

THE BENSIMON BYRNE

Consumerology Report

Economic Mini Report

October 2011



Methodology

- The Gandalf Group conducted qualitative and quantitative research to produce the Consumerology Report.
- A national quantitative online survey was conducted among 1500 Canadians.
- The survey was conducted in English and French and fielded from September 26th through October 3rd, 2011.

Weakening Economy

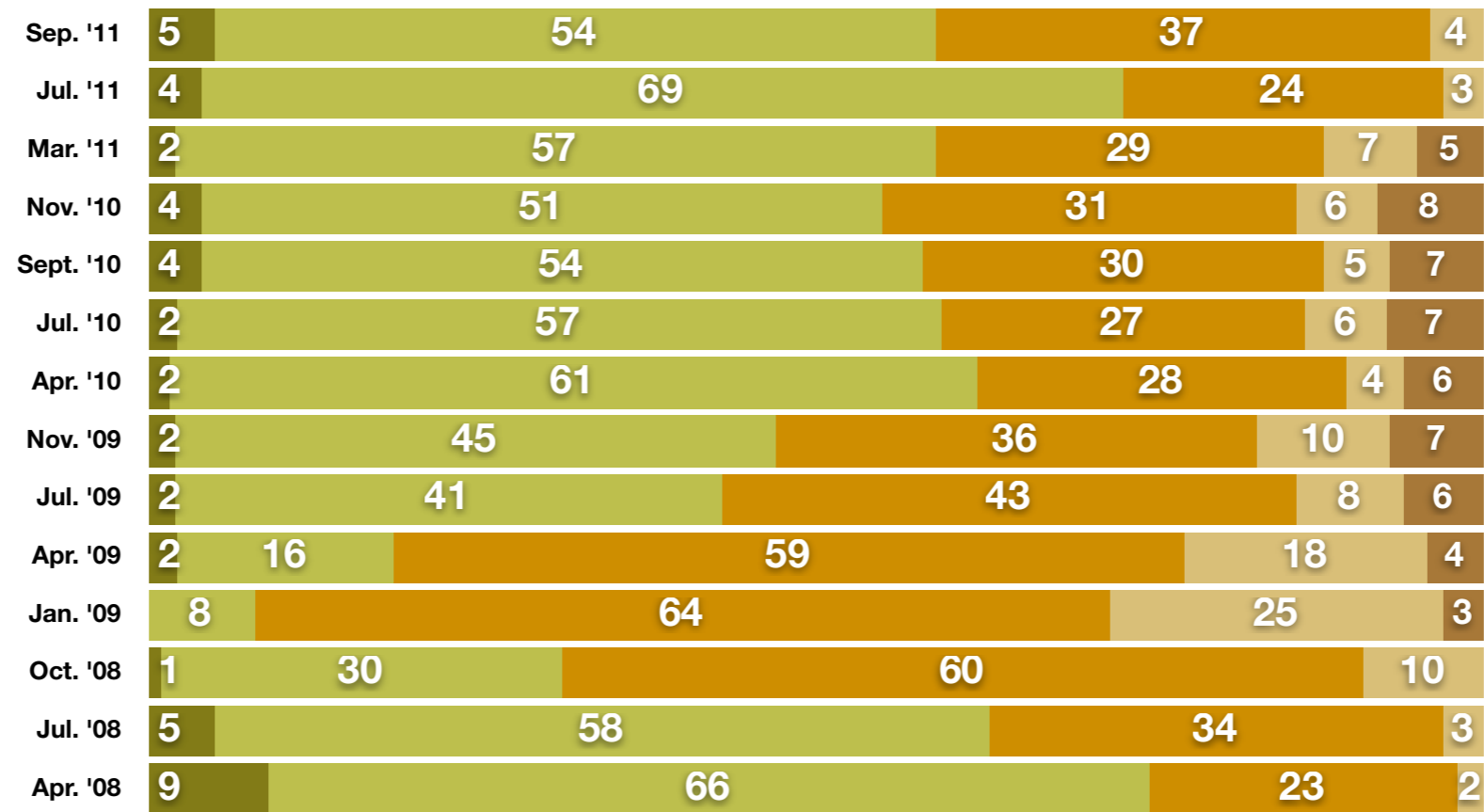
- Consumers see a weaker economy than last quarter and optimism for the future is down.
- As many Canadians are doing worse as better since last year and one quarter expect to be doing worse next year.
- The appetite for investment is down.
- Spending will be reduced especially for out of the home dining and gift giving.

Economic Assessments

- Since last quarter, many more consumers see a weakening economy.
- Economic optimism is down significantly with one third of consumers expecting the economy to be weaker still in a year.
- Consumers in the Atlantic provinces and British Columbia are the most likely to say their regional economies are in trouble.
- Personal financial situations have not appreciably worsened (-3) since last quarter but have significantly worsened since the start of the year and as many Canadians are doing worse than they were a year ago as better.
- Like last quarter, one in four Canadians expect to be doing even worse next year than they are this year.

