

Consumer Sentiment Report





In partnership with FICCI, DIU and Sambodhi Panels are launching the first round of their longitudinal consumer sentiment survey. Consumer sentiment is a statistical measurement of the overall health of the economy as determined by consumer opinion. It takes into account people's feelings toward their current financial health, the health of the economy in the short term, and the prospects for longer-term economic growth, and is widely considered to be a useful economic indicator.



The survey follows the methodology of Michigan University's survey of consumers which they have been carrying out in the US since 1972. The broad areas covered include the current state of personal finances, the state of the country's economy and what the future holds, financial and employment security, consumption sentiment, what ails the nation and confidence in government, and finally, the overall state of happiness.



The survey, conducted through a telephonic panel, covers 15514 individual earners living in 22 states. The rural sample is 7221 and the urban sample is 8293. The survey has been designed to be representative of the ground reality, with quota-based coverage of younger and older earners, as well as representation from the relatively high-income, middle-income, and low-income workforce. The survey is also geographically representative of all 6 zones.

Representativeness of the survey

7221

Rural Sample

6517

Respondents Aged 18-35

8293

Urban Sample

8897

Respondents Aged 36 and Above

5643

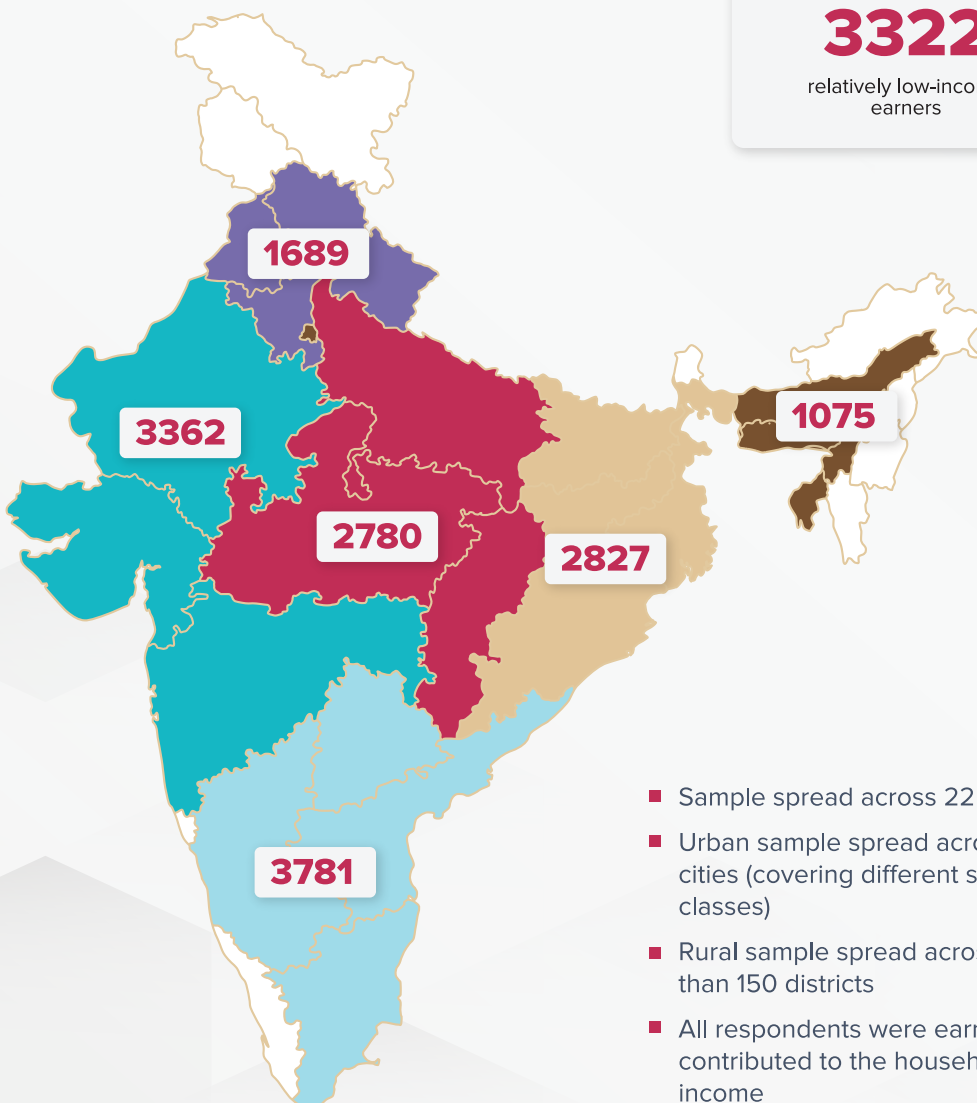
Relatively Upper-Middle and High-Income Earners

