

Press release

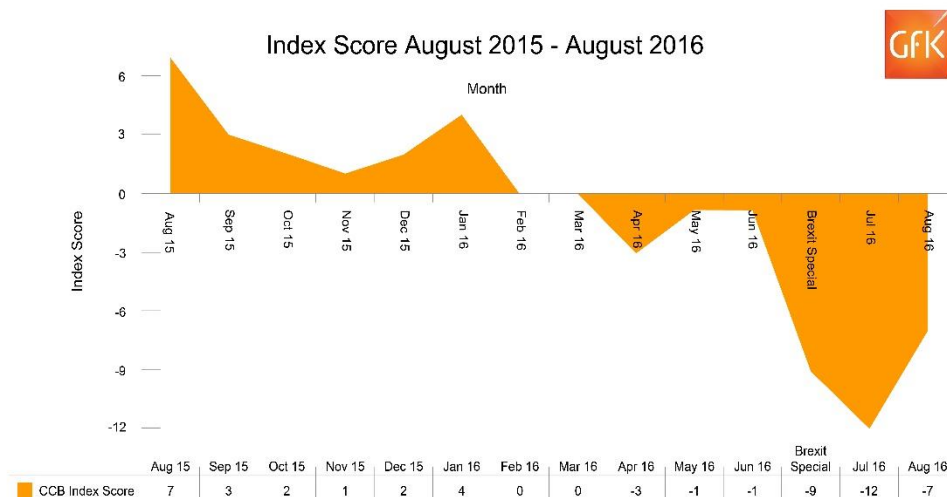
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Consumer Confidence Index rises five points after recent Brexit falls

Brits carry on shopping as motivation to save collapses

London, August 31, 2016 – GfK’s long-running Consumer Confidence Index has increased by five points this month to -7. All five measures used to calculate the Index saw increases.



Source: GfK Consumer Confidence Barometer on behalf of the European Commission (August 2016)

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

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"We're reporting some recovery in the Index this month as consumers settle into the new wait-and-see reality of a post-Brexit, pre-exit UK. The uptick in confidence is driven by good news from hard data, the combination of historic low interest rates matched with falling prices and high levels of employment. This can be seen in positive growth across all major measures including both our Personal and General Economic situation for the next 12-months. And at +7 points (a jump of nine points from last month), the Major Purchase Index reflects strong retail figures. But more remarkable is the 16-point collapse in the Savings Index (down from +1 last month to -15). We Brits are clearly determined to carry on shopping for today rather than saving for tomorrow."

UK Consumer Confidence Measures – August 2016

The Overall Index Score has increased five points this month to -7. All measures used to calculate the index score went up.

Measure	↑↔↘	August 2016	July 2016	Brexit Special July 2016*	August 2015
Overall Index Score	↑5	-7	-12	-9	7
Personal Financial Situation over last 12 months	↑1	0	-1	3	3
Personal Financial Situation over next 12 months	↑5	4	-1	2	7
General Economic Situation over last 12 months	↑2	-23	-25	-19	3
General Economic Situation over next 12 months	↑11	-22	-33	-29	3
Major Purchase Index	↑9	7	-2	-3	17
Savings Index (commented on but not used in Index Score)	↓16	-15	1	9	2

*not part of the normal CCB Measure
Source: GfK Consumer Confidence Barometer on behalf of the European Commission (August 2016)

Personal Financial Situation

The index measuring changes in personal finances during the last 12 months has increased by one point this month to 0; this is three points lower than August 2015.

The forecast for personal finances over the next 12 months has increased by five points this month to +4; this is three points lower than this time last year.

General Economic Situation

The measure for the General Economic Situation of the country during the last 12 months has increased two points this month to -23; this is 26 points lower than August 2015.

Expectations for the General Economic Situation over the next 12 months have increased 11 points to -22 this month; this is 25 points lower than August 2015.

Major Purchase Index

The Major Purchase Index has increased nine points this month to +7; this is ten points lower than this time last year.

Savings Index

The Savings Index is 16 points lower this month at -15; which is 17 points lower than August 2015.

- 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 2000 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 – 1-16th August 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; the release date for September 2016 is Friday 30th September 2016.
- **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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