

trends

delivering the pulse of the nation to you



a quarterly TNS Canadian Facts newsletter

June 2009

Canadians look ready to wave goodbye to the recession

Spring is a time of renewal. And so it is with Canadians' economic outlook. Doom and gloom has been replaced by more positive expectations for the future

Although the economic confidence of Canadians continues to wildly exceed that of our American cousins, confidence in the United States is also clearly on the upswing.

Together, these positive findings point to an upcoming renewal for the North American economy.

What's inside?

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National Indices

Winter Gloom Replaced by Springtime Optimism

The **Consumer Confidence Index**, which captures both short and long-term influences, rose from 83.7 in March to 94.1 last month before settling at 92.0 in June. That is a 10 per cent rise during the quarter.

It seems that much like stock markets, Canadians have discounted the negative economic news of the past few quarters. They are anticipating better times six months from now and they are considering making major purchases that have been put on the backburner.

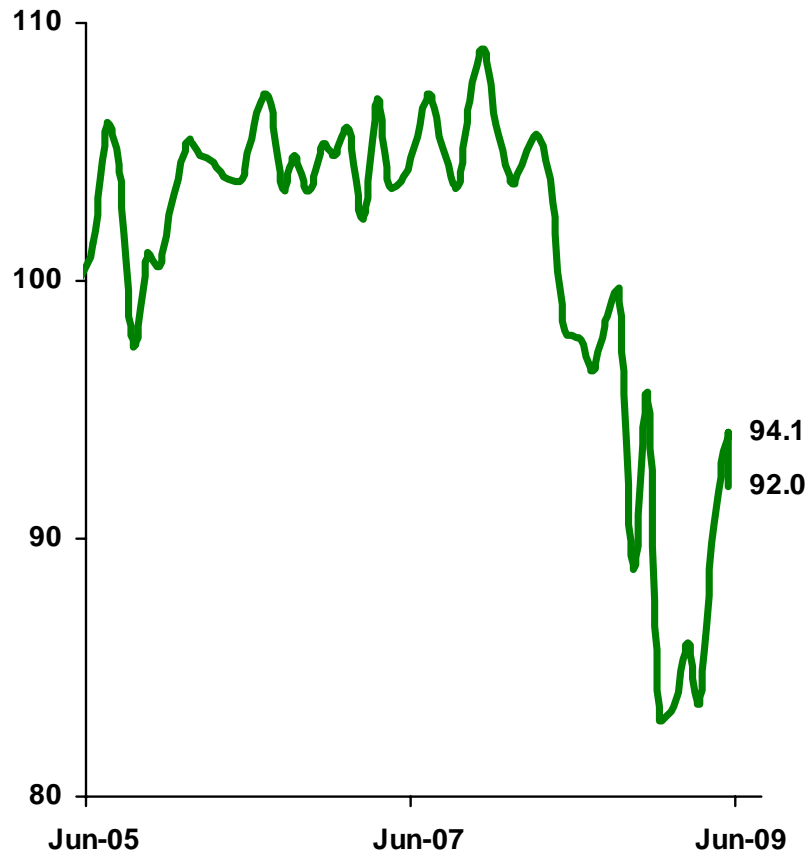
The **Present Situation Index**, which captures evaluations of the overall state of the economy and the employment situation, ascended from 72.1 in March to 78.9 in May, then eased off to 74.2 in June. Canadians recognize that the economy today is struggling. Despite this, very positive findings for the future are found in the other two indices.

The **Buy Index**, which gauges the degree to which people think the current period is a good time to make major purchases, rose dramatically from 95.3 in March to 107.0 in May then crept back to 104.5 in June – a 10 per cent increase quarter over quarter. The last time this index was higher was in July 2005.

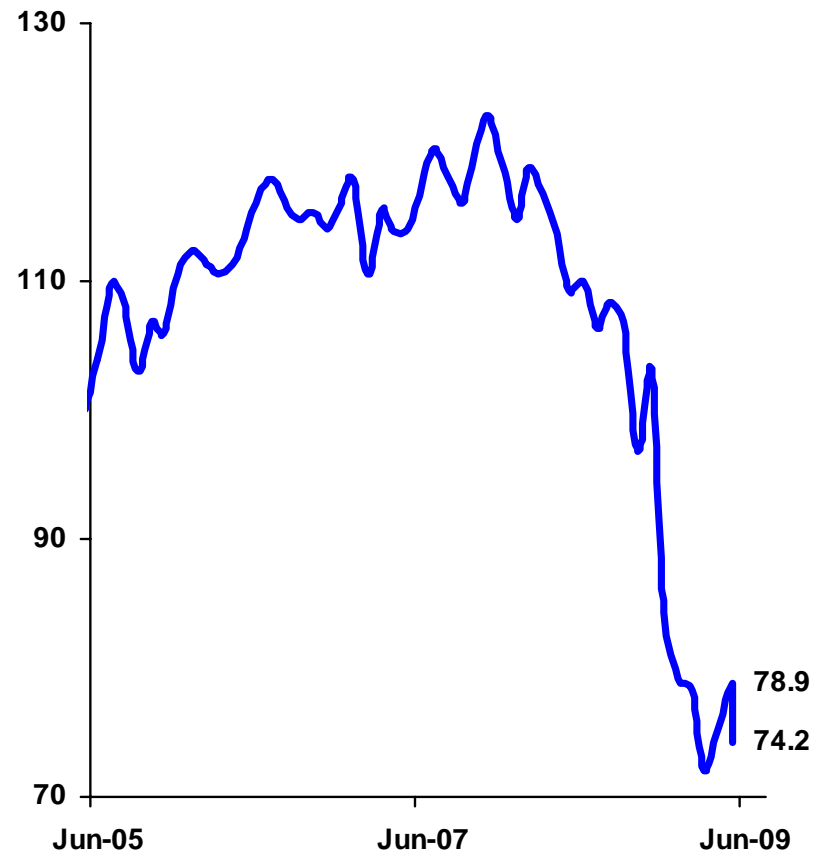
Last, and perhaps most importantly, the **Expectations Index**, which measures consumers' estimation of the economy, household income and employment in the next six months, rose steadily from 87.4 in March to 101.4 in May and 103.3 in June – an 18 per cent increase over the quarter.



