

Kbb.com Survey: Consumers Plan to Spend Less This Holiday Season; Nearly Half of Car Shoppers Delay Vehicle Purchase

Latest Data Shows Consumers' Economic Outlook Slightly More Optimistic When Looking at Year Ahead

IRVINE, Calif., Dec. 21, 2010 /PRNewswire/ -- According to the latest Kelley Blue Book www.kbb.com Market Intelligence survey of consumer sentiment, shoppers are planning to spend less during the holidays this year. When consumers were asked about their holiday spending for the prior year and estimates for this year, nearly 40 percent of consumers surveyed said they are planning to spend noticeably less this holiday season (spending \$1,265 average) when compared to last year (spending \$1,372 average).

Taking a closer look at the amount consumers estimate to spend this year compared to last year, there is a noticeable shift in those who say they are planning to spend less than \$750 this holiday season (up 12 percentage points, from 40 percent to 52 percent). Additionally, only 14 percent of consumers indicate they plan to spend \$751-\$1,000 this holiday season (down from 24 percent who said this was the amount they spent last year). Nearly 20 percent of shoppers cutting back on their holiday spending this year say they are doing so due to an upcoming large purchase (such as a vehicle or a house).

In addition, nearly half (45 percent) of shoppers are delaying their next vehicle purchase, with 39 percent of those delaying due to financial concerns, and 34 percent delaying due to economic concerns. Of those delaying their next vehicle purchase, 44 percent are delaying for seven or more months, and 25 percent are delaying for four to six months.

The greatest concerns among consumers include the overall economy (with 94 percent indicating some concern) and unemployment (with 74 percent indicating some concern), with 27 percent of shoppers citing 'extreme' concern for the overall economy. More than half of those surveyed (55 percent) are concerned about unstable household income, and 38 percent are concerned about their ability to pay all household bills.

However, consumers' economic outlook is slightly more optimistic when looking at the year ahead. Currently, less than half (48 percent) of those surveyed said their current economic situation is 'good,' but slightly more than half (51 percent) project their economic outlook will be 'good' in the next 12 months.

"The latest Kelley Blue Book Market Intelligence survey data shows that the slow economic recovery is taking its toll on shoppers, not only delaying upcoming vehicle purchases but also dipping into their holiday spending plans," said James Bell, executive market analyst for Kelley Blue Book's kbb.com. "Although economic concerns are top-of-mind with U.S. consumers, automakers continue to offer a host of affordable new vehicles and many great holiday deals between now and the end of the year, for those shoppers who are ready to take the plunge into their next new ride."

The latest Kelley Blue Book Market Intelligence survey of consumer sentiment was fielded to 172 in-market new- and used-car shoppers on Kelley Blue Book's kbb.com from November 23 – 30, 2010. The objective of the survey was to gauge consumer sentiment as they shop for their next vehicle, and determine how the economy may or may not impact the shopping process.

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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 website, www.kbb.com, provides the most up-to-date pricing and values, including the Fair Purchase Price, which reports what buyers 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. According to the C.A. Walker Research Solutions, Inc. - 2009 Spring Automotive Website Usefulness Study, kbb.com is the most useful automotive information website among new- and used-vehicle shoppers, and half of online vehicle shoppers visit kbb.com. Kelley Blue Book's kbb.com also is a W3 Silver Award winner, sanctioned by the International Academy of Visual Arts. Kbb.com is a leading provider of new car prices, used car values, car reviews, new cars for sale, used cars for sale, and car dealer locations.

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