

Press release

Economic uncertainty clouds consumer confidence

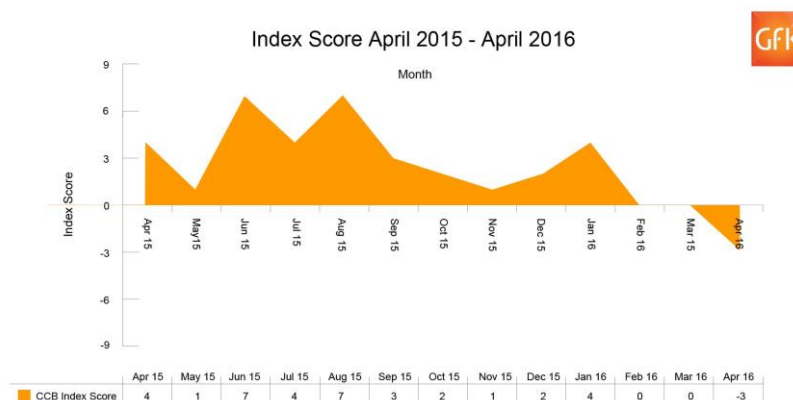
Index tumbles into negative territory for the first time in 15 months

Date 30th April 2016

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GfK's long-running Consumer Confidence Index dropped three points in April to -3. All of the measures used to calculate the Index saw decreases this month.



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

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

“Mixed-messages about a post-Brexit world and the on-going Eurozone crisis are casting a cloud over our economy. After a continuous 15-month showing of positive numbers in the barometer, April 2016 sees the UK drop back into negative territory with a -3 score. The biggest dent to confidence comes from consumers’ depression about the general economic situation in the UK for the next year, dropping 20 points in 12 months. Against this backdrop, even faith in our personal economic fortunes has taken a battering contributing to the overall fall in the numbers. Trends in confidence show our degree of optimism about the state of the economy and this indicator will make for interesting reading between now and the EU referendum on June 23rd.”

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UK Consumer Confidence Measures – April 2016

The Overall Index Score has dropped three points this month to -3.

Measure	↑↔↓	Apr 2016	Mar 2016	Feb 2016	Apr 2015
Overall Index Score	↓3	-3	0	0	4
Personal Financial Situation over last 12 months	↓1	3	4	5	0
Personal Financial Situation over next 12 months	↓2	7	9	8	7
General Economic Situation over last 12 months	↓4	-14	-10	-10	3
General Economic Situation over next 12 months	↓2	-14	-12	-12	6
Major Purchase Index	↓6	5	11	12	6
Savings Index (commented on but not used in Index Score)	↑7	5	-2	-2	-2

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



Personal Financial Situation

The index measuring changes in personal finances during the last 12 months has decreased by one point to +3; this is three points higher than April 2015.

The forecast for personal finances over the next 12 months has decreased by two points to +7 this month; this is the same as this time last year.

General Economic Situation

The measure for the General Economic Situation of the country during the last 12 months has decreased by four points this month to -14; this is 17 points lower than April 2015.

Expectations for the General Economic Situation over the next 12 months have decreased by two points to -14 this month; this is 20 points lower than April 2015.

Major Purchase Index

The Major Purchase Index has decreased six points this month to 5; this is one point lower than this time last year.

Savings Index

The Savings Index is seven points higher this month at 5; which is also seven points higher than April 2015.

- 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 2002 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 April 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 May 2016 is Friday 27th May 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?’ (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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