



The Nielsen Company

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## News Release

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### **AUSSIE CONFIDENCE REBOUNDS**

**As consumers recover from the global recession, work/life balance and increasing cost of utility bills is now a bigger concern than the economy**

**SYDNEY, 30 OCTOBER 2009** – The world is emerging from the economic crisis, and with it, global consumer confidence is rebounding, according to the latest edition of the Nielsen Global Consumer Confidence Index, which jumped from 77 index points in April to 86 points this month.

Nielsen's Global Consumer Confidence Index tracks consumer confidence, major concerns and spending habits among more than 30,500 consumers in 54 countries, with the latest round of the survey conducted between 28 September and 16 October 2009.

Among the 54 markets in the survey, Australia posted double-digit increases in consumer sentiment (up 15 points to 106 in the six months to October 2009), and with a score of 20 points above the global average – it makes us the seventh most confident country in the world, behind fast developing nations including India, Indonesia, Brazil and the Philippines.

Looking at the change in sentiment from June to October 2009, most of the core markets around the world showed some improvement – but the most rapid recovery in confidence was seen in Australia, New Zealand, Hong Kong and Brazil (*refer to Chart 1*), while the US recorded its first increase in consumer confidence since 2007.

In Australia, after recording a dramatic decline in sentiment in the earlier part of the year (the consumer confidence index fell to 92 in April – the lowest it has been since the launch of this survey in 2005 – albeit still quite high when compared to the rest of the world), it has since increased by a staggering 14 points to 106 over the last six months to October 2009 – two points ahead of where we were in October 2008 (*refer to Chart 2*).



“A 14-point surge in consumer confidence signifies a major turning point for us. It really demonstrates that in the last six months, our consumer sentiment has shifted gears from recession to recovery – the tide has turned,” said Chris Percy, Managing Director – Pacific, Nielsen Consumer Group.

“In this economic climate, sentiment is closely correlated to actual sales. Our rapid turnaround in confidence coupled with strong economic conditions prompted the Reserve Bank to raise rates, becoming the first G20 country to do so. Correspondingly, we have seen steady increases in sales in the grocery sector over the past few months, while online sentiment (buzz) regarding the recession is at the lowest levels since we began tracking that dynamic in January 2009.”

However, the survey results show that consumers are still operating with an underlying air of caution. Close to half (48%) of consumers said they would be channeling their spare cash into saving, while 42 percent said they would be focused on debt recovery.

Interestingly, it is no longer the economy or job security that are our biggest concerns like they have been for the past couple of years – work/life balance now tops the list with 24 percent of respondents citing it is their major concern followed by 22 percent saying that increases in utility bills are keeping them awake at night (*refer to Chart 3*).

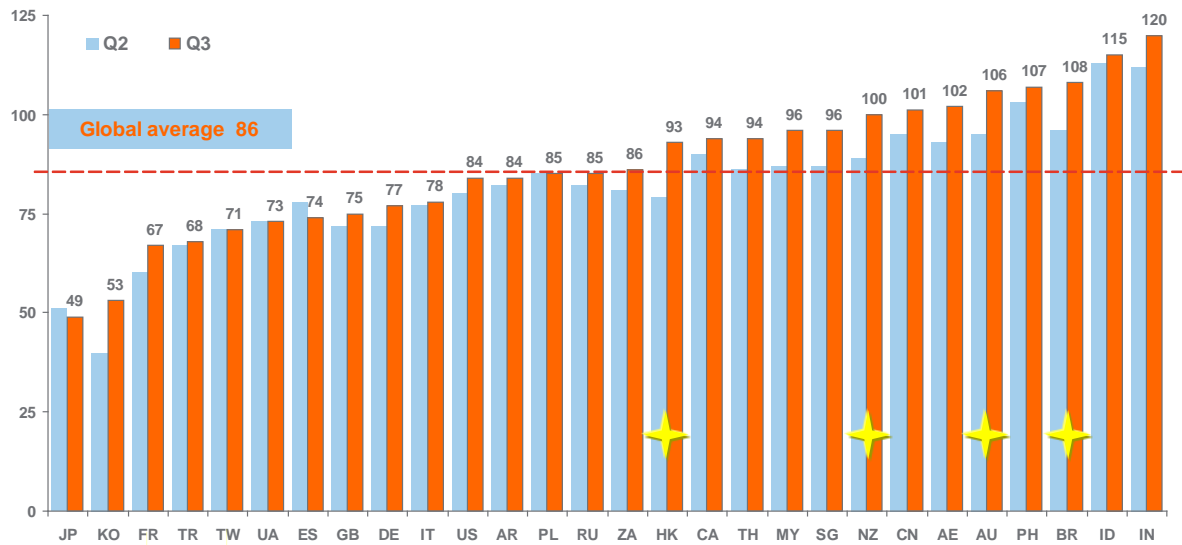
“The fact that the economy and job security has become less of a concern to us is another indication that consumers’ obsession with everything economy and recession-related is beginning to subside. However, the work/life balance factor potentially highlights the struggle consumers have felt in the workforce during the downturn, and they now want some stability and breathing space during this period of recovery. The concern around increasing utility bills is also interesting and correlates to the latest data released by the Australian Bureau of Statistics which shows the price of electricity and water climbed significantly for the September quarter – 11.4 percent and 14.1 percent respectively,” commented Percy.

