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ISSUE NO. 14

Pakistan Consumer Confidence Index (CCI)

Results of Q2 FY2023-24 Survey Report
(Survey conducted during October 2023)

17 January 2023

Key highlights of change in Consumer Sentiments across Pakistan from Q1 FY2023-24 to Q2 FY2023-24

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

Dun & Bradstreet Pakistan

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Consumer Sentiments are volatile and are shaped by consumers' perception of their personal financial situation as well as the overall financial and economic performance of the country. The Consumer Confidence Index (CCI Index) is a globally recognized instrument that serves as a leading indicator for household consumption and saving, which in turn is a key driver of overall economic activity in the country.

To help businesses and policymakers better understand this crucial link, Dun & Bradstreet and Gallup have collaborated to publish a quarterly report. The CCI is a valuable tool for multiple stakeholders, including governments, businesses, and financial institutions, as it enables them to gain a deeper understanding of the market and make informed decisions backed by data.

To learn more about past CCI publications, please visit the D&B Pakistan Knowledge Capital website (https://dnbsame.com/knowledge-capital) or the website of Gallup Pakistan (Private) Limited (www.gallup.com.pk).

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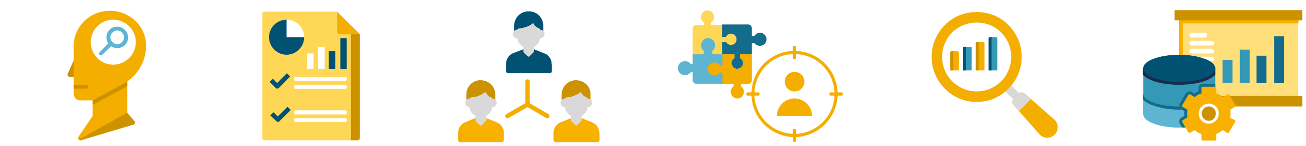

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- Financial Inclusion Research
- Media Research
- ICT & Telecom Research
- Healthcare Research
- Behavioral Science Lab
- Gallup History Project
- Social and Political Research

Acknowledgements

THE CONSUMER CONFIDENCE INDEX (CCI) IS A HIGHLY VALUED QUARTERLY PUBLICATION THAT RECEIVES SIGNIFICANT ATTENTION FROM MEDIA NETWORKS AND LEADING NEWS OUTLETS. IT IS PROMINENTLY FEATURED IN POPULAR NEWS SOURCES SUCH AS DAWN, BUSINESS RECORDER, AND DAILY TIMES, WHICH REFLECTS ITS IMPORTANCE IN THE BUSINESS AND ECONOMIC LANDSCAPE OF THE COUNTRY

The Consumer Confidence Index (CCI) is a survey that measures consumer sentiments about the country's economic condition, household financial situation, job prospects, and personal finances.

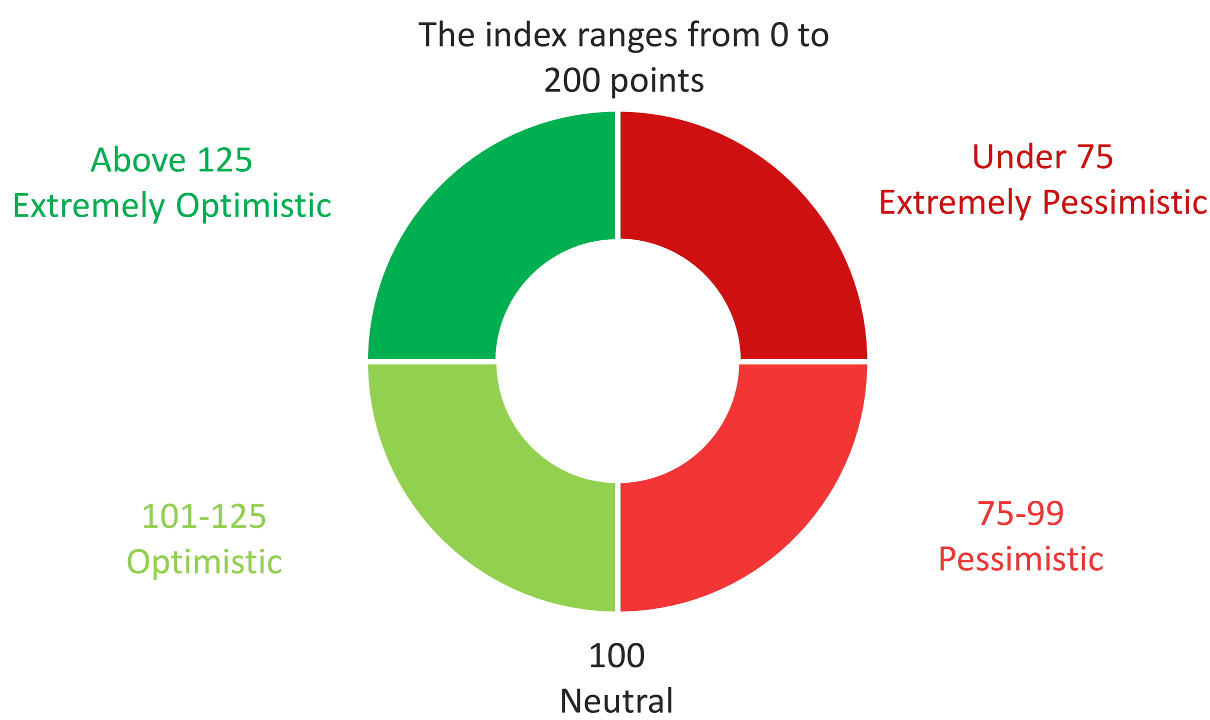
The survey captures consumers' responses related to the Current Situation as well as their Future Expectations.

