



SALES OF LUXURY AUTOS EXPECTED TO JUMP, NEW AARC REPORT PREDICTS

The latest semi-annual Survey of Affluent Americans shows a major increase in expected new car purchases and leases in the next 12 months. Of the top ten quality brands named by the affluent, five were automobiles. Nearly half of the affluent used the internet to conduct motor vehicle research in the past 12 months.

([PRWEB](#)) November 7, 2003 --The economic recovery, and the automotive market in particular, will get a boost from increased spending by the primary beneficiaries of the recent tax cuts and the rise in the stock market according to the latest semi-annual Survey of Affluent Americans conducted by the American Affluence Research Center (AARC).

Completed in October, the survey focused on the wealthiest 10% of all U.S. households. With incomes averaging \$270,000, these 11 million households have a minimum net worth of \$750,000. They account for 40% of total personal income and two-thirds of the personal wealth of all Americans.

With increased optimism about future business conditions, the stock market, and their own personal income, 37% of the survey respondents said that they expect to buy or lease a new motor vehicle during the next 12 months. This is up from 28% six months ago and 31% one year ago. With the average acquisition of 1.1 vehicles per buyer/lessee, current figures would represent approximately 4 million units or about 25% of the total U.S. market.

The likelihood of purchasing or leasing a new vehicle increases with wealth and declines with age. Forty-three percent of the households with incomes above \$200,000, and 41% of those with a net worth above \$1.5 million plan to acquire a new vehicle in the next 12 months. This bodes well for the luxury car market. Among households with incomes below \$200,000 or a net worth below \$1.5 million, about one-third plan to acquire a new vehicle.

While the automobile's share of expected motor vehicle sales is expected to drop to 48% from 58% measured six months earlier, the SUV share is expected to increase to 34% from an earlier 25%. While 3% of the men said they didn't know what type of vehicle they would purchase, 22% of the women said they didn't know.

In the past 12 months, 84% of the survey participants used the internet to buy products or services, or to conduct research before making a purchase. Forty-five percent used the internet to conduct research into new motor vehicles. Eight-percent reported that they had purchased a new motor vehicle over the internet. Of the 18 product and service categories listed on the survey questionnaire, new motor vehicles ranked third for internet research and 13th for internet purchase. The ratio of purchasers to researchers was the lowest of all product and service categories.

The auto companies dominated the list of brands named as those representing "the very highest quality regardless of price". Of the five most frequent responses, three were cars: BMW, Lexus, and Mercedes-Benz. The top-10 picks included Honda and Toyota. Other top-10 brands were Bose, Dell, GE, Rolex, and Sony. Only one American brand (Cadillac) was named by at least 1% of the survey participants. The rank of different brands varied somewhat by the age, income, and net worth of the respondents.



This survey has a maximum margin of error of five percentage points. The complete 35-page report is available for \$295 from AARC.

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The AARC is a research company whose mission is to provide reliable marketing information about the values, lifestyles, attitudes, and purchasing behavior of the most affluent segments of the population.



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