Car Market Continues to Offer Challenges for the Second Half of 2008

GM, Ford Look to Success of Malibu, Focus To Rally Against Slumping Truck Sales

The Toyota Camry, the Honda Accord, the Honda Civic and the Nissan Altima topped the list of the most-searched-for new vehicles in July on AutoTrader.com, the ultimate automotive marketplace with over 3.5 million vehicle listings. Using research gathered by studying the shopping habits of over 14 million unique monthly visitors to the site, many of whom are in-market shoppers looking to complete a vehicle purchase within the next 90 days, AutoTrader.com has begun compiling this data to offer insight into current and emerging sales trends in the automobile industry.

(Logo: http://www.newscom.com/cgi-bin/prnh/20080205/CLTU088LOGO)

As truck and SUV sales continue to decline in the face of $4 a gallon gas and other economic uncertainties, consumers in general are continuing their steady migration to compact and midsize sedans when searching for a new vehicle. This suggests a continued downturn among domestic manufacturers, who have traditionally relied on sales of these vehicles.

In this downturn, though, the 2008 Chevrolet Malibu is a noticeable bright spot. The new Malibu has seen searches rise 293% over the previous generation during the same time period in 2007. This rise in search activity comes even as the average asking price of Chevrolet's midsize sedan has increased $4,500 year-over-year, putting it slightly higher than either the Toyota Camry or the Nissan Altima. Malibu sales have already benefited from a robust marketing campaign and positive reviews, and AutoTrader.com's data indicates the car should become a strong sales rival to the Camry and Honda Accord in the coming months.

Further good news came from increases in searches for both the Chevrolet Impala and Chevrolet Cobalt, up 67.93% and 15.27% year-over-year, respectively. Ford's compact Focus also saw search activity rise over 72% from July 2007, while the average asking price rose 2.5%.

"The new Chevrolet Malibu is a perfect example of a domestic car that competes with the best from Honda, Toyota, and Nissan not on price, but on quality and execution," said AutoTrader.com President and CEO Chip Perry. "We expect to see the sales of new, smaller cars from GM and Ford to continue to rise, thereby helping to offset some of the loss of sales in trucks."

While searches for trucks generally trended downward in July, interest in the compact Toyota Tacoma pick-up rose 43% year-over-year. Many pick-up buyers still need the ability to haul, tow or go off-road, and these consumers are beginning to look at smaller compact and midsize models such as the Tacoma for its ability to combine traditional truck attributes with the promise of improved gas mileage.

Two popular lifestyle vehicles-the Ford Mustang and Jeep Wrangler-were joined by a newcomer, the Dodge Challenger, on the list of 20 most-searched for new vehicles. Many consumers performing these searches are not actually in-market to buy, but are simply looking at inventory out of sheer desire to own. While total sales for these vehicles remains a small part of the overall automotive marketplace, their iconic status serves to attract consumers to their respective brands' more mainstream offerings.

Used Cars Down

Searches for used cars were down across all of AutoTrader.com, with significant double-digit dips despite strong overall site traffic. In addition, the average asking prices for used vehicles was also generally down. Of the 20 most-searched for used vehicles, only the Honda Civic and Toyota Corolla saw any significant increases, with average asking prices increasing 4.86% and 5.08%, respectively.

"Buyers are finding that, as they downsize from larger, more expensive SUVs, small and midsize new cars actually cost less while offering similar, if not better, feature content," continued Perry. "For consumers who previously might have been in the market for another used SUV, a smaller new car may make more financial sense."

AutoTrader.com will continue reporting at the beginning of each month on potential sales trends it discerns through shopper behavior on the site.

About AutoTrader.com

AutoTrader.com, created in 1997 and headquartered in Atlanta, Ga., is the Internet's leading auto classifieds marketplace and consumer information website. AutoTrader.com aggregates in a single location more than 3.5 million new, used and certified pre-owned vehicle listings from 40,000 dealers and 250,000 private owners and the site attracts more than 14 million unique monthly visitors. Through innovative merchandising functionality such as multiple photos, videos, detailed descriptions and comprehensive research and compare tools, AutoTrader.com unites new and used car buyers and sellers online to improving the way people research, locate and advertise vehicles. AutoTrader.com is a majority-owned subsidiary of Cox Enterprises. The venture capital firm Kleiner Perkins Caufield & Byers is also an investor. For more information, please visit www.autotrader.com .

