ISSUE NO. 6

# Pakistan Consumer Confidence Index (CCI)

Results of Q2 2021 Survey

*Key highlights of Consumer Sentiments across Pakistan*

*2nd August, 2021*

*Report prepared by D&B Pakistan in collaboration with Gallup Pakistan*

# Dun & Bradstreet Pakistan

**World's leading data & analytics company with strong local presence in the GCC, South Asia & North Africa**

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**Gallup Pakistan, the Pakistani affiliate of Gallup International, is a leading survey research agency and an emerging Social Science Research Lab in Pakistan. Gallup Pakistan is a specialist in independent third party evaluation and ratings.**

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Gallup Pakistan is operating in Pakistan since 1980, thus bringing in more than 40 years of professional experience. Gallup Pakistan offers its expertise in 6 fields of social and market research.

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- **Media Research**
- **ICT & Telecom Research**
- **Healthcare Research**
- **Behavioral Science Lab**
- **Gallup History Project**
- **Social and Political Research**

# Acknowledgements

## The Consumer Confidence Index (CCI) has been quoted by various news outlets, as well as the Government of Pakistan

*Consumer Confidence Index (CCI), prepared by D&B Pakistan and Gallup Pakistan, has been quoted by several entities including the Government of Pakistan and leading news outlets including DAWN, Business Recorder and Daily Times.*

*The Consumer Confidence Index (CCI) measures the level of optimism amongst consumers about the country's economic condition, their household financial situation, job prospects, and personal finances.*

*The survey captures consumers' sentiments related to the Current Situation as well as their Future Outlook.*

*This report is meant to be a useful guide for Government entities involved in public policy decision making, and for the vibrant private sector to strengthen their understanding of consumers across Pakistan and help in developing effective strategies and policies as per changing consumer outlook.*

*The CCI report is a quarterly publication from Dun & Bradstreet Pakistan, and Gallup Pakistan. This report specifically compares Consumer Confidence in Q2 2021 with Consumer Confidence in Q1 2021 (q-o-q comparison).*

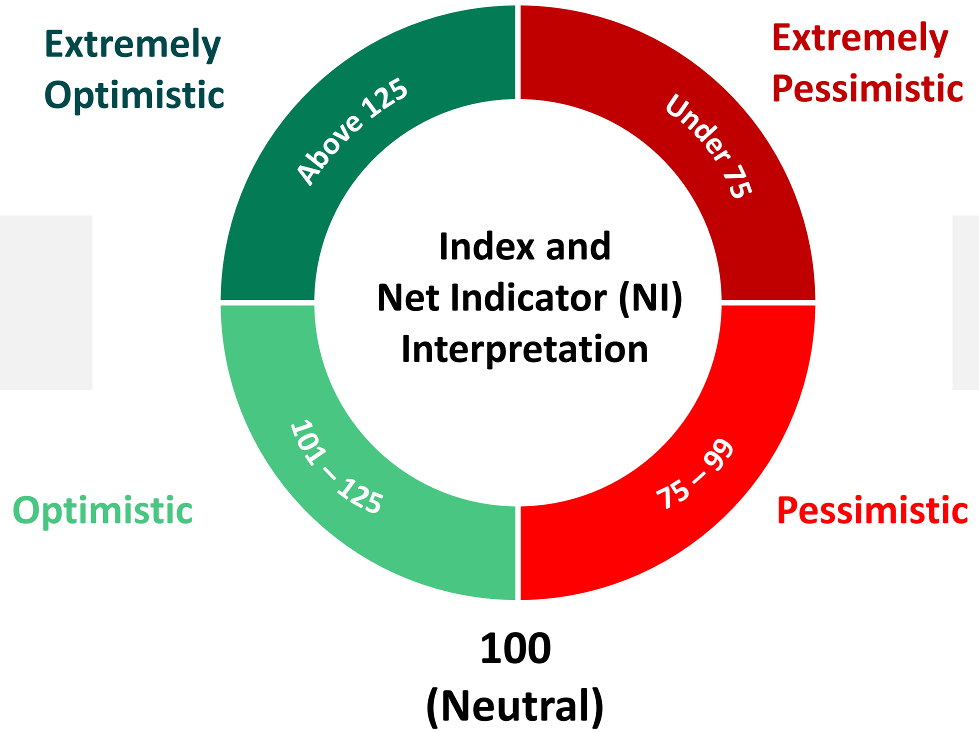
*The report is a reflection of sentiments during Q2 2021 however, sentiments are evolving rapidly due to an increase in COVID-19 cases and the restrictions imposed by the Government in July 2021.*

*For more information on past CCI publications please visit:* D&B Pakistan Knowledge Capital

**Net Indicator (NI) score is used in the report to indicate the level of Pessimism or Optimism with respect to specific questions; The Index used at an aggregate level uses the same scale; A score of over 100 indicates optimism.**

