



Market
Research

Gas Price Omnibus Study

April 2015

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Gas price Omnibus Study

Project #150022

Background & Purpose

AAA Public Affairs has conducted studies over the past few years to determine the public response to high gas prices.

Objectives

- Determine at what price US adults consider the cost of gasoline too high
- Determine at what price US adults consider the cost of gasoline too cheap
- Determine if US adults are driving more due to recent gas prices
- Determine if US adults are likely to take a road trip of 50 miles or more away from home this year

Key Findings

Note: Statistically significant differences between younger (18-34) and older (35+) US consumers in the latest study are mentioned when present.

- **Since this study was last conducted in March 2014, the average price per gallon of gas has dropped to \$2.39 from \$3.49. Over the same period consumer attitudes have shifted as well, with the price at which 50% of them feel gas would be too expensive dropping from \$3.30 to \$3.00 per gallon. But the price has dropped further than this threshold, so the number of consumers who feel gas is currently too expensive has also dropped dramatically, to 24% from 55%.**

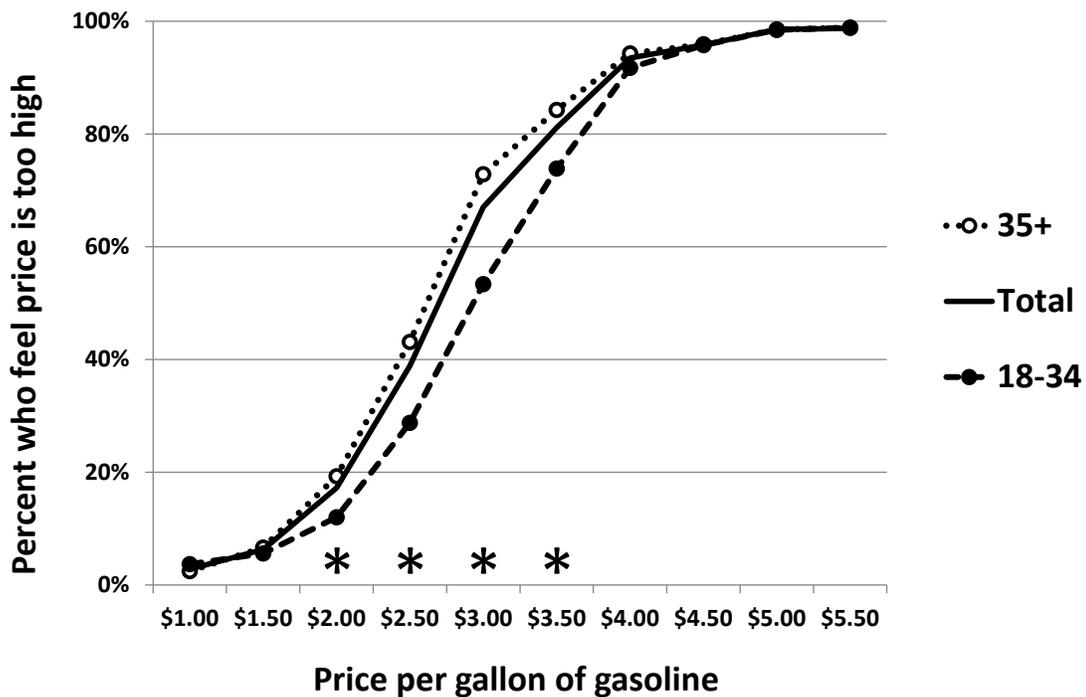
Table 1 - Shift in gas prices and consumer attitudes

Study period	Average price per gallon of regular gasoline	Price at which 50% of consumers feel gas is too high	Percent of consumers that feel current price is too high
March 28-30, 2013	\$3.64	\$3.44	64%
March 6-9, 2014	\$3.49	\$3.30	55%
April 10-12, 2015	\$2.39	\$3.00	24%

- Consumers who are 35 years of age or older are generally less tolerant of higher gas prices than younger consumers.

Figure 1 shows that, between \$2.00 per gallon and \$3.50 per gallon, older consumers are more likely to feel prices are too high than those between the ages of 18 and 34.

Figure 1 – Older consumers are less tolerant of higher gas prices



Question: "At what price do you start to consider the cost of gasoline to be 'too high'?"

* Difference between 18-34 year olds and those 35 years old and over is statistically significant at the 95% level of confidence.

Source: AAA Market Research, April 2015

- **Almost half US consumers (43%) indicate that the price of gasoline at \$2.00 per gallon or lower is 'cheap'.**

Table 2 - Percent of consumers who feel gas at a given price or lower is 'cheap'

Price of gas per gallon	Total (n=1007)
\$1.00	99%
\$1.50	58%
\$2.00	43%
\$2.50	17%
\$3.00	4%
\$3.50	1%
Don't know	1%

- **Only thirteen percent (13%) of US consumers report that they are *driving more* due to recent gas prices.**

Younger US consumers (18-34) are more likely to indicate that they are *driving more* due to recent gas prices than are older US consumers (35+) (19% vs. 10%).

- **Just under two-thirds (60%) of US consumers indicate that if *gas prices remain near recent levels* (\$2.39/gallon during the survey period), they are more likely to take a road trip of 50 miles or more away from home this year.**

Two-thirds (68%) of younger US consumers (18-34) say that *if gas prices remain near recent levels*, they are more likely to take a road trip of 50 miles or more away from home this year. That is a higher proportion than the 57% of older consumers (35+) who say they will be more likely to do so.

