



trends

Delivering the pulse of the nation to you

A quarterly newsletter from TNS Canada

Winter 2010



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U.S. Indices

Canadian Regional Indices

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About The CCI Study Director

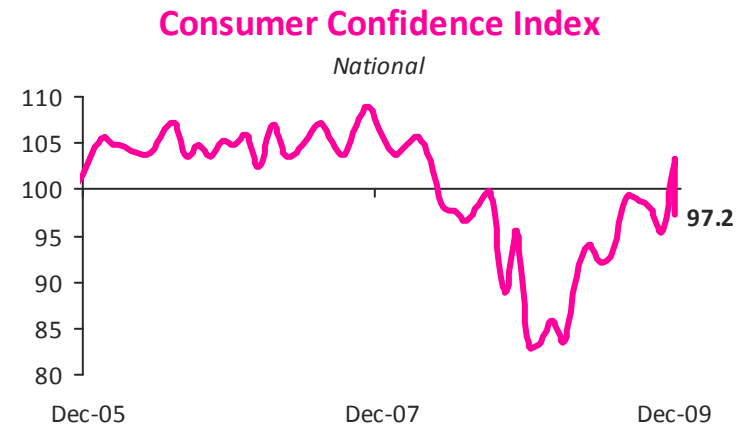
Canadian consumers turn cautiously pessimistic

The **Consumer Confidence Index**, which captures both short and long-term influences, stagnated during the fourth quarter, arresting the upward trend of the previous quarter. It dropped from 98.0 in October to 95.5 in November before recovering to 97.2 in December – that’s exactly two points off its third quarter high.

All the indices were relatively flat this quarter, and all ended up lower than their third quarter highs. The **Present Situation Index**, which captures evaluations of the overall state of the economy and the employment situation, flattened – falling from 85.5 in October to 82.2 in November before a slight bounce to 84.0 in December. These results lag the most recent high of 86.5 set in September.

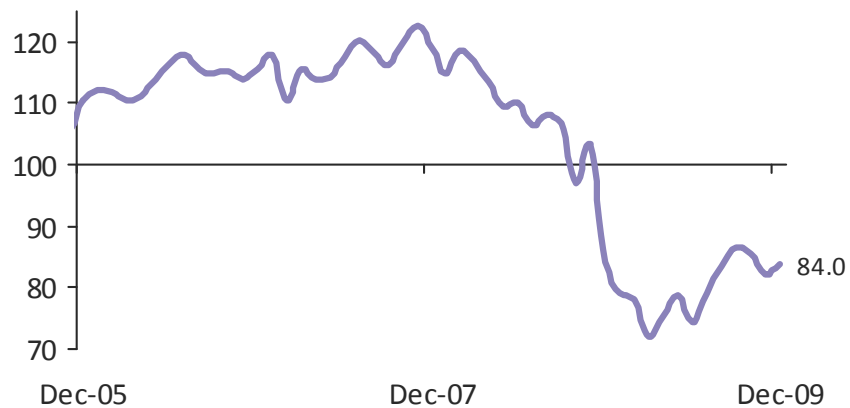
The **Expectations Index**, which measures consumers’ estimation of the economy, household income and employment in the next six months, did not move much this quarter. It budged from 111.2 in October to 109.2 in November and stayed steady, ending the quarter at 109.4. Likewise, the **Buy Index**, which gauges the degree to which people think the current period is a good time to make major purchases, fluctuated a bit. It bobbed around this quarter, starting at 101.3 in October, falling to 99.6 in November, then ending at 102.6 in December – still off from the third quarter high of 108.3.

Still, the latter two indices are at or near historical highs and both have maintained their high levels especially in relation to the *Present Situation Index* which has stayed in the doldrums. When you put all this together, it is clear that when Canadians think about their own current situations they are still pessimistic, although they are hopeful for the future – so they’re keeping their money in the bank. And, in a classic third-person effect, even if they are not prepared to make major purchases themselves, they still believe that, with interest rates at historic lows, conditions are good for their neighbours to buy big ticket items.



