

Consumer Confidence Survey: December 2012 (Round 11)¹

The Consumer Confidence Survey of Households for the October- December 2012 quarter (11th round), provides an assessment of the consumer sentiments of 5,259 urban households 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. The perception of households about the current economic conditions turned negative and the perception about future economic conditions moderated further on net response basis.
- ii. The net response for current household circumstances declined further; however, it improved marginally for future household circumstances.
- iii. Net responses on current income (as compared with the last year) and future income (one year ahead) have increased.
- iv. There has been a decline in the proportion of respondents reporting increase in current and future spending as compared to last round of the survey.
- v. There was a marginal reduction in the proportion of respondents who felt that prices would rise at a faster rate in the next year as compared with that a year ago.
- vi. From the borrowers' point of view, the proportion of respondents perceiving interest rate as high has increased. On the other hand, a larger proportion of respondents felt that the interest rates were low from the depositors' perspective.
- vii. The Current Situation Index and the Future Expectation Index of consumer confidence continued to decline.

¹ Prepared in the Department of Statistics and Information Management, New Delhi. Data relating to the previous survey round were published in November 2012 issue of the RBI Bulletin. The survey results are based on the replies of the respondents and are not necessarily shared by the Reserve Bank of India.

Table 1: Opinion on Economic Conditions

(Percentage responses)

	Current				Future			
	Mar-12	Jun-12	Sep-12	Dec-12	Mar-12	Jun-12	Sep-12	Dec-12
Improve	50.7	49.6	37.5	37.5	58.7	55.5	44.4	39.6
Remain Same	23.5	13.1	23.8	21.3	24.5	20.9	27.7	28.5
Worsen	25.7	37.3	38.7	41.2	16.9	23.6	27.8	31.9
Net Response	25.0	12.2	-1.2	-3.8	41.8	31.9	16.6	7.6

Table 2: Perceptions on Household circumstances

(Percentage responses)

	Current				Future	
	Mar-12	Jun-12	Sep-12	Dec-12	Sep-12	Dec-12
Better off	56.5	57.1	45.0	44.8	44.1	46.0
Difficult to say / Remain the same	15.0	7.8	26.2	25.1	34.7	31.1
Worse off	28.6	35.1	28.8	30.0	21.3	22.9
Net Response	27.9	22.0	16.2	14.8	22.8	23.1

Table 3: Major Factors influencing views on Household Circumstances

(Percentage responses)

	Current				Future	
	Mar-12	Jun-12	Sep-12	Dec-12	Sep-12	Dec-12
Salary and business income	85.7	85.2	81.0	76.1	83.1	73.8
Interest and dividend income	34.2	32.1	26.2	21.0	23.2	23.1
Income from sales of real estate	27.2	20.7	22.5	16.9	21.1	18.8
Prices	41.9	48.1	50.7	52.6	42.5	50.4
Change in value of assets	27.3	19.0	21.9	18.1	19.1	20.4
Changes in the number of dependent in the family	23.0	23.8	24.4	18.6	21.4	17.1

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

Table 4: Perceptions on Income

(Percentage responses)

	Current				Future			
	Mar-12	Jun-12	Sep-12	Dec-12	Mar-12	Jun-12	Sep-12	Dec-12
Increase	55.2	59.5	47.8	52.4	60.7	65.0	51.9	54.5
Remain same	30.7	15.9	36.1	32.3	33.8	27.5	37.8	35.9
Decrease	14.1	24.5	16.1	15.3	5.5	7.5	10.3	9.6
Net Response	41.1	35.0	31.7	37.1	55.2	57.4	41.5	44.9

Table 5: Perceptions on Spending

(Percentage responses)

	Current				Future			
	Mar-12	Jun-12	Sep-12	Dec-12	Mar-12	Jun-12	Sep-12	Dec-12
Increase	74.5	74.7	83.6	78.5	55.7	61.0	57.9	51.5
Remain same	12.5	5.8	13.0	17.0	33.7	25.0	22.4	30.2
Decrease	13.0	19.4	3.4	4.5	10.7	14.0	19.7	18.2
Net Response	61.5	55.3	80.3	74.1	45.0	47.0	38.2	33.3

Table 6: Major Factors influencing Changes in Spending

(Percentage responses)

	Income	Future Income	Non-financial assets	Financial assets	Expenditure for real estate	Expenditure on consumer durables	No. of dependents	Cost of consumer goods	Cost of services
Mar-12	58.0	25.3	23.8	22.6	32.1	31.3	27.9	68.6	59.8
Jun-12	88.6	60.2	20.6	12.7	30.5	25.3	26.0	67.7	51.2
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

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

Table 7: Perceptions on Major Expenditure Outlays

(Percentage responses)

	Sep-12			Dec-12		
	Motor Vehicle	House	Durable goods	Motor Vehicle	House	Durable goods
Yes	18.6	17.4	20.9	19.7	12.7	20.0
Can't Say	9.7	11.3	10.4	14.4	20.5	18.6
No	71.7	71.2	68.7	65.9	66.9	61.4

Table 8: Perceptions on Price level

(Percentage responses)

	Current				Future			
	Mar-12	Jun-12	Sep-12	Dec-12	Mar-12	Jun-12	Sep-12	Dec-12
Increase	86.2	91.9	96.3	95.0	85.4	90.8	94.9	93.0
No Change	9.9	7.2	3.4	4.5	13.6	8.4	3.6	5.8
Decrease	3.9	0.9	0.3	0.5	1.0	0.8	1.6	1.1
Net Response	-82.2	-91.0	-96.0	-94.4	-84.4	-90.1	-93.3	-91.9

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: Perception on Rate of Price Increase

(Percentage responses)

	Current		Future	
	Sep-12	Dec-12	Sep-12	Dec-12
More	90.0	93.0	89.9	86.3
No Change	9.1	6.2	8.2	12.5
Less	0.9	0.8	1.9	1.2
Net Response	-89.1	-92.2	-88.0	-85.1

Table 10: Current Interest Levels from Borrowers' and Depositors' Point of View

(Percentage responses)

	Borrower				Depositor			
	Mar-12	Jun-12	Sep-12	Dec-12	Mar-12	Jun-12	Sep-12	Dec-12
Low	4.3	6.2	7.8	7.8	76.8	77.2	66.2	74.7
Appropriate	15.9	18.9	24.5	19.2	20	20.4	25.4	20.7
High	80.1	74.8	67.7	73.1	3.3	2.3	8.3	4.6

Table 11: Current and Future perceptions on Employment

(Percentage responses)

	Current		Future			
	Sep-12	Dec-12	Mar-12	Jun-12	Sep-12	Dec-12
Improve	42.8	37.2	43.6	50.8	43.6	42.2
Remain same	25.5	39.4	32.6	28.3	33.3	32.0
Worsen	31.7	23.3	23.8	20.9	23.1	25.8
Net Response	11.1	13.9	19.8	30.0	20.5	16.3

Table 12: Current and Future Expectations Index

	Mar-12	Jun-12	Sep-12	Dec-12
Current Situation Index	114.6	106.7	106.2	105.5
Future Expectation Index	115.5	115.2	104.7	102.0