

## Press release

### UK Consumer Confidence drops one point in February to -10

February 28<sup>th</sup> 2018

Stuart Ridsdale

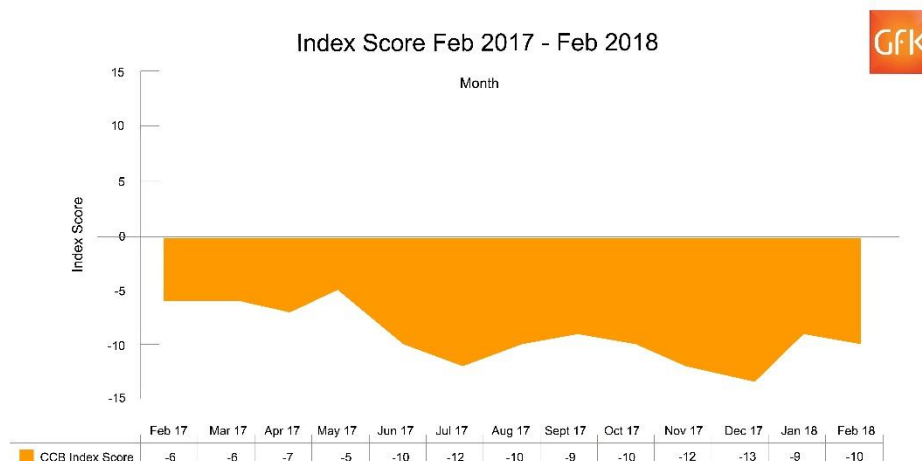
T + 44 7790 951229

stuart@greenfields

communications.com

**Overall Index Score has bounced between zero and -13 since February 2016**

**GfK's long-running Consumer Confidence Index dropped one point in February 2018. Three of the five measures decreased in February, one stayed at the same level and one increased.**



Source: GfK Consumer Confidence Barometer on behalf of the European Commission (Feb 2018)

Joe Staton, Head of Experience Innovation UK at GfK, says: “Ongoing concerns about sluggish household income, rising prices paid by consumers in the shops, and the prospect of inflation-busting council tax and interest rate hikes has dented confidence after last month’s surprising rally. The two-year trend of negative sentiment – the Overall Index Score has bounced between zero and -13 since February 2016 – proves consumers feel pessimistic about the state of household finances and the wider UK economy. Shoppers continue to rein in spending, witnessed by the drop in the Major Purchase Index and the gloomy start to 2018 for many retailers. Despite positive news about upgraded growth forecasts, and the promise of higher wage increases this year, confidence will remain subdued until we feel the positive impact on our purses. Consumers have good reason to feel jittery and depressed.”

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

T +44 20 7890 9000

F +44 20 7890 9001

[www.gfk.com](http://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

## UK Consumer Confidence Measures – February 2018

The Overall Index Score in February 2018 is -10. Three of the five measures decreased in February, one stayed at the same level and one increased.

Measure	↑↔↓	Feb 2018	Jan 2018	Dec 2017	Feb 2017
Overall Index Score	↓1	-10	-9	-13	-6
Personal Financial Situation over last 12 months	↑1	0	-1	-3	1
Personal Financial Situation over next 12 months	↓1	5	6	2	3
General Economic Situation over last 12 months	↔	-29	-29	-31	-21
General Economic Situation over next 12 months	↓2	-26	-24	-28	-20
Major Purchase Index	↓1	0	1	-4	5
Savings Index <small>(commented on but not used in Overall Index Score)</small>	↑2	12	10	4	-4

### Personal Financial Situation

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

The forecast for personal finances over the next 12 months has decreased one point to +5 this month; this is two points higher than February 2017.

### General Economic Situation

The measure for the General Economic Situation of the country during the last 12 months has stayed at -29; this is eight points lower than February 2017.

Expectations for the General Economic Situation over the next 12 months have decreased two points to -26; this is six points lower than this time last year.

### Major Purchase Index

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

### Savings Index

The Savings Index has increased two points to +12 in February; this is 16 points higher than this time last year.

- 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](mailto:stuart@greenfieldscommunications.com)  
Tel: 07790 951229 OR  
Lucy Green E: [lucy@greenfieldscommunications.com](mailto: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 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 February 1<sup>st</sup> – 15<sup>th</sup> 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 March 2018 is Thursday 29<sup>th</sup> March 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:

<b>Personal Financial Situation (Q1/Q2)</b>	<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>
<b>General Economic Situation (Q3/Q4)</b>	<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>
<b>Major Purchase Index (Q8)</b>	<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>
<b>Savings Index (Q10)</b>	<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><b>(Commented on but not included in the Index Score)</b></p>

### About GfK

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Responsible under press legislation:  
 Marketing, GfK  
 Ben Murphy  
 25 Canada Square  
 Canary Wharf, London E14 5LQ  
[ben.murphy@gfk.com](mailto:ben.murphy@gfk.com)