Present Situation Index

National



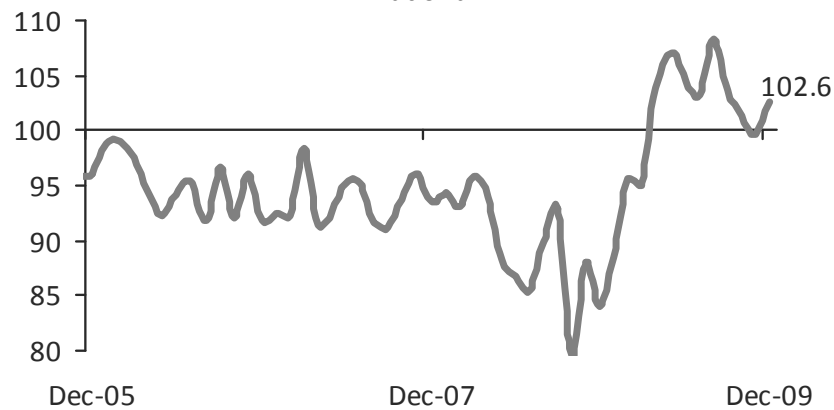
Expectations Index

National



Buy Index

National



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U.S. consumers remain ambivalent

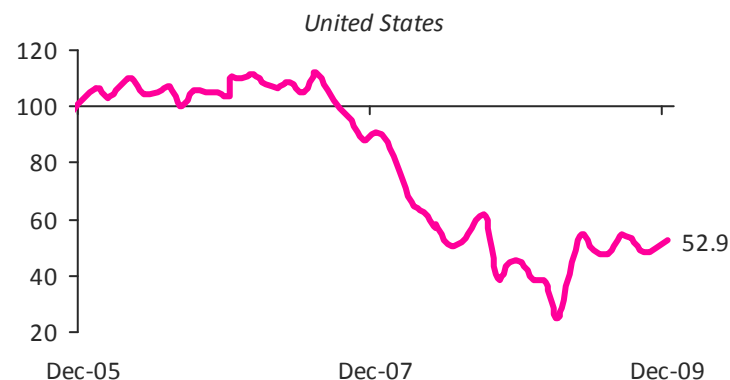
Confidence in the U.S. continues to significantly lag confidence in Canada. And this quarter's results continue to demonstrate American consumers' ambivalence regarding their economy. In the third quarter, the ambivalence was evident in the fact that all the indices showed downward swings, then bounce-backs, to end the quarter almost exactly where they started. In the fourth quarter, the ambivalence is evident in the conflicting results between indices.

Overall, the **Consumer Confidence Index** rose from 48.7 in October to 49.5 in November, then to 52.9 in December. Clearly, that is good news, even though the index still lags the third quarter results. This rise can be attributed to the strengthening **Expectations Index** which rose from 67.0 to 68.5 in November to 75.6 in December – slightly ahead of its third quarter high of 73.5. However, the **Present Situation Index** is now at an historic low: it fell from 21.1 at the beginning of the quarter to 18.8 at the end of the quarter.

As we indicated in the third quarter, this ambivalence remains troubling considering the massive government investment in the economy – investments that are scheduled to peter out as 2010 continues. While hope for the future seems to be returning, American consumers do not seem convinced that the recession is truly at an end – at least not for them. The brutal numbers in the **Present Situation Index** suggest that Americans are well aware that ballooning public debt, double-digit unemployment, continued foreclosures, banks not lending, and the expected downturn in commercial real estate could eventually affect them personally. From this point of view, the U.S. results presented here are consistent with the current American reality.

