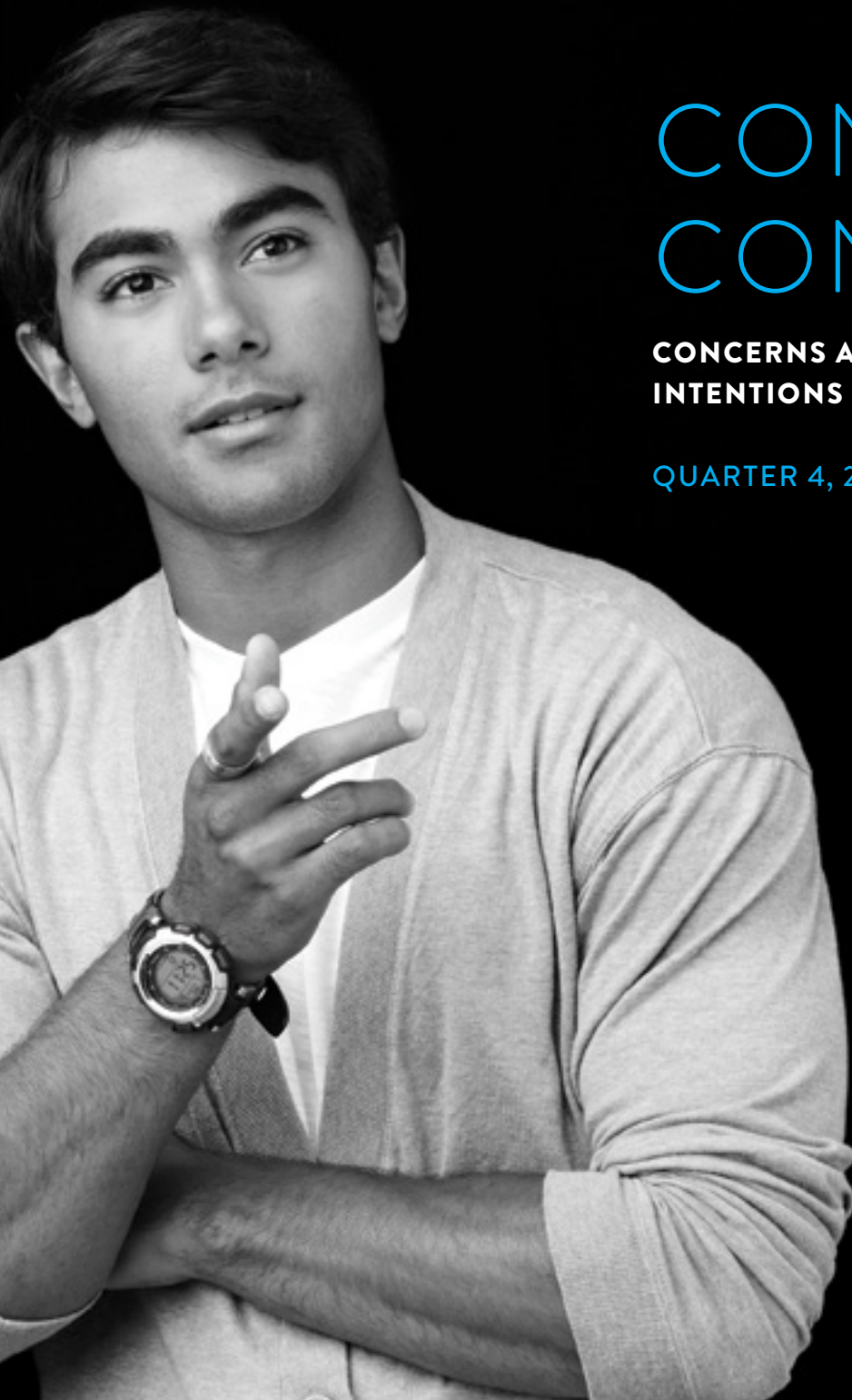


nielsen

AN UNCOMMON SENSE
OF THE CONSUMER™



CONSUMER CONFIDENCE

**CONCERNS AND SPENDING
INTENTIONS AROUND THE WORLD**

QUARTER 4, 2015

GLOBAL CONSUMER CONFIDENCE ENDED 2015 WITH AN INDEX SCORE OF 97—THE SAME LEVEL AS THE START OF THE YEAR



AROUND THE WORLD

- Europe was the only region to show consistent confidence improvements throughout 2015 across three index indicators—jobs, finances and spending.
- More than half (55%) of respondents around the world believed they were in recession in the fourth quarter.
- Fears about terrorism escalated to new highs in North America and Europe.
- Saving and investing intention levels were highest in Asia-Pacific, paying off debt intentions were highest in Latin America, and spending intentions on home improvement projects were highest in North America.
- Respondents looking for ways to cut back on spending listed new clothes and out-of-home entertainment as top areas to save.