6549

Relatively Middle & Lower-Middle-Income Earners

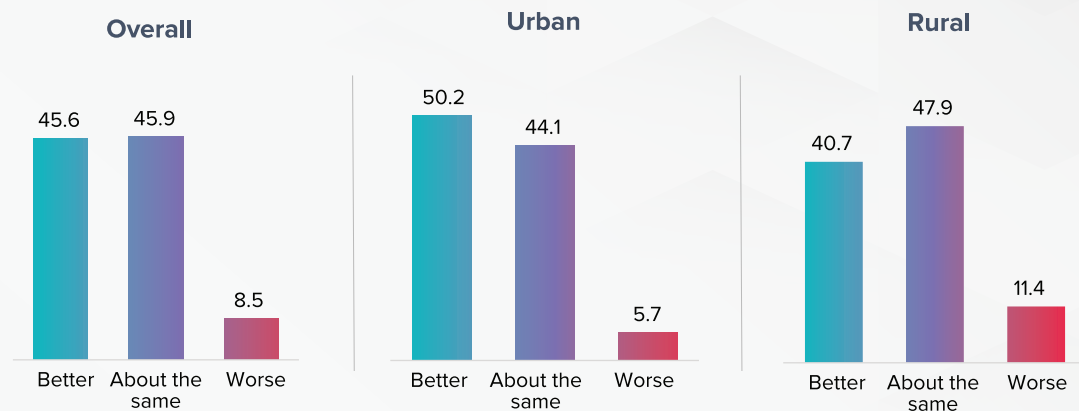
3322

relatively low-income earners



- Sample spread across 22 states
- Urban sample spread across 31 cities (covering different size classes)
- Rural sample spread across more than 150 districts
- All respondents were earners who contributed to the household income

Looking back, would you say that your (and your household's) current financial situation these days was better off, about the same, or worse off as compared to last year?



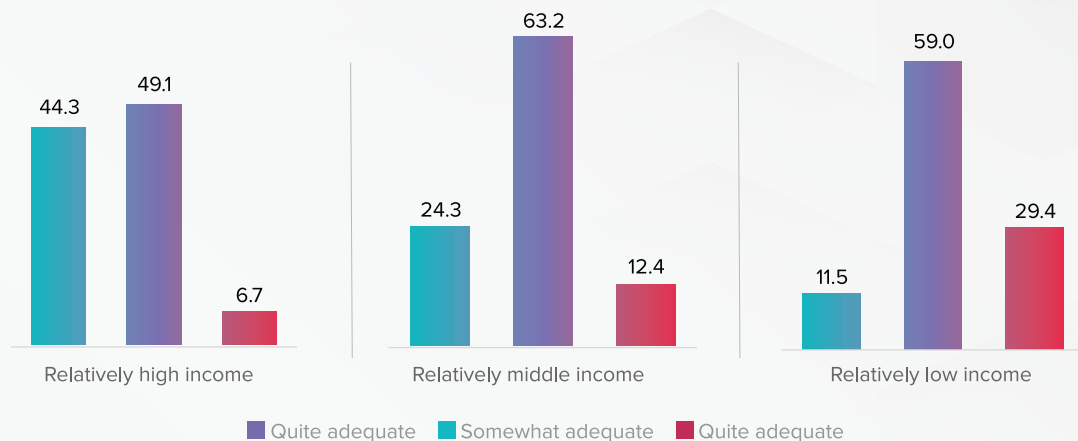
“Given that 2021 was a real tough year in terms of COVID-related disruptions close to half of the earners confirmed that there has been some sort of economic recovery. However, the recovery was higher in urban areas than in rural.”