MAKE	MODEL	Rank July 08	Rank July 07	Change from July 07	Avg Price - July 08	Avg Price - July 07	Change from July 07
Toyota	Camry	1	4	38.32%	$23,986.21	$24,648.68	-2.69%
Honda	Accord	2	5	45.20%	$25,639.94	$25,459.41	0.71%
Honda	Civic	3	6	31.74%	$20,094.78	$19,869.57	1.13%
Nissan	Altima	4	2	3.52%	$24,237.55	$23,526.41	3.02%
Chevrolet	Silverado 1500	5	1	-12.51%	$30,205.21	$30,187.83	0.06%
Ford	F-150	6	7	27.23%	$30,598.95	$30,650.54	-0.17%
Toyota	Corolla	7	12	48.00%	$18,548.96	$17,178.70	7.98%
Ford	Mustang	8	3	-8.21%	$30,909.33	$29,099.31	6.22%
Toyota	Tacoma	9	17	43.44%	$26,024.23	$25,396.74	2.47%
Chevrolet	Malibu	10	97	293.13%	$24,465.62	$19,923.39	22.80%
Dodge	Challenger	11	N/A	N/A	$46,291.19	N/A	N/A
Mazda	Mazda3	12	11	5.00%	$19,025.67	$19,422.16	-2.04%
Honda	CR-V	13	14	10.88%	$24,920.93	$24,962.30	-0.17%
Dodge	Ram 1500	14	9	-4.58%	$31,329.25	$31,890.62	-1.76%
Toyota	Tundra	15	10	-1.77%	$33,685.66	$34,323.28	-1.86%
Chevrolet	Cobalt	16	16	15.27%	$16,716.46	$15,971.25	4.67%
Chevrolet	Impala	17	29	67.93%	$24,827.11	$23,740.25	4.58%
Jeep	Wrangler	18	8	-23.10%	$27,809.34	$26,185.32	6.20%
Ford	Focus	19	32	72.28%	$17,237.48	$16,813.94	2.52%
Toyota	RAV4	20	20	23.80%	$25,941.02	$25,511.64	1.68%

Used Cars

Ford	F-150	1	1	-23.24%	$16,316.97	$19,811.57	17.64%
Ford	Mustang	2	2	-21.86%	$17,334.77	$18,644.31	-7.02%
Honda	Civic	3	3	-13.42%	$15,032.73	$14,336.68	4.86%
Honda	Accord	4	4	-13.15%	$16,779.23	$16,760.00	0.11%
	Silverado						

Chevrolet	1500	5	5	-22.39%	$16,620.14	$19,742.21	15.81%
Nissan	Altima	6	7	-8.89%	$15,182.39	$15,281.63	-0.65%
Infiniti	G35	7	8	-14.12%	$22,184.20	$24,655.11	10.02%
Dodge	Ram 1500	8	9	-21.93%	$14,755.96	$17,819.92	17.19%
Volkswagen	Jetta	9	16	-13.55%	$14,304.14	$14,471.95	-1.16%
Toyota	Camry	10	14	-17.03%	$17,103.99	$16,795.87	1.83%
Jeep	Wrangler	11	15	-17.81%	$17,422.31	$18,485.51	-5.75%
Audi	A4	12	18	-8.92%	$21,745.28	$22,544.89	-3.55%
Toyota	Tacoma	13	10	-25.75%	$18,833.34	$19,534.66	-3.59%
Jeep	Grand Cherokee	14	11	-27.26%	$14,672.47	$17,250.62	14.95%
Ford	F-250	15	6	-39.42%	$21,514.56	$24,950.53	13.77%
Chevrolet	Tahoe	16	12	-27.55%	$19,664.58	$23,781.19	17.31%
Ford	Explorer	17	13	-27.81%	$13,608.05	$16,339.12	16.71%
Toyota	Corolla	18	23	-6.29%	$14,789.31	$14,076.20	5.07%
Chevrolet	Impala	19	22	-12.73%	$14,180.93	$14,724.85	-3.69%
Chevrolet	Corvette	20	21	-19.31%	$37,836.25	$39,976.54	-5.35%

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