

## Consumer Confidence, Concerns and Spendings in the Nordics - June 2010

**SUMMARY:** Consumer Confidence continues to improve in Norway, Sweden and Finland, but Denmark has a drop of 8 index points. Concern about the economy and job situation still remains. However, Nordic consumers are more optimistic than the rest of Europe regarding the state of their personal finances and their willingness to spend.



### How is the Consumer Confidence Index calculated?

We ask consumers three questions and used these to calculate the Nielsen Consumer Confidence Index:

- 1- Do you think job prospects in the next 12 months will be:
- 2- Do you think the state of your own personal finances in the next 12 months will be:
- 3- Considering the cost of things today and your own personal finances, would you say at this moment the time to buy the things you want and need is:

The scale of answers to all three questions is:  
Excellent, Good, Not so good or Bad.

The responses to each question are allocated a score between 0 for Bad and 200 for Excellent.

The average, neutral sentiment is set between Good and Not so Good, and has an index of 100.

The minimum possible value a question can return is 0, if all respondents answer Bad. The maximum possible value attained is 200 if all respondents answer Excellent. Each question is scored individually and an average of the 3 questions gives the final Consumer Confidence Index.

Other questions are asked as part of the survey but do not contribute to the actual index.

The Nielsen Global Consumer Confidence Survey was conducted between 8 March - March 26, 2010 among 27,000 consumers in 54 markets from Europe, Asia Pacific, North America and the Middle East. This edition summarise the results for the Nordic countries.

#### Inside:

Consumer Confidence in the Nordics • Recession • Job Prospects • Personal Finances • Time to Buy • Major Concerns • Spending Intentions • Changing spending habits

## Summary - Nordic Consumer Confidence

### Denmark

- Consumer Confidence Index dropped 7 points compared to six months ago
- Concern over personal finance has increased and people are less willing to spend money
- Still low perception of job prospects, 71% perceive their job prospects to be not so good/bad over the next 12 months
- Major concerns are the Economy (+8%) and Job security
- 72% think their country is in an economic recession right now

### Norway

- Consumer Confidence Index + 5 points, once again one of the top three most confident countries in the world
- 70% perceive the job prospects to be good/excellent over the next 12 months
- Major concerns are Children's education and/or welfare and Health
- 33% think their country is in an economic recession right now

### Finland

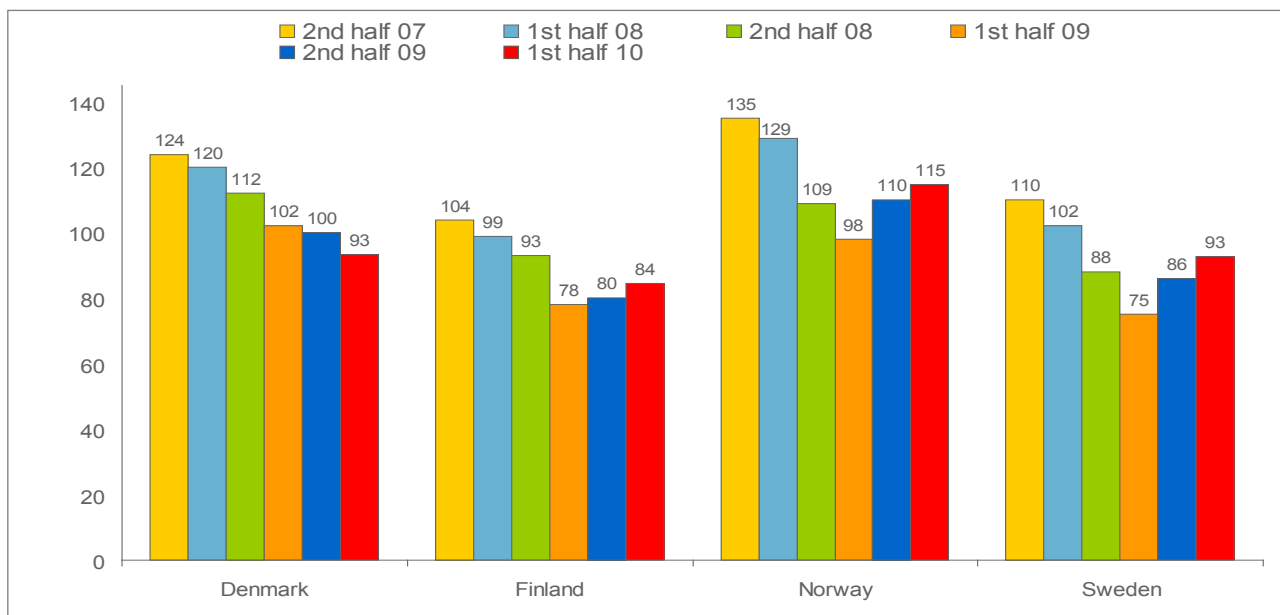
- Consumer Confidence Index +4 points
- Perception of job prospects is still very low, 83% perceive the job prospects to not so good/bad over the coming 12 months
- Major concerns are the Economy and Health
- 79% think their country is in an economic recession right now