This report compares Consumer Confidence in Q2 FY2023-24 vis-à-vis Consumer Confidence in Q1 FY2023-24 (Q-o-Q comparison).

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

Index and Net Indicator (NI) Interpretation

The Index and Net Indicator (NI) scores are used to indicate the level of Optimism or Pessimism with respect to specific questions, or as a composite index.



Scores between 99 to 0 indicate decreasing levels of pessimism.
Scores between 101 to 200 indicate increasing levels of optimism.

Note: please refer to pages 26 to 28 for the detailed methodology.
The Index and NI interpretation applies to rounded-off numbers.

Glossary

Consumers
Respondents that have participated in the Consumer Confidence survey.

Net Indicator (NI)
A composite score is 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, i.e., 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 months in which the survey was conducted), across four index parameters, i.e., Household Financial Situation, Country's Economic Conditions, Unemployment, and Household Savings.

Relative Optimism *(Future to Current)*
A measure of the CCI – Future and CCI – Current. It represents the Future optimism in relation to Current optimism in the mind of consumers in Pakistan. The result is a score in percentage terms allowing for comparison across quarters. Typically, people are predisposed to be more optimistic about the Future (relative to Current situation), thus this ratio has always been over 100%.

Index Parameter
The individual constituent of each of the indices captures the current or future economic condition. There are four 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 that 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

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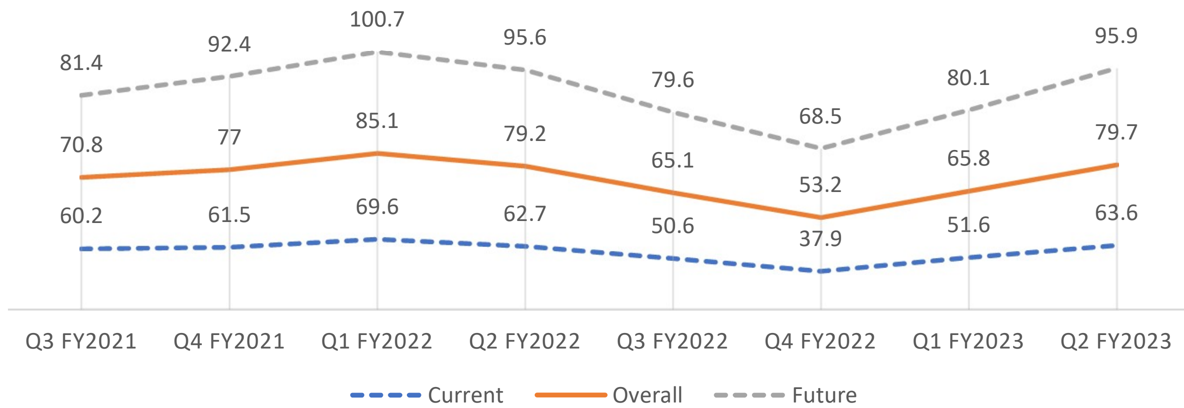
Key Findings: Q2 FY2023-24 Survey

In Q2 FY2023-24, the Overall Consumer Confidence Index (CCI) is 79.7 points, which indicates a quarter-on-quarter increase of 13.9%.

CCI Last Eight Quarters (Q3 FY2021 – Q2 FY2023-24)

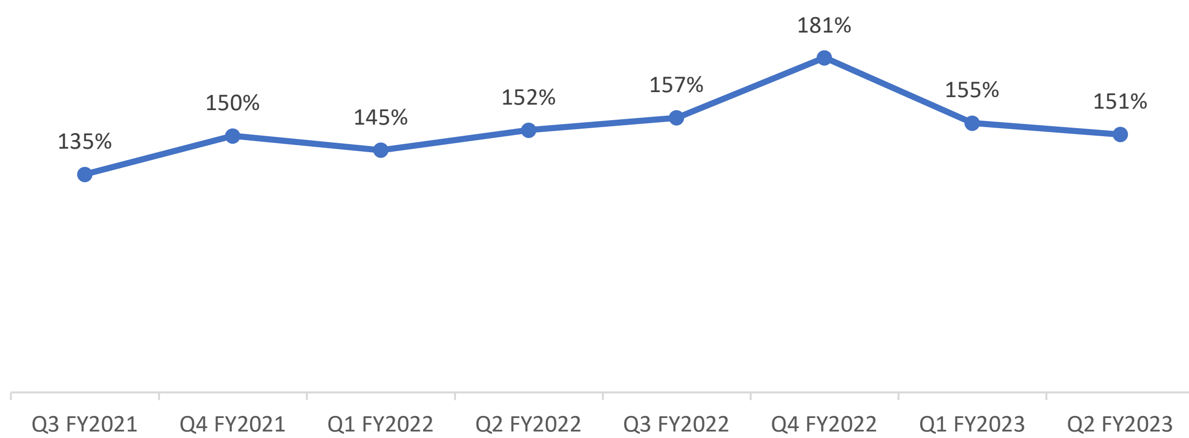


This increase indicates improved consumer sentiments.

This quarter's index is the highest it has been in the last five quarters.

Consumers were relatively more optimistic about the current state of their household situation and economy in general, as well as more optimistic about the future prospects.

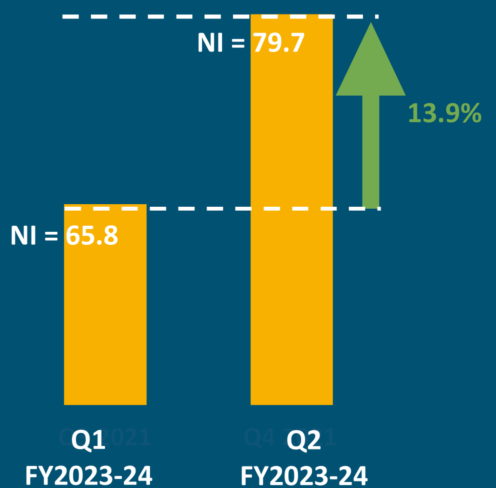
Relative Optimism – Future to Current*



The Relative Optimism in CCI between the future versus the current situation is about 151%, the fifth highest measurement in the last 7 quarters.

