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AN UNCOMMON SENSE  
OF THE CONSUMER™

# CONSUMER CONFIDENCE

**CONCERNS AND SPENDING  
INTENTIONS AROUND THE WORLD**

QUARTER 3, 2015



# THE U.S. LED ALL MARKETS WITH A THIRD-QUARTER SURGE IN CONSUMER CONFIDENCE



## AROUND THE WORLD

- The U.S. posted the biggest quarterly consumer confidence increase of 18 points, reaching an index score of 119—the country's highest level in Nielsen's 10-year consumer confidence history.
- Confidence levels rose in two-thirds of European countries, and the U.K. exceeded the optimism baseline score of 100 for the first time since 2006.
- Consumer confidence declined in eight-of-14 Asia-Pacific markets, with the steepest declines in Taiwan, Malaysia and Hong Kong.
- Latin American confidence continued a downward trend, dropping to a regional score of 81—the lowest level on record for the region.
- Middle East/Africa confidence declined in three-of-five countries measured. Morocco made its debut in this survey.
- Globally, discretionary spending intentions increased despite a pervasive recessionary mindset among more than half (56%) of those surveyed around the world.

Global consumer confidence increased three index points in the third quarter to 99, the highest level since 2006. Optimistic sentiment for job prospects, personal finances and spending intentions increased in nearly half (48%) of all measured markets, but uneven growth continues around the world as confidence stabilizes or grows in many advanced economies and declines in many emerging markets.

Regionally, confidence increased significantly in North America (U.S. and Canada) with a 16-point index surge, reaching a score of 117—the region's highest level in Nielsen's 10-year consumer confidence history. Confidence in Europe continued on an upward trajectory for the third consecutive quarter, as 21 of 32 countries posted index increases, resulting in a regional score of 81—the highest level since 2008. Conversely, confidence in the Asia-Pacific region declined one index point to 106, and fell two points in Latin America (81), the lowest score on record for the region. Consumer confidence held steady in the Middle East/Africa region<sup>1</sup> with a score of 94.

Among the world's largest economies, confidence increased 18 points in the U.S. (119)—the highest score for the country in Nielsen's 10-year consumer confidence history. Confidence also increased four points in the U.K. (103) and three points in Germany (100) from the second quarter. Conversely, confidence declined one point in China (106) and three points in Japan (80).

“Globally, this continues to be a period of economic uncertainty and thus mixed confidence trends,” said Louise Keely, senior vice president, Nielsen, and president, The Demand Institute. “Despite some mixed economic signals from the U.S., consumer confidence has strengthened and consumer spending is driving the economy. In Europe, confidence is more mixed due to variation in country-specific economic conditions; stronger confidence in Italy, Spain, and the U.K. reflects improving job markets, while Russia's confidence has plummeted in the wake of an economic downturn. Latin American confidence also is mixed, but Brazil's continued confidence decline looms large as Brazil is the largest economy in the region.”

In the latest online survey, conducted Aug. 10–Sept. 4, 2015, consumer confidence increased in 29 of 60 markets measured by Nielsen (48%). India's score of 131 was the highest level among 61<sup>2</sup> markets, followed by the U.S. (119), the Philippines (117) and Indonesia (116). The U.S. showed the biggest quarterly improvement of 18 points, and Taiwan showed the biggest quarterly decline of 12 points from the second quarter. South Korea reported the lowest score of 49, an increase of four points from the second quarter.

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.

<sup>1</sup>Morocco was added to the Global Survey in the third-quarter of 2015, and the country's index is reflected in the Middle East/Africa regional average.

<sup>2</sup>Morocco was added to the Global Survey in the third-quarter of 2015.

## ABOUT THE GLOBAL SURVEY METHODOLOGY

The findings in this survey are based on respondents with online access in 61 countries (unless otherwise noted). 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. 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.

# GLOBAL CONSUMER CONFIDENCE

61 COUNTRIES - 3-MONTH TREND  
Q3-2015 NIELSEN CONSUMER CONFIDENCE INDEX\*








\*Survey is based on respondents with Internet access. China survey results reflect a mixed methodology.  
Index levels above and below 100 indicate degrees of optimism/pessimism.  
\*\*Morocco is a new market in Q3 2015.

# SPENDING INTENTIONS INCREASED, BUT RECESSIONARY MINDSET LINGERED

Globally, immediate spending intentions have been slowly increasing, rising from a low of 30% in 2008 during the Great Recession to a high of 43% in the third quarter of 2015. North Americans showed the biggest surge in plans to open their wallets with a 14-percentage point quarterly increase to 58%. Most regions followed, with spending sentiment up two percentage points in both the Middle East/Africa (38%) and Europe (34%) and up one percentage point in Latin America (33%). Spending intentions were flat in Asia-Pacific (47%).

Global discretionary purchase intentions high on the priority shopping list included spending on new clothes, holidays/vacations, out-of-home entertainment, new technology products and home improvement projects. More than half of global respondents (52%) planned to save their spare cash, an increase from 48% in the second quarter.

## HOW DO YOU PLAN TO SPEND YOUR SPARE CASH?

GLOBAL AVERAGE		
	NEW CLOTHES	38%
	HOLIDAYS / VACATIONS	38%
	OUT-OF-HOME ENTERTAINMENT	34%
	NEW TECHNOLOGY PRODUCTS	29%
	HOME IMPROVEMENTS/DECORATING	26%



Despite a rise in spending confidence, however, half of global respondents (56%) still felt that their country was in recession in the third quarter, up from 54% in the second quarter. In fact, recessionary sentiment increased in 31 of 60 countries from the second quarter.

