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LATEST NEWS STORIES ON KBB.COM:

The latest video and written news stories by the editorial staff of Kelley Blue Book's KBB.com

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All-new and updated video and written reviews from the editorial staff of Kelley Blue Book's KBB.com, and links to consumer reviews and ratings on KBB.com

WHAT'S NEW:

New-Car Sales to Reach 17.3 Million SAAR in May 2015, According to Kelley Blue Book

10 Coolest New Cars Under \$18,000 of 2015 Named by KBB.com

10 Best New-Car Deals for May 2015 by KBB.com

New-Car Transaction Prices Rise Steadily, Up 2.6 Percent in April 2015, According to Kelley Blue Book

The Future of the Auto Industry Travels Through China

Size of Chinese Domestic Markets Cements its Importance

- Jack R. Nerad, executive editorial director and executive market analyst for Kelley Blue Book's KBB.com

Jacques Barzun, a French-born American scholar, historian, critic, and editor, wrote in his book *God's Country and Mine*, "Whoever wants to know the heart and mind of America had better learn baseball." My corollary is "Whoever wants to know the heart and mind of the future auto industry had better look to China." My recent visit to the Shanghai motor show reinforced my already deeply held belief that the stunningly rapid growth of the Chinese auto market – and its auto industry – will have profound effects that will reverberate well beyond East Asia.

In our estimation, what happens in China in the next decade will have special significance for the American car-buyer; significance that many U.S. consumers are unaware of. And while some suspect that what happens in China will stay in China until we begin to see China-produced vehicles roll into American showrooms, I can report with confidence that the influence of China is already here in very palpable ways.

“IF A CAR-MAKER IS NOT FULLY PARTICIPATING IN THE HIGH-GROWTH, HIGH-VOLUME CHINESE MARKET IT IS

FAR LESS LIKELY TO HAVE A ROBUST FUTURE...”

- JACK R. NERAD

It is unlikely that you will buy a Chinese-built car anytime in the near future, but because of its sheer size the China market will influence the kinds of cars that will be available in North America. It is not an exaggeration to say success or failure in the China market will have profound implications on which car manufacturers succeed overall, because if a car-maker is not fully participating in the high-growth, high-volume Chinese market it is far less likely to have a robust future. Further, the 1.3 billion Chinese consumers will exert considerable sway over the vehicles that are designed and built in future years, making their preferences felt in virtually all markets, including the No. 2 market in the world – North America.

China is not only a giant market, but it is also a growth market, and that has important implications. Most major markets – North America, Western Europe, Japan, South America – both lack the size of the Chinese

market and lack its giant potential upside. On a per capita basis automobile ownership is far below the ownership rates in the other markets, so if the Chinese government continues on its course of enabling a consumer culture, the sales potential is staggering. Because of this as the decade unfolds it is likely the brands that placed a big early bet on China and stayed the course will enjoy substantial gains, while those that didn't must scurry to catch up.

General Motors and Volkswagen have positioned themselves to consolidate their leading positions in China, while other global manufacturers -- Ford and FCA (Fiat-Chrysler) among them – are scrambling to become more relevant in a burgeoning market that is not only the biggest in the world but sure to get bigger even as its economy cools.

A lot has been made recently of the fact that the Chinese auto industry is slowing down, but "slowing" is a relative term. The Chinese auto market grew at a double-digit rate for several years, becoming the world's biggest six years ago. In Shanghai, GM Chairman Mary Barra predicted that the Chinese market would continue to grow at a 5-7 percent rate through the balance of the decade. To capitalize on this growth she announced an aggressive \$14 billion program to invest in the market through 2020.

While this international finance might seem far removed by what Americans see in their driveways, the economies of scale, profits and technology gained from the China market will affect future product offerings from all the global brands. Because of the similarities between Chinese and American tastes marques like Buick, Cadillac, Lincoln and Chevrolet have already been profoundly affected by the Chinese influence. Similarly, European luxury brands like Audi, BMW and Mercedes-Benz are striving to hit the high notes that Chinese buyers favor. And, of course, Volvo is now not only owned by a significant Chinese manufacturer but it will also bring a Chinese-made luxury car to America.