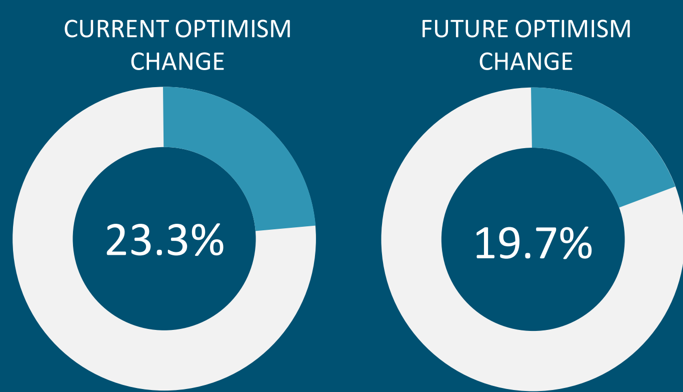
Note: **This number now reflects a percentage instead of a percentage increase as earlier.*

Δ IN OVERALL CCI



Consumer Confidence Index (CCI) increased Q-o-Q, indicating relative improvement in sentiments.

Δ IN CCI COMPONENTS (CURRENT & FUTURE)



Overall, Consumers reported an improvement in the Current outlook in this survey versus the previous survey (this has improved from 51.6 to 63.6, thus an increase by 23.3%). A similar trend has been observed for Future optimism.

Increase in the overall CCI can be attributed to better outlook across all parameters, as seen below. All parameters showed improvement in consumer confidence.

The results for prices of daily essentials indicated that inflation is still high but has eased in terms of severity. The findings on expectation of future household income entail slight improvement.

Current Outlook on **Financial Situation** and **Household Savings** parameters increased from 71.3 to 85.3 and from 44.5 to 56.8 respectively.

Current Outlook on **Economic Situation** and **Unemployment** parameters increased from 51.5 to 69.1 and decreased from 39.0 to 43.0 respectively.

Rising prices and **Household Income** displayed strong improvement, growing from 24.3 to 64.1 and from 100.2 to 106.4 respectively.

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

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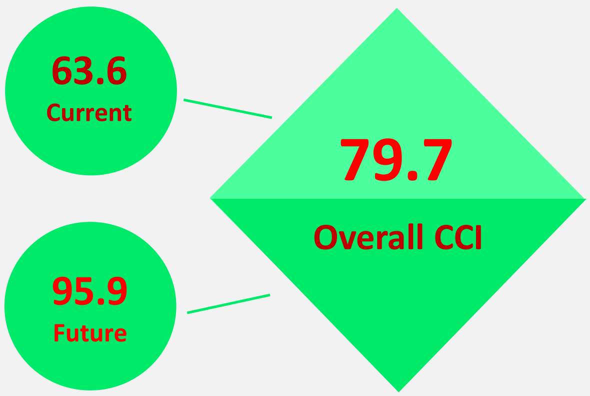
Consumers displayed relatively less pessimism regarding Future Expectations (NI = 95.9) compared to Current Situation (NI = 63.6).

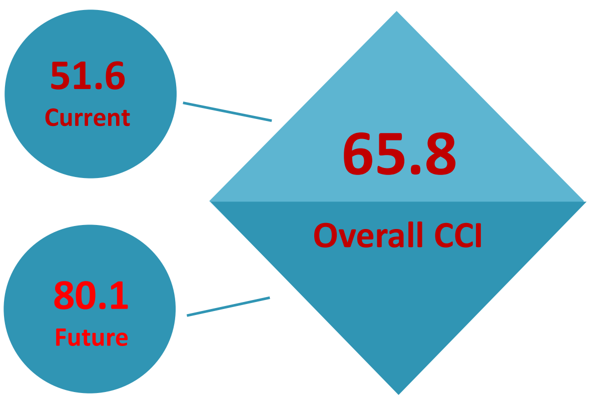
Current Quarter: Q2 FY2023-24 Survey



Survey conducted during: November - 23

Overall CCI increased by 21.1% Q-o-Q to **79.7** in Q2 FY2023-24. This could be attributed to lower inflation. Also, efforts of federal government in reducing smuggling of goods, regulating the foreign exchange market, and reforming the power sector has improved expectations amongst the business community. The index is in line with the overall CCI observed same time last year.

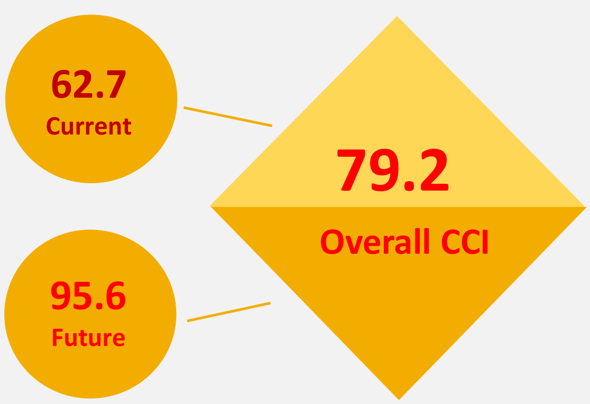
Previous Quarter: Q1 FY2023-24 Survey



Survey conducted during: July - 23

Overall CCI had increased by 23.7% Q-o-Q to **65.8** in Q1 FY2023-24.

