ISSUE NO. 15

Pakistan Consumer Confidence Index (CCI)

Results of Q3 FY2023-24 Survey Report
(Survey conducted during March 2024)

17 May 2024

Key highlights of change in Consumer Sentiments across Pakistan from Q2 FY2023-24 to Q3 FY2023-24

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

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 Pakistan and Gallup Pakistan have collaborated to publish a quarterly report. The CCI is a valuable tool for businesses, and financial institutions, as it enables them to gain a deeper understanding of the market and make informed decisions backed by data.

This report compares Consumer Confidence in Q3 FY2023-24 vis-à-vis Consumer Confidence in Q2 FY2023-24 (Q-o-Q comparison).

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

Dun & Bradstreet Pakistan

WORLD'S LEADING PROVIDER OF DATA & ANALYTICS WITH GLOBAL FOOTPRINT ACROSS 200+ COUNTRIES

D&B - Solutions & Services

D&B was established in 1841 and has the world's largest business database, comprising of over 540 million company records.

D&B has various service lines in the region for its clients.

Third Party Risk & Compliance Solutions

Enable businesses to make informed decisions, minimize risk, and monitor performance.

Finance Solutions

AI-driven credit-to-cash solutions for global finance teams to manage risk, increase operational efficiency, reduce cost, and improve the customer experience.

Sales & Marketing Solutions

Provides measurable ROI on the acquisition, retention, and growth strategies across sales and marketing organizations.

Economic Analysis Group

Monitors the economy and the economic impact of events through proprietary publications such as Business Optimization Index, Consumer Confidence Index, Banking Newsletters, etc.

D&B Consulting

Helps governments and large corporates evaluate business opportunities and risks to formulate and implement effective strategies.

Gallup Pakistan

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

Gallup Pakistan Services

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.

- Behavioral & Attitudinal Studies
- Impact Assessment Surveys
- Third Party Evaluations
- Management Consulting
- Market Exploration & Assessment Studies
- Market Research Studies

Gallup Pakistan Programs

With decades of experience in the field of public polling and market research, Gallup Pakistan is currently leading 7 programs from financial inclusion to media research and behavioural mapping.

- 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 IN THE COUNTRY. IT IS PROMINENTLY FEATURED IN POPULAR NEWS SOURCES; THIS REFLECTS ITS IMPORTANCE IN THE BUSINESS AND THE ECONOMIC LANDSCAPE OF THE COUNTRY.

GALLUP PAKISTAN
Affiliated with Gallup International
Pakistan's Foremost Social Research Lab

dun & bradstreet
PAKISTAN

Glossary (1/2)

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%.

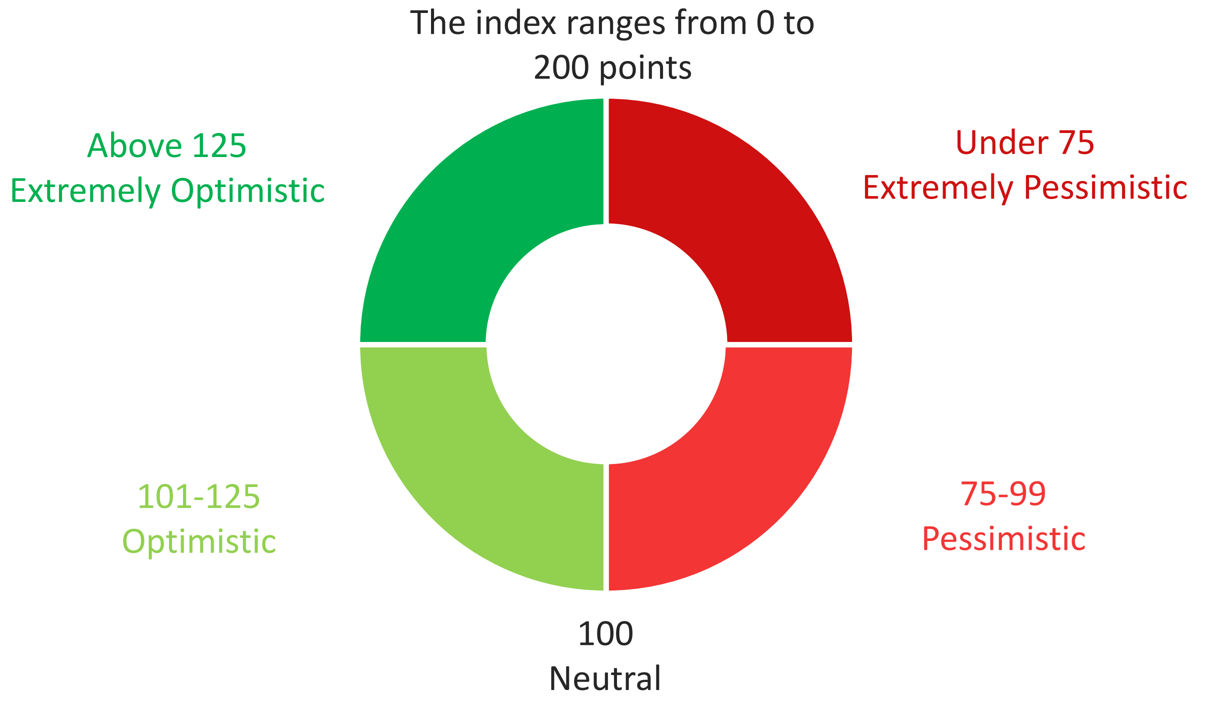
Index Parameter
The individual constituent of each of the indices captures the current or future economic condition. There are four parameters captured as part of the survey and have been explained in the methodology section of this report.

