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News Release

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Nielsen reveals scale of the recession's impact on the UK and the first signs of recovery

London – 27th November, 2009 – A report to be released next week by The Nielsen Company will reveal how the recession has affected the leading brands, consumer behaviour and job vacancies in the UK as well as identifying some signs of a recovery. For example, the decline in total advertising expenditure is consistently slowing down - September 2009 was down just 10 percent year-on-year compared to May 2009 being down 16 percent year-on-year). In addition, many leading brands are now showing year-on-year quarterly growth for the first time in 12 months.

The report - "Reading the Recession" – analyses the impact of the recession in the UK using a number of data sets including key economic indicators, consumer research, recruitment data, website measurement and advertising spend. The report also identifies sectors exhibiting early evidence of recovery.

The first signs of 'green shoots' are particularly notable within retail, as the likes of DFS, SCS and B&Q encourage consumers to make home improvements until moving house becomes a more viable option again. In each case the three retailers have followed four continuous quarters of negative growth (Q2 '08 to Q1 '09) with two quarters of positive growth (Q2 '09 & Q3 '09).

Advertising – Many have tried spending their way through

Among the findings for the first 12 months of the UK recession – July 2008 to June 2009, the country's leading supermarkets led the charge for those looking to spend their way through, as large budgets were put behind "value" promotions, instigating a public price war. ASDA's own ad spend increased by 40 percent during this period. The Government's Central Office of Information (COI) also increased its ad spend significantly for the period (+33 percent), as it looked to back awareness campaigns about the dangers of smoking and drinking, the importance of the HPV vaccine for young girls and of course measures to help protect against the spread of swine flu.



For those at the opposite end, Procter & Gamble headed the table of biggest fallers, cutting its media budget by £28.6m (15 percent) for the period, closely followed by Toyota (57 percent) and Tiscali with a 92 percent reduction.

The introduction of the scrappage scheme in May 2009 provided a lifeline for the Motor industry already heavily affected by the recession. All but two manufacturers (Audi and Seat) chose to reduce media budgets by anything from six percent (Hyundai) to 66 percent (Lexus).

Jobs - Number of UK vacancies halve

Using Nielsen's unique monitor of Job vacancies - combining both online and print - total job vacancies across all markets halved from one million to approximately 500,000 between January 2007 and September 2009. The number of jobs in IT, Secretarial, Construction and Sales has each fallen by over 50 percent between July 2008 and June 2009. Positions within Education, Social Services and Hospitals/Medical have been the least affected, with the latter actually showing a year-on-year growth of around two percent.

Consumer Confidence – Frugal habits will remain long term

Nielsen's consumer confidence survey revealed that during Q3 2009, UK attitudes and spending habits were beginning to change. Two-thirds of consumers planned to spend less on clothes, compared to 71 percent from the previous survey conducted in the first half of 2009, meanwhile those looking to save on gas and electricity bills fell from 68 percent to 59 percent in Q3 2009.

Nikki Williams, UK Managing Director of Nielsen's Media division says: "Despite some confidence returning, a legacy of the recession will be the desire amongst consumers to continue to spend less on both grocery bands and financial services products.. Many leading brands have adapted well to this change in consumer behaviour to date, but the real test will be how they cope with this intent long term."

EDITOR'S NOTES – Please Source all information to The Nielsen Company

About Nielsen

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