Previous Year: Q2 FY2022-23 Survey



Survey conducted during: August - 22

Overall CCI had decreased by 6.9% Q-o-Q to **79.2** in Q2 FY2022-23. The decrease was attributable to political instability paired with disastrous floods across the country which caused inflation to soar. The index 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

Key Takeaways

Consumers are pessimistic about the current macroeconomic situation

Consumers are pessimistic regarding their household's financial situation and the country's economic situation. The current Net Indicators are 85.3 and 69.1 respectively.

Unemployment Situation – improvement in Net Indicator by 20.2%

Consumers remained pessimistic in relation to unemployment. The Net Indicator for the Unemployment Situation moved from 53.3 to 64.1.

Household Savings – improvement in Net Indicator by 22.2%

Consumers remain pessimistic in terms of Household Savings, albeit with significant improvement. The Net Indicator for the parameter moved from 59.1 to 72.2.

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

IMPROVED OUTLOOK VERSUS PREVIOUS QUARTER FOR ALL OF THE RELEVANT PARAMETERS OUTLINED BELOW

Household Financial Situation

NI	Q1 FY2023-24	Q2 FY2023-24	% Change
Overall	**83.2**	**97.1**	**13.9%**
Current	71.3	85.3	14.0%
Future	95.0	108.9	13.9%

Country's Economic Situation

NI	Q1 FY2023-24	Q2 FY2023-24	% Change
Overall	**67.8**	**85.5**	**17.7%**
Current	51.5	69.1	17.6%
Future	84.1	101.8	17.7%

Unemployment Situation

NI	Q1 FY2023-24	Q2 FY2023-24	% Change
Overall	**53.3**	**64.1**	**10.8%**
Current	39.0	43.0	4.0%
Future	67.7	85.2	17.5%

Household Savings

NI	Q1 FY2023-24	Q2 FY2023-24	% Change
Overall	**59.1**	**72.2**	**13.1%**
Current	44.5	56.8	12.3%
Future	73.6	87.5	13.9%

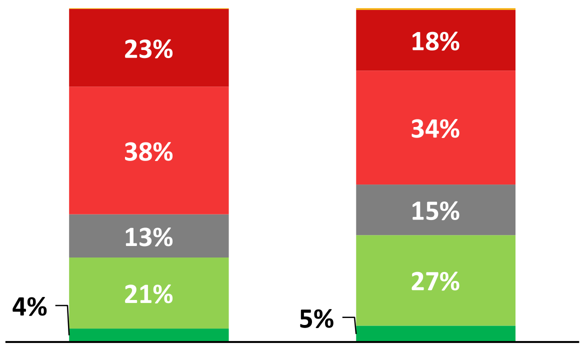
Index / Net Indicator (NI) Interpretation: Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic

PERCEPTIONS REGARDING HOUSEHOLD FINANCIAL SITUATION CHANGED FOR THE BETTER

This parameter concerns buying power of a household. Consumers were optimistic regarding their **future household financial situation**, which **increased by 13.9% Q-o-Q**. **58%** of the respondents indicated that their **household financial situation is expected to improve or stay the same in future,** this number was 50% in Q1 FY2023-24.

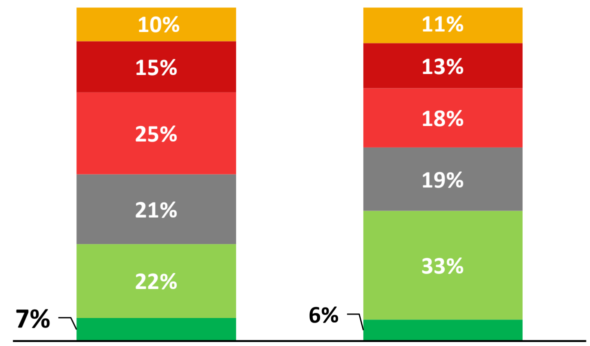
Surveys	Overall NI*
Q1 FY2023-24	83.2
Q2 FY2023-24	97.1

Current: How is your household's financial situation in comparison to last 6 months?



NI Q1 FY2023-24: 71.3 **NI Q2 FY2023-24:** 85.3

Future: What do you expect your household's financial situation to be in next 6 months?



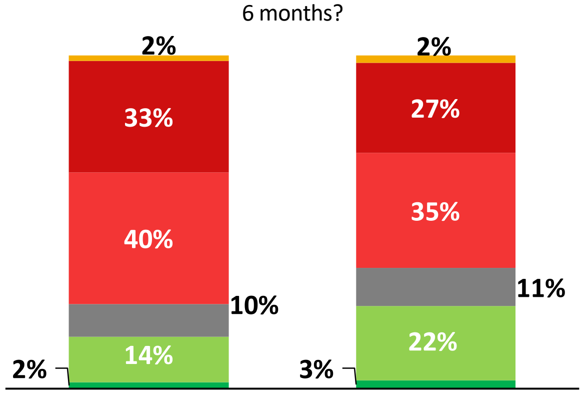
NI Q1 FY2023-24: 95.0 **NI Q2 FY2023-24:** 108.9

SENTIMENTS REGARDING THE COUNTRY'S ECONOMIC SITUATION INCREASED ACROSS BOTH THE CURRENT SITUATION AND FUTURE EXPECTATIONS

This parameter concerns the **economic output and stability** of the country. The sentiments improved by **17.7% Q-o-Q**. **55%** expect **country's future economic situation to improve or remain the same,** this number was 44% in the previous quarter.

