

Press release

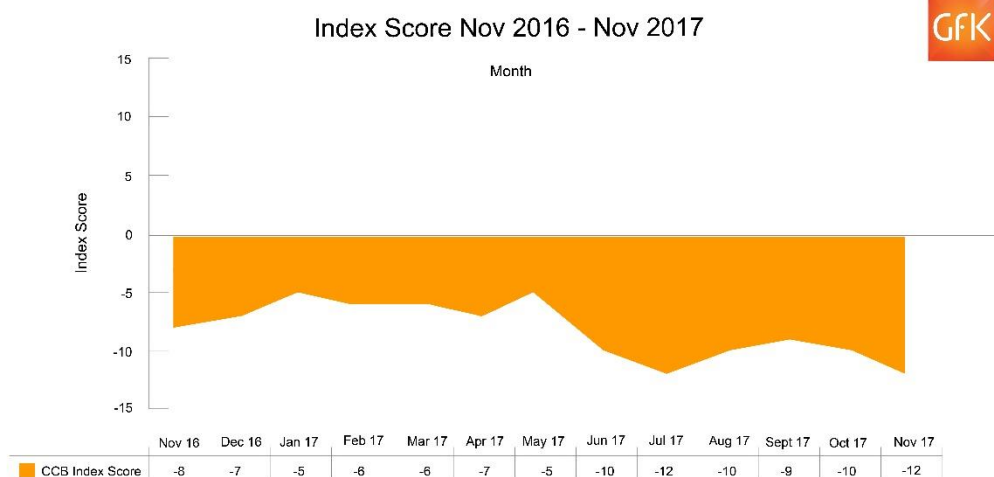
UK Consumer Confidence tumbles two points in November to -12

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No festive cheer as index notches up 20 consecutive months in negative territory

GfK's long-running Consumer Confidence Index decreased by two points to -12 in November. All five measures used to calculate the score fell in November, with the biggest drop occurring in the Major Purchase Index (down 6 points).



Source: GfK Consumer Confidence Barometer on behalf of the European Commission (Nov 2017)

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

“Sadly, there’s no festive cheer in this month’s Consumer Confidence Index. This is the second time this year that consumer confidence has matched the worrying -12 score seen in July 2016 after the Brexit vote. This is also the 20th consecutive month where the Overall Index score has come in at a negative value – that’s not good festive news. Household jitters following the recent interest rate hike, squeezed incomes, higher inflation, and economic uncertainty have dampened the consumer mood across the UK. Perhaps of most concern during this key Christmas trading period is the plunge in the Major Purchase Index (a sharp 6-point drop). Many retailers have been hit by the slowdown in consumer spending as households begin to feel the pinch and cut-back on their budgets. The confidence trajectory is unquestionably negative and sadly no amount of tinsel or baubles will change it. We need some big, positive economic good tidings to reverse this downwards trend – some snap we can put into our Christmas crackers. But where will the Index be next month?”

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UK Consumer Confidence Measures – November 2017

The Overall Index Score in November is -12. All five measures used to calculate the score fell in November, with the biggest drop occurring in the Major Purchase Index (down six points).

Measure	↑↔↓	Nov 2017	Oct 2017	Sept 2017	Nov 2016
Overall Index Score	↓ 2	-12	-10	-9	-8
Personal Financial Situation over last 12 months	↓ 1	-1	0	-1	1
Personal Financial Situation over next 12 months	↓ 2	2	4	4	2
General Economic Situation over last 12 months	↓ 3	-32	-29	-28	-25
General Economic Situation over next 12 months	↓ 2	-28	-26	-24	-22
Major Purchase Index	↓ 6	-3	3	1	5
Savings Index <small>(commented on but not used in Overall Index Score)</small>	↑ 5	8	3	3	-11

Personal Financial Situation

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

The forecast for personal finances over the next 12 months has decreased to +2 this month; this is at the same level as November 2016.

General Economic Situation

The measure for the General Economic Situation of the country during the last 12 months has decreased three points to -32; this is seven points lower than November 2016.

Expectations for the General Economic Situation over the next 12 months have decreased two points this month to -28; this is six points lower than this time last year.

Major Purchase Index

The Major Purchase Index has decreased six points this month to -3; this is eight points lower than November 2016.

Savings Index

The Savings Index has increased to +8 in November; this is 19 points higher than November 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 1998 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 November 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 December 2017 is Thursday 21st December 2017.
- **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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