Last year, were you able to systematically save any money for your future needs



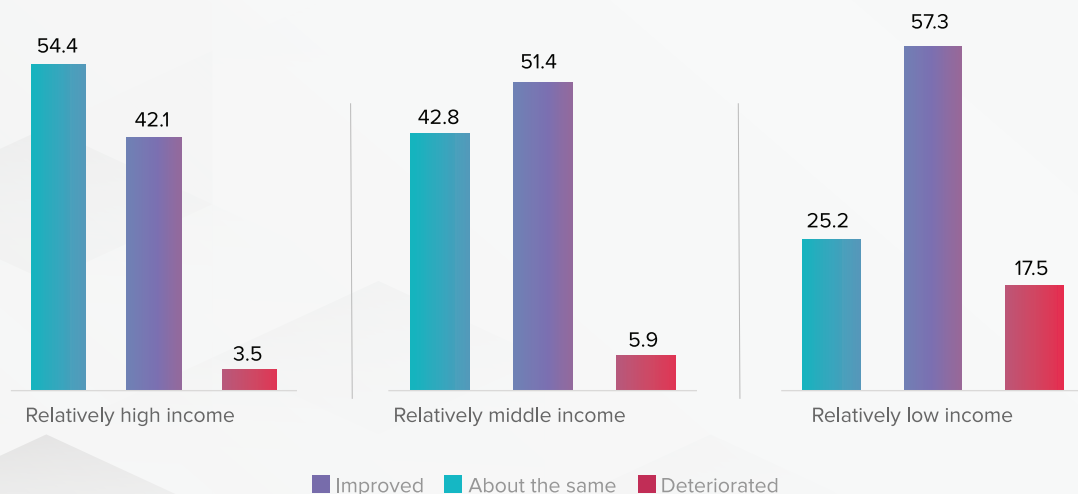
“The difference in the ability to systematically save last year was stark when analysed by income. While over 3 out of 4 of the higher income earners managed to save money last year, this dropped down to only 40% for low-income earners, which, unfortunately, is still the bulk of India.”

In your view, what is the adequacy of your current savings/investments in being able to meet any upcoming social obligations in your family?



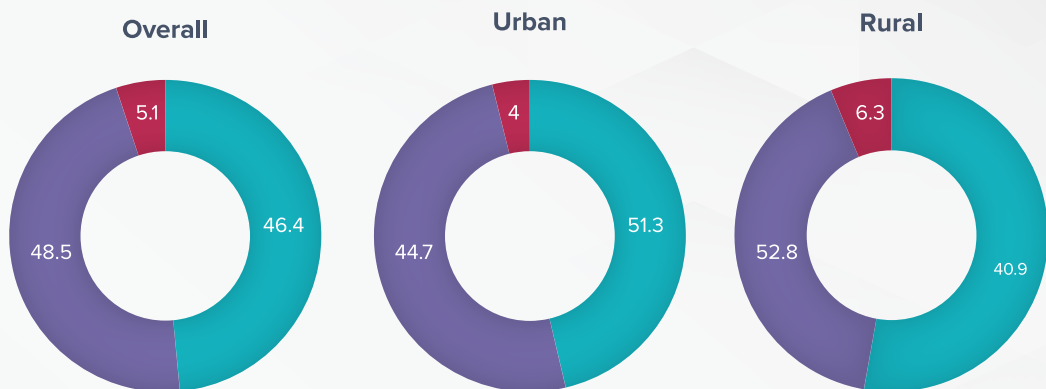
“Even though adequacy is more a perceptual term than normative, the perception of adequacy drops even further to just 11% among the low-income group category, a category where inadequacy was confirmed by more than 30% of the respondents, which is more than four times that of the high-income group.”

What has been your ability to meet regular monthly household expenses as compared to a year ago?



