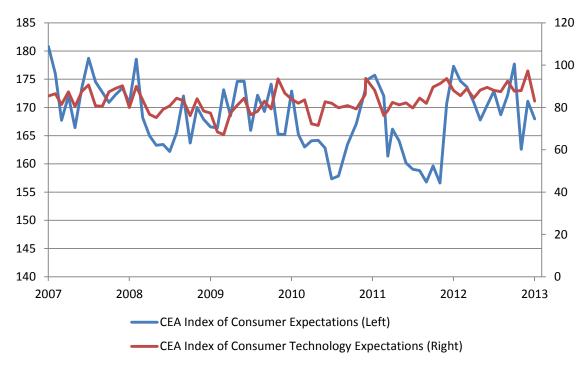
## The CEA Consumer Sentiment Indexes

The CEA Consumer Sentiment Indexes represent more than six years of research into cutting-edge methods for measuring consumer expectations about the future. The indexes measure how consumers perceive the overall health of the economy and the outlook for technology spending. Both indexes focus on consumer perceptions of the future. These forward looking expectations provide market observers valuable information into how consumers will likely behave over the pursuing months.

Both the CEA Index of Consumer Expectations and the CEA Index of Consumer Technology Expectations declined to start 2013. Declines in the CEA Index of Consumer Technology Expectations in January are broadly consistent with the seasonality declines witnessed in past years. Given the recent concerns over Fiscal Cliff-related uncertainties, consumers continue to show some apprehension and generally appear to be taking a wait and see approach to 2013. With this January release, CEA has also implemented a new survey sampling methodology switching from a landline only sample to a dual frame sample (landline and cell phone).

### The CEA Consumer Sentiment Indexes



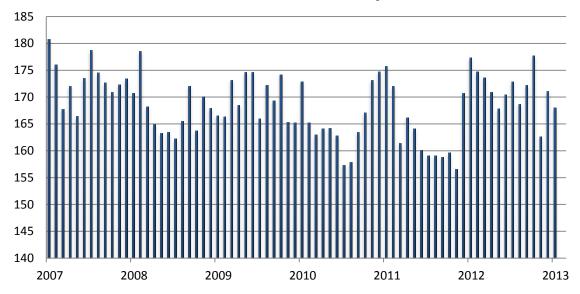
# **The CEA Index of Consumer Expectations**

The CEA Index of Consumer Expectations (ICE) measures consumer expectations about the broader economy. The index carries a maximum value of 300 and a minimum value of 100.

**Table 1: CEA Index of Consumer Expectations** 

| I ubic | Tuble 1. CERT index of Consumer Expectations |       |       |       |       |       |       |       |       |       |       |  |  |
|--------|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--|--|
|        | 2010   |       |       |       |       |       |       |       |       |       |       |  |  |
| Jan    | Feb  | Mar   | Apr   | May   | Jun   | Jul   | Aug   | Sept  | Oct   | Nov   | Dec   |  |  |
| 172.9  | 165.2  | 163.0 | 164.1 | 164.2 | 162.8 | 157.3 | 157.8 | 163,4 | 167.1 | 173.1 | 174.7 |  |  |
|        | 2011   |       |       |       |       |       |       |       |       |       |       |  |  |
| 175.7  | 172.0  | 161.4 | 166.2 | 164.1 | 160.1 | 159.1 | 158.8 | 156.8 | 159.6 | 156.6 | 170.7 |  |  |
|        | 2012   |       |       |       |       |       |       |       |       |       |       |  |  |
| 177.3  | 174.7  | 173.6 | 170.9 | 167.8 | 170.4 | 172.9 | 168.7 | 172.2 | 177.7 | 162.6 | 171.1 |  |  |
|        | 2013   |       |       |       |       |       |       |       |       |       |       |  |  |
| 168.0  |  |       |       |       |       |       |       |       |       |       |       |  |  |

## **CEA Index of Consumer Expectations**



- In January, the CEA Index of Consumer Expectations (ICE) declined by 3.5 percentage points, or roughly 1.8 percent.
- It is likely concerns and uncertainties around taxes and issues related to the Fiscal Cliff continue to weigh on overall consumer sentiment.

