

Consumer Confidence Survey: September 2013 (Round 14)¹

The Consumer Confidence Survey conducted in September 2013 (14th round), provides an assessment of the consumer sentiments of 5,178 households spread across 6 metropolitan cities viz., Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi. The survey captures qualitative information on 3 point scale viz. improve, remain same, or worsen. The assessments are analysed in two parts, viz., current situation as compared with a year ago and expectations for a year ahead. There are four blocks in the survey schedule broadly covering respondents' perceptions on general economic conditions and own financial situation.

Highlights:

- i. Both Current Situation Index (CSI) and Future Expectations Index (FEI) declined on account of decrease in positive perceptions on household circumstances, income, spending and employment.

Current and Future Expectations Index

	Dec-12	Mar-13	Jun-13	Sep-13
Current Situation Index	106.9	101.7	101.7	88.0
Future Expectation Index	105.6	103.9	109.8	90.5

- ii. The net response on economic conditions has declined as compared to June 2013 survey. This is largely due to decline in the positive sentiments.
- iii. The net response on household circumstances has been declining over the last four rounds. In the latest round, the net response has turned negative. The outlook, however, remains marginally better.
- iv. About 80 per cent of the respondents reported that their future income would increase or remain the same. However, the net response has declined due to drop in the positive perceptions.
- v. The decline in positive sentiments on income gets reflected in the spending aspect also. A decline in the perception of respondents reporting increase in future spending, coupled with increase in those reporting decline in future spending has led to the net response falling below the threshold level. The spending perceptions are largely influenced by cost of goods & services and income.

¹The previous round of the survey data was released on July 29, 2013 with publication "Macro-economic and Monetary Developments: First Quarter Review 2013-14" on the RBI website. The survey results are those of the respondents and are not necessarily shared by the Reserve Bank of India.

- vi. There has been decrease in the positive perceptions on employment scenario.
- vii. Though a significant proportion of respondents reported rise in prices/inflation, there has been a decline in the net responses.

Table 1: Perceptions on Economic Conditions

(Percentage responses)

	Compared with 1-year ago				1-year ahead			
	Dec-12	Mar-13	Jun-13	Sep-13	Dec-12	Mar-13	Jun-13	Sep-13
Improve	37.5	28.1	28.2	22.4	39.6	32.8	35.2	29.9
Remain same	21.3	19.3	20.2	18.4	28.5	27.6	27.0	31.5
Worsen	41.2	52.7	51.6	59.3	31.9	39.5	37.8	38.6
Net Response	-3.8	-24.6	-23.3	-36.9	7.6	-6.7	-2.6	-8.8

Table 2: Perceptions on Household Circumstances

(Percentage responses)

	Compared with 1-year ago				1-year ahead			
	Dec-12	Mar-13	Jun-13	Sep-13	Dec-12	Mar-13	Jun-13	Sep-13
Improve	44.8	40.3	42.7	30.8	46.0	43.4	49.5	33.3
Remain same	25.1	29.0	19.9	30.4	31.1	34.9	28.7	38.0
Worsen	30.0	30.7	37.4	38.8	22.9	21.7	21.8	28.7
Net Response	14.8	9.6	5.2	-8.0	23.1	21.6	27.7	4.6

Table 3: Major Factors influencing views on Household Circumstances

(Percentage responses)

	Compared with 1-year ago				1-year ahead			
	Dec-12	Mar-13	Jun-13	Sep-13	Dec-12	Mar-13	Jun-13	Sep-13
Salary and business income	76.1	78.5	81.5	84.1	73.8	81.1	88.2	81.3
Interest and dividend income	21.0	25.2	12.4	30.8	23.1	20.1	12.2	32.8
Income from real estate sales	16.9	23.7	7.4	26.6	18.9	16.0	6.4	26.2
Prices	52.6	59.6	64.1	76.0	50.6	55.8	67.2	70.6
Change in value of assets	18.1	21.4	2.7	25.8	20.4	19.8	2.8	26.3
The number of dependent in my family	18.6	14.6	7.6	34.5	17.1	14.3	7.5	37.2

Note: As respondents may report multiple factors, the percentage responses may add up to be more than 100.

