



The Nielsen Company Australia  
11 Talavera Road  
Macquarie Park, NSW 2113  
www.nielsen.com

## News Release

**CONTACT:**

Cindy Panzera; [cindy.panzera@nielsen.com](mailto:cindy.panzera@nielsen.com)  
+612 8873 7381; +61 410 457 646

### **ECONOMIC CONCERN AND RISING UTILITY COSTS KEEPING AUSSIES UP AT NIGHT**

*Consumer confidence has slipped in the last quarter with more Australians apprehensive about economic uncertainty, financial security, and rising gas and electricity prices*

**July 22, 2010, Sydney:** The latest findings from Nielsen's Global Online Consumer Survey for Quarter 2, 2010 reveal that while Australia continues to be one of the Top 10 most optimistic markets globally; our confidence has slipped in the latest quarter as we continue to juggle rising interest rates, escalating debt levels, increasing utility costs, and economic uncertainty with the recent change in leadership so close to the upcoming Federal Election.

The Nielsen survey showed that Australian consumer confidence had slipped three points in the second quarter of 2010 compared to the previous three months; with 36 percent of consumers having a pessimistic view of the state of their personal finances over the next 12 months (up 6 points from Quarter 1); and only half (50%) saying the next 12 months is a good/excellent time to buy what they want and need – the lowest this score has been over the past four quarters.

Increasing utility bills was by far the biggest concern among Australian consumers, with 30 percent citing it as a major concern over the next six months – up 10 percentage points compared to a year ago. In addition, almost two in three consumers (65%) said they had already taken action to try and save on gas and electricity over the past year, and even when economic conditions improve, saving on gas and electricity was the number one action cited to reduce household spending.

The economy was ranked as the second biggest concern for 21 percent of respondents – up four points in just three months – a reflection of the widespread voter dissatisfaction seen over the past few months.

Not surprisingly, restraint and vigilance continues to be a key theme among Aussie consumers with around two in five channelling their spare cash into savings (41%), and 38 percent of consumers

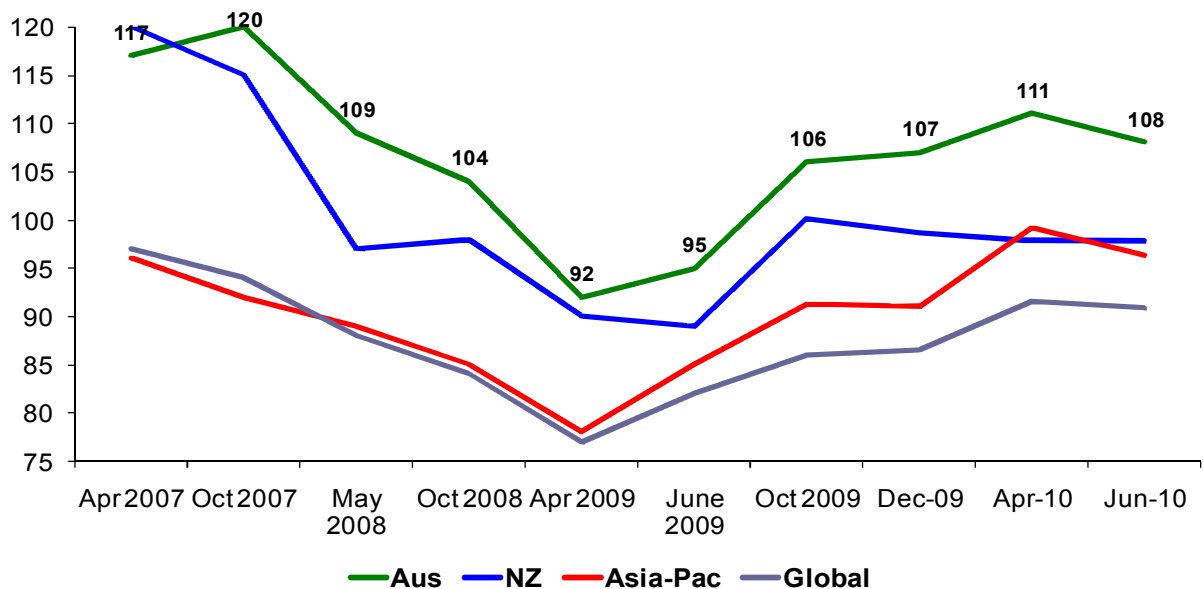
channelling any surplus cash into paying off debts, credit cards and loans. Furthermore, more than half of Australian consumers said they were actively cutting down on take-away meals, out-of-home entertainment, and new clothes; as well as switching to cheaper grocery brands to reduce their household expenditure.