The survey also showed that over half (53%) of Australian consumers said that compared to a year ago, they have changed their spending habits to cut back on household expenses. Even as the economy recovers, half of these consumers said they will still continue to try and save on gas and electricity, 37 percent plan to spend less on takeaway meals, and around a third (32%) said they would still switch to cheaper grocery brands.

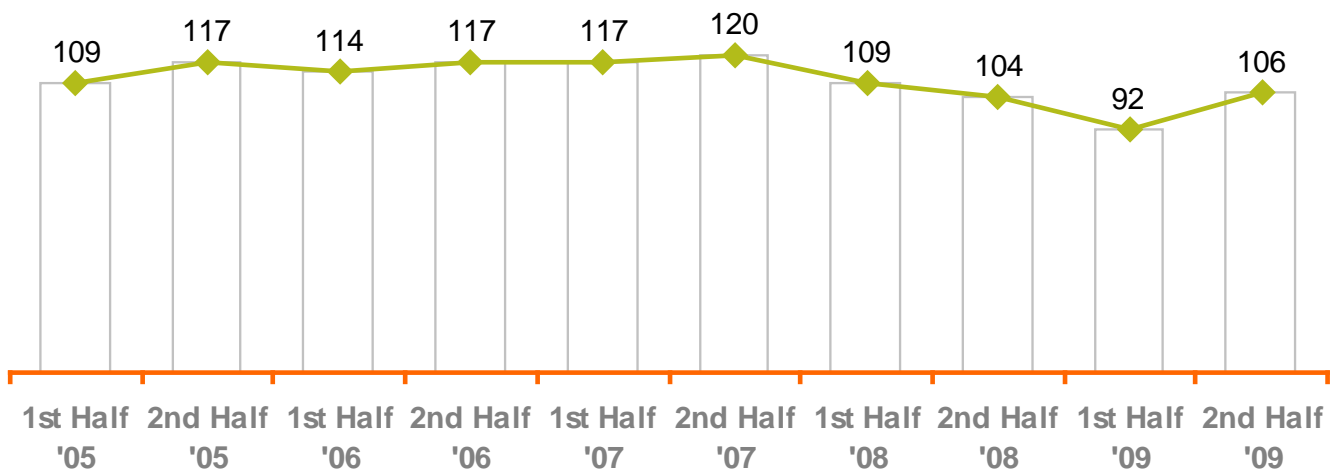
“While talk of the global recession may be receding, this period of uncertainty has brought about what could be a permanent change in consumer values, spending habits and lifestyle choices, and there are indications that as the economy continues to recover – restraint is the new mantra and underlying caution around discretionary spending, might be here to stay. Consumers have become more frugal and in order to feed their growing demand for value, they are prepared to shop across multiple

banners and channels, they are heavily reliant on price discounting and promotions, and they are buying more Private Label than ever before.”