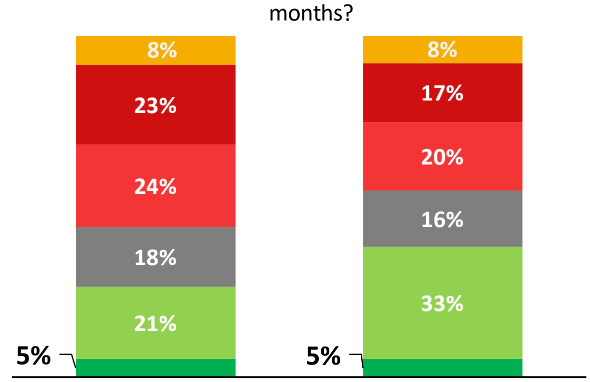
Surveys	Overall NI*
Q1 FY2023-24	67.8
Q2 FY2023-24	85.5

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



NI Q1 FY2023-24: 51.5 **NI Q2 FY2023-24:** 69.1

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



NI Q1 FY2023-24: 84.1 **NI Q2 FY2023-24:** 101.8

Will be better a lot | Will be better | No change | Will be Worse | Will be Worse a lot | Don't Know

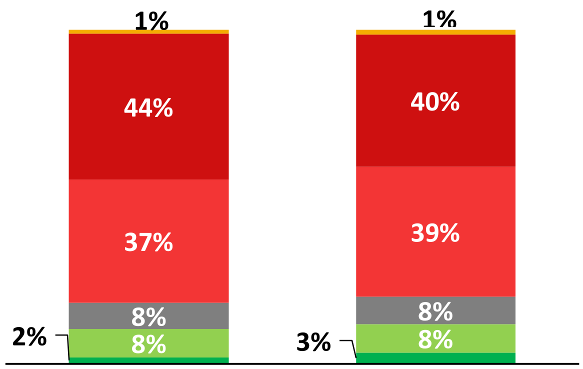
Index / Net Indicator (NI) Interpretation: Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic

CONSUMER CONCERNS AROUND UNEMPLOYMENT HAVE AMELIORATED

This parameter relates to sentiments regarding employment opportunities. The responses remained in the 'extremely pessimistic' range; however, a significant improvement could be seen. **47%** respondents highlighted that they expect **unemployment to rise** in the next six months, decreasing from **59% in Q1 FY2023-24**.

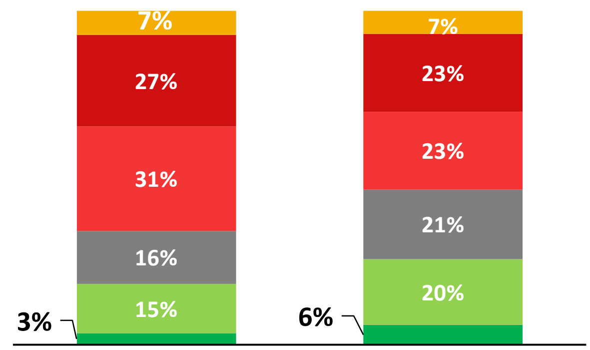
Surveys	Overall NI
Q1 FY2023-24	53.3
Q2 FY2023-24	64.1

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



NI Q1 FY2023-24: 39.0 **NI Q2 FY2023-24: 43.0**

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



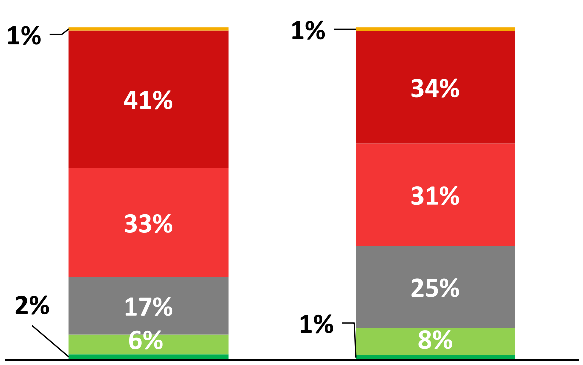
NI Q1 FY2023-24: 67.7 **NI Q2 FY2023-24: 85.2**

SENTIMENTS REGARDING OVERALL HOUSEHOLD SAVINGS IMPROVED

This parameter relates to household savings (or liquid assets). Sentiments (Net Indicator) regarding **household savings** noted an **increase of 13.1%. 49% respondents** expect **household savings to increase or remain same** in the next six months.

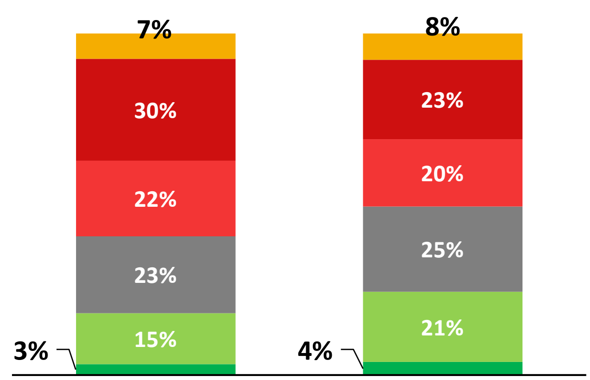
Surveys	Overall NI
Q1 FY2023-24	59.1
Q2 FY2023-24	72.2

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



NI Q1 FY2023-24: 44.5 **NI Q2 FY2023-24: 56.8**

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



NI Q1 FY2023-24: 73.6 **NI Q2 FY2023-24: 87.5**

Will be better a lot | Will be better | No change | Will be Worse | Will be Worse a lot | Don't Know

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 PROVINCES DISPLAYED OVERALL RELATIVELY MORE OPSTIMISTIC SENTIMENTS REGARDING CURRENT AND FUTURE

Punjab
n = 824

NI	Q1 FY2023-24	Q2 FY2023-24	% Change
Overall	**67.3**	**83.1**	**15.8%**
Current	53.3	66.8	13.5%
Future	81.3	99.4	18.1%

Sindh
n = 237

NI	Q1 FY2023-24	Q2 FY2023-24	% Change
Overall	**67.6**	**78.3**	**10.7%**
Current	53.7	62.5	8.8%
Future	81.4	94.2	12.8%

KPK
n = 196

NI	Q1 FY2023-24	Q2 FY2023-24	% Change
Overall	**59.8**	**72.8**	**13.0%**
Current	42.0	56.2	14.2%
Future	77.7	89.4	11.7%

Balochistan
n = 146

NI	Q1 FY2023-24	Q2 FY2023-24	% Change
Overall	**55.5**	**63.6**	**8.1%**
Current	45.2	49.0	3.8%
Future	65.7	78.2	12.5%

While the overall sample is significant for the survey across the country, the differences across the Provinces seen in the above table should be considered as relative and not concluded statistically.

