Consumers reign in spending as recession fears grow.

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London, 7 August 2008 - GfK NOPâ€™s latest Consumer Behaviour Monitor found that UK consumers are tightening their belts and spending less on food, leisure activities and holidays.

Â 42% have changed to buying supermarket own brands rather than branded goods and 28% have switched to a discount supermarket.
41% are going out to pubs or restaurants less.
38% have cut back on the amount of holiday travel they plan to do.

Soaring oil prices and general concerns about the environment have also led to a reduction in car travel and increased the attraction of public transport as an alternative.

50% of drivers have reduced the number of journeys they make by car;
21% of drivers are using public transport more rather than travel by car;

Driving this drop in spending is the continued downward spiral of UK consumer confidence, which is now at an all time low. The GfK NOP Consumer Confidence Index2 has dropped by a further 5 points in July to -39, which is the lowest level ever recorded. In particular, peopleâ€™s confidence in their own personal finances over the coming 12 months has dropped by 9 points to a new low of -18, a massive 31 points down on this time last year.

Donna Culverwell in the Consumer Confidence team at GfK NOP comments,
"The Index score has dropped again this month and is now at its lowest level since the survey began in 1974. At -39, this is 4 points lower than in March 1990 when the UK was heading into the grip of the last recession. With the cost of living still on the increase, the housing market in a depression and reports of possible further increases in energy prices, levels of confidence amongst consumers are not surprisingly low, especially amongst women or those over the age of 50. There seems to be little sign of any relief either; with the growing spectre of the UK going into recession, people are pessimistic and concerned about their future â€“ as shown by the biggest drop this month being seen in peopleâ€™s confidence in their own personal financial situation over coming twelve months.â€•