Global consumer confidence ended 2015 on a subdued note as the index declined two points from the third quarter to 97—the same score as the start of the year. Compared to first-quarter 2015, confidence in the fourth quarter remained flat in Asia-Pacific at 107, while Europe edged up four points to 81. All other regions ended the year less confident than they started, with the North America and Middle East/Africa regions declining six points each to 100 and 90, respectively, and Latin America declining three points to 83.

Europe was the only region to show consistent confidence improvements throughout the year across all three indicators (job prospects, personal finances and intentions to buy), albeit at low levels. In the fourth quarter, 32% of European respondents believed job prospects would be good/excellent in the coming year, up from 28% at the start of the year; 41% believed personal finances would be good/excellent, up from 39%; and 35% indicated that now is a good time to spend, up from 32%. Twenty-two of 32 European markets increased in confidence from the first to the fourth quarter of 2015, with the most notable jumps in France (74) and the Czech Republic (97), rising 14 points each. Italy (61) and Portugal (66), markets that have struggled more than some other European economies in recent months, also reported steady increases, ending the year up four and seven points higher than at the start of the year, respectively.

In Asia-Pacific, confidence-indicator levels remained relatively consistent throughout the year, with fourth-quarter job prospects at 61%, personal finance sentiment at 62% and immediate spending intentions at 47%. In North America, levels were more mixed, but generally positive, as the year ended with job prospects at 45%, personal finance beliefs at 60% and spending intentions at 52%. Conversely, confidence indicator levels were down throughout the year in Latin America and Middle East/Africa.

“Confidence levels throughout 2015 reflect the varied ways that consumers filtered economic events within their regions and globally,” said Louise Keely, senior vice president, Nielsen, and president, The Demand Institute. “Many emerging markets—though not all—are in slower growth environments, and confidence trends vary accordingly. European consumers on the whole have remained relatively resilient despite continued economic uncertainty. And while the U.S. is a relative bright spot in the global economy, consumers are still taking a cautiously optimistic attitude to their near-term futures.”

In the latest online survey, conducted Nov. 2–25, 2015, consumer confidence increased in 26 of 61 markets measured by Nielsen (43% of measured markets). India's score of 131 was the highest level, with no change from the third quarter, and South Korea's was the lowest at 46, a quarterly rise of four points. Among the world's largest economies, China's score was 107, a rise of one point from the third quarter, followed by the U.K. (101, -2pts), the U.S. (100, -19pts¹), Germany (98, -2pts) and Japan (79, -1pt), which all showed quarter-on-quarter confidence declines.

The Nielsen consumer confidence index measures perceptions of local job prospects, personal finances and immediate spending intentions. Consumer confidence levels above and below a baseline of 100 indicate degrees of optimism and pessimism, respectively. The Nielsen Global Survey of Consumer Confidence and Spending Intentions, established in 2005, measures consumer confidence, major concerns and spending intentions among more than 30,000 respondents with Internet access in 61 countries.

ABOUT THE GLOBAL SURVEY METHODOLOGY

The findings in this survey are based on an online methodology in 61 countries. While an online survey methodology allows for tremendous scale and global reach, it provides a perspective only on the habits of existing Internet users, not total populations. In developing markets where online penetration is still growing, audiences may be younger and more affluent than the general population of that country. Three sub-Saharan African countries (Kenya, Nigeria and Ghana) utilize a mobile survey methodology and are not included in the global or Middle East/Africa averages discussed throughout this report. In addition, survey responses are based on claimed behavior rather than actual metered data. Cultural differences in reporting sentiment are likely factors in the measurement of economic outlook across countries. The reported results do not attempt to control or correct for these differences, therefore, caution should be exercised when comparing across countries and regions, particularly across regional boundaries.

¹Third quarter of 2015 saw an 18-point increase in the U.S. CCI despite mixed economic signals. This was followed by a return to the norm of near 100 in Q4. While this level of change versus the prior quarter is unusual, it does occur and is typically driven by multiple factors such as behavioral variation, media activity influences, and a variety of other factors, in addition to expected sampling variability. When large trend deviations such as this do occur, it is not unusual to see a subsequent reversion to historical norms, as was the case for the fourth-quarter U.S. consumer confidence index.

RECESSIONARY SENTIMENT STILL GRIPS MORE THAN HALF AROUND THE WORLD

More than half (55%) of respondents around the world believed they were in recession in the fourth quarter of 2015, which increased slightly from the start of that year (53%). Recessionary sentiment was strongest and above 90% in Venezuela (96%), Ukraine (95%), Brazil (93%) and South Korea (91%). Sentiment was lowest and below 40% in China (29%), Czech Republic (33%), Denmark (34%), New Zealand (37%) and Germany (38%).

