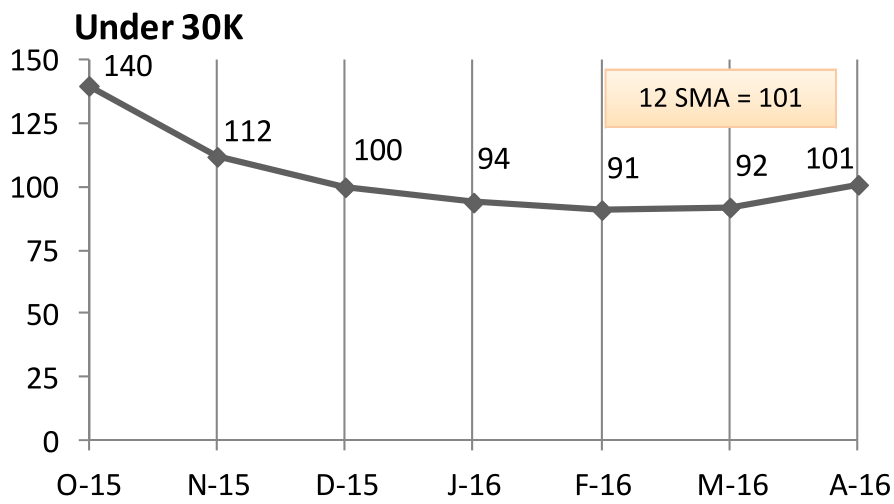
Black/Hispanic

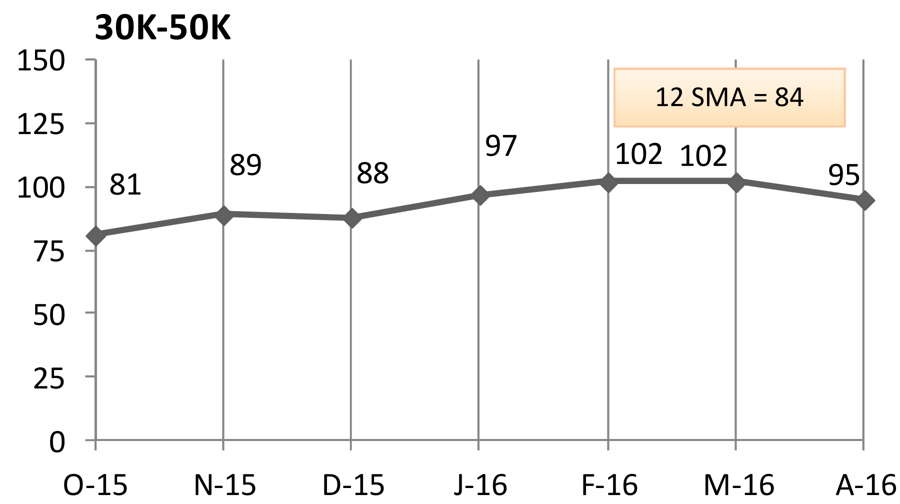


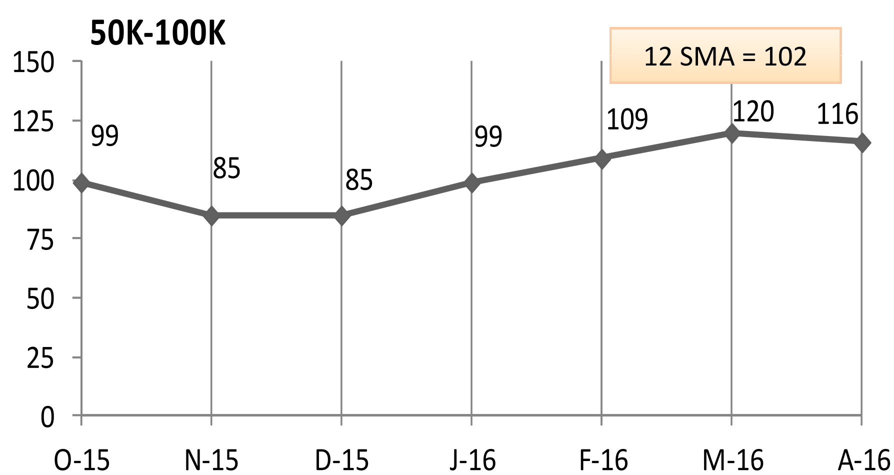
Q. How likely is it that you will buy or lease a new vehicle within the next 6 months?