“Many consumers, across mature and emerging markets, have the mindset to spend across a range of consumer categories,” said Keely. “Still, a majority of consumers continue to believe their economies are in recession, even though most no longer are. Sharp adjustments in recessionary sentiment usually reflect actual changes in a country’s economic prospects, and indicate that consumers will be either pulling back on or more inclined toward spending.”

Recessionary sentiment levels were highest in Venezuela (98%), Ukraine (96%) and Brazil (92%) and grew the most quarter-on-quarter in Canada (up 25 percentage points to 71%), Latvia (up 21pp to 70%), Hong Kong (up 17pp to 56%), Malaysia (up 16pp to 89%) and Russia (up 14pp to 79%). Conversely, recessionary sentiment improved 10 percentage points in both the Czech Republic (33%) and Poland (54%) and nine percentage points in Ireland (62%).

## RECESSIONARY SENTIMENT: IMPROVES IN PARTS OF EUROPE, WORSENS IN PARTS OF ASIA AND IS HIGHEST IN PARTS OF LATIN AMERICA

PERCENTAGE WHO THINK THEIR COUNTRY IS IN AN ECONOMIC RECESSION AT THE MOMENT  
COUNTRIES WITH THE HIGHEST LEVELS.

### DECREASING RECESSIONARY SENTIMENT

	Q3 2015	Q3 VS. Q2 Percentage- Point Change
<b>CZECH REPUBLIC</b>	<b>33%</b>	<b>-10</b>
<b>POLAND</b>	<b>54%</b>	<b>-10</b>
<b>IRELAND</b>	<b>62%</b>	<b>-9</b>
<b>PORTUGAL</b>	<b>70%</b>	<b>-6</b>
EGYPT	76%	-6
<b>HUNGARY</b>	<b>69%</b>	<b>-5</b>
<b>NETHERLANDS</b>	<b>52%</b>	<b>-5</b>
<b>BULGARIA</b>	<b>74%</b>	<b>-4</b>
<b>SPAIN</b>	<b>69%</b>	<b>-4</b>
AUSTRALIA	40%	-4

### GROWING RECESSIONARY SENTIMENT

	Q3 2015	Q3 VS. Q2 Percentage- Point Change
CANADA	71%	+25
LATVIA	70%	+21
<b>HONG KONG</b>	<b>56%</b>	<b>+17</b>
<b>MALAYSIA</b>	<b>89%</b>	<b>+16</b>
<b>TAIWAN</b>	<b>88%</b>	<b>+15</b>
RUSSIA	79%	+14
NORWAY	53%	+12
CHILE	66%	+11
<b>INDONESIA</b>	<b>73%</b>	<b>+10</b>
TURKEY	84%	+10

### HIGHEST RECESSIONARY SENTIMENT

	Q3 2015
<b>VENEZUELA</b>	<b>98%</b>
UKRAINE	96%
<b>BRAZIL</b>	<b>92%</b>
CROATIA	91%
SOUTH KOREA	89%
MALAYSIA	89%
GREECE	89%
ITALY	89%
TAIWAN	88%
SERBIA	87%

- EUROPE
- ASIA-PACIFIC
- LATIN AMERICA

Source: Nielsen Global Survey of Consumer Confidence & Spending Intentions, Q3 2015

# FEARS ABOUT TERRORISM ROSE IN EUROPE, MIDDLE EAST/AFRICA AND ASIA-PACIFIC

Concerns about the economy and job security in the next six months remained the most pressing issues for 30% and 22% of global respondents, respectively, but concerns about terrorism grew around the world, rising seven percentage points in Europe (18%) and two percentage points in both the Middle East/Africa (17%) and Asia-Pacific (7%) regions. Fears about terrorism decreased one percentage point in North America to 13% and were unchanged in Latin America (2%) from the second quarter.










More than one-fifth of respondents in Turkey, France, Egypt, Saudi Arabia, Germany, the Czech Republic, Switzerland, Austria and the U.K. said terrorism was their biggest or second-biggest concern with regard to the next six months. Quarter-on-quarter terrorism concern levels grew most in Turkey (+37pp), Thailand (+11pp), U.K. (+9pp), Israel (+9pp), Slovakia (+9pp), Germany (+8pp) and Croatia (+8pp).

Regionally, concerns about crime were highest in Latin America (22%), work-life balance and health issues were highest in Asia-Pacific (28% and 23%, respectively), terrorism fears were highest in Europe (18%), debt worries were highest in North America (17%) and parents' welfare and happiness anxieties were highest in the Middle East/Africa (17%).



## HIGHEST LEVELS OF TERRORISM CONCERNS

BIGGEST AND SECOND-BIGGEST CONCERNS IN THE NEXT SIX MONTHS

	TERRORISM Q3 2015	Q2 VS. Q3 PERCENTAGE POINT DIFFERENCE
TURKEY	 58%	<b>+37</b>
FRANCE	 26%	<b>+4</b>
EGYPT	 26%	<b>+6</b>
SAUDI ARABIA	 26%	<b>+7</b>
GERMANY	 23%	<b>+8</b>
CZECH REPUBLIC	 23%	<b>+6</b>
SWITZERLAND	 22%	<b>+7</b>
AUSTRIA	 21%	<b>+7</b>
U.K.	 21%	<b>+9</b>

Source: Nielsen Global Survey of Consumer Confidence & Spending Intentions, Q3 2015

# U.S. CONSUMER CONFIDENCE SOARED TO A 10-YEAR HIGH

U.S. consumer confidence jumped 18 index points in the third quarter to a score of 119, the biggest quarterly increase and the highest index for the country in Nielsen's 10-year consumer confidence history. All three confidence indicators increased by double-digit percentage points from the second quarter, as optimistic perceptions for job prospects, personal finances and immediate spending intentions posted the highest levels on record for the country since the survey's inception in 2005.

