

NEWS RELEASE

For Immediate Release

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Morpace Reports: Holiday Shopping Takes a Hit

FARMINGTON HILLS, MI, November 25, 2008 – The holiday shopping season is shifting into gear – but it's reverse gear. Growing economic concerns are causing consumers to significantly curtail 2008 holiday spending plans according to a new national Morpace survey.

U.S. consumers interviewed November 17 through 19 were asked how they expect their spending this holiday season will compare to last year's. Fifty-seven percent say they expect to spend less, while only 5 percent anticipate spending more.

"A big segment of consumers plan to reduce holiday spending this year," said Kirsten Denyes, Vice President, Morpace Retail Services. "But what's more ominous is that nearly half of those who are pulling back expect to cut spending by 50 percent or even more."

Department stores and electronics stores will bear the brunt of the spending decline. Compared to last year, the study found 33 percent of consumers expect to spend less money at department stores and 38 percent plan reduced spending at electronics stores. "That reduction in dollars spent is about four times greater than those expecting to increase spending at those same retailers," Denyes added.

Many gift categories will also experience lower spending this year. Included among these are jewelry – the perennial holiday "favorite" – down 31 percent as well as other big ticket items such as home furnishings and appliances (-29 percent).

Amid other signs of cost-conscious behavior, credit cards may play a lesser role this year. On average, consumers expect to use credit cards for only 36 percent of their spending this year, down from 44 percent last year.

Survey interviews were completed with 1,015 consumers selected from an Internet panel of adults aged 18 and over. The sample's demographic profile is reflective 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.