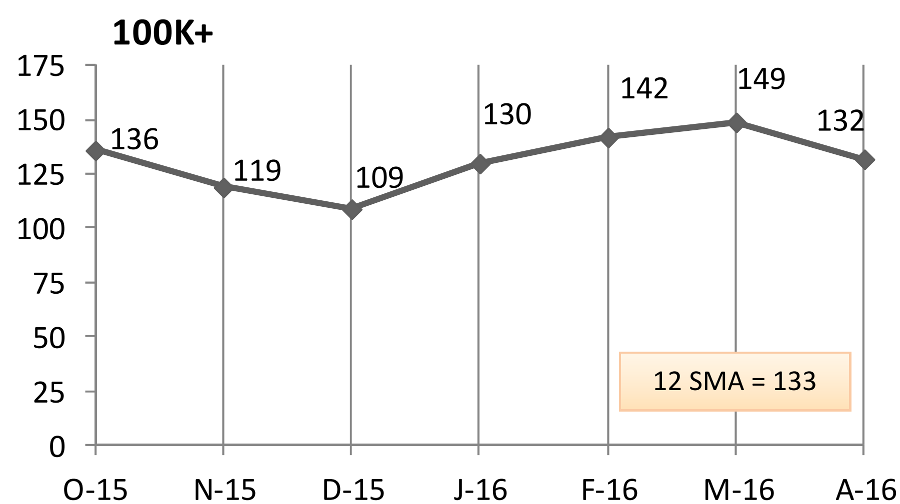
By Household Income 3 SMA

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

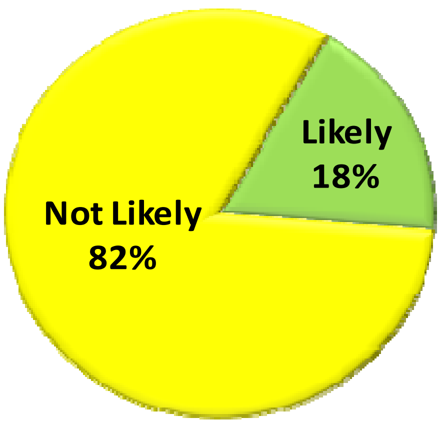
D. Vehicle Types Momentum

E. Preferred Vehicle Types 3 SMA

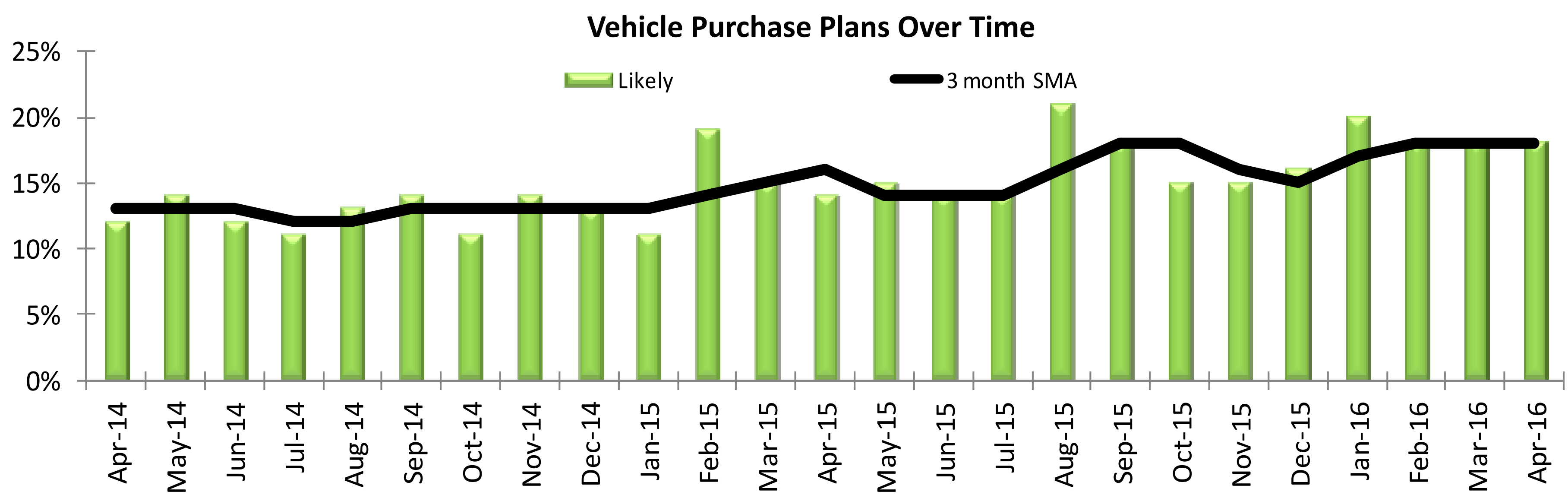
Vehicle Purchase Plans

April 2016

Base = All Respondents



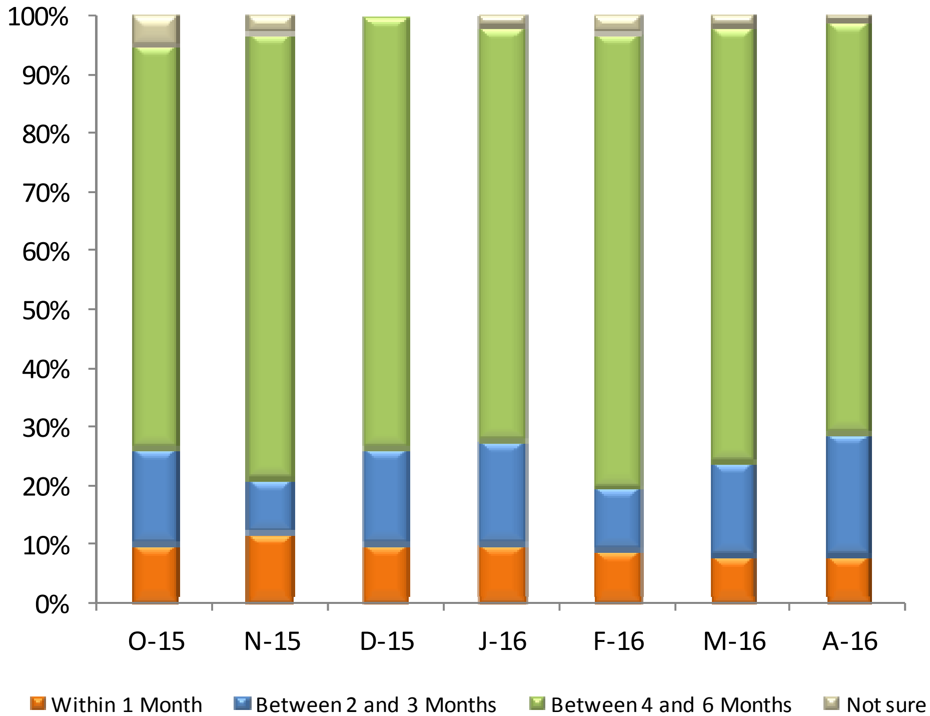
In April, the share of Americans who say they are likely to purchase or lease a new vehicle in the next six months remains unchanged from the previous month, at 18% .



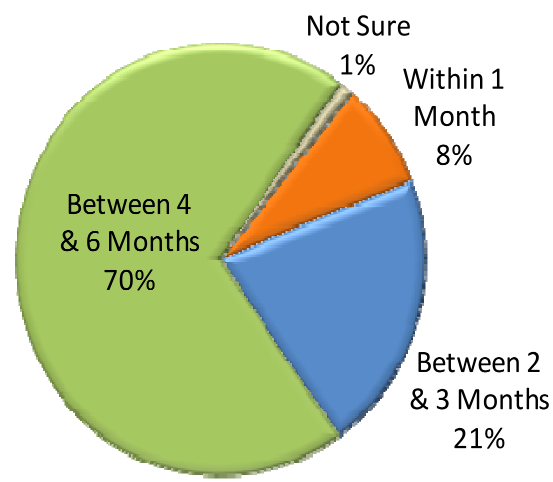
Vehicle Purchase/Lease Time Frame

Base = Potential Buyers

April 2016



	Average Time Frame (Months)
Nov-15	4.29
Dec-15	4.18
Jan-16	4.16
Feb-16	4.35
Mar-16	4.25
Apr-16	4.15



In April, the share of likely vehicle buyers planning to acquire a new vehicle within one month remained the same as the previous month's reading, at 8%.

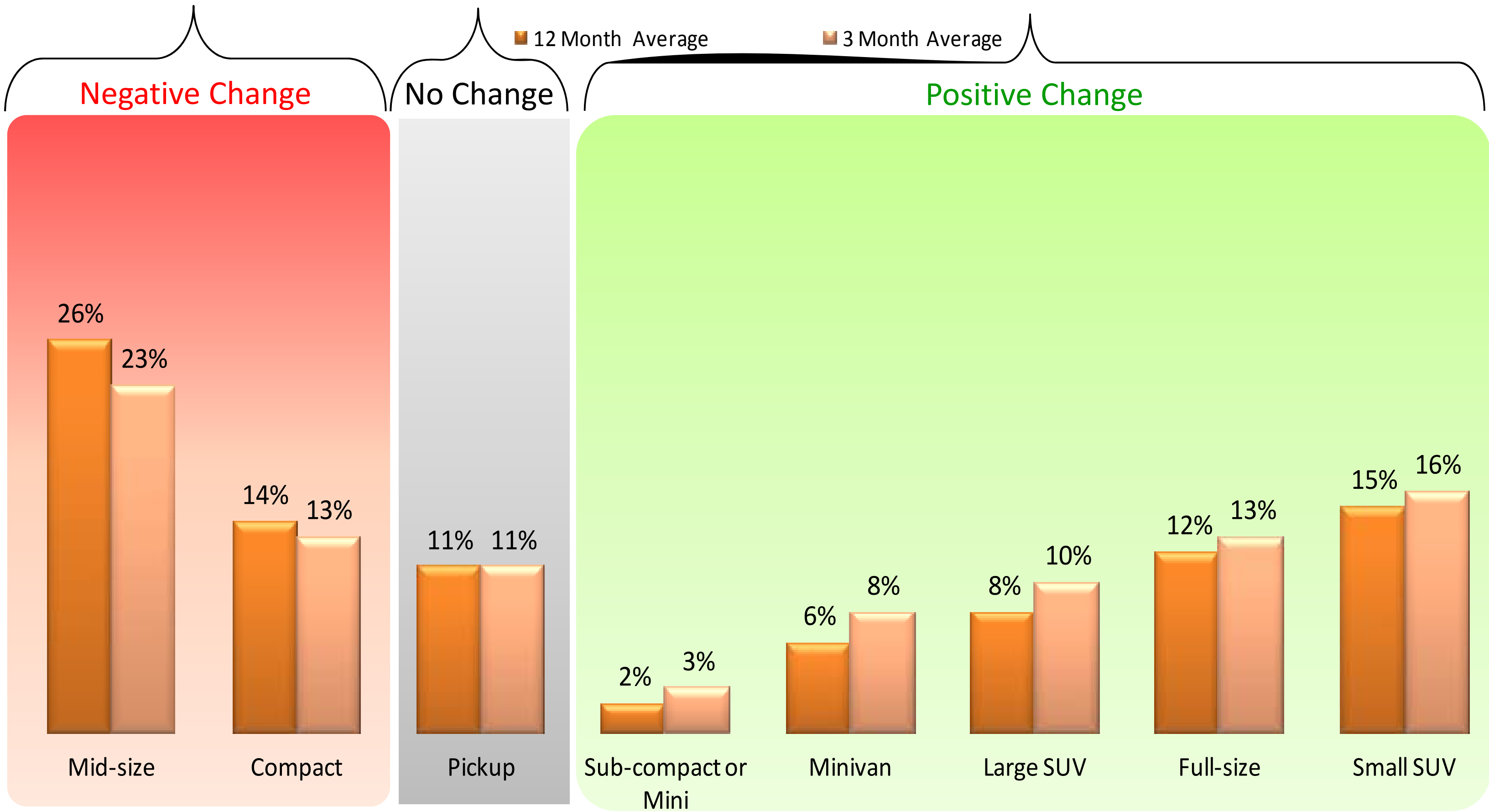
Of those likely to purchase or lease a new vehicle, nearly one in ten (8%) report that they will do so within one month, while 21% say they will make a purchase within the next 2 to 3 months. Seven in ten likely buyers are planning to do so further out (within 4 to 6 months).

