

Press release

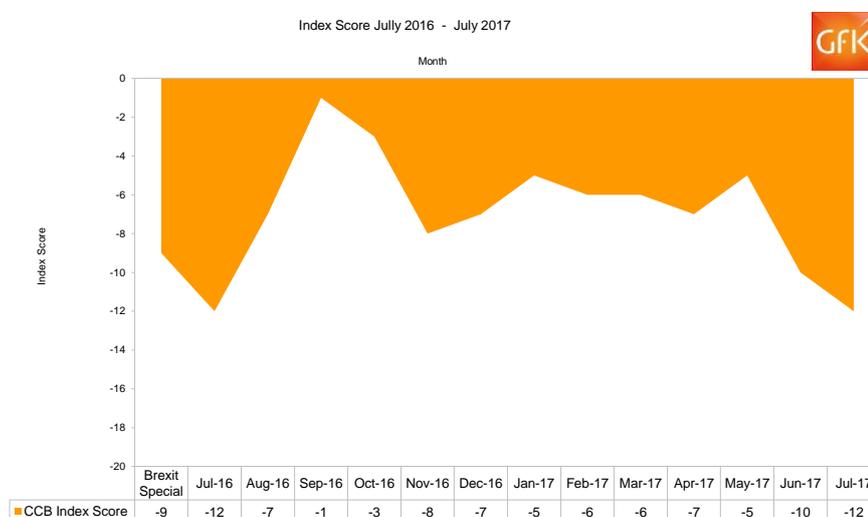
July 28th 2017

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UK Consumer Confidence decreases a further two points in July – back to post Brexit low of July 2016

- **Expectations for the UK’s general economy over next 12 months drop five points**

GfK’s long-running Consumer Confidence Index decreased two points to -12 in July. Four of the five measures decreased this month.



Joe Staton, Head of Market Dynamics at GfK, says: “Consumer confidence across the UK has fallen to the level last seen in the immediate aftermath of the Brexit vote. The economic picture across the UK remains confusing and this mood is reflected in the Overall Index Score, which is down by five points. It’s the sharp drop in confidence about the UK’s general economy – both looking back one year and ahead one year – that is driving the fall. While there’s a small bounce in consumer views of personal finance looking ahead, that’s the only measure that’s up. All bets must now be on a further drift downwards in confidence. Yes, employment is booming, but wages have fallen in real terms since 2008 once inflation is taken into account. And while consumers have increased borrowing to carry on spending, the household savings ratio is now at a record low. If Brexit negotiations continue to deliver more questions than answers, it’s unlikely the Overall Index Score will find any tailwinds for some time.”

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UK Consumer Confidence Measures – July 2017

The Overall Index Score in July is -12. Four of the five constituent measures decreased this month with the biggest drop arising from the general economic situation.

Measure	↑↔↓	July 2017	June 2017	May 2017	July 2016
Overall Index Score	↓2	-12	-10	-5	-12
Personal Financial Situation over last 12 months	↓1	-2	-1	2	-1
Personal Financial Situation over next 12 months	↑2	2	0	4	-1
General Economic Situation over last 12 months	↓6	-31	-25	-20	-25
General Economic Situation over next 12 months	↓5	-28	-23	-21	-33
Major Purchase Index	↓2	-1	1	9	-2
Savings Index (commented on but not used in Overall Index Score)	↑1	5	4	5	1

Personal Financial Situation

The index measuring changes in personal finances during the last 12 months has decreased by one point this month to -2; this is one point lower than this time last year.

The forecast for personal finances over the next 12 months has increased two points this month to +2; this is three points higher than July 2016.

General Economic Situation

The measure for the General Economic Situation of the country during the last 12 months has decreased six points to -31; this is six points lower than July 2016.

Expectations for the General Economic Situation over the next 12 months have decreased five points this month to -28; this is five points higher than July 2016.

Major Purchase Index

The Major Purchase Index has decreased two points this month to -1; this is one point higher than July 2016.

Savings Index

The Savings Index has increased one point to +5; this is four points higher than July 2016.

- 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 2000 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 July 1st – 15th 2017.
- 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 00.01am (unless the final working day of a month is a Monday, in which case the results are published on the Friday preceding the final working day). The release date for August 2017 is Thursday 31st August 2017.
- **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)	<p>This index is based on the following questions to consumers: ‘How has the financial situation of your household changed over the last 12 months?’</p> <p>‘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)</p>
General Economic Situation (Q3/Q4)	<p>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?’</p> <p>‘How do you expect the general economic situation in this country to develop over the next 12 months?’</p> <p>(a lot better – a little better – stay(ed) the same – a little worse - a lot worse)</p>
Major Purchase Index (Q8)	<p>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?’</p> <p>(right time – neither right nor wrong time – wrong time)</p>
Savings Index (Q10)	<p>This 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)</p> <p>(Commented on but not included in the Index Score)</p>

About GfK

GfK is the trusted source of relevant market and consumer information that enables its clients to make smarter decisions. More than 13,000 market research experts combine their passion with GfK’s long-standing data science experience. This allows GfK to deliver vital global insights matched with local market intelligence from more than 100 countries. By using innovative technologies and data sciences, GfK turns big data into smart data, enabling its clients to improve their competitive edge and enrich consumers’ experiences and choices.

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