## Index and Net Indicator (NI) Interpretation

Scores between 101 to 200 indicate increasing levels of optimism




Scores between 0 to 99 indicate decreasing levels of pessimism

The index ranges from 0 to 200 points

*Note: Please refer to pages 26 to 30 for the detailed methodology*

# Glossary

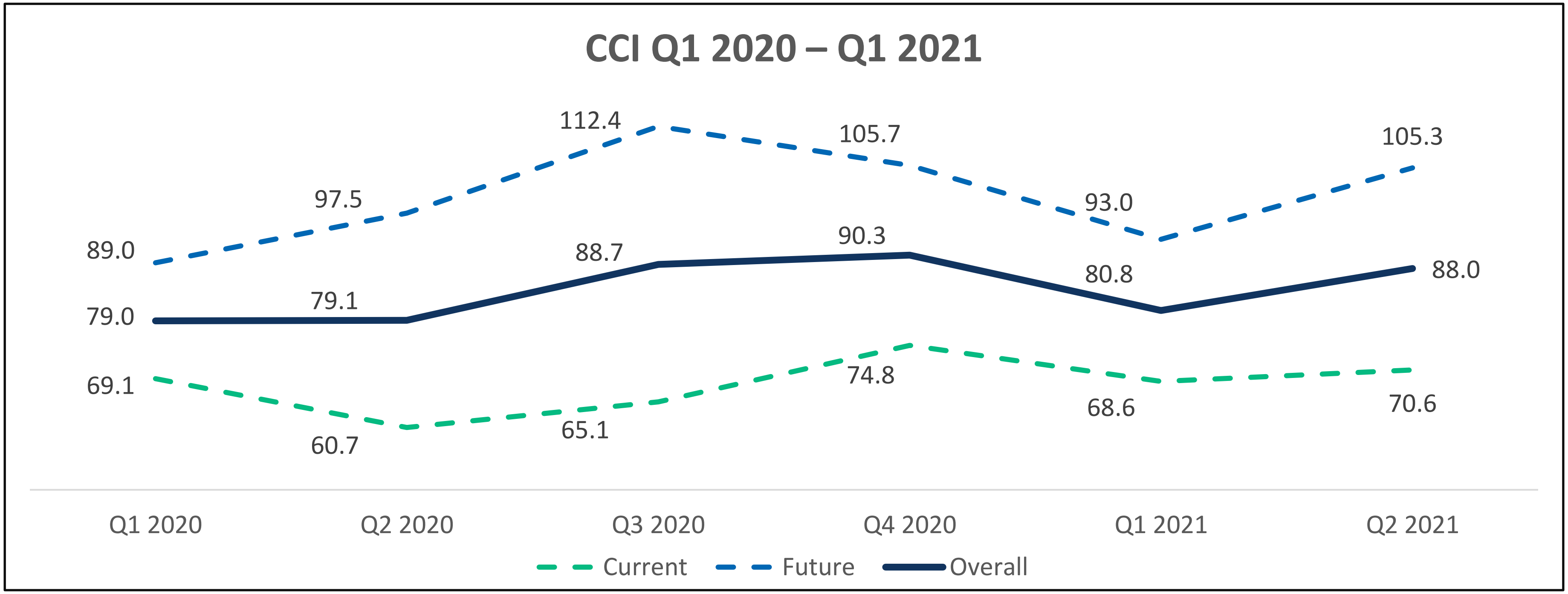
| Key Terms | Definitions |
|---|---|
| **Consumers** | Respondents that have participated in the Consumer Confidence survey |
| **Net Indicator (NI)** | A composite score computed for each index parameter by assigning weights to responses received from consumers |
| **Consumer Confidence Index (CCI - Overall)** | This is an aggregate index used to determine overall optimism/ pessimism amongst consumers in Pakistan. The CCI is an average of the Current Consumer Confidence Index (CCI - Current) and Future Consumer Confidence Index (CCI - Future) |
| **Current Consumer Confidence Index (CCI - Current)** | An index that indicates consumer feedback about current economic conditions (vis-a-vis last 6 months) across four index parameters (Household Financial Situation, Country's Economic Conditions, Unemployment and Household Savings) |
| **Future Consumer Confidence Index (CCI - Future)** | An index that indicates consumer outlook for the next 6 months (compared to the month in which survey was conducted), across four index parameters (Household Financial Situation, Country's Economic Conditions, Unemployment and Household Savings) |
| **Index Parameter** | The individual constituent of each of the indices capturing the current or future economic condition. There are 4 parameters captured as part of the survey and have been explained in the methodology section of this report |
| **Province** | A province is an administrative territory which is governed by its own Government. In Pakistan, there are four provinces i.e., Balochistan, Punjab, Sindh and Khyber Pakhtunkhwa (KPK) |

REPORT FLOW

# EXECUTIVE SUMMARY

# Key Findings: Q2 2021 Survey

## CCI has recovered, after a sharp slump in last quarter (Q1 2021)




***Overall Consumer Confidence Index (CCI) increased to 88.0 in Q2 2021. The relative optimism corresponds to Apr - Jun 21, during which COVID-19 cases were on the decline and vaccination drives were initiated throughout the country.***

***However, the situation changed significantly in July 2021 as COVID-19 cases were on the rise again and the Government has re-imposed restrictions to control the spread of the virus. We believe that in light of the current situation, sentiments are changing rapidly and are expected to reflect in the next quarter.***

# Key Findings: Q2 2021 Survey

## CCI improved by 8.9% primarily due to better Future Expectations

**Consumer Confidence Index (CCI) increased by 8.9% as compared to the last quarter, reflecting relatively positive sentiments amongst consumers.**

**Consumers reported an improvement in both Future Expectations (up 13.2% q-o-q) and Current Situation (up 2.9% q-o-q). This was primarily due to reduction in COVID-19 cases during Q2 2021.**

**Perceptions about the Country's Economic Situation witnessed an overall increase of 15.5% q-o-q taking the NI to 97.4, which was the largest jump across the CCI parameters.**

**Consumer sentiments regarding employment while still remaining extremely pessimistic, strengthened to 69.0 in Q2 2021 from 61.0 in Q1 2021 (up 13.1% q-o-q).**

**Overall Household Financial Situation maintained the highest optimism (NI = 106.8) across all CCI parameters, driven by an improvement of 12.0% q-o-q in Future Expectations.**

***Index / Net Indicator (NI) Interpretation:*** *Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic*

# CONSUMER CONFIDENCE INDEX

# Overall CCI increased by 8.9% q-o-q (7.2 points) and 11.3% y-o-y (8.9 points) in Q2 2021 owing to recovery of country's economy from the worst of the COVID-19 pandemic amid vaccination rollout.

## Q2 2020 Survey

60.7 Current
97.5 Future
79.1 Overall CCI

### In comparison to Q1 2020 survey, Overall CCI remained flat

Compared to Q1 2020, the current situation fell further however, expectations about the future improved due to decline in COVID 19 cases from end of June 2020 and with the opening up of the economy.

*Survey conducted during:*
*July-20 & August-20*

## Q1 2021 Survey

68.6 Current
93.0 Future
80.8 Overall CCI

### Overall CCI declined due to prevailing uncertainty

Overall CCI declined by 10.5% to **80.8** compared to Q4 2020. This was likely due to the restrictions imposed on business operations and social gatherings to prevent a likely third wave of the pandemic.

*Survey conducted during:*
*Mar-21*

## Q2 2021 Survey

70.6 ↑ Current
105.3 ↑ Future
↑ 88.0 Overall CCI

### Overall CCI increased primarily due to expected improvement in financial situation

Overall CCI increased by 8.9% to **88.0** compared to Q1 2021. The increase was primarily driven by optimistic expectations regarding future as the vaccination drives were initiated during Q2 2021.

*Survey conducted during:*
*Jun-21*

***Index / Net Indicator (NI) Interpretation:* Under 75 - extremely pessimistic, *75 to 99 – pessimistic,* 100 – Neutral, *101 to 125 – optimistic* and *125 above - extremely optimistic***

# Consumers displayed relatively higher optimism regarding Future Expectations, (NI = 105.3) up by 13.2% q-o-q, compared to the Current Situation (NI = 70.6)

Key Takeaways

### 1. Confidence in Country's Economy demonstrated highest growth

Improved macroeconomic indicators have led to a drastic decrease in pessimism regarding Economic Situation of the country (**NI = 97.4**), as shown by an overall increase of 15.5% q-o-q.

### 2. Consumers relatively more optimistic about Future

Future Expectations (**NI = 105.3**) increased by 13.2% compared to an increase of 2.9% in the Current Situation (**NI = 70.6**). This positive sentiment was driven by economic recovery from the pandemic and declining COVID-19 cases (during Q2 2021) due to the vaccination drives.

### 3. Current Household Savings have shrunk

Current Household Savings remained pessimistic, and declined marginally from (**NI = 62.9**) to (**NI = 60.3**). This was the only CCI parameter that decreased during this quarter.

