High Gas Prices Trump Environmentalism as Reason Auto Buyers are Considering Smaller Vehicles

ATLANTA, Sept. 12 /PRNewswire/ -- Even as gas prices drifted down during August, 44% of the car shoppers on AutoTrader.com responded in a recent survey that they are still considering downsizing to a smaller car. Of those respondents, an overwhelming majority -- 82% -- said they would downsize to "Save money on gas."

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

In a survey of in-market automobile buyers on AutoTrader.com conducted between August 6 and August 24 of this year, respondents were allowed to pick more than one reason for their interest in downsizing. Even so, at 82%, "Save money on gas" was by far the No. 1 reason buyers chose for downsizing, with "Save money on a car payment" sited as a reason 25% of the time and "Environmental concern" being sited only 21% of the time.

In the survey, 42% of auto buyers responding said they did not plan to downsize, while 14% were not sure if they would downsize or not. Forty-four percent of automobile shoppers on AutoTrader.com currently own or lease large SUVs, trucks, vans or station wagons, while 35% currently own or lease sedans and 14% own or lease smaller coupes, convertibles and hatchbacks, according to the survey. Seven percent of shoppers on AutoTrader.com don't currently own or lease a vehicle.

"What this tells us," says AutoTrader.com President and CEO Chip Perry, "is a large percentage of buyers are considering downsizing their cars. This is reflected in the decline we've seen in demand for large trucks, SUVs and other low-MPG automobiles on our site and industry wide. At the same time, it tells us that there is still a large market of people who, because of family size, their work or other factors, need a larger automobile and do not plan to downsize. Higher gas prices and sudden interest in downsizing caught many off guard, but as manufacturers cut production of trucks and SUVs, increase incentives and specials to move inventory and the supply of these automobiles equalizes with the new demand, there will still be a healthy market for these larger automobiles."

Perry also noted how dollars and cents had more impact on consumer choices than environmental concern.

"Overwhelmingly, people told us they are considering down sizing to save money on gasoline," he said. "With all the publicity and attention to 'green' topics these days, we would have expected to see 'Environmental concern' come out a good bit higher. But people make decisions based on their pocketbooks, and right now the high price of gas is the determining factor for people considering downsizing to a smaller, higher-MPG vehicle."

The survey was conducted among random visitors to AutoTrader.com and 417 people responded during the survey period.

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 about 4 million new, used and certified pre-owned vehicle listings from 40,000 dealers and 250,000 private owners and the site attracts about 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 http://www.autotrader.com/ .

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