

Inching Towards Recovery

Statistics New Zealand released the December 2009 consumer expenditure figures last week, showing "core" retail spending on credit and debit cards continued to be flat through the month, with a trend rise of just 1% since June last year. Reserve Bank figures also showed that fewer consumers were using credit cards to splash out at Christmas, displaying rather more responsible behaviour than we normally see.

In our favourite quote of 2010 so far, ASB economist Nick Tuffley captured the spirit of the times when he observed **"People have been resorting to spending money they actually have."**

Similar slow cooking trends were evident across the economy. The NZ Institute of Economic Research [NZIER] said it found business confidence had "stabilised" [our translation: "dropped"] in the December quarter, following rapid recovery earlier in the year.

31 percent of firms were optimistic in the December quarter, down from 36 percent in the September quarter.

"The economy remains in a holding pattern: expectations are rising across most indicators, but these are yet to be translated into action," NZIER said last week.

In other words, as we've been saying for some time, the economy is recovering, but at a turtle's pace. Executions will continue until morale improves.

FMCG Giant To Sell Stuff Online

The Wall Street Journal is reporting that consumer products giant Procter & Gamble Co. is about to launch an online store that will sell key brands such as Tide (laundry powder), Pampers and Olay, aiming to study consumer buying habits as it counters moves by traditional retailers, which have reduced the variety of brands they carry.

P&G spokeswoman Tressie Long said the company sees the new online store as more of a "learning lab," where it can study consumers' online buying habits, rather than as a direct source of sales growth. P&G, which already sells its products online through the Web sites of such retailers as Wal-Mart Stores Inc., says it will share what it learns with retailers that carry its brands.

P&G's new "eStore" will start as a pilot using 5,000 consumers in coming days, expanding beyond that user base in the second quarter. There will be a flat US\$5 shipping fee for all orders.

Despite P&G's push into the online medium, sales at traditional retailers will remain key to its business. P&G gets about half a billion dollars in online sales, a fraction of its roughly \$79 billion in annual sales. Nielsen estimates online sales of consumer packaged goods including food, beverage, health and beauty aids and household cleaners increased 20% to 25% between 2004 and 2008, hitting roughly \$10 billion in 2008.

Snippets

SPORTS MAD IN 2010

The team at Sky Sport have a busy year ahead. Apart from the usual collection of live and delayed coverage across Sky Sport 1,2 and 3, the sportscasters will also have to make room for extra channels to cover the Winter Olympics (four extra channels in February), the Commonwealth Games (five dedicated channels in October) and the FIFA World Cup (presumably at least one extra channel in June).

YEAR PLANNER FOR 2010

We've just released the 2010 version of our A3-sized wallplanner, providing a ready reference guide to key dates and events during the year. Talk to your Media Counsel team about a free laminated copy of this yearplanner to grace your wall (sorry, Media Counsel clients only).

The image shows a calendar grid for the year 2010. The title is "New Zealand 2010 Year Planner". The grid lists the months from JAN to DEC. Each month has columns for the days of the week (M, T, W, T, F, S, S) and rows for the days of the month. The calendar includes various holidays and events marked with small icons and text, such as "New Year's Day", "Labour Day", "Christmas Day", and "New Year's Eve".