Q. Will you make your purchase within the next month, 2 to 3 months, or in 4 to 6 months?

Vehicle Type Momentum

April 2016

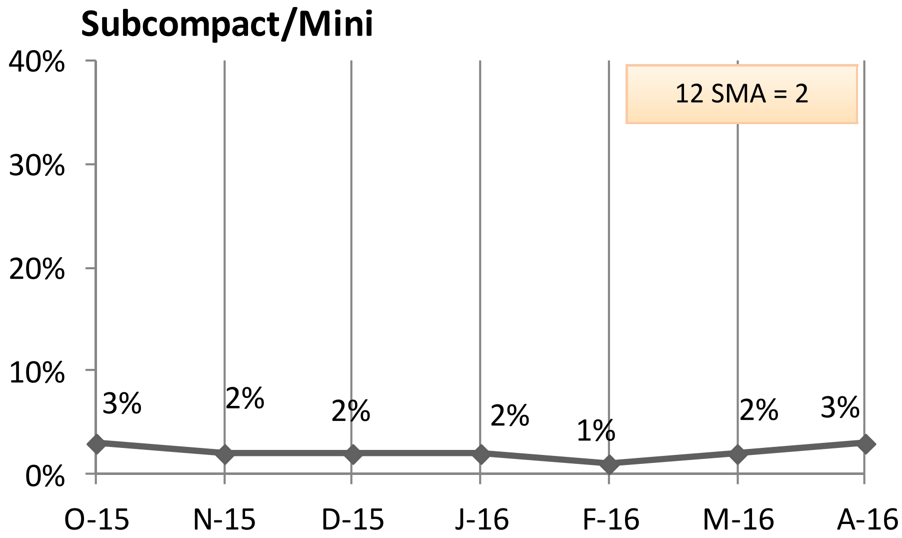
Base = Potential Buyers

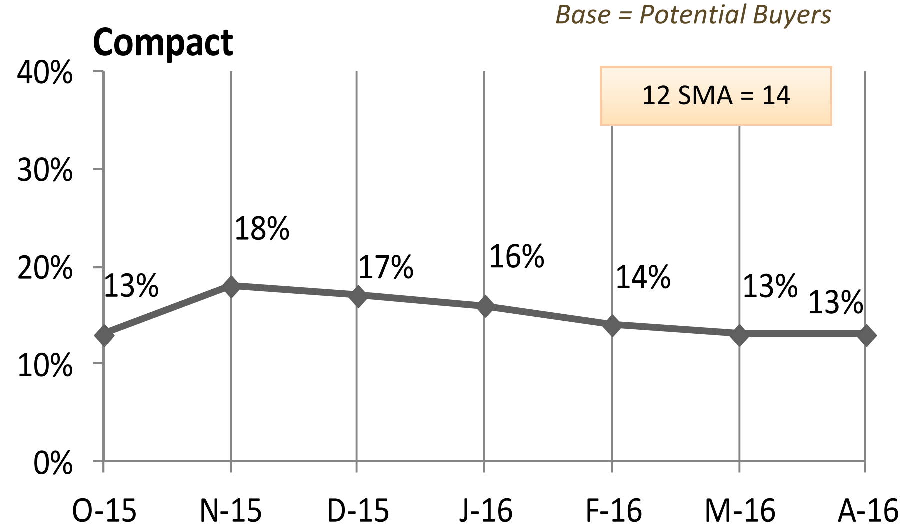


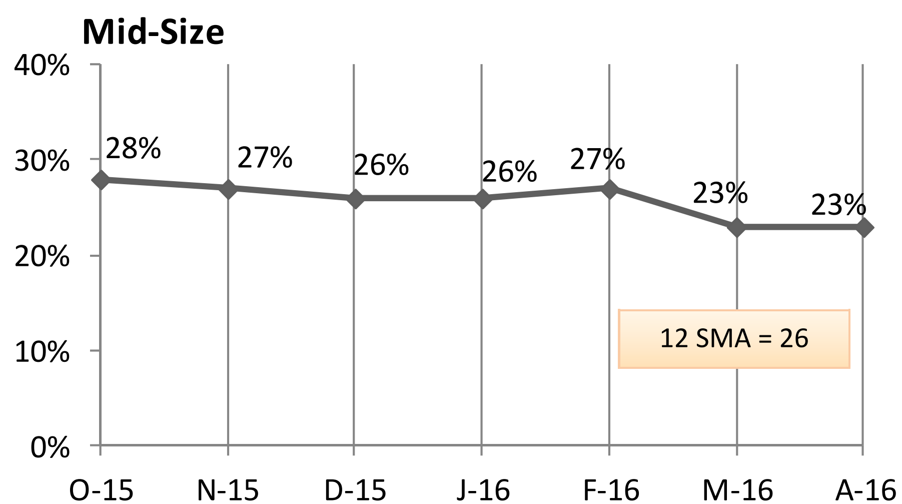
Q. What type of vehicle are you most likely to buy or lease?

