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The Deloitte
Consumer
Tracker – Q4
2015

Rebecca Thomson & Aino Tan
29 January 2016



The Deloitte Consumer Tracker – Q4 2015

Key indicators



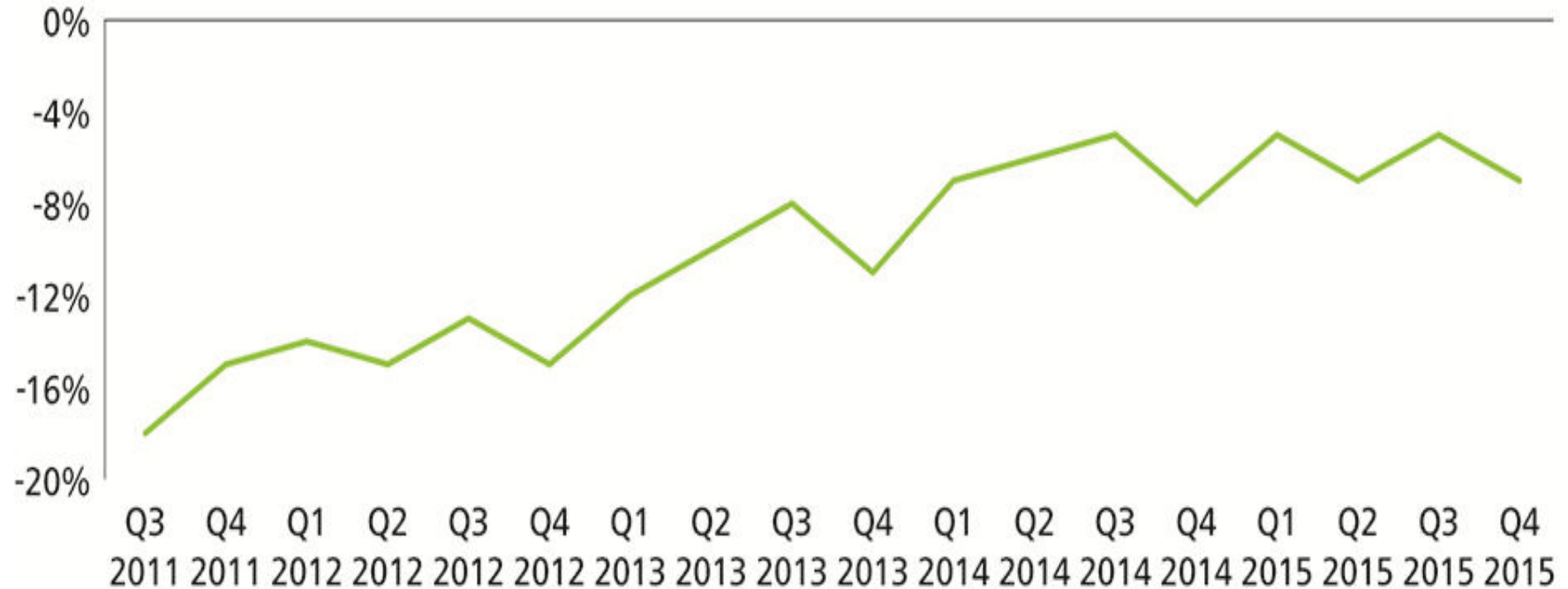
* Net balance

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Consumer confidence up year on year

Chart 1. Deloitte Consumer Confidence

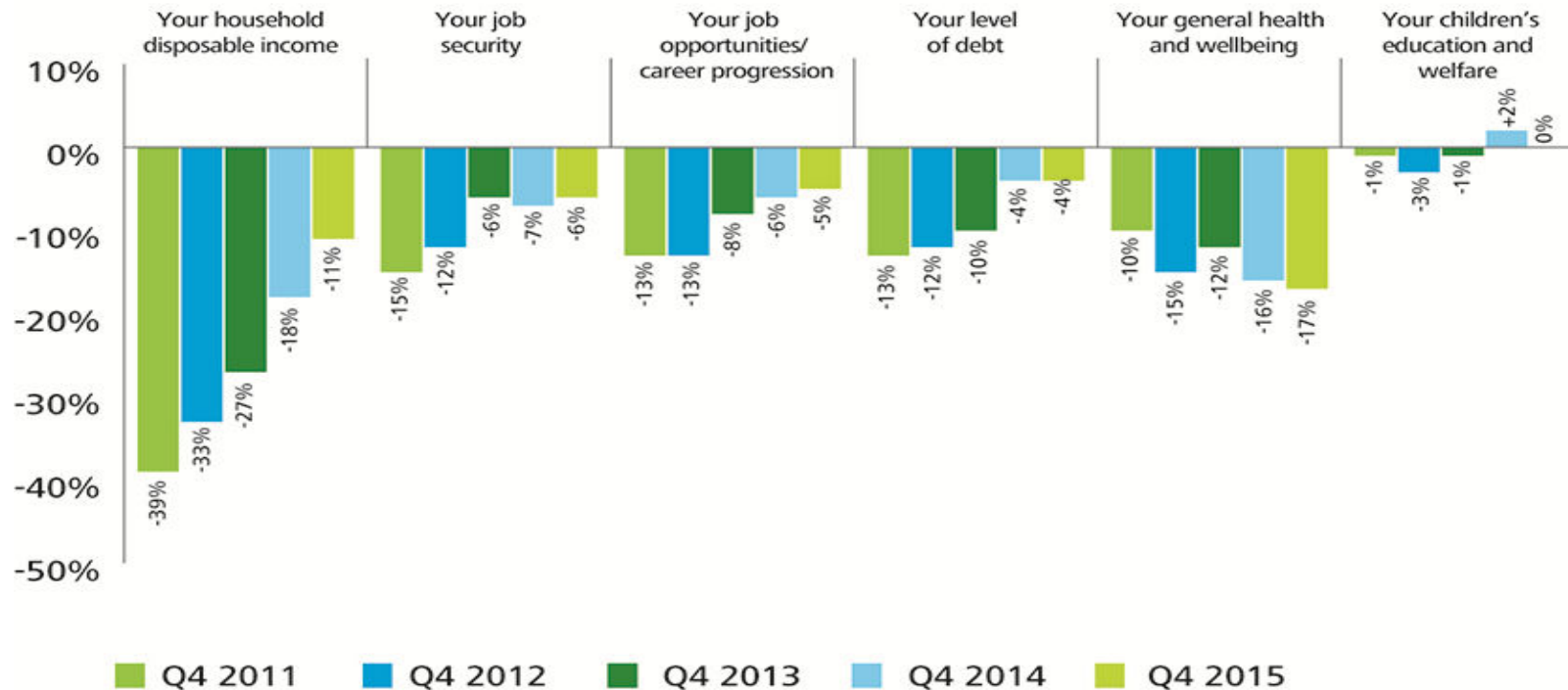
Net % of UK consumers who said their level of confidence has improved over the past three months



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Consumers reported feeling more confidence about jobs, career progression and income

