



trends

Delivering the pulse of the nation to you

A quarterly newsletter from TNS Canada

SPRING 2010



→ National Indices

U.S. Indices

Canadian Regional Indices

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About The CCI Study Director

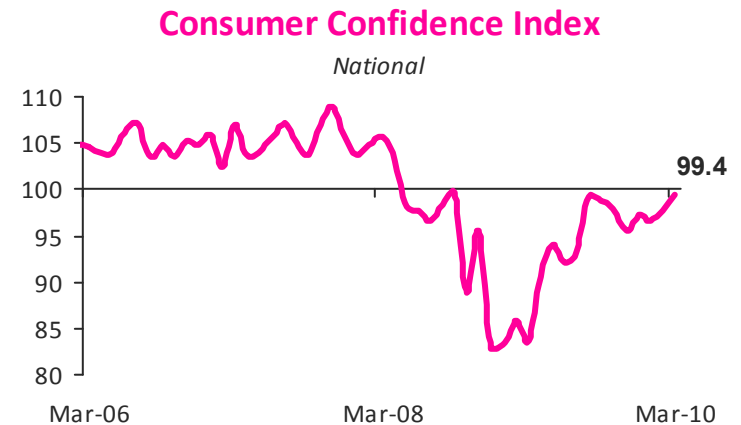
Canadian consumers turning to measured optimism

The **Consumer Confidence Index**, which captures both short and long-term influences, returned to an upward trend this first quarter, erasing the losses of last year's fourth quarter, and ending the period a smidge ahead of 2009's highest point, which was reached in the third quarter. The index rose from 96.7 in January to 97.6 in February before finishing at 99.4 in March.

Two of the three indices showed modest gains this quarter, while the results of the third were ambivalent. Like the overall index, the **Present Situation Index**, which captures evaluations of the state of the economy and the employment situation, regained its fourth-quarter losses – finishing at 88.9, 2.4 points ahead of its third-quarter high.

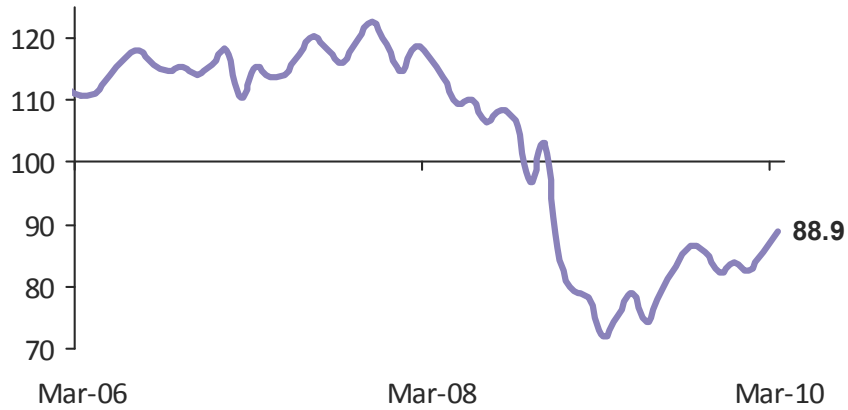
Although the **Expectations Index**, which measures consumers' estimation of the economy, household income and employment in the next six months, did not move much this quarter, it ended the quarter at 111.9, a new high. Likewise, the **Buy Index**, which gauges the degree to which people think the current period is a good time to make major purchases, bobbed around this quarter, finishing at 101.1, slightly behind its fourth-quarter high of 102.6, but well off its third quarter, and historical, high of 108.3.

For months Canadians have heard in the media that the recession was technically over, but there was no empirical evidence they were buying into the hype – until now. The results indicate that we may finally be turning the proverbial corner on consumer confidence. Canadians are feeling brighter about the economy's immediate prospects and its future prospects, although hesitancy remains when it comes to pulling the trigger on major purchases. If this trend continues, it may not be too long until we see the sustained, consumer-driven economic turn-around we've been waiting for.



