

The Global Consumer In A Post-Recession World

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All signs point to the global economic crisis coming to an end. Banks are returning to profitability, government stimulus programs are in effect and the IMF has revised a more positive forecast for growth and recovery for the next year. And in many countries, people are feeling more positive about their state of financial affairs and the economy in general.

With hopes for a full economic recovery accelerating in 26 out of the 28 major global markets surveyed as part of the Nielsen Global Consumer Confidence Index in late June, consumers around the world might be expected to return to their previous spending patterns. But according to a [new report from Nielsen](#) ^[1], some consumers may find it hard to shake recessionary habits. The severity of the recession has brought about a change in consumer values, spending habits and lifestyle choices in some parts of the world, and the indication is some consumers in the West will continue to refrain from excessive or unnecessary spending across all aspects, at least in the short term.

Highlights from the report include:

- Nearly one-third (29%) of consumers will continue to economize on gas and electricity, with 48 percent of Americans saying that they will continue to save on utility bills.
- One in six global consumers will continue to cut back on take-away meals, with 22 percent of Australians indicating that's one area they will continue to reduce spending. Significant numbers of New Zealanders, Japanese, Irish, South Africans, Brazilians and Americans also indicated they would stay away from take-away.
- One in six global consumers say that they will continue purchasing cheaper grocery products, spend less on new clothes and cut down on out-of-home entertainment.

The findings were not all cautious, however. Consumers in the BRIC markets (Brazil, Russia, India and China) are generally looking forward to putting recent recessionary behaviors behind them and returning to their previous spending patterns. Buoyed by rising stock markets and continued (if slower) economic growth, these consumers offer marketers, retailers and others some hope in the short term.

Findings included:

- Chinese remain the most confident of an economic rebound in the near future, and sales of consumer goods products remained robust last year – up 21 percent.
- One in six Russians said that they would not retain any of their recessionary habits once the economy improves, and are particularly eager to spend their money on clothing.
- Technology such as home computers and mobile phones look to be early winners: consumers in Japan, Korea and the Philippines are looking forward to upgrading their current gear.
- More than 40 percent of Americans say they expect to increase their spending on travel and holidays, dining out and out-of-home entertainment in the coming months.

As economic recovery gather pace, consumption and spending will increase, but the post-recession consumer is likely to consume very differently. She will think twice – and maybe thrice – about making purchases big or small. It's now fashionable in the West to be frugal and trendy to be thrifty. But marketers that are able to convey the value of their products and services will likely continue to grow and prosper.

Download the full report: [Consumers in a Post-Recession World](#) ^[1]

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