### 4. Consumers Forecasted Unemployment Situation to Improve

The greatest jump was witnessed by Future Unemployment Situation, increasing by 20.5% q-o-q in Q2 2021 (**NI = 90.4**). However, the parameter remained in the pessimistic zone.

***Index / Net Indicator (NI) Interpretation:*** *Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic*

# Household Financial Situation remained the most optimistic parameter (NI = 106.8); while Unemployment sentiment improved, it still remained most pessimistic (NI = 69.0)

## Household Financial Situation

| NI | Q1 2021 | Q2 2021 | % Change |
|---|---|---|---|
| Overall | 100.3 | 106.8 ↑ | 6.5% |
| Current | 93.0 | 93.0 ~ | 00% |
| Future | 107.6 | 120.5 ↑ | 12.0% |

## Country's Economic Situation

| NI | Q1 2021 | Q2 2021 | % Change |
|---|---|---|---|
| Overall | 84.3 | 97.4 ↑ | 15.5% |
| Current | 71.4 | 81.8 ↑ | 14.6% |
| Future | 97.2 | 112.9 ↑ | 16.2% |

## Unemployment Situation

| NI | Q1 2021 | Q2 2021 | % Change |
|---|---|---|---|
| Overall | 61.0 | 69.0 ↑ | 13.1% |
| Current | 46.9 | 47.5 ↑ | 1.3% |
| Future | 75.0 | 90.4 ↑ | 20.5% |

## Household Savings

| NI | Q1 2021 | Q2 2021 | % Change |
|---|---|---|---|
| Overall | 77.5 | 78.9 ↑ | 1.8% |
| Current | 62.9 | 60.3 ↓ | -4.1% |
| Future | 92.0 | 97.4 ↑ | 5.9% |

***Index / Net Indicator (NI) Interpretation:*** *Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic*

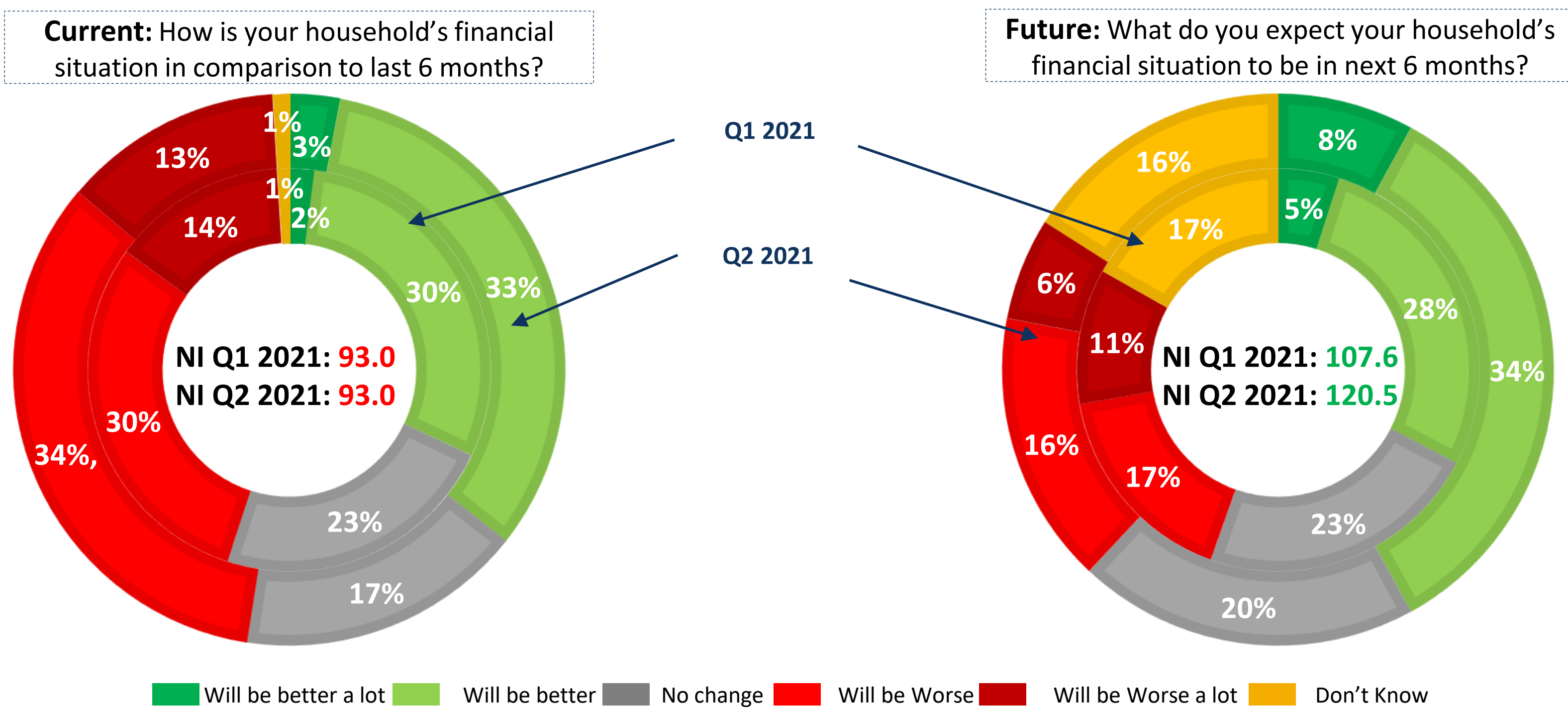
# Amongst all CCI parameters, Household Financial situation was the only optimistic parameter (NI above 100)

| Surveys | Overall NI |
|---|---|
| Q1 2021 | 100.3 |
| Q2 2021 | 106.8 ↑ |

**Household Financial Situation**

**Household Financial Situation increased** on account of Future Expectations (NI = 120.5), and subdued by Current Situation (NI = 93.0) which remained unchanged compared to Q1 2021.

**42%** respondents expected their **Household Financial Situation to improve in the Future** (as compared to **33%** in **Q1 2021**).