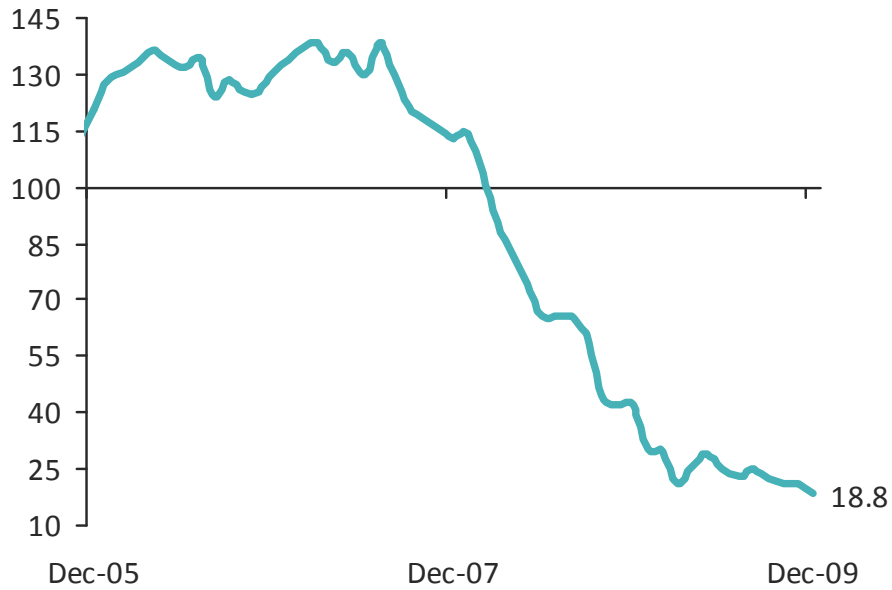
Note: The U.S. Consumer Confidence Index is produced by the Conference Board®. The Conference Board is not responsible for the interpretation of the results provided herein.

Consumer Confidence Index



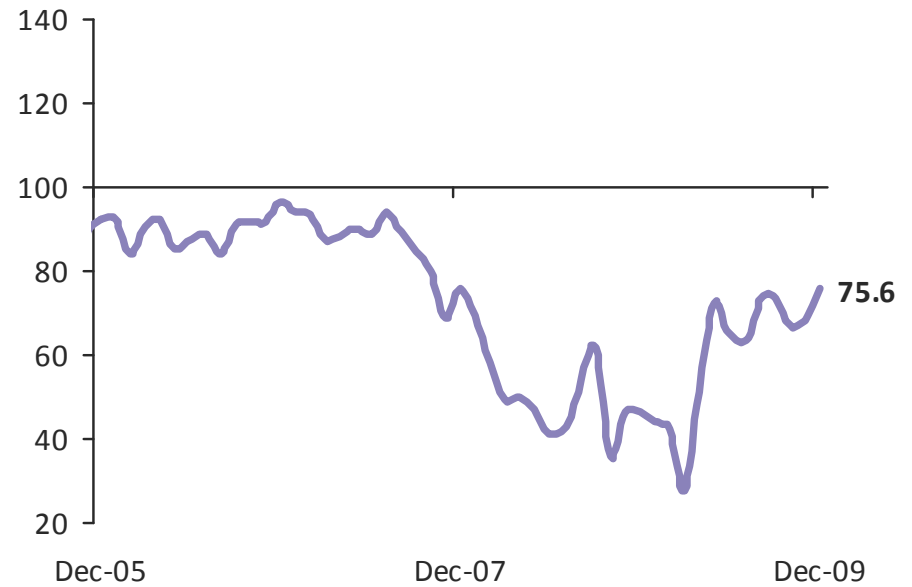
Present Situation Index

United States



Expectations Index

United States



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Confidence not growing in Central Canada

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** has remained more or less stable in Atlantic Canada, BC, Alberta, Manitoba/Saskatchewan and Quebec. There is some decrease in Ontario. Alberta and Manitoba/Saskatchewan ended the quarter ahead of the national result while the other regions were on par with that result.

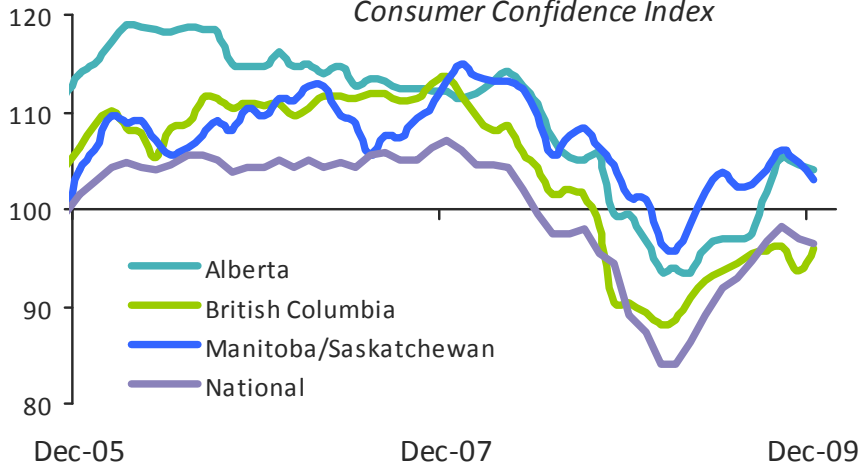
The **Present Situation Index** held steady in Alberta and BC, but dropped in Atlantic Canada, Manitoba/Saskatchewan and Ontario. The numbers were essentially flat in Quebec. Note that both BC and Ontario continue to lag the national result.

