



# Press Release

**EMBARGOED UNTIL 00:01AM (GMT) Friday 31 October 2008**

UK consumer confidence research conducted between the 3-19 October 2008.  
The next press release will be published on Friday 28 November 2008.

## Consumers brace themselves for a recession.

- The GfK NOP Index has dropped back to the -36 level seen in August.
- Confidence in “now being a good time to save” has seen a drop of nine points.
- Confidence in the general economy over the last 12 months has dropped ten points.
- Confidence in now being a good time to make major purchases such as furniture or electrical goods has also dropped eleven points to -43, the lowest on record.

Date

**31 October 2008**

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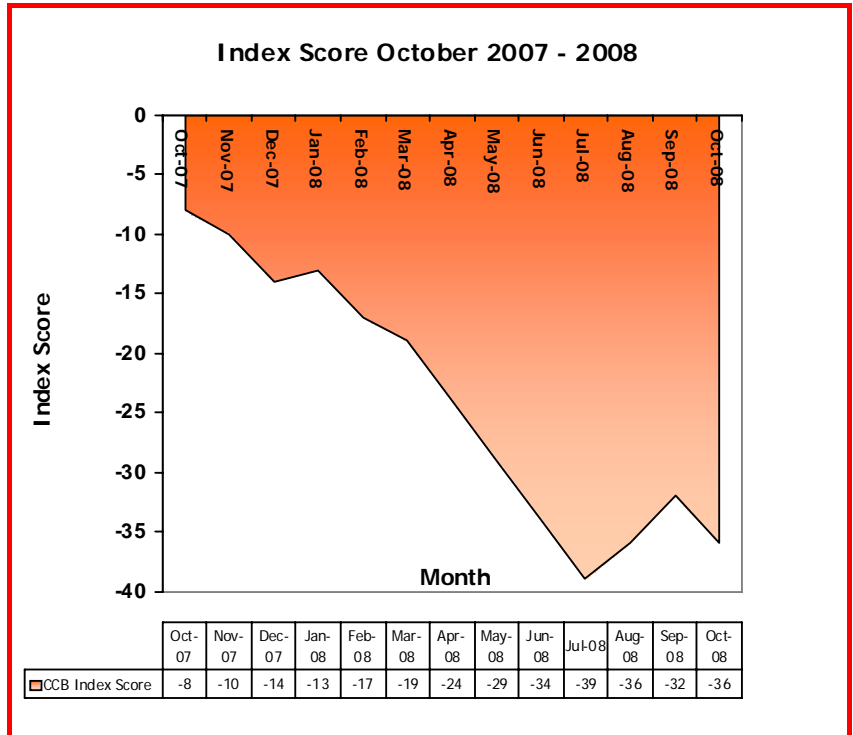
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Rachael Joy in the Consumer Confidence team at GfK NOP commented: “The index score this month has returned to the level we saw in August. The turmoil surrounding the banking world and subsequent turbulence in the financial markets is making for an uncertain time. Consumers are not at all confident about buying major purchases as rising food and energy bills leave them increasingly worried about keeping up with payments, and saving has



also seen a considerable drop, possibly due to fears of the safety of savings, as well as straightened resources as household bills increase. Even the reduction of the interest rate and lower petrol prices are unlikely to have a significant affect on confidence in the upcoming months as Consumers brace themselves for what they see as a very difficult economic time over the Christmas period ahead."

**UK Consumer Confidence Measures – October 2008**

The overall index score this month has decreased four points to -36, twenty-eight points lower than this time last year. This decrease has been caused by a drop across three of the five measures. The annual moving average has dropped to -24.

Measure	↑↔↓	Oct 2008	Sept 2008	Oct 2007
Overall Index Score	↓4	-36	-32	-8
Personal Financial situation over last 12 months	↑1	-18	-19	+2
Personal Financial situation over next 12 months	↓1	-12	-11	+13
General Economic situation over last 12 months	↓10	-72	-62	-30
General Economic situation over next 12 months	↑3	-37	-40	-17
Climate for major purchases	↓11	-43	-32	-5

**Personal Financial Situation**

The index measuring changes in personal finances during the *last* year improved by one point to a score of -18; this is twenty points lower than this time last year.

The forecast for personal finances over the *next* year has dropped by one point to a score of -12. This is also twenty-five points lower than October '07.

**General Economic Situation**

The measure for the general economic situation of the country during the *last* twelve months has dropped by ten points to a score of -72; this is a massive forty-two points lower than this time last year.

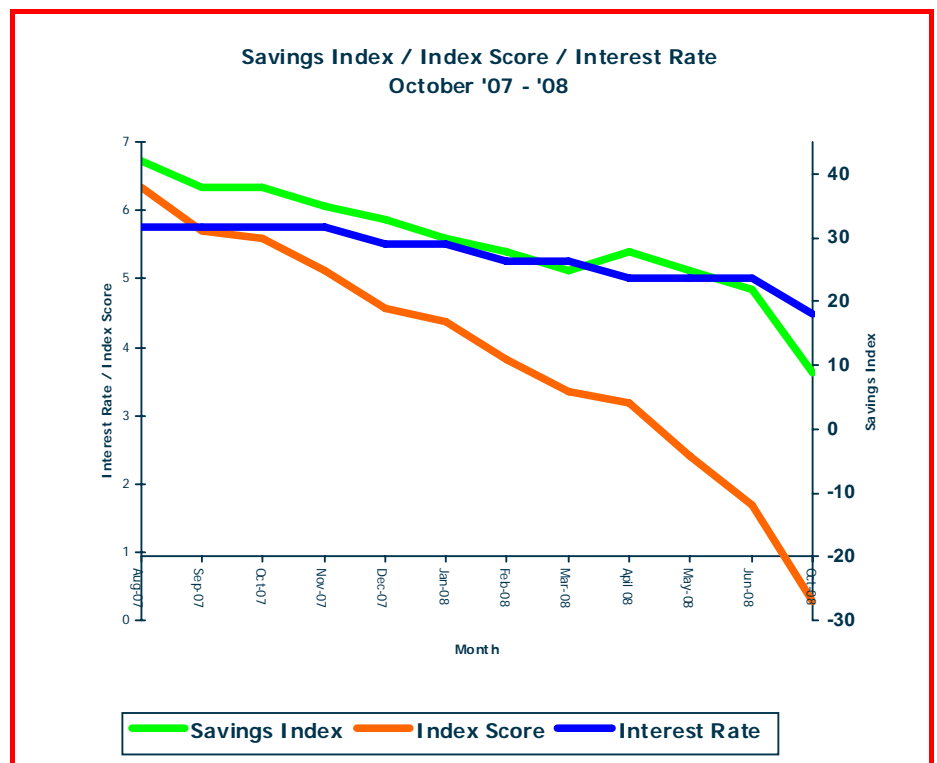
Expectations for the general economic situation over the *next* twelve months have risen by three points to -37; twenty points lower than October '07.

### Climate for Major Purchases

The major purchases measure has dropped by eleven points, from -32 to -43; this is thirty-eight points lower than this time last year. This is the lowest score since GfK NOP records began for this measure in 1982.

### Savings Index

The 'now is a good time to save' Index, has fallen by nine points to +9, this is twenty-nine points lower than October '07.



For more information, or to arrange an interview, 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 2002 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 3<sup>rd</sup> – 19<sup>th</sup> October 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 Friday 28<sup>th</sup> November 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 1974. Basic data is available from 1982, full data from 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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