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).

Glossary (2/2)

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.

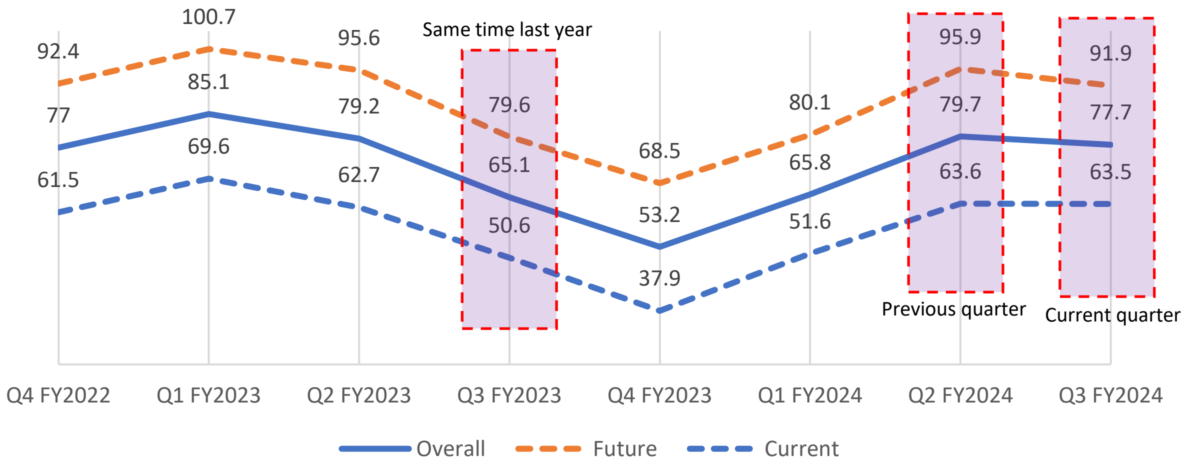
Contents

Executive Summary

Key Findings: Q3 FY2023-24 Survey (Conducted in March 2024)

In Q3 FY2023-24, the Overall Consumer Confidence Index (CCI) fell marginally by 2.5%, quarter-on-quarter; while registering a 16.2% improvement over same time last year.

CCI Trend – Last 2 Years



The overall CCI score as well as the current and future scores are very much in-line with the previous quarter. However, there is a substantial increase of 16.2% from same point last year.

This highlights the shift in consumers' perception in a year's time. The change may be attributed to improved socio-economic and political situation and consumers are upbeat about the future situation as well.

Key Takeaways

Employment Opportunities are a major concern for consumers

Consumers remained extremely pessimistic regarding the current unemployment situation, 73.2% of consumers believe that the employment situation has worsened in the last six months.

Household's savings – Improvement in Current Net Indicator

Consumers remained pessimistic in about their Household Savings. The Net Indicator for current situation has improved marginally from 56.8 to 58.8.

Prices of Everyday Items – Takes a major dip to 31.6

Consumers turned very pessimistic regarding the Prices of Everyday Items, with the Net Indicator dropping significantly from 64.1 to 31.6 Q-o-Q.

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

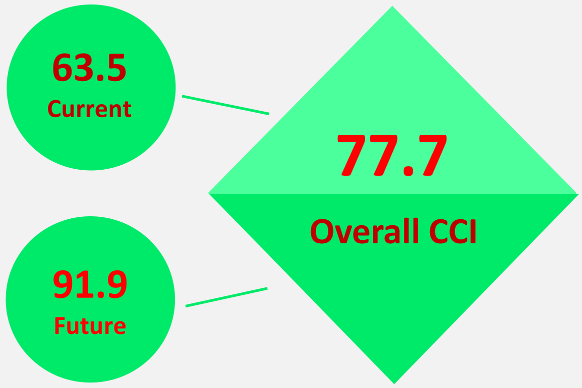
Consumer Confidence Index – Overall Findings

GALLUP PAKISTAN
Affiliated with Gallup International
Pakistan's Foremost Social Research Lab

dun & bradstreet
PAKISTAN

Consumers displayed relatively more optimism regarding Future Expectations (NI = 91.9) compared to Current Situation (NI = 63.5).

