August Sees No Change To The UK’s Consumer Confidence

Contributed by GfK
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Nick Moon, Managing Director of Social Research at GfK, comments:
â€œConfidence has never been so low for so long â€“ even during the dark days of the 2008-2009 recession. Unlike last yearâ Royal Wedding which boosted consumer confidence, there has been no spike to consumer sentiment following the Olympics. While the lack of a Games boost is disappointing, the true story may be even more disturbing for the Government â€“...

namely, that there has been an Olympic uplift but it has been cancelled out by the grim economic outlook. When mixed with grim sales figures from the last month it paints a worrying picture for retailers as they head towards Autumn. Itâ€™s clear that consumer confidence is trapped in a spiral of depression and it doesnâ€™t look like improving any time soon."

UK Consumer Confidence Measures â€“ August 2012 The overall index score has stayed the same this month at -29. Three of the five measures saw increases this month, with the remaining two measures decreasing. The annual moving average stays the same at -30.

Personal Financial Situation
The index measuring changes in personal finances during the last twelve months has increased two points this month to -21; this is three points higher than August 2011. The forecast for personal finances over the next twelve months has decreased two points to -10; this is one point higher than this time last year.

General Economic Situation
The measure for the general economic situation of the country during the last twelve months has increased four points to -55; this is two points higher than August 2012.
An expectation for the general economic situation over the next twelve months has increased three points to -27, four points higher than August â€˜11.

Climate for Major Purchases
The major purchases measure has decreased by five points this month to -31; which is the same level as this time last year.

Savings Index
The â€˜now is a good time to saveâ€™ Index, has increased two points to -13, which is three points lower than August â€™11.

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

- The UK Consumer Confidence Survey from GfK 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 3rd â€“ 12th August 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 September 2012 is Friday 28th September 2012.

- Any published material requires a reference to both GfK and the European Commission e.g. â€˜Research carried out by GfK 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:

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