Assessments of the National Economy

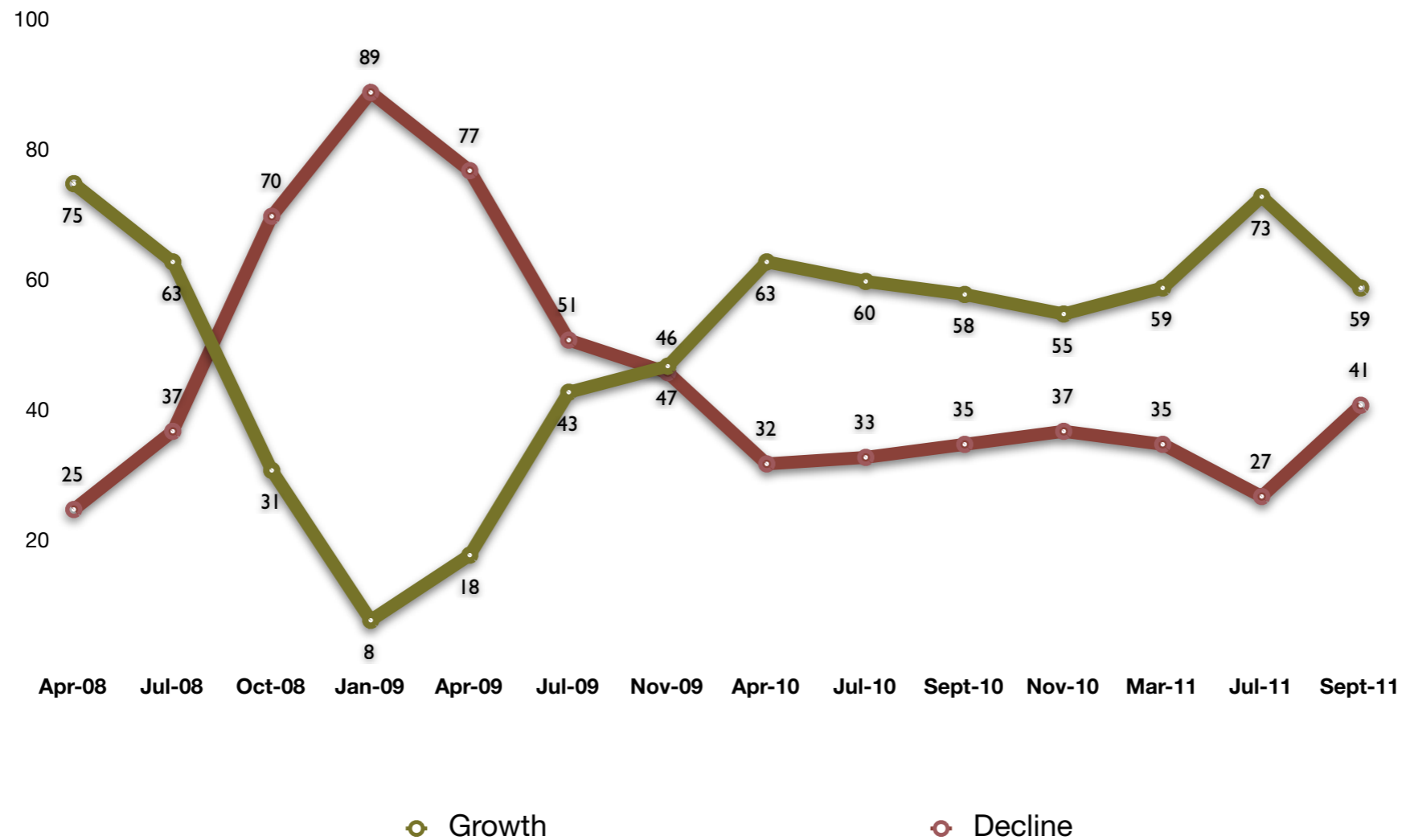
“In general, how would you describe the state of the economy of Canada today – would you say that it is in a period of _____?”



Strong growth
 Moderate growth
 Moderate decline
 Strong decline
 Don't know

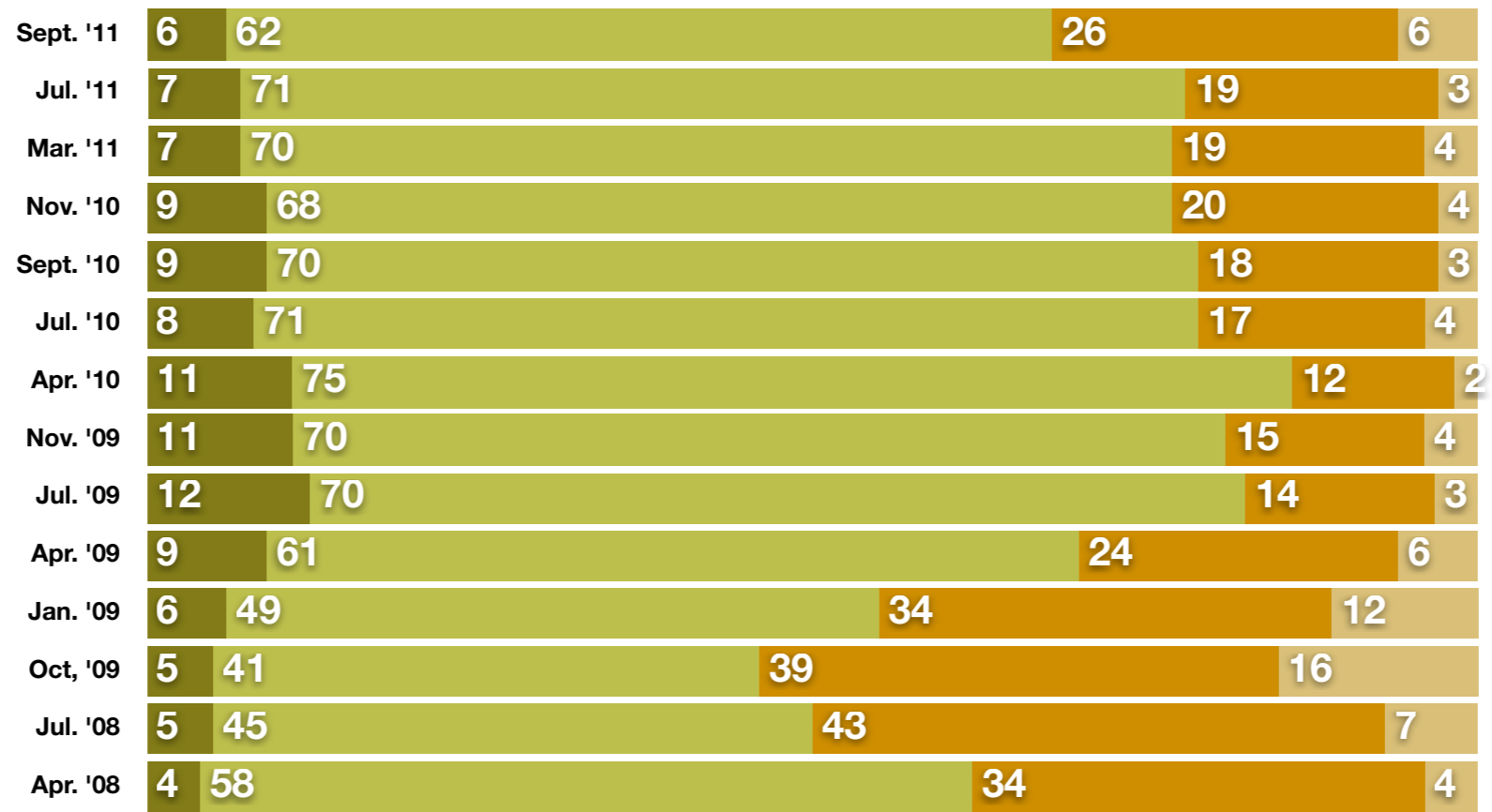
Assessments of the National Economy

“In general, how would you describe the state of the economy of Canada today – would you say that it is in a period of _____?”