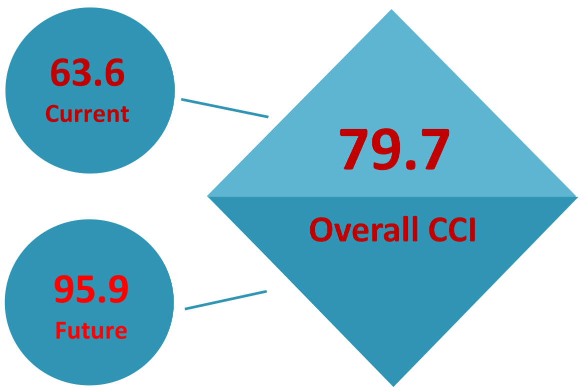
Current Quarter: Q3 FY2023-24 Survey



Survey conducted during: Mar - 24

Overall CCI decreased by 2.5% Q-o-Q to **77.7** in Q3 FY2023-24. The modest drop highlights that the consumers generally have the same view on the overall outlook as in the previous quarter. While the overall CCI decreased, it is significantly better than same time last year.

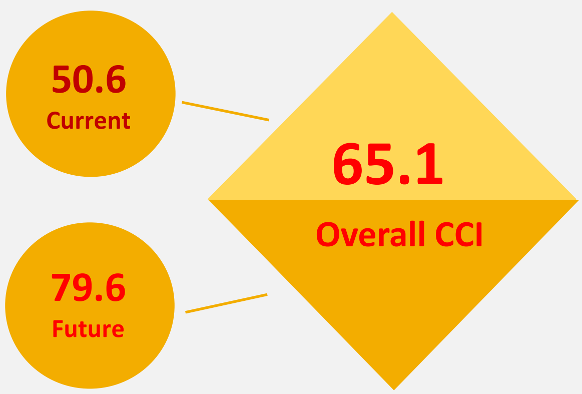
Previous Quarter: Q2 FY2023-24 Survey



Survey conducted during: Nov - 23

Overall CCI had increased by 21.1% Q-o-Q to **79.7** in Q2 FY2023-24. The increase may be attributed to positive developments in the country's IMF standby agreement first review of bailout program, marking a positive turn for the economy.

Same Time Last Year: Q3 FY2022-23 Survey



Survey conducted during: Mar - 23

Overall CCI had decreased by 21.5% Q-o-Q to **65.1** in Q3 FY2022-23. The decrease may be attributed to political instability paired with challenging economic conditions.

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 SENTIMENTS REGARDING HOUSEHOLD FINANCIAL SITUATION AND COUNTRY'S ECONOMIC CONDITION DECLINED. WHEREAS SENTIMENTS REGARDING HOUSEHOLD SAVINGS AND UNEMPLOYMENT IMPROVED.

Household Financial Situation

Net Indicator	Q2 FY2023-24	Q3 FY2023-24	% Change
Overall	**97.1**	**90.4**	**-6.9%**
Current	85.3	78.4	-8.1%
Future	108.9	102.5	-5.9%

Country's Economic Situation

Net Indicator	Q2 FY2023-24	Q3 FY2023-24	% Change
Overall	**85.5**	**80.8**	**-5.5%**
Current	69.1	66.6	-3.6%
Future	101.8	95.0	-6.7%

Unemployment Situation

Net Indicator	Q2 FY2023-24	Q3 FY2023-24	% Change
Overall	**64.1**	**66.4**	**3.6%**
Current	43.0	49.9	16.0%
Future	85.2	82.9	-2.7%

Household Savings

Net Indicator	Q2 FY2023-24	Q3 FY2023-24	% Change
Overall	**72.2**	**73.0**	**1.1%**
Current	56.8	58.8	+3.5%
Future	87.5	87.1	-0.5%

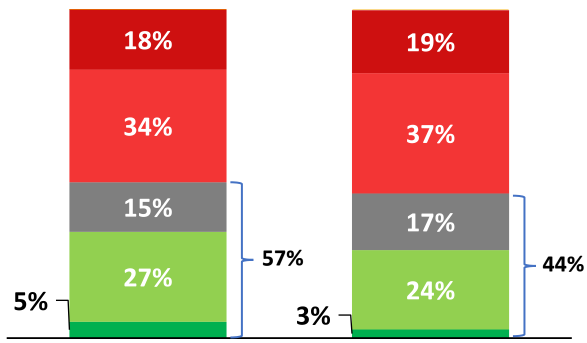
Index / Net Indicator (NI) Interpretation: Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic

PERCEPTIONS REGARDING HOUSEHOLD FINANCIAL SITUATION SAW A DECLINE

This parameter concerns buying power of a household. Consumers were relatively more optimistic regarding their **future household financial situation** compared to current circumstances. **More than half** of the respondents indicated that their household financial situation **is expected to improve or stay the same in future.**

