Consumer Confidence Rises In India

Contributed by Warc
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Consumer confidence levels in India have resumed upward momentum after declining for the first time this year in June, new figures show.

BluFin, the financial information provider, and TNS, the research group, polled 4,000 adults in 18 cities, and found the regular barometer of popular sentiment stood at 41.1 points, on a scale where returns over 50 points were indicative of a positive outlook.

However, this did constitute an improvement from 40.3 points in June, when scores fell from 41.7 points. This was the first decrease since December 2011, when the market "bottomed out" on 35.8 points.

"The good news is that the July 2012 CCI has shown a slight improvement thereby averting the fear of a downward trend," Rashid Bilimoria, chief executive of BluFin, said.

Respondents in Mangalore proved the most upbeat in the opening six months of 2012 on 53.4 points as a monthly average, ahead of Hyderabad on 50.1 points, the only two cities to cross the 50-point benchmark.

Contributors in Ludhiana, by contrast, were the most pessimistic on 31. 1 points, with Nagpur on 31.2 points and Kochi on 31.9 points. Southern and western areas also logged higher figures than the north and east.

Elsewhere, spending intentions remain rather muted on 27.9 points, but improved by 0.9 points on a monthly basis, and have grown by two points exactly during 2012 thus far.

Ratings on this metric rose to 34.1 points in the south, versus 29.5 points in western regions, 27.2 points in the north and 19.9 points in the east, the analysis added.

"Overall, the urban Indian consumer is feeling slightly better about his/her current situation and future prospects," said Bilimoria.

"While the urban Indian consumer is still very concerned about price levels, there has been an improvement in consumer sentiment towards spending across four key categories: durables, two-wheelers, four-wheelers and homes."

Softening attitudes regarding inflation have supported this shift, as totals here have increased by 3.6 points during the year to date to 26.3 points.

Meanwhile, the index covering the employment index gained a single point compared with June, on 47.1 points. However, scores on this measure have still contracted by 0.3 points since the start of 2012.

Data sourced from BluFin; additional content by Warc staff

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