### Sweden

- Consumer Confidence Index +7 points
- Perception of job prospects still low, but 67% now perceive the job prospects to be not so good/bad over the next 12 months, compared to 83% six months ago
- Major concerns are still the Economy and Health
- 33% think their country is in an economic recession right now

Norway is once again one of the top three most confident countries in the world...

## Consumer Confidence Index in the Nordics



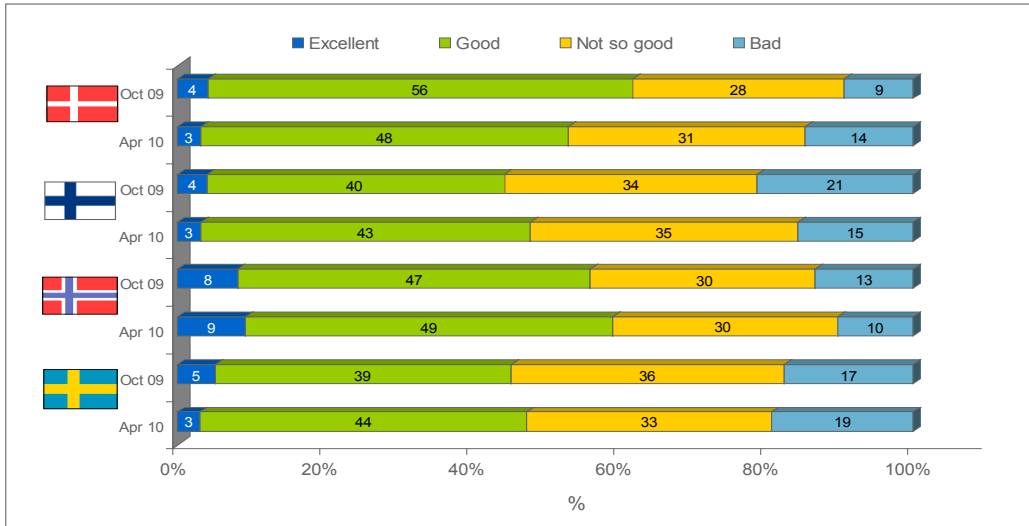
## Personal Finances

The Nordic countries continues to top the European rankings for the most positive nations regarding their personal finances and their willingness to spend.

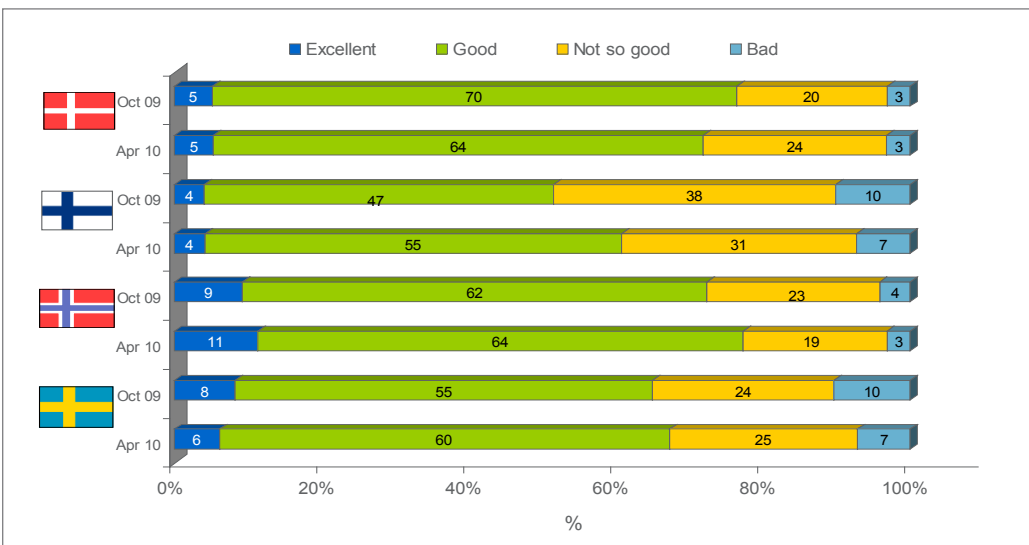
## Job Prospects

Perception of job prospects is still low in Finland, Denmark and Sweden, but Swedes are much more optimistic now compared to six month ago.