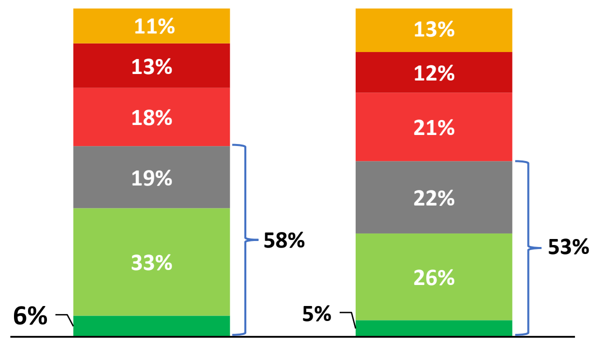
Surveys	Overall NI
Q2 FY2023-24	97.1
Q3 FY2023-24	90.4

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



NI Q2 FY2023-24: 85.3 **NI Q3 FY2023-24: 78.4**

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



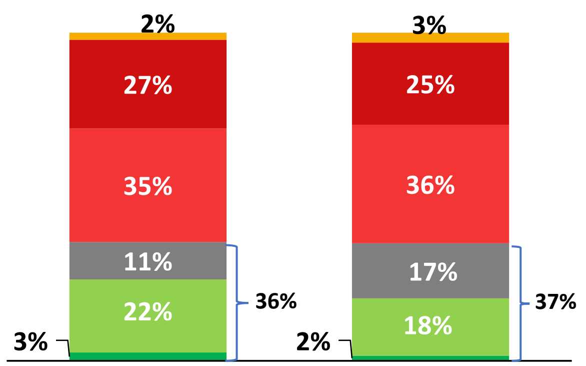
NI Q2 FY2023-24: 108.9 **NI Q3 FY2023-24: 102.5**

SENTIMENTS REGARDING THE COUNTRY'S ECONOMIC SITUATION DECREASED FOR THE CURRENT SITUATION AS WELL AS THE FUTURE EXPECTATIONS

This parameter concerns the **economic output and stability** of the country. The sentiments declined by **5.5% Q-o-Q**. However, nearly half of the consumers surveyed expect **country's future economic situation to improve or remain the same**.

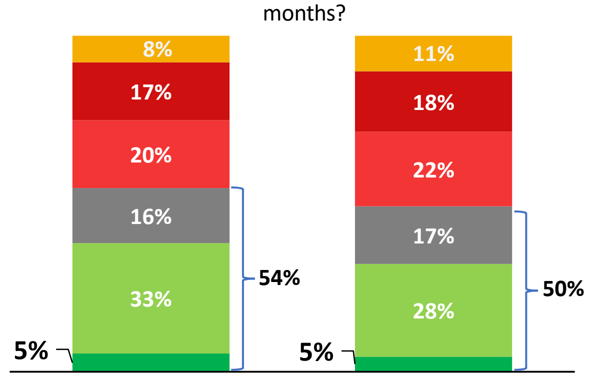
Surveys	Overall NI
Q2 FY2023-24	85.5
Q3 FY2023-24	80.8

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



NI Q2 FY2023-24: 69.1 **NI Q3 FY2023-24: 66.6**

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



NI Q2 FY2023-24: 101.8 **NI Q3 FY2023-24: 95.0**

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

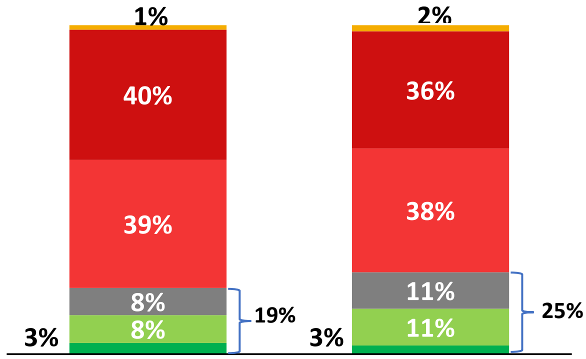
Index / Net Indicator (NI) Interpretation: Under 75 - extremely pessimistic, 75 to 99 – pessimistic, 100 – Neutral, 101 to 125 – optimistic and 125 above - extremely optimistic

CONSUMER'S ARE MORE OPTIMISTIC ABOUT THE FUTURE EMPLOYMENT SITUATION AS COMPARED TO THE CURRENT ONE.

This parameter relates to sentiments regarding employment opportunities. The responses for current situation **remained in the 'extremely pessimistic' range**; however, an improvement could be seen. **43%** respondents expect the future **unemployment situation** to be better or the same as current situation.