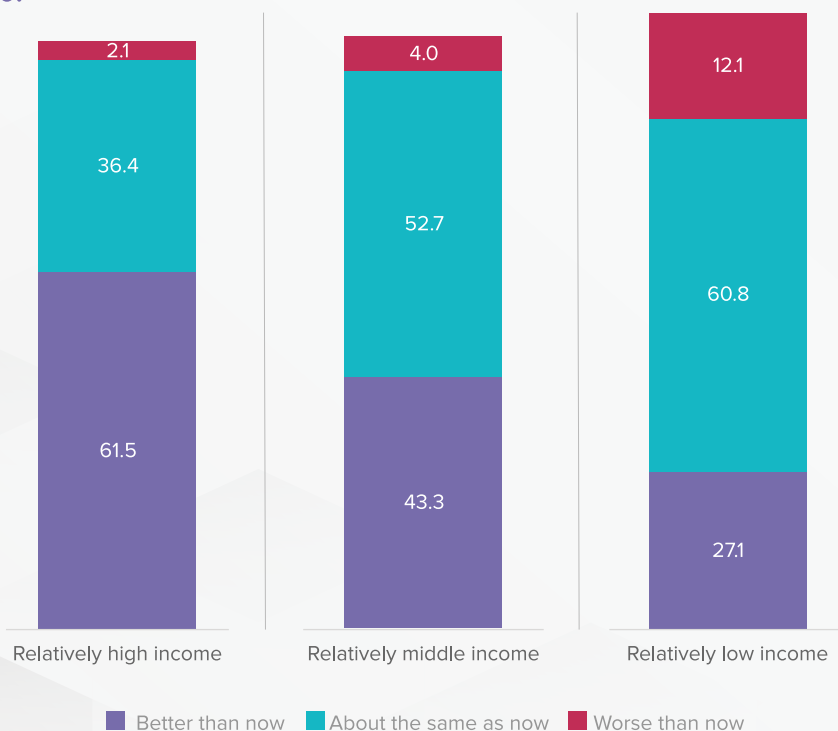
“When it came to meeting regular monthly household expenses, the difference between the high-income group category and the low-income group category is quite stark, to the tune of 29 percentage points.”

Looking ahead, do you think that a year from now, you (and your household) will be better off financially, or worse off, or just about the same as now?



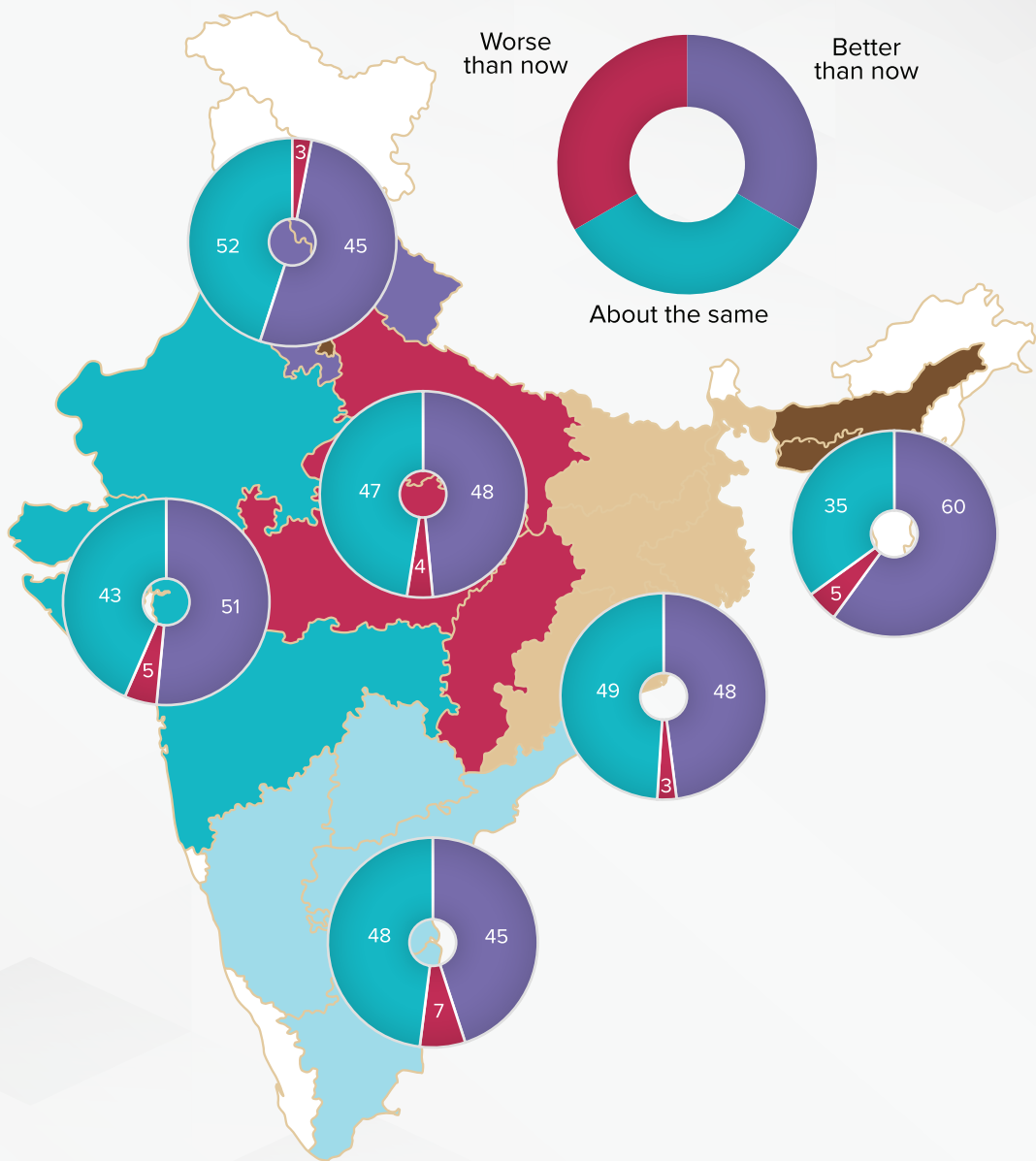
“Looking forward, there is a certain degree of optimism with nearly half of the owners stating that they thought they would be financially better off a year from now. This was lower in the case of rural India (41%) but not by much.”