The **Expectations Index** was flat across all regions except Ontario where it fell several points. Alberta, Manitoba/Saskatchewan and Atlantic Canada continue to exceed the national result. BC has risen to parity with that result while Ontario has fallen to parity. Quebec continues to lag.

The **Buy Index** had a mixed bag of results. Atlantic Canada, BC and Manitoba/Saskatchewan were flat while Alberta, Ontario and Quebec gave back several points over the quarter. Only Alberta and Ontario continue to exceed the national result but Ontario is falling quickly to parity. The other regions, with the exception of Quebec, are on par with the national result.

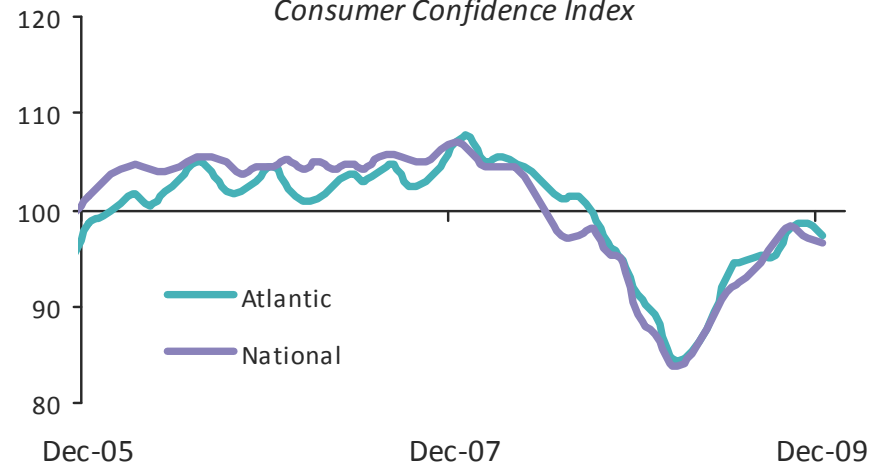
Western Canada

Consumer Confidence Index



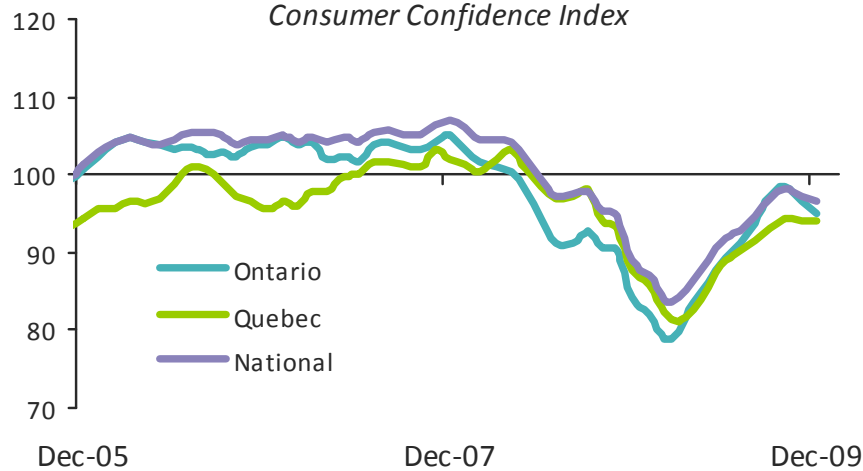
Atlantic Canada

Consumer Confidence Index



Central Canada

Consumer Confidence Index

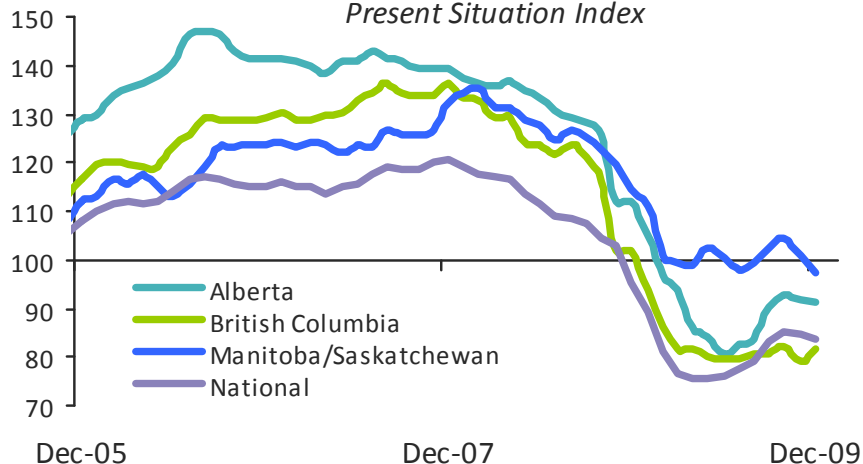


Canadian Regional Present Situation Indices