Recessionary sentiment improved most in Latvia (59%, -11pp), Estonia (46%, -10pp), Italy (80%, -9pp) and the U.S. (47%, -8pp) from the third quarter. Conversely, fourth-quarter recessionary sentiment worsened most in Sweden (62%, +13pp), Singapore (40%, +10pp), United Arab Emirates (53%, +10pp) and Norway (63%, +10pp).

In the U.S., the percentage who believed they were in recession fell under 50% for the first time since 2008, when Nielsen began tracking recessionary sentiment. “The U.S. economy is on a solid footing, and the path to recovery is holding steady,” said Keely. “American consumers have experienced continued job creation and lower gas prices, along with some wage growth. So it is remarkable that, while the share of consumers who believe the U.S. economy is in recession has fallen steadily, it is still as high as it is. This ‘overestimation’ on the part of consumers is a global phenomenon and reflects the large number of consumers who continue to feel uncertain about their economies overall.”

India’s recessionary sentiment, on the other hand, is notably high (50%) given their optimistic confidence index score of 131. “Indian consumers are confident, but they are not without their worries, and global companies need to serve them with the same degree of smart insight and sophistication as they do consumers in developed markets,” said Keely. “Consumption represents nearly 60% of GDP in the country, so consumers are an important economic driver for India. As both the population and its spending power grow, the Indian market opportunity will be increasingly important to global companies.”

RECESSIONARY SENTIMENT AROUND THE WORLD

PERCENT WHO BELIEVED THEY WERE IN RECESSION IN Q4 2015 AND CHANGE FROM Q3 2015



LOWEST LEVELS

CHINA	29%	+2
CZECH REPUBLIC	33%	N/C
DENMARK	34%	N/C
NEW ZEALAND	37%	-3
GERMANY	38%	+4



HIGHEST LEVELS

VENEZUELA	96%	-2
UKRAINE	95%	-1
BRAZIL	93%	+1
SOUTH KOREA	91%	+2
CROATIA	90%	-1



MOST IMPROVED

LATVIA	59%	-11
ESTONIA	46%	-10
ITALY	80%	-9
U.S.	47%	-8
TURKEY	76%	-8



BIGGEST INCREASE

SWEDEN	62%	+13
SINGAPORE	40%	+10
UAE	53%	+10
NORWAY	63%	+10
PERU	64%	+9

Source: Nielsen Global Survey of Consumer Confidence & Spending Intentions, Q4 2015

TERRORISM AND IMMIGRATION CONCERNS HIT CLOSE TO HOME IN NORTH AMERICA AND EUROPE

Fears about terrorism escalated to new highs in the fourth quarter of 2015 in North America (27%) and Europe (22%) and have become a bigger concern than the economy in both regions. In the U.S., 29% of online respondents said terrorism was their biggest or second-biggest concern, an increase of 15 percentage points from the third quarter. In Europe, concern levels were also high and grew significantly from the third to the fourth quarter in Israel (43%, +24pp), the U.K. (32%, +11pp) and the Netherlands (26%, +8pp). Levels were very high or high and remained relatively stable quarter-on-quarter in Turkey (56%, -2pp), France (25%, -1pp), Czech Republic (24%, +1pp), Switzerland (23%, +1pp) and Germany (23%, no change).

Immigration concerns also escalated in North America (29%), as just under one-third of Americans (32%) said it was their biggest or second-biggest worry, a rise of 26 percentage points from the third quarter making it the number one concern in the country. Immigration anxieties were also notably high in central European and Scandinavian countries, with levels highest in the Czech Republic (36%), Sweden (28%), Germany (27%), Austria and Norway (26% each), the U.K. and Switzerland (22% each) and Finland (21%)—most with significant quarter-on-quarter increases.

Historically, concerns related to the economy, jobs and prices have been top-of-mind for consumers in most economies and over most periods in the survey. That terrorism and immigration should remain important or increase across several major consumer markets is a new phenomenon.

“Consumer concerns about terrorism and immigration have risen in recent quarters in those countries most affected by recent related events,” said Keely. “We continue to monitor the effects that these demographic and political issues may eventually have on consumer spending. In general, it is big and unexpected events that are likely to be the most disruptive for consumers.”

The economy remained the top concern in Latin America (34%) and Asia-Pacific (29%), with levels highest globally in Venezuela (54%), Thailand (51%), Malaysia (50%), Taiwan (44%), Indonesia (42%) and Argentina (39%).