What has been your ability to meet regular monthly household expenses as compared to a year ago?



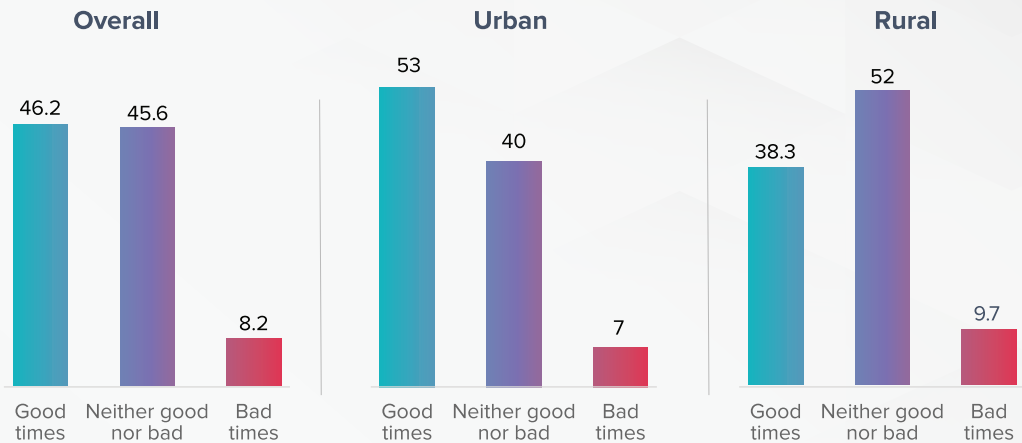
“When it came to meeting regular monthly household expenses, the difference between the high-income group category and the low-income group category is quite stark, to the tune of 29 percentage points. This clearly indicates that the recovery post-COVID has bypassed the poor”

Looking ahead, do you think that a year from now, you (and your household) will be better off financially, or worse off, or just about the same as now?