Chart 2. UK consumer sentiment about personal situation
 Net % of consumers who said their level of confidence had improved in the past three months

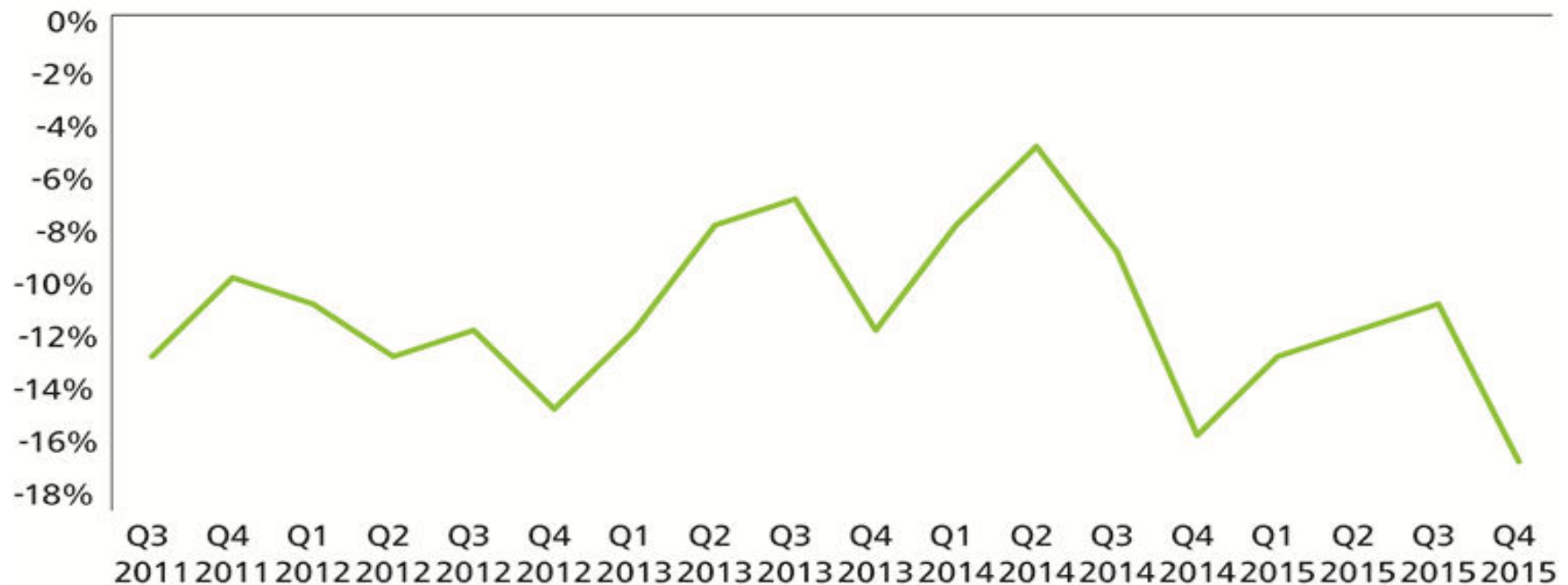


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Quarterly confidence fell, driven by a seasonal fall in health and wellbeing post-Christmas

Chart 3. Consumer sentiment about general health and wellbeing

Net % of consumers who said their wellbeing has improved over the past three months

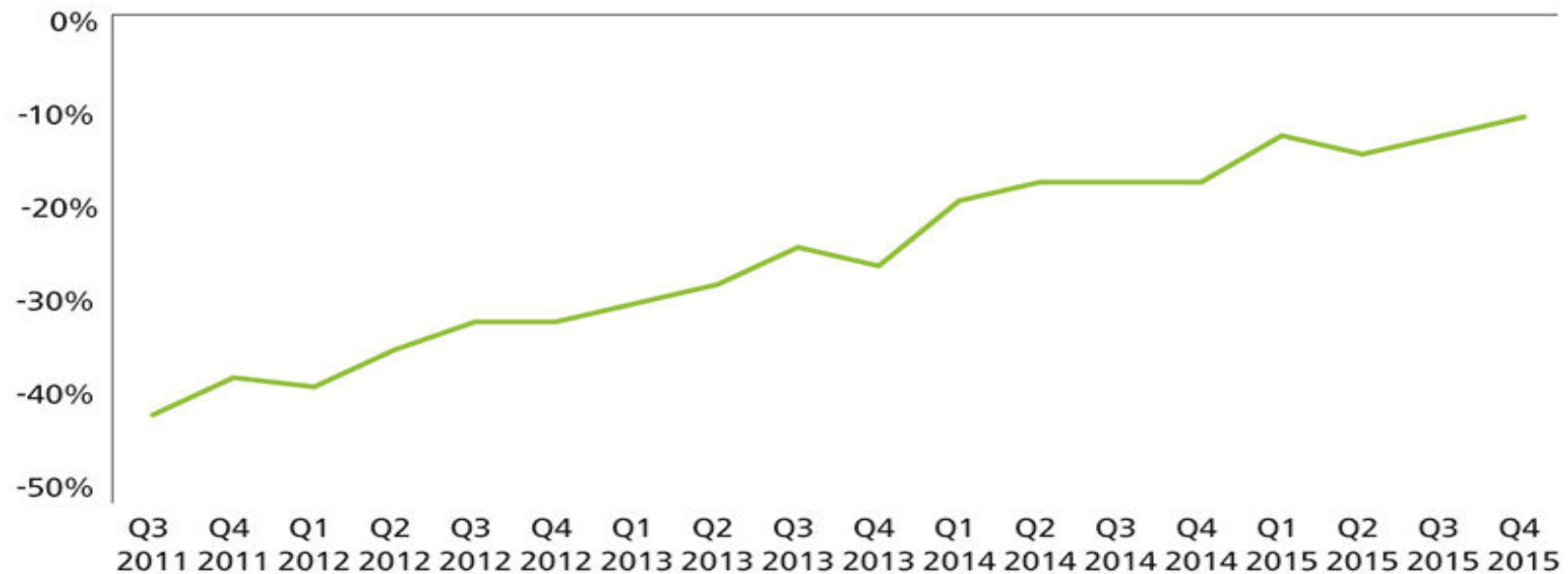


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The biggest improvement was confidence in disposable income, the highest it has ever been

