

January Sees A Rise In UK's Consumer Confidence

Contributed by GfK NOP
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The GfK NOP Consumer Confidence Index has increased four points this month to -29.

Nick Moon, Managing Director of GfK NOP Social Research, comments:

“The four point improvement in the Index this month is surprising in light of the fall in GDP and possible slide back into recession. However, despite this, a few rays of light have started to reach long-suffering consumers, including falling inflation and the recent reduction in energy prices.

The Index is sometimes subject to non-economic influences, and the uplift may simply reflect a hangover from the Christmas feelgood factor. If this is true, we should be on the look-out over the next few months for a possible bounce from the Olympics as well.

However, it's worth remembering that while the Royal Wedding last April triggered a sharp rise in consumer confidence, it dissipated completely within a few months. Consumer confidence is still seriously depressed and we should treat this month's modest improvement with caution.

Should February show another rise then we may be seeing signs that the gloom is dispelling “ until then we should treat January's findings as good, but certainly not great, news.”

UK Consumer Confidence Measures “ January 2012

The overall index score this month has increased four points to -29, the same level as January 2011. All five measures saw increases this month. The annual moving average drops one point to -29.

Personal Financial Situation

The index measuring changes in personal finances during the last twelve months has increased this month to -22; this is four points lower than this time last year.

The forecast for personal finances over the next twelve months has increased one point to -9; this is three points higher than January '11.

General Economic Situation

The measure for the general economic situation of the country during the last twelve months has increased four points this month to -58; four points lower than this time last year.

An expectation for the general economic situation over the next twelve months has increased by eight points to -33, three points lower than January '11.

Climate for Major Purchases

The major purchases measure has increased nine points this month to -22; which is seven points higher than this time last year.

Savings Index

The 'now is a good time to save' Index, has increased one point to -11, which is six points lower than January '11.

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 6th – 15th January 2012.
- 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 February 2012 is Wednesday 29th February 2012.
- Any published material requires a reference to both GfK NOP and the European Commission e.g. “Research carried out by GfK NOP on behalf of the European Commission”™.
- This study has been running since 1974. Back data is available from 1996.

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