

Russia

Crisis Behaviour

What to do with personal savings during the crisis?

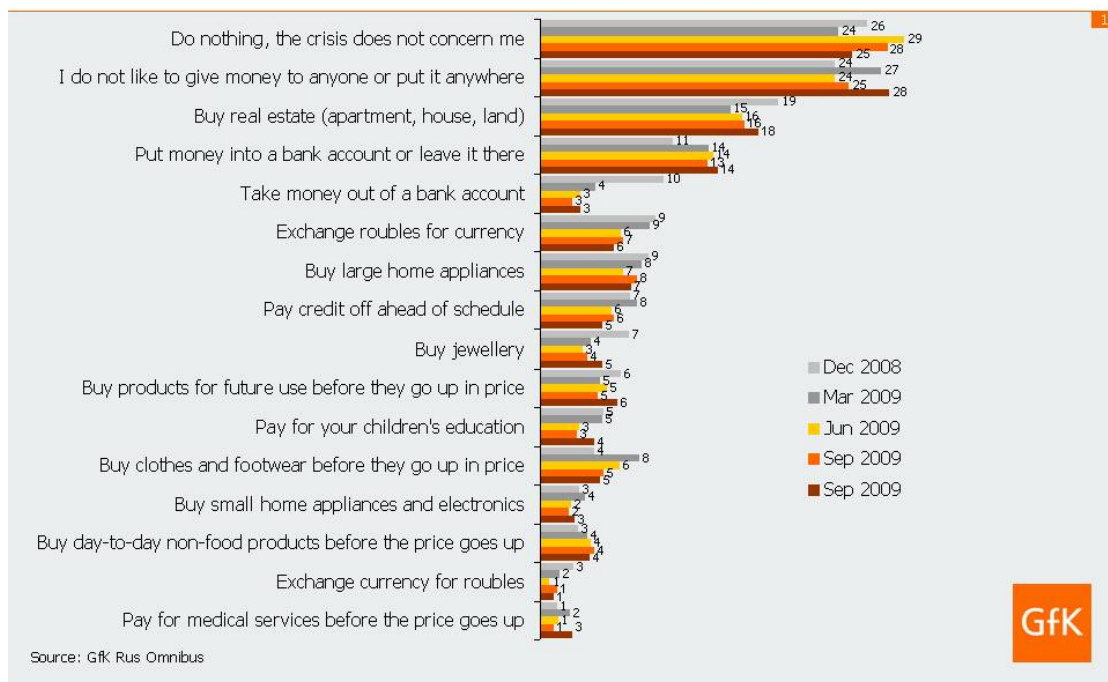
Over the whole of 2009, more than half of respondents showed a preference for two strategies in approximately equal numbers: "I prefer to give my savings to none and nowhere" or "Do nothing, the crisis does not concern me".

Gradually, alongside the falls in prices, the proportion of those who would like to buy property has risen from 15% in March to 18% in December, which is quite close to the figure seen in December 2008.

It could be said that, as a result of the crisis, the population has no stimulus to take their money out of their deposit accounts. High interest rates on deposits not only encourage saving but also lead to earnings on deposits in roubles which amount to more than 3% of annual income, taking inflation into account. It is no surprise that the proportion of those who intend either to open a deposit account or not to close an existing one remains stable.

Exchange transactions were not popular. During the year, the numbers wanting to exchange roubles for foreign currency fell from 9% to 6% and only about 1% of respondents are interested in exchanging foreign currency to roubles. A trend towards the purchase of jewellery can also be identified, with an increase over the half-year from 3% to 5% of respondents who are interested in doing this. In other respects there have been no significant changes in the financial strategies of the population.

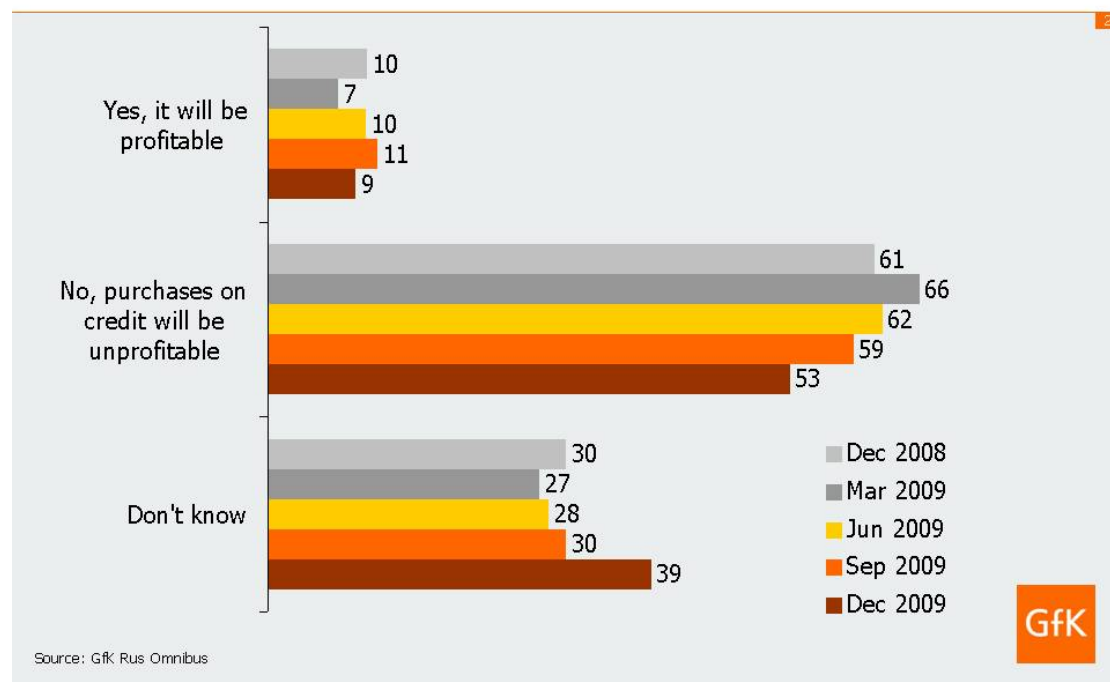
Effective action to preserve personal savings



