October Sees A fall In UK’s Consumer Confidence

Contributed by GfK NOP
Monday, 31 October 2011
Last Updated Monday, 31 October 2011

The GfK NOP Consumer Confidence Index has decreased two points this month to -32.

Nick Moon, Managing Director of GfK NOP Social Research, comments:
â€œThe latest index shows consumer confidence at its 10th lowest figure since it began in 1974. In fact, it is only the third occasion in its history that it has breached -32. On both previous occasions - June 2008 and March 1990 - consumer confidence was entering periods of sustained weakness and the UK economy was going into recession.

â€œAt this point in time, consumers' outlook is becoming increasingly
pessimistic about the UK s general economic situation over the coming year. Additionally, the climate for major purchases has worsened,suggesting the government can't rely on people spending their way out of the double-dip recession that is likely to be on the horizon.â€•

UK Consumer Confidence Measures â€“ October 2011
The overall index score this month has increased by two points to -32, thirteen points lower than this time last year. Three of the measures saw decreases this month, and two measures staying at the same levels as September 2011. The annual moving average drops one point to -27.

Personal Financial Situation
The index measuring changes in personal finances during the last twelve months has stayed the same this month at -24; this is eleven points lower than this time last year.

The forecast for personal finances over the next twelve months has stayed the same this month at -10; this is eight points lower than October 10.

General Economic Situation
The measure for the general economic situation of the country during the last twelve months has decreased four points this month at -62; nineteen points lower than this time last year.

An expectation for the general economic situation over the next twelve months has decreased by four points to -31, eleven points lower than October â€ž10.

Climate for Major Purchases
The major purchases measure has decreased four points this month to -32; which is seventeen points lower than this time last year.

Savings Index
The â€žnow is a good time to save Index, has increased four points to -10, which is four points lower than October 10.

About the survey
- The UK Consumer Confidence Barometer is conducted by GfK NOP 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 NOP 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 NOP. Individual months may be affected, but the long term trend is not.

- 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 30th September â€“ 9th October 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 November is Wednesday 30th November 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:

About GfK NOP
For more information please visitÂ http://www.gfknop.com/

The GfK Group
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28 October 2011