Six-in-10 U.S. respondents believed job prospects (62%) and their immediate spending capacity (60%) would be good/excellent in the next 12 months, an increase of 12 percentage points and 16 percentage points, respectively, from the second quarter. Just under three-quarters (74%) were optimistic about their personal finances in the year ahead, a quarterly increase of 13 percentage points.

U.S. discretionary spending intentions also posted record highs in the third quarter, as plans to buy new clothes (37%) increased 14 percentage points, spending on holidays/vacations (37%) increased 19 percentage points and plans to spend on new technology (31%) and home improvement projects (31%) increased 18 percentage points and 16 percentage points, respectively, from the second quarter. Those that said they had no spare cash declined 14 percentage points to the lowest level for the country (13%) since 2005.

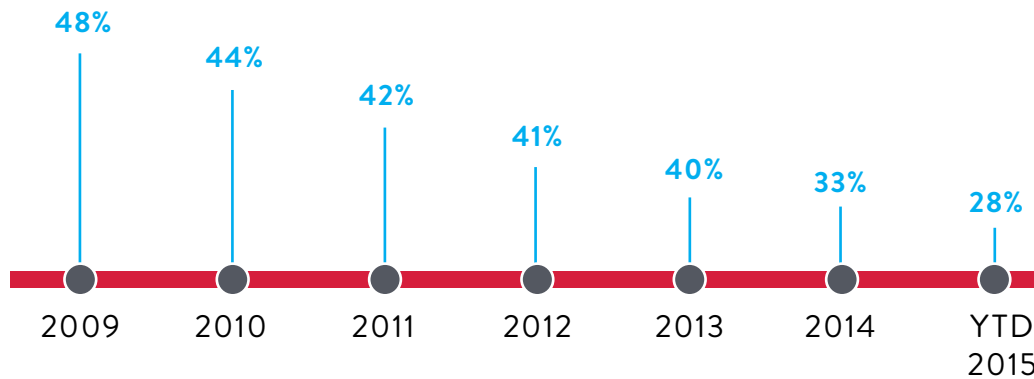
"U.S. consumers have plenty to feel good about as unemployment levels are lower, wages are higher and savings from lower gasoline prices are reallocated to other spending priorities," said James Russo, senior vice president, Nielsen Global Consumer Insights. "But while year-over-year consumer-packaged good dollar sales are up 2.6% year to date through September, we are still seeing spending restraint, as unit sales are flat (0.2%) and all-outlet shopping trips have been on a downward decline since 2011. As we head into the holiday spending season, a Nielsen forecast predicts a 2% increase in dollar sales."

Consumer confidence in Canada declined one point to 97 from the second quarter, maintaining a near-baseline score for three consecutive quarters. Personal finance sentiment increased six percentage points in the third quarter to 60%, and immediate spending intentions also increased, rising two percentage points to 43%. Conversely, job prospect sentiment declined five percentage points to 40% from the second quarter, and recessionary sentiment jumped from 46% in the second quarter to 71% in the third quarter—the biggest rise of 60 countries.