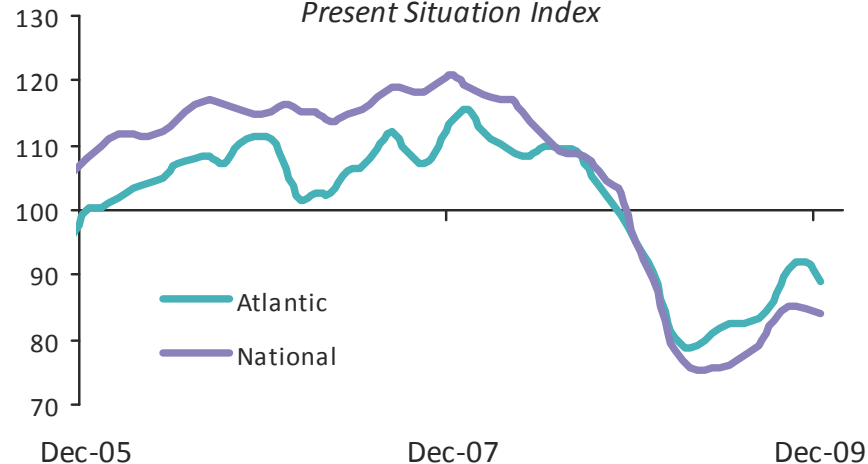
Western Canada

Present Situation Index



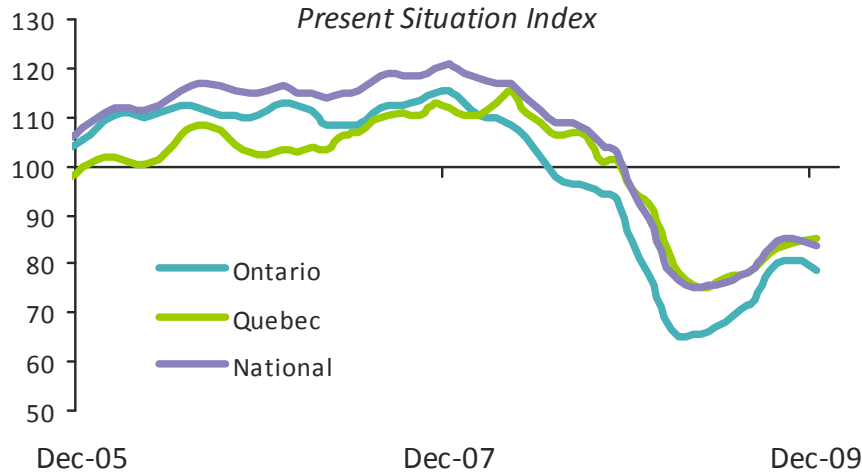
Atlantic Canada

Present Situation Index



Central Canada

Present Situation Index



Monthly value is average for three previous months

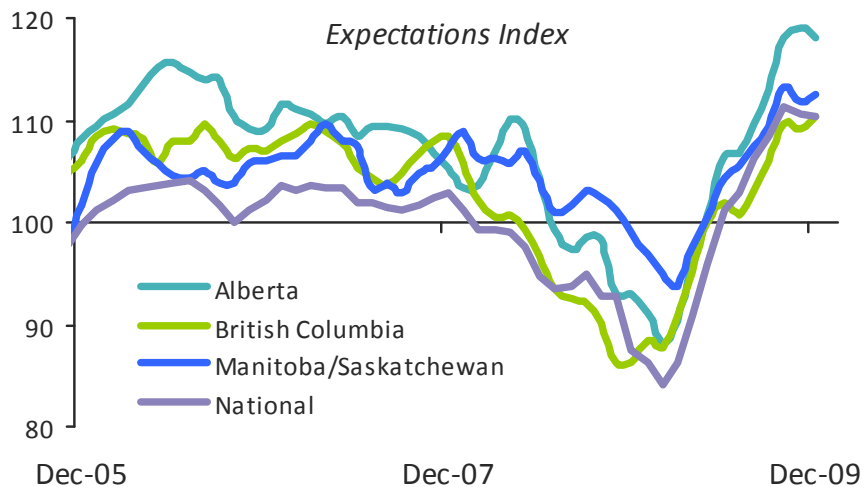


Canadian Regional Expectations Indices



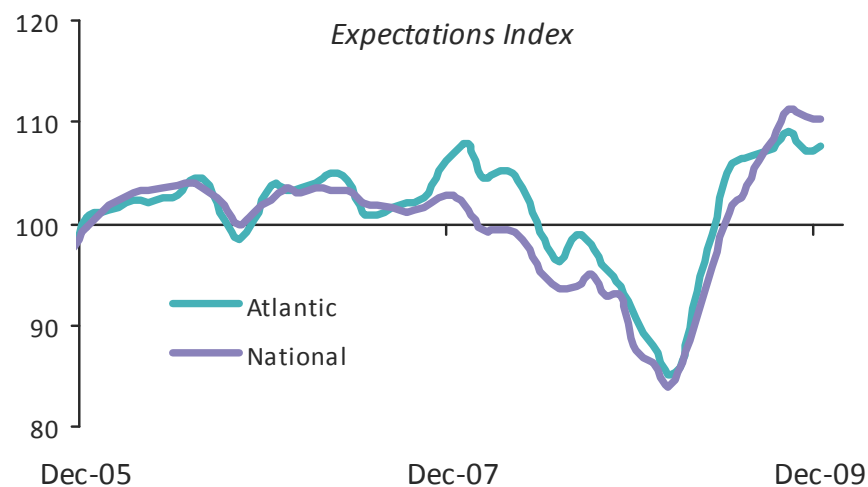
Western Canada

Expectations Index



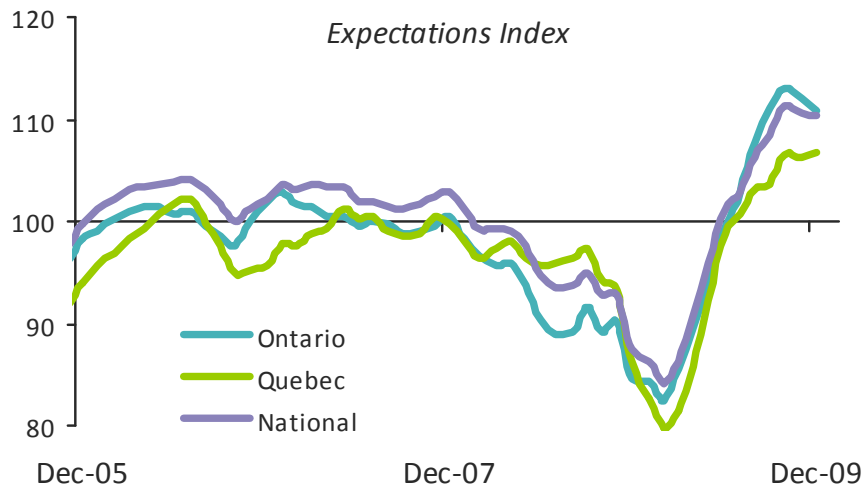
