

Press release

UK Consumer Confidence increases four points in January to -9

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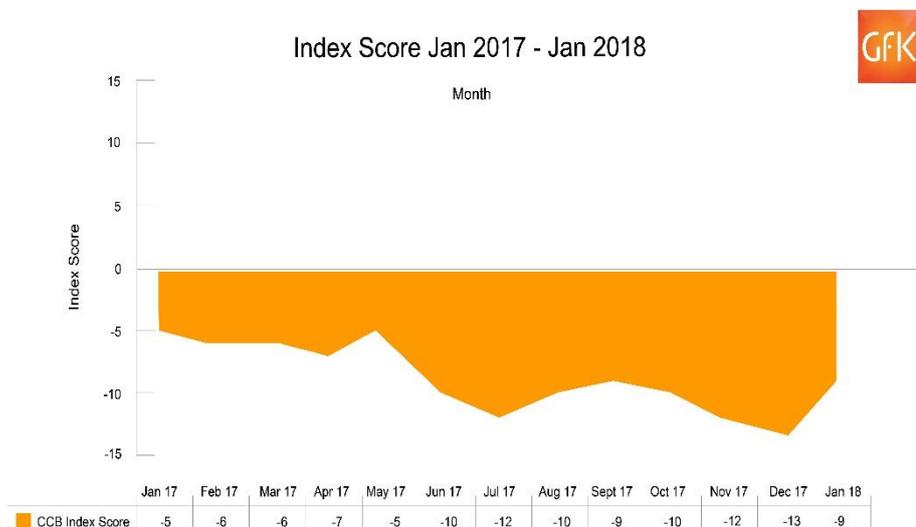
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2018 kicks off on surprisingly upbeat note

GfK's long-running Consumer Confidence Index increased by four points in January 2018. All five measures increased in January.



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

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

“Having survived Christmas, New Year, the January Sales and Blue Monday, bullish Brits report a more upbeat view of their financial prospects for 2018 this month. From expectations for their personal financial situation to the outlook for the UK economy and major purchase index, we are reporting a rebound in levels of optimism across the board after two years of the Overall Index Score sitting at zero or in negative territory. However, standing at -9, the Index is still lower than this time last year (-5), and still in negative territory, and in the absence of good news about rising wages and declining inflationary pressures, this off-trend number could be a temporary blip rather than a strong sign of recovery. With 2018 still in it's infancy, and with a great deal of uncertainty in store, there could be more turbulence in the consumer mood this year and next. Watch this space.”

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UK Consumer Confidence Measures – January 2018

The Overall Index Score in January 2018 is -9. All five measures used to calculate the Index saw increases in January 2018, with the largest increase occurring in the Major Purchase Index, which is up five points.

Measure	↑↔↓	Jan 2018	Dec 2017	Nov 2017	Jan 2017
Overall Index Score	↑4	-9	-13	-12	-5
Personal Financial Situation over last 12 months	↑2	-1	-3	-1	3
Personal Financial Situation over next 12 months	↑4	6	2	2	7
General Economic Situation over last 12 months	↑2	-29	-31	-32	-24
General Economic Situation over next 12 months	↑4	-24	-28	-28	-23
Major Purchase Index	↑5	1	-4	-3	10
Savings Index <small>(commented on but not used in Overall Index Score)</small>	↑6	10	4	8	-2

Personal Financial Situation

The index measuring changes in personal finances during the last 12 months has increased two points this month to -1; this is four points lower than this time last year.

The forecast for personal finances over the next 12 months has increased four points to +6 this month; this is one point lower than January 2017.

General Economic Situation

The measure for the General Economic Situation of the country during the last 12 months has increased two points to -29; this is five points lower than January 2017.

Expectations for the General Economic Situation over the next 12 months have increased four points to -24; this is one point lower than this time last year.

Major Purchase Index

The Major Purchase Index has increased five points this month to +1; this is nine points lower than January 2017.

Savings Index

The Savings Index has increased six points to +10 in January; this is 12 points higher than January 2017.

- 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 January 1st – 15th 2017.
- 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 February 2018 is Wednesday February 28th 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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