Gold Medals Helping UK Confidence?

Contributed by GfK NOP
Monday, 27 October 2008
Last Updated Sunday, 04 January 2009

2008Â

The GfK NOP Index has shown a small improvement, rising three points to -36, but still 32 points lower than August last year.Â

Consumerâ€™s perception of their personal financial situation has improved for both the last and the next twelve months.

Confidence in the UK economy over the next 12 months also showed a small improvement.

Rachael Joy in the Consumer Confidence team at GfK NOP commented:

â€œWe have seen a small improvement in Consumer Confidence in August, but this should not be seen as a turnaround in core sentiment. This improvement could be down to a number of recent factors, which are mostly of short-term influence, such as cheaper petrol offers, summer holidays happening or just a general feeling of â€œthings canâ€™t get any worse can they?â€•. In particular, winning gold medals in the Olympics seems to have had a lifting effect. When we looked at the Index score before and after the Olympic weekend, the score rose 3 points between the first and second weekend. This, combined with summer holiday euphoria, may have helped lift consumersâ€™ perceptions of their personal situation and the general economy.â€•

In GfK NOPâ€™s separate Consumer Behaviour1 Monitor for August, we see a continuing trend of UK consumers finding ways to save money in these hard times.

And although oil prices have fallen back in recent weeks, the UK motorist is still feeling the pinch, and looking to reduce the amount they use their car.

UK Consumer Confidence Measures â€“ August 2008
The overall index score this month has increased three points to -36, thirty-two points lower than this time last year. This increase has been caused by a rise across three of the five measures. The annual moving average has dropped to -20.Â
Â
Â
Personal Financial Situation
The index measuring changes in personal finances during the last year has increased by four points to a score of -16; this is eighteen points lower than this time last year. This remains at levels not been seen since Spring â€™95.

The forecast for personal finances over the next year has risen six points to a score of -12. This is twenty-four points lower than this time last year. This level has not been seen since Summer â€™94.

General Economic Situation
The measure for the general economic situation of the country during the last twelve months remained the same as last month with a score of â€“69; this is a massive forty-four points lower than this time last year. This score has not been this low since December â€™92 when it was -67.

Expectations for the general economic situation over the next twelve months have increased by five points to -47; thirty-two points lower than this time last year. This score is the lowest on record for this measure (GfK NOP data held since 1982).

Climate for Major Purchases
The major purchases measure has fallen by one point, from -37 to -38; this is forty-two points lower than this time last year. This score remains at its lowest on record for this measure (GfK NOP data held since 1982).Â

Savings Index
The â€˜now is a good time to saveâ€™ Index, has risen by one point to +21, this is twenty-one points lower than this time last year.Â Â
Â