CONSUMERS IN BOTH URBAN AND RURAL AREAS INDICATE BETTER SENTIMENTS VIS-À-VIS PREVIOUS QUARTER.

Urban
n = 831

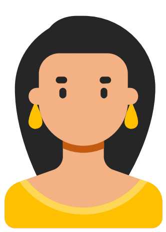
NI	Q1 FY2023-24	Q2 FY2023-24	% Change
Overall	**64.7**	**78.0**	**13.3%**
Current	50.8	62.2	11.4%
Future	78.5	93.8	15.3%

Rural
n = 572

NI	Q1 FY2023-24	Q2 FY2023-24	% Change
Overall	**67.2**	**82.4**	**15.2%**
Current	52.4	65.8	13.4%
Future	81.9	99.1	17.2%

Male
n = 1213

NI	Q1 FY2023-24	Q2 FY2023-24	% Change
Overall	**66.9**	**80.7**	**13.8%**
Current	52.8	64.5	11.7%
Future	81.0	96.9	15.9%



Female
n = 190

NI	Q1 FY2023-24	Q2 FY2023-24	% Change
Overall	**60.0**	**73.6**	**13.6%**
Current	45.0	57.7	12.7%
Future	75.1	89.4	14.3%

While the overall sample is significant for the survey across the country, the differences across Gender seen in the above table should be considered as relative and not concluded statistically. The differences across Rural and Urban sentiments can be considered as statistically significant.

THERE WERE IMPROVEMENTS IN SENTIMENT AMONGST CONSUMERS ACROSS ALL AGE GROUPS FOR CURRENT AS WELL AS FUTURE OUTLOOK; THE AGE GROUP OF BELOW 30 YEARS DISPLAYED HIGHER OPTIMISM THAN THE OTHER GROUPS

Below 30 years
n = 480

NI	Q1 FY2023-24	Q2 FY2023-24	% Change
Overall	**69.5**	**85.5**	**16.0%**
Current	56.8	71.6	14.8%
Future	82.2	99.4	17.2%

30 to 49 years
n = 708

NI	Q1 FY2023-24	Q2 FY2023-24	% Change
Overall	**63.9**	**76.8**	**12.9%**
Current	49.3	59.6	10.3%
Future	78.5	94.0	15.5%

50 years and above
n = 215

NI	Q1 FY2023-24	Q2 FY2023-24	% Change
Overall	**63.0**	**76.3**	**13.3%**
Current	46.1	58.6	12.5%
Future	79.9	94.1	14.2%

While the overall sample is significant for the survey across the country, the differences across Age groups seen in the above table should be considered as relative and not concluded statistically.

Price Situation & Household Income

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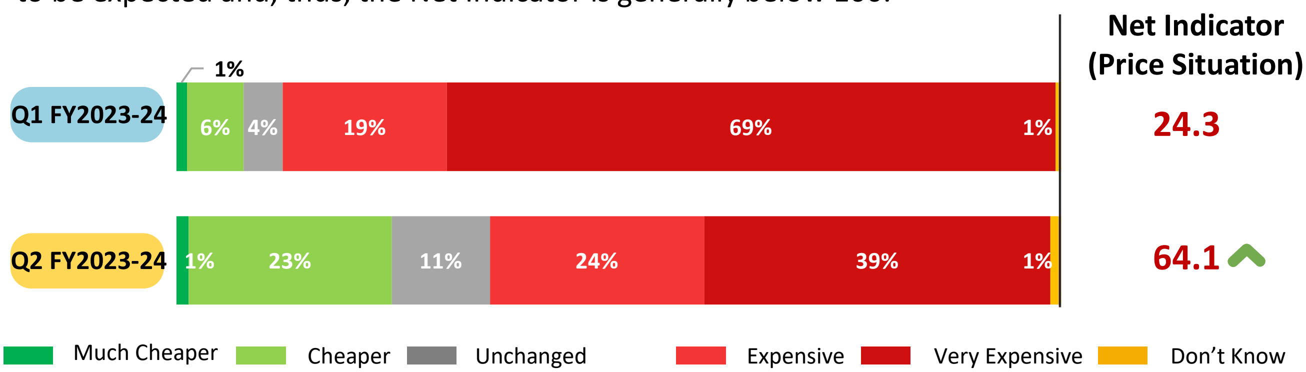
THE NET INDICATOR FOR PRICE SITUATION STANDS AT 64.1 WHICH IS THE HIGHEST EVER RECORDED SINCE THE CCI HAS BEEN LAUNCHED IN PAKISTAN. IT IS MORE THAN DOUBLE THAN THE PREVIOUS HIGH SCORE OF 28.1 (Q1 FY2022-23)

We live in an economic paradigm where **prices increase over time** as inflation is positive. However, this is not very well accepted commonly by consumers around the world, especially so in Pakistan. Whenever a survey of this nature is conducted, concerns about rising prices are to be expected and, thus, the Net Indicator is generally below 100.



63% of consumers said that daily essentials have become expensive/very expensive in last six months compared to **87%** in **Q1 FY2023-24**.

Net Indicator	Under 30 yrs.	30-49 yrs.	Above 50 yrs.
Q1 FY2023-24	25.5	25.5	18.3
Q2 FY2023-24	65.3	61.3	70.2

All age groups are relatively less concerned about rising prices of daily essentials.