## Purchase on credit during the crisis

After growth over two quarters in the numbers of those who think that it is beneficial to buy on credit, there was a decline to 9%. At the same time, the numbers of those who think that it is not beneficial to buy on credit continued to fall: from 66% in March to 53% in December. However, over the quarter there was a sharp increase in the proportion of respondents who found the question difficult to answer, from 30% to 39%. This means we are seeing great discrepancies, with the numbers of the definite minority of the population who think that it is a good idea and profitable to buy on credit falling with, on the other hand, the share of those who reject this same concept of profitability by buying now on credit also decreasing. The only increase is in the uncertainty in making a decision, and this will hardly favour growth in the consumer lending market in the near future. It is more likely that stagnation or weak growth is to be expected if this financial service is promoted more actively.

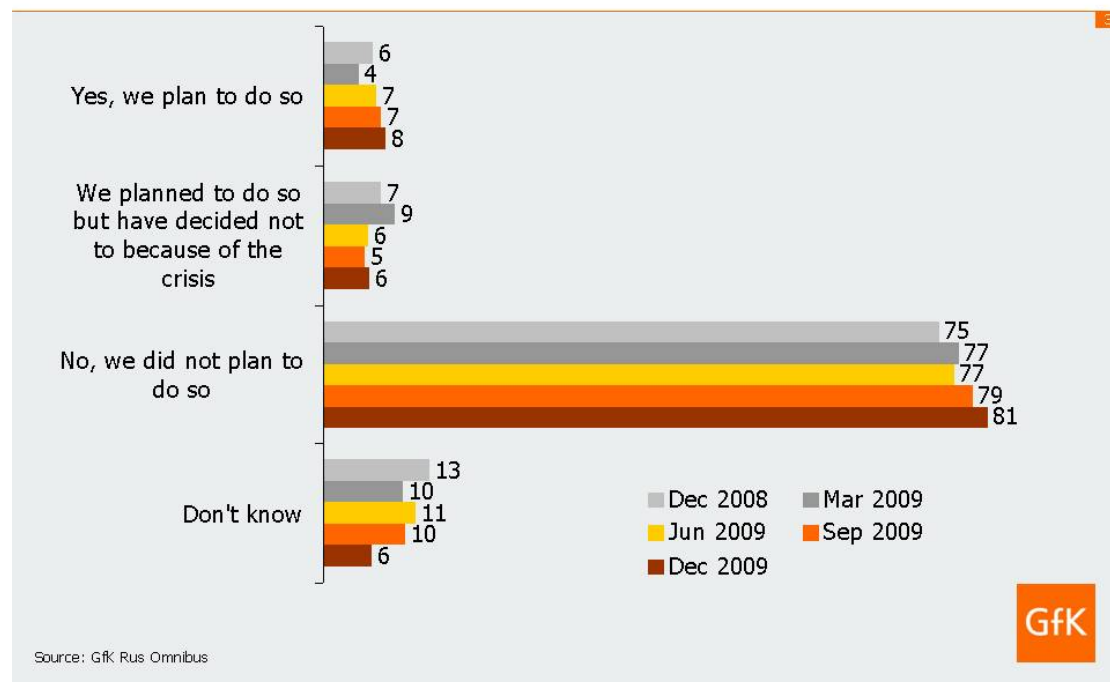
## Feasibility of using borrowed funds in the next 12 months



The responses to the question: "Do you or your family plan to purchase goods or services on credit during the next 12 months?" suggest that part of the population, at least, does not want to rule out the idea of buying on credit and there is a gradual increase in the proportion of respondents who plan to take out a loan to purchase goods or services, rising from 4% to 8% over three quarters. This is more than was found in the December 2008 survey.

The number of respondents who abandoned such intentions because of the crisis fell from its maximum level of 9% in March to 5-6% in the last two quarters of 2009. Here, again, we can see discrepancies in the trends, as the share of those who do not plan to purchase on credit rose from 75% to 81% over the year. This was partly due to falls in income on the part of the population and their uncertainty about their ability to pay off the loans but banks were also responsible for some bad influences on the situation through misleading advertising about this service, even to the extent that intervention by the market regulator was required with regard to the publication of the effective credit rate. It is very easy to lose a reputation, but it will be doubly difficult to restore it during the crisis. As a result, the consumer lending market is going to experience some difficult times.

### Intention of purchasing goods or services using borrowed funds in the next 12 months



#### Contact:

Alexandra Medvedeva  
 Researcher of GfK Rus Durables, Services and Business Research Department

#### **GfK-RUS**

Ryazansky prospect 8A  
 109428 Moscow  
 Russia

Tel. +7 (495) 9377222, ext. 1147

Fax +7 (495) 9377233

[alexandra.medvedeva@gfk.com](mailto:alexandra.medvedeva@gfk.com)

[www.gfk.ru](http://www.gfk.ru)