Economic Expectations

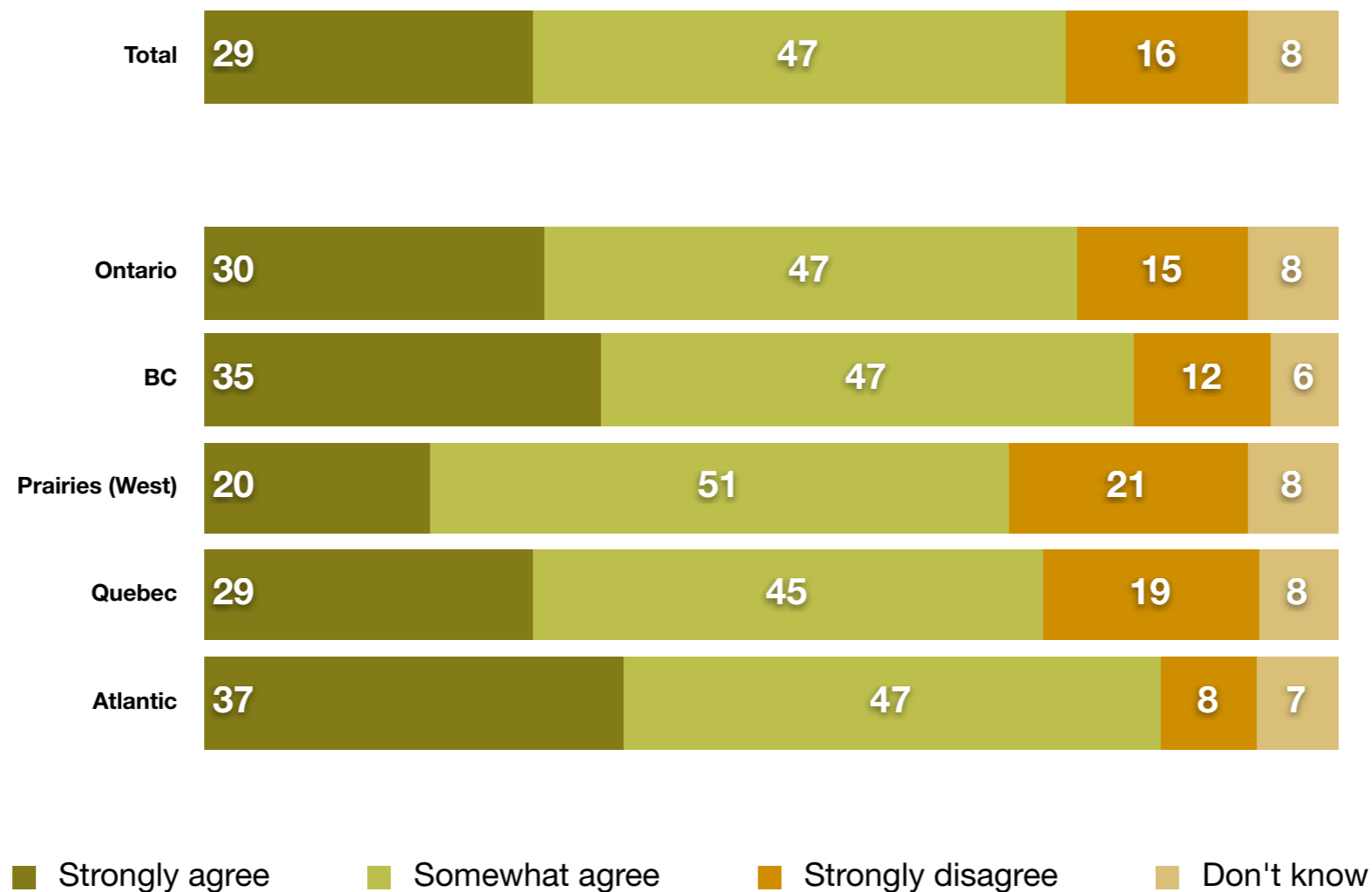
“Looking forward to one year from now, do you think the economy will be much stronger than it is today, a little stronger than it is today, a little weaker than it is today or much weaker than it is today?”



