

Press release

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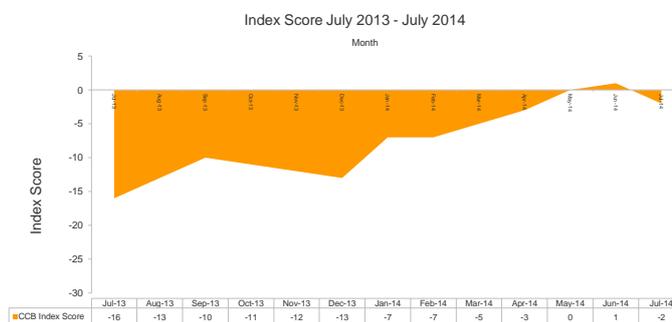
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July sees Consumer Confidence drop for the first time in six months

GfK's UK Consumer Confidence Index has decreased three points this month to -2. All five measures used to calculate the Index Score saw decreases this month.



Source: GfK Consumer Confidence Barometer on behalf of the European Commission (July 2014)

Nick Moon, Managing Director of Social Research at GfK, comments:
“No sooner had the Index crossed into positive territory last month – for the first time in nearly 10 years – than it fell back into the negative, standing this month at -2. All five of the component parts of the Index fell this month, with four-point drops in both the questions about the country’s general economic situation being particularly noticeable. The almost relentless rise of the last six months couldn’t continue indefinitely, and the government will be hoping this is just a temporary setback rather than the forerunner of a wider decline in confidence.”

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UK Consumer Confidence Measures – July 2014

The Overall Index Score has decreased by three points to -2 this month. All five measures saw decreases this month.

Measure	↑↔↓	July 2014	June 2014	July 2013
Overall Index Score	↓3	-2	1	-16
Personal Financial Situation over last 12 months	↓2	-11	-9	-16
Personal Financial Situation over next 12 months	↓1	2	3	0
General Economic Situation over last 12 months	↓4	-7	-3	-35
General Economic Situation over next 12 months	↓4	9	13	-9
Major Purchase Index	↓1	-3	-2	-21
Savings Index (commented on but not used in Index Score)	↓2	-9	-7	-14

Source: GfK Consumer Confidence Barometer on behalf of the European Commission (July 2014)

Personal Financial Situation

The index measuring changes in personal finances during the last 12 months has decreased two points this month to -11; this is five points higher than July 2013.

The forecast for personal finances over the next 12 months has decreased one point this month to 2; this is 2 points higher than this time last year.

General Economic Situation

The measure for the General Economic Situation of the country during the last 12 months has decreased four points this month to -7; this is 28 points higher than July 2013.

Expectations for the General Economic Situation over the next 12 months have decreased four points this month to 9; this is 18 points higher than this time last year.

Major Purchase Index

The Major Purchase Index has decreased one point this month to -3; this is 18 points higher than this time last year.

Savings Index

The Savings Index has decreased two points this month to -9, which is 5 points higher than July 2013.

- ENDS -

EDITOR'S NOTE: Please source all information to GfK.

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About the survey

- The UK Consumer Confidence Barometer is conducted by GfK on behalf of the EU, with similar surveys being conducted in each European country. In producing its own reports on the whole of Europe, the EU applies a seasonal adjustment to the data, to smooth out any changes that are functions at least in part of the time of year.
- Historically, the UK data **have not** been seasonally adjusted in this way, and to maintain comparability, GfK continues **not** to apply this adjustment. This can lead to situations where the EU figures show different movements in a particular month from those produced by GfK. Individual months may be affected, but the long term trend is not.
- The UK Consumer Confidence Survey from GfK was conducted amongst a sample of 2001 individuals aged 16+ on behalf of the European Commission.
- Quotas are imposed on age, sex, region and social class to ensure the final sample is representative of the UK population.
- Interviewing was carried out during 1st – 15th July 2014.
- The figures contained within the Consumer Confidence Barometer have an estimated margin of error of +/-2%.
- Results for the Consumer Confidence Barometer are normally available on the last working day of each month at 00.05am; the release date for August is Friday 29th August 2014.

- **Any published material requires a reference to both GfK and the European Commission e.g. ‘Research carried out by GfK on behalf of the European Commission’.**
- This study has been running since 1974. Back data is available from 1996.
- The table below provides an overview of the questions asked to obtain the individual index measures:

Personal Financial Situation (Q1/Q2)	This index is based on the following questions to consumers: How has the financial situation of your household changed over the last 12 months? Q2 ‘How do you expect the financial position of your household to change over the next 12 months?’(a lot better – a little better – stay(ed) the same –a little worse - a lot worse)
General Economic Situation (Q3/Q4)	This index is based on the following questions to consumers: ‘How do you think the general economic situation in this country has changed over the last 12 months?’ ‘How do you expect the general economic situation in this country to develop over the next 12 months?’ (a lot better – a little better – stay(ed) the same – a little worse - a lot worse)
Major Purchase Index (Q8)	This index is based on the following question to consumers: ‘In view of the general economic situation, do you think now is the right time for people to make major purchases such as furniture or electrical goods?’ (right time – neither right nor wrong time – wrong time)
Savings Index (Q10)	This Savings index is based on the following question to consumers: ‘In view of the general economic situation do you think now is?’ (a very good time to save – a fairly good time to save – not a good time to save – a very bad time to save) (Commented on but not included in the Index score)

About GfK

GfK is one of the world’s largest research companies, with around 13,000 experts working to discover new insights into the way people live, think and shop, in over 100 markets, every day. GfK is constantly innovating and using the latest technologies and the smartest methodologies to give its clients the clearest understanding of the most important people in the world: their customers. In 2012, GfK’s sales amounted to €1.51 billion. In December 2012 GfK won the coveted award for ‘Best Research Agency with a turnover over £20m’ in the UK by the Market Research Society. To find out more, visit www.gfk.com or follow GfK on Twitter: https://twitter.com/GfK_en

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