***Index / Net Indicator (NI) Interpretation:** Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic*

# Overall Country's Economic Situation witnessed the greatest improvement of 15.5% q-o-q across all parameters

| Surveys | Overall NI |
|---|---|
| Q1 2021 | 84.3 |
| Q2 2021 | 97.4 ↑ |

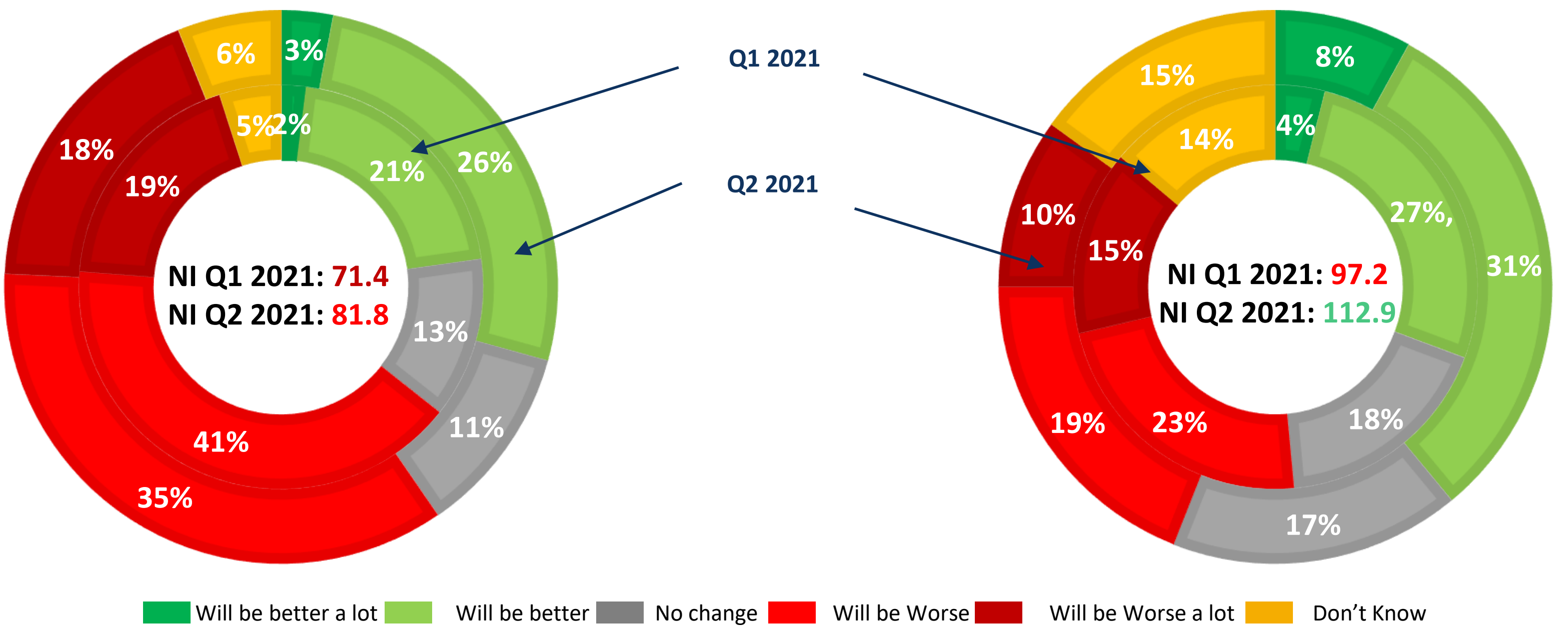
**Country's Economic Situation**

**Country's Current Economic Situation improved by 14.6% to (NI = 81.8) in Q2 2021**, from (**NI = 71.4**) in **Q1 2021.**

**39%** consumers cited that the **Country's Economic Condition will improve in the next six months** compared to **31%** in **Q1 2021.**

**Current:** In your opinion, how would you describe the current economic situation in Pakistan in comparison to last 6 months?

**Future:** In your opinion, what do you expect Pakistan's economic situation to be in next 6 months?




***Index / Net Indicator (NI) Interpretation:** Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic*

# Concerns regarding Unemployment continued to persist in Q2 2021 – Future Expectations regarding Unemployment remained in the pessimistic range

| Surveys | Overall NI |
|---|---|
| Q1 2021 | 61.0 |
| Q2 2021 | 69.0 ↑ |

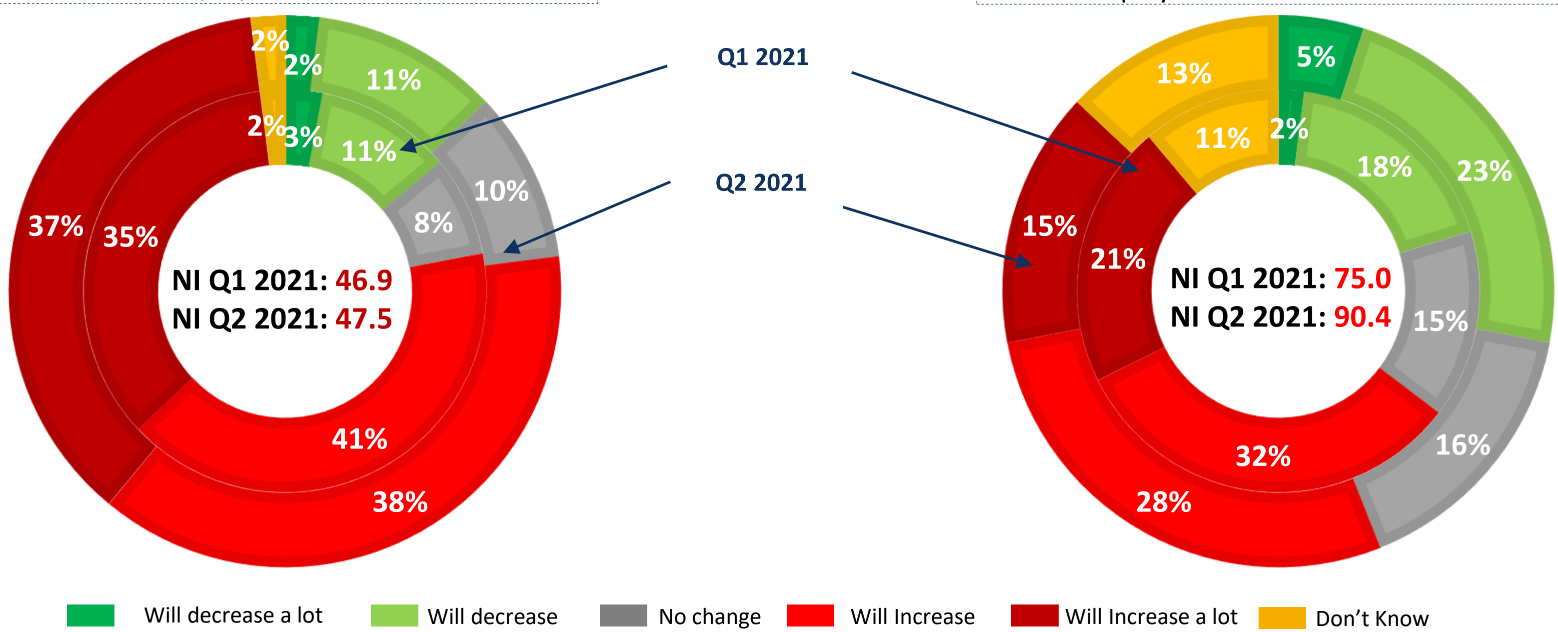
**Unemployment**

**Unemployment has consistently recorded the lowest NI across all CCI parameters since Q1 2020.** Even though NI increased to **69.0 in Q2 2021** from **61.0 in Q1 2021, it remained in the extremely pessimistic range.**