Job security concerns were highest in the Middle East/Africa (29%), as four-in-10 respondents in the United Arab Emirates (40%), one-in-three in Pakistan (33%) and almost three-in-10 in Egypt (29%) said it was their biggest or second-biggest concern.



BIGGEST CONCERNS AROUND THE WORLD

HIGHEST LEVELS FOR BIGGEST + SECOND-BIGGEST CONCERNS



ASIA-PACIFIC

ECONOMY	29%
WORK/LIFE BALANCE	27%
HEALTH	25%
JOB SECURITY	23%
PARENTS WELFARE	16%



EUROPE

TERRORISM	22%
ECONOMY	20%
JOB SECURITY	19%
HEALTH	17%
INCREASING UTILITY BILLS	14%



LATIN AMERICA

ECONOMY	34%
JOB SECURITY	24%
CRIME	21%
INCREASING UTILITY BILLS	17%
HEALTH	16%



MIDDLE EAST/AFRICA

JOB SECURITY	29%
ECONOMY	23%
PARENT'S WELFARE	17%
WORK/LIFE BALANCE	15%
HEALTH	13%



NORTH AMERICA

IMMIGRATION	29%
TERRORISM	27%
ECONOMY	18%
POLITICAL STABILITY	12%
HEALTH	12%

TERRORISM AND IMMIGRATION CONCERNS ESCALATE IN THE U.S. AND IN EUROPE

BIGGEST AND SECOND-BIGGEST CONCERN PERCENTAGE IN Q4 2015 AND CHANGE FROM Q3 2015

TERRORISM CONCERN LEVELS

TURKEY	56%	-2
ISRAEL	43%	+24
U.K.	32%	+11
U.S.	29%	+15
NETHERLANDS	26%	+8
AUSTRALIA	25%	+14
FRANCE	25%	-1
CZECH REPUBLIC	24%	+1
SWITZERLAND	23%	+1
GERMANY	23%	N/C

IMMIGRATION CONCERN LEVELS

CZECH REPUBLIC	36%	+5
U.S.	32%	+26
SWEDEN	28%	+10
GERMANY	27%	+6
NORWAY	26%	+13
AUSTRIA	26%	+2
SWITZERLAND	22%	+3
U.K.	22%	N/C
FINLAND	21%	+8

Source: Nielsen Global Survey of Consumer Confidence & Spending Intentions, Q4 2015

SPENDING STRATEGIES AROUND THE WORLD

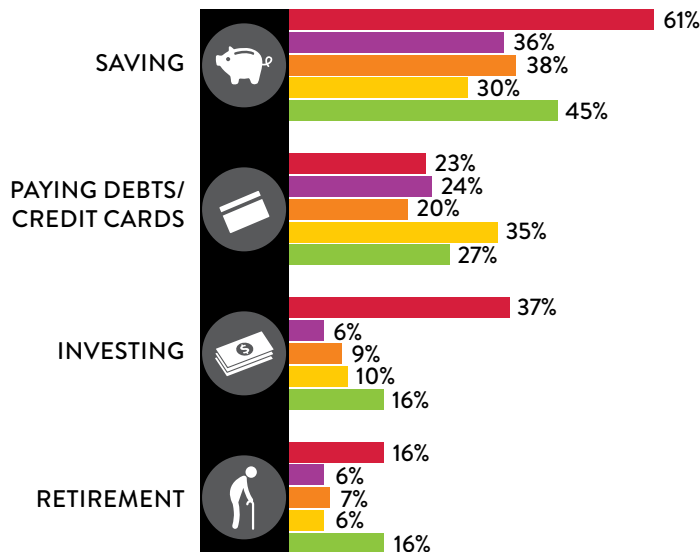
Fourth-quarter saving and investing intention levels were highest in Asia-Pacific (61% and 37%, respectively), as was spending on new clothes (41%), new technology (34%), holidays/vacations (44%) and out-of-home entertainment (34%). Intentions to pay off debts were highest in Latin America (35%), and intentions to spend on home improvement projects were highest in North America (25%). Plans to save for retirement were highest in Asia-Pacific and North America at 16% each.

Nearly one-quarter of Middle East/Africa respondents (23%) said they had no spare cash in the fourth quarter—the highest-level regionally, followed by 18% in Europe, 17% in Latin America, 11% in North America and 5% in Asia-Pacific.