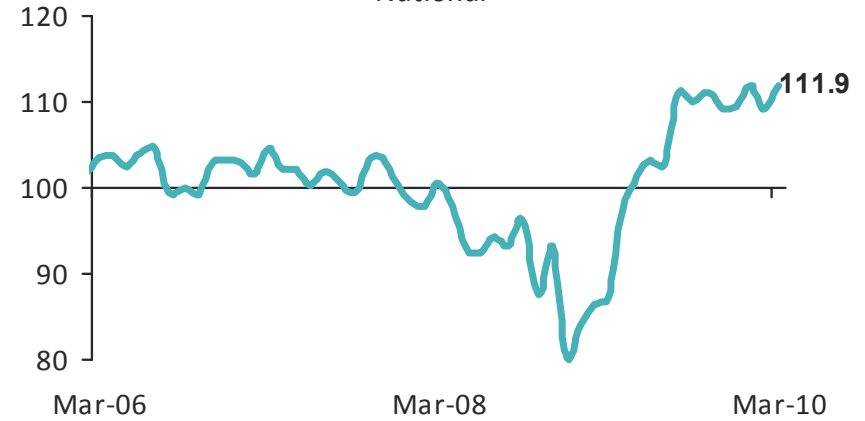
Present Situation Index

National



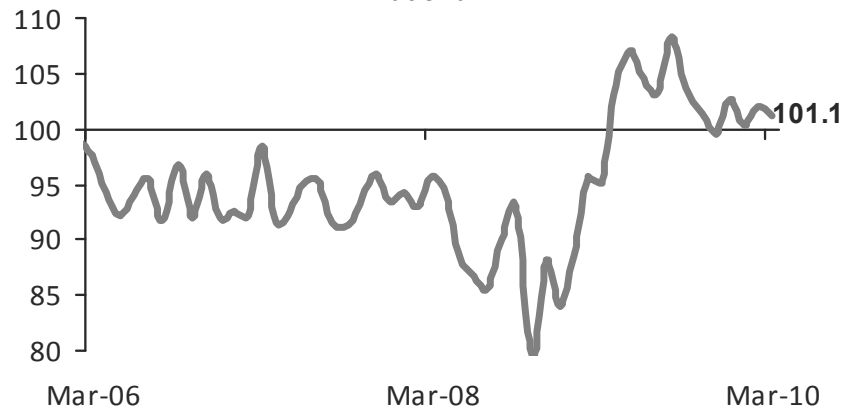
Expectations Index

National



Buy Index

National



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U.S. consumers turn pessimistic

Compared to Canada, confidence in the U.S. is moving in exactly the opposite direction. Not only does U.S. confidence continue to lag confidence in Canada significantly, it is also trending downwards. While the previous quarters' results demonstrated American consumers' ambivalence regarding their economy, this quarter's results suggest a return to pessimism. In the third quarter, the ambivalence was evident in the fact that all the indices showed downward swings, then bounce-backs, while in the the fourth quarter ambivalence was evident in the conflicting results between indices. Now the results are less equivocal: all indices are down.

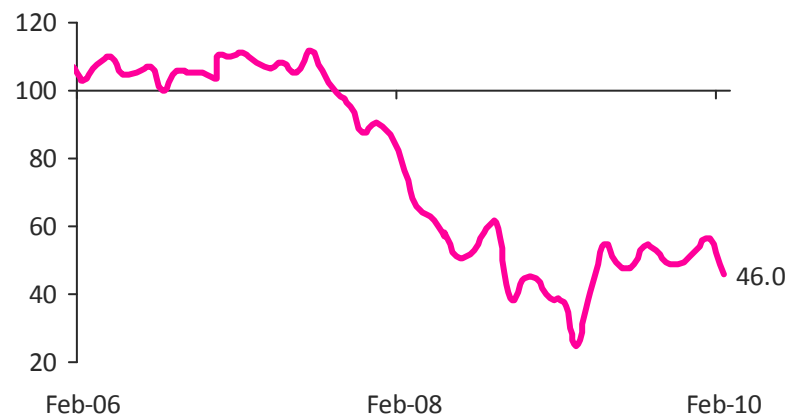
Overall, the **Consumer Confidence Index** fell 6.9 points from its December high of 52.9 to 46.0 in February. No doubt, this has been driven by the sharp decline in the **Expectations Index** which fell from 75.6 in December to 63.8 in February – a drop of 11.8 points. The **Present Situation Index** ended February on a down note as well: ending the quarter at 19.4, just up from December's historic low of 18.8.