Net Indicator	Punjab	Sindh	KPK	Balochistan
Q1 FY2023-24	26.6	24.0	18.0	15.7
Q2 FY2023-24	71.8	56.3	56.5	27.2

Respondents across provinces displayed considerably lower pessimism.

Net Indicator	Male	Female
Q1 FY2023-24	23.8	27.3
Q2 FY2023-24	66.2	51.4

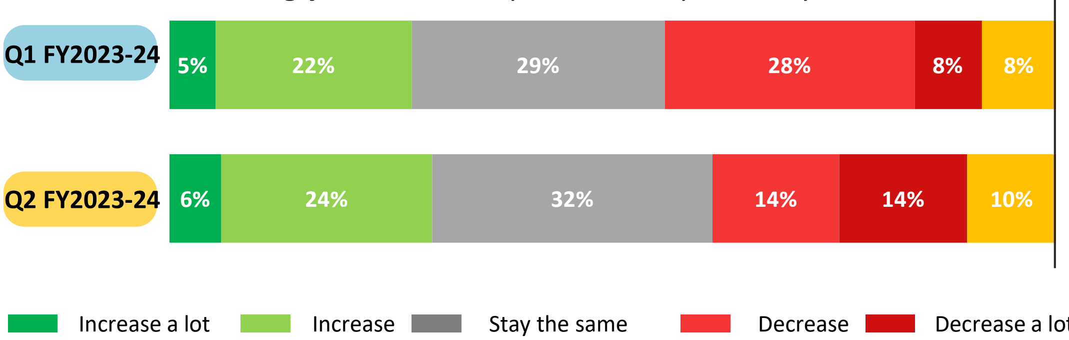
Male and Female respondents' sentiments were better as compared to last quarter.

Net Indicator	Urban	Rural
Q1 FY2023-24	25.2	23.3
Q2 FY2023-24	61.8	67.6

Urban and Rural consumers are less concerned about increase in prices; however, these concerns are still in the extremely pessimistic range.

CONSUMERS WERE OPTIMISTIC ABOUT GROWTH IN THEIR HOUSEHOLD INCOME

This parameter highlights the expected change in the consumers' household **income in the coming year** when compared to the previous year.



Net Indicator	
Q1 FY2023-24	100.2
Q2 FY2023-24	106.4

61% of respondents expected their income levels to stay the same or increase in the next year vis-à-vis **56%** in the last quarter. Thus, the Net Indicator has turned positive and reached 106.4.

Net Indicator	Under 30 yrs.	30 - 49 yrs.	Above 50 yrs.
Q1 FY2023-24	101.8	98.7	101.0
Q2 FY2023-24	↑ 110.6	↑ 104.6	↑ 102.9

All age groups are now in the optimistic zone.

Net Indicator	Punjab	Sindh	KPK	Balochistan
Q1 FY2023-24	99.3	94.4	110.1	113.1
Q2 FY2023-24	↑ 109.1	↑ 101.7	↓ 105.9	↓ 98.5

Consumers across all provinces exhibited optimism except for Balochistan. KPK's consumers remain optimistic even though there is a marginal drop in the level of optimism.

Net Indicator	Male	Female
Q1 FY2023-24	99.9	101.5
Q2 FY2023-24	↑ 107.4	↓ 100.5

Male consumers are relatively more optimistic than Female consumers.

Net Indicator	Urban	Rural
Q1 FY2023-24	96.2	104.7
Q2 FY2023-24	↑ 101.5	↑ 114.1

Both Urban and Rural consumers showed significantly higher optimism than the previous quarter. Optimism in Rural consumers is significantly higher than Urban consumers.

Methodology

Q2 FY2023-24 SURVEY: A TELEPHONIC SURVEY WAS CONDUCTED AMONG 1,403 RESPONDENTS BY A TEAM OF TRAINED PROFESSIONALS FROM GALLUP PAKISTAN

Sample Size: 1,403

2.6% Error Margin at 95% Confidence level

Data Collection Period: October 2023

Sample Survey Key Break-ups

Male
86%

Female
14%

Below 30 years
34%

30 to 49 years
51%

50 years & above
15%

Urban
59%

Rural
41%

Sample Size Distribution by Province

Sindh
17%

Punjab
59%

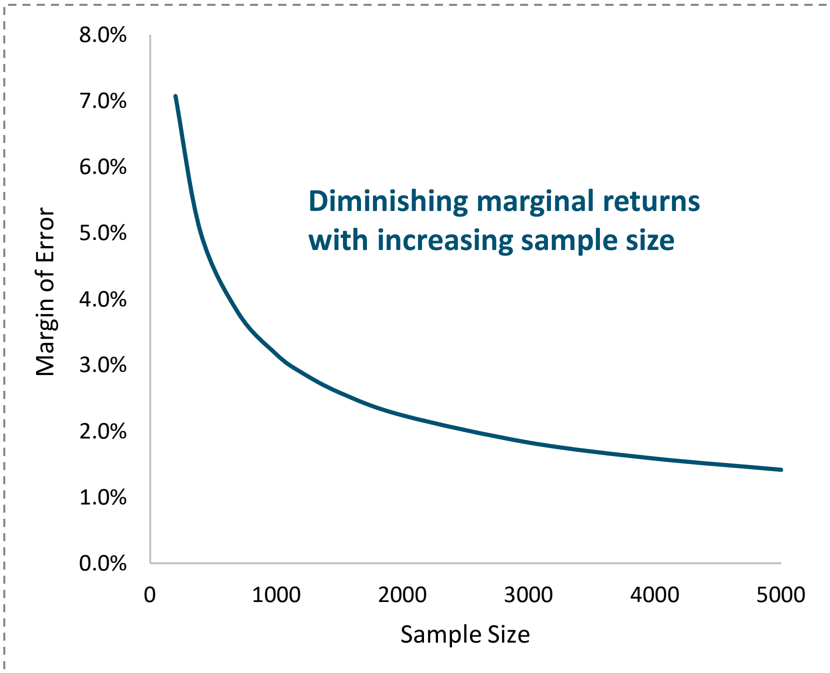
Balochistan
10%

KPK
14%

Sample size of 1,403 respondents result in a margin of error of 2.6%, 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. HENCE, OUR SAMPLE SIZE OF 1,403 IS SUFFICIENTLY ACCURATE

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 ~240 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 1,403 for this survey is sufficient to represent feedback from across the Nation.