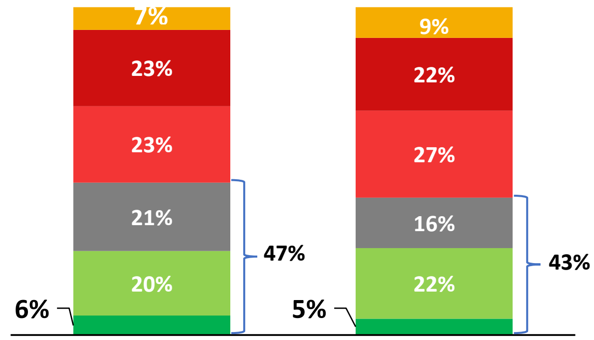
Surveys	Overall NI
Q2 FY2023-24	64.1
Q3 FY2023-24	66.4

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



NI Q2 FY2023-24: 43.0 **NI Q3 FY2023-24: 49.9**

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



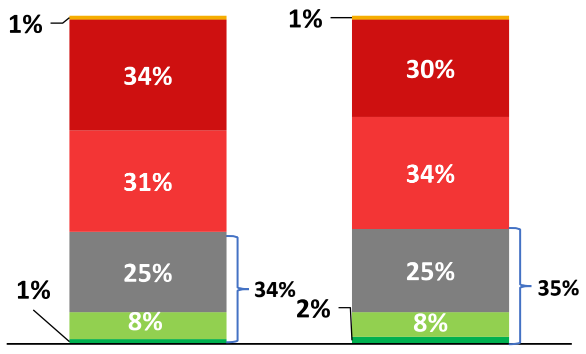
NI Q2 FY2023-24: 85.2 **NI Q3 FY2023-24: 82.9**

SENTIMENTS REGARDING OVERALL HOUSEHOLD SAVINGS IMPROVED

This parameter relates to household savings (or liquid assets). Sentiments regarding current **household savings** noted an increase **of 1.1%. Almost half of the respondents** expect household savings to **increase or remain same** in the next six months.

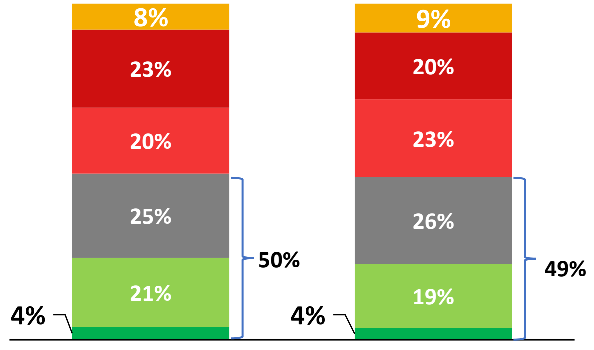
Surveys	Overall NI
Q2 FY2023-24	72.2
Q3 FY2023-24	73.0

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



NI Q2 FY2023-24: 56.8 **NI Q3 FY2023-24: 58.8**

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



NI Q1 FY2023-24: 87.5 **NI Q2 FY2023-24: 87.1**

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

CONSUMERS IN PUNJAB WERE THE MOST OPTIMISTIC FOLLOWED BY BALOCHISTAN, KPK, AND SINDH. OPTIMISM IN BALOCHISTAN GREATLY IMPROVED WHEREAS THERE WAS A DECLINE IN ALL OTHER PROVINCES.

Punjab
n = 1,273

Net Indicator	Q2 FY2023-24	Q3 FY2023-24	% Change
Overall	**83.1**	**82.3**	**-1.0%**
Current	66.8	67.2	0.6%
Future	99.4	97.4	-2.0%

Sindh
n = 362

Net Indicator	Q2 FY2023-24	Q3 FY2023-24	% Change
Overall	**78.3**	**69.1**	**-11.7%**
Current	62.5	57.2	-8.5%
Future	94.2	81.0	-14.0%

KPK
n = 236

Net Indicator	Q2 FY2023-24	Q3 FY2023-24	% Change
Overall	**72.8**	**71.7**	**-1.5%**
Current	56.2	57.1	1.6%
Future	89.4	86.3	-3.5%

Balochistan
n = 137

Net Indicator	Q2 FY2023-24	Q3 FY2023-24	% Change
Overall	**63.6**	**79.3**	**24.7%**
Current	49.0	65.5	33.3%
Future	78.2	93.1	19.1%

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 RURAL AREAS WERE MORE OPTIMISTIC COMPARED TO CONSUMERS IN URBAN AREAS. FEMALE CONSUMERS WERE FOUND TO BE RELATIVELY MORE OPTIMISTIC OVERALL COMPARED TO MALE CONSUMERS.