## U.S. ECONOMIC CONCERN LEVELS DECLINE; SPENDING INTENTIONS INCREASE

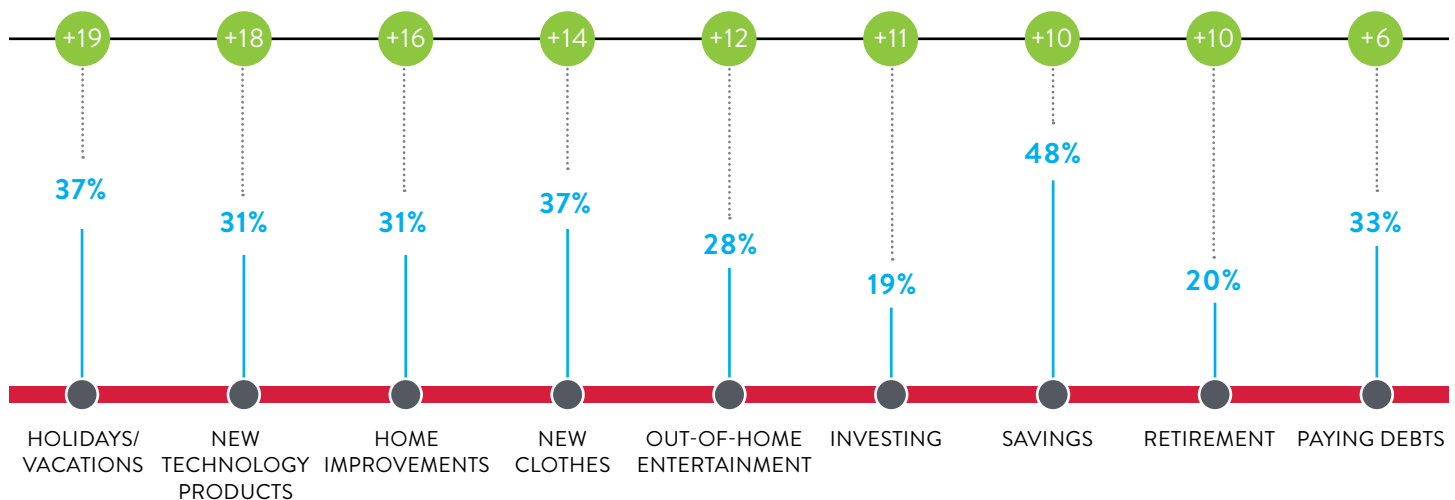
BIGGEST AND SECOND-BIGGEST CONCERNS IN NEXT SIX MONTHS, QUARTERLY AVERAGE

### ECONOMIC CONCERNS



### DISCRETIONARY SPENDING/SAVING INTENTIONS

● Q3 VS. Q2 PERCENTAGE-POINT DIFFERENCE ● Q3 2015



Source: Nielsen Global Survey of Consumer Confidence & Spending Intentions, Q3 2015

\*Economic concerns data is a quarterly average for each year.

# EUROPEAN CONFIDENCE SHOWED A STEADY, UPHILL CLIMB

Consumer confidence grew throughout the European region in the third quarter, as 21 of 32 markets (66%) showed index score improvements from the second quarter. Confidence in Germany, the region's largest economy, increased three index points to 100. In the U.K., confidence increased for the seventh consecutive quarter, rising four points in the third quarter to a score of 103—the highest score for the country since 2005, the first year of the survey, and its first above-the-baseline score since 2006.

“Overall, the U.K. economy is in better shape than most other European countries, as the unemployment rate is down and wage inflation is rising faster than general inflation,” said Steve Smith, market leader, Nielsen U.K. and Ireland. “Shoppers are also seeing the benefit of lower fuel and energy costs, and households are redirecting spending proportionately to non-food items such as phones, autos, and vacations. Within food and grocery, the categories with the strongest volume growth continue to be the more expandable categories of beverages, confectionery and snacks, which are typically driven by promotions and branded innovation.”

“In Germany, consumers have assessed their personal financial situation more positively, as the ongoing upbeat developments in the labor market continue,” said Ingo Schier, managing director, Nielsen Germany. “The solid upswing of the German economy is also reflected in an increased consumer sentiment on spending. Nevertheless, while the majority of German consumers are optimistic about the future, current events, such as the refugee issue, are weighing on Germans, as concerns about terrorism and immigration have grown notably in the third quarter.”

Regionally, confidence increased most in Poland (80) and Portugal (66), rising 10 and nine index points, respectively, from the second quarter. Italy's score of 57 increased four points from the second quarter and France held steady with a score of 66. Meanwhile, confidence in all Nordic countries in the survey declined in the third quarter: Finland decreased four points to 62, Denmark decreased three points to 109, and Norway (87) and Sweden (87) decreased one point each from the second quarter.

“In Poland, consumer confidence reached the highest score since 2010, as unemployment fell to the lowest rate since 2008, and a record-hot summer boosted tourism,” said Szymon Mordasiewicz, managing director, Nielsen Poland. “Spending on fast-moving consumer goods also picked up, as nominal growth increased 1.5%, compared to second quarter 2014. Private-label products are performing better than brand-name products, driven by dominance in the discount retail channel.”

“Italy’s consumer confidence improvement returned to the Q1 2015 level, the highest since 2011,” said Giovanni Fantasia, market leader, Nielsen Italy. “We saw increases in both the sentiment toward jobs and personal finances. Total fast-moving consumer goods value sales increased 1.5% in the first eight months of 2015, driven by consumption increases by more affluent families in the Northern part of the country. Signs of household consumption weakness, however, are coming from poorer families in the southern part of the country.”



## CONSUMER CONFIDENCE INCREASES IN 21 OF 32 EUROPEAN MARKETS IN Q3

CHANGE FROM Q2 2015	INDEX Q3 2015	
-3	109	Denmark
+4	103	U.K.
+3	100	Germany
+7	97	Netherlands
-2	96	Switzerland
+7	95	Czech Republic
+2	94	Israel
+5	93	Ireland
+5	88	Lithuania
-1	87	Norway
-1	87	Sweden
+1	86	Austria
-3	84	Turkey
+6	84	Romania
+1	84	Belgium
+6	81	Slovakia
-2	80	Estonia
+10	80	Poland
+4	77	Bulgaria
+3	75	Spain
-5	74	Latvia
-4	74	Russia
0	66	France
+9	66	Portugal
+4	65	Slovenia
+5	64	Croatia
-4	62	Finland
+6	61	Hungary
+5	58	Serbia
+4	57	Italy
0	53	Greece
+3	51	Ukraine

Source: Nielsen Global Survey of Consumer Confidence & Spending Intentions, Q3 2015

# OVERALL CONFIDENCE IN ASIA-PACIFIC WAS DOWN; RECESSIONARY SENTIMENT WAS ON THE RISE

Consumer confidence declined in eight of 14 countries in the Asia-Pacific region for an overall score of 106, a decline of one index point from the second quarter. Australia and South Korea each showed the biggest quarterly confidence increases in the region of four points, rising to scores of 93 and 49, respectively. Conversely, confidence declined 12 points in Taiwan (72), 11 points in Malaysia (78) and six points in Hong Kong (99), the biggest declines reported globally. Confidence also decreased one point in China (106), three points in Japan (80) and was flat in India (131) from the second quarter.

