

# CONSUMER CONFIDENCE

CONCERNS AND SPENDING INTENTIONS  
AROUND THE WORLD

QUARTER 2, 2017

# GLOBAL CONSUMER CONFIDENCE INCREASES AS OPTIMISM CONTINUES TO RISE IN MANY MARKETS AROUND THE WORLD

- Global consumer confidence increased three points from the fourth quarter of 2016 to a score of 104.
- Second-quarter confidence scores increased from the fourth quarter of 2016 in 41 of the 63 markets measured in the online survey.
- Confidence gains were seen throughout most measured markets in Asia Pacific, Europe, and Latin America. Meanwhile, confidence decreased in two of five Africa / Middle East markets and in one of two North American markets.
- Consumer confidence in North America remained higher than any other region globally, with an index of 117.
- Confidence in Europe continued on an upward trajectory for the ninth consecutive quarter, as 22 of 33 countries posted index increases, resulting in a regional score of 85.
- Confidence in the Asia-Pacific region strengthened modestly, rising three points to 114.
- In Latin America, confidence was stable at 85, showing a one-point increase from the fourth quarter of 2016.
- Africa / Middle East saw the greatest change in confidence levels, with the index rising five points to a score of 88.

In North America, consumer confidence remained on solid footing in the second quarter of 2017 with a score of 117, despite a decline of four points from the fourth quarter of 2016. In the U.S, confidence remained strong at 118, maintaining an optimistic level for more than three years (since first quarter, 2014). In Canada, consumer confidence sustained positive momentum with an index of 103, an increase of five points from the fourth quarter of 2016.

Confidence in the Asia-Pacific region strengthened modestly, rising three points to 114. Consumer confidence scores ranged from a high of 130 in the Philippines to a low of 63 in South Korea. Confidence gains were seen in nine out of 14 measured markets, with the biggest increase in South Korea (up 20 points), followed by Japan (up 13 points) and Malaysia (up 10 points). Countries that showed confidence declines include India (down seven points) and Thailand (down three points).

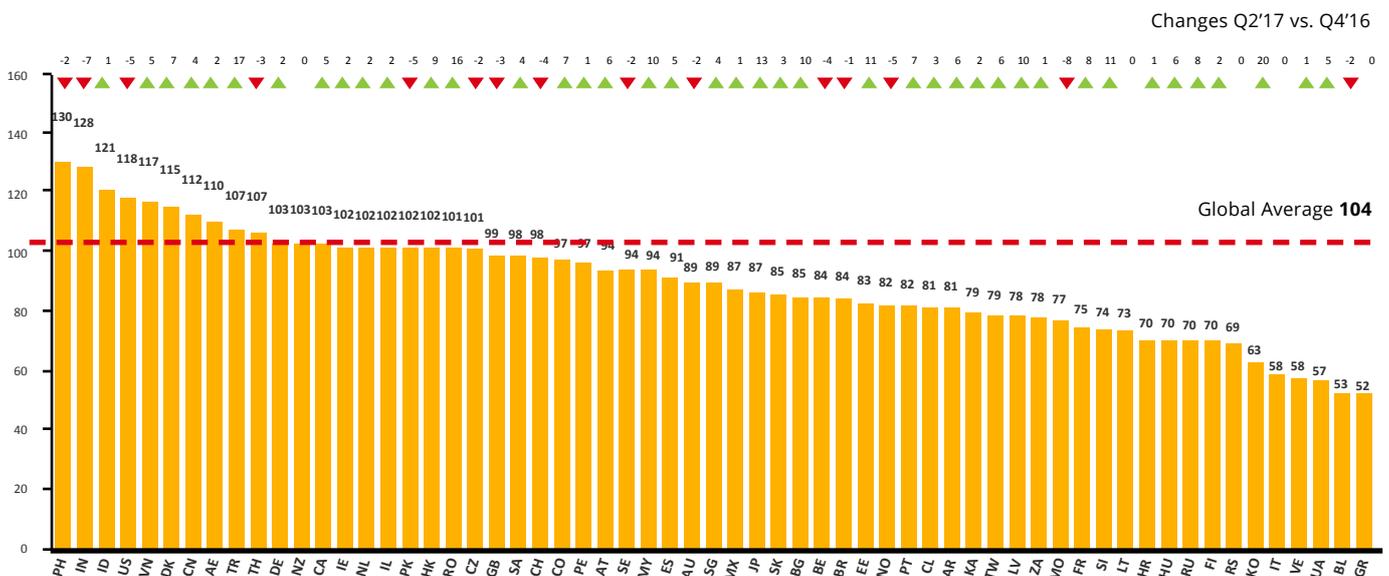
Confidence in Europe increased five points, reaching an index score of 85. While second-quarter scores varied widely in the region, from a high of 115 in Denmark to a low of 52 in Greece, confidence in the majority of markets (22 of 33) increased.