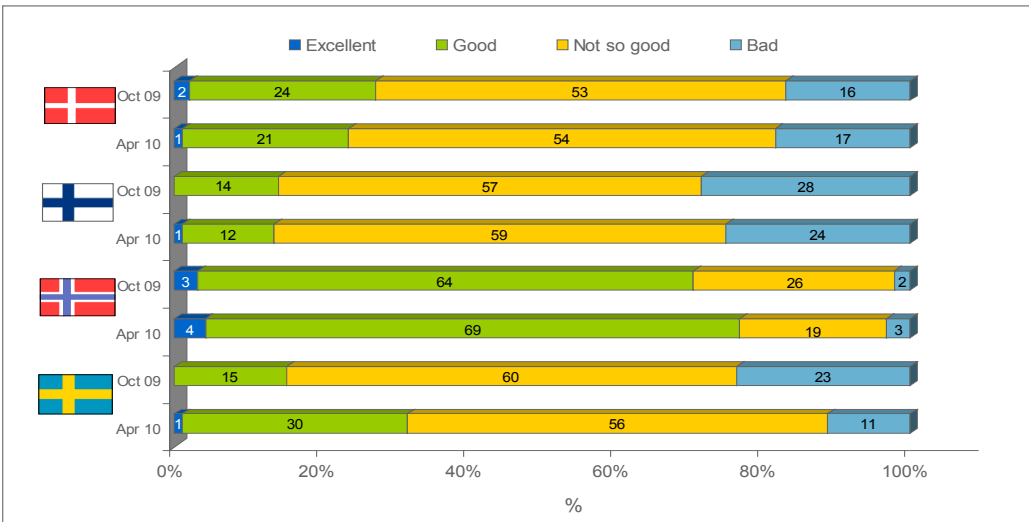
Perceptions of good or bad time for people to buy the things they want and need over the next 12 months



Perceptions of state of personal finance over the next 12 months



Perceptions of local job prospects over the next 12 Months, compared to six months ago



Norwegians are still most optimistic in Europe regarding job prospects...

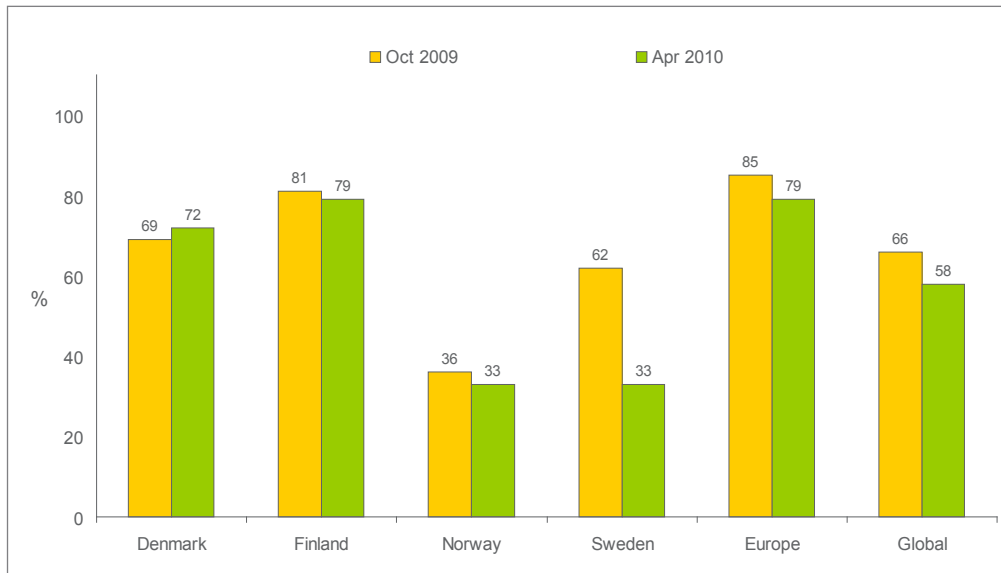
## Recession

Danes and Finns still believe their country is in a recession, while Norwegians and Swedes are the two exceptions in Europe where 67 percent of the consumers believe their country not currently in a recession.