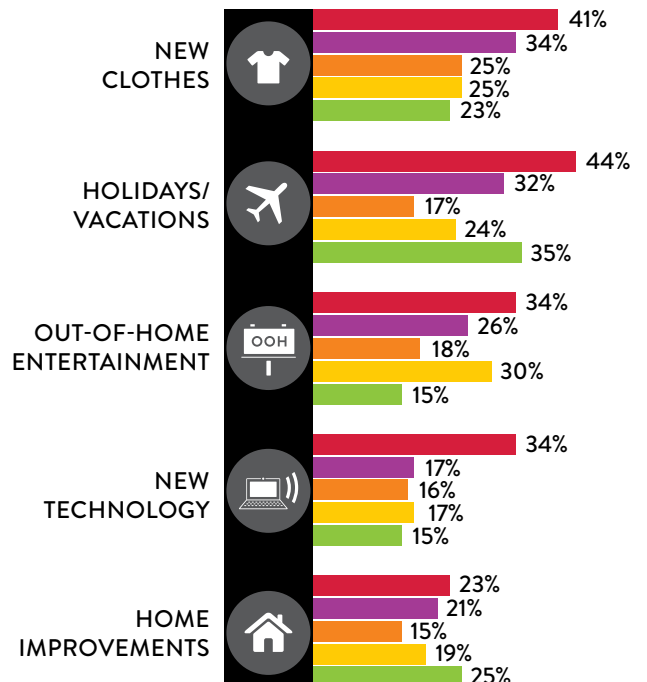
HOW WE SPEND OUR SPARE CASH

● ASIA-PACIFIC ● EUROPE ● MIDDLE EAST/AFRICA ● LATIN AMERICA ● NORTH AMERICA

SAVING



SPENDING



Source: Nielsen Global Survey of Consumer Confidence & Spending Intentions, Q4 2015

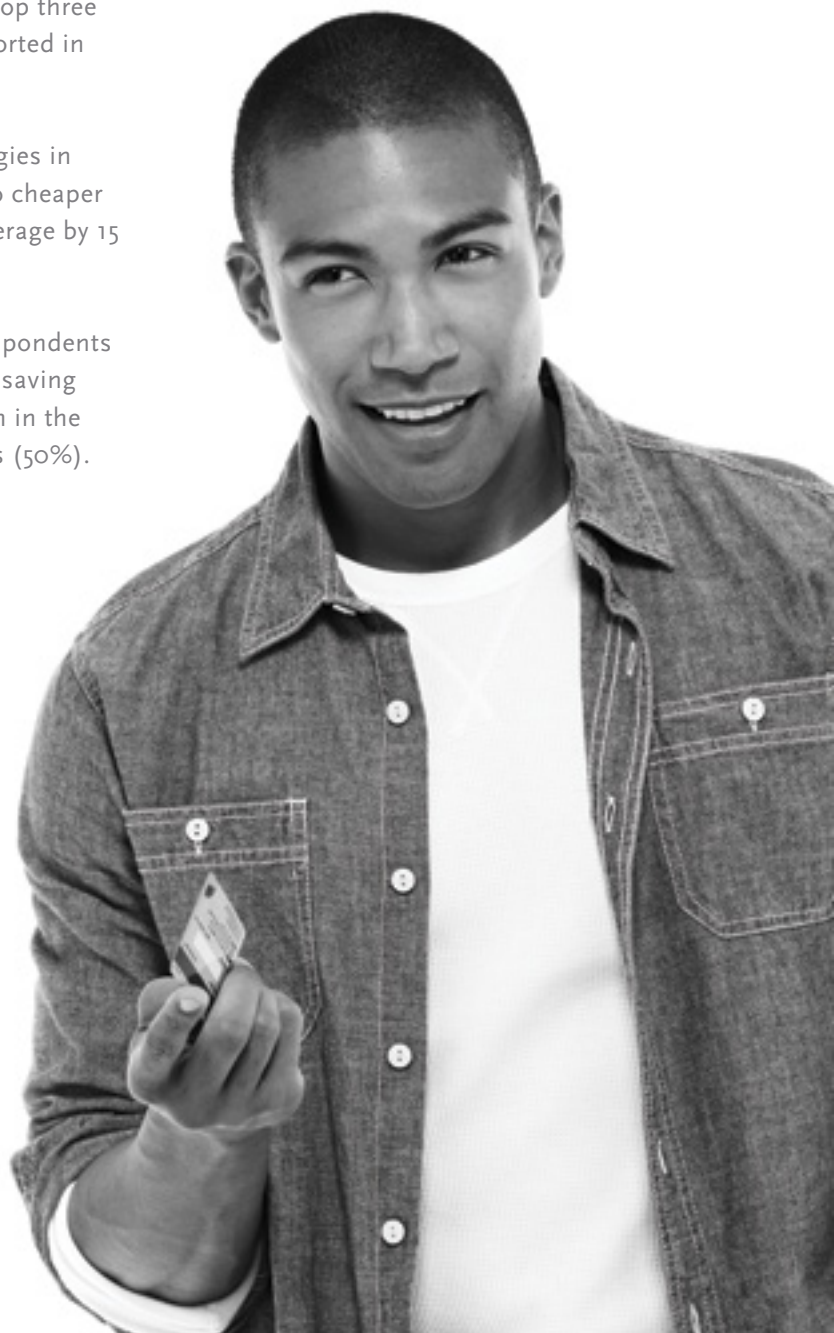
SAVING STRATEGIES AROUND THE WORLD

Among respondents looking for ways to save, spending less on new clothes was the top strategy in every region except in the Middle East/Africa region, where cutting down on take-away meals edged it out by just one percentage point. Reducing take-away meals was also one of the top three savings strategies in North America.