Confidence held steady in Latin America with a score of 85. Scores ranged from a high of 97 in Peru to a low of 58 in Venezuela. No markets posted scores at or above the optimism baseline of 100.

Africa / Middle East saw the greatest change, with the consumer confidence index rising five points to a score of 88. At 110, United Arab Emirates had the highest index in the region, up two points from the fourth quarter of 2016.

# CONSUMER CONFIDENCE INDEX

## Q2 2017 Nielsen Consumer Confidence Index



Base : All respondents n=33992

Consumer Confidence Survey - Q2- 2017

Field Dates: May 20 - June 10, 2017

# U.S. CONSUMER CONFIDENCE SOLID, FEARS OF RECESSION RETRACTING

U.S. consumer confidence remained on solid footing in the second quarter with a score of 118, despite a decline of five points from the fourth quarter of 2016. More than seven in 10 U.S. respondents (72%) said they believed their personal finances would be good or excellent in the next 12 months, an increase of two percentage points from the fourth quarter of 2016. Immediate spending intentions remained unchanged with more than six in 10 respondents (63%) stating it was a good time to buy the things they want and need. Sixty-five percent had confidence in the job market in the year ahead, an increase of four percentage points from the fourth quarter of 2016.

Similarly, recessionary sentiment declined dramatically in the second quarter of 2017. A majority of U.S. respondents (63%) expressed belief that the country was out of recession (up 13 percentage points from the fourth quarter of 2016). Of the 37% who believed their country was still in recession, over one third (36%) were confident they would be out of it in the year ahead.

This optimism translated into a willingness to spend. Intentions to spend on out-of-home entertainment increased six percentage points from the fourth quarter of 2016, and intentions to spend on home improvement projects rose three percentage points. Intention to save increased four percentage points to 45%, and intention to pay off debts increased four percentage points to 36% in the second quarter of 2017. Only 16% of U.S. respondents said they did not have discretionary funds to spend.

Fear about terrorism escalated to a new high in the second quarter of 2017 and has become a bigger concern than the economy. Terrorism was cited as the biggest or second-biggest concern by 30% of U.S. respondents, up three percentage points from the fourth quarter of 2016. Concerns about terrorism rose for the third consecutive quarter.

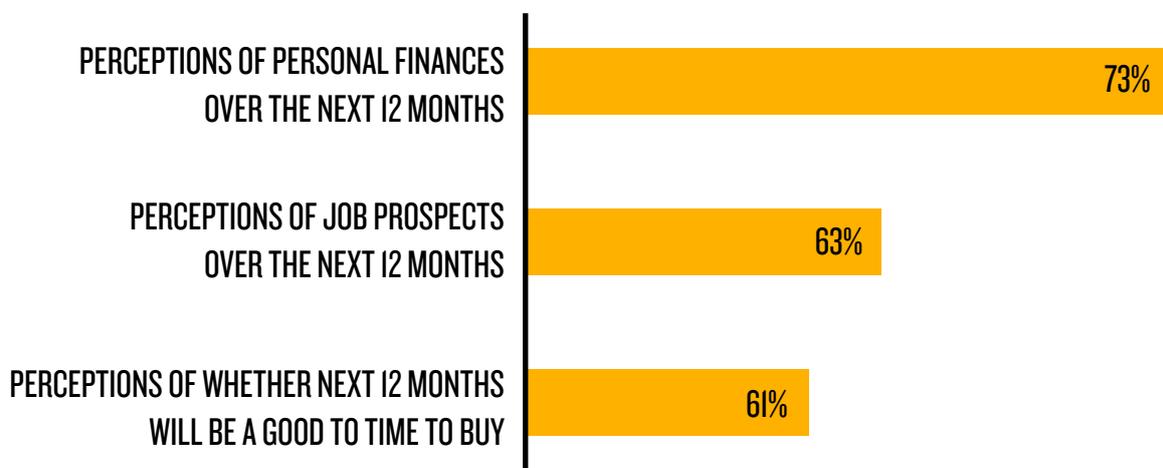
Less than one-third of U.S. respondents (28%) said the economy was their biggest or second-biggest concern, a decline of eight percentage points from the fourth quarter of 2016.