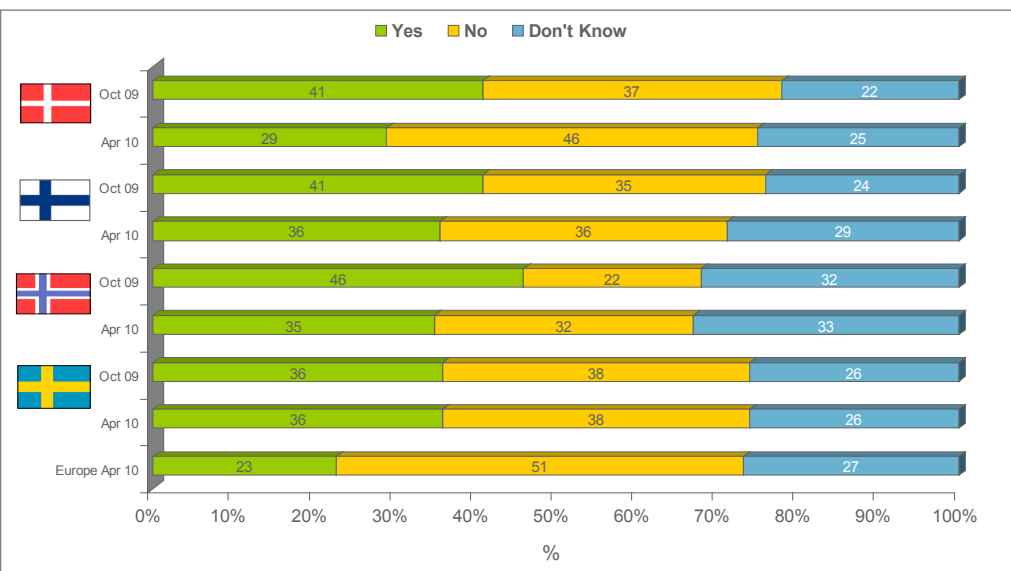
Thinking beyond the recession, Nordic consumers are today more uncertain about the future, compared to six months ago.



% who believe their country is in an economic recession at the moment, compared to six months ago



Do you think your country will be out of an economic recession in the next 12 months?



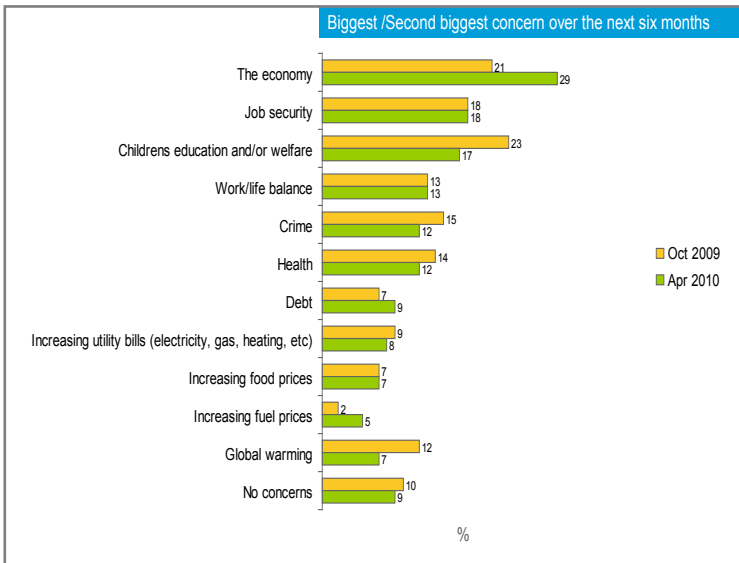
## Major Concerns

While the economy is still the major concern in Denmark, Finland and Sweden, Norwegians are more concerned about other issues such as work/life balance and childrens education and/or welfare.