Much stronger
 A little stronger
 A little weaker
 Much weaker

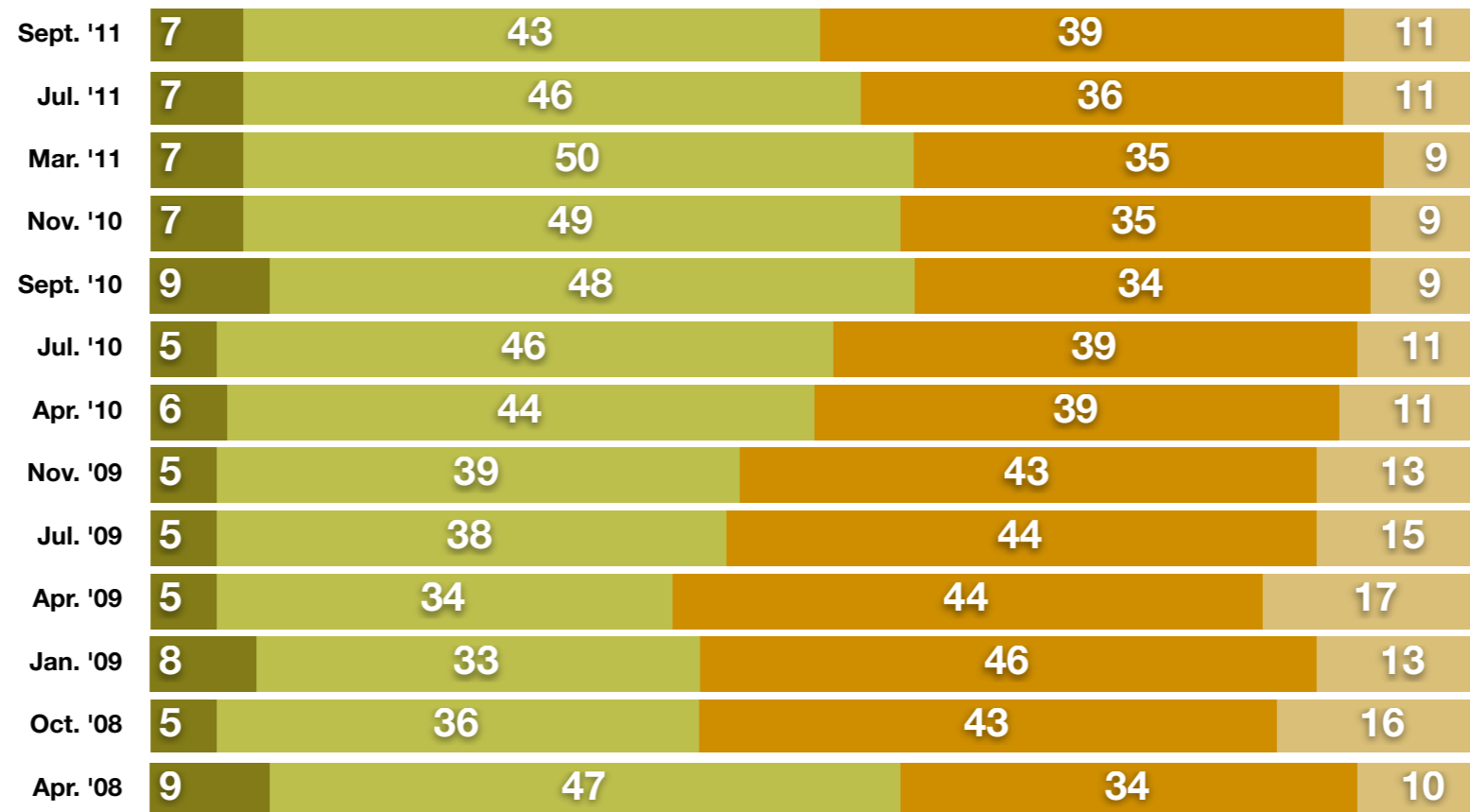
Are Regional Economies in Trouble?

“On a scale of 1 to 9 where 1 means you strongly disagree and 9 means you strongly agree, please tell us how much you agree or disagree with each of the following. “The economy in my region could be in trouble.”



Assessment of Personal Financial Situation

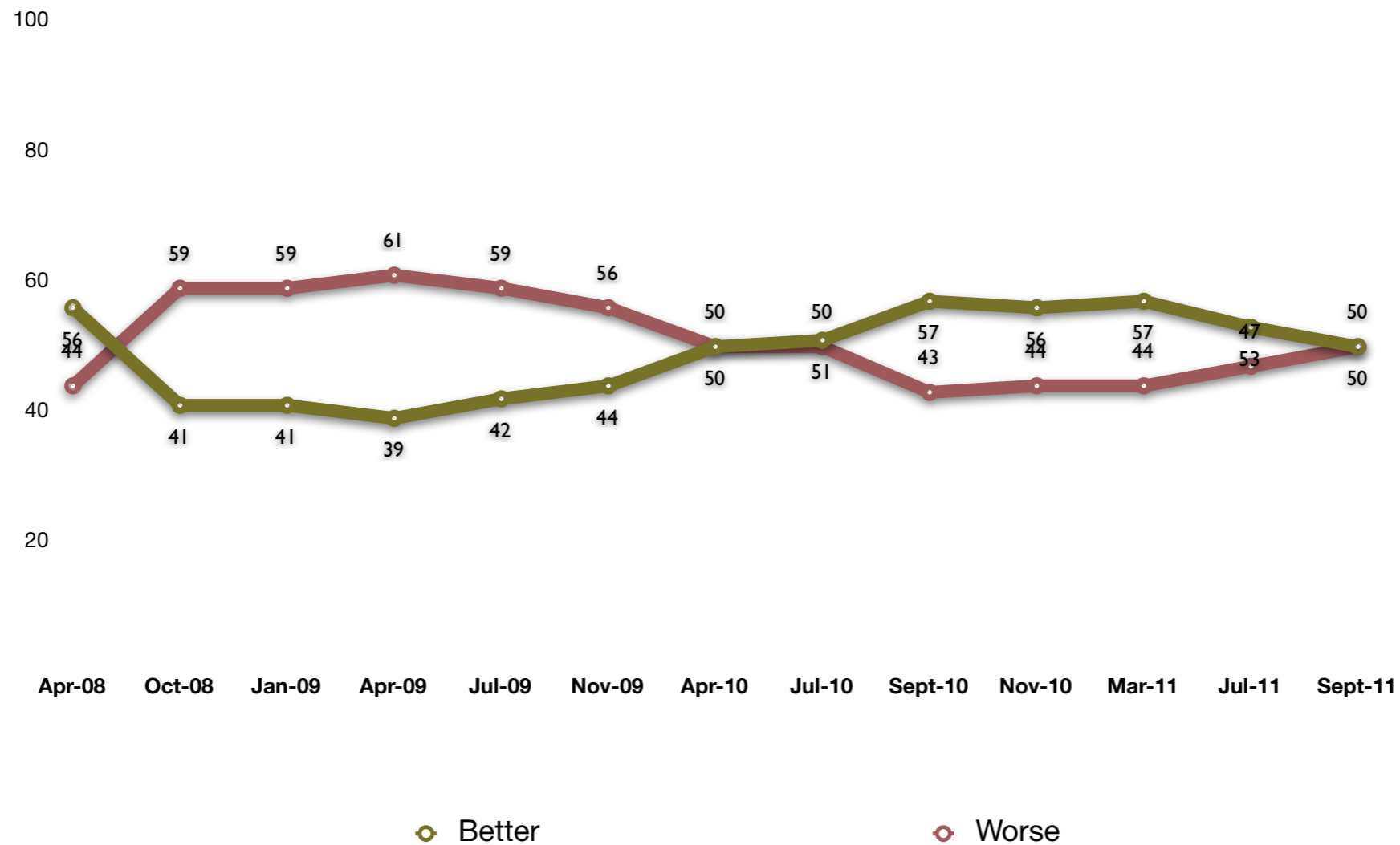
“How would you say your PERSONAL financial or economic situation is compared to one year ago? Would you say your PERSONAL or economic financial situation has gotten _____?”