“With the continued rise in interest rates, increasing utility bills, escalating household debt, and general economic uncertainty in the lead up to the Federal Election over the next few weeks, it is clear that the average Aussie consumer still faces some pretty tough financial challenges. Finding value will continue to be a key factor in consumers’ purchasing decisions,” said Chris Percy, Managing Director – Pacific, Nielsen Consumer Group.

“The key to success in the retail sector lies in responding to the needs of the shopper of today and the future, and not just in terms of offering a greater value proposition. The Australian population is set to embark on some major demographic shifts over the next few decades with significant changes in cultural diversity, an ageing population and general population growth.

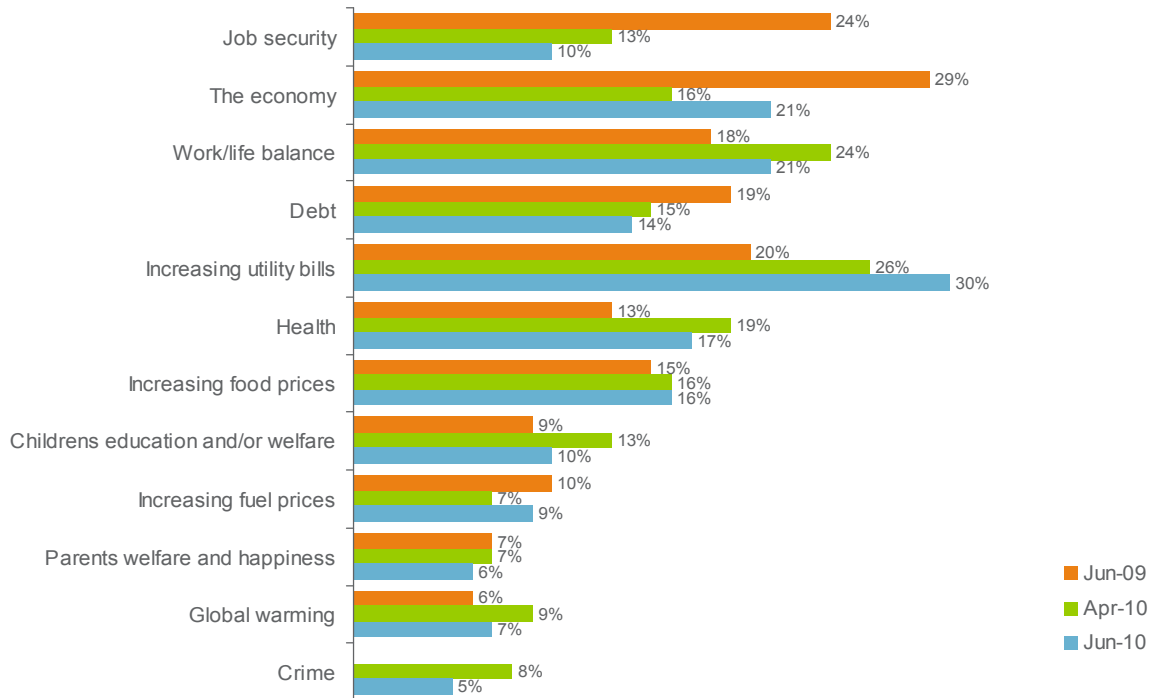
“Understanding the impact these changes will have on shoppers and their purchasing behaviour is critical to capitalising on the opportunities these trends will offer constituents in the retailing trade. The resulting shopper-centric strategies will form a key part in providing an in-depth understanding of categories and shoppers, ultimately enhancing the trading desk relationship between suppliers and retailers in the future,” commented Percy.

**Chart 1: Trended Consumer Confidence Index (Base: All respondents)**



Source: Nielsen Global Online Consumer Survey, Q2 2010

**Chart 2: Major concern over the next six months – Australian Average**



Source: Nielsen Global Online Consumer Survey, Q2 2010

**About the Nielsen Global Consumer Confidence Survey**

The Nielsen Global Consumer Confidence Survey was conducted between May 10 and May 26, 2010 and polled approximately 27,000 consumers in 48 countries throughout Asia Pacific, Europe, Latin America, the Middle East and North America about their confidence levels and economic outlook. The Nielsen Consumer Confidence Index is developed based on consumers' confidence in the job market, status of their personal finances and readiness to spend. The sample has quotas based on age and sex for each country based on their Internet users, and is weighted to be representative of Internet consumers and has a maximum margin of error of ±0.6%.

**About The Nielsen Company**

The Nielsen Company is a global information and measurement company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and related assets. The privately held company has a presence in approximately 100 countries, with headquarters in New York, USA. For more information, please visit, [www.nielsen.com](http://www.nielsen.com).

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