Cutting back on out-of-home entertainment was one of the top three savings strategies in every region, with the highest level reported in Latin America (53%).

Saving on gas and electricity was one of the top three strategies in Asia-Pacific and Latin America, while in Europe, switching to cheaper grocery brands was a top approach, exceeding the global average by 15 percentage points (49%).

Of the various ways consumers cut back, Latin American respondents showed the highest spending-restraint levels for seven of 15 saving strategies. Saving on gas and electricity was particularly high in the region, exceeding the global average by 12 percentage points (50%). Saving strategies in Europe were highest for five activities.



STRATEGIES WE USE TO SAVE

AMONG THOSE WHO SAID THEY HAVE TAKEN ACTIONS TO SAVE ON HOUSEHOLD EXPENSES COMPARED TO LAST YEAR

	ASIA-PACIFIC	EUROPE	LATIN AMERICA	MIDDLE EAST/ AFRICA	NORTH AMERICA
SPEND LESS ON NEW CLOTHES	49%	56%	50%	47%	46%
CUT DOWN ON OUT-OF-HOME ENTERTAINMENT	45%	51%	53%	41%	31%
TRY TO SAVE ON GAS AND ELECTRICITY	36%	43%	50%	36%	27%
CUT DOWN ON TAKE-AWAY MEALS	33%	38%	36%	48%	43%
SWITCH TO CHEAPER GROCERY BRANDS	28%	49%	47%	26%	26%
DELAY UPGRADING TECHNOLOGY	33%	36%	39%	33%	22%
CUT DOWN ON HOLIDAYS/SHORT BREAKS	28%	40%	39%	29%	27%
CUT DOWN ON TELEPHONE EXPENSES	25%	28%	37%	30%	24%
DELAY THE REPLACEMENT OF MAJOR HOUSEHOLD ITEMS	27%	31%	31%	23%	16%
CUT DOWN ON AT-HOME ENTERTAINMENT	26%	25%	23%	23%	17%
CUT OUT ANNUAL VACATION	18%	31%	29%	18%	16%
USE MY CAR LESS OFTEN	19%	25%	27%	18%	23%
CUT DOWN ON OR BUY CHEAPER BRANDS OF ALCOHOL	18%	21%	27%	6%	15%
LOOK FOR BETTER DEALS ON HOME LOANS, INSURANCE, CREDIT CARDS	16%	16%	19%	14%	26%
CUT DOWN ON SMOKING	19%	16%	10%	11%	10%

Note:

Highlighted figures represent the top three actions in each region

Bolded figures represent the highest regional percentage for each action

Source: Nielsen Global Survey of Consumer Confidence & Spending Intentions, Q4 2015

CONSUMER CONFIDENCE IN KENYA AND GHANA AND NIGERIA

At the end of 2015, consumer confidence remained relatively stable in Nigeria (127), Ghana (104) and Kenya (103), compared to the start of the year.

Kenya, Ghana and Nigeria were added to Nielsen's measurement of consumer confidence in the first quarter of 2014 using a mobile survey methodology, which differs from the online methodology used to report consumer confidence and spending intentions for the other 61 countries outlined in this report. As such, these three sub-Saharan African markets are not included in the global or Middle East/Africa averages discussed throughout this report.

The fourth-quarter outlook for jobs was high in Nigeria, as nearly three-quarters of respondents (73%) believed prospects would be good or excellent in the next year. Job sentiment was notably lower in Kenya (45%) and Ghana (42%). Likewise, the sentiment about personal finances and immediate spending intentions were also highest in Nigeria. Eighty-two percent of Nigerian respondents believed the state of their personal finances was good or excellent, followed by Ghana (71%) and Kenya (58%), and 50% of Nigerian respondents said now is a good time to spend, followed by Ghana (40%) and Kenya (34%).

