

Press release

UK Consumer Confidence down one point in October

But Major Purchase Index up for third month running

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GfK's long-running Consumer Confidence Index slipped by one point to -10 in October. Both measures for the General Economic Situation decreased, while the measure for Personal Financial Situation over the last 12 months and the Major Purchase Index increased. The score for Personal Financial situation over the next 12 months stayed the same.



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

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

“It’s no surprise that the Overall Index Score continues to bump along in negative territory this month. As concerns about the wider economic prospects for the UK economy dampen our outlook, consumers are showing no real ‘get-up-and-go’. The tiny shift up a point in how we view our personal finances over the past year is counter-intuitive given rising living costs, an imminent interest rate rise, and the reality that we earn less in real terms in 2017 than in early 2006. Our enthusiasm for spending, as witnessed by the uptick in the Major Purchase Index, is more worrying than reassuring. Surging credit card use is fueling spending at the expense of our appetite for saving, which is growing at the slowest rate since the start of the 2008/2009 financial crisis. We are now entering the crucial Christmas trading season and it will be a testing time for retailers and consumers alike. Will consumers carry-on shopping or start to cut-back in the face of mounting pressure on our pockets?”

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UK Consumer Confidence Measures – October 2017

The Overall Index Score in October is -10. Two of the five measures increased, two decreased and one remained the same.

Measure	↑↔↓	Oct 2017	Sept 2017	August 2017	Oct 2016
Overall Index Score	↓1	-10	-9	-10	-3
Personal Financial Situation over last 12 months	↑1	0	-1	2	3
Personal Financial Situation over next 12 months	↔	4	4	5	6
General Economic Situation over last 12 months	↓1	-29	-28	-30	-19
General Economic Situation over next 12 months	↓2	-26	-24	-27	-17
Major Purchase Index	↑2	3	1	0	14
Savings Index <small>(commented on but not used in Overall Index Score)</small>	↔	3	3	6	-9

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 three points lower than this time last year.

The forecast for personal finances over the next 12 months has stayed at +4 this month; this is two points lower than October 2016.

General Economic Situation

The measure for the General Economic Situation of the country during the last 12 months has decreased one point to -29; this is 10 points lower than October 2016.

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

Major Purchase Index

The Major Purchase Index has increased two points this month to +3; this is 11 points lower than October 2016.

Savings Index

The Savings Index has stayed at +3 in October; this is 12 points higher than October 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 2043 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 October 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 November 2017 is Thursday 30th November 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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