Chart 4. Consumer sentiment about household disposable income

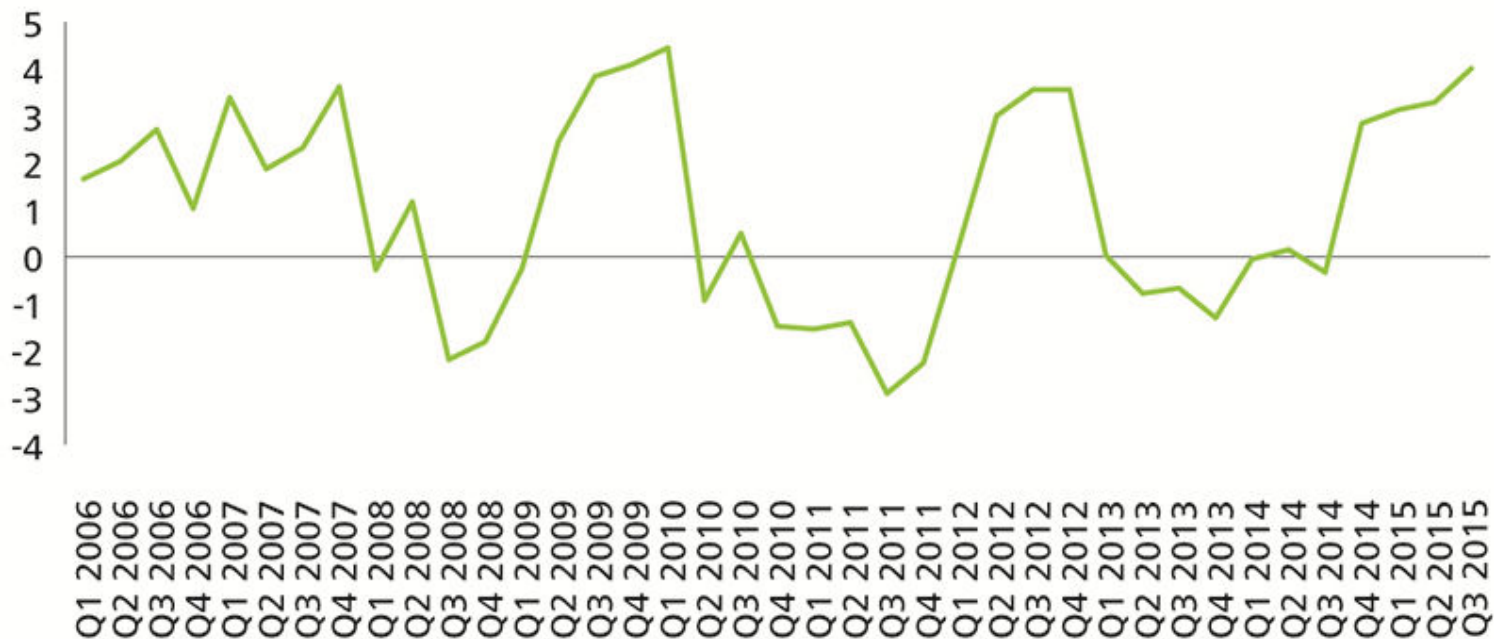
Net % of UK consumers who said their level of confidence has improved over the past three months



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Disposable income has risen in the last year, leading to higher discretionary spending

Chart 5. Household disposable income
% change y-on-y UK household disposable income



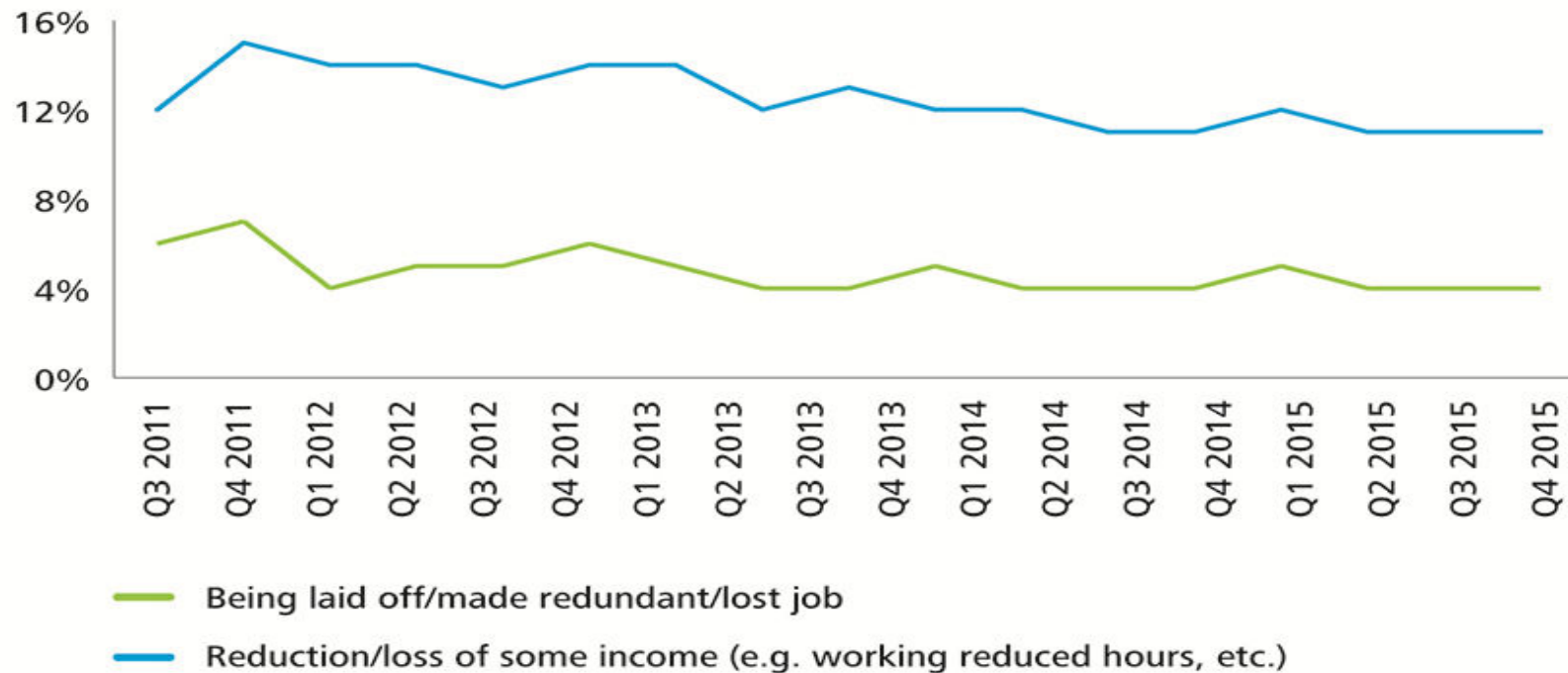
Source: Office for National Statistics (ONS)

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Reports of redundancies or loss of income have remained flat year-on-year

Chart 6. Changes in household circumstances

People who said they had been laid off, experienced loss in income, or started a new job