Other top concerns centered on political stability (17%), job security (14%), health (14%) and debt (13%), which is consistent with recent quarters.

In Canada, confidence increased five points to 103, driven by robust increases in all confidence indicators. More than half of Canadian respondents (54%) were confident that job prospects would be good or excellent in the next 12 months – a rise of seven percentage points from the fourth quarter of 2016. Sentiment about personal finances (65%) and immediate-spending intentions (49%) increased four percentage points and five percentage points, respectively.

The economy was the biggest or second-biggest concern for 23% of Canadian respondents, a seven-percentage-point decline from the fourth quarter of 2016. Canadian respondents also expressed concern about health (20% of respondents, up three percentage points from the fourth quarter of 2016), debt (19%, down one percentage point), increasing utility bills (19%, unchanged) and increasing food prices (17%, up one percentage point).

## OPTIMISTIC OUTLOOK FOR NORTH AMERICAN CONSUMERS



(NORTH AMERICA - % GOOD/EXCELLENT)

Consumer Confidence Survey – Q2- 2017

For the trended view, please compare current quarter results with Q4, 2016 and Q2, 2016

# CONFIDENCE ON THE RISE IN EUROPE

Europe posted a consumer confidence increase of five points in the second quarter, reaching an index score of 85. The job outlook surged six percentage points to 37%, personal financial sentiment rose three percentage points to 45%, and immediate spending intentions increased two percentage points to 36%.

While second-quarter scores varied widely in the region, from a high of 115 in Denmark to a low of 52 in Greece, the majority of markets (22 of 33) increased in confidence.

In three of the region's top five economies, consumer confidence increased: up two points in Germany (103), eight points in France (75) and five points in Spain (91). Conversely, the U.K. posted a decline of three points (99). Confidence in Italy was flat from the end of 2016 (58).

Two-thirds of German respondents (66%) expected favorable prospects for jobs in the coming year, up eight percentage points. Personal finance sentiment declined slightly (from 57% to 55%), while immediate spending intentions at 50% were flat compared to the fourth quarter of 2016.

In the U.K., the outlook for jobs improved from 43% in the fourth quarter of 2016 to 44% in the second quarter of 2017. Favorable perceptions about personal finances declined one percentage point to 52%, and immediate spending intentions declined six percentage points to 47%.

In France, job prospect expectations rose 12 percentage points to 29%, and the state of personal finances increased three percentage points to 33%. Recessionary sentiment improved significantly, likely fuelled by the outcome of the Presidential election, with the proportion of respondents believing their country's economy was in recession declining 10 percentage points from the fourth quarter of 2016 to 61%.

In Eastern Europe, consumer sentiment improved in a number of markets, including Romania (101, up 16 points), Slovenia (74, up 11 points), Estonia (83, up 11 points), Bulgaria (85, up 10 points), Latvia (78, up 10 points), Hungary (70, up six points) and Ukraine (57, up five points).

Consumer confidence also improved in Russia, rising seven points from the fourth quarter of 2016 to a score of 70. All confidence indicators for the country increased, with the biggest rise recorded in spending intentions, which jumped seven percentage points to 22%.