So again, if you want to know the future of the auto industry, study China.

Tesla's Elon Musk: Change Agent or Mere Disrupter?

- Matt DeLorenzo, managing editor for Kelley Blue Book's KBB.com

There's little doubt that Elon Musk fancies himself as a change agent on the order of a Henry Ford, who revolutionized personal transportation with Model T. But in the long run, will he be viewed as a pivotal figure in the transformation of transportation or merely be a footnote? Sort of a new age Preston Tucker or John DeLorean, big dreamers whose impact on the overall scheme of things was minimal.

Or to be even more precise, is he more Ferdinand Porsche than Henry Ford? It was the German engineer's rear-engine air-cooled Beetle that got the big manufacturers to "think small." If Porsche had been a true change agent, we'd all be driving subcompact air-cooled rear-engine vehicles rather than crossover SUVs. Still, at the time the Beetle caused an entire industry to rethink its direction. Arguably, Musk has done just the same with his all-electric Tesla Model S.

The Tesla Model S is indeed a credible automobile. It has the build quality, performance characteristics and innovative technology that have made it a success in the luxury car market. It has disrupted the status quo, but will it change it?

Gigafactory questions

Likewise, Musk's bold plan for his Gigafactory, which promises to make 500,000 lithium ion battery packs per year, is on a scale designed to attract attention. However, the realities of Tesla annual sales, which hope to pass 50,000 this year, are far short of Gigafactory output. And no other manufacturers have stepped up to either use Tesla's free patents on its technology or buy the excess capacity for vehicles of their own. So, the promise of selling a half-million EVs a year by 2020 at this point is a pipe dream, further underscored by Musk's recent pirouette to home battery storage.

And even the claims put forth in during Musk's announcement, that

buyers will be able to greatly reduce or even get off the grid entirely, don't hold up to close scrutiny. As attractive as the Powerwall batteries are, starting at about \$5,000, Bloomberg reports that the system's output of 2 kilowatts of continuous output isn't enough to power a home. An array of battery packs up to the task would cost at least \$45,000, according to a study by Bloomberg New Energy Finance.

Some say that Musk's business is only possible because of government subsidies; indeed, one cash generator for Tesla is the selling of EV credits to other manufacturers. But that's not the whole point. The real reason he will be unable to be the change agent he seeks to be lies in his basic approach to business. Whether it is EVs or solar power or space exploration, Musk has chosen to participate in markets that are underpinned by government needs or regulations rather than consumer demand.

Catering to the masses

That's not to say that there isn't a market for EVs, or solar energy or space travel—there is, as evidenced by the success so far of the Model S, the ubiquity of solar panels on houses and the Falcon rocket now that NASA has shelved the space shuttle. However, the question is how big would those markets be if it wasn't for California zero-emission regulations that require EV sales, subsidies to solar panel and wind turbine manufacturers, government mandates for utilities to use renewable sources of energy or government contracts to haul supplies to the International Space Station?

Henry Ford succeeded because people could afford his cars and wanted to get around. There wasn't a federal mobility standard requiring that automakers produce low cost transportation. Until Musk can figure out a way to structure his business in a way where the mass market can not only access but genuinely want what he is peddling, he will never be the change agent he envisions.

LATEST NEWS STORIES ON KBB.COM:

Check out the very latest news stories by visiting KBB.com and clicking the the *KBB.com Top Picks* tab on the home page. The following latest news stories by KBB.com's editorial staff went live on the site or were updated during April 2015.

