

News Release

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CONSUMER CONFIDENCE HITS NEW LOW

Just 1 in 5 say recession will be over within a year

Consumer confidence has fallen to new record lows, according to the latest consumer confidence survey from market research company Nielsen and the British Retail Consortium (BRC).

Eighty four per cent of people in Great Britain now believe the country is in recession, up from 65 per cent in May. Only 18 per cent think the country will be out of recession within a year.

The twice-yearly survey, published today (Monday), asks consumers their thoughts and feelings on job prospects, personal finances, spending intentions and major concerns.

The consumer confidence index for Great Britain has fallen from 79 points in May to 74 in the latest poll. For comparison, the index stood at 94 this time last year and peaked at 101 in spring 2006.

Sixty per cent of people in Great Britain think their own personal finances are 'not so good' or 'bad', 69 per cent of people said that now was 'not a good time' or a 'bad time' to buy the things they want or need and 70 per cent said they thought their job prospects were 'not so good' or 'bad'.

This latest dip in confidence is driven by an increase in the number of people becoming concerned about job prospects. In May, 14 per cent of respondents

thought job prospects were 'bad' but in the latest poll almost a quarter (23 per cent) of respondents said job prospects in Great Britain will be 'bad' in the coming 12 months.

When asked about their major concerns, 39 per cent of Britons said that their biggest or second biggest concern was increasing utility bills. All of the top ranking concerns were in relation to the increasing cost of living, debt and the wider economy. Concerns over social issues such as immigration, health, crime and terrorism were not as prevalent.

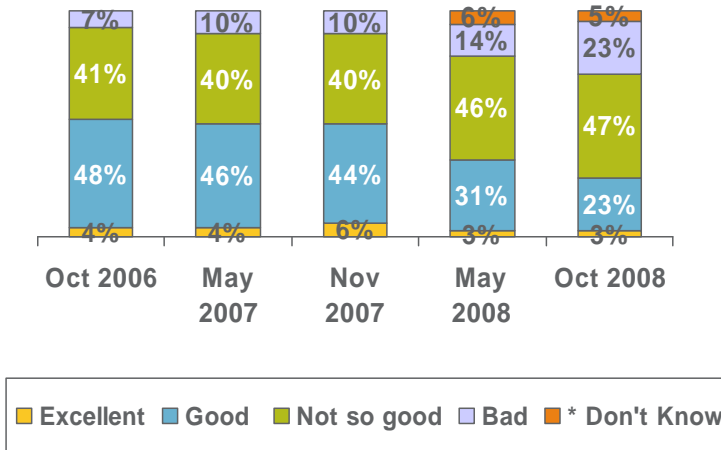
The survey also highlights that the tourism and leisure industries are likely to be early victims of the economic downturn with a significant drop in people saying they will spend their discretionary income on holidays and going out.

This time last year 37 per cent of people said they would spend their spare cash on holidays; this has now fallen to 28 per cent. Likewise, 26 per cent of people said they would spend spare money on out-of-home entertainment last November with only 18 per cent of people saying this now.

Justin Sargent, Managing Director, Nielsen commented: "This survey reflects the pressures that shoppers have been feeling personally on a daily basis and highlights just how widespread concern is over the burden of increased bills and prices. Add to these worries over debt and jobs and we see consumer confidence, unsurprisingly, hit new lows. With inflation and interest rates falling Nielsen expect consumers to regain some confidence, though caution will remain."

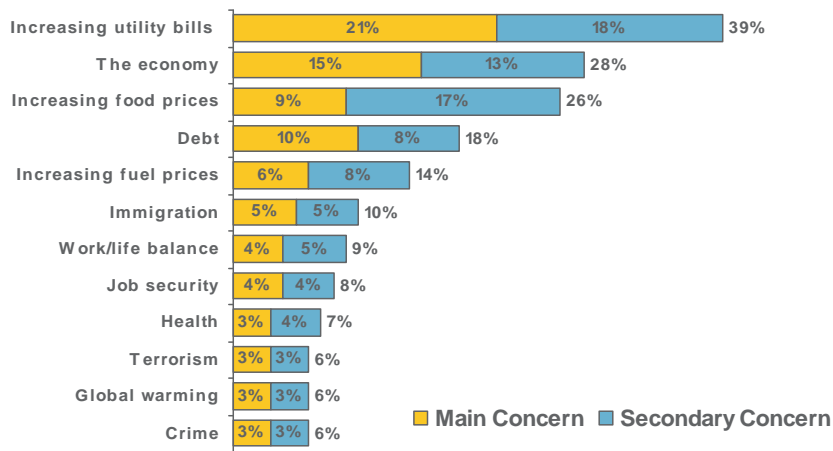
Stephen Robertson, British Retail Consortium Director General said: "With only one in five people believing recession will be over this time next year, it's certainly going to be a tough Christmas and New Year. But there are reasons for optimism. The Bank of England's shock rate cut should get the economy's heart beating again. Some key costs are falling, bringing shop prices down, and retailers are fighting back with promotions and price cuts. This can be good time to be a customer."