We indicated at the end of last year's third and fourth quarters that the ambivalence of American consumers was troubling considering the massive government investment in the economy – investments that are still scheduled to peter out as 2010 continues. Now, with this apparent return to pessimism, the future is darkening. Hope for the future has faded as present concerns continue to weigh heavily. American consumers appear convinced that the recession is not at an end – at least not for them. This is especially the case when they pause to consider that ballooning public debt is about to grow even more monstrous with the passage of health care reform. Plus, the stark issues of double-digit unemployment and continued foreclosures remain. From this point of view, the U.S. results presented here remain consistent with the souring American reality.

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.

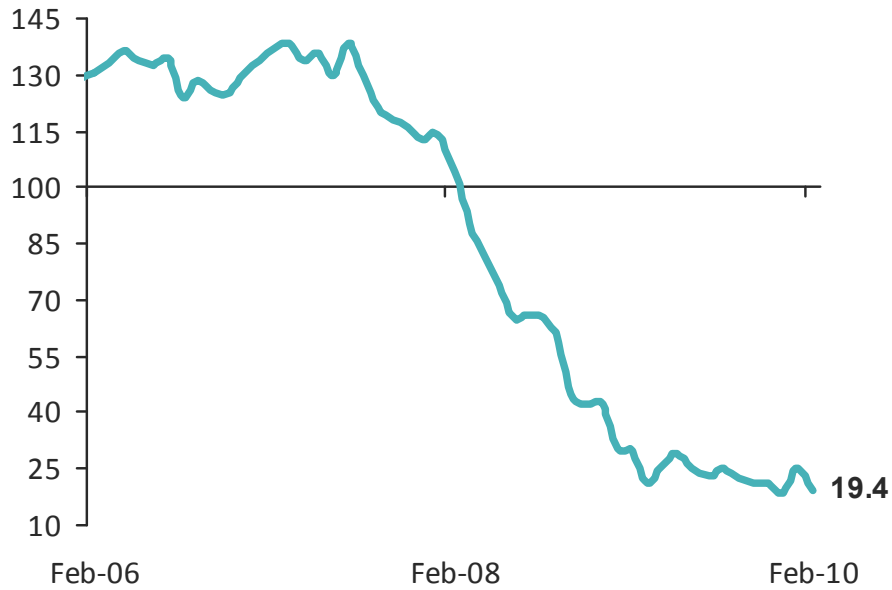
Consumer Confidence Index

United States



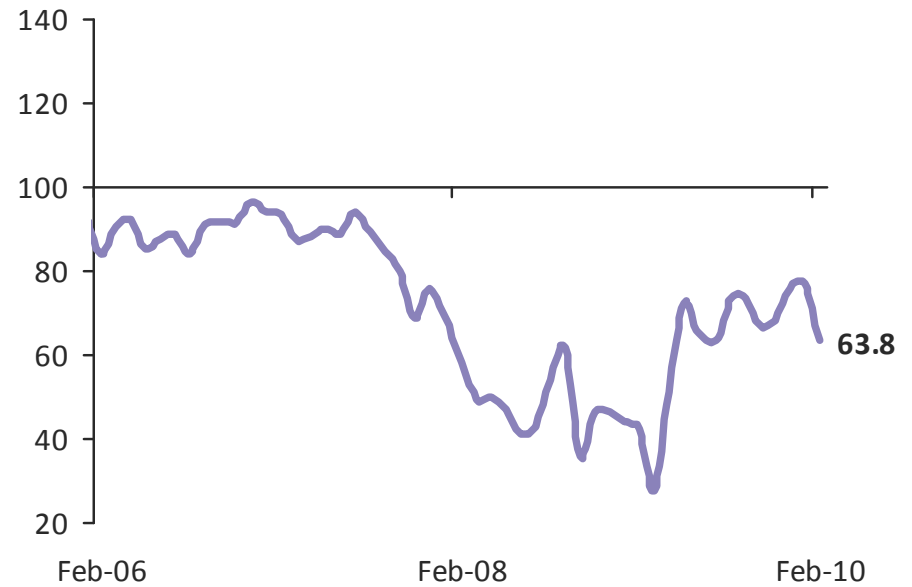
Present Situation Index

United States



Expectations Index

United States



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Confidence up in Atlantic Canada, down across the Prairies

Even though the rolling, three-month average *used in the regional results* reduces the impact of any one month, it is clear that the regions have different profiles at the moment – with Ontario and Quebec consumers continuing to show the most signs that the recession is still real to them.