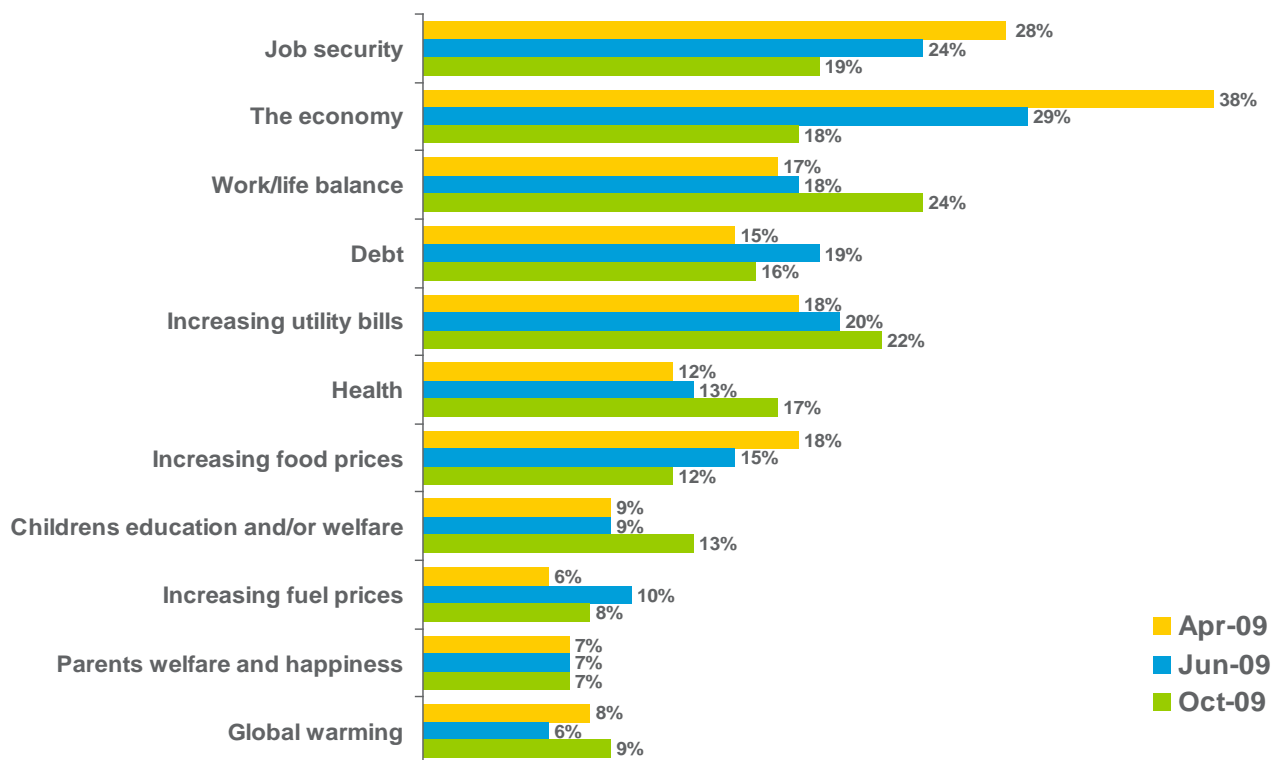
**Chart 1: Consumer Confidence Index by core markets June 2009 vs October 2009**



**Chart 2: Trended Consumer Confidence Index – Australia**



**Chart 3: Major concerns over the next six months – Australia**



**About the Nielsen Global Consumer Confidence Survey**

The Nielsen Global Consumer Confidence Survey was conducted between 28 September – 16 October and polled over 30,500 consumers in Europe, Asia Pacific, North America and the Middle East 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  $\pm 0.6\%$ .

**About The Nielsen Company**

The Nielsen Company is a global information and media company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and business publications (Billboard, The Hollywood Reporter, Adweek). The privately held company is active in more than 100 countries, with headquarters in New York, USA. For more information, please visit, [www.nielsen.com](http://www.nielsen.com)