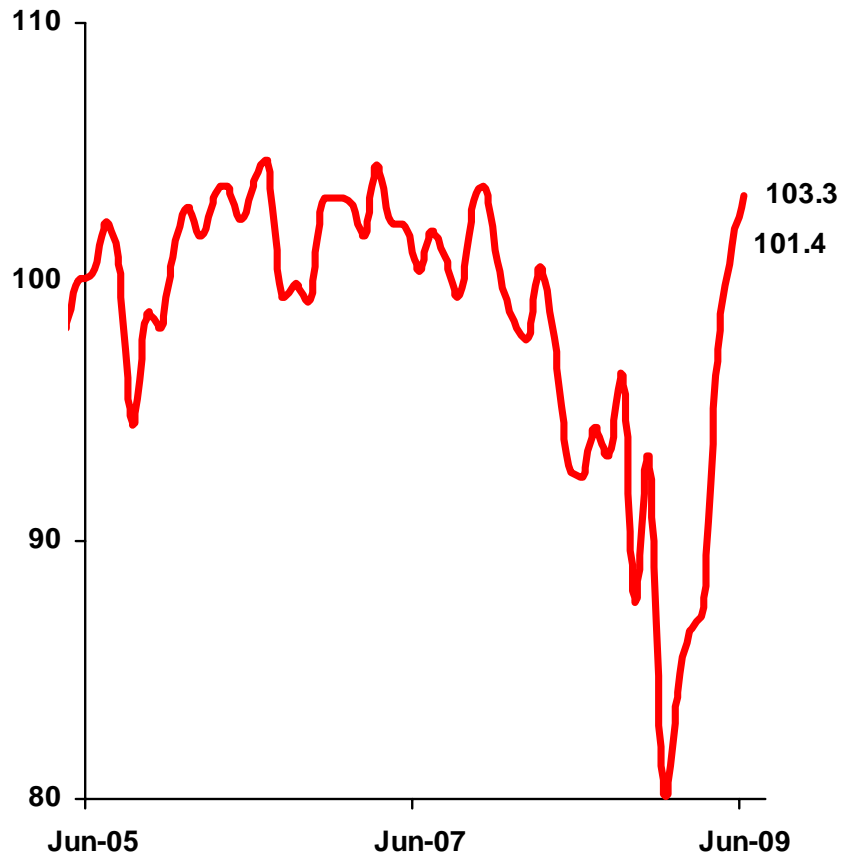
Consumer Confidence Index



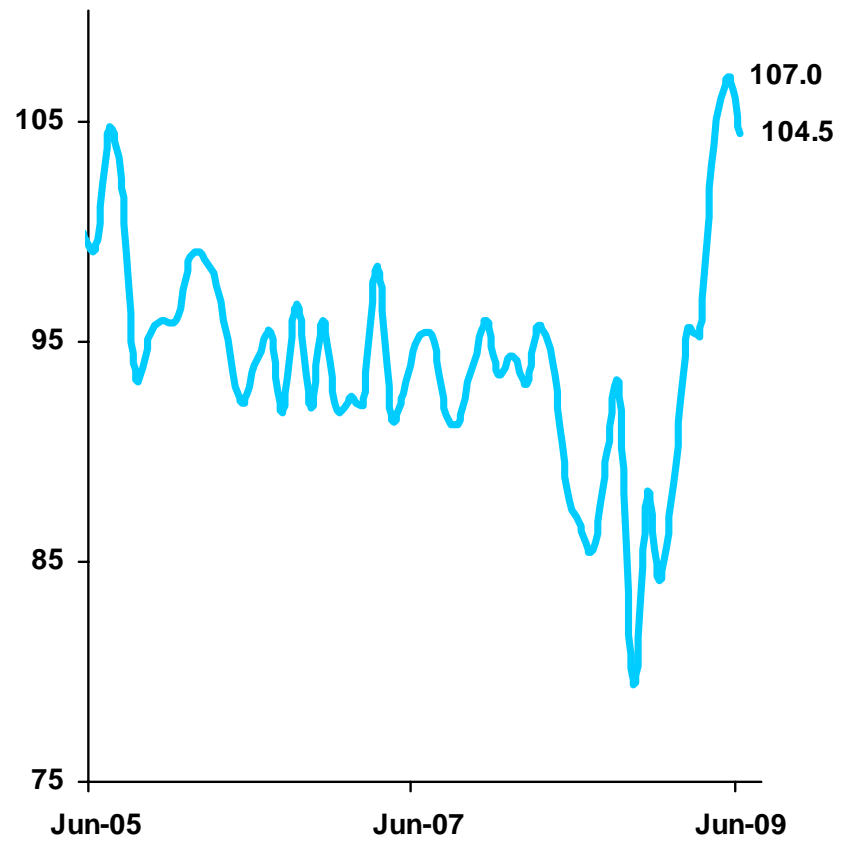
Present Situation Index



Expectations Index



Buy Index



Consumer Confidence in the United States

U.S. Confidence Starting to Recover

The upward consumer confidence trend that is taking root in Canada is also germinating in the United States. The findings of the U.S. Conference Board *Consumer Confidence Index* suggest a strong, positive swing in American confidence – this after almost a year of declines.

The recovery in confidence may be the result of government investment in the economy, or more simply, the bad economic news – as in Canada – has been discounted by American consumers when they consider the future. Support for this latter point can be found in the Expectations Index which posted a dramatic increase over the quarter.

Since the U.S. is Canada’s largest trading partner, a recovery there is essential for one to occur here. That upturn now looks much more likely; however, it may take some time. U.S. confidence has a long way to climb from the rock-bottom low recorded in March.

Note: The U.S. Consumer Confidence Index is produced by the Conference Board®. The Conference Board is not responsible for the interpretation of the results provided herein.