The majority of consumers in Ghana, Kenya and Nigeria are within the poverty sector. As such, a majority of respondents said they did not have spare cash (67% in Ghana, 66% in Kenya and 60% in Nigeria). Among those who did claim discretionary funds, saving continued to be a priority for the majority: 82% in Kenya, 79% in Ghana and 78% in Nigeria plan to put money into savings accounts. Discretionary spending intentions for home improvement projects were the second-biggest priority among respondents in all three countries.

DISCRETIONARY SPENDING INTENTIONS IN SUB-SAHARAN AFRICA

SPENDING LEVELS ARE AMONG THOSE WHO SAID THEY HAVE SPARE CASH



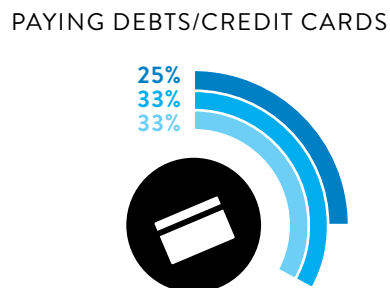
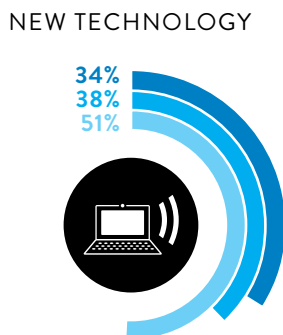
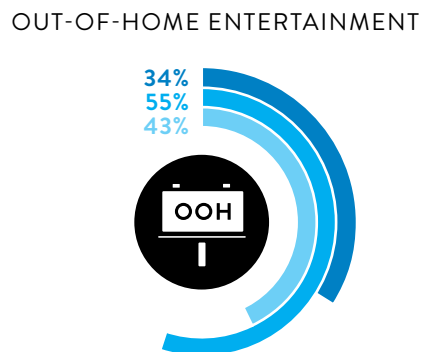
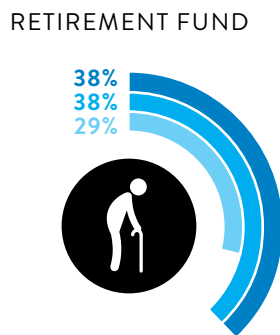
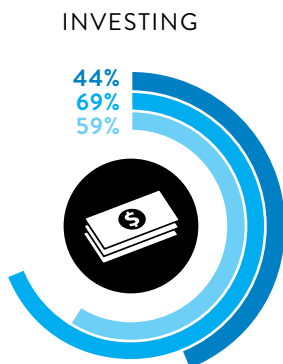
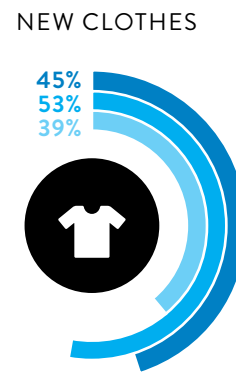
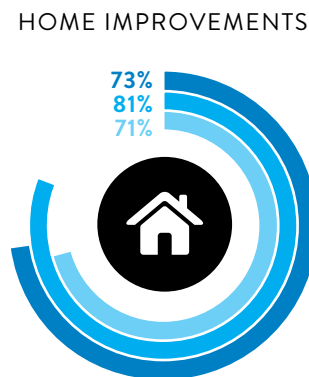
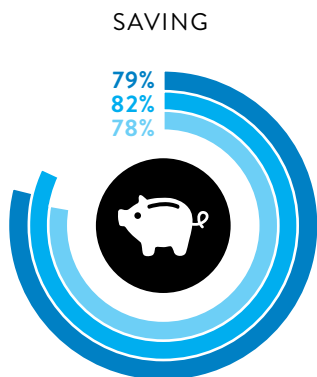
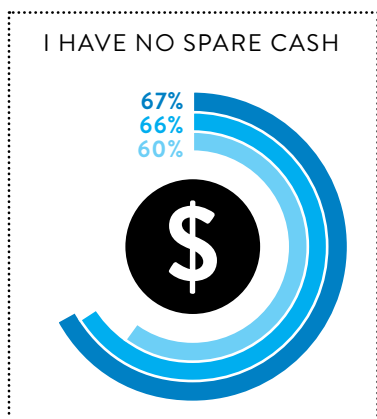
GHANA



KENYA



NIGERIA



Source: Nielsen Global Survey of Consumer Confidence & Spending Intentions, Q4 2015

COUNTRIES IN THE STUDY

ASIA-PACIFIC

MARKET	INTERNET PENETRATION
Australia	93%
China	50%
Hong Kong	81%
India	30%
Indonesia	31%
Japan	91%
Malaysia	68%
New Zealand	94%
Philippines	43%
Singapore	82%
South Korea	92%
Taiwan	84%
Thailand	56%
Vietnam	50%