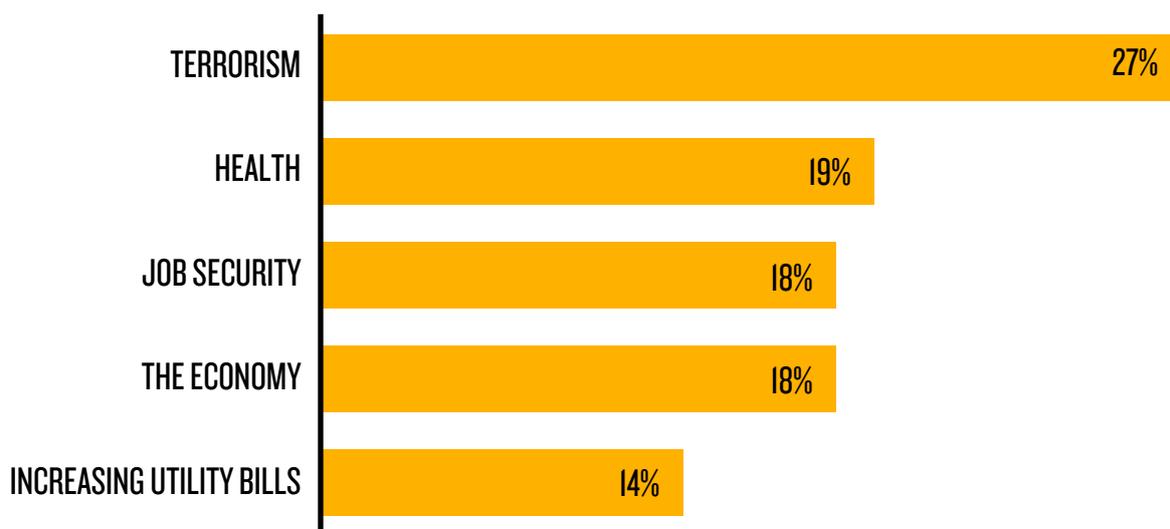
While an optimism around the jobs outlook in the next 12 months was low at 22%, it was a six-percentage-point increase from the fourth quarter of 2016. Responses also showed a rise of four percentage points in favorable sentiment about personal finances (31%).

Terrorism continued to be a leading concern for Europeans. Over one-quarter of European respondents (27%) said terrorism was their biggest or second-biggest concern, an increase of six percentage points from the fourth quarter of 2016. Concerns for terrorism were highest in Turkey (43% of respondents cited it as their biggest or second-biggest concern), followed by Germany (42%), France (40%), the U.K. (35%), Switzerland (29%), Spain (29%), Sweden (29%), Italy (28%), Austria (27%) and Denmark (27%).

Health and job security also were major concerns, cited by 19% and 18% of European respondents, respectively. Less than one in five European respondents (18%) expressed concern about the economy, down three percentage points from the fourth quarter of 2016.

Only eight out of 34 European markets reached or exceeded the optimism benchmark score of 100 in the fourth quarter of 2016. With the exception of the U.K and Switzerland, all markets maintained an optimistic level in the second quarter of 2017. These markets include Denmark (115), Germany (103), Ireland (102), Netherlands (102), Israel (102) and Czech Republic (101). In the second quarter of 2017, Romania (101) and Turkey (107) joined these countries with above-baseline consumer confidence scores.

## TERRORISM LEADS LIST OF CONCERNS FOR EUROPEAN CONSUMERS



(EUROPE - % BIGGEST/SECOND BIGGEST CONCERN)

# ASIA-PACIFIC CONSUMERS AMONG WORLD'S MOST CONFIDENT

Confidence in the Asia-Pacific region strengthened modestly, rising three points to 114. Sixty-seven percent of respondents in the region said they expected their personal finances to be good or excellent in the coming year, up three percentage points from the fourth quarter of 2016. Nearly as many (64%) expressed optimism about job prospects in the year ahead, an increase of one percentage point from the fourth quarter of 2016. More than half of regional respondents (52%) said it is a good or excellent time to buy the things they want and need, which represents no change from the fourth quarter of 2016.

