New-Car Shoppers Say They Are Spending Less This Holiday Due to Gas Prices

According to KBB Marketing Research, Shoppers Spend Less on Self in Order to Spend More on Others

According to the latest Kelley Blue Book Marketing Research study (http://www.kbb.com/), in-market new-vehicle shoppers plan to adjust their shopping habits due to high gas prices, spending less money on themselves so they can still give to others during this holiday season. The December 2007 results reveal that 44 percent of in-market new-vehicle shoppers are looking at cars they normally would not have considered due to the pain at the pump. An example of this is a notable shift in vehicle segment consideration from just two months ago, with increased interest in less expensive and more fuel-efficient transportation including crossovers, sedans and hatchbacks, and declines in SUV interest.

With a gallon of unleaded gasoline currently hovering at more than $3 in most parts of the country, 67 percent of those in the market for a new vehicle indicate they will not spend less on holiday gifts this year due to the rising cost of gas. However, more than 40 percent of consumers do say they are eating out less often and nearly 50 percent of consumers say they are doing less shopping of non-essential retail items such as clothes and shoes; further examples of consumers cutting back on self-spending. According to new-car shoppers, the largest shift in personal spending includes delaying the purchase of a new home, which more than doubled from October to December.

"While gas prices are clearly influencing the way consumers plan to spend money on themselves, such as going out to eat and delaying the purchase of a new home, it appears most people will not let the price of gas affect their holiday spirit and giving to others," said Jack R. Nerad, executive editorial director and executive market analyst for Kelley Blue Book and kbb.com. "Based on our monthly study, shoppers are willing to sacrifice in order to still give to others, and it even extends to their next new-vehicle purchase. We are seeing more and more new-vehicle shoppers looking at smaller and more fuel-efficient cars than in the past. "

When asked how gas prices have affected which vehicles they are considering, more than half of consumers say they would seriously consider a vehicle with higher fuel efficiency if gas prices were to increase as little as 50 cents per gallon. Among those looking to buy a new hybrid vehicle, shoppers say they are most interested in the Toyota Camry hybrid and the Honda Civic hybrid.

"Determining how gas prices affect consumer shopping provides tremendous insight into shifts in the economy, and tracking their opinions of alternative fuel solutions sheds light on the possible adoption and acceptance rates of alternate fuel systems in the future," said Rick Wainschel, vice president of marketing research and brand communications for Kelley Blue Book. "Timely, in-market vehicle shopper feedback can provide invaluable information to automotive manufacturers and marketers, allowing them to tailor their messages and strategies more toward what car shoppers actually think and how they plan to spend their money."

The latest Kelley Blue Book Marketing Research study was conducted on Kelley Blue Book's kbb.com among in-market new-vehicle shoppers during the first week of December 2007.

About Kelley Blue Book (http://www.kbb.com/sitemap)

Since 1926, Kelley Blue Book, The Trusted Resource®, has provided vehicle buyers and sellers with the new and used vehicle information they need to

accomplish their goals with confidence. The company's top-rated Web site, kbb.com, provides the most up-to-date pricing and values, including the New Car Blue Book® Value, which reveals what people actually are paying for new cars. The company also reports vehicle pricing and values via products and services, including software products and the famous Blue Book® Official Guide. Kbb.com is rated the No. 1 automotive information site by Nielsen//NetRatings and the most visited auto site by J.D. Power and Associates eight years in a row. No other medium reaches more in-market vehicle shoppers than kbb.com; nearly one in every three American car buyers performs their research on kbb.com.

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