

Consumer Confidence May Be Accelerating Out Of The Corner: Survey

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The latest results from TNS Canadian Facts'™ Consumer Confidence Index suggest that Canadians may have turned that proverbial corner when it comes to their confidence in the Canadian economy.

While concern about making future purchases is still present, they are feeling a good deal better about the current economic situation.

Overall, the index rose past the 100-point marker for the first time since April 2008.

It ended the month at 100.5 – up 1.1 points from March, 2.9 points from February's 97.6 and almost four points from January's 96.7.

“Overall, the confidence numbers do seem to be heading up. Looking back over the recent past, it now seems as though Canadians were downshifting into the corner but are now keen to accelerate into the straightaway. But it won't be full-throttle all the way – their hesitancy remains when it comes to pulling the trigger on those major purchases,” said Dr. Michael Antecol, vice-president of TNS Canadian Facts and director of the marketing research firm's monthly tracking study.

The Present Situation Index, which captures evaluations of the overall state of the current economic and employment situations, rose to 93.3, a strong 4.4-point jump since March's 88.9 and a more than 10-point increase since January's 82.7.

Likewise, the Expectations Index, which measures consumers'™ estimation of the economy, household income and employment in the next six months, remains strong. While the index gave back most of last month's gains, falling 2.2 points from March's historic high of 111.9, it still closed at a healthy 109.7.

In contrast, the Buy Index, which gauges the degree to which people think the current period is a good time to make major purchases, continues its recent trend of bouncing around. After rising in February, it fell one point in March and almost one point in April. It now stands at 100.9.

“With overall confidence over that super-important 100-point mark for the first time in two years and with Canadians feeling good about today and tomorrow, the last tumbler to fall into place is for Canadians to feel more strongly about now being the time to make those big buys. When they do, we may finally see the economic recovery unlocked,” added Dr. Antecol.

Consumer Confidence Index tracks Canadians'™ attitudes about the economy each month and is part of a global study conducted by TNS in 18 countries. Three indices are produced each month to show how confidence in the economy is changing: Present Situation Index; an Expectations Index; and a Buy Index.

The Canadian fieldwork is conducted using the firm's national bi-weekly telephone omnibus service, TNS Express Telephone. A total of 1,015 nationally representative Canadian adults were interviewed between April 12 and 16, 2010.

For a survey sample this size, the margin of sampling error is plus or minus 3.1 percentage points, 19 times out of 20.

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