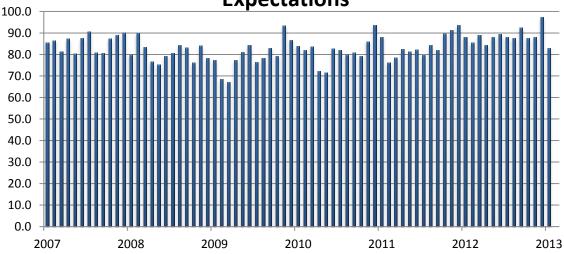
# The CEA Index of Consumer Technology Expectations

The CEA Index of Consumer Technology Expectations (ICE) measures consumer expectations about technology spending. The index carries a maximum value of 200 and a minimum value of zero.

**Table 2: CEA Index of Consumer Technology Expectations (ICTE)** 

|      | Tuble 2. CERT index of Consumer Technology Expectations (1012) |      |      |      |      |      |      |      |      |      |      |  |  |
|------|--|------|------|------|------|------|------|------|------|------|------|--|--|
|      | 2010   |      |      |      |      |      |      |      |      |      |      |  |  |
| Jan  | Feb  | Mar  | Apr  | May  | Jun  | Jul  | Aug  | Sept | Oct  | Nov  | Dec  |  |  |
| 83.9 | 82.0   | 83.6 | 72.3 | 71.5 | 82.7 | 82.0 | 79.8 | 80.9 | 79.3 | 86.1 | 93.7 |  |  |
|      | 2011   |      |      |      |      |      |      |      |      |      |      |  |  |
| 88.1 | 76.2   | 78.5 | 82.4 | 81.2 | 82.2 | 79.8 | 84.4 | 81.9 | 89.6 | 91.2 | 93.6 |  |  |
|      |  |      |      |      | 20   | 12   |      |      |      |      |      |  |  |
| 88.0 | 85.6   | 88.9 | 84.4 | 88.2 | 89.5 | 88.1 | 87.5 | 92.4 | 87.7 | 88.0 | 97.3 |  |  |
|      | 2013   |      |      |      |      |      |      |      |      |      |      |  |  |
| 83.0 |  |      |      |      |      |      |      |      |      |      |      |  |  |





- In January, the CEA Index of Consumer Technology Expectations (ICTE) decreased 14.3 percentage points, or roughly 14.7 percent.
- In January consumers showed decreases in their willingness to spend on tech and their propensity to spend more on tech over the ensuing months consistent with post-holiday seasonality.

#### **About the CEA Consumer Sentiment Indexes**

The CEA Consumer Sentiment Indexes are published by the Consumer Electronics Association. The Indexes are published monthly on the fourth Tuesday of each month. The survey data are collected each month by random-digit-dial for 1,000 respondents and weighted to be representative of the U.S. population.

For an in-depth analysis of the methodology used in the CEA Consumer Sentiment Index see the whitepaper "The CEA Consumer Sentiment Indexes."

### **About CEA**

The Consumer Electronics Association (CEA) is the preeminent trade association promoting growth in the \$186 billion U.S. consumer electronics industry. More than 2,200 companies enjoy the benefits of CEA membership, including legislative advocacy, market research, technical training and education, industry promotion and the fostering of business and strategic relationships. CEA also sponsors and manages the International CES – Where Entertainment, Technology and Business Converge.

### **Appendix I: Composition of the CEA Index of Consumer Expectations**

The CEA Index of Consumer Expectations is derived from three components – Expectations for the U.S. Economy, Expectations for the Job Market, and Expectations for Personal Financial Health. The CEA Index of Consumer Technology Expectations is derived from two components – Expectations for Purchasing CE and Expectations for Purchasing More CE.