The overall **Consumer Confidence Index** moved upward in BC and Atlantic Canada, which ended the quarter ahead of the national result. Likewise, Ontario showed a positive turn while an ever-so-slight uptick was visible in the Quebec results. In contrast, confidence was still pointing downwards in Alberta and Manitoba/Saskatchewan.

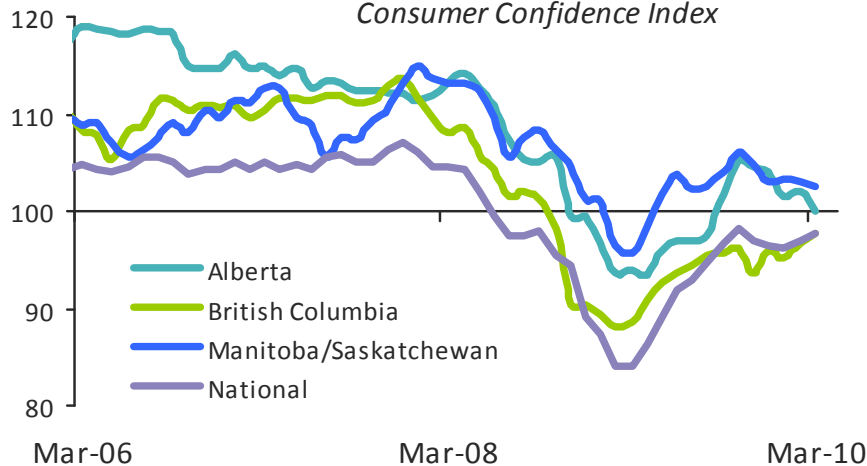
The **Present Situation Index** held steady in Alberta but moved up in both BC and Manitoba/Saskatchewan with both of the latter regions ending higher than the national result. The index is also up in Ontario and Atlantic Canada, although Ontario continues to lag the national result while Atlantic Canada continues to surpass it. The results in Quebec are flat.

The **Expectations Index** showed great variability in results. BC tended to mirror the national result whereas Alberta and Manitoba/Saskatchewan showed big drops, although the latter region recovered somewhat at the end of the quarter but only after a much more dramatic decline. The index is also up in Atlantic Canada, Ontario and Quebec, although both Ontario and Quebec continue to lag the national result while Atlantic Canada continues to surpass it.

The **Buy Index** also had a mixed bag of results. The index is down across all western regions. In contrast, it is up in Quebec, Ontario and Atlantic Canada, with Atlantic Canada and Ontario ahead of the national result and Quebec behind.