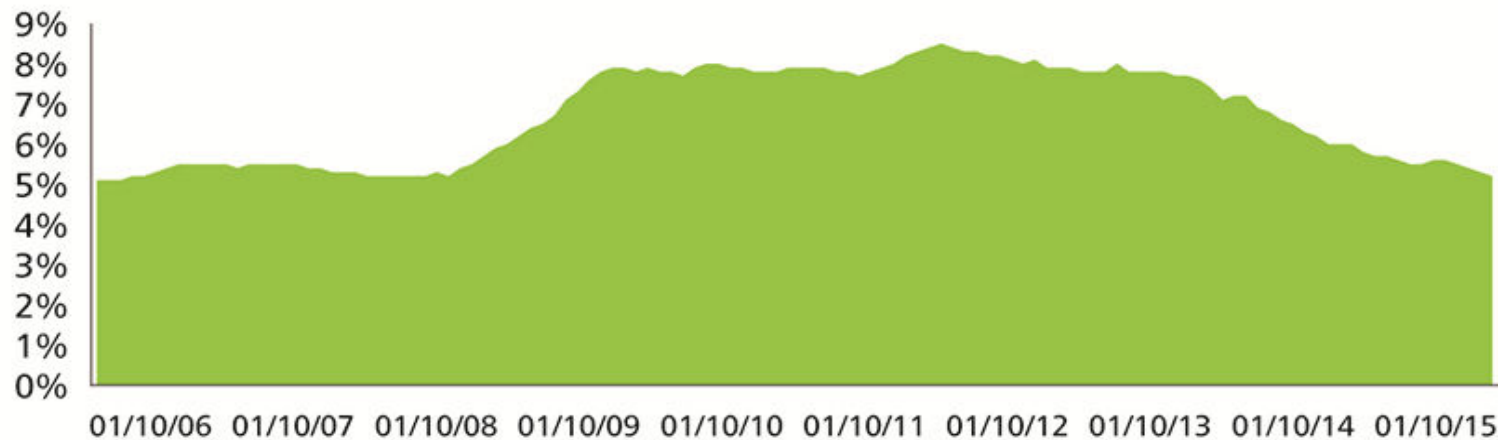


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Falling unemployment has helped boost confidence by improving job security and opportunities

Chart 7. Unemployment rate

UK LFS: Unemployment rate, all aged 16 and over, seasonally adjusted

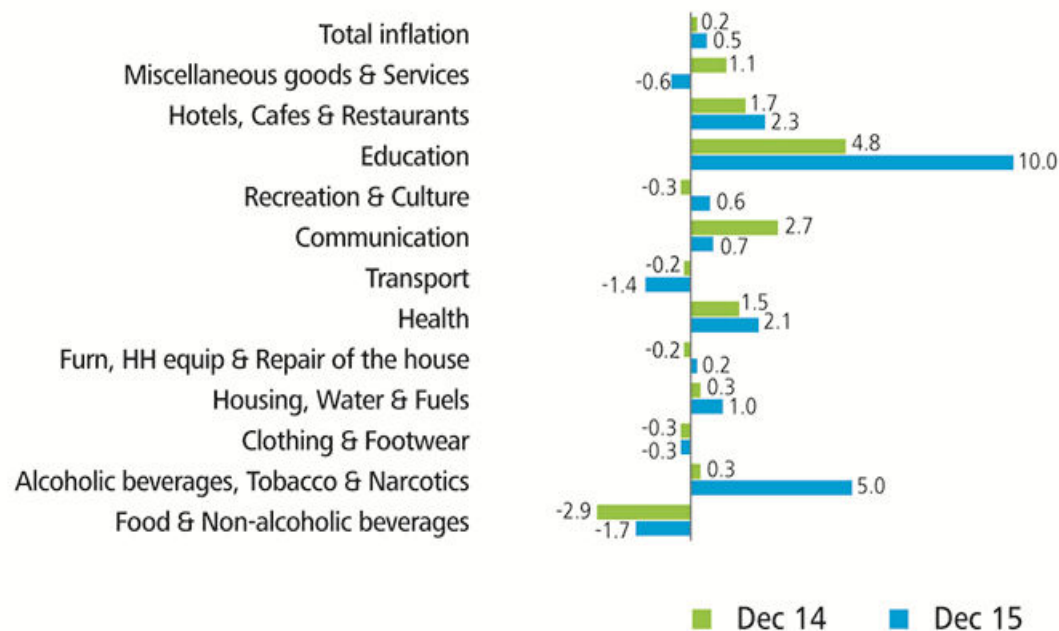


Source: ONS

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Historically low inflation continues to boost spending, despite starting to rise gradually

Chart 12. Inflation (CPI)
% change year-on-year

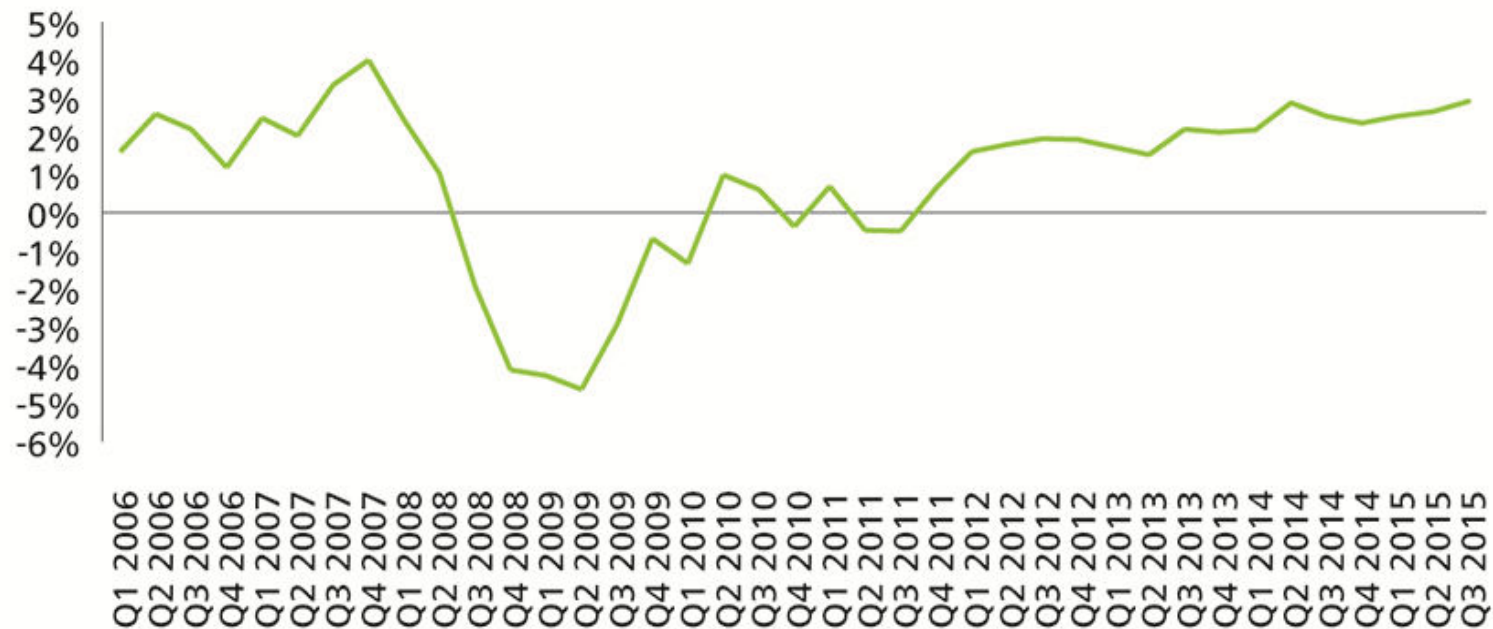


Source: ONS

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Consumer expenditure has risen as low inflation and interest rates boost spending power