Urban
n = 1,153

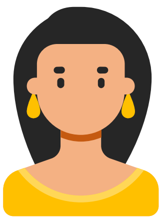
Net Indicator	Q2 FY2023-24	Q3 FY2023-24	% Change
Overall	**78.0**	**75.6**	**-3.1%**
Current	62.2	62.5	0.5%
Future	93.8	88.8	-5.3%

Rural
n = 855

Net Indicator	Q2 FY2023-24	Q3 FY2023-24	% Change
Overall	**82.4**	**80.5**	**-2.3%**
Current	65.8	64.8	-1.5%
Future	99.1	96.2	-2.9%

Male
n = 1,636

Net Indicator	Q2 FY2023-24	Q3 FY2023-24	% Change
Overall	**80.7**	**77.7**	**-3.7%**
Current	64.5	63.7	-1.2%
Future	96.9	91.6	-5.5%



Female
n = 372

Net Indicator	Q2 FY2023-24	Q3 FY2023-24	% Change
Overall	**73.6**	**77.6**	**5.4%**
Current	57.7	62.4	8.1%
Future	89.4	92.9	3.9%

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 WAS A DECLINE IN OVERALL SENTIMENTS ACROSS ALL AGE GROUPS, QUARTER OVER QUARTER. CONSUMERS AGED BELOW 30 ARE THE MOST OPTIMISTIC, FOLLOWED BY CONSUMERS AGED 30 TO 49, AND LASTLY CONSUMERS AGED 50 AND ABOVE.

Below 30 years
n = 657

Net Indicator	Q2 FY2023-24	Q3 FY2023-24	% Change
Overall	**85.5**	**83.9**	**-1.9%**
Current	71.6	71.6	-
Future	99.4	96.3	-3.1%

30 to 49 years
n = 962

Net Indicator	Q2 FY2023-24	Q3 FY2023-24	% Change
Overall	**76.8**	**74.8**	**-2.6%**
Current	59.6	60.8	2.0%
Future	94.0	88.7	-5.6%

50 years and above
n = 389

Net Indicator	Q2 FY2023-24	Q3 FY2023-24	% Change
Overall	**76.3**	**74.2**	**-2.8%**
Current	58.6	56.2	-4.1%
Future	94.1	92.2	-2.0%

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.

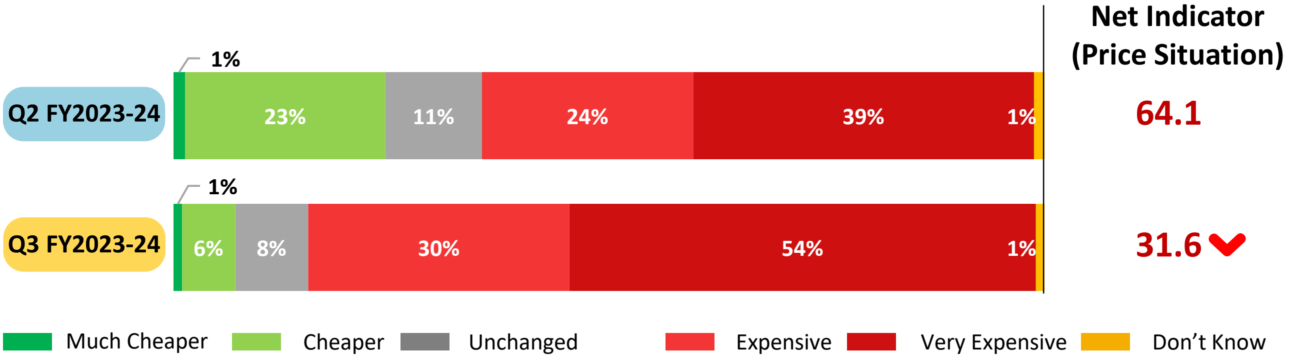
Prices of Essential Items & Household Income

GALLUP PAKISTAN
Affiliated with Gallup International
Pakistan's Foremost Social Research Lab

dun & bradstreet
PAKISTAN

THE NET INDICATOR FOR PRICES OF EVERYDAY ITEMS STANDS AT 31.6 WHICH IS A STEEP DECLINE FROM THE PREVIOUS QUARTER'S 64.1.

It is pertinent to note that the Net Indicator is likely always remain below 100 due to continuous inflation and rising prices which is part of an open market economy. The Net Indicator highlights how inflation has impacted consumers in for the period under review and presents a view on the current economic conditions.



84% of consumers said that daily essentials have become expensive/very expensive in last six months.



Net Indicator	Under 30 yrs.	30-49 yrs.	Above 50 yrs.
Q2 FY2023-24	65.3	61.3	70.2
Q3 FY2023-24	▼ 32.6	▼ 31.4	▼ 30.3

Sentiments across all age groups declined with consumers aged 50 and above being the most pessimistic.




Net Indicator	Punjab	Sindh	KPK	Balochistan
Q2 FY2023-24	71.8	56.3	56.5	27.2
Q3 FY2023-24	▼ 35.6	▼ 23.2	▼ 29.1	▲ 30.3

Sentiments of consumers in Sindh, Punjab and KPK declined with Sindh recording the lowest CCI score. Sentiments of consumers in Balochistan saw a slight improvement.