Video Posted to KBB.com:

[Video Review: 2016 Kia Sorento](#)

[Video Review: 2016 Mazda CX-5](#)

[Video Review: 2015 Tesla Model S P85D](#)

[Video Review: 2015 Toyota Yaris](#)

Written Stories Posted to KBB.com:

Highlights

[2015 Compact SUV Comparison Test](#)

[Compact SUV Comparison: 2016 Mazda CX-5](#)

[Compact SUV Comparison: 2015 Honda CR-V](#)

[Compact SUV Comparison: 2015 Jeep Cherokee](#)

[Compact SUV Comparison: 2015 Kia Sportage](#)

[Compact SUV Comparison: 2015 Mitsubishi Outlander Sport](#)

[Compact SUV Comparison: 2015 Toyota RAV4](#)

[10 Best Green Cars of 2015](#)

[10 Most Affordable 3-Row Vehicles](#)

[10 Best Car Deals of the Month \(May\)](#)

[Small Luxury Sedan Buyer's Guide](#)

[Midsize SUV Buyer's Guide](#)

Quick Takes

[2016 Audi A6 3.0T Quattro Prestige Quick Take](#)

[2016 Kia Sorento 2.0-liter turbo Quick Take](#)

[2015 Chevrolet SS Sedan Quick Take: Get it while it's hot](#)

[2015 Infiniti QX80 Quick Take: Living large](#)

[2015 Volkswagen Jetta GLI Quick Take](#)

Long Term Vehicle Updates

[2015 Hyundai Genesis 3.8 Long-Term Introduction](#)

[2015 Kia Sedona SX Long Term Introduction](#)

[2014 Nissan Rogue SL AWD Long-Term Wrap Up](#)

[2014 Ram 1500 EcoDiesel Long-Term Update: Keep Quiet](#)

First Drives/Reviews

[2016 Cadillac ATS-V First Review](#)

[2016 Fiat 500X First Review](#)

[2016 Mazda CX-3 First Review: Small, stylish, sporty](#)

[2015 Tesla Model S P85D First Review](#)

Editors' Page

[Editors' Page: 2015 Lincoln MKT](#)

Latest News:

[2017 Jaguar XE 20d and XE 35t models confirmed for the U.S.](#)

[2016 Acura NSX Tech Details Revealed](#)

[2016 Audi TT pricing announced](#)

[2016 BMW 3 Series: Plug-in hybrid among updates](#)

[2016 BMW 7 Series previewed](#)

[2016 Buick Wei Lang previews next-gen Verano](#)

[2016 Cadillac CT6 PHEV debuts in Shanghai and is U.S. bound](#)

[2016 Cadillac ELR upgrades net more performance and better value](#)

[2016 Chevrolet Camaro previews its wind-cheating profile](#)

[2016 Chevrolet Impala Midnight Edition bows](#)

[2016 Chevrolet Volt lowers price to \\$33,995](#)

[2016 Chevy Corvette Z06 C7.R Edition: Motorsports-inspired](#)

[2016 Dodge Viper ACR unveiled](#)

[2016 Ford Explorer Platinum boasts Sony home-audio sound](#)

[2016 Ford F-150 V8 offers CNG/propane option](#)

[2016 Ford Mustang gets new California Special Package and more](#)

[2016 Ford Taurus shows in Shanghai but won't come to the U.S.](#)

[2016 Lexus ES revamp revealed in Shanghai](#)

[2016 Lexus RX: New look a calculated risk](#)

[2016 Mazda MX-5 Miata to deliver 25-percent better mileage](#)

[2016 McLaren 540C Coupe -- entry level excellence](#)

[2016 Mercedes Benz G-Class boosts power and handling](#)

[2016 Nissan Maxima production starts](#)

[2016 Subaru to offer Starlink connectivity](#)

[2016 Subaru WRX opens at \\$27,930](#)

[2016 Toyota Mirai paces the race](#)

[2016 Volvo XC90 Excellence unveiled in Shanghai](#)

[2016 Volvo XC90 T8 Twin Engine plug-in to start at \\$72,595](#)

[2015 Fiat 500c 1957 Edition Cabrio -- a drop-top with vintage flair](#)

[2015 Ford F-150 SuperCrew earns NHTSA 5-Star overall crash marks](#)

[2015 Ford Shelby GT350 and GT350R models will play hard to get](#)

[2015 Shanghai Motor Show Wrap-up: American Brands Seek Big Gains with Big Cars](#)

[AAA: Car cost to own/operate drops](#)

[Alfa's Ambitions: Eight new models by 2018](#)

[Audi Prologue Allroad Concept unveiled in Shanghai](#)

