

India 'Numero Uno' On Nielsen's Consumer Confidence Index

Increasing Food Prices - A Big Concern For Indians

Mumbai, Maharashtra, November 2, 2009 /[India PRwire](#)/ -- Consumer confidence in India has seen a steady rise for some time now and India has topped the latest round of **Nielsen's Consumer Confidence Survey** with 120 index points. Indonesia and Norway follow with 115 and 110 index points respectively. Nielsen's global consumer confidence index has also seen an increase and has jumped to 86 points this month from 77 index points in April this year, indicating a rebounding consumer confidence across the world.

The current Nielsen survey tracked consumer confidence, major concerns and spending habits among more than 30,500 Internet users in 54 countries. Consumer confidence rose in 45 out of the 52 countries compared to six months ago. (Ukraine and Saudi Arabia were added in the latest round of the survey.)? In April, the Nielsen Consumer Confidence Index hit its lowest point of 77 index points, but as massive stimulus package began to take effect around the world during the second quarter, consumer confidence slowly began to recover.?

Among the BRIC nations, consumer confidence rose 8 points in India, 6 points in China and 4 points in Russia compared to the previous quarter.??

Indians are the most optimistic lot who think the country will be out of an economic recession in the next twelve months (67%). The percentage of Indians who think India is currently under recession has also gone down by 10 percent to 52 percent this quarter.

"Economic downturn is finally subsiding not only in India but across the world and improving economic condition and prospect of growth are infusing more confidence in people," said Vatsala Pant, Director- Consumer Research, The Nielsen Company.?

Rising Indian optimism

The consumer confidence is a reflection of the optimism in a country towards job prospects, personal finances, and their willingness to spend on discretionary items.

Eight in ten Indians are optimistic about *job prospects* in the country in the next 12 months, 16 percent think it is 'excellent' and 69 percent think it is 'good'. 81 percent Indian consumers are also very optimistic about the *state of their personal finances* in the next 12 months; ten percent Indians think that personal finances will be 'excellent' and 71 percent think they will be 'good'. Indians are the most optimistic lot globally when it comes to job prospects and their state of personal finances in the next twelve months.

"The resurging job market in the country has acted as a major boost to the confidence of Indians. Decreasing apprehensions regarding the stability of their jobs, resulting in a steady source of personal finance, has made Indians optimistic about the future," said Pant.

An optimistic and confident outlook on job prospects and personal finances stretches out to willingness to spend. Considering the cost of things today and their personal finances, seven percent Indians think that it is an 'excellent' time to buy the things they want and need, and 44 percent think that it is a 'good' time to buy things.

Spare cash utilization

After meeting the essential living expenses, Indians love to put their spare cash into *Savings*, with six in ten Indians opting for saving their spare cash for rainy days. The rising confidence has also made Indians comparatively less risk averse and two in five Indians will put their spare cash into *Shares of stock / mutual funds* (44%), this being the third highest percentage globally behind China (48%) and Hong Kong (47%), where spare cash is put into shares of stock / mutual funds.

Let alone savings and investments, Indians have also started spending more, especially on technology items. Nearly, four in ten Indians will put their spare cash into buying *New technology products* (37%) and 36 percent said

they will *Pay off debts / credit cards / loans* with spare cash. In the last quarter survey, paying off debts was second on the list of items that spare cash was being used for by Indians.

“Though savings still rule the roost, Indians have become less conservative in terms of utilizing their spare cash and have started investing in stock options. Indian concern over debts has also decreased as their job prospects and finances have started looking up. Three months back Indians were uncertain of the economy, but current behaviour shows that the India's public is more confident than they have been anytime in the past one year,” said Pant.

Other areas where Indians spend their spare cash are *New clothes and Home improvements/ decorating (both 35%), Holidays/ vacations (31%), Retirement fund (26%- second highest globally), and Out of home entertainment (23%)*.

Major concerns ahead

Consumer Confidence in India has topped the global charts but concerns are still at large. *Work/ life balance* is the biggest concern for Indians (15%), overtaking *Job Security* which was the biggest concern for Indians three months back. Concern over *Increasing food prices* has increased tremendously. Infact it has doubled to 14 percent from seven percent in the last quarter and has moved up four spots to number two on the list of concerns for Indians. Globally Indians are on the top in their concern over increasing food prices.

The Economy (12%) forms the third biggest concern for Indians and has moved down a spot compared to the last round of the survey. With 11 percent votes *Job security* has experienced the highest drop in concern, falling 15 percent from last quarter.

“With the job prospects looking up, terrorism and swine flu now off the radar of most Indians. There are more ‘here and now’ concerns like work-life balance. Increasing food prices is definitely a worry and will need to be watched carefully,” added Pant. ?

Other concerns for Indians include Children's education and/or welfare (8%), Parent's welfare and happiness & Global warming (both 7%), Health and Terrorism (both 5%), Debt (3%), Increasing utility bills (electricity, gas, heating, etc) & Increasing fuel prices (both 2%), Political stability, Immigration, Tolerance towards different religions, and Tolerance towards other countries' values (all 1%).

Concern over terrorism has gone down from 11 percent to 5 percent in the past three months and India ranks third behind Turkey (9%) and Pakistan (8%) in its concern over terrorism

“At present it looks like the Indian economy and people's confidence is on a fast improving trajectory. Everything looks positive from the point of view of the Indian job market, people's finances, savings, and investments. If things continue the way they are heading downturn in India will soon become history,” said Pant.

Notes to Editor

The Nielsen Company is a global information and media company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and business publications (Billboard, The Hollywood Reporter, Adweek). The privately held company is active in more than 100 countries, with headquarters in New York, USA. For more information, please visit, www.nielsen.com

About the Nielsen Global Consumer Confidence Survey

The Nielsen Global Consumer Confidence Survey was conducted between 28 September – 16 October, 2009 and polled over 30,500 consumers in Europe, Asia Pacific, North America and the Middle East about their confidence levels and economic outlook. The Nielsen Consumer Confidence Index is developed based on consumers' confidence in the job market, status of their personal finances and readiness to spend. The sample has quotas

based on age and sex for each country based on their Internet users, and is weighted to be representative of Internet consumers and has a maximum margin of error of 0.6%.

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