Consumer Confidence Index

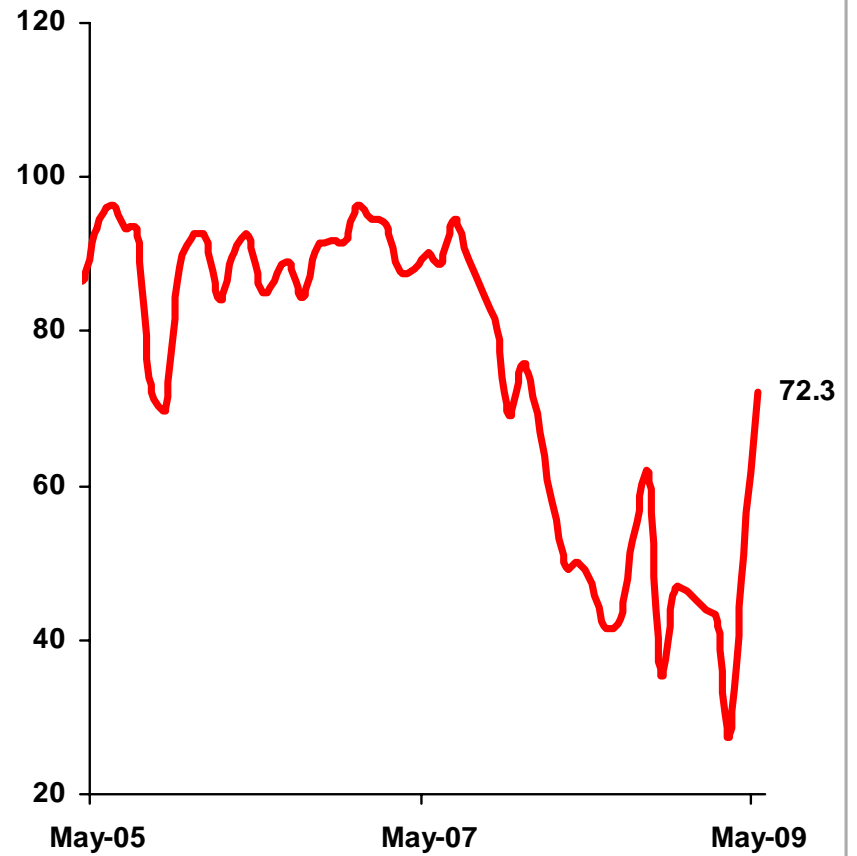


*The Conference Board Index is similar but not exactly the same as the Canadian index.

Present Situation Index



Expectations Index



Regional Results

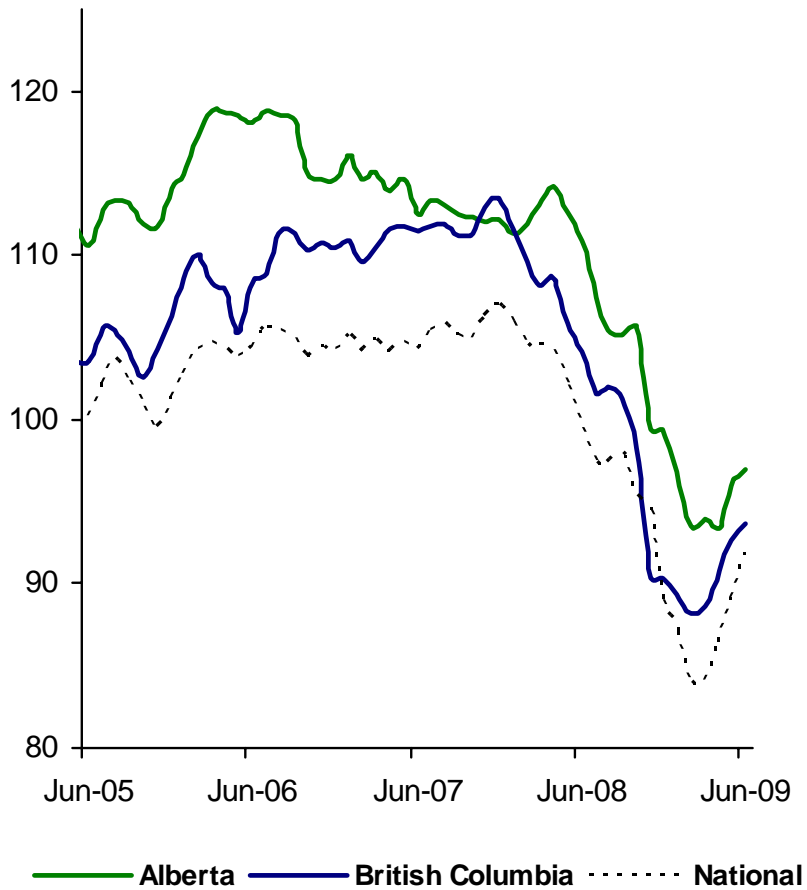
Spring Has Sprung Across Canada

Even though the rolling, three-month average used in the regional results reduces the impact of any one month, it is clear that positive news can be found from sea to sea:

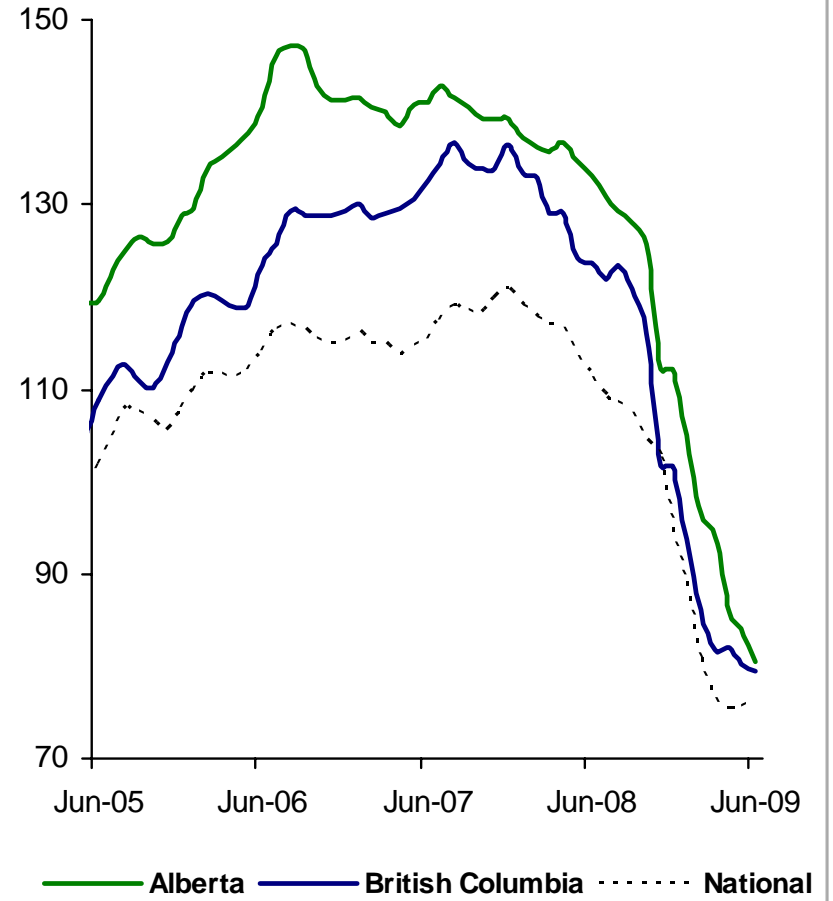
- The overall **Consumer Confidence Index** is up in every region.
- The **Present Situation Index** has either stabilized (as in Western Canada) or is on the way up (as in Central and Atlantic Canada).
- The **Expectations Index** is up across the board with dramatic rises seen in Western and Central Canada.
- The **Buy Index** is up in every region and is at a high-water mark in British Columbia, Alberta and Ontario.