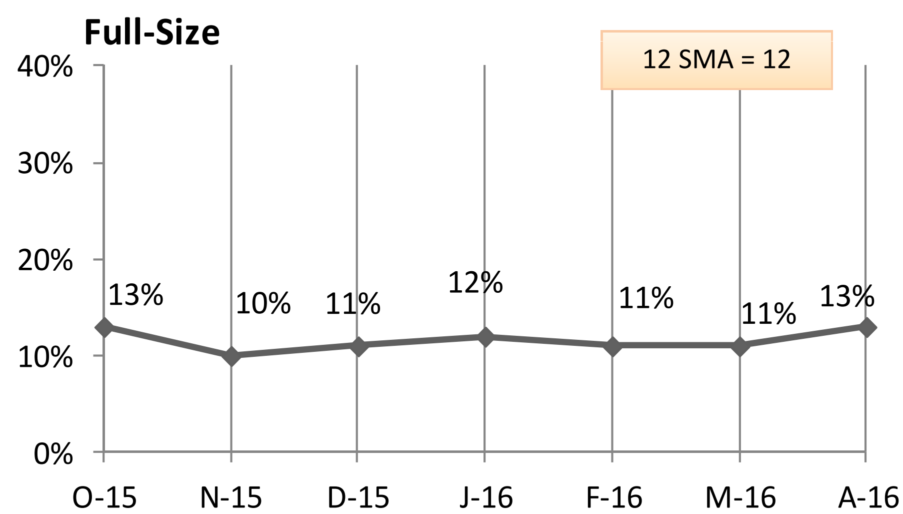
Preferred Vehicle Types Over Time - 3 SMA