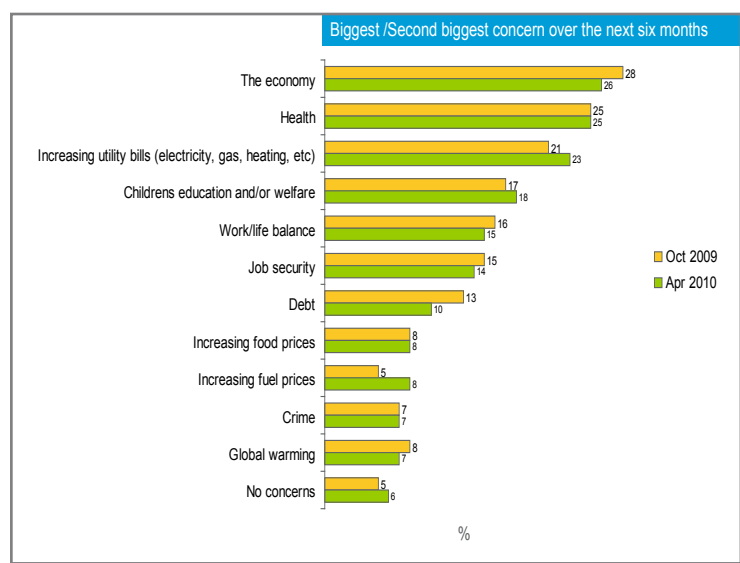
On a European average, the major concerns are the economy (23%) followed by job security (21%) and Health (20%).

## What is your major (biggest and second biggest) concern over the next six months

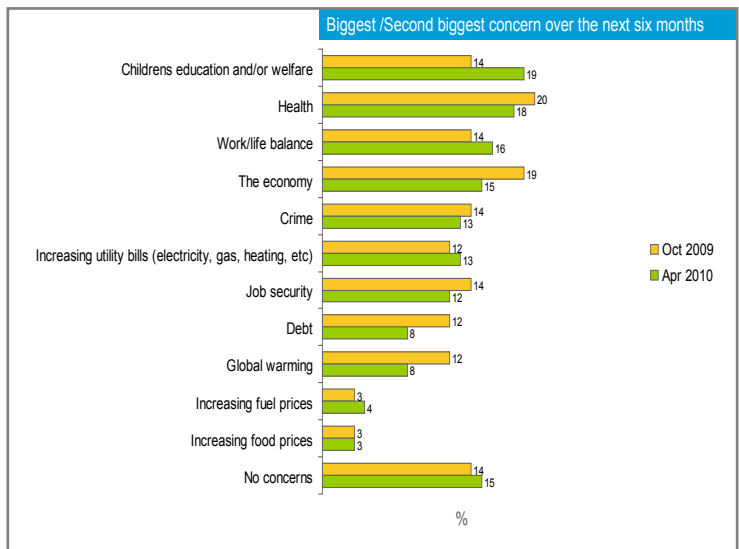
### Denmark



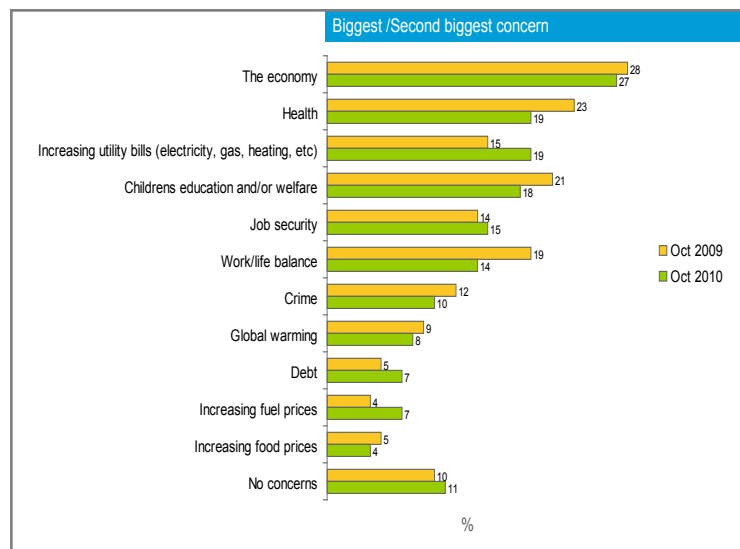
### Finland



### Norway



### Sweden



## Spending Intentions

When it comes to utilising spare cash, financial security is still a priority. Norwegians and Swedes are the top two countries in Europe, preferring to put their spare cash into savings.

When it comes to spending, holidays/vacations is still the top category together with home improvements.