Chart 9. Consumer expenditure, constant prices, seasonally adjusted
% change year-on-year

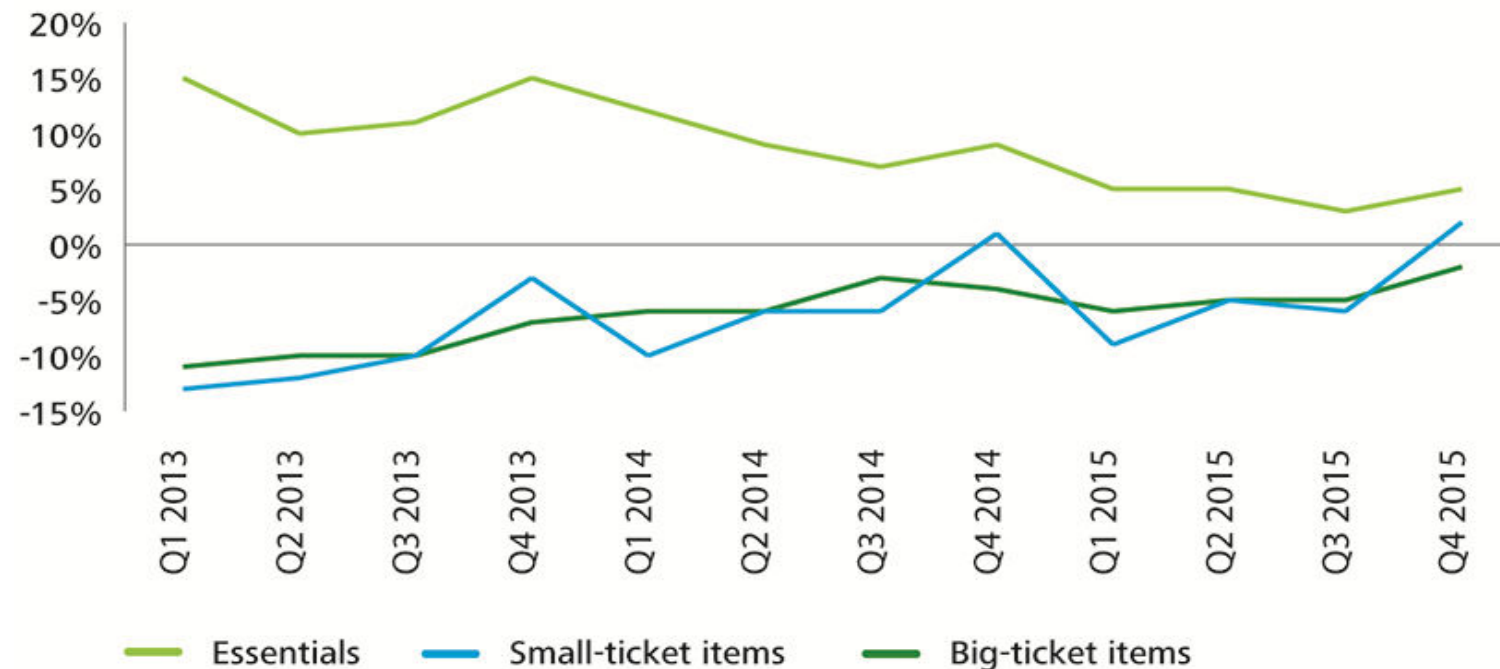


Source: ONS

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Cheaper essential items means consumers have more cash for discretionary, big ticket items

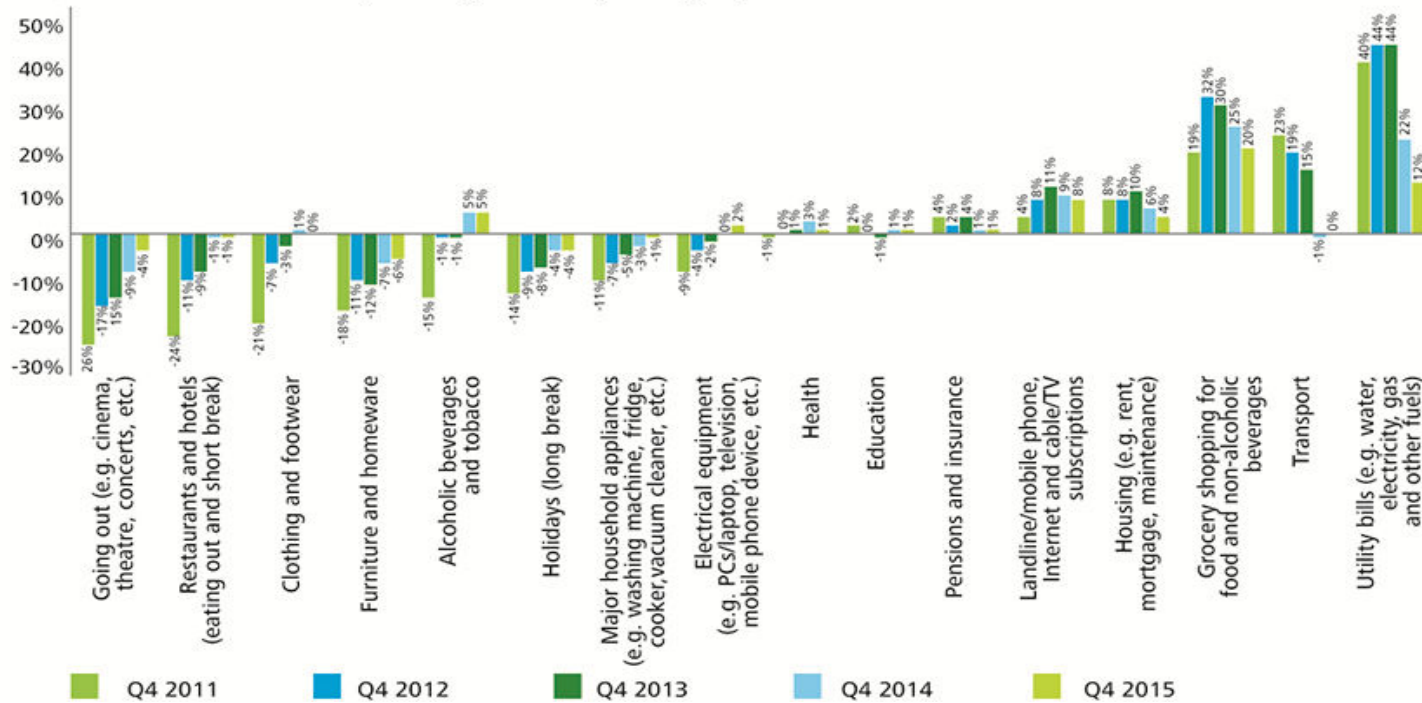
Chart 8. Category spending over the past three months
Net % UK consumers spending more by category



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Discretionary spending on homewares, going out and electricals is up

