

Press release

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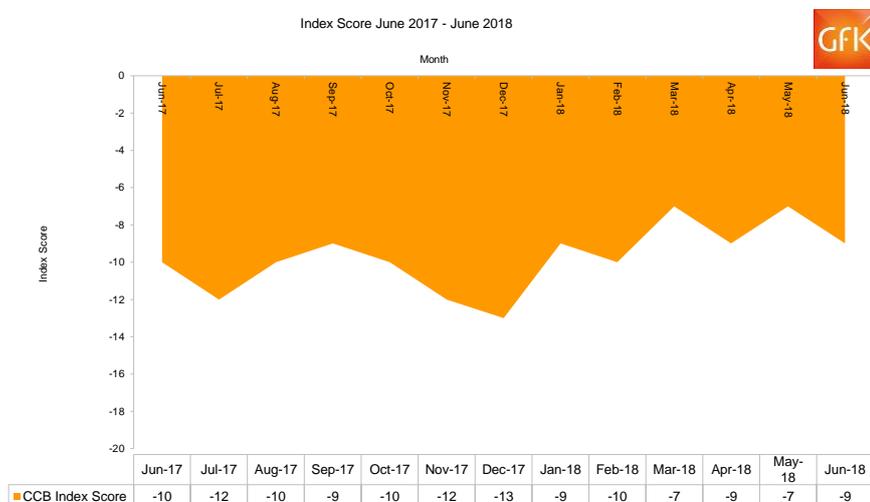
UK Consumer Confidence drops two points to -9 in June

June 29th 2018

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Consumers in pre-Brexit UK are less confident about the economy and seem set on self-imposed austerity

GfK's long-running Consumer Confidence Index decreased two points in June 2018. All five measures were lower.



Joe Staton, Client Strategy Director at GfK, says:

“Consumers are yet again feeling less upbeat as is evident from the two-point drop in the Overall Index Score this month. We are reporting falls across all key measures. Scores on personal finance are down but there is a more marked deterioration in our levels of optimism about the general state of the economy, with the verdicts on the past year and the coming year each tumbling four points. When will the strong jobs market and low interest rates boost the economic mood? That’s the key to confidence increasing more generally. Meanwhile, with Britain’s hard-pressed retail sector very much in the news, there is little comfort in the one-point drop to zero in the Major Purchase Index. Shoppers are holding on to their cash and consumers in general seem set on their path of self-imposed austerity. The Overall Index Score has now registered at zero or negative for 30-months. Contrast that with 2015 – when there was a full year of positive numbers. The trend since those 2015 figures has been resolutely downwards and it’s difficult to see the direction changing in the run-up to the UK leaving the European Union in March 2019.”

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UK Consumer Confidence Measures – June 2018

The Overall Index Score in June 2018 is -9. All five measures decreased in June.

Measure	↑↔↓	June 2018	May 2018	Apr 2018	June 2017
Overall Index Score	↓2	-9	-7	-9	-10
Personal Financial Situation over last 12 months	↓1	0	1	-1	-1
Personal Financial Situation over next 12 months	↓2	6	8	4	0
General Economic Situation over last 12 months	↓4	-28	-24	-29	-25
General Economic Situation over next 12 months	↓4	-25	-21	-24	-23
Major Purchase Index	↓1	0	1	3	1
Savings Index (commented on but not used in Overall Index Score)	↑1	8	7	10	4

Personal Financial Situation

The index measuring changes in personal finances during the last 12 months has decreased one point this month to 0; this is one point higher than this time last year.

The forecast for personal finances over the next 12 months has decreased two points to +6 this month; this is six points higher than June 2017.

General Economic Situation

The measure for the General Economic Situation of the country during the last 12 months has decreased four points to -28; this is three points lower than June 2017.

Expectations for the General Economic Situation over the next 12 months have decreased four points to -25; this is two points lower than June 2017.

Major Purchase Index

The Major Purchase Index has decreased one point this month to 0; this is one point lower than June 2017.

Savings Index

The Savings Index has increased one point to +8 in June; this is four points higher than this time last year.

- 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 among a sample of 2,001 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 June 1st – 15th 2018.
- 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 July 2018 is Tuesday 31st July 2018.
- **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

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