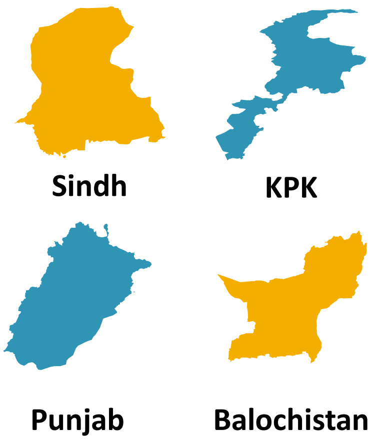
Note: For further details on statistical concepts see page 32

Note:

In this publication, some numbers for Q1 FY2023-24 have been updated. While the adjustments made were minor, we encourage stakeholders to refer to the figures presented in this report for future considerations. These updates are intended to maintain clarity and consistency in our records.

THIS SURVEY HAS BEEN WEIGHTED USING 'POST-STRATIFICATION WEIGHTS'

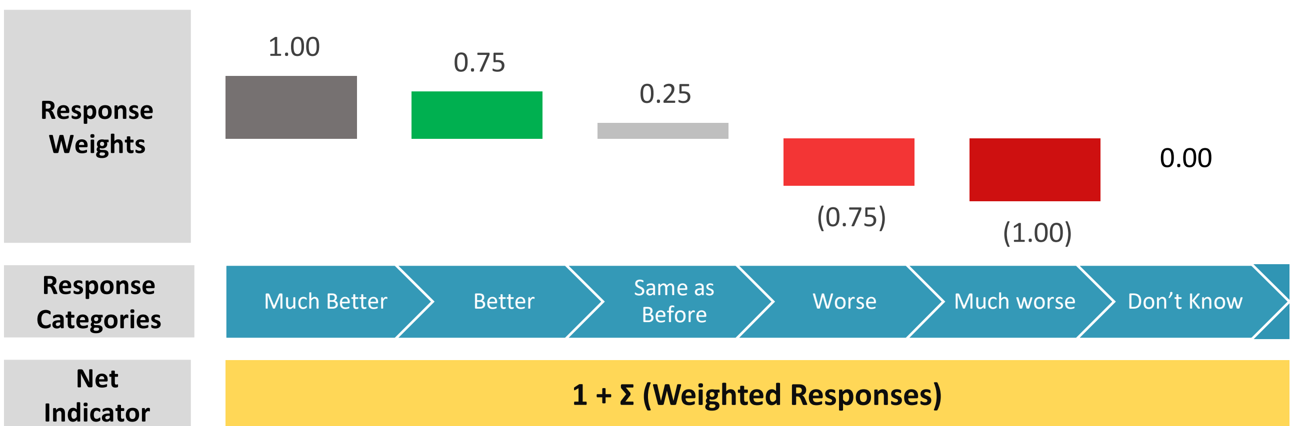
Weighting Approach



- A weighting approach has been used for the CCI to make the sample statistically representative of the population.
- The weights have been applied based on 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

Response Weighting



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, σ =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.

THIS REPORT COMPARES CHANGES IN CONSUMER CONFIDENCE ACROSS TWO QUARTERS; FIRST QUARTER OF 2023 (Q1 FY2023-24) AND THE CURRENT QUARTER (Q2 FY2023-24)

	Q1 FY2023-24	Q2 FY2023-24
Number of Respondents	1,179	1,403
Time period of Survey	July 23	October 23
Mode of Survey Interviews	Telephonic	Telephonic

ANALYIS FRAMEWORK

Consumer response related to Current Situation and Future Expectations

Current
Past 6 Months sentiment from month of survey

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

Future
Next 6 Months outlook from month of survey

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

Quarterly Consumer Confidence Surveys

Q1 FY2023-24 Survey

Q2 FY2023-24 Survey

Different colors are used to indicate the quarterly Surveys

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 FY2023-24 SURVEY, 10 QUESTIONS WERE ASKED ON THREE TOPICS

Consumer Confidence

Household Financial Situation
Current:
Q1. How is your household's financial situation in comparison to last 6 months?

Future:
Q2. What do you expect your household's financial situation to be in next 6 months?

Country's Economic Condition
Current:
Q3. In your opinion, how would you describe the current economic situation in Pakistan in comparison to last 6 months?

Future:
Q4. In your opinion, what do you expect Pakistan's economic situation to be in next 6 months?

Unemployment
Current:
Q5. In your opinion, in comparison to last 6-months, unemployment in Pakistan is .....?

Future:
Q6. In your opinion, in next 6 months, unemployment in Pakistan will be....?

Household Savings
Current:
Q7. Do you think, in comparison to last 6 months, your household savings increased, decreased or remained the same?

Future:
Q8. Do you expect your household savings to increase, decrease or remain the same in next 6 months?

Prices

Outlook on food prices:
Current:
Q9. In your opinion, in comparison to last six months, prices of daily essentials are…?

Household Income

Outlook on household income:
Future:
Q10. What change do you expect in your household income in the next year compared to the last year?

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