



Nielsen Online

The Nielsen Company  
59 Wentworth Avenue,  
Sydney NSW 2000, Australia  
[www.nielsen-online.com](http://www.nielsen-online.com)

## News Release

Contact:  
Dawn D'Cotta  
Marketing Manager, Pacific and South East Asia  
T: +61 (2) 8204 5823  
E: [dawn.dcotta@nielsen.com](mailto:dawn.dcotta@nielsen.com)

### **CONSUMER REACTION TO FUEL PRICE PRESSURES** **'Fuel for thought' as Nielsen finds a 150 percent increase in discussion around fuel prices**

**Sydney, 30 July 2008** – In a study of the conversations that Australian consumers are having online, there has been a 150 percent increase in discussion around fuel price increases since March this year, according to Internet measurement company Nielsen Online.

A report on the buzz surrounding recent developments in the Australian fuel industry compiled by Nielsen Online using its recently launched BuzzMetrics service, has revealed the following findings. Among those consumers who are discussing fuel online, 13 percent say that they have converted or are considering converting their petrol engines into LPG engines as a result of increasing fuel prices. Savings on fuel and a monetary government stimulus add to the attractiveness of the LPG option.

"LPG is 50% the price of petrol. You use, on the average modern LPG installation, 10% more LPG than you would petrol. By any maths, that's still a massive saving."

*Nielsen BuzzMetrics, June 2008*

Arguing that the impact on fuel prices is actually not as dire as what we could see in the future, 9 percent of fuel discussion surrounds comment that these consumers are not planning on changing their driving habits, and that they and others should learn to deal with the high prices. Reinforcing these attitudes, some consumers talk about simply cutting back on other expenses in order to better handle higher fuel prices. The concern about rising costs has also triggered 8 percent of those discussing fuel, to say that they are looking towards purchasing a more fuel efficient vehicle.

The trends released by Nielsen Online from the tracking of online fuel discussions indicate that consumer reactions skyrocketed in the days following 13 March 2008, at which time oil prices hit a record \$110 US per barrel (refer chart 1, point A) and continued at high levels, (refer chart 1, point B) reaching its peak towards the end of May (refer chart 1, point C).

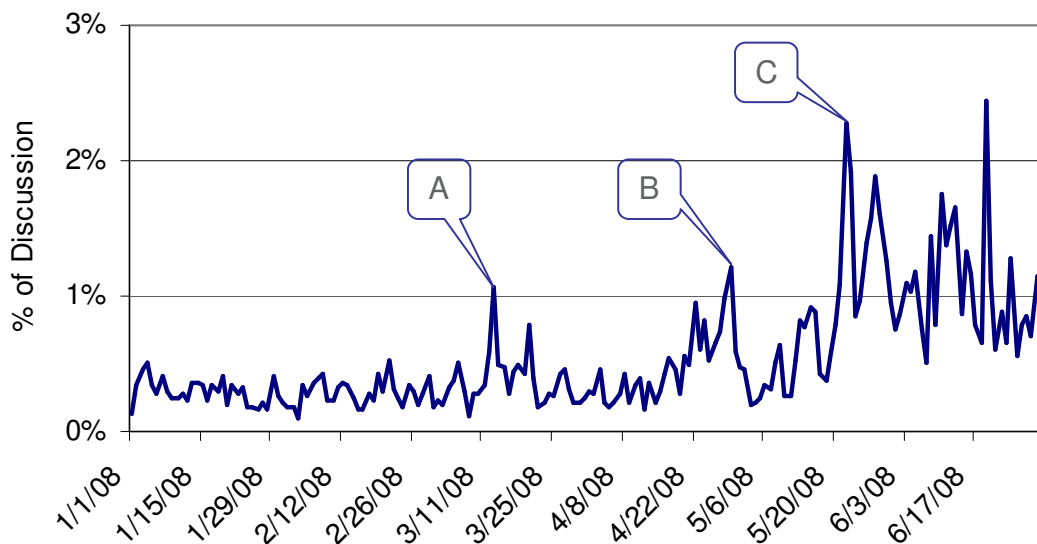
Amid record fuel prices, consumers are also offering up the opinion that food prices are spiking. Compared with just a few months ago, more Australians are saying that they are feeling the pinch in their pockets and say that food prices seem to be rising in tandem with fuel. Furthermore, some of



those discussing rising fuel prices also speak of curbing their spending and activities when it comes to real estate and tourism. For real estate, the main issues revolve around consumers' inability to keep or purchase new property, while for tourism, Australians are showing less willingness to pay for airline fuel surcharges or are re-thinking driving holidays.

Says Melanie Ingrey, Research Director Nielsen Online: "Using the BuzzMetrics service, we are able to monitor the trend in consumer discussion of highly topical issues, and drill down into those conversations to uncover the attitudes and reactions of Australians - as news is breaking. This type of information is highly valuable for organisations to keep pace with consumer reactions and manage and react to threats in real time."

**Chart 1: Incidence of online discussion thread activity as a result of fuel price increases beginning March 2008**



Source: Nielsen BuzzMetrics Analysis, June 2008

**About Nielsen Online**

Nielsen Online, a service of The Nielsen Company, delivers comprehensive, independent measurement and analysis of online audiences, advertising, video, consumer-generated media, word of mouth, commerce and consumer behavior, and includes products previously marketed under the Nielsen//NetRatings and Nielsen BuzzMetrics brands. With high quality, technology-driven products and services, Nielsen Online enables clients to make informed business decisions regarding their Internet, digital and marketing strategies. For more information, please visit [www.nielsen-online.com](http://www.nielsen-online.com).

**About The Nielsen Company**

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