**43%** of respondents highlighted that **Unemployment will increase/ increase** a lot in the next six months compared to **53%** in **Q1 2021** and **42%** in **Q4 2020.**

**Current:** In your opinion, in comparison to last 6-month, unemployment in Pakistan is …..?

**Future:** In your opinion, in next 6 months, unemployment in Pakistan will be….?




*Index / Net Indicator (NI) Interpretation: Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic*

# Concerns regarding Overall Household Savings remained relatively unchanged during Q2 2021

| Surveys | Overall NI |
|---|---|
| Q1 2021 | 77.5 |
| Q2 2021 | 78.9 ↑ |

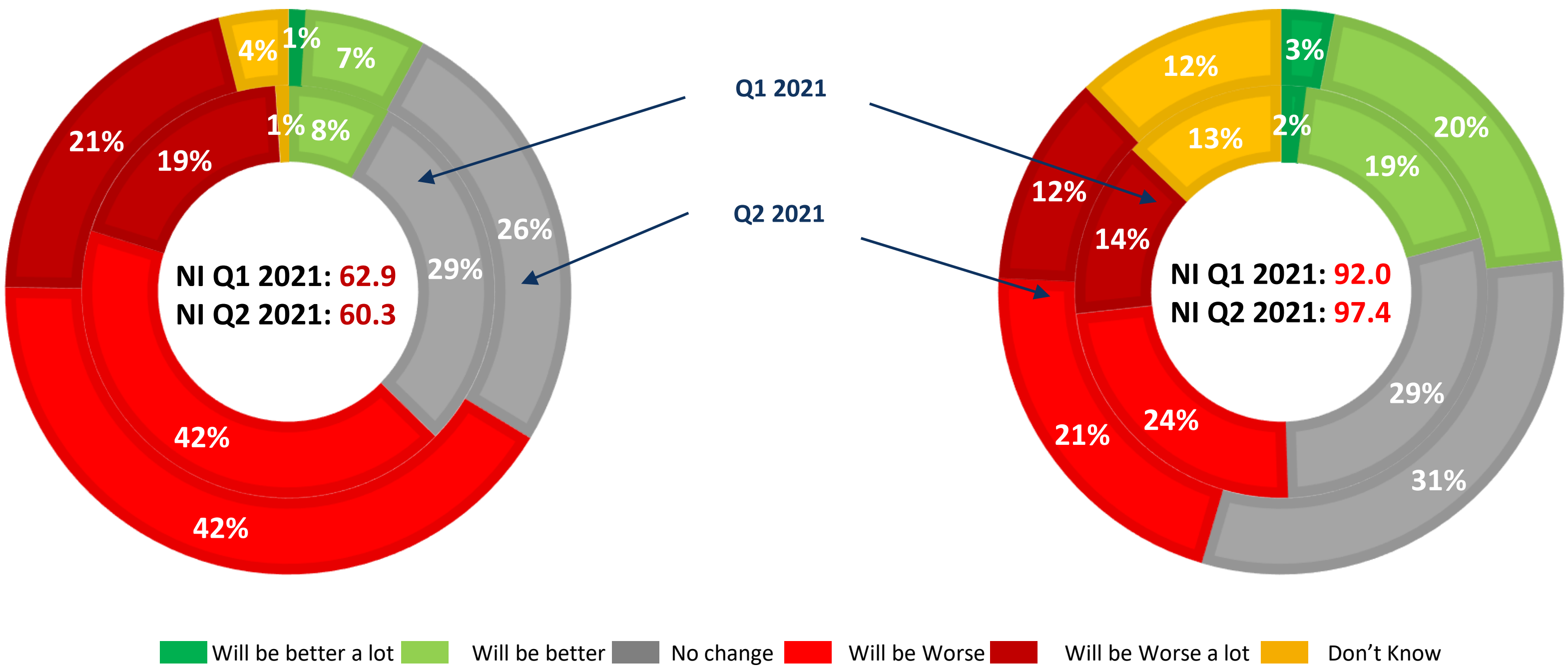
Household Savings

**Current Household Savings was the only CCI parameter to witness a decline in Q2 2021 primarily.** However, overall CCI for Household Savings still increased by 1.8% q-o-q.

**Sentiments regarding Future Household Savings increased** to (**NI = 97.4**) **from** (**NI = 92.0**) **in Q1 2021,** reflecting an improvement of **5.9% q-o-q.**

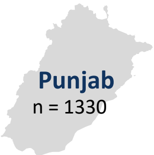
**Current:** Do you think, in comparison to last 6 months, your household savings increased, decreased or remained the same?

**Future:** Do you expect your household savings to increase, decrease or remain the same in next 6 months?




*Index / Net Indicator (NI) Interpretation: Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic*

# All the provinces were optimistic about Future (NI above 100); Consumers in KPK remained relatively least pessimistic while consumers in Balochistan displayed the lowest increase in confidence




## Punjab

| NI | Q1 2021 | Q2 2021 | % Change |
|---|---|---|---|
| Overall | 79.5 | 88.6 ↑ | 11.4% |
| Current | 67.7 | 70.6 ↑ | 4.3% |
| Future | 91.2 | 106.5 ↑ | 16.8% |


## Sindh

| NI | Q1 2021 | Q2 2021 | % Change |
|---|---|---|---|
| Overall | 81.9 | 86.9 ↑ | 6.1% |
| Current | 69.9 | 71.3 ↑ | 2.0% |
| Future | 94.0 | 102.4 ↑ | 8.9% |


## KPK

| NI | Q1 2021 | Q2 2021 | % Change |
|---|---|---|---|
| Overall | 83.8 | 88.9 ↑ | 6.1% |
| Current | 69.1 | 70.8 ↑ | 2.5% |
| Future | 98.5 | 106.9 ↑ | 8.5% |


## Balochistan

| NI | Q1 2021 | Q2 2021 | % Change |
|---|---|---|---|
| Overall | 82.8 | 83.6 ↑ | 1.0% |
| Current | 71.1 | 66.8 ↓ | -6.0% |
| Future | 94.4 | 100.4 ↑ | 6.4% |

***Index / Net Indicator (NI) Interpretation:*** *Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic.*

*n represents the number of respondents from the province*

# Male respondents were relatively less pessimistic than Female counterparts. Consumers across urban and rural areas cited improvement of Current Situation and Future Expectations

## Urban

n = 1149

| NI | Q1 2021 | Q2 2021 | % Change |
|---|---|---|---|
| Overall | 81.8 | 88.4 ↑ | 8.1% |
| Current | 69.8 | 71.0 ↑ | 1.7% |
| Future | 93.8 | 105.8 ↑ | 12.8% |

## Male

n = 1659

| NI | Q1 2021 | Q2 2021 | % Change |
|---|---|---|---|
| Overall | 82.6 | 89.7 ↑ | 8.6% |
| Current | 70.5 | 73.0 ↑ | 3.5% |
| Future | 94.7 | 106.4 ↑ | 12.4% |

