

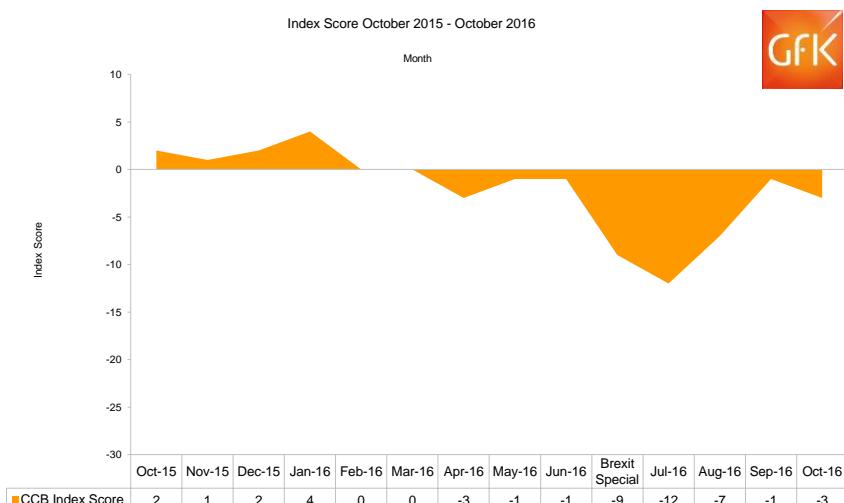
Press release

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Consumer Confidence Index drops two points But consumers say they are not afraid to spend

London, October 28, 2016 – GfK's long-running Consumer Confidence Index has decreased by two points this month to -3. Two of the measures in the Index saw increases and three of the measures saw decreases in October.



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

"Declining optimism about economic prospects for the wider UK economy has depressed the consumer mood this month. Despite the continuing feel-good factor arising from persistent low interest and inflation rates, sterling's sharp decline is arguably stoking fears that price rises will hit UK living standards hard next year. However, views on the state of our personal financial situation for the past year and next continue to remain positive (when comparing with 2015 levels), underlining that we feel more optimistic about situations we can control. This month also continues the upward trend on spending intentions with high levels of agreement in the Major Purchase Index. This shows that many consumers agree now is the right time for people to spend. So, with Black Friday approaching and Christmas trading already underway, will the remainder of 2016 see halcyon days for retailing? Are we gearing up to shop now and pay later amid concerns over rising high street prices?"

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UK Consumer Confidence Measures – October 2016

The Overall Index Score has decreased two points this month to -3. Two of the measures saw increases in October, with the remaining three measures decreasing.

Measure	↑↔↓	Oct 2016	Sept 2016	August 2016	Oct 2015
Overall Index Score	↓2	-3	-1	-7	2
Personal Financial Situation over last 12 months	↑1	3	2	0	4
Personal Financial Situation over next 12 months	↓1	6	7	4	6
General Economic Situation over last 12 months	↓3	-19	-16	-23	-5
General Economic Situation over next 12 months	↓8	-17	-9	-22	-4
Major Purchase Index	↑5	14	9	7	7
Savings Index (commented on but not used in Index Score)	↔	-9	-9	-15	2

Personal Financial Situation

The index measuring changes in personal finances during the last 12 months has increased by one point this month to +3; this is one point lower than October 2015.

The forecast for personal finances over the next 12 months has decreased by one point this month to +6; this is the same level as last year.

General Economic Situation

The measure for the General Economic Situation of the country during the last 12 months has decreased three points this month to -19; this is 14 points lower than October 2015.

Expectations for the General Economic Situation over the next 12 months have decreased eight points to -17 this month; this is 13 points lower than October 2015.

Major Purchase Index

The Major Purchase Index has increased five points this month to +14; this is seven points higher than this time last year.

Savings Index

The Savings Index has stayed at the same level in October at -9; this is 11 points lower than October 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 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 October 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 November is Wednesday 30th November 2016.
- The timing in December is different owing to the Christmas holiday: results for the Consumer Confidence Barometer in December are normally 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)	This index is based on the following questions to consumers: 'How has the financial situation of your household changed over the last 12 months?' '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 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 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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