Table 4: Perceptions on Income

(Percentage responses)

	Compared with 1-year ago				1-year ahead			
	Dec-12	Mar-13	Jun-13	Sep-13	Dec-12	Mar-13	Jun-13	Sep-13
Increase	52.4	47.5	44.7	34.5	54.5	51.6	59.1	41.7
Remain same	32.3	35.3	40.8	43.5	35.9	35.9	31.8	41.2
Decrease	15.3	17.2	14.5	21.9	9.6	12.5	9.1	17.1
Net Response	37.1	30.3	30.1	12.6	44.9	39.0	50.0	24.6

Table 5: Perceptions on Spending

(Percentage responses)

	Compared with 1-year ago				1-year ahead			
	Dec-12	Mar-13	Jun-13	Sep-13	Dec-12	Mar-13	Jun-13	Sep-13
Increase	78.5	77.3	84.0	61.8	51.5	52.5	53.5	28.4
Remain same	17.0	18.3	12.2	30.7	30.2	29.0	32.0	39.5
Decrease	4.5	4.4	3.8	7.5	18.2	18.5	14.6	32.1
Net Response	74.1	72.9	80.1	54.3	33.3	34.0	38.9	-3.7

Table 6: Major Factors influencing Spending Perception

(Percentage responses)

	Income	Future income	Non-financial assets	Financial assets	Expenditure on real estate	Expenditure on consumer durables	Number of dependents	Cost of consumer goods	Cost of services
Dec-12	46.2	24.3	17.4	15.3	23.7	40.6	36.8	76.3	66.7
Mar-13	47.4	29.4	20.0	18.8	27.0	47.3	27.0	79.3	72.1
Jun-13	45.2	16.2	5.4	13.6	7.4	33.0	20.4	85.1	79.1
Sep-13	66.6	32.1	20.5	40.0	26.2	39.0	49.9	79.4	70.4

Note: As respondents may report multiple factors, total of percentage relating to factors may be more than 100.

Table 7: Perceptions on Outlays for Major Expenditure

(Percentage responses)

		Dec-12	Mar-13	Jun-13	Sep-13
Motor Vehicle	Yes	19.7	15.9	12.8	13.1
	Can't Say	14.4	18.5	16.4	19.2
	No	65.9	65.6	70.8	67.7
House	Yes	12.7	14.2	13.6	14.1
	Can't Say	20.5	17.0	13.0	16.6
	No	66.9	68.8	73.4	69.3
Durable goods	Yes	20.0	15.6	13.5	15.3
	Can't Say	18.6	17.3	14.9	18.4
	No	61.4	67.1	71.6	66.4
Gold	Yes	-	21.7	21.3	9.8
	Can't Say	-	16.9	12.0	12.2
	No	-	61.4	66.7	78.0

Table 8: Perceptions on Employment

(Percentage responses)

	Compared with 1-year ago				1-year ahead			
	Dec-12	Mar-13	Jun-13	Sep-13	Dec-12	Mar-13	Jun-13	Sep-13
Improve	37.2	39.4	40.9	26.6	42.2	47.5	51.1	35.3
Remain Same	39.4	33.3	31.7	34.6	32.0	30.1	30.3	34.0
Worsen	23.3	27.3	27.4	38.8	25.8	22.3	18.6	30.7
Net Response	13.9	12.1	13.6	-12.1	16.3	25.2	32.5	4.6

Table 9: Perceptions on price level

(Percentage responses)

	Compared with 1-year ago				1-year ahead			
	Dec-12	Mar-13	Jun-13	Sep-13	Dec-12	Mar-13	Jun-13	Sep-13
Increase	95.0	92.2	96.0	85.2	93.0	91.5	90.2	82.6
Remain same	4.5	5.9	3.7	11.4	5.8	6.7	7.2	13.1
Decrease	0.5	2.0	0.3	3.4	1.1	1.8	2.5	4.4
Net Response	-94.4	-90.2	-95.7	-81.8	-91.9	-89.8	-87.7	-78.2

Note: Perceptions of increase in prices is considered to be negative sentiments and decrease in prices is considered to be positive sentiments. The net responses are therefore, negative.

Table 10: Perceptions on rate of change in price levels (Inflation)

(Percentage responses)

	Compared with 1-year ago				1-year ahead			
	Dec-12	Mar-13	Jun-13	Sep-13	Dec-12	Mar-13	Jun-13	Sep-13
Increase	93.0	89.3	92.7	89.0	86.3	86.4	90.2	85.4
Remain Same	6.2	10.4	6.8	8.3	12.5	12.8	9.5	10.9
Decrease	0.8	0.4	0.4	2.7	1.2	0.7	0.3	3.7
Net Response	-92.2	-88.9	-92.3	-86.3	-85.1	-85.7	-90.0	-81.6