Base = Potential Buyers

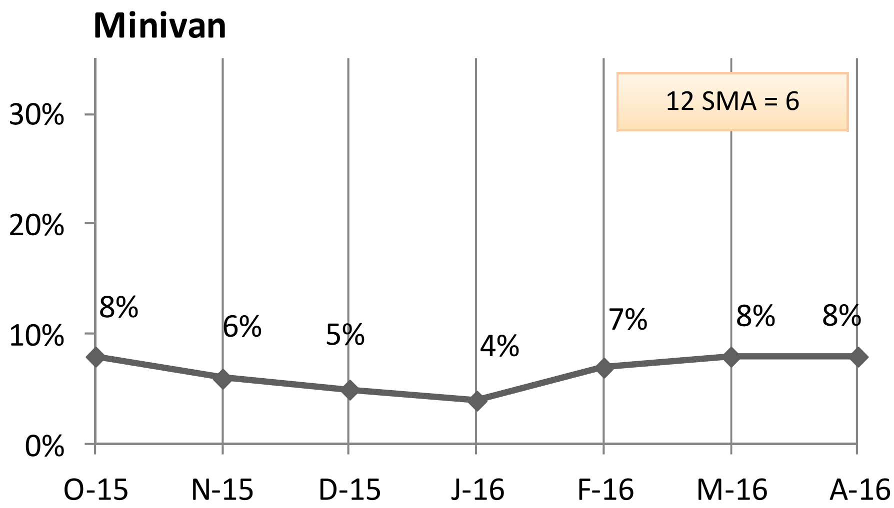


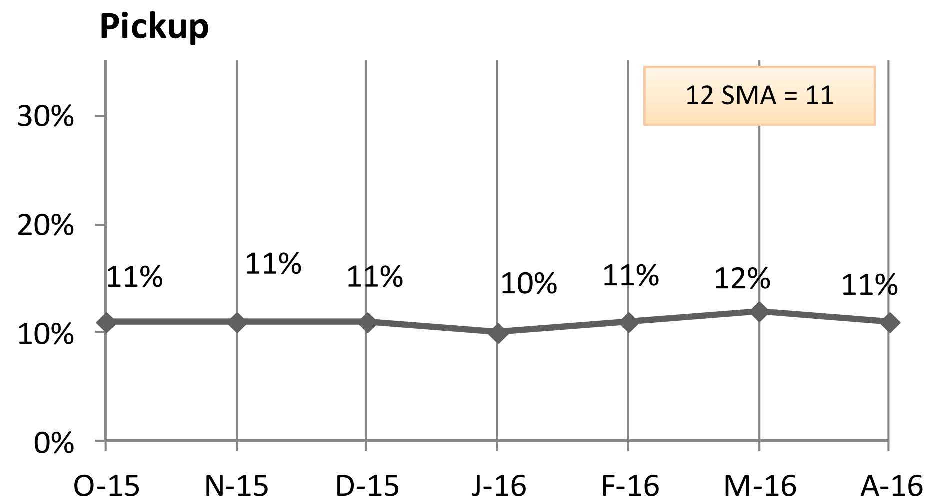


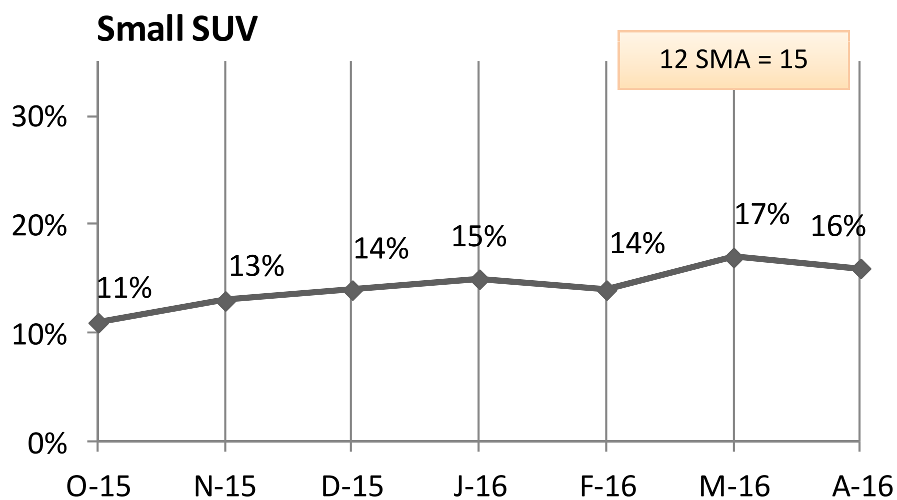


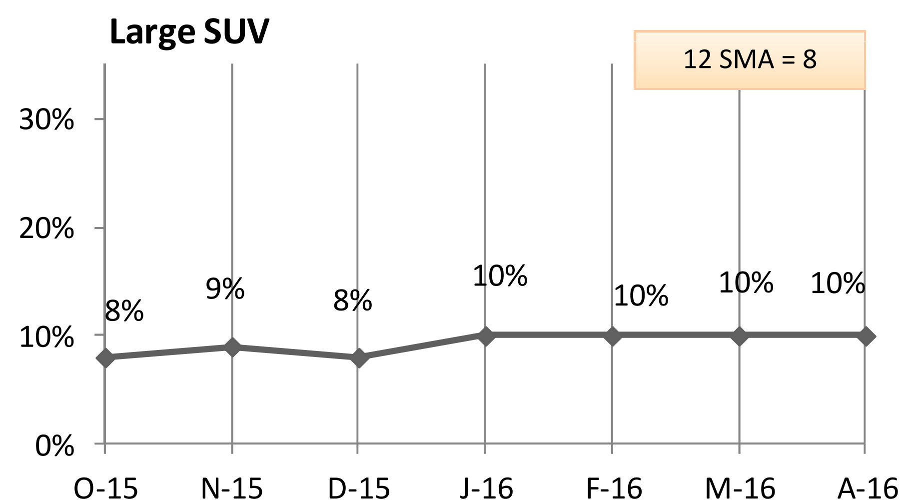


Preferred Vehicle Types Over Time - 3 SMA









IV. Brand Preferences

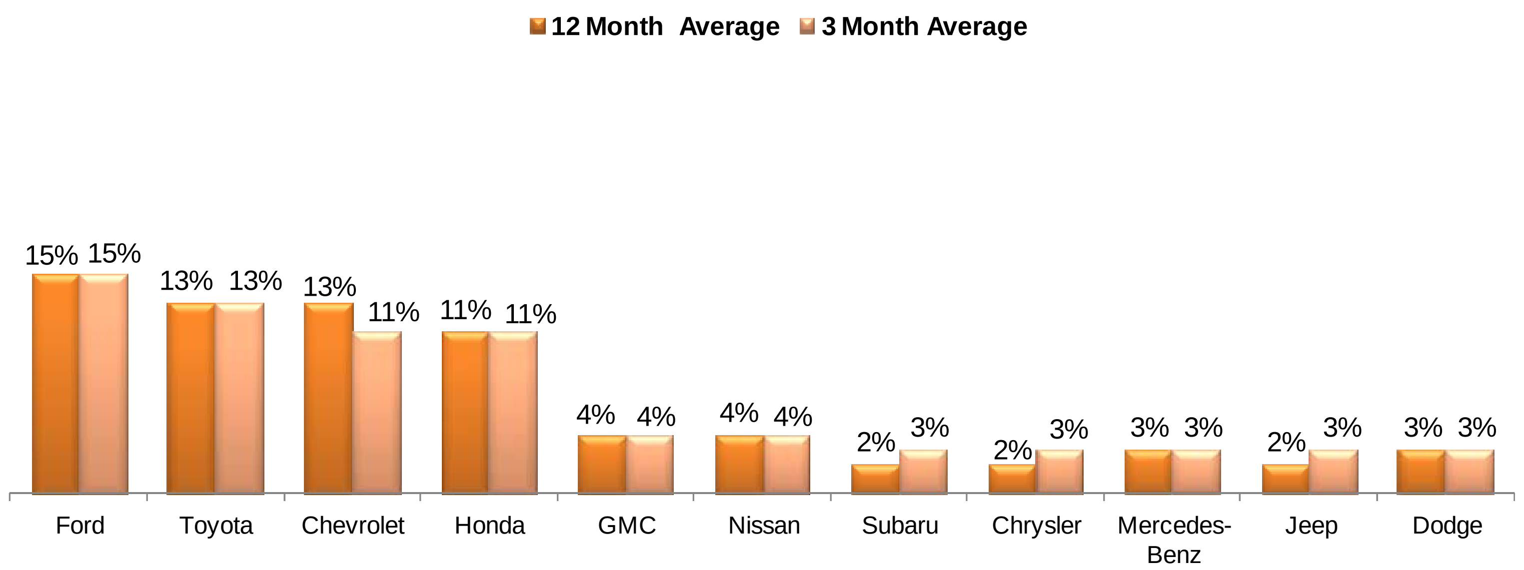
A. Top Ten Brands Consumers Would Buy

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

Top Brands Consumers Would Buy Today

April 2016

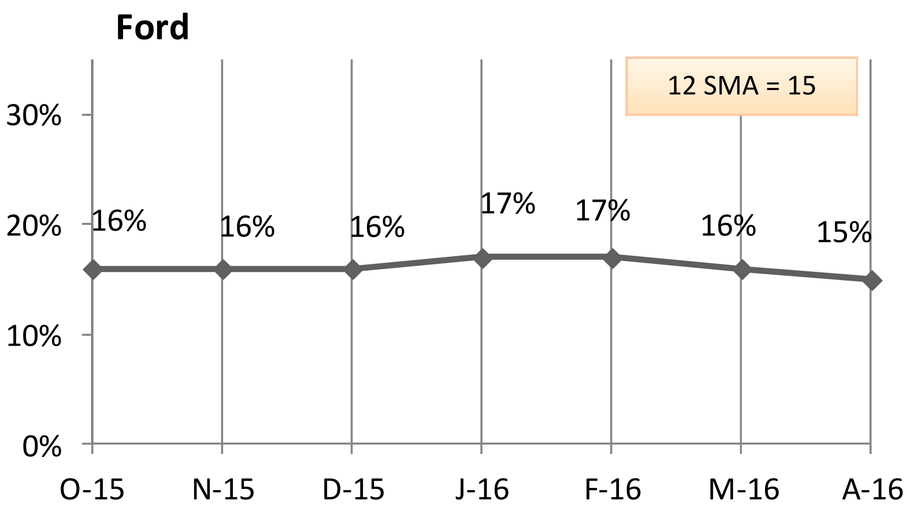
Base = Likely Buyers

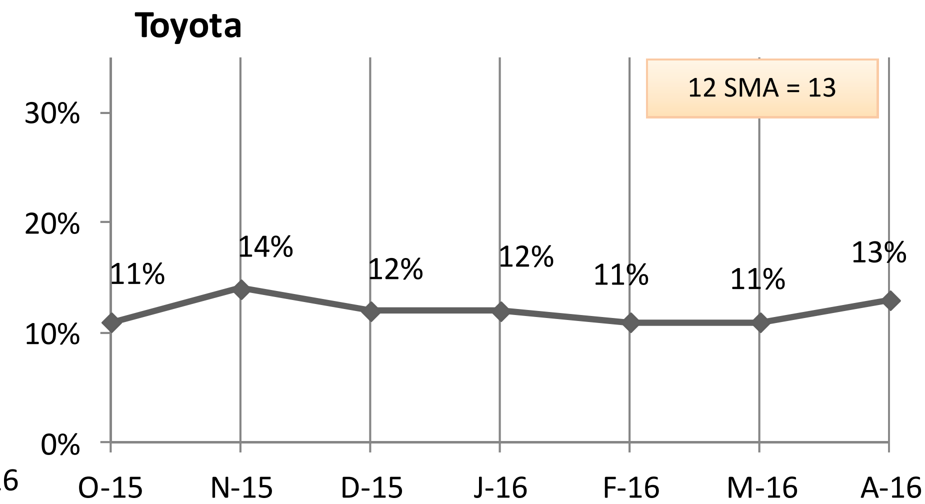


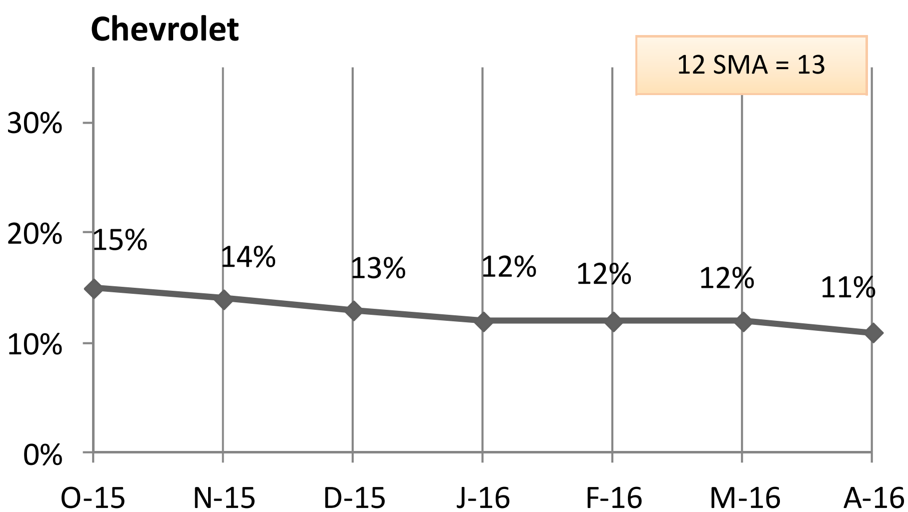
Sorted by 3SMA

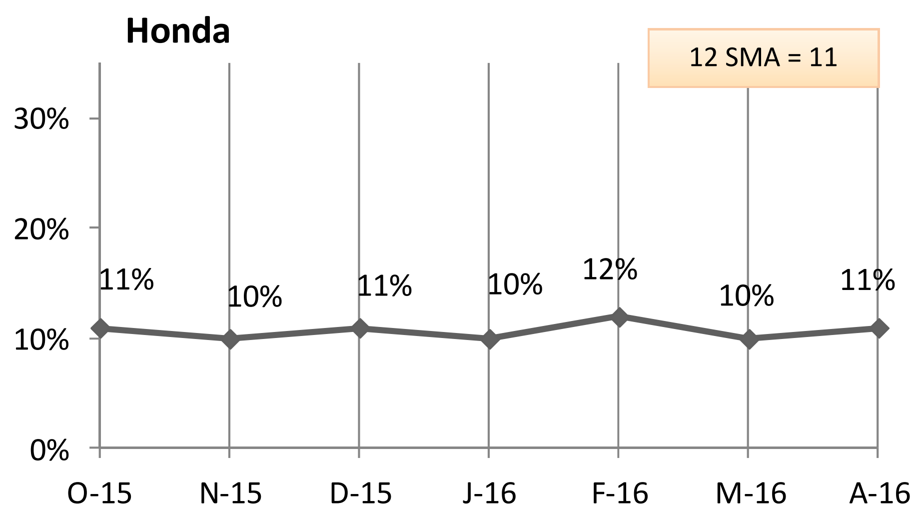
Brand Preference Over Time 3 SMA (Top 4 Brands)