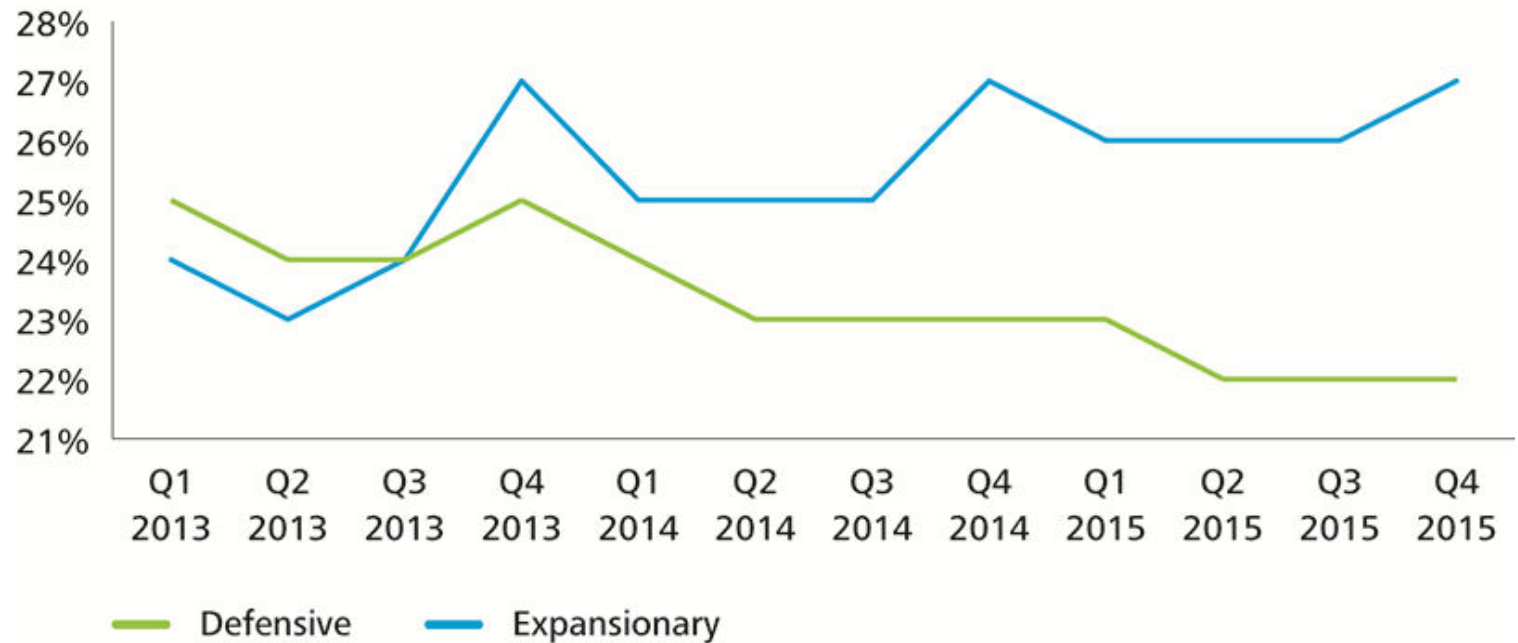
Chart 10. Category spending in the last three months
Net % of UK consumers spending more by category



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Consumers are moving away from defensive behaviour and towards expansionary behaviour

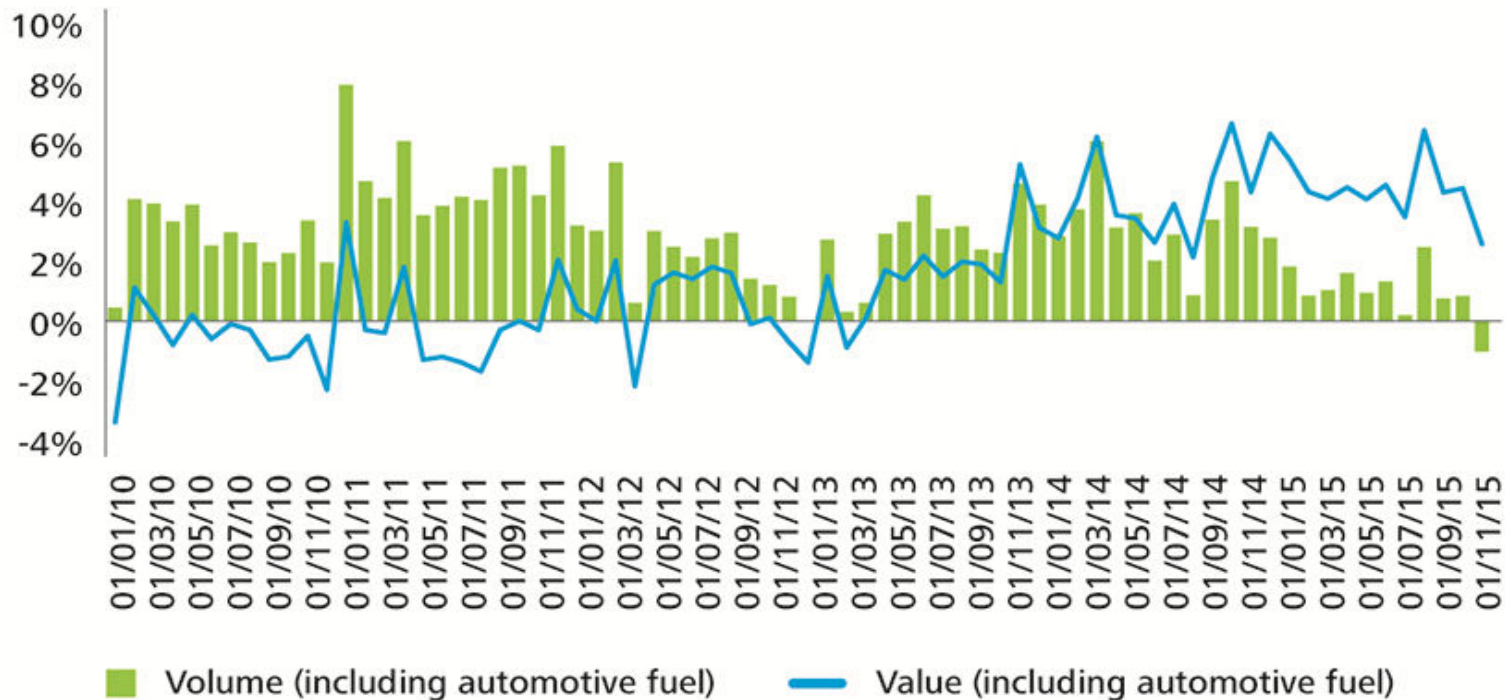
Chart 13. Expansionary and defensive spending behaviour
% UK consumers spending more or less



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Retail sales declined in December 2015 after unprecedented levels of discounting