Much better
 A little better
 A little worse
 Much worse

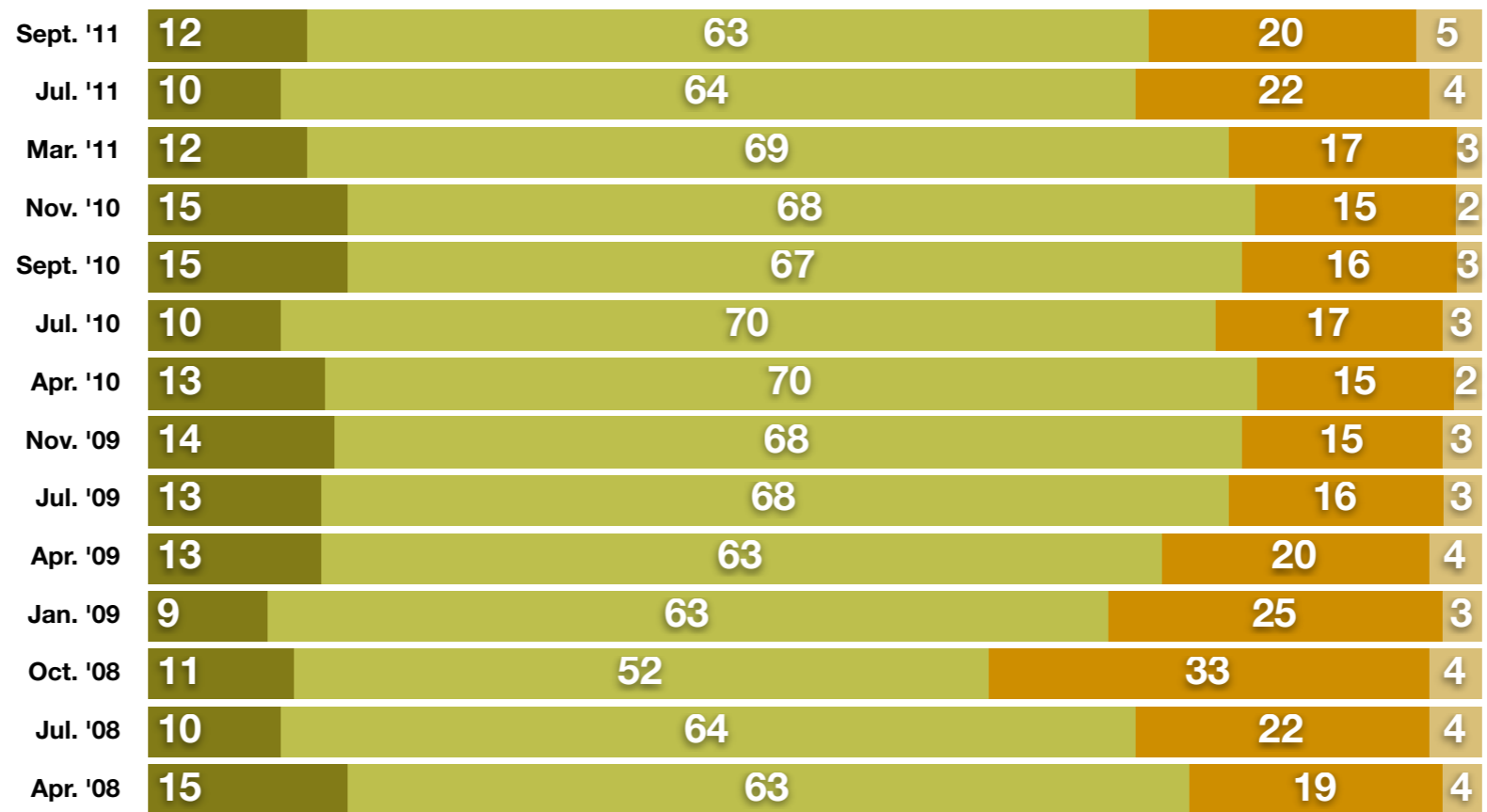
Assessment of Personal Financial Situation

“How would you say your PERSONAL financial or economic situation is compared to one year ago? Would you say your PERSONAL or economic financial situation has gotten _____?”



Projection of Personal Financial Situation

“How do you expect your PERSONAL financial or economic situation to be one year from now – compared to what it is like today. Do you expect that your PERSONAL or economic financial situation will be in much better shape, a little better shape, a little worse, or much worse than it is now?”