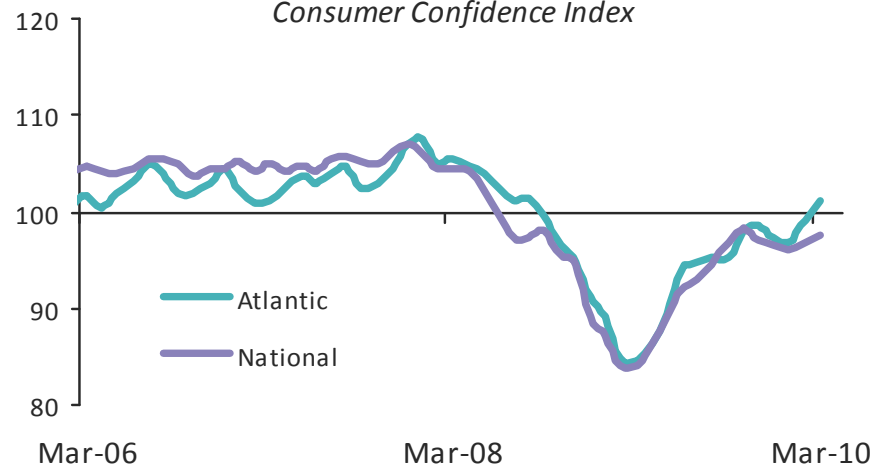
Western Canada

Consumer Confidence Index



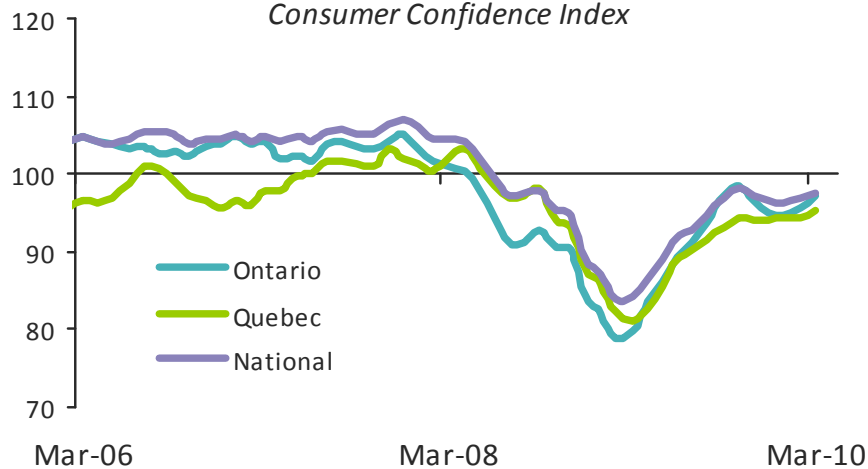
Atlantic Canada

Consumer Confidence Index



Central Canada

Consumer Confidence Index

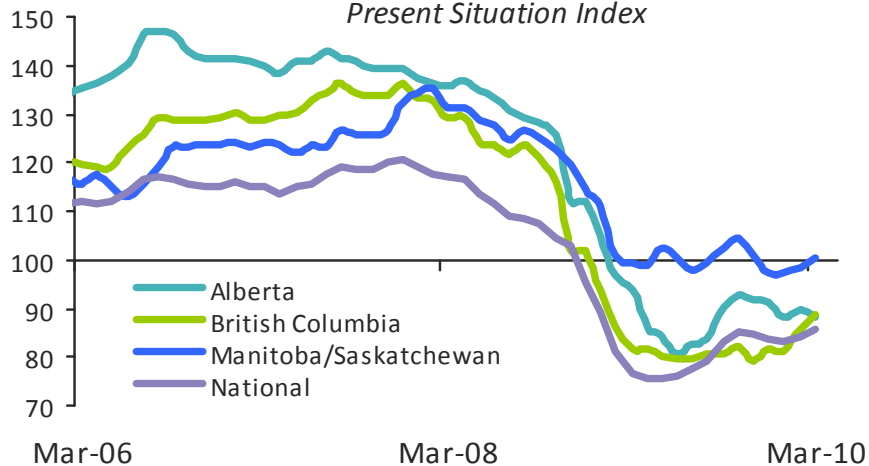


Canadian Regional Present Situation Indices



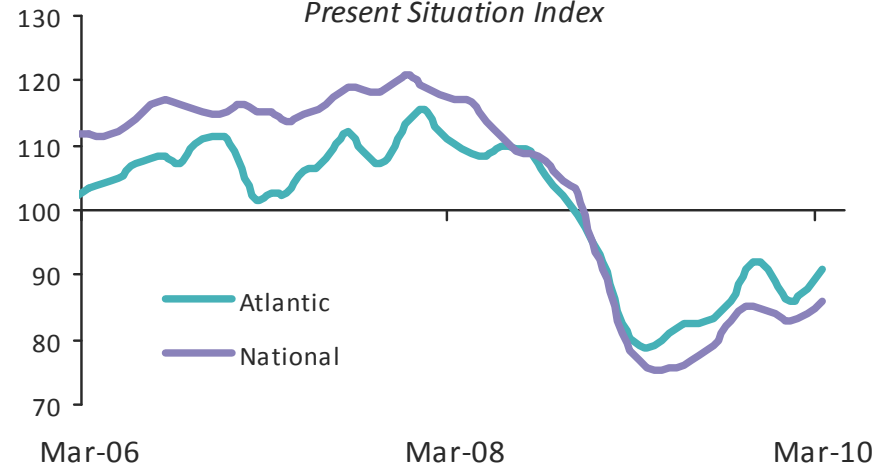
Western Canada

Present Situation Index



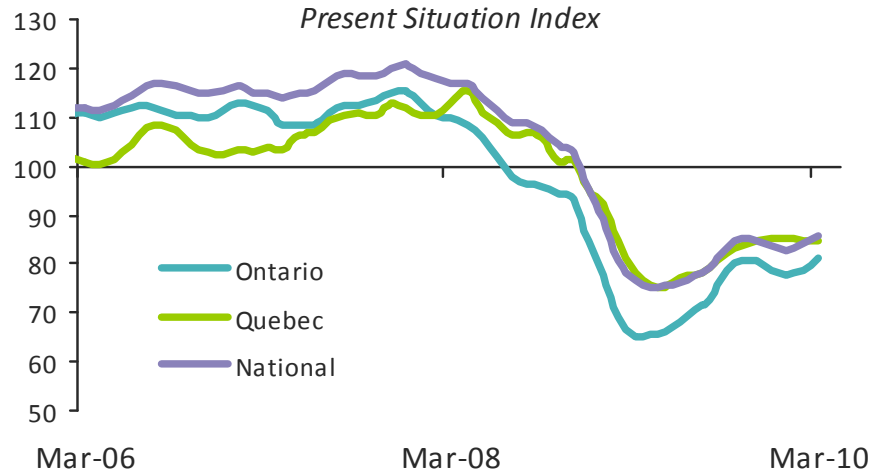
Atlantic Canada

Present Situation Index



Central Canada

Present Situation Index



Monthly value is average for three previous months