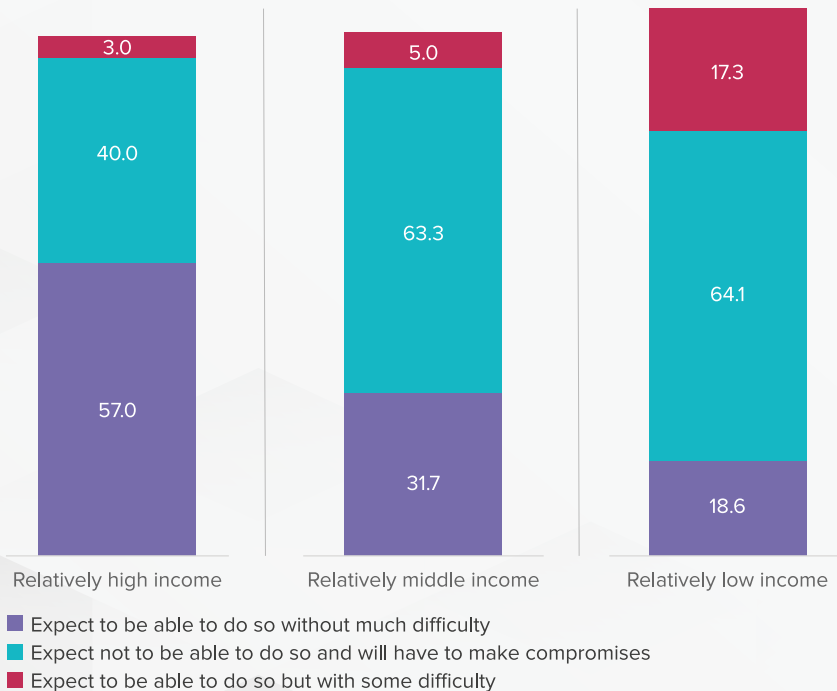
“This optimism was least in the northeastern states with only 35% stating that they expected an improvement. Optimism was relatively better in the rest of the country.”

Turning to the economic conditions in the country as a whole, do you think that during the next twelve months we'll have good times financially, or bad times?



“When it came to the economic condition of the country as a whole, once again we see a certain degree of optimism with 46% stating that they expected good times to come over the next 12 months, while another 46% thought that it would probably remain status quo. This optimism was higher in urban India (53%) as compared to rural India (38%)”

What is your expected ability to meet regular monthly household expenses in the next 3 years without having to compromise any current levels of consumption?



“Overall, the middle and lower category of earners perceives that they will face difficulties in their ability to meet regular monthly household expenses in the next 3 years.”

Generally speaking, do you think now is a good or bad time for people to buy major household items like new furniture, a refrigerator, a new TV, and things like that?



“While the high-income earners continue to be optimistic and feel that it’s still a good time to buy household durables, this feeling drastically reverses as we go down the income chain.”

If you had to choose, which of the following are the most pressing problem in this country that the government needs to control before anything else?



The spiraling cost of living:
12.0%



Petrol prices:
12.8%



Stagnant economic growth:
4.2%



Unemployment:
34.8%



Retail food prices:
24.8%

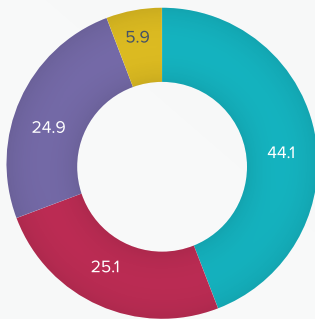


Corruption:
11.4%

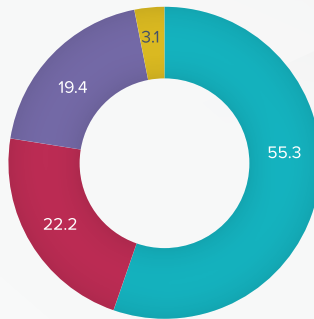
“The biggest issue in India today is unemployment, being the priority choice of nearly 35% of the respondents. This was followed by retail food prices (25%). Surprisingly, the least respondents were perturbed about the country's stagnant economic growth, possibly because macroeconomic concepts were not a top-of-the-mind issue for the general public. Corruption was also not an issue that was cited by most.”

How confident are you in the government's ability to tackle the issues you have indicated in the previous question within the next few years?