Net Indicator	Male	Female
Q2 FY2023-24	66.2	51.4
Q3 FY2023-24	32.2	28.7

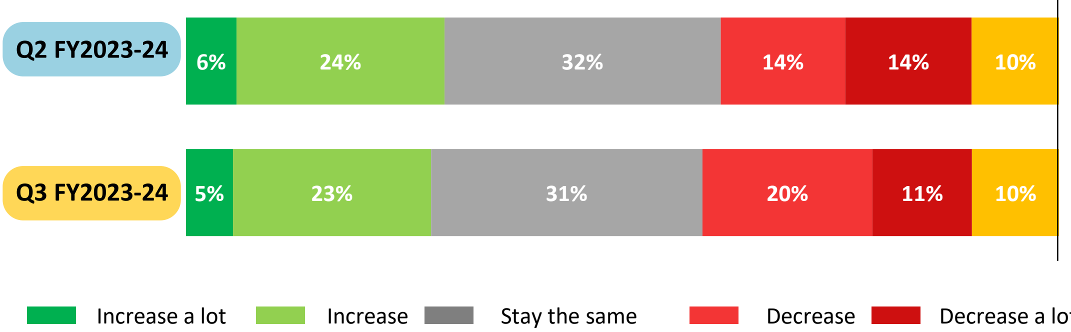
Sentiments of both Male and Female consumers declined but Males remained relatively more optimistic than females.

Net Indicator	Urban	Rural
Q2 FY2023-24	61.8	67.6
Q3 FY2023-24	28.2	36.2

Urban and Rural consumers were both impacted by the rising prices and showed higher pessimism. Rural consumers continue to remain relatively more optimistic than Urban consumers

CONSUMERS CONTINUE TO STAY OPTIMISTIC ABOUT GROWTH IN THEIR HOUSEHOLD INCOME IN THE SHORT-TERM.

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



Net Indicator

	Net Indicator
Q2 FY2023-24	106.4
Q3 FY2023-24	104.2

59% of respondents expected their income levels to stay the same or increase in the next year.

Net Indicator	Under 30 yrs.	30 - 49 yrs.	Above 50 yrs.
Q2 FY2023-24	110.6	104.6	102.9
Q3 FY2023-24	↓ 107.5	↓ 102.0	↑ 104.1

All age groups remain optimistic with consumers aged below 30 being the most upbeat.

Net Indicator	Punjab	Sindh	KPK	Balochistan
Q2 FY2023-24	109.1	101.7	105.9	98.5
Q3 FY2023-24	↓ 104.8	↑ 101.8	↑ 106.1	↑ 103.5

Sentiments of consumers in Punjab saw a minor decline whereas consumers in Balochistan saw the biggest improvement. Consumers in all provinces were optimistic.

Net Indicator	Male	Female
Q2 FY2023-24	107.4	100.5
Q3 FY2023-24	↓ 103.9	↑ 105.6

Female consumers were relatively more optimistic than Male consumers.

Net Indicator	Urban	Rural
Q2 FY2023-24	101.5	114.1
Q3 FY2023-24	↓ 100.9	↓ 108.8

Both Urban and Rural consumers showed a decline in optimism compared to the previous quarter. Optimism in Rural consumers remains higher than Urban consumers.

Methodology

GALLUP
PAKISTAN
Affiliated with Gallup International
Pakistan's Foremost Social Research Lab

dun & bradstreet
PAKISTAN

Q3 FY2023-24 SURVEY: A TELEPHONIC SURVEY WAS CONDUCTED AMONG 2,008 RESPONDENTS BY A TEAM OF TRAINED PROFESSIONALS FROM GALLUP PAKISTAN

