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MARKETTOOLS NOVEMBER/DECEMBER 2008 INSIGHT REPORT ON U.S. ECONOMY AND HOLIDAY SPENDING SHOWS CONSUMERS CUTTING BACK ON EVERYTHING

Consumers Not Optimistic about Economy, Cutting Back in All Areas Including Holiday Spending, Green Products, Grocery Shopping, Charitable Donations and Retirement

SAN FRANCISCO—November 13, 2008—MarketTools, Inc. today unveiled the results of its November/December 2008 Insight Report focused on the U.S. economy and holiday spending during these turbulent economic times. The nationwide survey of 1,000 U.S. adults reveals that in the face of a clear economic downturn, 58 percent feel that the economy has reached a low point and many people (47 percent of respondents) feel the economy will stay at this low point for awhile. This holiday season and beyond, Americans will spend with caution and marketers will face the challenge of keeping these consumers enthusiastic about high-value purchases.

“Although more than half of Americans are feeling impacted by the economy this holiday season, consumers will still be making purchases, which provides companies, business leaders and marketers opportunities to differentiate their value proposition in a crowded market,” said Beth Rounds, senior vice president of research solutions at MarketTools. “This economic crisis will outlast the holiday season, so companies need to listen to their customers to understand how consumers are responding to budgetary pressures. More than ever before, companies must find ways to set themselves apart in order to remain successful.”

The latest MarketTools Insight Report further explores the effect of the economy on Americans this holiday season and found that with budgets being squeezed consumers are approaching the holidays with revised spending plans. More than half of all respondents (60 percent) will be cutting back and spending less on holiday gifts than they did last year. The results differ significantly, however, based on the respondents’ age. Among those in Generation X (in their 30s and early 40s), 64 percent will be reducing their holiday gift budgets. Baby Boomers (in their mid 40s to early 60s) are cutting back the most, with 66 percent spending less on gifts this season.

The Insight Report also found Americans trimming back on other holiday expenses:

- 57 percent of all respondents will spend less on dining out than they did last year.
- 40 percent will do less away-from-home entertaining.
- 49 percent will travel less and 45 percent will vacation less.
- 37 percent of respondents say they will give less to charities.

With the perception that gloomy economic times will outlast the holiday season, consumers are also feeling pressure in other areas. For example, 43 percent of respondents indicated that they are setting aside slightly less (15 percent of respondents) or significantly less (28 percent) for retirement. The tendency to save significantly less is most prevalent among the Baby Boomers (37 percent) followed by Generation X (31 percent). However, about one-third of Americans (34 percent) are continuing to save about the same for retirement. This trend is most common among Seniors at 47 percent.

MarketTools' research also found that while environmentally friendly or "green" products have become increasingly evident on store shelves in recent years, the economic downturn is affecting consumers' purchasing habits when it comes to these more expensive options. Overall, 68 percent of Americans buy green products at least occasionally and 18 percent of respondents opt for green choices either "most of the time" or "all of the time." Generation Y (people mostly in their 20s) is especially likely (22 percent) to buy green products most or all of the time. With Generation Y's increasing interest in green products, MarketTools' research suggests that the use of these products is likely to increase even more over time as families and incomes expand. However, only 8 percent of Americans are such strongly committed buyers of green products that they will pay more for them despite the economy, while about one half (47 percent) of consumers are less likely to pay a premium for green products during tough economic times. Nearly four in ten consumers (38 percent) are not willing to pay a premium for green products regardless of the state of the economy.

Other findings compare the latest results to those outlined in MarketTools' May/June 2008 Insight Report focused on American Spending:

- 71 percent of all respondents are reducing dining out costs today versus 66 percent in the last survey.
- 34 percent of households are cutting back on purchases of beauty or grooming products compared to 27 percent previously.
- 30 percent of households are reducing spending on kids' toys and games, despite the holiday, compared to 25 percent of households in the last report.
- 19 percent of respondents are cutting back on purchasing non-prescription medications compared to 16 percent in the last survey.

About MarketTools Insight Reports

MarketTools Insight Reports are regular reports of findings on topical, national issues of interest. Data is based on feedback from 1,000 online respondents drawn from ZoomPanel, MarketTools' proprietary online sample source of more than 2.5 million individuals who have been validated through MarketTools TrueSample™. Insight Report respondents are a nationally representative sampling of the U.S. adult population, age 18 years and over. The overall margin of error is +/- 3%.

Organizations interested in additional findings or a further breakdown of data from this month's Insight Report can contact Schwartz Communications for MarketTools at: (415) 512-0770 or markettools@schwartz-pr.com.

About MarketTools

MarketTools is the leading technology and solutions provider of Customer Insight Management solutions for the world's market leaders. Through a unique combination of best-in-class research platforms, quality-assured global panels and research innovation, MarketTools enables companies to better identify new opportunities, fuel greater product success and build customer advocacy. As the first company to make online surveys widely available on the Web, MarketTools continues its market-leading position by providing the broadest range of powerful, accurate and integrated customer insight technologies that empower companies to become the most customer-centric organizations in their industries. MarketTools' premier portfolio of technology-based insight brands includes Zoomerang™, zTelligence™, CustomerSat™, TrueSample™, Insight Networks™, Idea Networks™ and ZoomPanel™.

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