Consumer confidence scores ranged from a high of 130 in the Philippines to a low of 63 in South Korea.

Confidence gains were seen in nine out of 14 measured markets, with the biggest increase in South Korea (up 20 points), followed by Japan (up 13 points) and Malaysia (up 10 points). Countries that showed confidence declines include India (down seven points) and Thailand (down three points).

Eight out of 14 Asia-Pacific markets posted scores above the optimism baseline of 100 points, with Hong Kong reaching the milestone for the first time since the third quarter of 2015.

In the Asia-Pacific region, concerns about the economy decreased five percentage points to 27% in the second quarter of 2017. The share of respondents expressing fears about job security also declined three percentage points to 20%. Concern increased around health (27%, up two percentage points), work / life balance (26%, up three percentage points), parents' welfare and happiness (16%, up one percentage point), and children's education and welfare (13%, up one percentage point).

In China, the region's economic engine and the world's largest developing economy, consumer confidence rose four points to 112. More than six in 10 Chinese respondents (65%) said personal finances would be good or excellent in the next 12 months, an increase of four percentage points from fourth quarter of 2016. Respondents also expressed rising optimism toward employment opportunities; the proportion expecting favorable job prospects rose two percentage points to 64% in the second quarter of 2017.

Forty-nine percent of Chinese respondents said it's a good time to buy, down two percentage points from the fourth quarter of 2016.

Sixty-seven percent of respondents in China planned to save their spare cash, an increase from 60% in the fourth quarter of 2016. When it comes to Chinese consumers' discretionary purchase intentions, spending on holidays / vacations (64%, up 14 percentage points), new clothes (58%, up 11 percentage points), out-of-home entertainment (56%, up 10 percentage points), new technology products (43%, up seven percentage points) and home improvement projects (27%, up three percentage points) were high priorities on shopping lists.

In India, confidence declined seven points to 128. Sentiment declined for all of the confidence indicators measured. One in eight respondents (83%) expressed confidence in the state of their personal finances in the coming year, a decline of two percentage points from the fourth quarter of 2016. Roughly two thirds of respondents (66%) said it's a good time to spend, down three percentage points. Three-quarters (75%) felt optimistic about the job outlook, down nine percentage points. Despite weakening consumer sentiment, India held the second highest index in Asia Pacific, remaining one of the most optimistic markets in the region and globally.

Meanwhile, among the region's developed economies, confidence increased significantly in South Korea (63, up 20 points) and Japan (87, up 13 points). In Hong Kong (102), Taiwan (79) and Singapore (89), confidence increased by nine, six and four points, respectively. New Zealand's score (103) was flat from the fourth quarter of 2016. In contrast, confidence in Australia declined two points to a score of 89.

## ASIA PACIFIC COUNTRIES DOMINATE CONSUMER CONFIDENCE – SIX OF TOP 10 COUNTRIES IN ASIA PACIFIC



(GLOBAL CONSUMER CONFIDENCE INDEX – TOP 10)

# LATIN AMERICAN CONSUMERS OPTIMISTIC ABOUT SPENDING INTENTIONS

Confidence held steady in Latin America with a score of 85.

More than half of Latin American respondents (57%) felt the state of their personal finances would be good or excellent in the next 12 months, an increase of one percentage point from the fourth quarter of 2016. Respondents also expressed more optimism about spending intentions; the share believing it's a good time to buy rose two percentage points to 34% in the second quarter of 2017. At 26%, optimism about job prospects remained stable versus the fourth quarter of 2016.

While job prospect sentiment rose slightly for the region, the relatively low levels for both indicators are reflected in concerns cited by Latin American respondents. On a list of 20 possible concerns, the economy remained the biggest or second-biggest concern for 36% of respondents, up one percentage point from the fourth quarter of 2016. Economic concerns were followed by worries about job security. Almost one-quarter of respondents (24%) cited job security as the biggest or second-biggest concern, representing no change from the fourth quarter of 2016. Other top concerns centered on crime (23%), political stability (18%) and health (16%), which is consistent with concerns cited in recent quarters.