## Rural

n = 848

| NI | Q1 2021 | Q2 2021 | % Change |
|---|---|---|---|
| Overall | 79.1 | 87.4 ↑ | 10.5% |
| Current | 66.7 | 70.1 ↑ | 5.1% |
| Future | 91.5 | 104.7 ↑ | 14.4% |

## Female

n = 338

| NI | Q1 2021 | Q2 2021 | % Change |
|---|---|---|---|
| Overall | 71.5 | 79.1 ↑ | 10.6% |
| Current | 58.8 | 58.5 ~ | -0.5% |
| Future | 84.3 | 99.6 ↑ | 18.1% |

***Index / Net Indicator (NI) Interpretation:*** *Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic*

# Consumers across all age groups were optimistic about the future; NI increased for Current Situation and Future Expectations across all age

## Below 30 yrs.

n = 809

| NI | Q1 2021 | Q2 2021 | % Change |
|---|---|---|---|
| Overall | 87.4 | 94.2 ↑ | 7.8% |
| Current | 76.9 | 78.9 ↑ | 2.6% |
| Future | 98.0 | 109.5 ↑ | 11.7% |

## 30 to 49 yrs.

n = 871

| NI | Q1 2020 | Q2 2021 | % Change |
|---|---|---|---|
| Overall | 75.9 | 84.1 ↑ | 10.8% |
| Current | 62.5 | 65.5 ↑ | 4.8% |
| Future | 89.3 | 102.8 ↑ | 15.1% |

## 50 yrs. and above

n = 317

| NI | Q1 2021 | Q2 2021 | % Change |
|---|---|---|---|
| Overall | 77.4 | 82.7 ↑ | 6.8% |
| Current | 64.5 | 64.0 ↓ | -0.8% |
| Future | 90.4 | 101.5 ↑ | 12.3% |

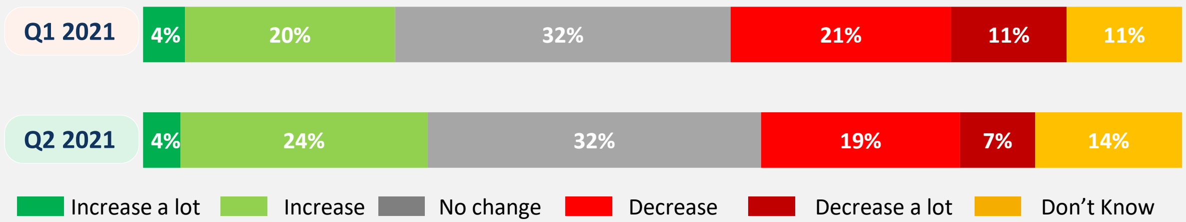
***Index / Net Indicator (NI) Interpretation:*** *Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic*

# HOUSEHOLD INCOME
# &
# PRICE SITUATION

# Consumers displayed optimism about Future Household Income – In Q2 2021, 28% respondents expected their incomes to increase as compared to 24% in Q1 2021

**Household Income**

**Future:** What change do you expect in your household income in the future?




| | Net Indicator |
|---|---|
| Q1 2021 | 99.7 |
| Q2 2021 | 107.9 ↑ |

**28% of respondents** were confident that their income levels will improve in the next 6 months compared to **24%** in **Q1 2021.**

| Net Indicator | Under 30 yrs. | 30 – 49 yrs. | Above 50 yrs. |
|---|---|---|---|
| Q1 2021 | 104.2 | 94.7 | 102.7 |
| Q2 2021 | 110.7 ↑ | 107.0 ↑ | 102.9 ↑ |

**NI turned green across all age groups however, youth were relatively more optimistic (NI = 110.7)**

| Net Indicator | Punjab | Sindh | KPK | Balochistan |
|---|---|---|---|---|
| Q1 2021 | 101.1 | 97.0 | 103.7 | 85.3 |
| Q2 2021 | 110.8 ↑ | 104.2 ↑ | 98.6 ↓ | 114.5 ↑ |

**Income expectations have strengthened across all provinces** except KPK **(NI = 98.6)**

| Net Indicator | Male | Female |
|---|---|---|
| Q1 2021 | 102.2 | 87.2 |
| Q2 2021 | 107.5 ↑ | 110.1 ↑ |

**Females have demonstrated a significant increase (26.3% q-o-q) in optimism** regarding Future Income levels during Q2 2021

| Net Indicator | Urban | Rural |
|---|---|---|
| Q1 2021 | 101.1 | 97.4 |
| Q2 2021 | 110.1 ↑ | 104.7 ↑ |

**Urban and rural consumers both turned optimistic** highlighting positive sentiments about Future Household Income

***Survey Question Asked for Assessing Household Income Situation:*** *what change do you expect in your household income in the future?*
*i) Will increase a lot, ii) Will increase, iii) Will not change, iv) Will decrease, v) Will decrease a lot, vi) Don't Know/ No Response*

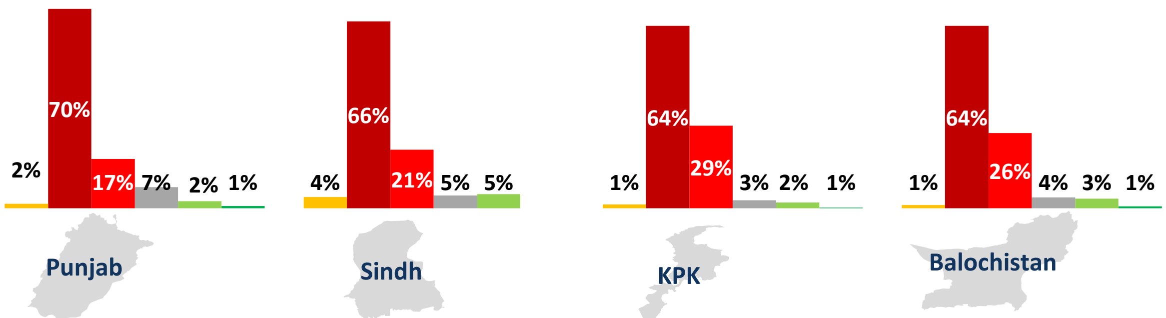
# Rising Prices continued to be a concern for consumers