Consumer Confidence Index

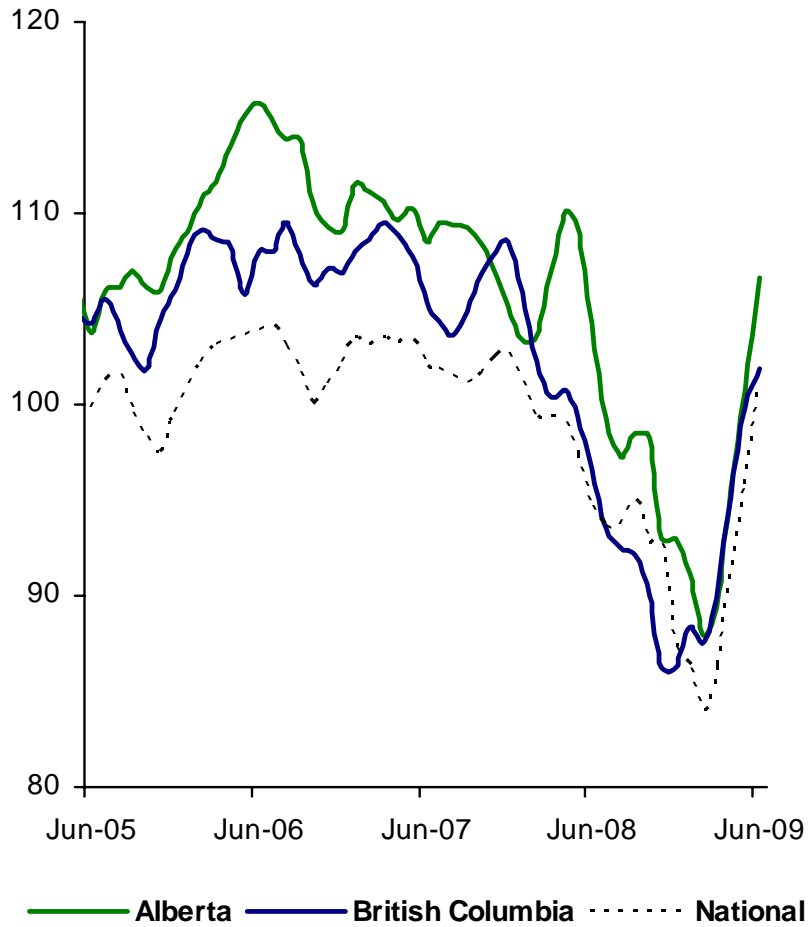


Present Situation Index

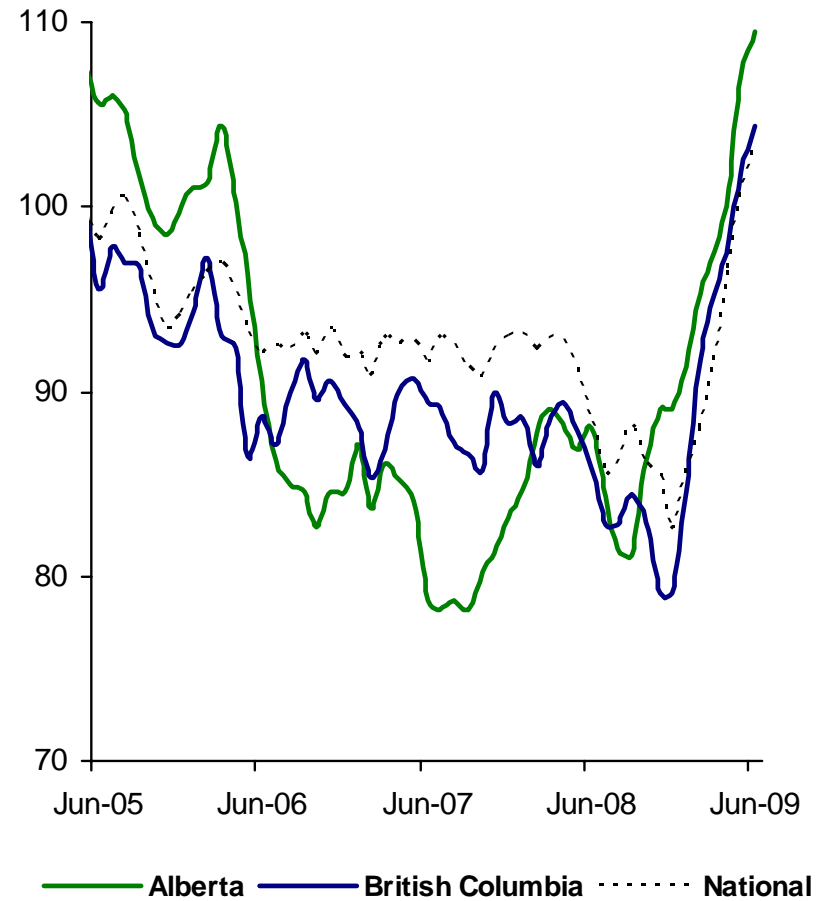


Monthly value is average for three previous months

Expectations Index

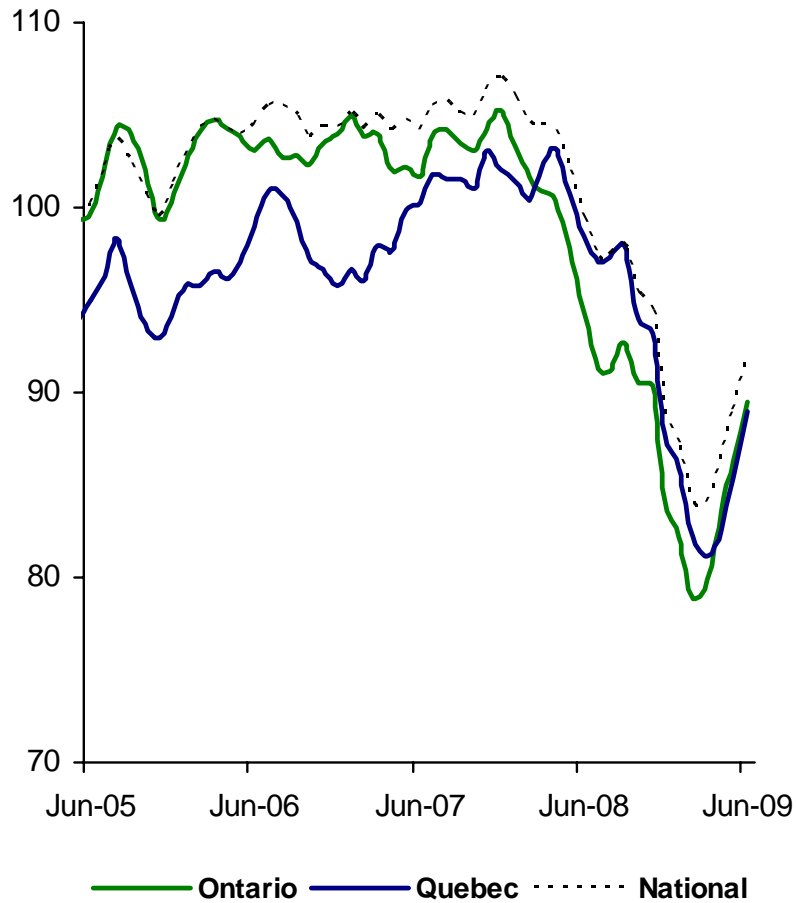


Buy Index

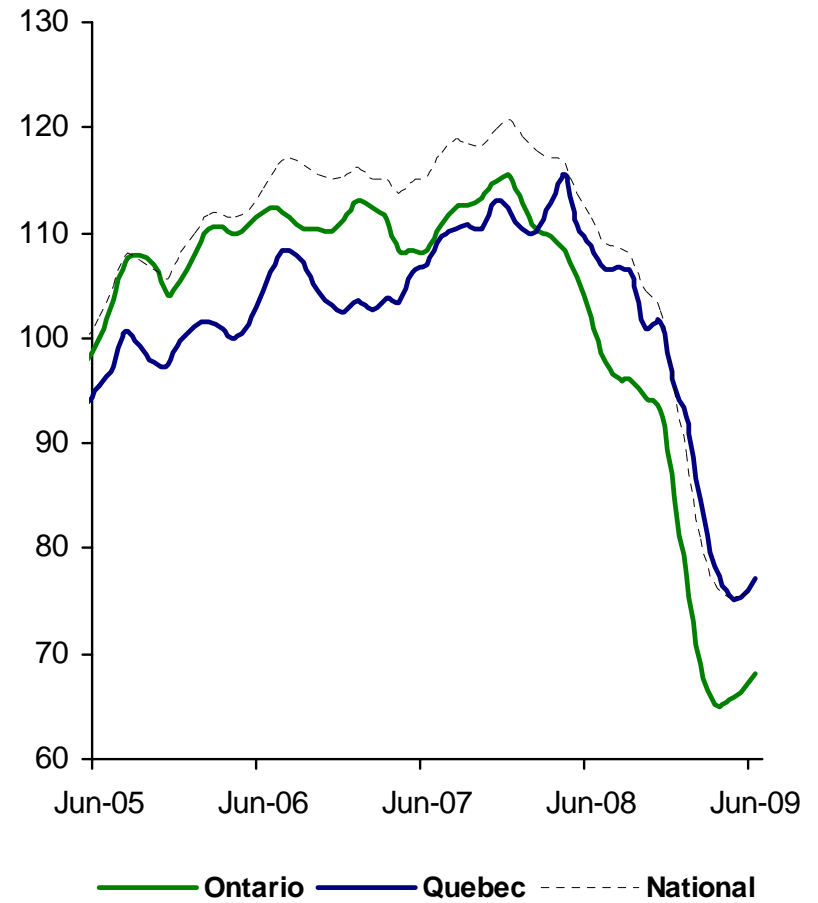


Monthly value is average for three previous months

Consumer Confidence Index

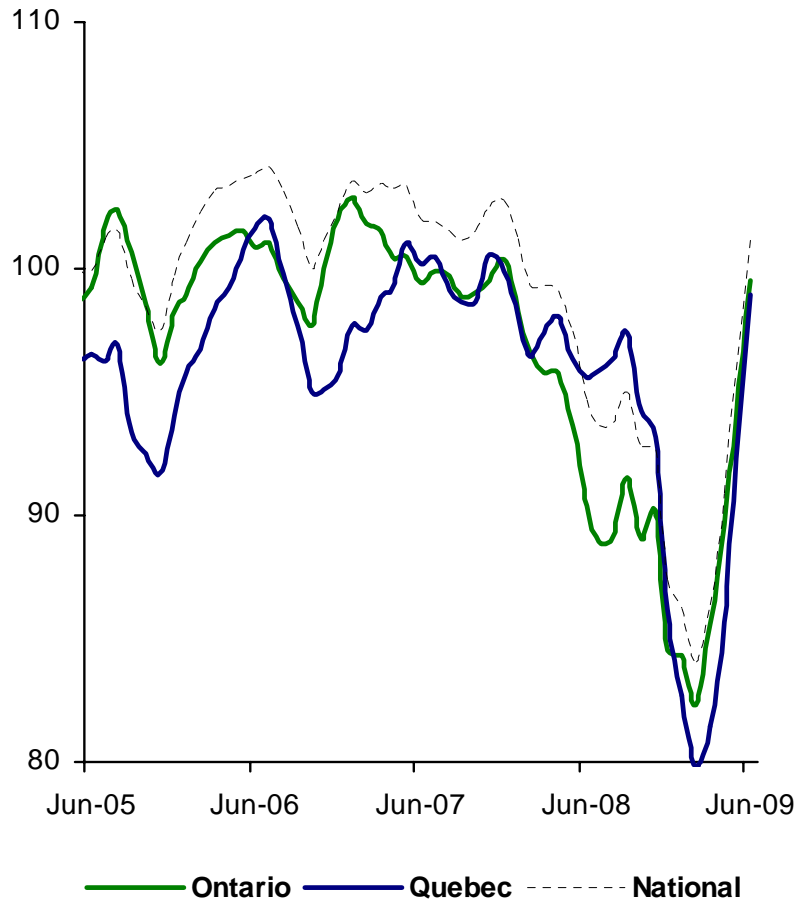


Present Situation Index

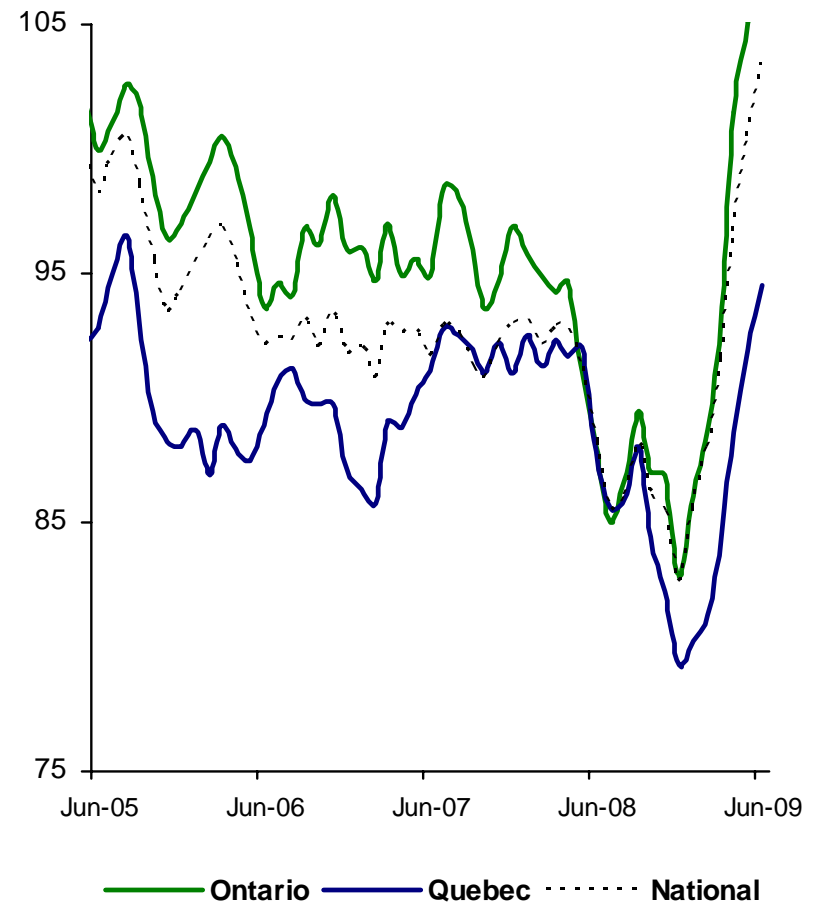


Monthly value is average for three previous months

Expectations Index

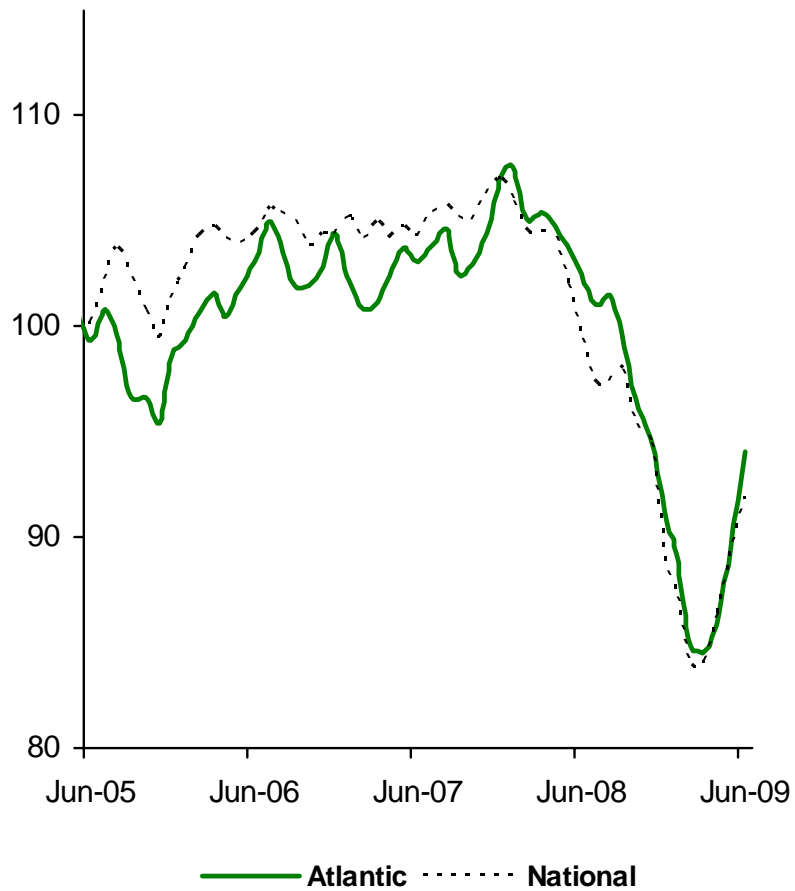


Buy Index

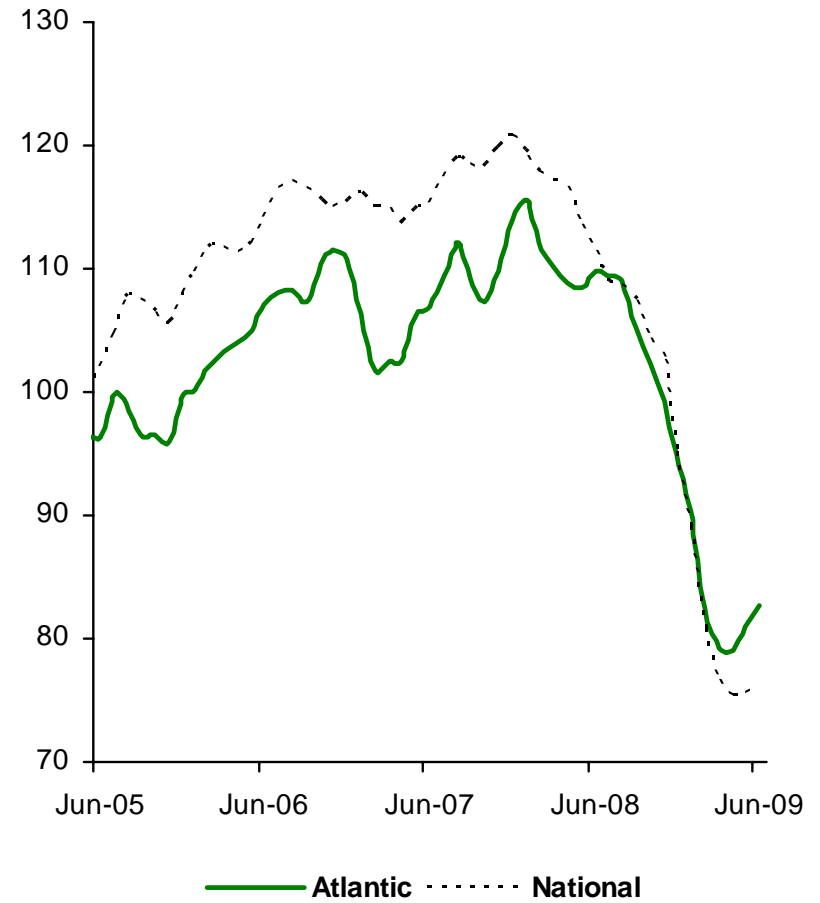


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Consumer Confidence Index

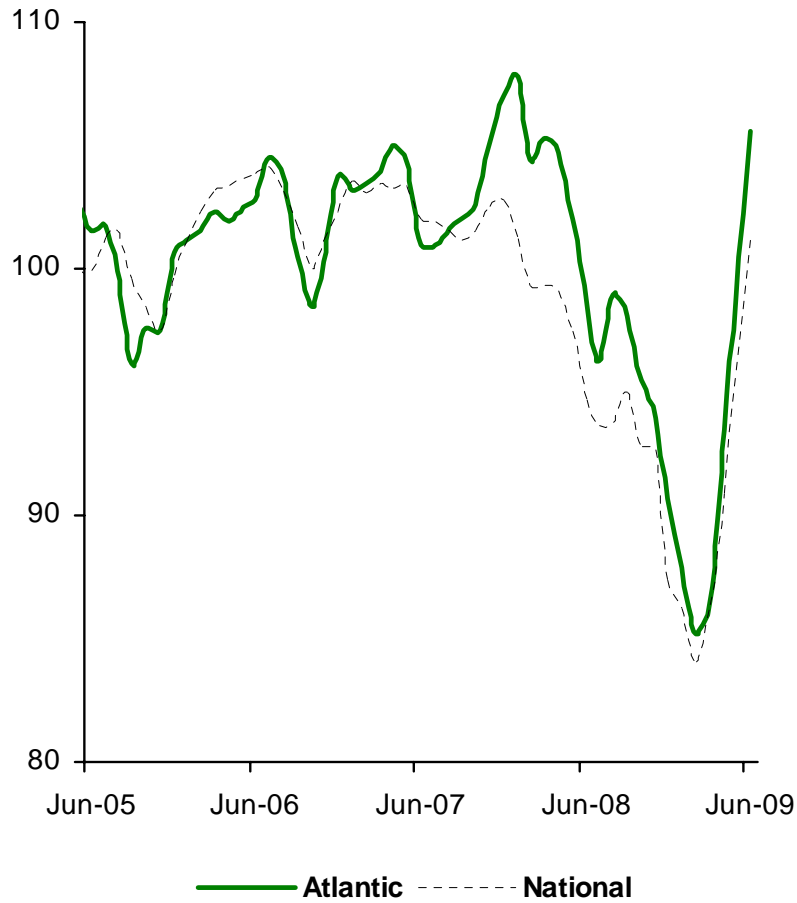


Present Situation Index

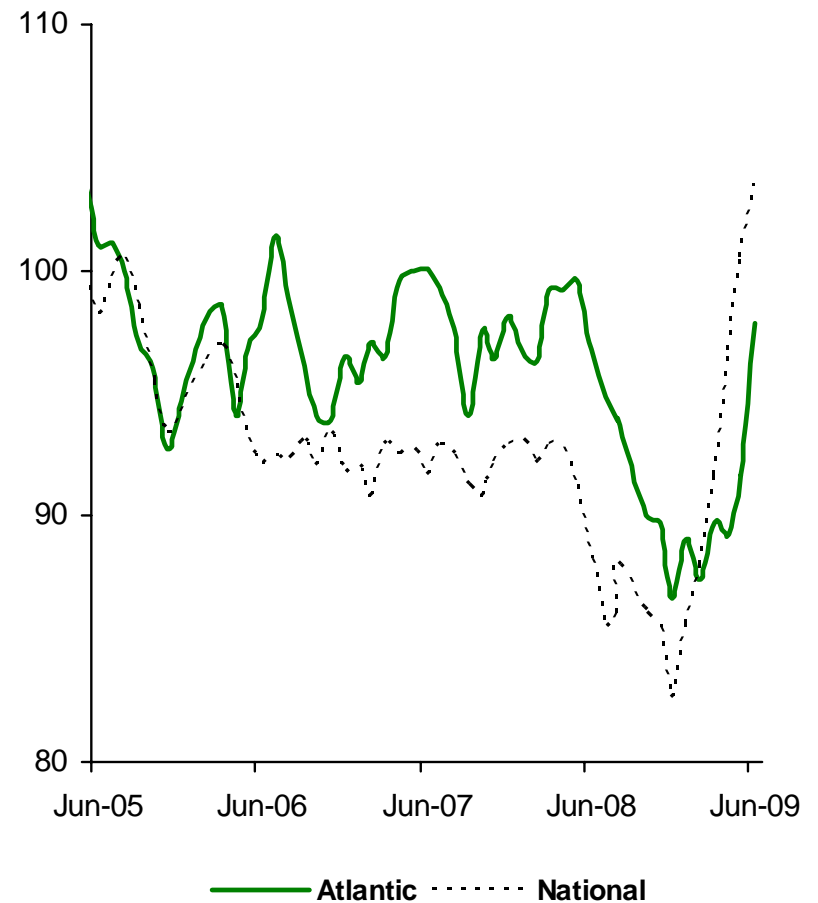


Monthly value is average for three previous months

Expectations Index



Buy Index



Monthly value is average for three previous months

About the CCI study

Seven questions make up the core survey of Consumer Confidence. While the overall CCI index uses all 7 questions to produce an index score, there are three sub-indices that rely on some of the questions.