[Audi TT Clubsport Turbo Concept -- 591 hp and electric turbo boost](#)

[Chevrolet FNR Concept melds fact and fantasy](#)

[Daimler highway-tests an autonomous truck](#)

[Fiat: More cars, more features](#)

[Ford commits to a carbon fiber future](#)

[Honda Concept D previews top-line SUV model for China](#)

[Mercedes-Benz Concept GLC Coupe rolls into Shanghai](#)

[Mercedes-Benz rides the SUV wave](#)

[New Audi 2.0-liter TFSI engine set next-gen A4](#)

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[New Porsche Headquarters and Experience Center open](#)

[Reborn GM: A work in progress](#)

[Volkswagen C Coupe GTE Concept foreshadows future big sedans](#)

[Volkswagen GTI Clubsport Concept teased for Worthersee](#)

[Volkswagen GTI Supersport Vision Gran Turismo revealed](#)

[Volkswagen shows new ultra-efficient 6.0-liter W12 TSI engine](#)

[Volvo chooses South Carolina for its first U.S. assembly plant](#)

[Volvo XC90 Excellence Lounge Console Concept unveiled](#)

[This Week in Car Buying: Prices climb; Inventories steady; Stair-step incentives return; More Macans; Maxing out Maxima](#)

[This Week in Car Buying: Hot deals; Prices rise on Jeeps and Rams; Cadillac cuts ELR sticker; Mazda MX-5 Miata starts U.S. production](#)

[This Week in Car Buying: Sales up, GDP not so much; Big incentives expire; Tesla launches CPO program; CTS-V to return](#)

[This Week in Car Buying: The China Syndrome; VW to hold line on U.S. pricing; Never on Sunday; Safety sells; GM short on EV goal](#)

NEW-VEHICLE REVIEWS ON KBB.COM:

The following new-vehicle reviews written by KBB.com's editorial staff went live on the site or were updated during April 2015. To see any new-vehicle reviews from KBB.com's editorial staff, please visit KBB.com and click on the *Car Reviews* tab, then select the make and model.

New Vehicle Reviews:

[2016 Acura RLX](#)

Acura's RLX luxury sedan for 2016 adds more technology and better handling but holds the line on price, making a great sedan even better.

[2016 Audi A6](#)

In a segment filled with viable choices, the A6 sedan stands out with four engine choices and an interior that's second to none.

[2016 Fiat 500X](#)

The Fiat 500X compact crossover SUV is poised to be a mainstream hit for the Italian brand, blending style, features and value.

[2016 Hyundai Elantra](#)

The Elantra sedan remains a bargain leader, although the remade 5-door Elantra GT may just steal some of the sedan's thunder.

[2016 Jaguar F-Type](#)

The 2-seat F-Type sports car offers thrilling performance and even more variations, including a new F-Type R convertible with standard all-wheel drive (AWD).

[2015 Aston Martin Rapide S](#)

The Aston Martin Rapide S is a 4-door, 4-passenger sedan with the attitude, style and luxury of Aston's high-performance coupes.

[2015 Bentley Continental](#)

There may be no other car on the road that combines sophistication, elegance and performance like the Bentley Continental GT.

[2015 BMW i8](#)

The i8 coupe is the environmentally friendly plug-in hybrid that will have even the most anti-green advocate clawing to drive it.

[2015 Dodge Viper](#)

Now back under the Dodge banner, the Viper is as crazy as ever, remaining the quintessential no-holds-barred all-American supercar.

[2015 Lamborghini Aventador](#)

The 700-horsepower Lamborghini Aventador LP 700-4 is the epitome of everything you expect from an exotic.

[2015 Lincoln MKT](#)

With all-wheel drive, a pair of powerful engines to choose from, a luxurious interior and seating for up to seven, the Lincoln MKT SUV is a great choice.

[2015 Maserati GranTurismo](#)

With Italian style, a magnificent Ferrari-inspired engine and a designer interior, the Maserati GranTurismo epitomizes luxury touring.

[2015 Maserati Quattroporte](#)

The Maserati Quattroporte delivers all the performance expected of a European luxury car, with an added advantage of Italian elegance.