Base = Likely Buyers



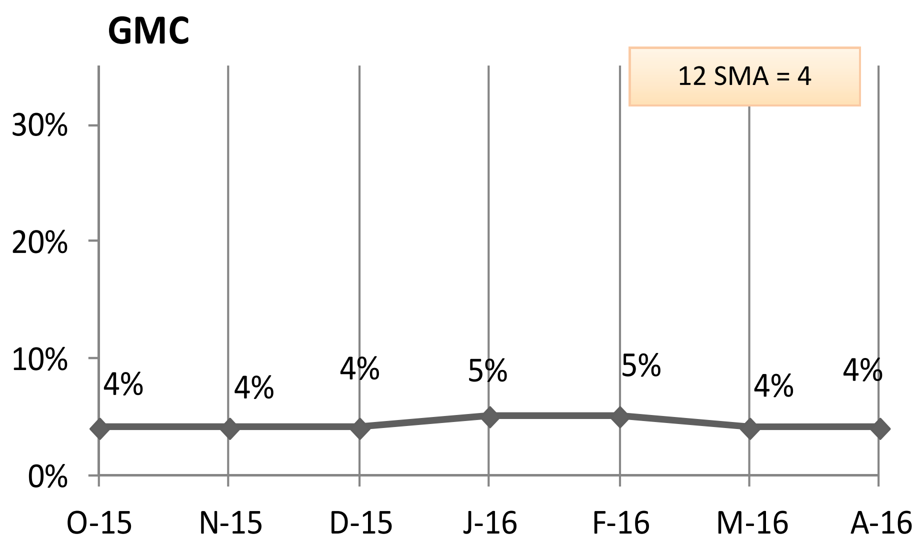


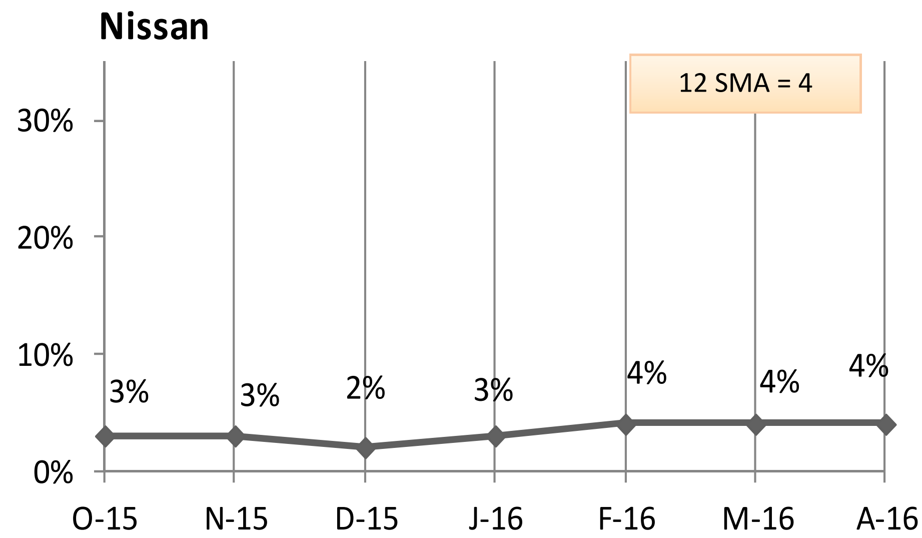


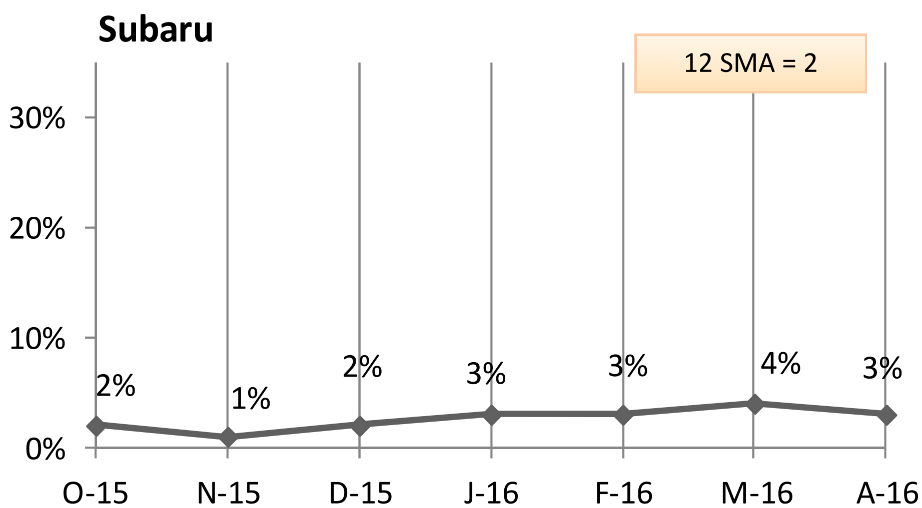


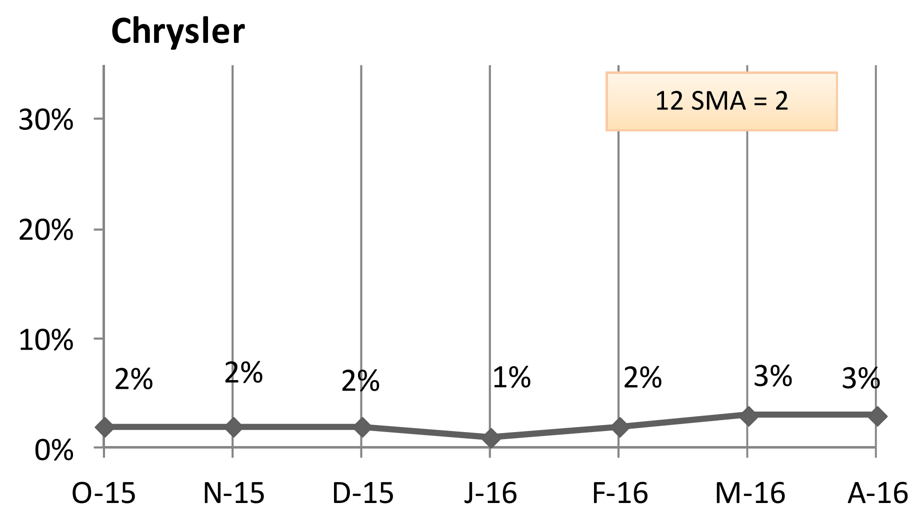
Brand Preference Over Time 3 SMA (Brands 5 to 8)

