

# Press Release

**EMBARGOED UNTIL 00:01AM BST Friday 30 May 2008**

UK consumer confidence research conducted in May 2008

The next consumer confidence press release will be published on Monday 30<sup>th</sup> June 2008

## Consumer Confidence hits an eighteen year low!

- The Index has dropped by 5 points to -29. This level has not been seen since November 1990.
- The major purchase measure score is now at its lowest level on record.
- Consumers' confidence in the UK economy over the next twelve months also reaches a new low.

Date

**30<sup>th</sup> May 2008**

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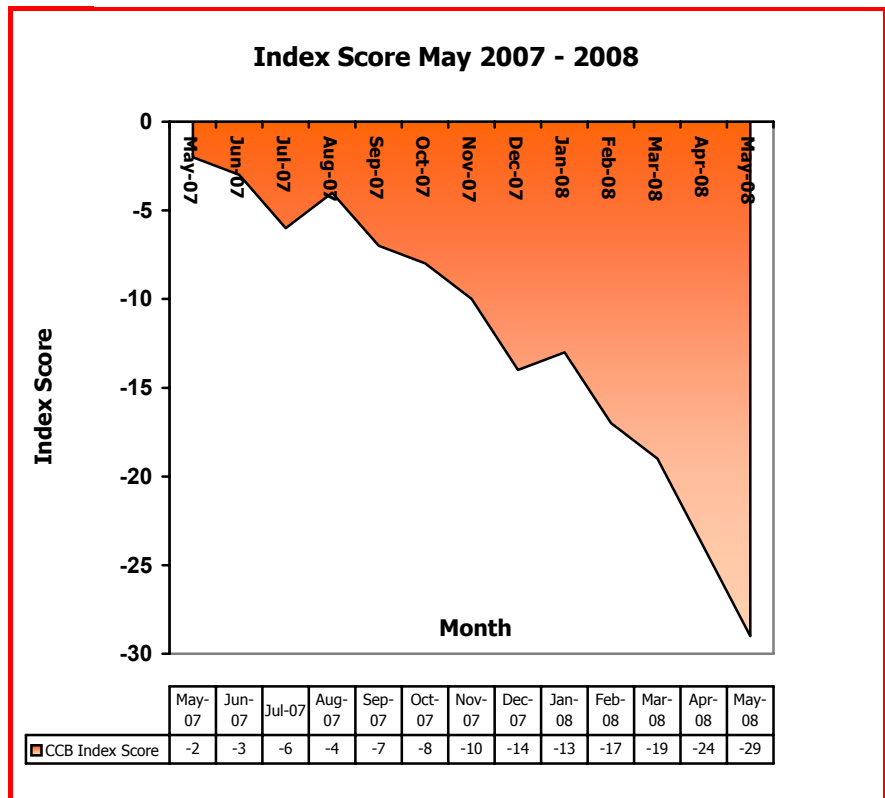
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Rachael Joy in the Consumer Confidence team at GfK NOP commented: "UK Consumer Confidence continues its decline and we are seeing levels not recorded since 1990; we are at a massive twenty-seven points lower than this time last year. Consumers' confidence in the economy over the next year, plus a reluctance to make major purchases, reflect the popular expectation of a recession - both these measures are at the lowest level on record. The future months may see even further fall in confidence, as increasing inflation and dropping house prices make reigning in their spending even more likely to the UK consumer."

### Consumer Confidence Measures – May 2008

The overall index score this month has fallen five points to -29, twenty-seven points lower than this time last year. This has been caused by a fall across all five measures. The annual moving average has dropped to -12.

Measure		May 2008	April 2008	May 2007
	↑↔↓			
<b>Overall Index Score</b>	↓5	-29	-24	-2
<b>Personal Financial situation over last 12 months</b>	↓3	-11	-8	+3
<b>Personal Financial situation over next 12 months</b>	↓4	-4	0	13
<b>General Economic situation over last 12 months</b>	↓5	-58	-53	-18
<b>General Economic situation over next 12 months</b>	↓1	-39	-38	-10
<b>Climate for major purchases</b>	↓8	-32	-24	+4

#### Personal Financial Situation

The index measuring changes in personal finances during the *last* year has dropped by three points to a score of -11; this is fourteen points lower than this time last year. This level has not been seen since December '95.

The forecast for personal finances over the *next* year has dropped four points to a score of -4. This is seventeen points lower than this time last year.