Across Latin America, consumer confidence scores ranged from a high of 97 in Peru to a low of 58 in Venezuela.

Consumer confidence increased in six out of seven markets in Latin America. Columbia posted an upswing in consumer confidence, rising seven points to 97 from the fourth quarter of 2016. It is followed by Argentina (up six points to a score of 81) and Chile (up three points to a score of 81). Confidence increased modestly in Peru (97), Venezuela (58), and Mexico (87) which all increased by one percentage point.

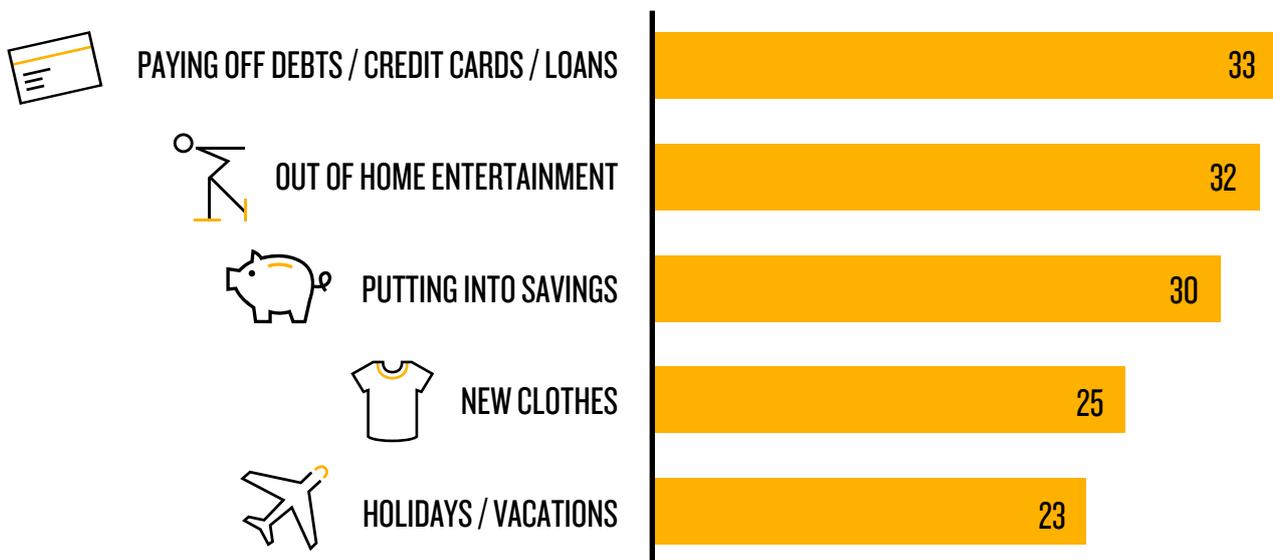
Confidence in Brazil, the region's largest economy, fell one point to 84. More than half of respondents (58%) were confident that their personal finances would be good or excellent in the next 12 months, a decline of four percentage points from the fourth quarter of 2016.

The positive outlook for jobs also retreated from 25% in the fourth quarter of 2016 to 23% in the latest survey. Spending intentions increased two percentage points to 37%. Intention to save declined by one percentage point, and intention to pay off debts declined five percentage points. Only 17% of respondents said they did not have discretionary funds to spend.

The majority of Brazilian respondents (89%) believed their country was in recession, two percentage points down from the fourth quarter of 2016. One in five respondents (20%) expressed confidence their country will be out of recession in the next 12 months, which represents a two-percentage-point increase from the fourth quarter of 2016.

In Latin America, none of the markets posted scores at or above the optimism baseline of 100.

