New-Car Shoppers Say Gas Prices Affecting Consumer Spending

Kelley Blue Book Marketing Research Shows Car Shoppers' Spending Down

According to the latest Kelley Blue Book Marketing Research study (http://www.kbb.com/), elevating gas prices have in-market new-car shoppers considering vehicles they would have otherwise ignored. The February 2008 results reveal that almost two-thirds, 64 percent of shoppers, have changed their minds or are now thinking about vehicles they normally would not have considered before.

In the last week, oil jumped to a record $102 a barrel signaling a possible price hike at the pump over the next few weeks. Nearly 32 percent of new-vehicle shoppers in the Kelley Blue Book Marketing Research study claim that if gas prices jump even 25 cents, they will begin looking at more fuel-efficient vehicles.

In addition, shoppers have made adjustments in their personal purchasing habits to offset heavy gas charges. The Kelley Blue Book study shows that 50 percent reported less shopping of non-essential retail items, compared to 44 percent who claim they will eat out less often, 40 percent who plan to purchase fewer media entertainment items and nine percent of new-car shoppers who intend to delay the purchase of a new home due to the rise in gas prices.

"Consumers continue to look for ways to tackle the gasoline price issue, and this study shows they are willing to make alterations in their shopping habits and lifestyles to balance their expenses," said Jack R. Nerad, executive editorial director and executive market analyst for Kelley Blue Book and kbb.com. "Technologies that offer better fuel economy, like the gasoline-electric hybrid, are being offered in more models, and other technologies, like 'clean diesel,' are waiting in the wings, helping shoppers reevaluate their purchase decisions to find better fuel economy."

The latest Kelley Blue Book Marketing Research study was conducted on Kelley Blue Book's kbb.com among 1,200 in-market new-vehicle shoppers during February 2008.

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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SOURCE: Kelley Blue Book

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