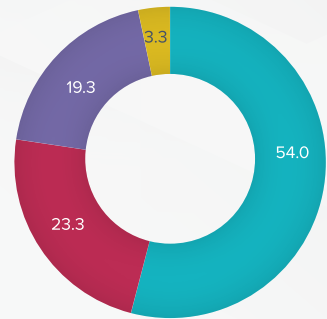
Spiralling cost of living



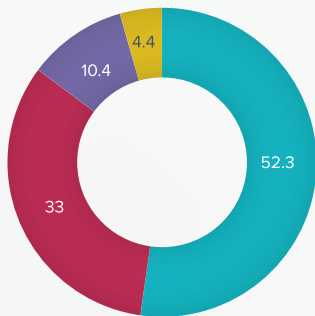
Food prices



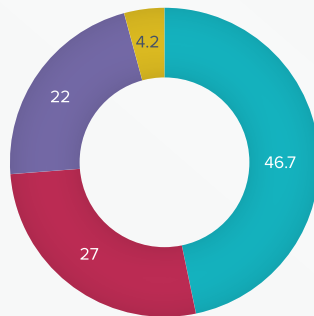
Petrol prices



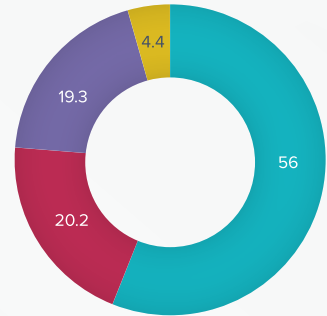
Unemployment



Corruption



Stagnant growth



■ Highly confident ■ Not confident
■ Somewhat confident ■ Don't expect this to happen

“Regarding confidence in the government's ability to tackle these issues, it would seem that while across most issues respondents were highly or somewhat confident that the government would tackle them over the next few years, the exception was unemployment which was the most important issue of all.”

Overall, how happy do you feel with the current state of your life?