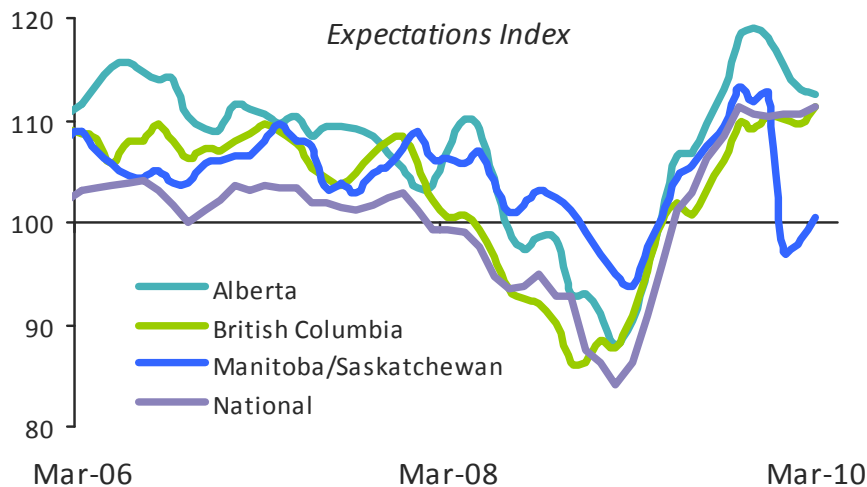


Canadian Regional Expectations Indices



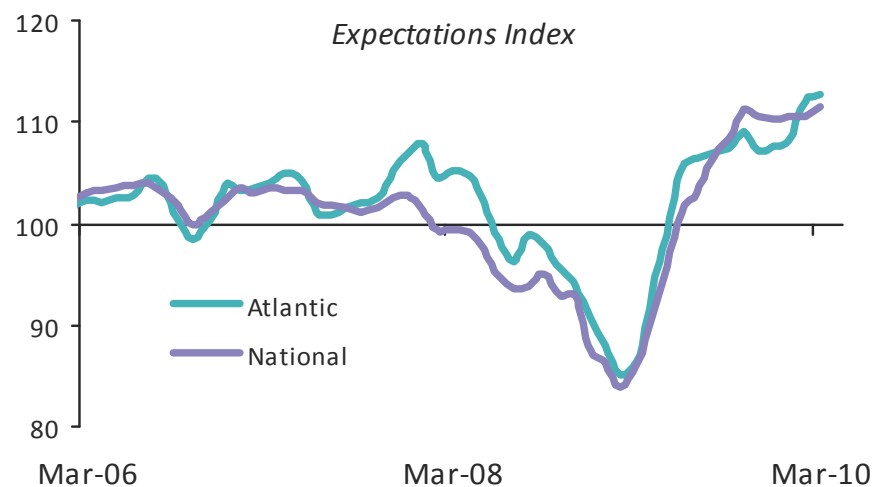
Western Canada

Expectations Index



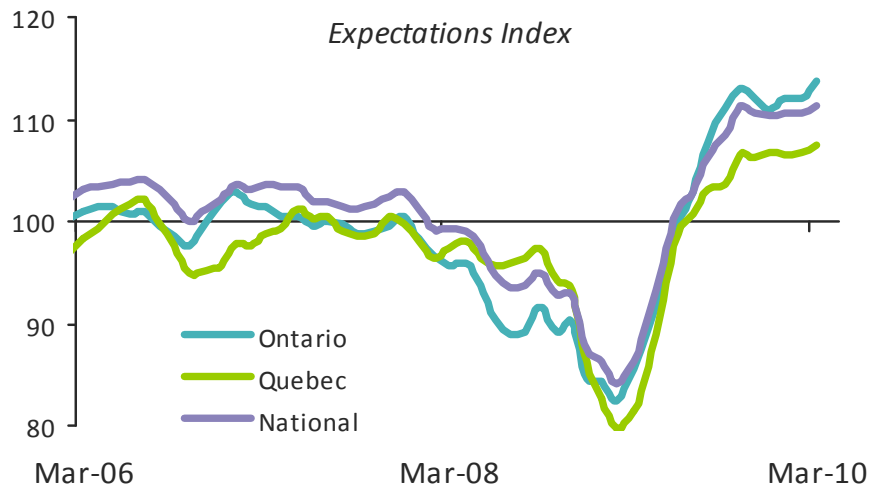
Atlantic Canada

Expectations Index



Central Canada

Expectations Index

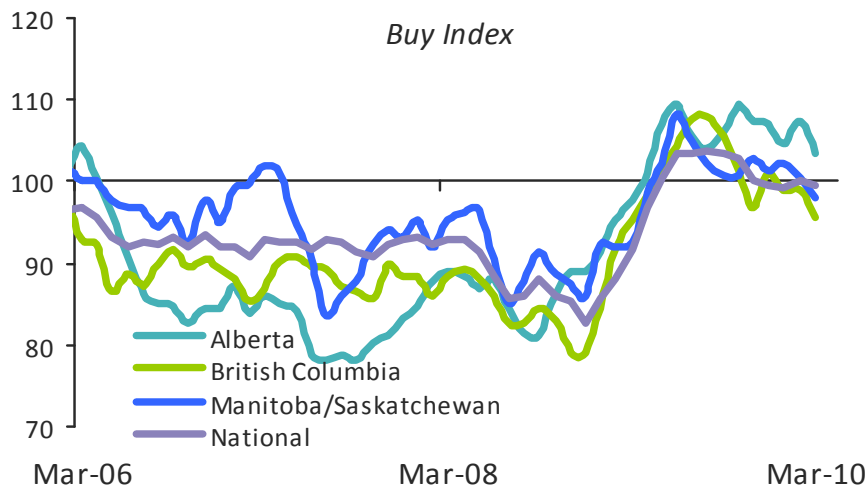


Canadian Regional Buy Indices



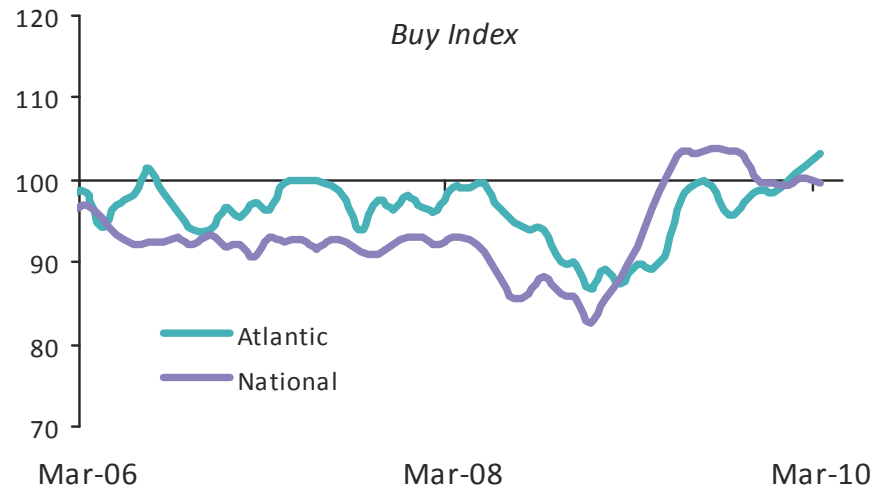
Western Canada

Buy Index



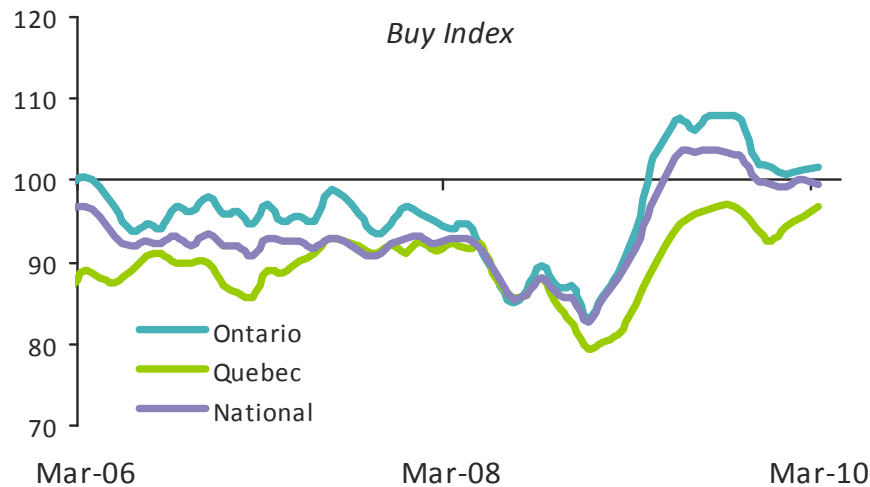
Atlantic Canada

Buy Index



Central Canada

Buy Index



Monthly value is average for three previous months



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Seven questions make up the core survey of Consumer Confidence. The overall CCI index uses all 7 questions to produce an index score. Scores for each of the three sub-indices are calculated from some of the questions, as noted below.

TNS has been conducting the CCI study since July 2004. In May 2005, all the index scores were set to 100 and so the upward and downward changes in the scores since then should be read in relation to that benchmark.

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.?

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About Dr. Michael Antecol:

An accomplished researcher, Dr. Antecol is responsible for TNS Canada's 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 Canada 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 Canada, 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.

If you would like to add proprietary questions to the CCI study, obtain full tabular results, receive a historical time series for all the index scores, or if you have other inquiries about CCI, please contact:

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