Once you have covered your essential living expenses, which of the following statements best describes what you do with your spare cash?

	Denmark		Finland		Norway		Sweden		European average
	Oct-09	Apr-10	Oct-09	Apr-10	Oct-09	Apr-10	Oct-09	Apr-10	Apr-10
Out of home entertainment	32%	30%	20%	17%	25%	25%	27%	25%	29%
New clothes	28%	27%	24%	24%	27%	27%	29%	27%	34%
New technology/products	14%	13%	14%	14%	13%	12%	19%	18%	21%
Home improvements/decorating	40%	46%	23%	34%	31%	36%	38%	42%	29%
Holidays/vacations	32%	32%	34%	39%	43%	47%	34%	42%	30%
Paying off debts/credit cards	18%	21%	27%	30%	26%	30%	22%	24%	28%
Putting into savings	41%	42%	33%	36%	47%	50%	47%	50%	37%
Investing in shares of stock/mutual funds	4%	5%	11%	13%	12%	12%	15%	16%	7%
Retirement fund	10%	10%	6%	8%	4%	4%	9%	12%	10%
I have no spare cash	14%	14%	18%	13%	12%	8%	13%	11%	16%

## Changing spending habits

To save on household expenses, the following said that they have changed their spending habits:

Finland: 40% (- 3% compared to October Survey)





Sweden: 41% (+3%)

Norway: 36% (- 1%)





Denmark: 36% (flat)

Consumers in the Nordics have not changed their spending habits in the same extent as the rest of Europe. On a European average, 63 percent said that they have changed their spending habits compared to one year ago.

### Actions taken to save on household expenses (of those who said they have changed their spending habits)

								
	Oct-09	Apr-10	Oct-09	Apr-10	Oct-09	Apr-10	Oct-09	Apr-10
Spend less on new clothes	47%	54%	57%	58%	54%	53%	50%	51%
Try to save on gas and electricity	43%	39%	41%	43%	48%	57%	31%	35%
Cut down on out-of-home entertainment	47%	47%	41%	34%	40%	40%	39%	42%
Delay upgrading technology	30%	39%	35%	32%	41%	33%	39%	43%
Cut down on take-away meals	49%	50%	43%	33%	39%	31%	42%	48%
Switch to cheaper grocery brands	51%	47%	65%	60%	46%	41%	34%	32%
Use my car less often	18%	15%	32%	30%	23%	26%	32%	27%
Cut down on holidays / short breaks	13%	15%	42%	39%	30%	41%	30%	23%
Delay the replacement of major household items	26%	22%	40%	39%	27%	24%	24%	22%
Cut down on telephone expenses	27%	28%	23%	21%	21%	25%	33%	35%
Cut out annual vacation	23%	25%	16%	12%	10%	8%	21%	18%
Look for better deals on home loans, insurance, credit cards	21%	23%	12%	20%	21%	24%	25%	27%
Cut down on at-home entertainment	14%	20%	16%	20%	11%	15%	17%	17%
Cut down on or buy cheaper brands of alcohol	20%	20%	29%	28%	23%	18%	17%	17%
Cut down on smoking	8%	10%	9%	8%	7%	8%	12%	10%
I have taken other actions not listed above	17%	21%	20%	23%	22%	23%	24%	25%

### When economic conditions improve, what will you continue to save on?

				
Spend less on new clothes	12%	22%	25%	14%
Try to save on gas and electricity	36%	36%	48%	31%
Cut down on out-of-home entertainment	12%	15%	10%	10%
Delay upgrading technology	9%	11%	12%	14%
Cut down on take-away meals	35%	19%	18%	34%
Switch to cheaper grocery brands	28%	39%	22%	10%
Use my car less often	7%	19%	18%	17%
Cut down on holidays / short breaks	1%	13%	7%	5%
Delay the replacement of major household items	7%	14%	7%	5%
Cut down on telephone expenses	15%	9%	15%	22%
Cut out annual vacation	3%	6%	1%	4%
Look for better deals on home loans, insurance, credit cards	14%	9%	14%	18%
Cut down on at-home entertainment	2%	10%	5%	4%
Cut down on or buy cheaper brands of alcohol	7%	12%	10%	11%
Cut down on smoking	8%	7%	8%	8%
Other actions not listed above	11%	14%	13%	13%

All data source: Nielsen Global Online Survey April 2010

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