LATIN AMERICA

MARKET	INTERNET PENETRATION
Argentina	80%
Brazil	58%
Chile	72%
Colombia	59%
Mexico	49%
Peru	53%
Venezuela	62%

EUROPE

MARKET	INTERNET PENETRATION
Austria	83%
Belgium	85%
Bulgaria	57%
Croatia	75%
Czech Republic	80%
Denmark	96%
Estonia	84%
Finland	94%
France	84%
Germany	88%
Greece	63%
Hungary	76%
Ireland	83%
Israel	75%
Italy	62%
Latvia	82%
Lithuania	82%
Netherlands	96%
Norway	96%
Poland	68%
Portugal	68%
Romania	56%
Russia	71%
Serbia	66%
Slovakia	83%
Slovenia	73%
Spain	77%
Sweden	95%
Switzerland	87%
Turkey	60%
U.K.	92%
Ukraine	43%

MIDDLE EAST/AFRICA

MARKET	INTERNET PENETRATION
Egypt	55%
Morocco	61%
Pakistan	15%
Saudi Arabia	66%
South Africa	49%
United Arab Emirates	93%

NORTH AMERICA

MARKET	INTERNET PENETRATION
Canada	93%
U.S.	87%

Source: Internet World Stats, Nov. 30, 2015

SUB-SAHARAN AFRICA

MARKET	MOBILE PENETRATION*
Ghana	99%
Kenya	73%
Nigeria	76%

*Based on mobile handsets divided by population.
Source: CIA World Factbook, 2014

ABOUT THE NIELSEN GLOBAL SURVEY

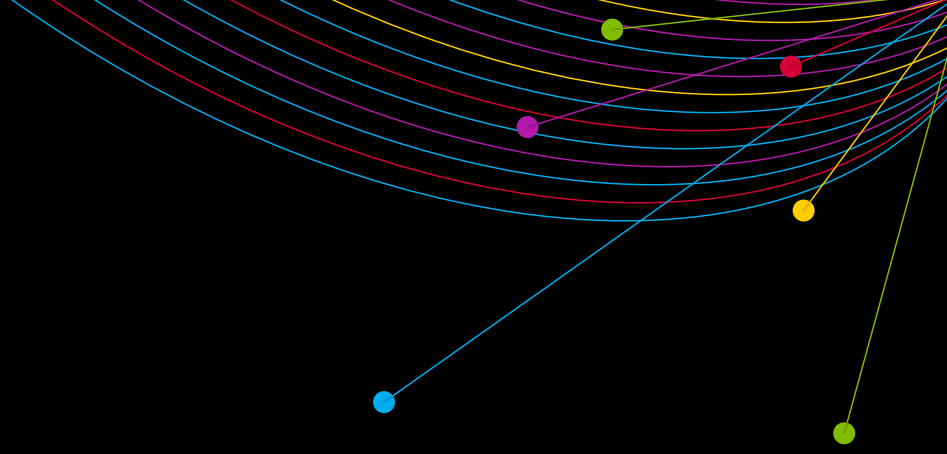
The Nielsen Global Survey of Consumer Confidence and Spending Intentions was conducted Nov. 2–25, 2015, and polled more than 30,000 online consumers in 61 countries throughout Asia-Pacific, Europe, Latin America, the Middle East/Africa and North America. The sample includes Internet users who agreed to participate in this survey and has quotas based on age and sex for each country. It is weighted to be representative of Internet consumers by country. Because the sample is based on those who agreed to participate, no estimates of theoretical sampling error can be calculated. However, a probability sample of equivalent size would have a margin of error of $\pm 0.6\%$ at the global level. This Nielsen survey is based only on the behavior of respondents with online access. Internet penetration rates vary by country. Nielsen uses a minimum reporting standard of 60% Internet penetration or an online population of 10 million for survey inclusion. The China Consumer Confidence Index is compiled from a separate mixed methodology survey among 3,500 respondents in China. The sub-Saharan African countries in this study are compiled from a separate mobile methodology survey among 1,600 respondents in Ghana, Kenya and Nigeria. The Nielsen Global Survey, which includes the Global Consumer Confidence Index, was established in 2005.

ABOUT NIELSEN

Nielsen Holdings plc (NYSE: NLSN) is a global performance management company that provides a comprehensive understanding of what consumers watch and buy. Nielsen's Watch segment provides media and advertising clients with Total Audience measurement services for all devices on which content - video, audio and text - is consumed. The Buy segment offers consumer packaged goods manufacturers and retailers the industry's only global view of retail performance measurement. By integrating information from its Watch and Buy segments and other data sources, Nielsen also provides its clients with analytics that help improve performance. Nielsen, an S&P 500 company, has operations in over 100 countries, covering more than 90% of the world's population.

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