Recessionary sentiment increased by double-digit percentage points in Hong Kong (+17pp), Malaysia (+16pp), Taiwan (+15pp) and Indonesia (+10pp), and recessionary sentiment levels were among the highest in South Korea (89%), Malaysia (89%) and Taiwan (88%).

“In Hong Kong, a recessionary mindset permeated consumer sentiment for more than half of respondents (56%) as consumer confidence declined dramatically in the third quarter,” said Yan Xuan, president, Nielsen Greater China. “As private consumption growth slowed by 2.8% and exports dropped by 1.3%, labor forces are feeling the pain from the economic slowdown. Additionally, the plunge in stock and commodity prices by 30%-40% in August-September has taken a toll.”

“In Malaysia, currency devaluation of at least 25% has potentially impacted the perception of the economic strength of the country, while the actual impact in terms of rising prices due to import costs has not yet hit consumers’ pockets,” said Richard Hall, country manager, Nielsen Malaysia. “The concerns over rising food prices that were prevalent in the second quarter have subsided, and political stability is now the second-highest concern, as recent high-profile demonstrations and political headlines dominate the media.”

“Taiwanese consumer confidence dropped dramatically in the third quarter, driven by double-digit declines in both job prospects and spending willingness,” said Andy Huang, managing director, Nielsen Taiwan. “Rising concerns about the current economic environment and work/life balance issues dominate consumer sentiment in the country. Fast-moving consumer goods value sales through August 2015 remained flat, and we expect consumer spending to remain weak in the short-term.”

“Indian consumers continue to declare a resilient outlook in the face of uncertainty in the broader economy,” said Roosevelt D’Souza, senior vice president, Nielsen India Region. “While their confidence appears to sustain at the previous high levels, the state of the economy, deficit monsoons and volatility in the job market are prevailing issues in the region. That said, the belief in the fundamental prospects of India’s economic future appear unshaken and the proportion of consumers who see brighter days ahead are growing and being reflected in an increase in volume growth within packaged consumer goods. Nevertheless, it is possible that any uptick in consumer spending is more likely to be stimulated by smart marketing and a surge in activity led by e-commerce players as we approach the festive season. With a softer interest rate direction, inflation under control and the outlook that the economy is likely to gradually revive to previous levels over the next 12 months, India’s consumer market will continue to work its way towards a more gradual buoyancy.”

## CONSUMER CONFIDENCE DECLINED IN 8 OF 14 ASIA-PACIFIC MARKETS IN Q3

CHANGE FROM Q2 2015      INDEX Q3 2015

● INCREASE  
● DECREASE  
● NO CHANGE

CHANGE FROM Q2 2015	INDEX Q3 2015	MARKET
○	131	India
-5	117	Philippines
-4	116	Indonesia
○	111	Thailand
-1	106	China
+1	105	Vietnam
+2	101	Singapore
-6	99	Hong Kong
-5	94	New Zealand
+4	93	Australia
-3	80	Japan
-11	78	Malaysia
-12	72	Taiwan
+4	49	South Korea

Source: Nielsen Global Survey of Consumer Confidence & Spending Intentions, Q3 2015

# LATIN AMERICANS CONTINUED TO FALL DEEPER INTO A RECESSIONARY MINDSET

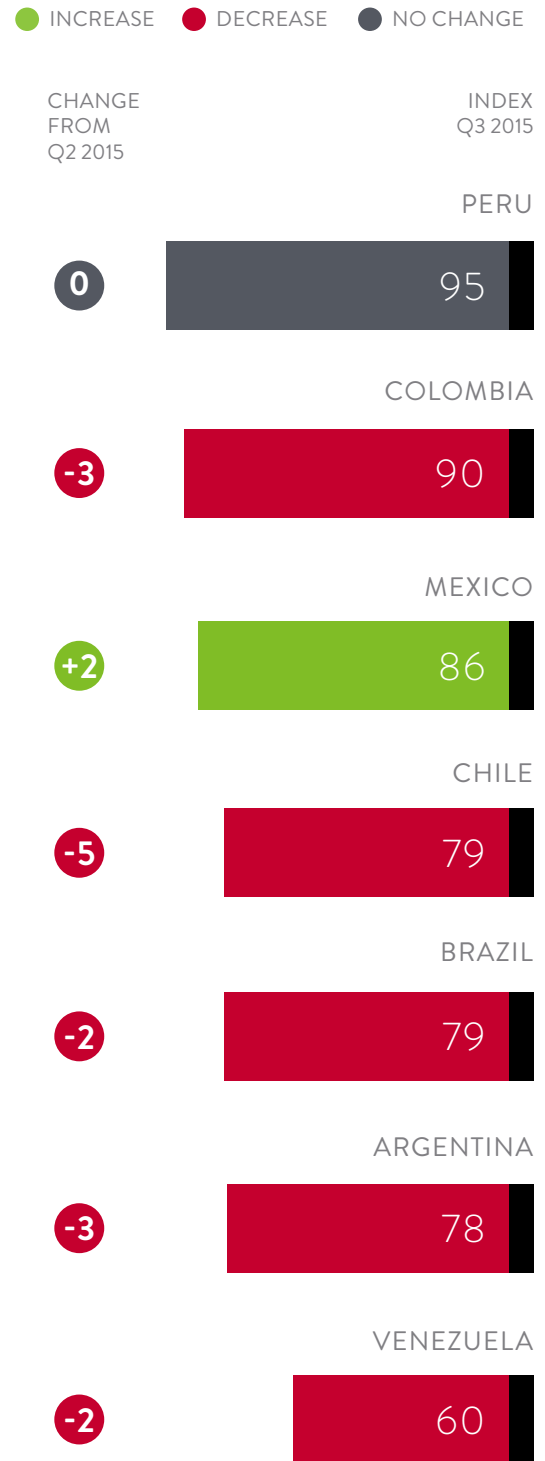
Consumer confidence declined in five-of-seven Latin American markets measured in the third quarter, with Chile (79) reporting the steepest drop of five index points from the second quarter, followed by Argentina (78) and Colombia (90) with declines of three points each and Venezuela (60) with a decline of two points. The region’s largest economy, Brazil, declined two points to 79, the fourth consecutive quarter of declining sentiment and the lowest score on record for the country (i.e., since 2005). Conversely, confidence increased two points in Mexico (86) and was flat in Peru (95).