## LATAM CONSUMERS OPTIMISTIC ABOUT DISCRETIONARY SPENDING - OUT OF HOME ENTERTAINMENT, FASHION AND HOLIDAYS AMONG TOP SPENDING INTENTIONS



### LATAM – TOP FIVE SPENDING INTENTIONS

Consumer Confidence Survey – Q2- 2017

For the trended view, please compare current quarter results with Q4, 2016 and Q2, 2016

# AFRICA/MIDDLE EAST CONSUMER OUTLOOK IMPROVING

Africa / Middle East saw the greatest change, with the region's consumer confidence index rising five points to a score of 88. Regionally, all confidence indicators improved in the second quarter of 2017. More than half of respondents (53%) were confident that personal finances would be good or excellent in the next 12 months, which represents a six-percentage-point increase from the fourth quarter of 2016. Spending intentions increased two percentage points to 33%. Thirty-seven percent of respondents expected favorable prospects for jobs in the coming year, up from 34% in the fourth quarter of 2016, reflecting a positive outlook.

Job security was the biggest or second-biggest concern for 30% of Africa / Middle East respondents, an increase of two percentage points from the fourth quarter of 2016. The percentage of respondents who cited the economy as a leading concern declined six percentage points to 23% in the second quarter of 2017. Almost one in five respondents (17%) expressed concerns about increasing food prices. Parents' welfare / happiness and children's education / welfare also were major concerns, cited by 17% and 13% of Africa / Middle East respondents, respectively. Work / life balance was a concern for more than one in 10 respondents (13%), unchanged since the fourth quarter of 2016.

At 110, United Arab Emirates had the highest index in the region, and increased two points from fourth quarter of 2016. The region's lowest scores were reported in South Africa (78) and Morocco (77).

Three out of five Africa / Middle East markets showed consumer confidence gains. Saudi Arabia (98) posted a consumer confidence increase of four points. Conversely, consumer confidence fell sharply in Morocco (77), declining eight points in the second quarter of 2017.

In the Africa / Middle East region, countries that posted scores at or above the optimism baseline of 100 include United Arab Emirates (110) and Pakistan (102).

In the United Arab Emirates, six in 10 respondents were confident about job prospects in the coming year. Respondents were also optimistic about their personal finances, with 66% believing they would be good or excellent in the next 12 months, an increase of three percentage points from the fourth quarter of 2016. Half of respondents were confident about immediate-spending intentions, an increase of three percentage points from the fourth quarter of 2016.

In the United Arab Emirates, the percentage of respondents who cited the economy as a leading concern declined two percentage points from the fourth quarter of 2016. Job security (43%), parents' welfare / happiness (18%), children's education / welfare (16%) and work / life balance (12%) topped the list of concerns cited by respondents.

Discretionary purchases that featured high on consumers' priority shopping list included new clothes (22%), holidays / vacations (25%), out-of-home entertainment (17%) and home improvement projects (15%). Nearly half of respondents (47%) in the United Arab Emirates planned to save their spare cash, an increase from 45% in the fourth quarter of 2016.

## POSITIVE ECONOMIC INDICATORS IN AFRICA/MIDDLE EAST



(AFRICA / MIDDLE EAST - % GOOD/EXCELLENT)

Consumer Confidence Survey – Q2– 2017

For the trended view, please compare current quarter results with Q4, 2016 and Q2, 2016

## ABOUT THE GLOBAL SURVEY METHODOLOGY

The findings in this survey are based on an online methodology in 63 countries. 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 these countries' general populations. Three Sub-Saharan African countries (Ghana, Kenya and Nigeria) utilize a mobile survey methodology and are not included in the global or Middle East/Africa averages discussed throughout this report. 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.

## NIELSEN CONSUMER CONFIDENCE INDEX

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. Within a country, period-to-period movements of seven points or more are considered statistically significant. At a global level, movements of two points are statistically significant; at a regional level, three to four-point movements are statistically significant. The index and other findings related to consumer confidence are based on data from the Nielsen Global Survey of Consumer Confidence and Spending Intentions. Established in 2005, this survey measures consumer confidence, major concerns and spending intentions among more than 30,000 respondents with internet access in 63 countries.

## 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 Nielsen 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. For more information, visit [www.nielsen.com](http://www.nielsen.com).