Chart 1. “Do you think job prospects in your country over the next 12 months will be...”



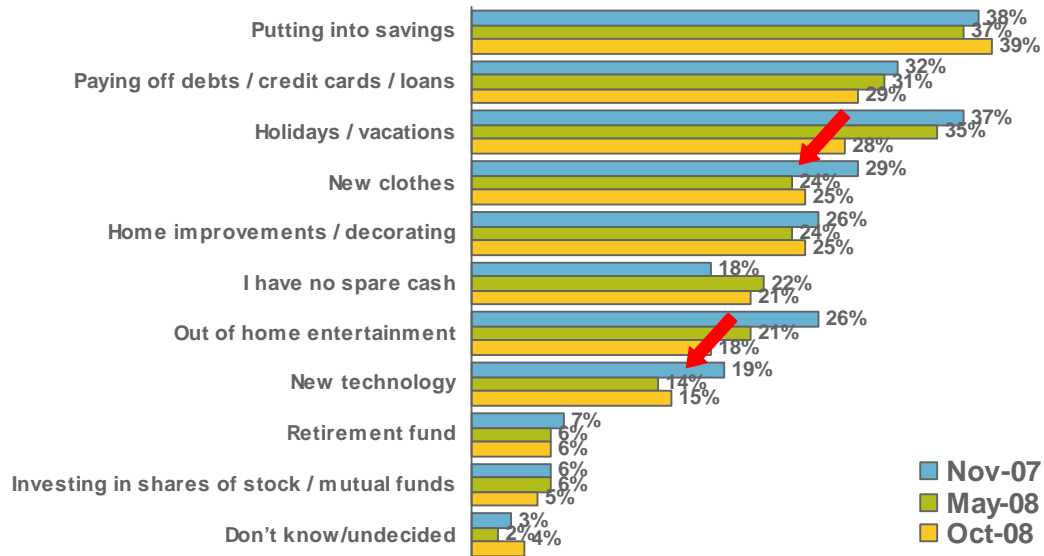
Source: Nielsen – Global Online Survey Oct 2006, May 2007, Nov 2007, May 2008 October 2008
Consumer Confidence – UK results

Chart 2. “What is your biggest and second biggest concern over the next 6 months?”



Source: Nielsen – Global Online Survey October 2008 Consumer Confidence – UK results

Chart 3. Once you have covered your essential living expenses, which of the following statements best describes what you do with your spare cash...?"



Source: Nielsen – Global Online Survey October 2008 Consumer Confidence – UK results

Notes to Editors:

This GB Consumer Confidence Survey is part of the Nielsen Global Consumer Confidence Survey which polls 52 countries worldwide. The GB survey covers England, Scotland and Wales (Northern Ireland is included in a separate survey with the Irish Republic.)

About The Nielsen Global Online Consumer Survey

The Nielsen Global Online Consumer Survey, carried out by Nielsen Consumer Research, was conducted from 22 Sept – 6 Oct 2008 among 26,202 internet users in 52 markets from Europe, Asia Pacific, North America and the Middle East. The largest half-yearly survey of its kind, the Nielsen Global Online Consumer Confidence and Opinion Survey provides insight into current confidence levels, spending habits/intentions and the major concerns of consumers across the globe. The Nielsen/BRC Consumer Confidence Index is developed based on consumers' confidence in the job market, status of their personal finances and readiness to spend.

501 respondents were polled in Great Britain.

This survey was first produced in November 2003.

The full GB findings are available to journalists from the BRC Press Office.

Media contacts

Danielle Tolson - Nielsen
01865 732343
07977 236204
danielle.tolson@nielsen.com

Richard Dodd - BRC
020 7854 8924
07921 605544
richard.dodd@brc.org.uk

Linda Simon - Nielsen
01865 732346
linda-simon@nielsen.com

About the British Retail Consortium. The British Retail Consortium is the UK's leading retail trade association. It represents the entire range of retailing - large multiples and department stores, small independents, food and non-food, store-based and online.

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