In Brazil, sentiment for two consumer confidence indicators hit new lows, as job prospect sentiment declined five percentage points to 18%, and personal finance sentiment decreased two percentage points to 54%. Immediate spending intentions increased six percentage points to 38%. Nearly all Brazilian respondents believed they were in recession, as the sentiment increased two percentage points to 92% from the second quarter.

“The challenging economic scenario in Brazil continues to deteriorate, as the slowdown in GDP, increasing inflation, steep currency devaluation and higher unemployment rate take a toll,” said Luis Arjona, country manager, Nielsen Brazil. “To cope with the situation, households are modifying consumption habits by seeking store formats with competitive prices, choosing heavily promoted items and building up stock at home by buying bulk or multi-pack products. Purchases of consumer products are now increasingly planned, as consumers are actively making rational choices to buy products with an attractive cost-benefit tradeoff and cutting superfluous items.”

Regionally, the 12-month outlook for good/excellent job prospects declined two percentage points to 24%, and personal finances sentiment fell two percentage points to 53%. Immediate spending intentions increased one percentage point to 33%. Recessionary sentiment grew in the region, rising from 81% in the second quarter to 84% in the third quarter—the highest of all the regions.

## CONSUMER CONFIDENCE DECLINED IN 5 OF 7 LATIN AMERICAN MARKETS IN Q3



Source: Nielsen Global Survey of Consumer Confidence & Spending Intentions, Q3 2015



# MOROCCO MADE ITS CONSUMER CONFIDENCE DEBUT

Morocco marked its first introduction to the Nielsen's consumer confidence survey in the third quarter with a score of 85. About four-in-10 respondents believed their job prospects (38%) and personal finances (42%) would be good or excellent in the next 12 months, and one-third were optimistic about their immediate spending capacity (33%). Just over half (51%) believed their country was in a recession. Job security (28%), the economy (23%) and terrorism (19%) were the biggest concerns for respondents in the country.

"Morocco's economy has been able to achieve economic gains in the last decades and is expected to end the year with growth," said Tamer El Araby, managing director, Nielsen North Africa & Levant. "However, this growth isn't reflected in the employment rates, which haven't increased substantially and which remain low compared to other markets in the region. This explains why job security is among the biggest concerns for Moroccans."

Regionally, consumer confidence decreased in three-of-five countries measured in the Middle East/Africa region but increased four points in Saudi Arabia (109) and five points in Egypt (90) in the second quarter. At 107, the United Arab Emirates (UAE) had the second-highest index in the region, but it decreased one point from the second quarter—the second consecutive quarter of declines and the lowest score for the country since 2013. Confidence declined five points in South Africa to 82 and one point in Pakistan to 101.

"In South Africa, a decline in confidence was not a surprise, as interest rates increased early in the quarter and the value of the Rand against the U.S. dollar took a steep drop," said Allen Burch, managing director, Nielsen sub-Saharan Africa. "Recessionary sentiment also increased eight percentage points in the third quarter, as 81% of South African respondents believed their country was in a recession."

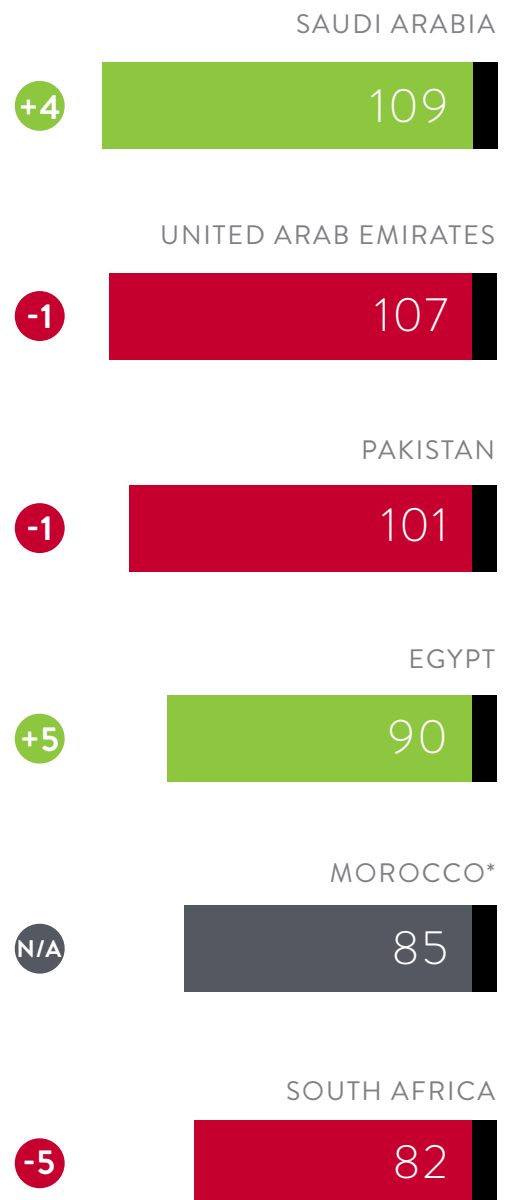
Regionally, sentiment about immediate spending intentions increased two percentage points to 38%, but sentiment about personal finances and job prospects declined two percentage points each to 56% and 43%, respectively, from the second quarter. Recessionary sentiment improved in Egypt (76%) and Pakistan (68%) from the second quarter, but worsened in the UAE (43%), Saudi Arabia (48%) and South Africa (81).

