

NEWS RELEASE

For Immediate Release

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Morpace Reports: Retail Sales Continue Downward Trend

FARMINGTON HILLS, MI, February 11, 2009 – U.S. consumers, mired in economic uncertainty and fear, have been slicing retail spending. According to new Morpace Omnibus survey information, the specter of continued cutbacks looms ominously on the horizon.

Asked how current economic conditions have impacted their shopping the past three months, 58 percent of consumers said they have “spent less” overall. “That shows no improvement yet from last fall’s levels,” said Kirsten Denyes, Vice President, Morpace Retail Services.

“Meanwhile, looking ahead to the next three months, there’s a widespread consumer intention to spend less,” Denyes added. “Consumers are delaying major purchases and making money saving changes in shopping behavior. Eighty percent say they are now ‘focusing more on what they need rather than what they want.’ It’s a significant trend.”

As worst case examples, 56 percent of those who shop for big ticket items like home furnishings, appliances and electronics expect to spend less the next three months. Sixty-three percent of jewelry shoppers say they will reduce spending, as will 56 percent of toy buyers.

It doesn’t stop there, says Denyes. Other categories where upwards of half of all buyers expect to reduce spending include tools, sports equipment, leisure clothing, work clothing, shoes and movie and music entertainment.

“Overall, the hardest hit retail category may be upscale department stores such as Neiman Marcus and Nordstrom where 61 percent of patrons expect to spend less,” Denyes reported. “But many others including department stores, electronics stores and home improvement retailers also will certainly feel continued consumer cutbacks.”

Survey interviews were completed in late January with 1,010 consumers selected from an Internet panel of adults aged 18 and over. The sample reflects the demographic profile of the U.S. population.

About Morpace Inc.

Morpace is a full-service survey research and consulting organization specializing in automotive, financial services, health care, retail and technology. Morpace has global expertise in providing innovative proprietary solutions to clients in four core areas: market definition and segmentation; product development and pricing; brand and image positioning; and customer satisfaction and loyalty.

Established in 1941, Morpace Inc., an ISO 9001:2000 certified organization, is one of the largest privately held marketing research firms in the United States. Headquartered in Farmington Hills, Michigan the company has offices in Irvine, California; New York City; and London, England.

