

Press release

Consumer Confidence Index still in negative territory at -1

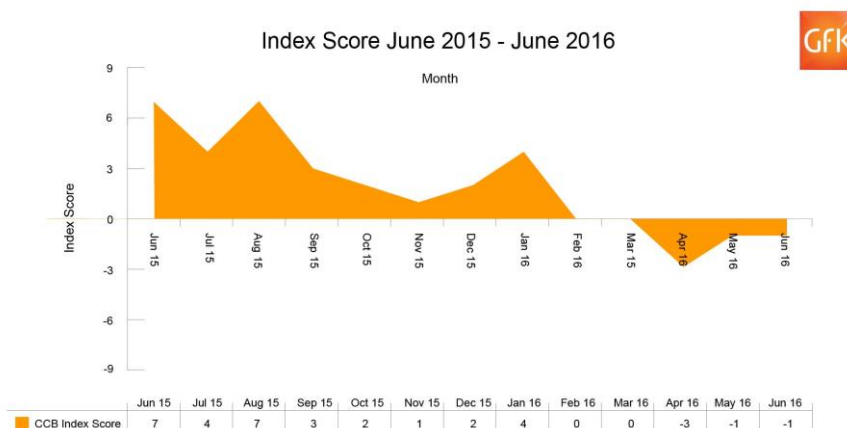
GfK's long-running Consumer Confidence Index remained the same in June at -1. Two of the measures used to calculate the Index saw increases this month, with one measure showing a decrease and the remaining two measures staying the same.

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Press Contact:

Stuart Ridsdale
0208 891 2870 /
07790 951229
stuart@greenfields
communications.com

www.gfk.com



Source: GfK Consumer Confidence Barometer on behalf of the European Commission (June 2016)

Joe Staton, Head of Market Dynamics at GfK, says:

“This month’s GfK Consumer Confidence Index is based on interviewing carried out in the first two weeks of the month, as is the case every month. So our current data – using interviews from between June 1st and June 15th – clearly does not yet provide insights into how the major impact of the EU Referendum result has changed consumer sentiment.

“Nevertheless, one trend that continued in the run up to the referendum is a deepening pessimism over the general economic situation. As we approached voting day, this was already 18 points lower than in June 2015 and it’s almost certain we’ll see this worsening when next month’s results are in. Before the referendum there was an uptick in confidence about personal finances, and as of mid-June this measure was more positive than 12 months ago. But once again it is difficult to see this holding up.

“In these extraordinary consumer circumstances, all bets are off until we all know more. We can expect plenty of volatility in consumer confidence at least until Brexit negotiations are underway. The longer term mood will then depend on how smoothly those negotiations go.”

UK Consumer Confidence Measures – June 2016

GfK UK Limited
25 Canada Square
Canary Wharf
London E14 5LQ

Tel +44 (0)20 7890 9000
Fax +44 (0)20 7890 9001
www.gfk.com

Place of registration:
England and Wales

Company number:
2512551

Registered office:
GfK UK Limited
25 Canada Square
Canary Wharf
London E14 5LQ

The Overall Index Score has stayed the same this month at -1.

Measure	↑↔↓	June 2016	May 2016	April 2016	June 2015
Overall Index Score	↔	-1	-1	-3	7
Personal Financial Situation over last 12 months	↑2	6	4	3	4
Personal Financial Situation over next 12 months	↑1	8	7	7	5
General Economic Situation over last 12 months	↔	-13	-13	-14	4
General Economic Situation over next 12 months	↓1	-14	-13	-14	4
Major Purchase Index	↔	9	9	5	16
Savings Index (commented on but not used in Index Score)	↑1	5	4	5	4

Source: GfK Consumer Confidence Barometer on behalf of the European Commission (June 2016)



Personal Financial Situation

The index measuring changes in personal finances during the last 12 months has increased by two points this month to +6; this is also two points higher than June 2015.

The forecast for personal finances over the next 12 months has increased by one point this month to +8; this is three 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 stayed the same this month at -13; this is 17 points lower than June 2015.

Expectations for the General Economic Situation over the next 12 months have decreased by one point to -14 in June; this is 18 points lower than June 2015.

Major Purchase Index

The Major Purchase Index has stayed the same this month at +9; this is seven points lower than this time last year.

Savings Index

The Savings Index is one point higher this month at +5; which is one point higher than June 2015.

- ENDS -

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

For further details or to arrange an interview, please contact Stuart Ridsdale at Greenfields Communications E: stuart@greenfieldscommunications.com
Tel: 0208 891 2870 / 07790 951229 OR Lucy Green
E: lucy@greenfieldscommunications.com Tel: 07817 698366

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 1st – 15th June 2016.
- 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 July 2016 is Friday 29th July 2016.
- **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.

Responsible under press legislation: Marketing, GfK, Natasha Fernando, 25 Canada Square, Canary Wharf, London, E14 5LQ Natasha.fernando@gfk.com