Base = Likely Buyers



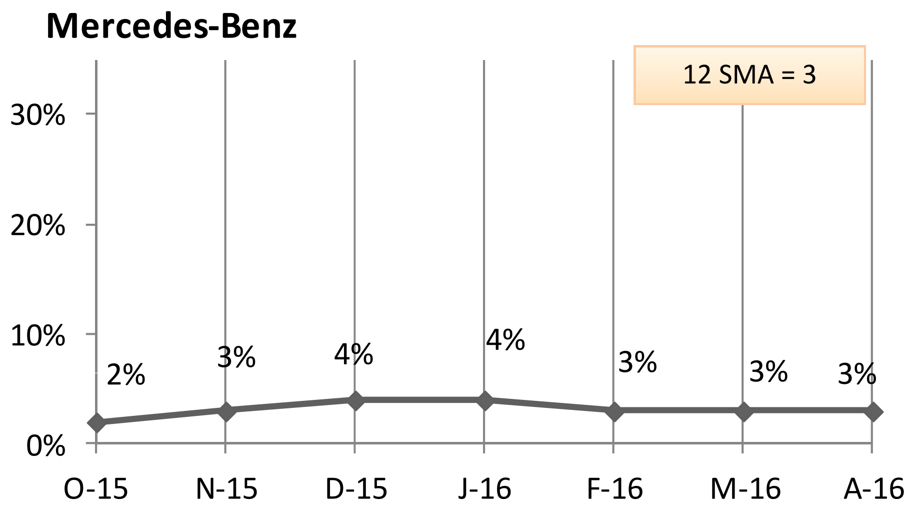


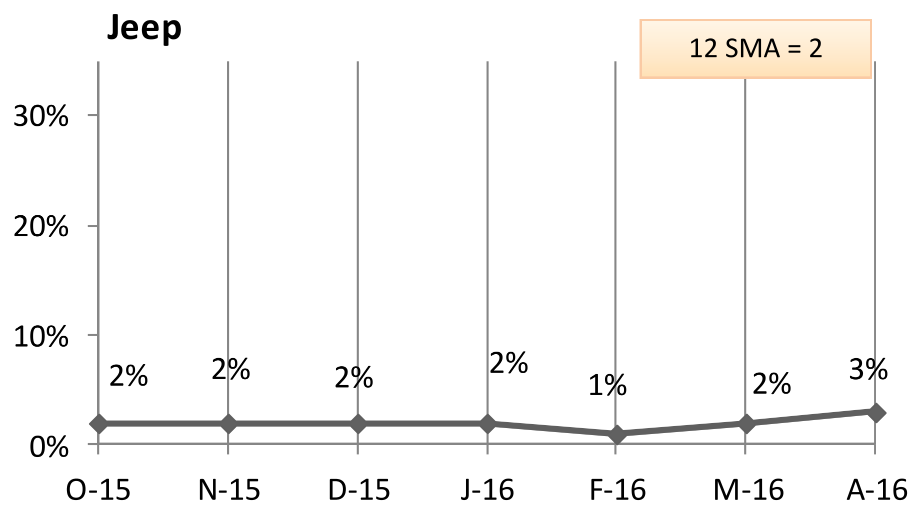


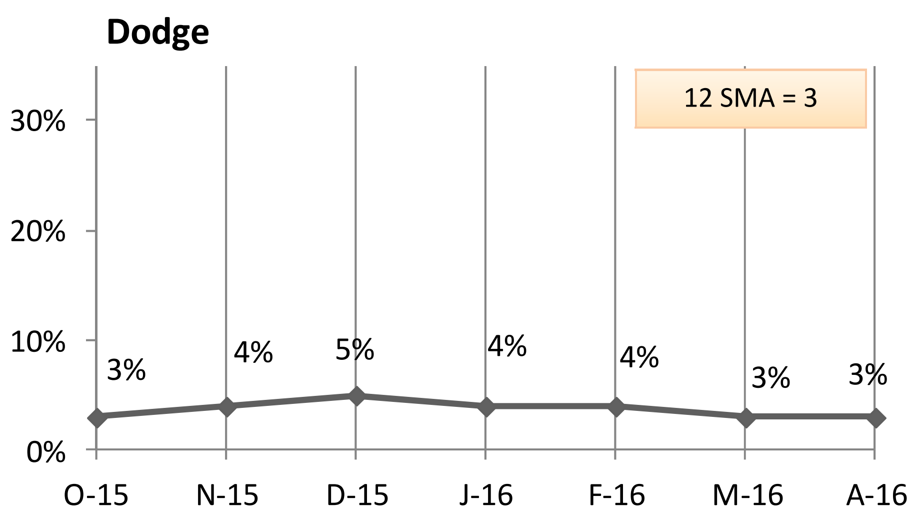


Brand Preference Over Time 3 SMA (Brands 9 to 11)

