



Press release

Embargoed until 00:01AM (BST) Friday 29th July 2011

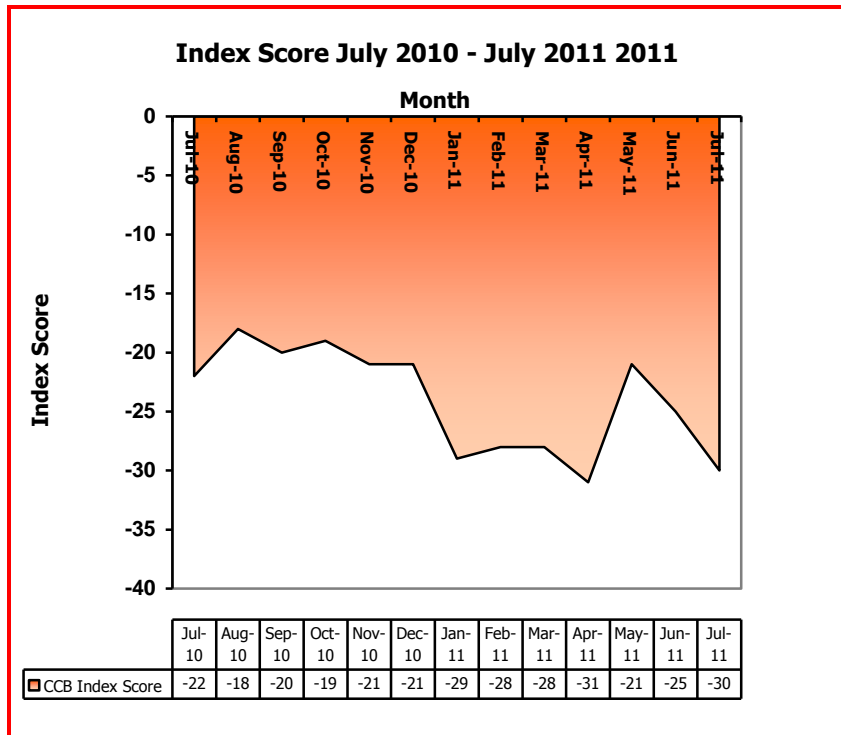
July sees further drop in UK's Consumer Confidence

Date
29th July 2011

The GfK NOP Consumer Confidence Index has dropped five points this month to -30, with decreases seen across all five measures.

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Nick Moon, Managing Director of GfK NOP Social Research, comments: "Consumer confidence has shown the second major fall in a row, returning to the depths of the first quarter of this year. It's becoming clear that May's positive surge was the exception rather than the norm, as we return to -30 – wiping out almost all of May's rise. Before this year, the index has only twice been lower in its 37-year history: during the recessions of early 1990 and mid-2008.

"All five elements of the index have fallen this month. What will concern the Government most is that the biggest drop of 9 points was in people's

expectations of the performance of the economy over the next 12 months. When combined with people’s pessimistic expectations for their own finances over the next year, retailers can expect tough conditions to persist for a while yet – threatening an already fragile recovery."

UK Consumer Confidence Measures – July 2011

The overall index score this month has decreased five points to -30, eight points lower than this time last year. All five measures decreased this month. The annual moving average drops one point to -24.

Measure	↑↔↓	July 2011	June 2011	July 2010
Overall Index Score	↓5	-30	-25	-22
Personal Financial situation over last 12 months	↓5	-25	-20	-14
Personal Financial situation over next 12 months	↓4	-12	-8	-6
General Economic situation over last 12 months	↓7	-57	-50	-48
General Economic situation over next 12 months	↓9	-27	-18	-25
Climate for major purchases	↓4	-31	-27	-16

Personal Financial Situation

The index measuring changes in personal finances during the *last* twelve months has decreased five points this month to -25; this is eleven points lower than this time last year.

The forecast for personal finances over the *next* twelve months has decreased by four points this month to -12; this is six points lower than July '10.

General Economic Situation

The measure for the general economic situation of the country during the *last* twelve months has decreased by seven points to -57; nine points lower than this time last year.

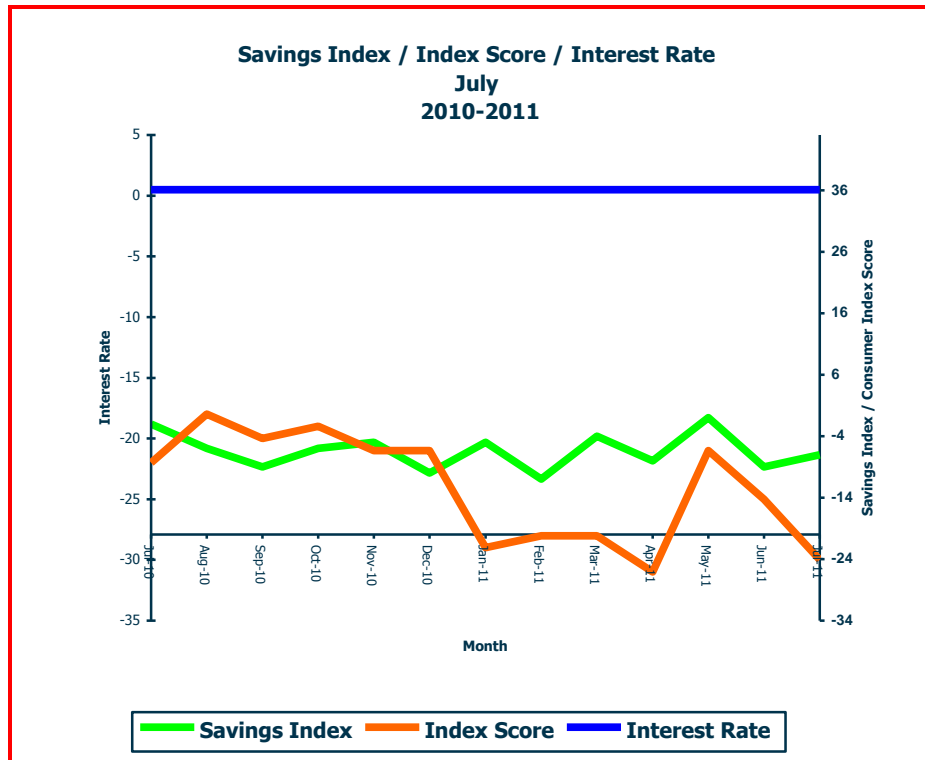
An expectation for the general economic situation over the next twelve months has decreased by nine points to -27, two points lower than July '10.

Climate for Major Purchases

The major purchases measure has decreased by four points to -31; which is fifteen points lower than this time last year.

Savings Index

The 'now is a good time to save' Index, has increased two points to -7, which is five points lower than July '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 gfnop@bbpr.com

About the survey

- 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 1st – 10th July 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 August is Wednesday 31st August 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 £1,800 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.

Responsible under press legislation:

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