

FOR IMMEDIATE RELEASE

**EARLY CHRISTMAS PRESENT FOR RETAILERS: SURVEY**

**Confidence in economy likely to translate into good news at the till**

**TORONTO, November 23, 2006** – Although consumer assessments of the economy are showing some signs of volatility, the overall picture is still quite positive, with Canadians estimating that they will spend more on holiday purchases this year than they did last year.

“With inflation and unemployment largely in check, consumer optimism is translating into an early good news story for retailers as they enter the important holiday season,” said Richard Jenkins, vice-president of TNS Canadian Facts and director of the marketing research firm’s monthly *Consumer Confidence Index* tracking study.

The survey found that Canadians plan to spend \$877 on holiday gifts, decorations or other holiday items this season, a significant 12 per cent increase over last year’s estimated holiday spending, which averaged \$782. In addition, the number of heavy spenders is rising: 13 per cent of Canadians plan to ring up over \$2,000 in holiday purchases this season, up from 9 per cent recorded last year.

The *Present Situation Index*, which captures evaluations of the overall state of the economy and the employment situation, now stands at 114.0, a slight drop from 114.8 in October. While consumers remain relatively positive about the underlying strength of current economic conditions in Canada, since July there has been a slow, steady erosion in confidence about the current state of affairs.

“The regionalization of economic perceptions continues, with B.C. and the Prairie provinces enthusiastic about the current situation, while those east of Manitoba are less thrilled,” added Jenkins.

Only 58 per cent of Ontarians think the current situation is good, compared with 69 per cent of Prairie residents, and 70 per cent of British Columbians.

The *Expectations Index*, which measures consumers’ estimation of the economy, household income and employment six months from now, recovered after three consecutive months of relatively low levels. It now stands at 103.1, up from 99.3 in October and similar readings in September and August.

The *Buy Index*, which gauges the degree to which people think the current period is a good time to make major purchases, has fluctuated wildly over the last several months. In November the Index rose to 96.0, up from 92.0 in October, but similar to the 96.7 recorded in September.

*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 November 13 and 16. The survey results are considered accurate to 3.1 percentage points, 19 times out of 20.

TNS Canadian Facts ([www.tns-cf.com](http://www.tns-cf.com)) is one of Canada's most prestigious full-service marketing, opinion and social research organizations.

## **About TNS**

TNS is a market information group:

- The world’s largest provider of custom research and analysis
- A leader in political and social polling
- A major supplier of consumer panel, media intelligence and TV and radio audience measurement services.

TNS operates across a global network in over 70 countries, allowing us to provide internationally consistent, up-to-the-minute and high quality information and analysis.

The group's employees deliver innovative thinking and excellent service to local and multi-national clients worldwide. In the custom business, they combine in-depth sector knowledge with expertise in the areas of new product development, positioning and segmentation research, brand and advertising research and stakeholder management.

TNS' strategic goal is to be recognized as the global leader in delivering value added information and insights that help our clients to make more effective decisions.

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