



Press release

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Date
28th January 2011

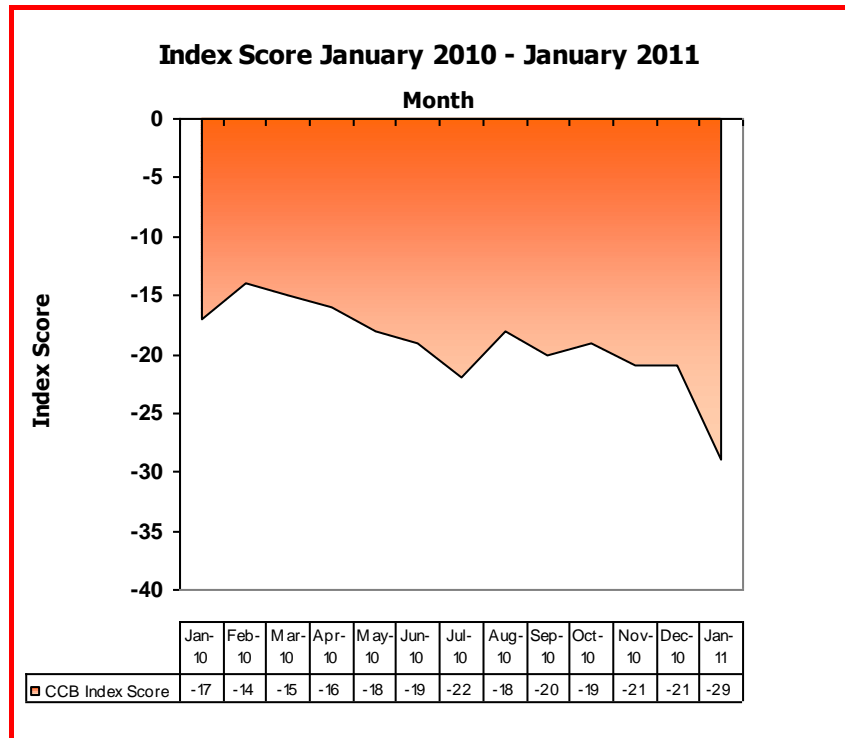
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Consumer Confidence Barometer (January 2011)

Consumer Confidence drops to lowest level for 22 months

- The GfK NOP Consumer Confidence Index has dropped eight points this month to -29, the lowest figure since March 2009, when it was -30.
- January saw decreases across all five measures; the most notable being in the "major purchase" index, which dropped 21 points.



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Nick Moon, MD of GfK NOP Social Research, comments:

“January’s eight point drop represents an astonishing collapse in consumer confidence. In the 35 years since the Index began, confidence has only slumped this much in a single month on six occasions, the last being November to December 1994.

"The VAT increase is the first of the government's austerity measures that has had a widespread impact on consumers, and it seems to have hit people's economic confidence hard, especially as the biggest drop was in consumers' appetite for major purchases. With inflation on the up and the full force of the cuts yet to hit, these figures could be the beginning of a very painful period.

"There is a chance that these figures represent a post-Christmas blip, but even if there is a rally in February it is extremely unlikely that it will reverse this massive drop. Today's figures, when combined with the bleak economic forecast, will make talk of a double dip recession unavoidable."

UK Consumer Confidence Measures – January 2011

The overall index score this month has dropped eight points to -29, twelve points lower than this time last year. All five measures decreased this month, the most notable decrease in the "major purchase index". The annual moving average drops one point to -19.

Measure	↑↔↓	Jan 2011	Dec 2010	Jan 2010
Overall Index Score	↓8	-29	-21	-17
Personal Financial situation over last 12 months	↓2	-18	-16	-14
Personal Financial situation over next 12 months	↓4	-12	-8	4
General Economic situation over last 12 months	↓3	-54	-51	-57
General Economic situation over next 12 months	↓7	-30	-23	-2
Climate for major purchases	↓22	-29	-7	-16

Personal Financial Situation

The index measuring changes in personal finances during the *last* twelve months has decreased two points this month, at -18; this is four points lower than this time last year.

The forecast for personal finances over the *next* twelve months decreased four points to -12; this is sixteen points lower than January '10.

General Economic Situation

The measure for the general economic situation of the country during the *last* twelve months has decreased by three points to -54; three points higher than this time last year.

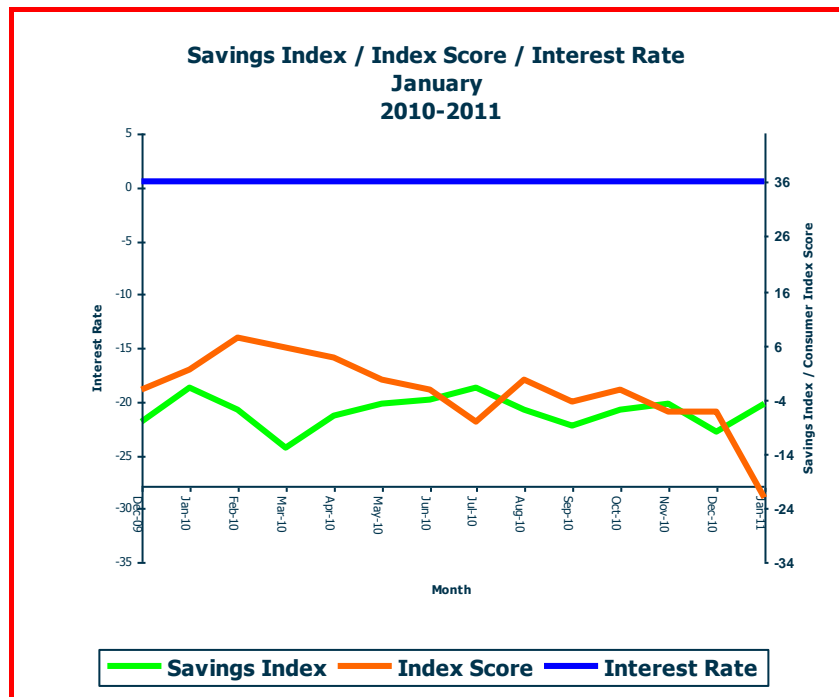
An expectation for the general economic situation over the next twelve months has decreased by seven points to -30, twenty eight points lower than January '10.

Climate for Major Purchases

The major purchases measure has decreased by twenty two points to -29; thirteen points lower than this year.

Savings Index

The 'now is a good time to save' Index, has increased five points to -5, which is three points lower than January '10.



- ENDS -

EDITOR'S NOTE: Please source all information to GfK NOP.

For further details or to arrange an interview, please contact Band & Brown Communications Tel: +44 (0) 20 3451 9400 gfknoop@bbpr.com

About the survey

- The UK Consumer Confidence Survey from GfK NOP was conducted amongst a sample of 2000 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 7th – 16th January 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 February is Friday 25th February 2011.
- **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.
- **Want to know even more? ~ Annual subscriptions are also available for £1,775 plus VAT.**
- The table below provides an overview of the questions asked to obtain the individual index measures:

Personal financial Situation (Q1/Q2)	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)
General Economic Situation (Q3/Q4)	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)
Climate for major purchases (Q8)	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)
Savings Index (Q10)	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) (Commented on but not included in the Index score)

About GfK NOP

GfK NOP Ltd is part of the GfK Group and a leading market research agency in the UK and internationally. It is a renowned supplier of market information and insight, offering sector specialists and best-in-field research for qualitative, quantitative, ethnographic, omnibus and online research services.

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