

Consumer Confidence Survey: June 2013 (Round 13)¹

The Consumer Confidence Survey conducted in Q1 of 2013-14 (13th round), provides an assessment of the consumer sentiments of 5,247 urban households spread across 6 cities viz., Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi, based on their perceptions of the general economic conditions and their own financial situation. The assessments are analysed in two parts, viz., current situation as compared with a year ago and expectations for a year ahead.

Highlights:

- i. Current Situation Index (CSI) remained at the same level of last quarter (March 2013).
- ii. Future Expectations Index (FEI) increased on account of increase in positive perceptions on income and employment.

Table: Current and Future Expectations Index#

	Sep-12	Dec-12	Mar-13	Jun-13
Current Situation Index	107.0	106.9	101.7	101.7
Future Expectation Index	107.7	105.6	103.9	109.8

#: Current employment perception and future household perception have been captured from September 2012. These have been included for calculating CSI and FEI from September 2012 onwards.

- iii. The outlook on economic conditions has been consistently better than the positive perceptions on current economic conditions as compared to a year ago.
- iv. The net response on one-year ahead household circumstances rose to about 28 per cent after remaining at about 22-23 per cent in the earlier three rounds.
- v. The optimism regarding increase in future income (one-year ahead) improved.
- vi. The proportion of respondents reporting improvement in the future employment scenario has consistently been higher than those reporting improvement in current employment as compared to a year ago.

¹ The previous round of the survey data was published on May 2, 2013 with the publication 'Macroeconomic and Monetary Developments-2012-13' on the RBI website. The survey results are those of the respondents and are not necessarily shared by the Reserve Bank of India.

Table 1: Perceptions on Economic Conditions

(Percentage responses)

	Compared with 1-year ago				1-year ahead			
	Sep-12	Dec-12	Mar-13	Jun-13	Sep-12	Dec-12	Mar-13	Jun-13
Improve	37.5	37.5	28.1	28.2	44.4	39.6	32.8	35.2
Remain same	23.8	21.3	19.3	20.2	27.7	28.5	27.6	27.0
Worsen	38.7	41.2	52.7	51.5	27.8	31.9	39.5	37.8
Net Response	-1.2	-3.8	-24.6	-23.3	16.6	7.6	-6.7	-2.6

Table 2: Perceptions on Household Circumstances

(Percentage responses)

	Compared with 1-year ago				1-year ahead			
	Sep-12	Dec-12	Mar-13	Jun-13	Sep-12	Dec-12	Mar-13	Jun-13
Improve	45.0	44.8	40.3	42.7	44.1	46.0	43.4	49.5
Remain same	26.2	25.1	29.0	19.9	34.7	31.1	34.9	28.7
Worsen	28.8	30.0	30.7	37.4	21.3	22.9	21.7	21.8
Net Response	16.2	14.8	9.6	5.2	22.8	23.1	21.6	27.7

Table 3: Major Factors influencing views on Household Circumstances

(Percentage responses)

	Compared with 1-year ago				1-year ahead			
	Sep-12	Dec-12	Mar-13	Jun-13	Sep-12	Dec-12	Mar-13	Jun-13
Salary and business income	81.0	76.1	78.5	81.5	83.1	73.8	81.1	88.2
Interest and dividend income	26.2	21.0	25.2	12.4	23.2	23.1	20.1	12.2
Income from real estate sales	22.5	16.9	23.7	7.4	21.1	18.9	16.0	6.4
Prices	50.7	52.6	59.6	64.1	42.5	50.6	55.8	67.2
Change in value of assets	21.9	18.1	21.4	2.7	19.1	20.4	19.8	2.8
The number of dependent in my family	24.4	18.6	14.6	7.6	21.4	17.1	14.3	7.5

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			
	Sep-12	Dec-12	Mar-13	Jun-13	Sep-12	Dec-12	Mar-13	Jun-13
Increase	47.8	52.4	47.5	44.7	51.9	54.5	51.6	59.1
Remain same	36.1	32.3	35.3	40.8	37.8	35.9	35.9	31.8
Decrease	16.1	15.3	17.2	14.5	10.3	9.6	12.5	9.1
Net Response	31.7	37.1	30.3	30.1	41.5	44.9	39.0	50.0