## CONSUMER CONFIDENCE DECREASED IN THREE OF FIVE MIDDLE EAST/AFRICA MARKETS IN Q3

● INCREASE ● DECREASE ● NO CHANGE

CHANGE FROM Q2 2015

INDEX Q3 2015



Source: Nielsen Global Survey of Consumer Confidence & Spending Intentions, Q3 2015  
\*Morocco was added to the Nielsen Global Survey in Q3 2015.

# CONFIDENCE ROSE IN KENYA AND GHANA, BUT DECLINED IN NIGERIA

Consumer confidence increased five index points in Kenya (117) and five points in Ghana (99) in the third quarter. Conversely, confidence decreased five points in Nigeria (127), the second consecutive quarter of declines.

“The confidence score in Nigeria, while still overwhelmingly positive, is likely a reflection of the more recent ‘moderate economic outlook’ driven by currency devaluation, rising oil prices, food inflation, and dwindling consumer disposable income,” said Allen Burch. “This has led to re-prioritization of where consumers spend money, with a greater focus on staple foods and basic necessities and saving leftover Naira for a rainy day. In Kenya, the increase in confidence is no surprise, as the timing of U.S. President Obama’s visit likely left people feeling very positive about the future. Business sentiment as measured in Nielsen’s Africa Prospects indicator also shows Kenya as the top country for business growth.”

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.

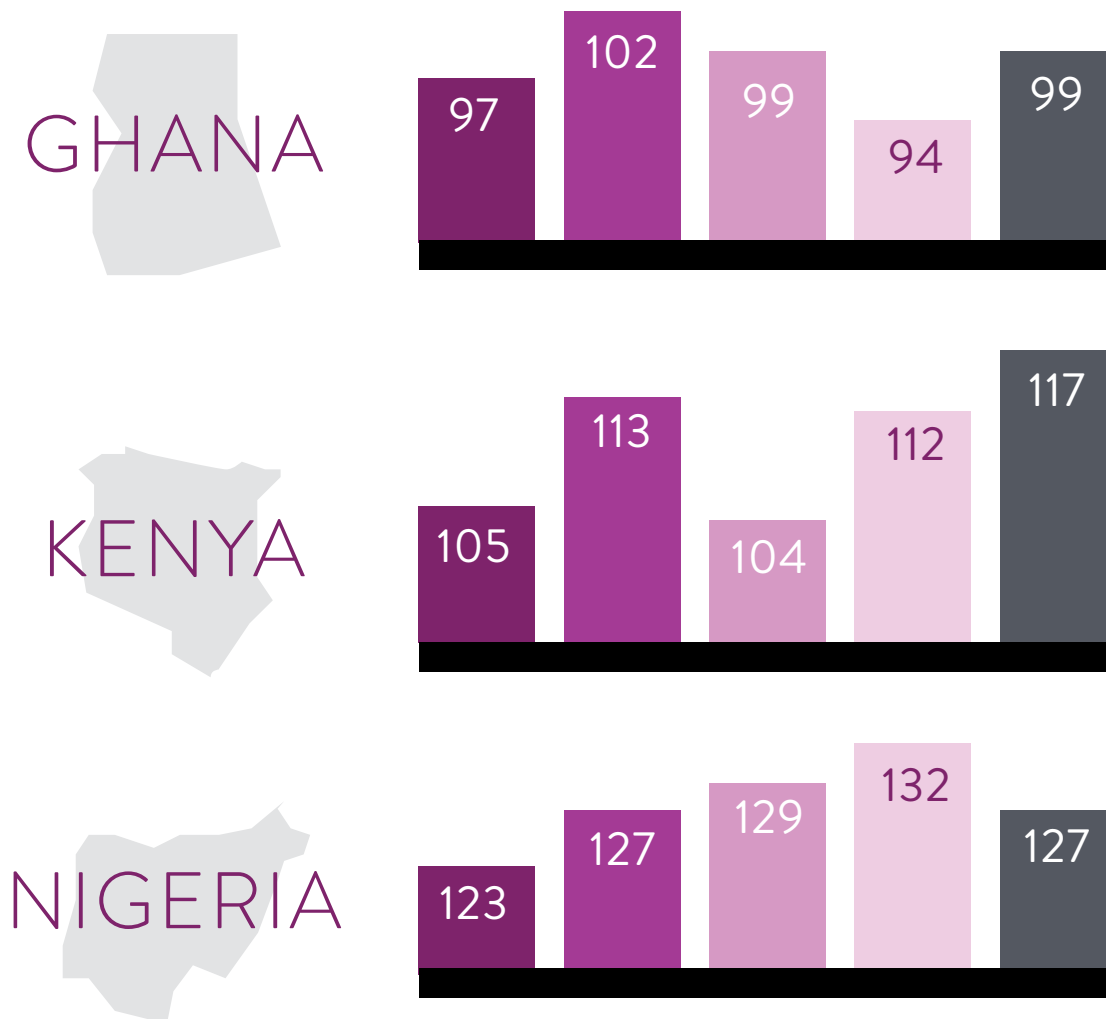
The outlook for jobs increased in Ghana and Kenya, rising three and two percentage points, respectively, from the second quarter. Likewise, sentiment for personal finances and immediate spending intentions also increased in both countries. Seventy percent of Kenya respondents and 67% of Ghana respondents believed the state of their personal finances were good or excellent, up three and four percentage points, respectively. Conversely, sentiment for all three indicators declined in Nigeria, with immediate spending intentions declining eight percentage points to 48% in the third quarter.