**Price Situation**

**Current: In your opinion, in comparison to last six months, prices of daily essentials are?**

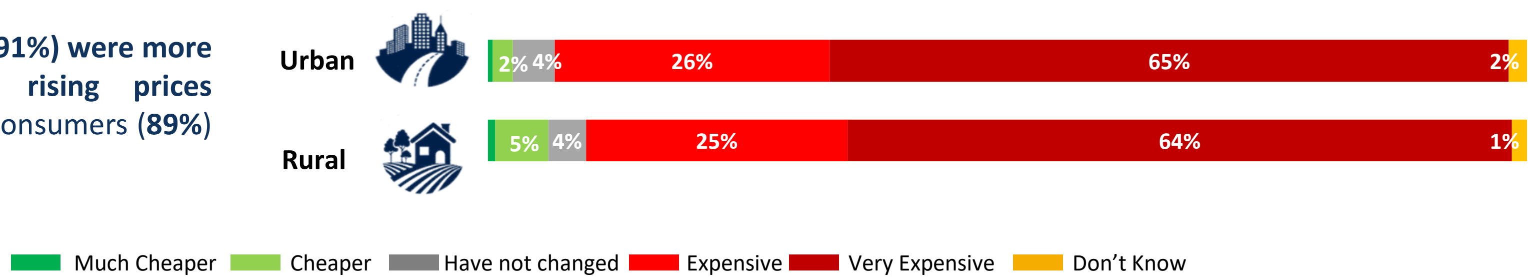

**91% of consumers** said that daily essentials have become expensive/ very expensive in last six months compared to **92%** in **Q1 2021**

## In your opinion, in comparison to last six months, prices of daily essentials are? (Q2, 2021)




**Sindh was the only province with higher proportion of consumers citing an increase in prices as compared to Q1 2021**

**Urban consumers (91%) were more concerned about rising prices** compared to rural consumers (**89%**) in Q2 2021.




***Survey Question Asked for Assessing Price Situation:*** *In your opinion, in comparison to last six months, prices of daily essentials have…?*
*i) Much cheaper, ii) Cheaper, iii) Have not changed, iv) Expensive, v) Very expensive, vi) Don't Know/ No Response*

# METHODOLOGY

# Q2 2021 Survey: A telephonic survey was conducted among 1,997 respondents by a team of trained professionals from Gallup Pakistan

**Survey Sampling**

**Sample Size: 1,997**

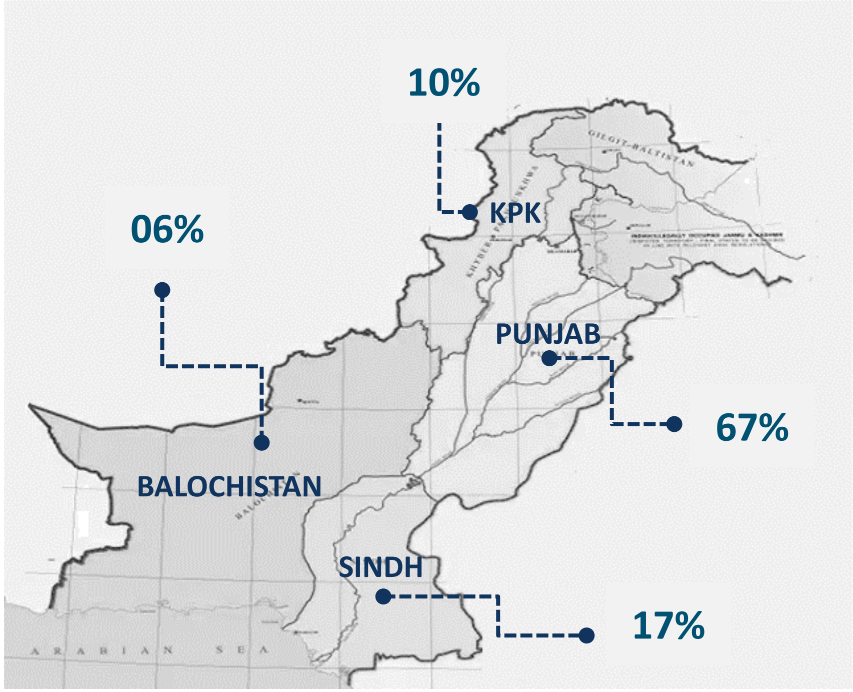
**2.2% Error Margin at 95% Confidence level**

**Data Collection Period:**
June 2021

## Sample Size Distribution

| | |
|---|---|
| Urban | 58% |
| Rural | 42% |
| Male | 83% |
| Female | 17% |
| Under 30 yrs. | 40% |
| 30 – 50 yrs. | 44% |
| Above 50 yrs. | 16% |

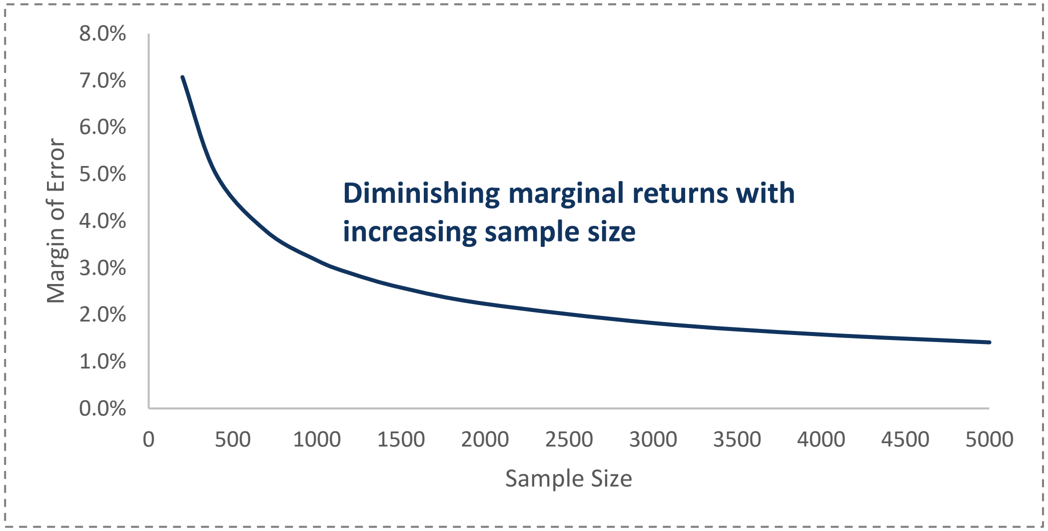
## Sample Size Distribution by Province




*Sample size of 1,997 respondents result in a margin of error of 2.2%, hence the sample size is representative of population.*

# The margin of error decreases with increase in sample size but at a much lower pace. A sample size of 1,200 is statistically significant. However, our sample size of 1,997 is more than sufficient from the point of view of statistical accuracy

## Relationship between Sample Size and Margin of Error




| Sample Size (n) | Margin of Error (M.E.) |
|---|---|
| **200** | 7.1% |
| **400** | 5.0% |
| **700** | 3.8% |
| **1,000** | 3.2% |
| **1,200** | 2.9% |
| **1,500** | 2.6% |
| **2,000** | 2.2% |
| **3,000** | 1.8% |
| **4,000** | 1.6% |
| **5,000** | 1.4% |

**Observations:**

- A four times increase in sample size (from 1,000 to 4,000) will reduce error margin by only 1.6% (from 3.2% to 1.6%).
- The most substantial decrease in margin of error is between samples sizes of 200 and 1,200
- The margin of error does not substantially decrease at sample sizes above 1,500 (since it is already below 3%).