Table 3: Expectations for the U.S. Economy

| I unic | Table 5. Expectations for the C.S. Economy |      |          |      |      |      |      |      |      |      |      |  |  |
|--------|--|------|----------|------|------|------|------|------|------|------|------|--|--|
|        | 2009                                       |      |          |      |      |      |      |      |      |      |      |  |  |
| Jan    | Feb  | Mar  | Apr      | May  | Jun  | Jul  | Aug  | Sept | Oct  | Nov  | Dec  |  |  |
| 41.2   | 38.7                                       | 44.1 | 43.7     | 46.8 | 47.8 | 42.7 | 43.7 | 44.8 | 42.1 | 38.2 | 41.3 |  |  |
|        | 2010                                       |      |          |      |      |      |      |      |      |      |      |  |  |
| 41.5   | 37.8                                       | 36.7 | 37.8     | 36.8 | 36.0 | 32.6 | 33.8 | 38.4 | 38.0 | 40.5 | 39.8 |  |  |
|        | 2011                                       |      |          |      |      |      |      |      |      |      |      |  |  |
| 42.3   | 38.3                                       | 35.7 | 32.6     | 37.2 | 34.3 | 32.6 | 30.8 | 32.8 | 29.6 | 31.0 | 35.0 |  |  |
|        | 2012                                       |      |          |      |      |      |      |      |      |      |      |  |  |
| 41.9   | 40.1                                       | 39.8 | 36.4     | 37.0 | 37.0 | 36.5 | 37.4 | 42.1 | 43.1 | 37.8 | 38.3 |  |  |
|        | 2013                                       |      |          |      |      |      |      |      |      |      |      |  |  |
| 36.0   |  |      | <u>'</u> |      |      |      |      |      |      |      |      |  |  |

**Table 4: Expectations for the Job Market** 

|      | 2000 |      |      |      |      |      |      |      |      |      |      |  |  |
|------|------|------|------|------|------|------|------|------|------|------|------|--|--|
| 2009 |      |      |      |      |      |      |      |      |      |      |      |  |  |
| Jan  | Feb  | Mar  | Apr  | May  | Jun  | Jul  | Aug  | Sept | Oct  | Nov  | Dec  |  |  |
| 80.5 | 82.6 | 78.8 | 78.5 | 78.2 | 77   | 77.5 | 81.4 | 76.2 | 81.9 | 78.0 | 78.0 |  |  |
|      | 2010 |      |      |      |      |      |      |      |      |      |      |  |  |
| 81.0 | 80.9 | 80.1 | 79.1 | 81.2 | 81.0 | 79.2 | 79.2 | 80.6 | 84.1 | 84.9 | 84.0 |  |  |
|      | 2011 |      |      |      |      |      |      |      |      |      |      |  |  |
| 82.0 | 85.4 | 80.9 | 83.8 | 77.8 | 80.2 | 82.0 | 79.8 | 80.8 | 83.8 | 81.4 | 85.4 |  |  |
|      |      |      |      |      | 20   | 12   |      |      |      |      |      |  |  |
| 82.9 | 83.3 | 82.6 | 82.7 | 82.8 | 82.4 | 84.5 | 83.2 | 81.9 | 84.8 | 79.5 | 84.4 |  |  |
|      | 2013 |      |      |      |      |      |      |      |      |      |      |  |  |
| 82.7 |      |      |      |      |      |      |      |      |      |      |      |  |  |

**Table 5: Expectations for Personal Financial Health** 

|      | 2009 |      |      |      |      |      |      |      |      |      |      |  |  |
|------|------|------|------|------|------|------|------|------|------|------|------|--|--|
| Jan  | Feb  | Mar  | Apr  | May  | Jun  | Jul  | Aug  | Sept | Oct  | Nov  | Dec  |  |  |
| 44.9 | 45.1 | 50.2 | 46.4 | 49.6 | 49.8 | 45.7 | 47.1 | 48.3 | 50.1 | 49.0 | 45.9 |  |  |
|      | 2010 |      |      |      |      |      |      |      |      |      |      |  |  |
| 50.5 | 46.5 | 46.2 | 47.2 | 46.1 | 45.8 | 45.6 | 44.9 | 44.5 | 45.0 | 47.7 | 50.9 |  |  |
|      | 2011 |      |      |      |      |      |      |      |      |      |      |  |  |
| 51.4 | 48.3 | 44.8 | 49.8 | 49.2 | 45.7 | 44.4 | 48.2 | 43.1 | 46.3 | 44.2 | 50.3 |  |  |
|      |      |      |      |      | 20   | 12   |      |      |      |      |      |  |  |
| 52.5 | 51.3 | 51.3 | 51.9 | 48.0 | 51.1 | 51.9 | 48.1 | 48.2 | 49.7 | 45.3 | 48.4 |  |  |
|      | ·    |      | ·    |      | 20   | 13   |      |      |      |      |      |  |  |
| 49.3 |      |      |      |      |      |      |      |      |      |      |      |  |  |