Urban

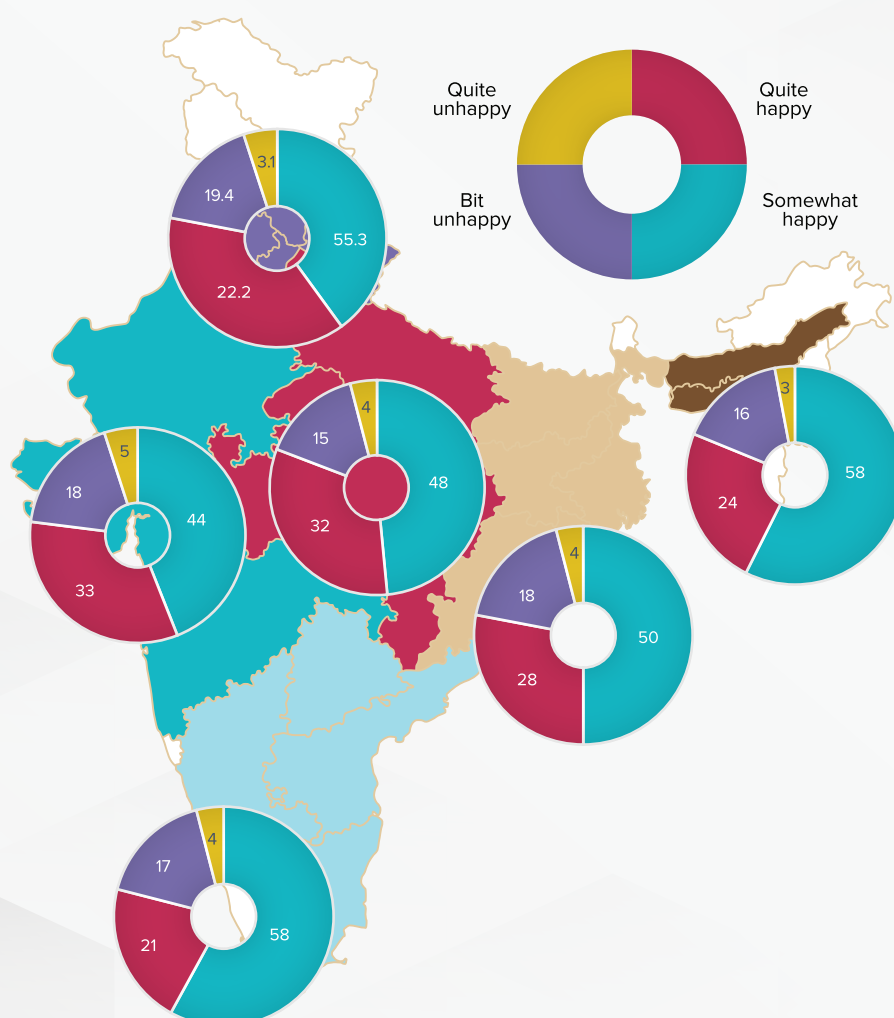


■ Quite Happy ■ Somewhat happy ■ Bit unhappy ■ Quite unhappy

Rural

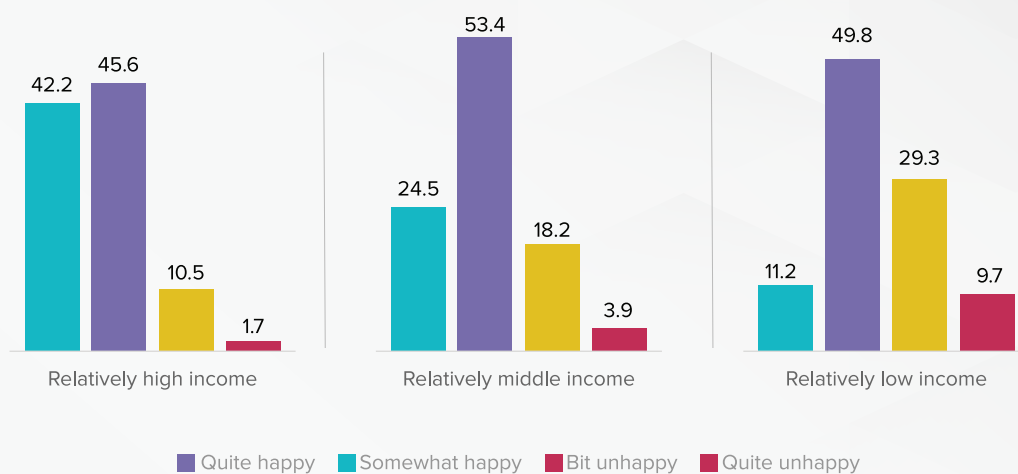


■ Quite Happy ■ Somewhat happy ■ Bit unhappy ■ Quite unhappy



“Just over three out of four Indian earners were quite happy with the current state of their lives, conversely, 22% were not. Happiness was more pronounced in the urban areas (82%) and slightly less so in the rural areas.”

Overall, how happy do you feel with the current state of your life?



“As expected, unhappiness was more pronounced among the relatively low-income earners (39%) as against the high-income earners (12%)”



Sambodhi Panels is an end-to-end product for rapid survey data collection and analysis. Integrating remote telephonic interviews with panel architectures, it enables users to draw primary insights from target audiences in real-time. Keeping with the growing need for rapid data for decision-making and the challenges in conducting in-person surveys, Panels is Sambodhi's latest tech offering to optimize the end-to-end of the survey process under one roof – from survey creation, running and storage, to analysis and visualization. Sambodhi Panels has been used to run this survey.

The Development Intelligence Unit (DIU) is a data, research, and capacity building platform aimed at using data and evidence to support policy and implementation stakeholders in rural India. Launched by Transform Rural India Foundation (TRIF) and Sambodhi Research and Communications, DIU's singular vision is to transform decision-making and narrative-building at the rural level using data and by building data capacity.



Funded by the Bill and Melinda Gates Foundation (BMGF), DIU is a cutting-edge experiment to bring the conversation around data and advanced analytics to the rural development context in India. This is operationalised through a three-fold approach of building and compiling data repositories, delivering insights via advanced analytics and visualizations, and building data capacity at the rural grassroots. Serving as a clearinghouse of rural information under an accessible, usable, and equitable framework, DIU addresses the data needs of diverse rural stakeholders with the intent of furthering the field of rural analytics for policy, advocacy, and knowledge building.





DIU
development intelligence unit
DIU