Table 5: Perceptions on Spending

(Percentage responses)

	Compared with 1-year ago				1-year ahead			
	Sep-12	Dec-12	Mar-13	Jun-13	Sep-12	Dec-12	Mar-13	Jun-13
Increase	83.6	78.5	77.3	83.9	57.9	51.5	52.5	53.5
Remain same	13.0	17.0	18.3	12.2	22.4	30.2	29.0	32.0
Decrease	3.4	4.5	4.4	3.8	19.7	18.2	18.5	14.6
Net Response	80.3	74.1	72.9	80.1	38.2	33.3	34.0	38.9

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
Sep-12	44.0	31.0	19.8	17.6	20.7	32.6	29.9	82.3	68.6
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

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)

		Sep-13	Dec-13	Mar-13	Jun-13
Motor Vehicle	Yes	18.6	19.7	15.9	12.8
	Can't Say	9.7	14.4	18.5	16.4
	No	71.7	65.9	65.6	70.8
House	Yes	17.4	12.7	14.2	13.6
	Can't Say	11.3	20.5	17.0	13.0
	No	71.2	66.9	68.8	73.4
Durable goods	Yes	20.9	20.0	15.6	13.5
	Can't Say	10.4	18.6	17.3	14.9
	No	68.7	61.4	67.1	71.6
Gold	Yes	-	-	21.7	21.3
	Can't Say	-	-	16.9	12.0
	No	-	-	61.4	66.7

Table 8: Perceptions on price level

(Percentage responses)

	Compared with 1-year ago				1-year ahead			
	Sep-12	Dec-12	Mar-13	Jun-13	Sep-12	Dec-12	Mar-13	Jun-13
Increase	96.3	95.0	92.2	96.0	94.9	93.0	91.5	90.2
Remain same	3.4	4.5	5.9	3.7	3.6	5.8	6.7	7.2
Decrease	0.3	0.5	2.0	0.3	1.6	1.1	1.8	2.5
Net Response	-96.0	-94.4	-90.2	-95.7	-93.3	-91.9	-89.8	-87.7

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

Table 9: Perceptions on rate of change in price levels (Inflation)

(Percentage responses)

	Compared with 1-year ago				1-year ahead			
	Sep-12	Dec-12	Mar-13	Jun-13	Sep-12	Dec-12	Mar-13	Jun-13
Increase	90.0	93.0	89.3	92.7	89.9	86.3	86.4	90.2
Remain Same	9.1	6.2	10.4	6.8	8.2	12.5	12.8	9.5
Decrease	0.9	0.8	0.4	0.4	1.9	1.2	0.7	0.3
Net Response	-89.1	-92.2	-88.9	-92.3	-88.0	-85.1	-85.7	-90.0

Table 10: Borrowers' and Depositors' Perceptions on Interest Rates

(Percentage responses)

	<i>Borrower</i>				<i>Depositor</i>			
	Sep-12	Dec-12	Mar-13	Jun-13	Sep-12	Dec-12	Mar-13	Jun-13
Low	7.8	7.8	6.7	8.9	66.2	74.7	69.9	77.8
Appropriate	24.5	19.2	21.7	19.2	25.4	20.7	26.9	19.7
High	67.7	73.1	71.5	71.9	8.3	4.6	3.2	2.5

Table 11: Current & Future perceptions on Employment

(Percentage responses)

	Compared with 1-year ago				1-year ahead			
	Sep-12	Dec-12	Mar-13	Jun-13	Sep-12	Dec-12	Mar-13	Jun-13
Improve	42.8	37.2	39.4	40.9	43.6	42.2	47.5	51.1
Remain Same	25.5	39.4	33.3	31.7	33.3	32.0	30.1	30.3
Worsen	31.7	23.3	27.3	27.4	23.1	25.8	22.3	18.6
Net Response	11.1	13.9	12.1	13.6	20.5	16.3	25.2	32.5