Atlantic Canada

Expectations Index



Central Canada

Expectations Index



Monthly value is average for three previous months

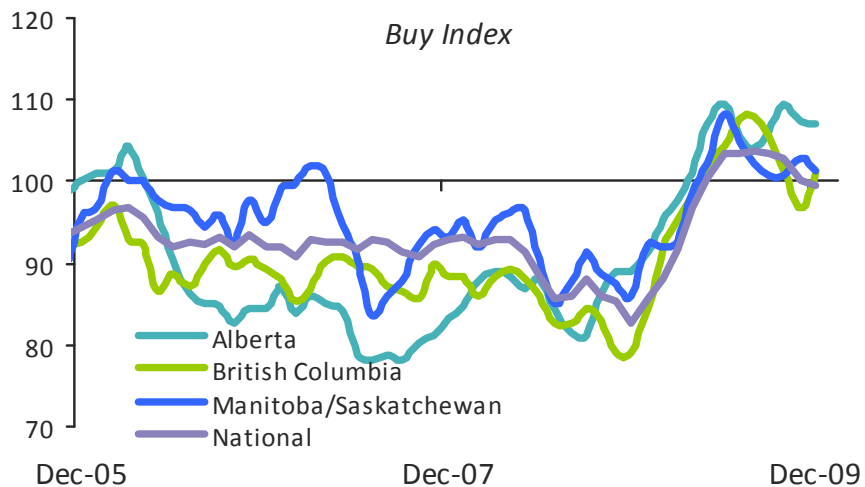


Canadian Regional Buy Indices



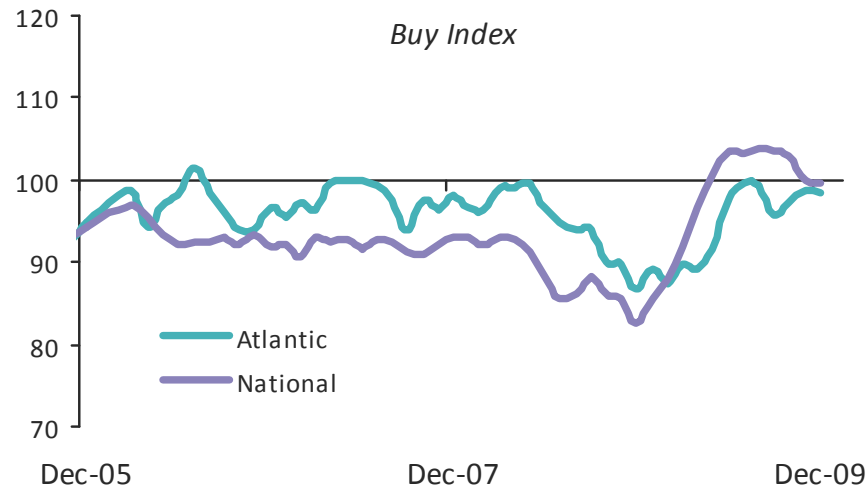
Western Canada

Buy Index



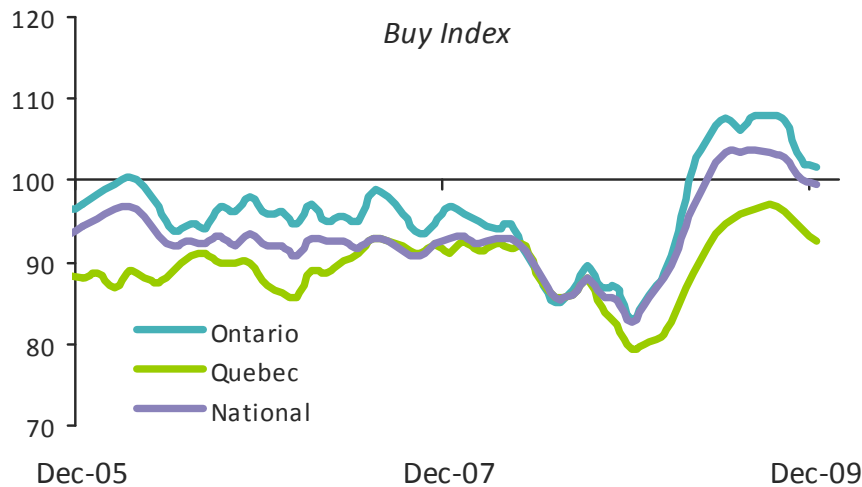
Atlantic Canada

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:

Dr. Michael Antecol
Vice President
(604) 668-3306
michael.antecol@tns-global.com