July Sees Further Drop In UK’s Consumer Confidence

Contributed by GfK NOP
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The GfK NOP Consumer Confidence Index has dropped five points this month to -30, with decreases seen across all five measures.

Nick Moon, Managing Director of GfK NOP Social Research, comments:
"Consumer confidence has shown the second major fall in a row, returning to the depths of the first quarter of this year. Itâ€™s becoming clear that Mayâ€™s positive surge was the exception rather than the norm, as we return to -30 â€“ wiping out almost all of Mayâ€™s rise. Before this year, the index has only twice been lower in its 37-year history: during the recessions of early 1990 and mid-2008.

"All five elements of the index have fallen this month. What will concern the Government most is that the biggest drop of 9 points was in peopleâ€™s expectations of the performance of the economy over the next 12 months. When combined with peopleâ€™s pessimistic expectations for their own finances over the next year, retailers can expect tough conditions to persist for a while yet â€“ threatening an already fragile recovery."

UK Consumer Confidence Measures â€“ July 2011
The overall index score this month has decreased five points to -30, eight points lower than this time last year. All five measures decreased this month. The annual moving average drops one point to -24.

Personal Financial Situation
The index measuring changes in personal finances during the last twelve months has decreased five points this month to -25; this is eleven points lower than this time last year.

The forecast for personal finances over the next twelve months has decreased by four points this month to -12; this is six points lower than July â€™10.

General Economic Situation
The measure for the general economic situation of the country during the last twelve months has decreased by seven points to â€“57; nine points lower than this time last year.

An expectation for the general economic situation over the next twelve months has decreased by nine points to -27, two points lower than July â€˜10.

Climate for Major Purchases
The major purchases measure has decreased by four points to -31; which is fifteen points lower than this time last year.

Savings Index
The â€˜now is a good time to saveâ€™ Index, has increased two points to -7, which is five points lower than July â€™10.

About the survey
- The UK Consumer Confidence Survey from GfK NOP was conducted amongst a sample of 2,000 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 1st â€“ 10th July 2011.

- 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; the release date for August is Wednesday 31st August 2011.

Any published material requires a reference to both GfK NOP and the European Commission e.g. â€˜Research carried out by GfK NOP on behalf of the European Commissionâ€™.

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:

The GfK Group
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