

Cars Still A Higher Priority Than Entertainment

Discover Financial Services recently conducted a survey asking consumers what they would be willing to do to save money during this time of high gas prices. According to an article in the Detroit Free Press, the survey found that 80% of Americans say their car or truck is very important to their everyday lives.

Nearly half of the nation's car owners would be willing to buy a more fuel-efficient vehicle if gas prices were to rise by \$1 or more. Seventy percent of those surveyed said they would cut back on entertainment spending first, while 66% indicated they would change vacation plans in order to combat fuel prices.

The survey was conducted as part of the Discover Spending Confidence Monitor. It was completed via telephone by 1,000 adults and had a margin of error of +/- 3. Ed Stolbof, senior vice president of marketing for Discover Financial Services, said that, "It appears the first line of defense to lessen the impact of rising gas prices is expense management." Consumers would rather cut back spending in other areas than change driving habits. Sixty-one percent of those surveyed said that they were not likely to walk or ride a bike as an alternative form of transportation. Less than 25% of those polled said they would use public transportation.

Although this survey included responses from only 1,000 consumers, it is a good indicator of one thing: Americans love their cars, and would reduce discretionary spending on things such as vacations rather than give up their car.

Source: *Bodipa-Memba, Alejandro (June 2007). Detroit Free Press.*

Mobile Electronics Is Bluetooth Ready for Prime Time?

The technology has advanced
and everyone wants it!

by Doug Newcomb

Hands-free phone technology is growing in consumer awareness and sales and offers a great opportunity for the automotive aftermarket. If you said the word "Bluetooth" to anyone other than a tech geek just a few years ago, you'd probably get a blank look.

But now wireless-communication technology is well established in the OEM and aftermarket automotive worlds, and people who regularly use it to operate a mobile phone hands-free while behind the wheel take it for granted-and many of those who don't, want it. Bluetooth hands-free capability is now poised to become mainstream, and it represents a potential source of growth for the automotive aftermarket in general and mobile-electronics retailers in particular.

Staggering Growth

Just consider these numbers. According to a report commissioned by the Bluetooth Special Interest Group (SIG)-a trade group whose members include tech heavy-hitters such as Intel, Microsoft, Motorola, Nokia and Toshiba-the largest growth in technology awareness occurred in the United States, where it increased from 58% in 2005 to 74% in 2006. About half of all phones sold in the fourth quarter of 2006 supported Bluetooth wireless, and there are over 1 million phones in use today that have the technology built in.

Growth has been especially noteworthy in automotive applications. ABI Research, for example, found that the Bluetooth automotive market grew a staggering 141% in 2005 over the previous year and predicted that the market will continue to expand at those extraordinary rates. Bluetooth hands-free operation of mobile phones is not only convenient for drivers, but also safer for everyone on the road. And with hands-free mobile-phone use becoming more the rule of law rather than a choice in some states.

Bluetooth and OEMs

The feature first appeared in luxury vehicles but has recently begun to appear in less pricey cars and trucks. Bluetooth as a standard or optional feature on new vehicles has played a big part in promoting consumer awareness and driving aftermarket Bluetooth sales.

Bluetooth Bandwagon

Most mobile-electronics retailers have already seen a steady rise in Bluetooth sales and installations over the last year.

Over-the-ear headsets are probably the most visible and most popular Bluetooth products. But

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