Chart 11. Retail sales
% change year-on-year

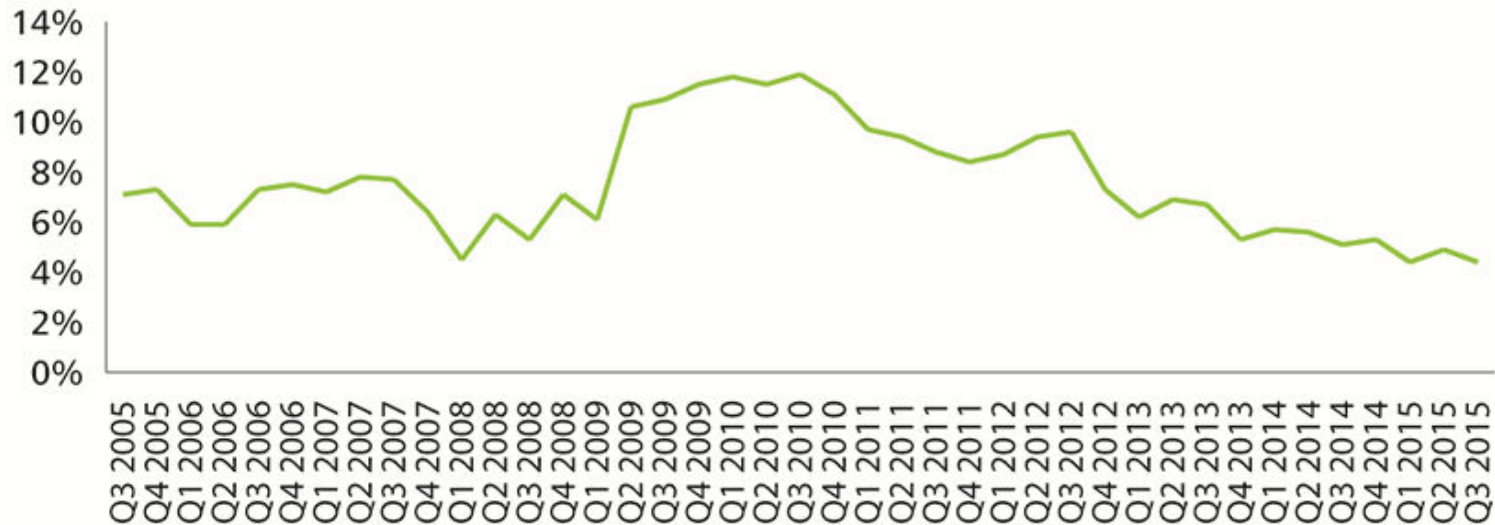


Source: ONS

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The UK household savings ratio is, however, still at a historical low