[2014 McLaren P1](#)

With production set at 375 cars and a \$1.155 million price tag, the 2014 McLaren P1 may be as difficult to obtain as it is sought after.

NEW-VEHICLE REVIEWS CONTINUED:

[2015 Mercedes-Benz B-Class](#)

In the burgeoning world of electric cars, the Mercedes-Benz B-Class delivers world-class engineering at a rather modest price.

[2015 Rolls-Royce Ghost](#)

Even as the least expensive Rolls-Royce at around \$300,000, the 2015 Ghost is among the most opulent and exclusive sedans in the world.

[2015 Rolls-Royce Phantom](#)

Offered as a sedan, coupe or convertible, the Rolls-Royce Phantom is the pinnacle of passenger cars. Arriving in one makes you a royal.

WHAT'S NEW:

New-Car Sales to Reach 17.3 Million SAAR in May 2015, According to Kelley Blue Book

Jeep Continues to Push Fiat Chrysler Automobiles Market Share; Small and Mid-Size Cars to Drop up to 5 Percent in May

IRVINE, Calif., May 27, 2015 -- New-vehicle sales are expected to decline 1 percent year-over-year to a total of 1.59 million units in May 2015, resulting in an estimated 17.3 million seasonally adjusted annual rate (SAAR), according to Kelley Blue Book www.kbb.com, the only vehicle valuation and information source trusted and relied upon by both consumers and the automotive industry... [MORE](#)

10 Coolest New Cars Under \$18,000 Of 2015 Named By KBB.com

No. 1 Once Again, Mazda3 Featured on KBB.com's Annual List Every Year of Vehicle's 12-Year Existence

IRVINE, Calif., May 18, 2015 -- There's great news for car shoppers who want something fun that won't break the bank: Cool and affordable can coexist in a new car, as detailed in this year's list of the 10 Coolest Cars Under \$18,000, hand-selected by the expert editors at Kelley Blue Book www.kbb.com, the only vehicle valuation and information source trusted and relied upon by both consumers and the automotive industry. The redesigned Mazda3 is No. 1 once again for 2015, and it notably has been featured on KBB.com's annual affordable "cool cars" list every year of the vehicle's 12-year existence... [MORE](#)

10 Best New-Car Deals for May 2015 by KBB.com

Kelley Blue Book Ranks Best Lease, Financing, Cash Back Deals Available in Time for Memorial Day Weekend

IRVINE, Calif., May 14, 2015 -- The experts from Kelley Blue Book www.kbb.com, the only vehicle valuation and information source trusted and relied upon by both consumers and the automotive industry, have assembled their list of the 10 best lease, financing and cash back deals for new cars available in May from a variety of auto manufacturers... [MORE](#)

New-Car Transaction Prices Rise Steadily, Up 2.6 Percent in April 2015, According to Kelley Blue Book

Strength Reported Across Industry with Greatest Increases from Popular Truck Segments

IRVINE, Calif., May 1, 2015 /PRNewswire/ -- The analysts at Kelley Blue Book www.kbb.com, the only vehicle valuation and information source trusted and relied upon by both consumers and the automotive industry, today report the estimated average transaction price (ATP) for light vehicles in the United States was \$33,560 in April 2015. New-car prices have increased by \$836 (up 2.6 percent) from April 2014, while increasing \$195 (up 0.6 percent) from last month... [MORE](#)

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Founded in 1926, Kelley Blue Book, The Trusted Resource®, is the only vehicle valuation and information source trusted and relied upon by both consumers and the automotive industry. Each week the company provides the most market-reflective values in the industry on its top-rated website KBB.com, including its famous Blue Book® Trade-In Values and Fair Purchase Price, which reports what others are paying for new and used cars this week. The company also provides vehicle pricing and values through various products and services available to car dealers, auto manufacturers, finance and insurance companies, and governmental agencies. Kelley Blue Book's KBB.com ranked highest in its category for brand equity by the 2015 Harris Poll EquiTrend® study and has been named Online Auto Shopping Brand of the Year for four consecutive years. Kelley Blue Book Co., Inc. is a Cox Automotive company.