The majority of respondents in the three countries said they did not have spare cash (68% in Ghana, 63% in Kenya and 60% in Nigeria), levels that decreased in Ghana and Kenya but increased in Nigeria from the second quarter. Among those who did claim discretionary funds, saving continued to be a priority for the majority: 77% in Ghana, 87% in Kenya and 80% 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.

## CONSUMER CONFIDENCE REMAINS HIGH IN NIGERIA AND KENYA

### CONSUMER CONFIDENCE INDEX

● Q3 2014 ● Q4 2014 ● Q1 2015 ● Q2 2015 ● Q3 2015



Source: Nielsen Global Survey of Consumer Confidence & Spending Intentions, Q3 2015  
 Sub-Saharan Africa countries use a mobile methodology

## COUNTRIES IN THE STUDY

### ASIA-PACIFIC

MARKET	INTERNET PENETRATION
Australia	94%
China	47%
Hong Kong	81%
India	20%
Indonesia	28%
Japan	86%
Malaysia	67%
New Zealand	95%
Philippines	41%
Singapore	80%
South Korea	92%
Taiwan	80%
Thailand	30%
Vietnam	44%

### LATIN AMERICA

MARKET	INTERNET PENETRATION
Argentina	75%
Brazil	54%
Chile	67%
Colombia	62%
Mexico	49%
Peru	42%
Venezuela	50%

### EUROPE

MARKET	INTERNET PENETRATION
Austria	87%
Belgium	90%
Bulgaria	59%
Croatia	71%
Czech Republic	78%
Denmark	97%
Estonia	83%
Finland	97%
France	83%
Germany	87%
Greece	60%
Hungary	75%
Ireland	79%
Israel	76%
Italy	59%
Latvia	75%
Lithuania	69%
Netherlands	96%
Norway	95%
Poland	67%
Portugal	65%
Romania	51%
Russia	61%
Serbia	65%
Slovakia	82%
Slovenia	76%
Spain	75%
Sweden	95%
Switzerland	89%
Turkey	57%
U.K.	90%
Ukraine	42%

### MIDDLE EAST/AFRICA

MARKET	INTERNET PENETRATION
Egypt	53%
Morocco	61%
Pakistan	15%
Saudi Arabia	67%
South Africa	52%
United Arab Emirates	96%

### NORTH AMERICA

MARKET	INTERNET PENETRATION
Canada	95%
U.S.	87%

Source: Internet World Stats, June 30, 2014

### SUB-SAHARAN AFRICA

MARKET	MOBILE PENETRATION*
Ghana	99%
Kenya	68%
Nigeria	64%

\*Based on mobile handsets divided by population.  
Source: CIA World Factbook, 2012

## ABOUT THE NIELSEN GLOBAL SURVEY

The Nielsen Global Survey of Consumer Confidence and Spending Intentions was conducted Aug. 10-Sept. 4, 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 or more 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.

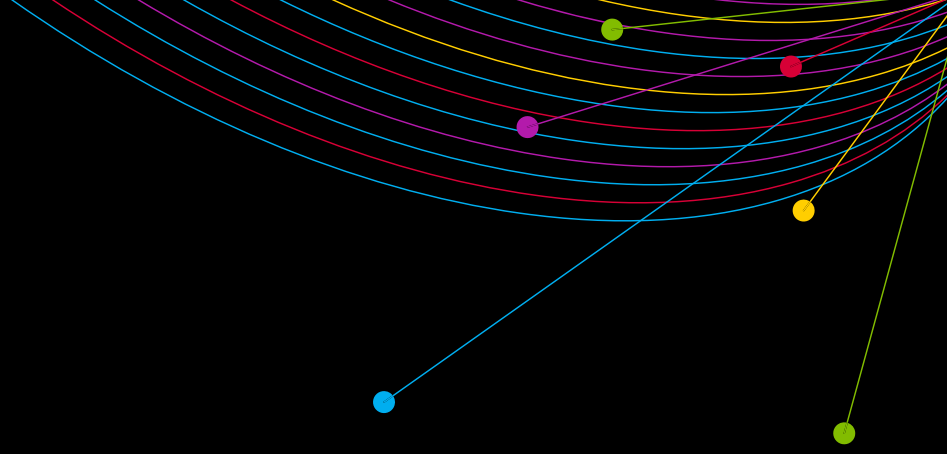
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## ABOUT NIELSEN

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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