Conclusions

Over the two year span we have conducted this study gas prices in the U.S. have fallen significantly. At the same time we have seen a matching shift in consumer attitudes about gas prices, with the point at which gas prices are considered to be 'too expensive' by half the population dropping from \$3.44 to \$3.00. A drop in this level might be expected to counter the real drop in gas prices over the same period, but the fact is that the drop in gas prices has out-paced the change in attitudes. The share of the population that feels gas prices are now too high is dramatically lower than it was just 13 months ago.

We also find that older and younger consumers respond differently to changes in gas prices. On the one hand, consumers age 18-34 are more tolerant of higher prices, with a generally higher threshold than older consumers for feeling gas prices are too high. On the other hand, it is the younger consumers who are more likely to increase their spending on gas as a result of the current low prices. This difference suggests that younger consumers have adjusted their expectations based on recent gas price history and are more able than older consumers to take advantage of price drops when they occur.

Methodology

This report presents the findings of a telephone survey conducted among two national probability samples (landline only and cell phone), which, when combined, consists of 1,007 adults, 504 men and 503 women 18 years of age and older, living in the continental United States. Interviewing for this CARAVAN® Survey was completed on April 10-12. 506 interviews were from the landline sample and 501 interviews from the cell phone sample.

This study has an average statistical error of $\pm 3.5\%$ at the 95% confidence level for all US adults. That means there is a 95% chance that the results found in this study are within $\pm 3.5\%$ of the results that would be found if all US adults living in private households in the continental United States were interviewed using the research methodology and questionnaire used in this study. The actual statistical error depends on the number of respondents to each question and on the observed proportions.

Results are weighted by age, gender, region, race/ethnicity and education to be proportionally representative of the US adult population.

Analysis and Report Prepared By:
Kevin Kwas/Joel Weichsel
AAA Market Research
(407) 444-7638
kkwas@national.aaa.com

Detailed Findings/Topline Tables

- 1 At what price do you start to consider the cost of gasoline to be 'too high'? (Base: All respondents)

	18-34 year olds n=217	35+ year olds n=754	Total n=975
Price at which 50% of consumers feel gas is too high (median)	\$3.00	\$3.00	\$3.00
Percent of consumers that feel current price (\$2.39/gal) is too high	19%	27%	24%
Percent who feel \$1.00 is too high	4%	2%	3%
Percent who feel \$1.50 is too high	6%	7%	6%
Percent who feel \$2.00 is too high	12%	19%	17%
Percent who feel \$2.50 is too high	29%	43%	39%
Percent who feel \$3.00 is too high	53%	73%	67%
Percent who feel \$3.50 is too high	74%	84%	81%
Percent who feel \$4.00 is too high	92%	94%	93%
Percent who feel \$4.50 is too high	96%	96%	96%
Percent who feel \$5.00 is too high	98%	99%	99%
Percent who feel \$5.50 is too high	99%	99%	99%

Shading indicates a statistically significant difference between 18-34 year olds and those 35 years old at the 95% level of confidence.

- 2 At which of the following prices do you think gasoline is 'cheap'? (Base: All respondents)

<i>Price of gas per gallon</i>	18-34 year olds n=223	35+ year olds n=784	Total n=1007
\$1.00	100%	99%	99%
\$1.50	57%	58%	58%
\$2.00	43%	44%	43%
\$2.50	20%	16%	17%
\$3.00	6%	3%	4%
\$3.50	1%	1%	1%
Don't know	<1%	1%	1%

Shading indicates a statistically significant difference between 18-34 year olds and those 35 years old at the 95% level of confidence.

3 Are you driving more due to recent gas prices? (Base: All respondents) n=1007

	18-34 year olds n=223	35+ year olds n=784	Total n=1007
Yes	19%	10%	13%
No	80%	89%	86%
Don't know	1%	1%	1%

Shading indicates a statistically significant difference between 18-34 year olds and those 35 years old at the 95% level of confidence.

4 If gas prices remain near recent levels, are you more likely to take a road trip of 50 miles or more away from home in 2015? (Base: All respondents) n=1007

	18-34 year olds n=223	35+ year olds n=784	Total n=1007
Yes	68%	57%	60%
No	32%	42%	39%
Don't know	<1%	1%	1%

Shading indicates a statistically significant difference between 18-34 year olds and those 35 years old at the 95% level of confidence.

Questionnaire

C1 At what price do you start to consider the cost of gasoline to be 'too high'? Please tell me the price per gallon to the nearest 10 cents.

(RECORD A NUMBER. RANGE IS 0.01-9.99, DON'T KNOW)

(INTERVIEWER NOTE: IF RESPONDENT ANSWERS WITH 'GASOLINE IS TOO HIGH NOW', PROBE WITH 'AND AT WHAT POINT DID THEY BECOME TOO HIGH?')

C2 At which of the following prices do you think gasoline is 'cheap'? Would you say...

(READ LIST UNTIL STOPPED. RECORD ONE ANSWER)

- 01 \$3.50 per gallon
- 02 \$3.00 per gallon
- 03 \$2.50 per gallon
- 04 \$2.00 per gallon
- 05 \$1.50 per gallon
- 06 \$1.00 per gallon
- 99 DON'T KNOW

C3 Are you driving more due to recent gas prices?

- 01 YES
- 02 NO
- 99 DON'T KNOW

C4 If gas prices remain near recent levels, are you more likely to take a road trip of 50 miles or more away from home in 2015?

- 01 YES
- 02 NO
- 99 DON'T KNOW