

Press release

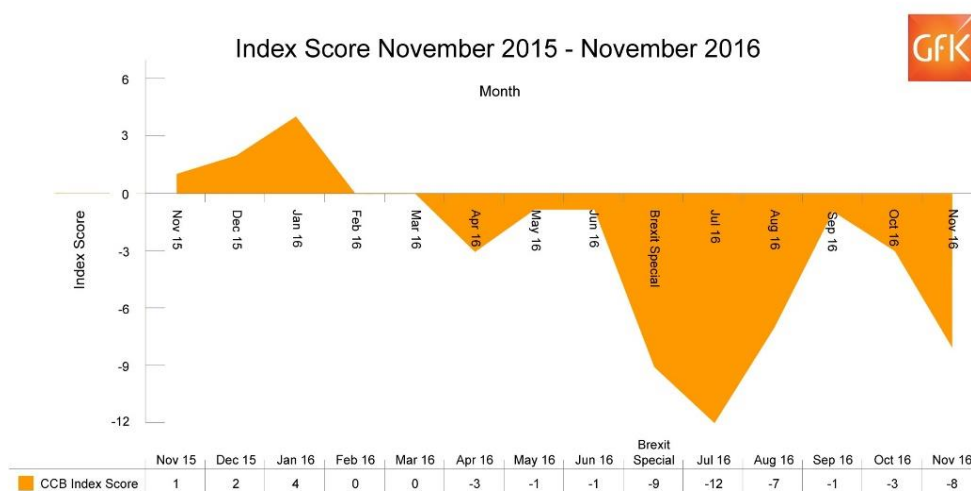
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Consumer Confidence Index drops five points

Growing fears about economy in coming 12 months

London, November 30, 2016 – GfK’s long-running Consumer Confidence Index has decreased by five points this month to -8. All five of the measures in the Index saw decreases in November.



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

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

“The slump across the board this month points to continuing uncertainty about the state of the economy among consumers. Although scores for our personal financial situation just about remain positive, the big theme is the reduced confidence in the UK economy looking back and ahead. We are viewing our economy over the past 12 months with increasing despondency. The decreasing score on the economy for the next 12 months also shows we are resolutely gloomy about the outlook despite strong GDP numbers. The ‘next 12 months’ figure has been low since the June vote to leave the EU as ongoing economic turmoil, inflationary pressures and global anxiety impact our levels of confidence. And is this gloomy mood also affecting spending intentions? Despite recent strong retail sales, we are reporting a sharp -9 point drop in the Major Purchase Index this month and this will be an acute concern for retailers as they gear-up for the key Christmas selling period. Many are saying that fears about the British economy have been overstated, but time will tell if the pessimism shown in the Index is misplaced or not.”

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UK Consumer Confidence Measures – November 2016

The Overall Index Score has decreased five points this month to -8. All five of the measures saw decreases in November.

Measure	↑↔↓	Nov 2016	Oct 2016	Sept 2016	Nov 2015
Overall Index Score	↓5	-8	-3	-1	1
Personal Financial Situation over last 12 months	↓2	1	3	2	1
Personal Financial Situation over next 12 months	↓4	2	6	7	6
General Economic Situation over last 12 months	↓6	-25	-19	-16	-6
General Economic Situation over next 12 months	↓5	-22	-17	-9	-6
Major Purchase Index	↓9	5	14	9	9
Savings Index (commented on but not used in Index Score)	↓2	-11	-9	-9	1

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



Personal Financial Situation

The index measuring changes in personal finances during the last 12 months has decreased by two points this month to +1; this is the same level as last year.

The forecast for personal finances over the next 12 months has decreased by four points this month to +2; this is also four points lower than November 2015.

General Economic Situation

The measure for the General Economic Situation of the country during the last 12 months has decreased six points this month to -25; this is 19 points lower than November 2015.

Expectations for the General Economic Situation over the next 12 months have decreased five points to -22 this month; this is 16 points lower than November 2015.

Major Purchase Index

The Major Purchase Index has decreased nine points this month to +5; this is four points lower than this time last year.

Savings Index

The Savings Index has decreased two points to -11; this is 12 points lower than November 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 2039 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 November 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 00.01am (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 December is Thursday 22nd December 2016.
- The timing in December is different owing to the Christmas holiday: results for the Consumer Confidence Barometer in December are available a few days before Christmas Eve.
- **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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