

Press release

Three weeks after the general election, UK Consumer Confidence decreases five points to -10

- Major Purchase measure plunges eight points
- Consumers worried about what the coming year will bring

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GfK's long-running Consumer Confidence Index decreased five points to -10 in June. All five measures decreased this month.



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

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

“This month’s survey covers the period before and after the UK general election and reveals a sharp drop in confidence among consumers across all measures. The Overall Index Score is just two points away from last year’s post-Referendum low of -12. We have falls this month reflecting negative sentiment about our personal financial situation and expectations for the wider economy. The scores on the general economic situation looking forward and back 12 months are now particularly weak. All this concern will worry the UK’s retailers, with this month’s plunge in the Major Purchase Index (down eight points) reflecting our increased caution over non-food spending and our softening appetite for debt. Strong consumer spending has propped up the economy since last June but now the twin pressures of higher prices and sluggish wage growth are squeezing household finances and adding to widespread fears of a Brexit-induced economic slowdown.”

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UK Consumer Confidence Measures – June 2017

The Overall Index Score in June is -10. All five constituent measures decreased this month with the biggest drop occurring in the Major Purchase Index.

Measure	↑↔↓	June 2017	May 2017	April 2017	June 2016
Overall Index Score	↓5	-10	-5	-7	-1
Personal Financial Situation over last 12 months	↓3	-1	2	1	6
Personal Financial Situation over next 12 months	↓4	0	4	2	8
General Economic Situation over last 12 months	↓5	-25	-20	-23	-13
General Economic Situation over next 12 months	↓2	-23	-21	-21	-14
Major Purchase Index	↓8	1	9	7	9
Savings Index (commented on but not used in Index Score)	↓1	4	5	1	5

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



Personal Financial Situation

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

The forecast for personal finances over the next 12 months has decreased four points this month to 0; this is eight points lower than June 2016.

General Economic Situation

The measure for the General Economic Situation of the country during the last 12 months has decreased five points to -25; this is 12 points lower than June 2016.

Expectations for the General Economic Situation over the next 12 months have decreased two points this month to -23; this is nine points lower than June 2016.

Major Purchase Index

The Major Purchase Index has decreased eight points this month to +1; this is eight points lower than June 2016.

Savings Index

The Savings Index has decreased one point to +4; this is one point lower than June 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 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 June 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 July 2017 is Friday 28th July 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

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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