**With Pakistan's population of ~220 Mn, a sample size of 1,200 results in a margin of error of 2.8%, which is below 3%, the accepted norm for statistical research accuracy. A Sample of 1,997 for this survey is sufficiently large to represent feedback from across the Nation.**

**Note: For further details on statistical concepts see page 31**

# This survey has been weighted using 'post-stratification weights'

Survey Methodology

## Weighting Approach


- A weighting approach has been used for the CCI to make the sample statistically representative of the population.
- The weights have been applied on the basis of Provinces of Residence (Sindh, Punjab, KPK or Balochistan)
- The assignment of a weight to each survey respondent is such that: demographics that are under-represented (when compared to the actual population proportion) are assigned a weight larger than 1, and those in over-represented groups are assigned a weight smaller than 1.

# For estimating Net Indicator, weights have been assigned to each response asymmetrically to account for respondent's tendency to under-weigh positive responses

**Survey Methodology**


Net indicator is a composite score computed for each index parameter by assigning weights to responses received from consumers. For each question asked during the survey, the respondent has six options as shown above.

Neutral responses (Same as before) are assigned a weight of 0.25 due to respondent's tendency to under-weigh positive responses.

Net Indicator is computed by taking a weighted average sum of the responses based on the weights indicated above. It is converted into an index by adding 100 to the weighted average score. The index will thus range from 0 to 200

**Index / Net Indicator (NI) Interpretation:** **Under 75 - extremely pessimistic**, **75 to 100 – pessimistic**, **100 to 125 – optimistic** and **125 & above - extremely optimistic**

# APPENDIX

# A Sample is a collection of data from a subset of the population. Margin of Error determines the accuracy of estimation about population parameter from sample survey

## Sample Survey Key Concepts

### Population, Sampling Frame and Sample

**Population:** The entire group of individuals or objects that we wish to know something about

**Sample (n):** Those individuals or objects who provide the data to be collected.

**Sampling Frame:** It is a list of all those within a population who can be sampled. Having sampling frame close to population avoids selection bias.

**Relationship between Population, Sampling Frame and Sample (Process of creating a sample)**

- *Want to know about a population*
- *Only really have access to a sampling frame to draw an intended sample from*
- *Get observations only from the actual sample.*

### Margin of Error (ME)

- It measures the reliability of the percent or other estimate based on the survey data
- The margin of error depends directly on the square root of the size of the sample.

**Formula:** ME = $1 / \sqrt{n}$
**Rule of Thumb:** *The larger the sample size (n) the smaller the margin of error; the size of the population does not affect the margin of error*

### Confidence Interval (CI)

- It is a probability that a parameter will fall between a pair of values around the mean.

**Formula:** $CI = \bar{x} \pm z * \sigma / (\sqrt{n})$
($\bar{x}$ = sample mean, z = confidence level value, $\sigma$ =sample standard deviation)
***Observation:*** *Mostly constructed using confidence levels of 95% or 99%.*

**If a survey is conducted using an unbiased methodology, then the margin of error tells us directly about the accuracy of the survey at estimating a population parameter.**

## This report has been developed to assess Consumer Confidence across Pakistan. Multiple stakeholders can use this report for strategic decision making.

The Consumer Confidence Index (CCI Index) is a globally recognized instrument that helps understand the sentiments and outlook of the common man.

The Consumer Confidence Survey measures the level of optimism that consumers have about household financial situation, country's economic condition, job prospects, personal finances and spending intentions[1].

Thus, it would help multiple stakeholders to strengthen their research, develop their strategies, and thereby aid in the process of decision making.

### Target Audience

**Public Institutions and Policy Makers**

**Large and Small Businesses (especially B2C)**

**Development Financial Institutions & Foundations**


**Banks and Non-Banking Financial Institutions**

**Education and Research Center**

1 Purchase of Assets Index is an indicator of Spending Intentions, and was covered in Q1 2020 survey. However this section was omitted in Q2, Q3 and Q4 Surveys, due to length of questionnaire being reduced as the survey was done telephonically (due to COVID related restrictions)

# This report compares changes in Consumer Confidence across two quarters; first quarter of 2021 (Q1 2021) and the current situation (Q2 2021)

| | Q1 2021 | Q2 2021 |
|---|---|---|
| **Number of Respondents** | 1,590 | 1,997 |
| **Time period of Survey** | March-21 | June-21 |
| **Mode of Survey Interviews** | Telephonic | Telephonic |

# The Consumer Confidence Index report compares survey results, and assesses current & future consumer outlook for all key parameters across demographic segments

## Analysis Framework

### Consumer response related to Current Situation and Future Expectations

**Current**
Past 6 Months sentiment from month of survey

**Future**
Next 6 Months outlook from month of survey

Q. How would you describe the current situation in comparison to 6 months ago?

Q. What do you expect the situation to be 6 months from now?

### Quarterly Consumer Confidence Surveys

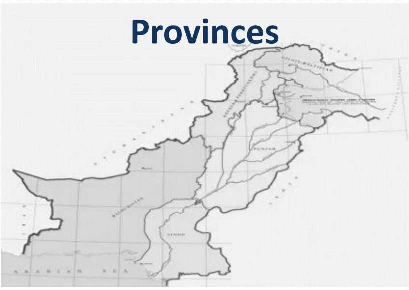
**Q1 2021 Survey**

**Q2 2021 Survey**

*Different colors are used to indicate the quarterly Surveys*

### Demographic Split

**Provinces**



**Location**

Urban

Rural

**Age Group**

Below 30 yrs.

30 – 49 yrs.

50 yrs.& above

**Gender**

Male

Female

*For each question asked during the survey, the respondents had multiple options: much better, better, same, worse, much worse and don't know*

# In Q2 2021 Survey, 10 questions were asked on three topics

**Questionnaire Q2 2021 Survey**

| | CONSUMER CONFIDENCE | | | |
|---|---|---|---|---|
| **Parameters** | **Household Financial Situation** | **Country's Economic Condition** | **Unemployment** | **Household Savings** |
| **Current** | Q1. How is your household's financial situation in comparison to last 6 months? | Q3. In your opinion, how would you describe the current economic situation in Pakistan in comparison to last 6 months? | Q5. In your opinion, in comparison to last 6 month, unemployment in Pakistan is …..? | Q7. Do you think, in comparison to last 6 months, your household savings increased, decreased or remained the same? |
| **Future** | Q2. What do you expect your household's financial situation to be in next 6 months? | Q4. In your opinion, what do you expect Pakistan's economic situation to be in next 6 months? | Q6. In your opinion, in next 6 months, unemployment in Pakistan will be….? | Q8. Do you expect your household savings to increase, decrease or remain the same in next 6 months? |

| | PRICES |
|---|---|
| Parameters | **Outlook on food prices** |
| **Current** | Q9. In your opinion, in comparison to last six months, prices of daily essentials has…? |

| | HOUSEHOLD INCOME |
|---|---|
| Parameters | **Outlook on Household Income** |
| **Future** | Q10. What change do you expect in your household income in the future? |

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