Table 6: Expectations for Buying CE

| Table | Table 0. Expectations for Buying CE |      |      |      |      |      |      |      |      |      |      |  |  |
|-------|-------------------------------------|------|------|------|------|------|------|------|------|------|------|--|--|
|       | 2009                                |      |      |      |      |      |      |      |      |      |      |  |  |
| Jan   | Feb                                 | Mar  | Apr  | May  | Jun  | Jul  | Aug  | Sept | Oct  | Nov  | Dec  |  |  |
| 45.7  | 41.0                                | 40.6 | 45.1 | 46.5 | 49.6 | 45.4 | 45.6 | 49.7 | 48.1 | 54.3 | 52.5 |  |  |
|       | 2010                                |      |      |      |      |      |      |      |      |      |      |  |  |
| 50.0  | 48.7                                | 49.9 | 43.5 | 41.7 | 49.1 | 49.1 | 47.9 | 47.2 | 48.5 | 51.2 | 54.9 |  |  |
|       | 2011                                |      |      |      |      |      |      |      |      |      |      |  |  |
| 52.7  | 45.1                                | 46.3 | 49.0 | 48.9 | 50.8 | 48.3 | 52.7 | 51.7 | 54.8 | 53.5 | 56.4 |  |  |
|       |                                     |      |      |      | 20   | 12   |      |      |      |      |      |  |  |
| 53.2  | 50.8                                | 52.9 | 50.2 | 51.9 | 52.5 | 51.8 | 51.6 | 54.4 | 52.0 | 52.2 | 58.5 |  |  |
|       | 2013                                |      |      |      |      |      |      |      |      |      |      |  |  |
| 50.0  |                                     |      |      |      |      |      |      |      |      |      |      |  |  |

**Table 7: Expectations for Spending More on CE** 

|      | 2009 |      |      |      |      |      |      |      |      |      |      |  |  |
|------|------|------|------|------|------|------|------|------|------|------|------|--|--|
| Jan  | Feb  | Mar  | Apr  | May  | Jun  | Jul  | Aug  | Sept | Oct  | Nov  | Dec  |  |  |
| 31.6 | 27.5 | 26.6 | 32.3 | 34.5 | 34.8 | 31.2 | 32.6 | 33.4 | 31.2 | 39.2 | 34.3 |  |  |
| 2010 |      |      |      |      |      |      |      |      |      |      |      |  |  |
| 33.9 | 33.3 | 33.7 | 28.8 | 29.8 | 33.7 | 32.9 | 31.9 | 33.7 | 30.8 | 34.8 | 38.9 |  |  |
| 2011 |      |      |      |      |      |      |      |      |      |      |      |  |  |
| 35.4 | 31.1 | 32.3 | 33.4 | 32.3 | 31.4 | 31.4 | 31.7 | 30.8 | 34.8 | 37.8 | 37.2 |  |  |
|      |      |      |      |      | 20   | 12   |      |      |      |      |      |  |  |
| 34.8 | 34.7 | 36.0 | 34.2 | 36.2 | 37.0 | 36.3 | 35.8 | 38.0 | 35.7 | 35.8 | 38.8 |  |  |
|      | 2013 |      |      |      |      |      |      |      |      |      |      |  |  |
| 33.0 |      |      |      |      |      |      |      |      |      |      |      |  |  |

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