#### General Economic Situation

The measure for the general economic situation of the country during the *last* twelve months dropped five points to a score of -58; this is a massive forty points lower than this time last year. This score has not been this low since Feb '93 when it was -59

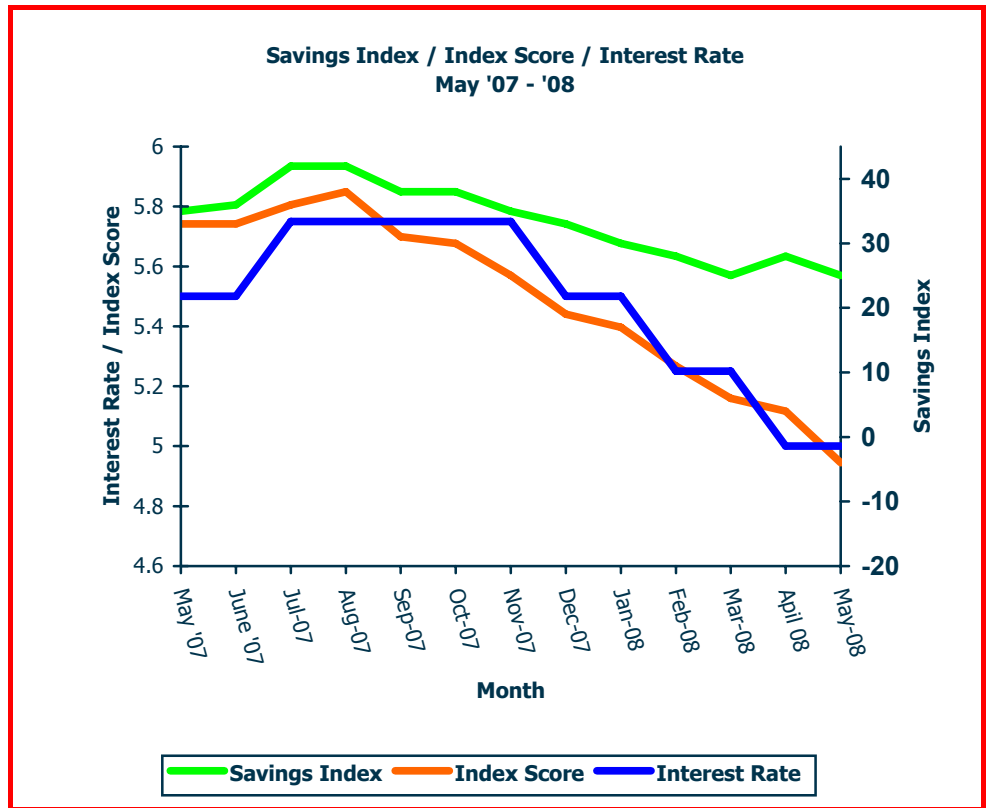
Expectations for the general economic situation over the *next* twelve months have dropped one point to -39; twenty-nine points lower than this time last year. This score is the lowest on record for this measure.

**Climate for Major Purchases**

The major purchases measure has fallen by eight points, from -24 to -32; this is thirty-six points lower than this time last year. This score is the lowest on record for this measure.

**Savings Index**

The 'now is a good time to save' Index, has dropped by 3 points to +25, this is ten points lower than this time last year.



**For more information, or to arrange an interview with Andy Thwaites, Insight Director, Financial (economic comment & insight) or Rachael Joy, Consumer Confidence researcher (survey historical trends and subscriptions), please contact Amanda Wheeler, PR Manager on 020 7890 9386 or [amanda.wheeler@gfk.com](mailto:amanda.wheeler@gfk.com)**

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**Notes to the editor:**

- The UK Consumer Confidence Survey from GfK NOP was conducted amongst a sample of 2003 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 2<sup>nd</sup> – 18<sup>th</sup> May 2008.
- The figures contained within the Consumer Confidence Barometer have an estimated margin of error of +/-2%
- Results for the Consumer Confidence Barometer are available on the last working day of each month at 00.01am the next release is Monday 30<sup>th</sup> June 2008.
- **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 1973. Data is available as far back as 1996. Subscriptions and full data sets are available.

The table below provides an overview of the questions asked to obtain the individual index measures:

<b>Personal financial Situation (Q1/Q2)</b>	This index is based on the following questions to consumers: How has the financial situation of your household changed over the last 12 months?' Q2 'How do you expect the financial position of your household to change over the next 12 months?' (a lot better – a little better – stay(ed) the same –a little worse - a lot worse)
<b>General Economic Situation (Q3/Q4)</b>	This index is based on the following questions to consumers: 'How do you think the general economic situation in this country has changed over the last 12 months?' 'How do you expect the general economic situation in this country to develop over the next 12 months?' (a lot better – a little better – stay(ed) the same – a little worse - a lot worse)
<b>Climate for major purchases (Q8)</b>	This index is based on the following question to consumers: 'In view of the general economic situation, do you think now is the right time for people to make major purchases such as furniture or electrical goods?' (right time – neither right nor wrong time – wrong time)
<b>Savings Index (Q10)</b>	This Savings index is based on the following question to consumers: 'In view of the general economic situation do you think now is?' (a very good time to save – a fairly good time to save – not a good time to save – a very bad time to save) <b>(Commented on but not included in the Index score)</b>

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For further information, please visit our website: [www.gfknop.com](http://www.gfknop.com)

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**The GfK Group**

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