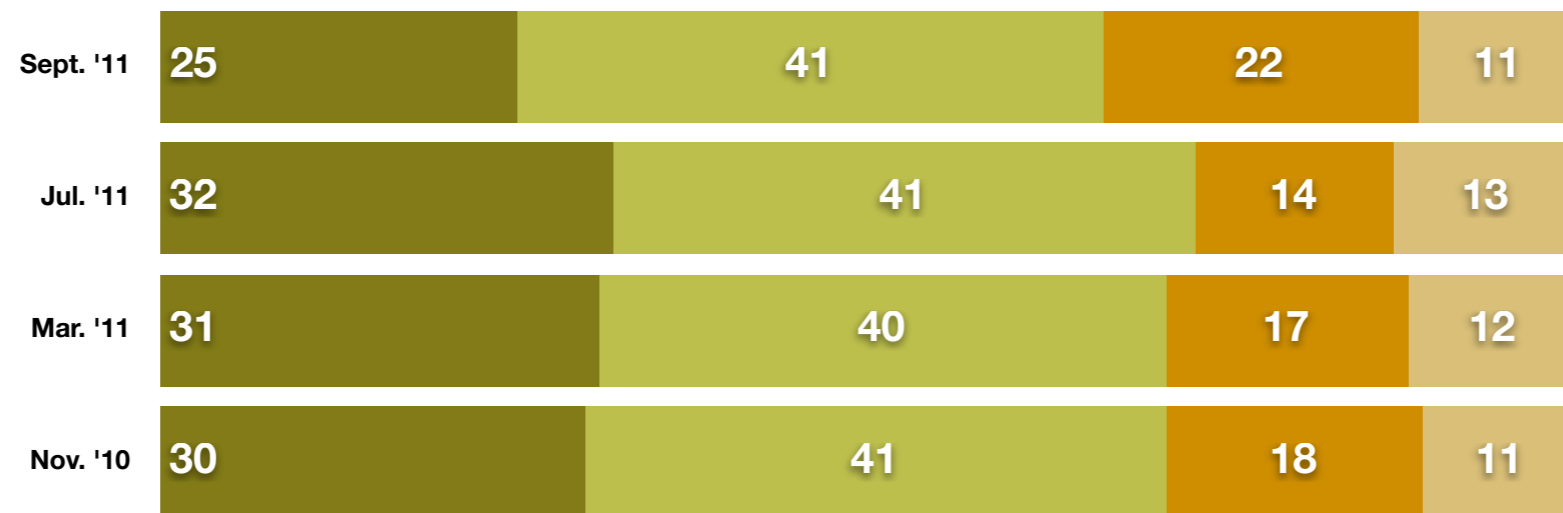
Much better
 A little better
 A little worse
 Much worse

Investing and Saving

- Consumers' appetite for investing is down significantly from last quarter and from earlier in the year – just one quarter say this is a good time to be investing.
- But more than half of consumers say this is a good time to be saving.
- Half of consumers have more non-mortgage debt than savings.

Good Time to be Investing?

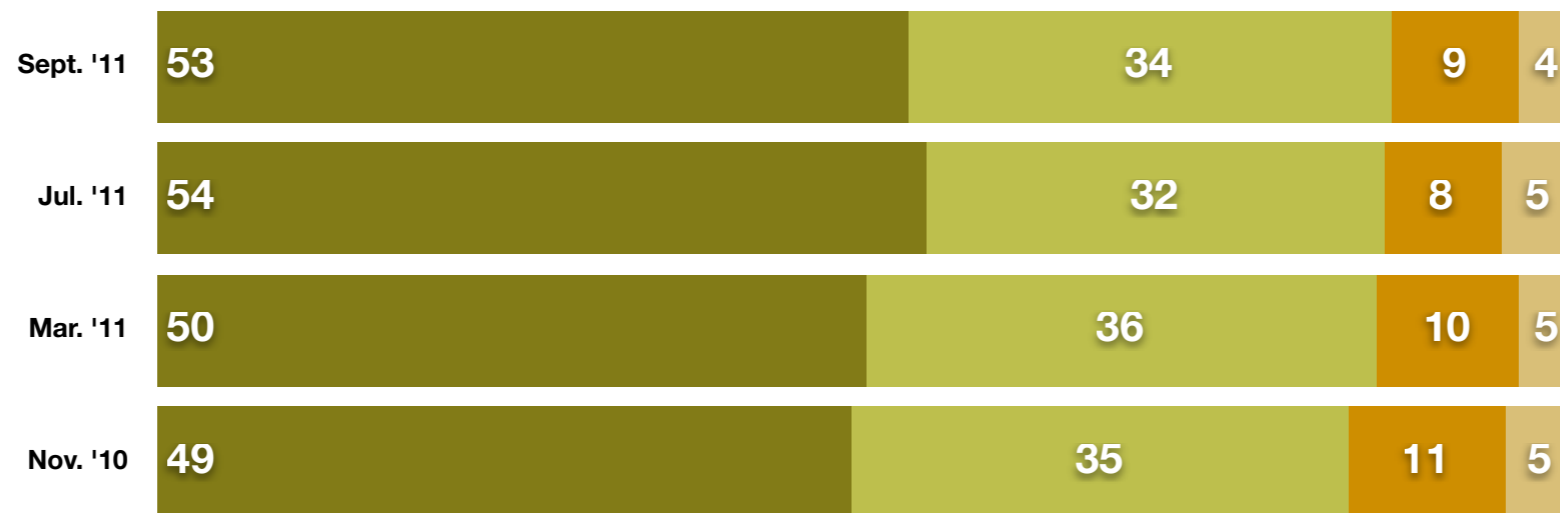
“On a scale of 1 to 9 where 1 means you strongly disagree and 9 means you strongly agree, please tell us how much you agree or disagree with each of the following. This is a good time to be investing money.”



■ Strongly agree ■ Somewhat agree ■ Strongly disagree ■ Don't know

Good Time to be Saving?