Sample Size: 2,008

2.2% Error Margin at 95% Confidence level

Data Collection Period: March 2023

Sample Survey Key Break-ups

Male
81%

Female
19%

Below 30 years
33%

30 to 49 years
48%

50 years & above
19%

Urban
57%

Rural
43%

Sample Size Distribution by Province

Sindh
18%

Punjab
63%

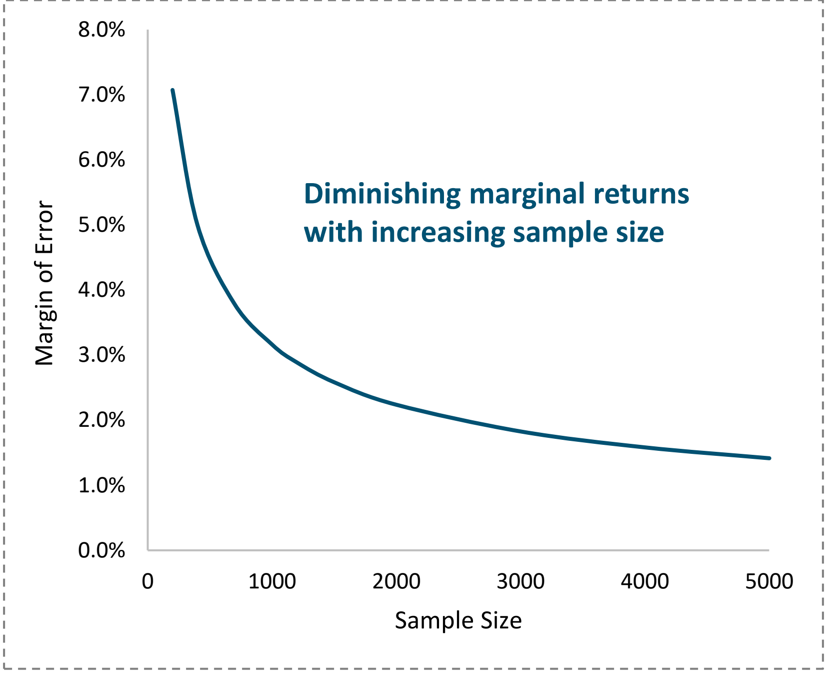
Balochistan
7%

KPK
12%

Sample size of 2,008 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. HENCE, OUR SAMPLE SIZE OF 2,008 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:

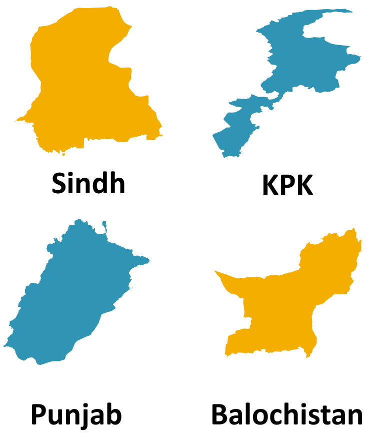
- A four times increase in sample size (from 1,000 to 4,000) will reduce error margin by only 1.6% (from 3.2% to 1.6%).
- The most substantial decrease in margin of error is between samples sizes of 200 and 1,200
- The margin of error does not substantially decrease at sample sizes above 1,500 (since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

With Pakistan's population of ~220 Mn, a sample size of 2,008 results in a margin of error of 2.2%, which is below 3%, the accepted norm for statistical research accuracy. A Sample of 2,008 for this survey is sufficient to represent feedback from across the Nation.

Note: For further details on statistical concepts see page 32

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) as per the National Census of 2017.
- 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

Response Categories	Much Better	Better	Same as Before	Worse	Much worse	Don't Know
Response Weights	1.00	0.75	0.25	(0.75)	(1.00)	0.00
Net Indicator	**1 + Σ (Weighted Responses)**					

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; SECOND QUARTER OF 2024 (Q2 FY2023-24) AND THE CURRENT QUARTER (Q3 FY2023-24)

	Q2 FY2023-24	Q3 FY2023-24
Number of Respondents	1,403	2,008
Time period of Survey	October 23	March 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

Q2 FY2023-24 Survey

Q3 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?

D&B Pakistan (Private) Limited

www.dnbpk.com

Global HQ (US)
Dun & Bradstreet, Inc.
103 JFK Parkway, Short Hills, NJ 07078, USA

Regional HQ (UAE)
Dun & Bradstreet South Asia Middle East Ltd.
DIFC, PO Box 506511, Dubai, UAE

Head Office (Pakistan)
D&B Pakistan (Private) Limited
Building No: 33-C/II, Lane 6, Ittehad Commercial,
DHA Phase 6, Karachi, Pakistan
T +92 3 1111 32 725

Lahore Office
Vogue Tower 3rd floor, Block C2, Gulberg 3
MM Alam Road, Lahore, Pakistan

Islamabad Office
Plot 94, Street 7, Sector I-10/3
Islamabad, Pakistan

Gallup Pakistan

www.gallup.com.pk

Bilal I. Gilani (Executive Director)
caf@gallup.com.pk

Pakistan
4th floor, Khyber Plaza, Fazal e Haq Rd, Blue Area,
Islamabad, Pakistan
T +92 (51) 265 5630

Disclaimer

This material is confidential and proprietary to Dun & Bradstreet Pakistan (Private) Limited (referred to as 'D&B') and Gallup Pakistan. The material may not be copied or otherwise reproduced, repackaged, further transmitted, transferred, disseminated, redistributed or resold, or stored for subsequent use for any such purpose, in whole or in part, in any form or any manner or by any means whatsoever, by any person without express authorization of D&B Pakistan and/or Gallup Pakistan.

All information contained herein is obtained through surveys conducted from respondents. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind and D&B Pakistan and Gallup Pakistan, in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained herein must be construed solely as statements of opinion by respondents and D&B Pakistan and/or Gallup Pakistan shall not be liable for any loss incurred by users from any use of this report or its contents.

Please visit Dun & Bradstreet's website www.dnbpk.com for full disclaimer regarding privacy policy and legal information.

Please visit Gallup Pakistan's website www.gallup.com.pk for full disclaimer regarding international affiliations and other matters.