

Press release

GB Inflation Watch

Nearly three out of four GB consumers think prices have risen over the past year and they expect more rapid rises to come

Nearly three out of four UK consumers (74%) surveyed in January 2017 think prices have risen over the past 12 months. This is 22 percentage points higher than a year ago.

The same percentage (74%) expect prices to rise in the coming 12 months, with this figure up 19 percentage points compared to January 2016.

More than one in three people surveyed (34%) said they expect future consumer price increases will happen “more rapidly” than the past 12 months. This is more than three times as many as the 11% that thought this in January 2016.

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Stuart Ridsdale
T + 44 7790 951229
stuart@greenfields
communications.com

GfK GB Inflation Watch: Perceptions of consumer prices past year / coming year			
	Consumer prices LAST 12 months?	Consumer prices NEXT 12 months?	
Month	Have risen ¹ %	Will increase generally ² %	Will increase more rapidly ³ %
January 2017	74	74	34
December 2016	74	74	34
June post- Brexit	53	69	31
June pre- Brexit	60	60	12
January 2016	52	55	11
Source: GfK GB Inflation Watch			

GfK UK Limited
25 Canada Square
Canary Wharf
London E14 5LQ

T +44 20 7890 9000
F +44 20 7890 9001
www.gfk.com

Place of registration:
England and Wales

Company number:
2512551

Registered office:
GfK UK Limited
25 Canada Square
Canary Wharf
London E14 5LQ

¹ Have risen (total of “have risen a lot + moderately + slightly”)

² Will increase generally (means: combined total of “will increase more rapidly + at the same rate + at a slower rate”)

³ Will increase more rapidly (means: only those saying “will increase more rapidly”)

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

“The fall in the value of the Pound since the Brexit vote has fuelled speculation among both business leaders and consumers alike that we will see accelerated price inflation filter through to the High Street this year. Consumers have already been hit by higher food and energy prices because the weakness of sterling is raising prices and reducing consumer spending power. This has affected a range of typical purchases from Marmite to Majorca summer holidays. A third (34%) of GB shoppers anticipate rapid rises across a wider range of goods will impact spending, making us all even savvier in comparing prices for every day purchase decisions. This is good news for brands that represent value-for-money in consumers’ hearts, wallets and minds, but does it mean tough times ahead for everyone else?”

Regional variations

While 34% of all respondents nationally expect consumer prices to increase **more rapidly**, the regional picture is different:

GfK GB Inflation Watch: regional variations		
	January 2017	January 2016
LONDON	45%	18%
SOUTH	34%	13%
MIDLANDS	34%	12%
NORTH	30%	7%
SCOTLAND	39%	10%
WALES	41%	5%
Source: GfK GB Inflation Watch		

Demographic variations

While 74% of all respondents expect consumer prices to increase generally, the findings for age, household income and gender are:

GB Inflation Watch: demographic variations				
Age	16-24	25-44	45-64	65+
	73%	70%	75%	80%
Household Income	Less than £14.5k	£14.5k to £24.9k	£25k to £49.9k	£50k+
	69%	75%	78%	75%
Gender	Male	Female		
	76%	73%		
Source: GfK GB Inflation Watch				

- ENDS -



EDITOR'S NOTE: Please source all information to GfK.

The survey questions were:

- 1) "How do you think consumer prices have developed over the LAST 12 months?" *Have risen a lot / moderately / slightly.*
- 2) "Compared to the past 12 months, how do you expect consumer prices will develop in the NEXT 12 months?" *Will increase more rapidly / at the same rate / at a slower rate.*

For further details or to arrange an interview, please contact Stuart Ridsdale at Greenfields Communications E: stuart@greenfieldscommunications.com
Tel: 07790 951229 OR
Lucy Green E: lucy@greenfieldscommunications.com Tel: 07817 698366

About GfK GB Inflation Watch

- The data in this press release comes from the Consumer Confidence Barometer conducted by GfK on behalf of the EU. The data is based on interviewing carried out between January 1st and 15th 2017.

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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Marketing, GfK
Ben Murphy
25 Canada Square
Canary Wharf, London E14 5LQ
ben.murphy@gfk.com