Base = Likely Buyers



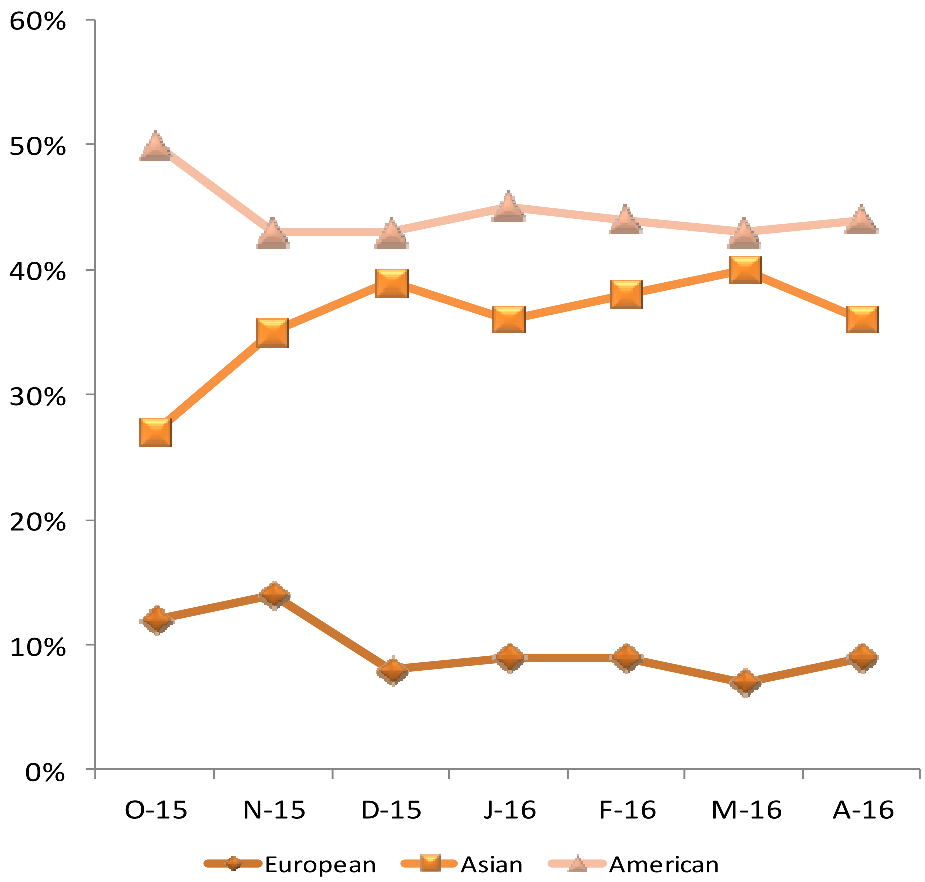


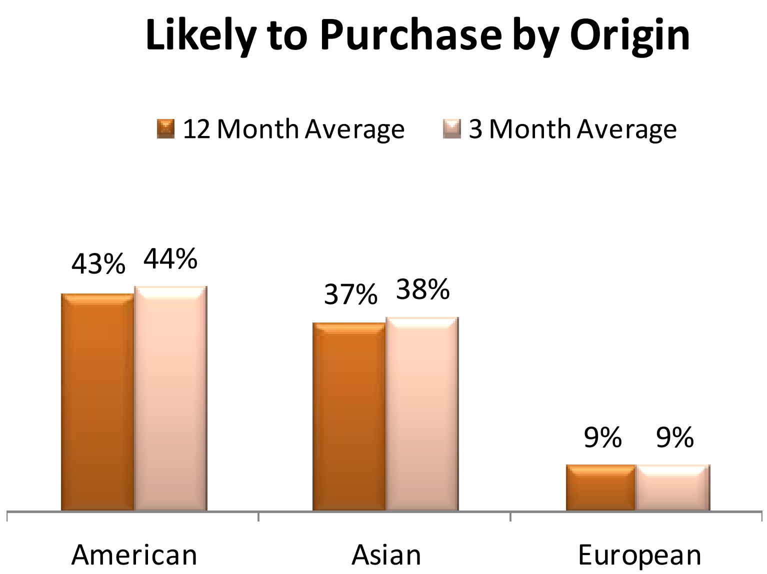


By Vehicle Origin

April 2016

Base = Likely Buyers



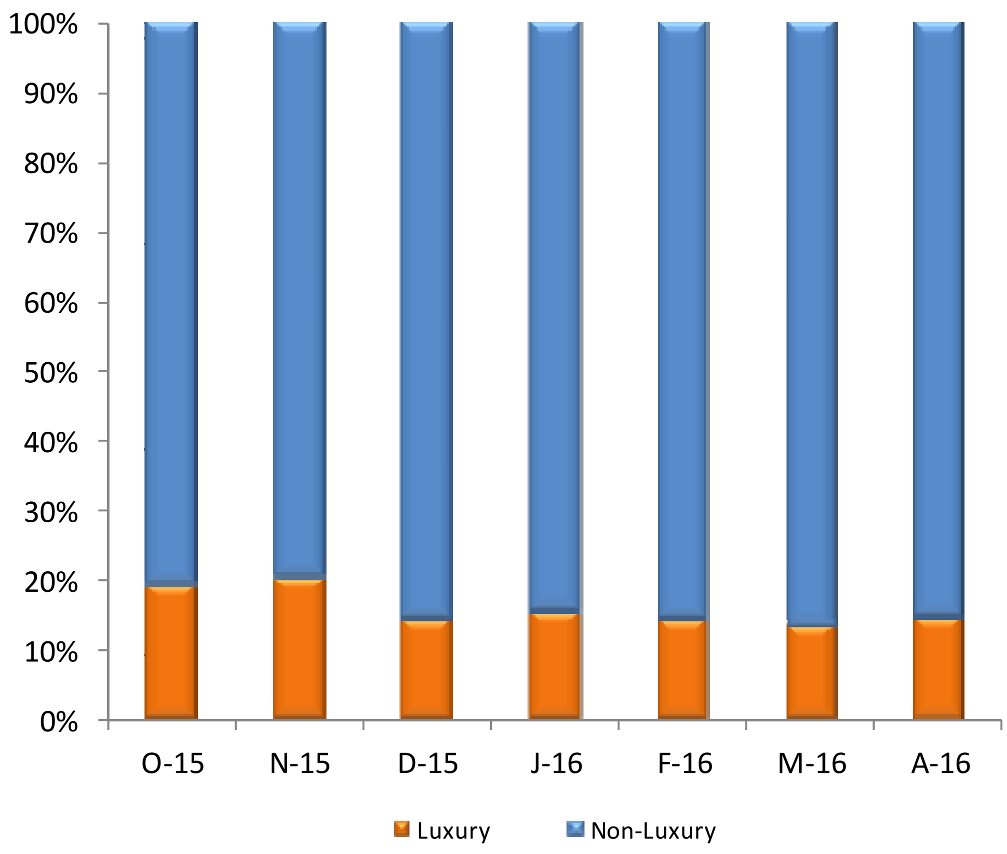


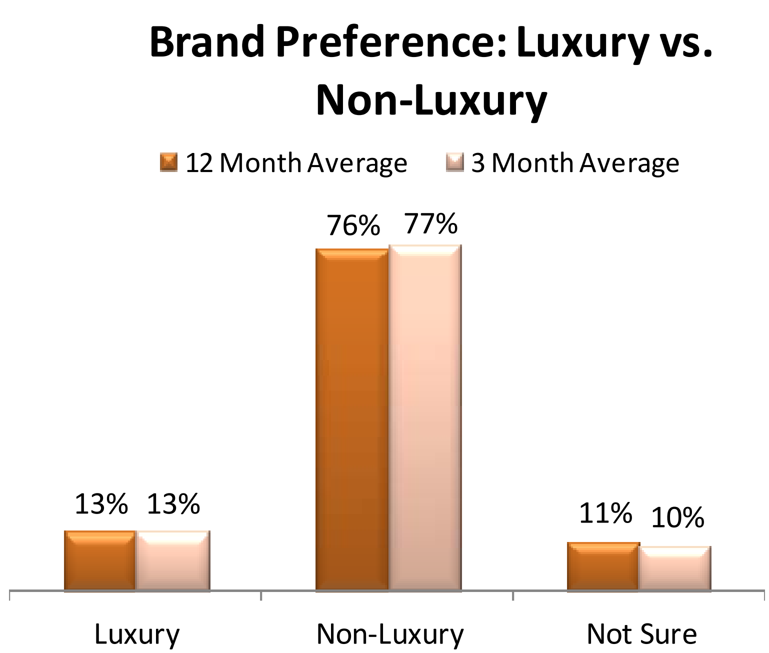
Q. If you were to buy a vehicle today, what brand would you buy?

Luxury vs. Non-Luxury

April 2016

Base = Likely Buyers





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

Conclusions

- The Auto Demand Index level decreased by five points in April, registering a score of 106. Last month, the Index had gained five points to attain a reading of 111. Despite this month's slight decline, the ADI has posted a score over 100 for four straight months, signifying positive growth in purchase intent. Accordingly, TechnoMetrica anticipates that new vehicle sales will continue to rise, albeit at a slower pace than their performance over the past year.

- Momentum for purchase intent has decelerated this month. After posting three straight months of growth, the 3-month moving average declined by three points to a score of 108 in April. Meanwhile, the 6-month moving average and the 12-month moving average both improved slightly.

- The greatest increase in purchase intent was seen among parents and consumers living in the Midwest, who posted gains of 11 points and 10 points, respectively. Consumers earning less than $30K in income also registered significant growth in their intention to acquire a new vehicle. Americans with incomes greater than $100K displayed the greatest drop in purchase intent, followed by Northeasterners.

- In April, the share of consumers who indicated that they were likely to purchase a vehicle within the next six months remained unchanged from the previous month, at 18%. Consumers' preferences regarding the types of vehicles they plan to purchase displayed little change from March. The most sizeable increase in preference for vehicle type was exhibited by those desiring to acquire full-size cars, which improved by two points.

- This month, Ford maintained its position as the most preferred brand among those intending to acquire a new vehicle, as it was chosen by 15% of consumers. Toyota was consumers' second most preferred brand, at 13%, while Chevrolet and Honda earned similar shares of likely buyers (11%). Regarding the land of origin of the brands that consumers intend to purchase, most consumers still prefer American-made vehicles.

Contact Information

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

Contact:	Raghavan Mayur
Address:	70 Hilltop Road, Suite 1001 Ramsey, NJ 07446
Phone:	800-328-TECH (8324) 201-986-1288
Fax:	201-986-0119
Email:	mayur@technometrica.com
Web:	www.technometrica.com