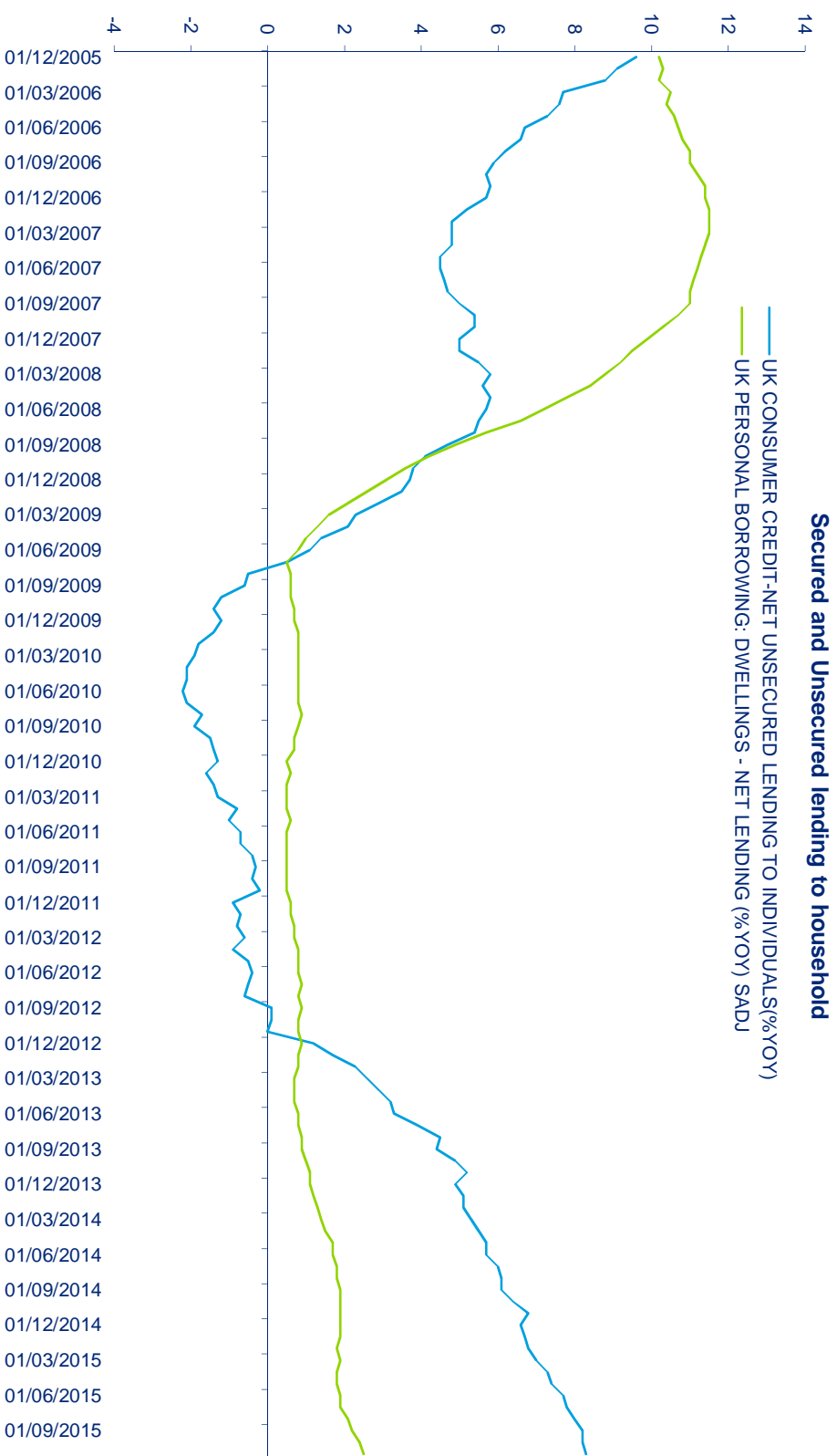
Chart 15. UK household savings ratio



Source: ONS

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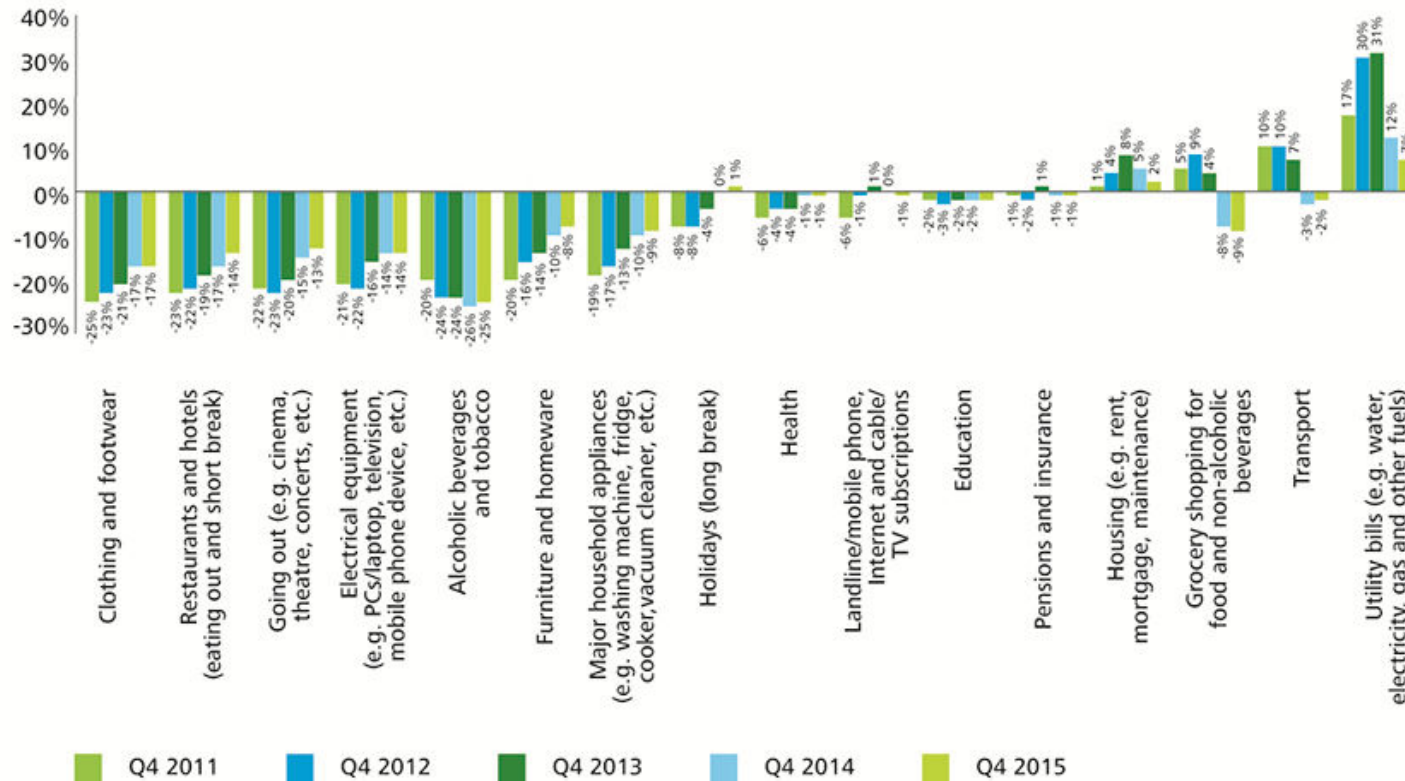
Consumer borrowing also continues to rise



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Consumers expect to spend less on essentials and more on discretionary items

Chart 17. Category spending over the next three months
 Net % of UK consumers spending more by category

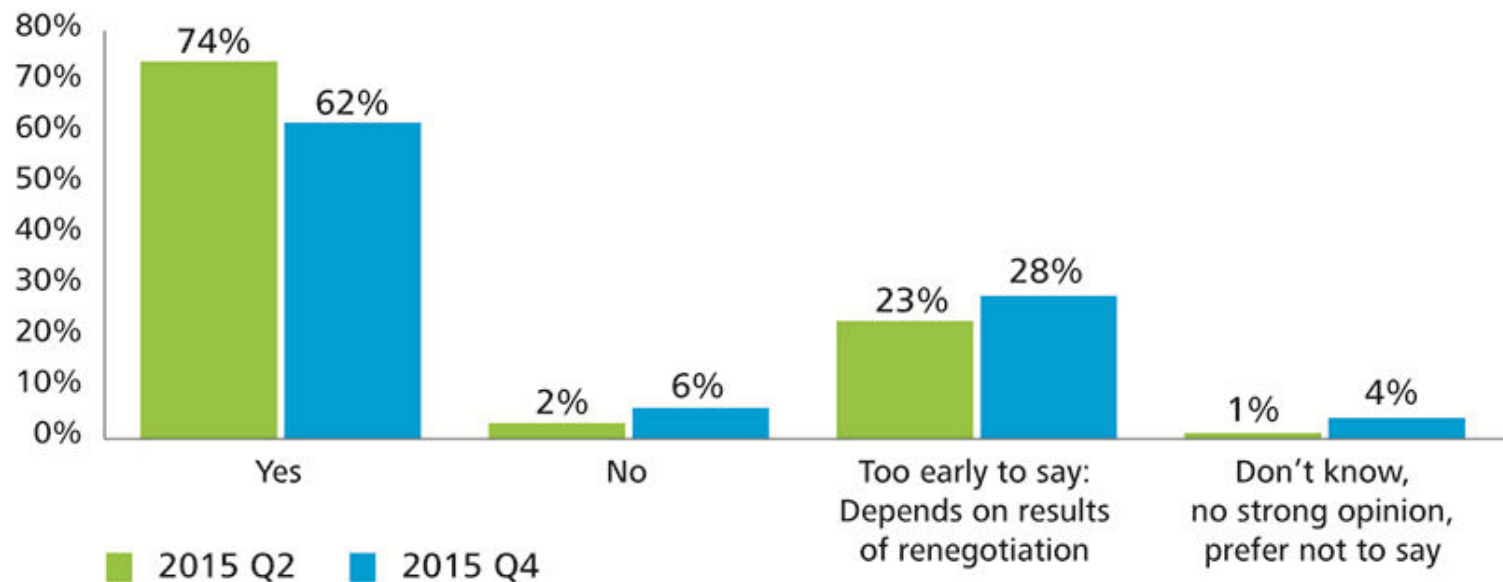


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Brexit vote could be a bump in the road for consumers

Chart 18. CFO attitudes to EU membership

% of CFOs who gave the following responses when asked whether it is in the interests of UK businesses for the UK to remain a member of the EU



Source: Deloitte CFO survey Q4 2015

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Contacts

Contacts

Nigel Wixcey

Industry Leader, Consumer Business
0207 303 5007
nigelwixcey@deloitte.co.uk

Ian Geddes

Lead Partner, UK Retail
0207 303 6519
igeddes@deloitte.co.uk

Graham Pickett

Lead Partner, Travel, Hospitality and Leisure
01293 761 232
gcpickett@deloitte.co.uk

Authors

Ben Perkins

Head of Research, Consumer Business
0207 007 2207
beperkins@deloitte.co.uk

Aino Tan

Research Manager, Consumer Business
aintan@deloitte.co.uk

Rebecca Thomson

Research Manager, Consumer Business
rebthomson@deloitte.co.uk



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