CCI Index: Includes all 7 variables

Present Situation Index:

- How would you describe your country's current economic situation?
- How would you describe your country's current employment situation?

Expectations Index:

- What do you think will be your country's economic situation in the next 6 months?
- What do you think will be your country's employment situation in the next 6 months?
- What do you think your income will be in 6 months time?

Buy Index:

- Taking into consideration the cost of things today and the financial situation in general, to what extent would you say that now is a good or bad time to buy products such as: a house or apartment, a car, household appliances such as a washing machine, a refrigerator, a TV set etc.?



About Dr. Michael Antecol:

An accomplished researcher, Dr. Antecol is responsible for TNS Canadian Facts' Vancouver office and the company's Western Canadian research. Dr. Antecol has more than 11 years of direct private-sector market research experience, working with major clients in the Canada and the US. He is also a primary spokesperson for TNS Canadian Facts for news interviews and analysis of recent trends in public opinion and market behaviour.

Over the years, Dr. Antecol's studies have been quoted in various media outlets including Broadcasting & Cable, Chief Executive Magazine, Christian Science Monitor, CNET Radio, the Globe and Mail, Information Week, MSNBC News, the National Post, PC Magazine, the Philadelphia Inquirer, Poynter Online, San Diego Union-Tribune, St. Louis Post-Dispatch and the Toronto Star. He has also presented findings in speeches at the BC Egg Marketing Board, Professional Marketing Research Society (PMRS) Speakers Series, BBM Canada, the PMRS Annual conference, Television Bureau of Advertising (TVB) and Web CT.


Dr. Antecol completed a B.A. in Political Science at York University and a LL.B. from Osgoode Hall Law School. He then attended the Graduate School of Journalism at the University of Western Ontario where he completed an M.A. in Journalism. He then continued on with his studies and completed a Ph.D. in the School of Journalism at the University of Missouri. Following this, Dr. Antecol completed a Post-Doctoral Fellowship at Stanford University, receiving independent funding from the California Tobacco-Related Disease Research Program for a project that investigated the effects of advertising as it pertains to anti-smoking campaigns.

Michael's academic research has been widely published in journals such as the Canadian Journal of Communication, Mass Communication & Society, Newspaper Research Journal and Political Communication. Abstracts can be found in various Proceedings of the American Academy of Advertising and Psychophysiology. He has also presented numerous papers to the Association for Education in Journalism and Mass Communication (AEJMC), International Communication Association, the American Academy of Advertising, the Society for Psycho-physiological Research, and the Society for Research on Nicotine and Tobacco. His research has earned several awards including membership in the Kappa Tau Alpha Honor Society and a "Top Three Research Paper" in the Communication and Theory Division of AEJMC.

Before joining TNS Canadian Facts, Dr. Antecol spent three years as Vice President at POLLARA (2004-2006), two years as Director of Online Research at Frank N. Magid Associates, and two years as the Wired Youth Analyst at Forrester Research. He is a member of the Market Research Intelligence Association (MRIA) and served as a board member for the Vancouver Chapter from 2005 to 2006.

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