



Austria

How the Austrians saved in 2010

Since the 1980s, GfK Austria has been collecting information about which forms of investment are of most interest to the Austrians over the age of 15 years – irrespective of how they are actually taken up. To do this, 20,000 personal interviews are carried out annually with the analysis being undertaken on a quarterly basis.

There is a fundamental attitude of security which dominates in the question of capital investment. For Mr and Mrs Austria, the motto is “Safety first” when it comes to savings in general. Especially during and after turbulent times in the money markets it is the conservative forms of saving and investment which are usually to be found on an upward trend.

Savings bank book experiences a dramatic fall from favour

Since the turn of the millennium the savings bank book has been celebrating a renaissance. However, in 2010 it experienced a steady decline in its popularity amongst the Austrians (from 52% down to 44%) compared to the regular savings account with a building society or building and loan association (49%). The reasons for this are absolutely clear to Alexander Zeh, Client Services Director at GfK: “The uncertainty of the last 2 years amongst the broad spectrum of the population has simply disappeared. They now have enough confidence again to invest their money for the medium to longer term. And, in addition to that, the current interest rates to be had for the savings bank book engender very little enthusiasm amongst the majority of the population.”

The Comeback of the Building Society Saver

Whereas the building society regular savings account, which is so popular with the Austrians, had not really been able to make any gains from the crisis up to the early part of 2010, since the middle of that year it has staged an impressive comeback. Last year, barely half of the population (49%) indicated any interest in this traditional product. The competition for building society customer versus savings book saver has again been won by the building society account and has taken first position in the popularity stakes.

Insurances gaining ground

Insurance policies have also been able to profit from this resurgence in confidence in middle and longer term investments. This has resulted in the classical life assurance policies also showing noticeable gains (from 19% up to 23%) so that they have returned to the levels seen in 2008. Forms of pension provision with state bonuses were also able to demonstrate improved popularity in 2010 (19%). “Life assurance policies have been the number one provision product for the Austrians for many years. It is really not at all surprising that these products are able to profit from the fact that we are now seeing longer term investment again.” commented Zeh.

Bonds: first flickers of hope

Until the spring of last year the interest in investing in bonds and other securities had been falling away. There were then the first indications of a flicker of hope as a trend of increasing interest in investing in stocks, shares and investment funds could also be identified. Alexander Zeh: "Although we cannot assume that the top values of 2007 and before will be regained so quickly, here, too, there are also signs of an upwards trend in confidence on the part of the general population."

Gold makes gains again

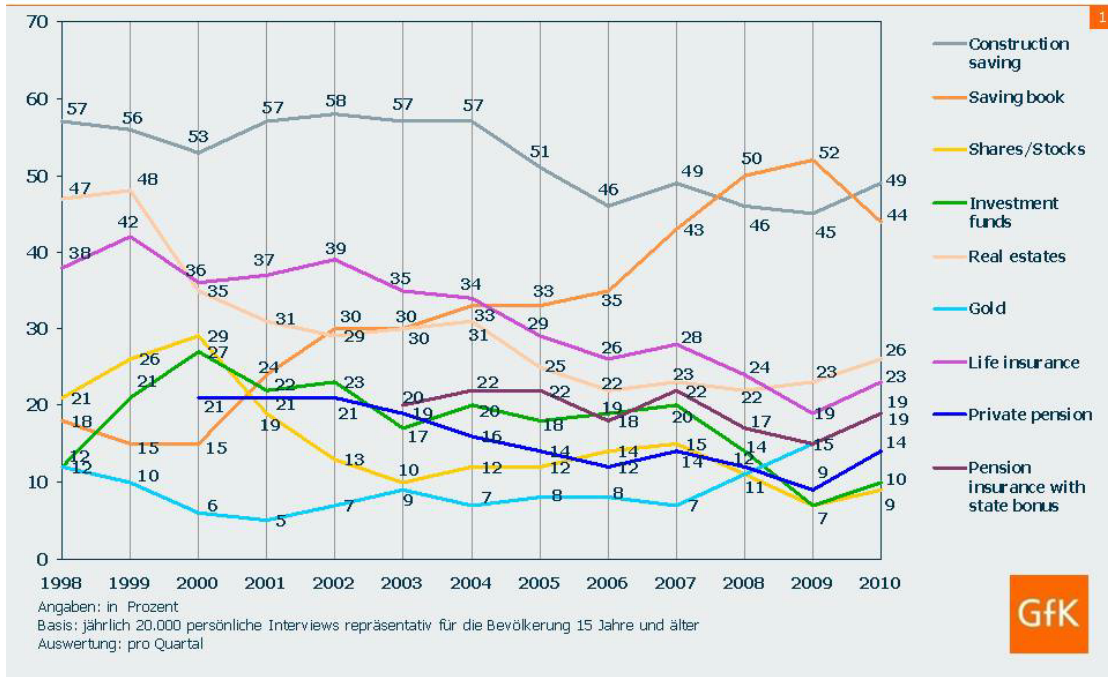
Surprisingly, the interest in investment in gold also remained at a high level: whereas in 2003 only 7% of Austrians expressed any interest in buying gold, in 2010 this figure has risen to a notable 19%. "Almost one in five Austrians thinks that investing in gold is of interest. This is surprising in that the interest in gold usually develops in a diametrically opposite direction to the interest in bonds and other securities. The Austrians appear to want to put something to one side more than ever, even if the cost of doing so is high."

In summary: even though classical investment formats are still preferred by the Austrians, middle and longer term forms of investment are beginning to come into the focus of interest. The ranking for the favoured forms of saving and investment in 2010 looks like this: Building Society account (49%), savings bank book (44%), purchase of own home (house or apartment) (29%), purchase of land (26%), life assurance policy (23%), pension provision with government bonus (19%) and gold (19%).

As a result of the sample size, which makes it possible to carry out a comprehensive sub-group analysis according to socio-demographic characteristics such as education level, professional sector and purchasing power, together with the continual modus of survey, the mood barometer Savings and Investments is able to provide a trend analysis extending over multiple years. Currently available: 4th quarter 2010 and Annual Report 2010 (20,000 interviews)

Trend 1998 – 2010

„Aside from how you actually save or invest money, which of these saving or investment possibilities do you currently consider as particularly interesting?“



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