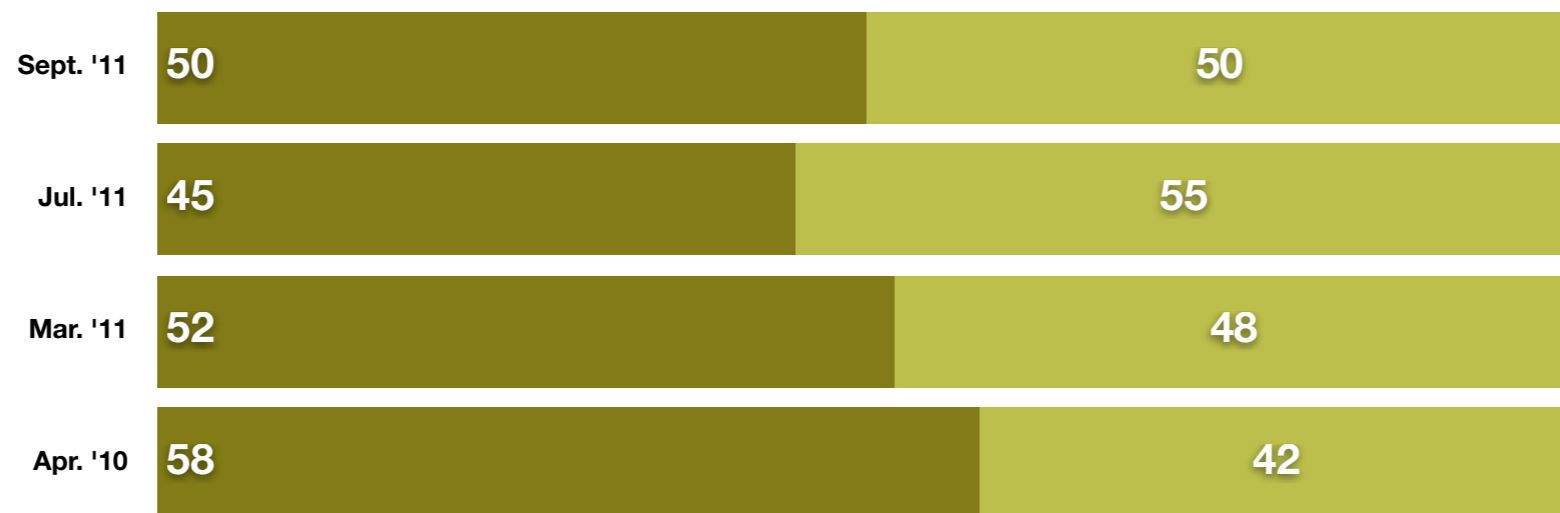
“On a scale of 1 to 9 where 1 means you strongly disagree and 9 means you strongly agree, please tell us how much you agree or disagree with each of the following. This is a good time to be saving money.”



■ Strongly agree ■ Somewhat agree ■ Strongly disagree ■ Don't know

Canadians' Current Financial Position

“What is the status of your current financial position – would you say that you have more debt (not including your mortgage) than you do savings (not including equity in your home), or more savings than you have debt?”



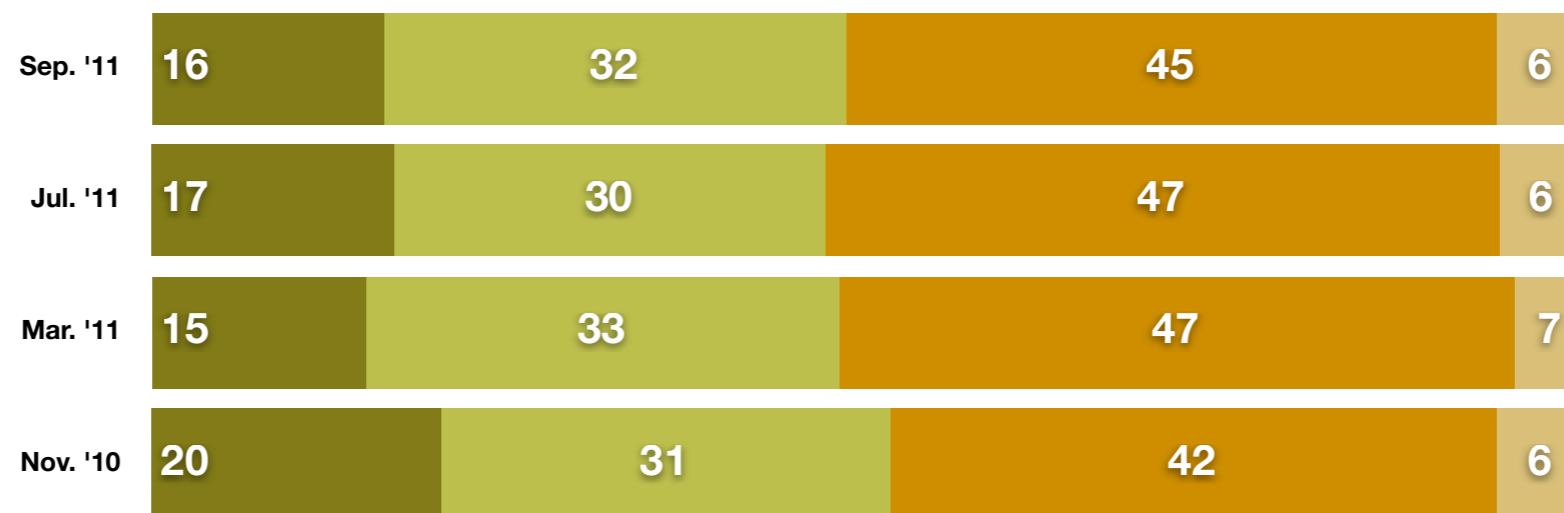
- More debt (not including your mortgage) than you do savings (not including equity in your home)
- More savings than you have debt

Spending

- Almost half of consumers say they aren't going to make a big purchase this year even with such low interest rates – this has remained consistently low this year.
- In terms of holiday spending, half of consumers expect to spend the same as they did last year on gifts, eating outside the home and entertaining in the home.
- However, dining out and gift buying will see a decline with a net of about 15% of consumers spending less.

Big Purchase Spending

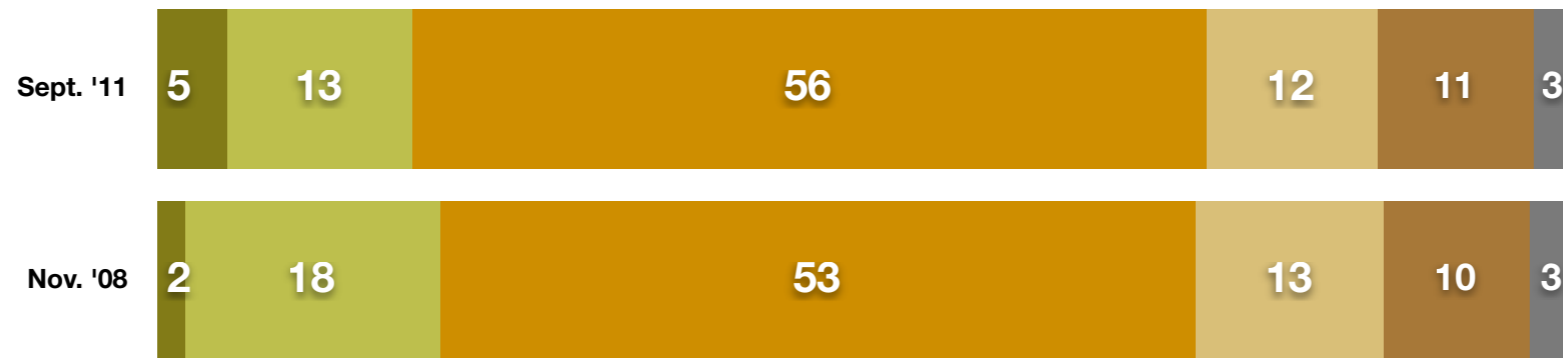
“On a scale of 1 to 9 where 1 means you strongly disagree and 9 means you strongly agree, please tell us how much you agree or disagree with each of the following. With interest rates as low as they are, I’m interested in making a major purchase this year.”



■ Strongly agree ■ Somewhat agree ■ Strongly disagree ■ Don't know

Holiday Season Spending – Entertaining in Home

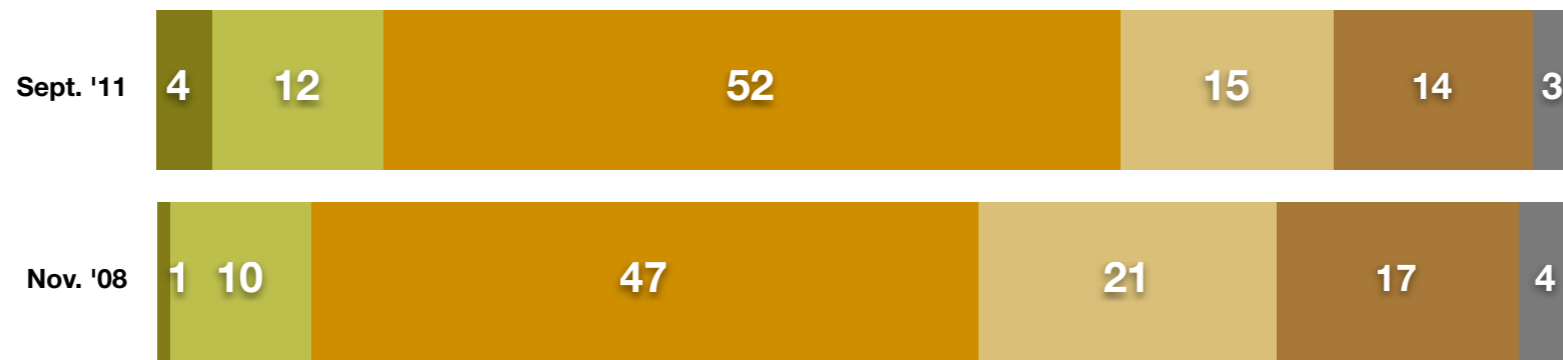
“Looking forward to the holiday season, do you think you will be spending much more than last year, somewhat more, the same as last year, somewhat less or much less than you did last year on entertaining in your home”



■ Much more ■ Somewhat more ■ The same ■ Somewhat less ■ Much less ■ Don't know

Holiday Season Spending – Dining or Entertainment Outside Home

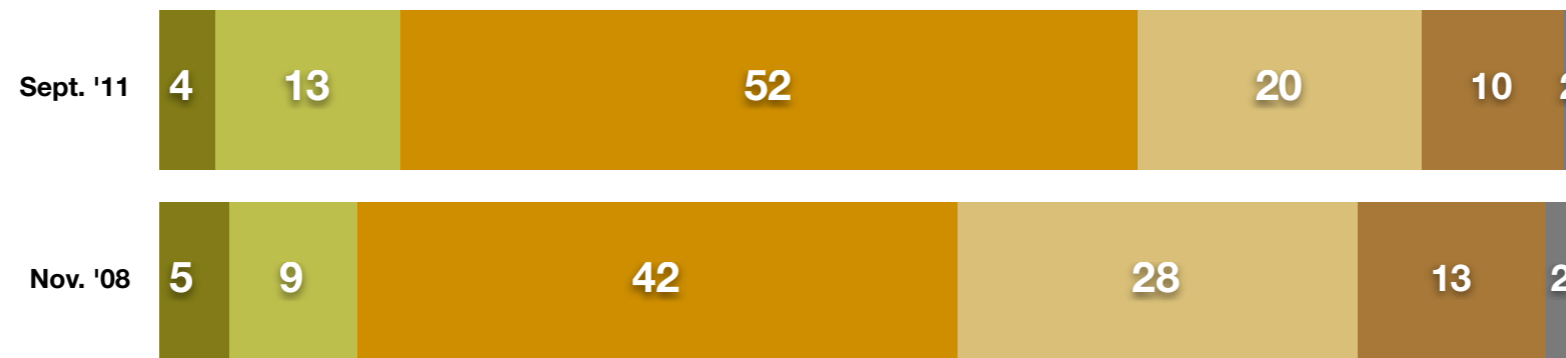
“Looking forward to the holiday season, do you think you will be spending much more than last year, somewhat more, the same as last year, somewhat less or much less than you did last year on dining or entertainment outside of the home”



■ Much more ■ Somewhat more ■ The same ■ Somewhat less ■ Much less ■ Don't know

Holiday Season Spending – Gifts

“Looking forward to the holiday season, do you think you will be spending much more than last year, somewhat more, the same as last year, somewhat less or much less than you did last year on gifts”



■ Much more ■ Somewhat more ■ The same ■ Somewhat less ■ Much less ■ Don't know