



# Research offer: Consumer Confidence in Ukraine in 2011

**Joint project of GfK Ukraine and International Center for Policy Studies**

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# Why do you need information about consumer confidence?

2

If you wish to be **always the first to** know,  
...how the consumer confidence will change in the next month  
...which socio-demographic groups will be the carriers of such changes

If under conditions of **current uncertainty** you wish to be **the first** to know,  
...which socio-demographic groups are affected by crisis the least, and which ones – the most  
...when crisis will reach the «bottom»

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# Why in particular consumer confidence data

- ❑ The consumer confidence indicator is considered to be the leading indicator, that is the indicator which shows the forecast of potential change of consumer demand in the next periods.
- ❑ Most statistic indicators are published with delay for more than a month, we offer table data in the second decade, and report – in the third decade of the month following the reporting one.
- ❑ The Consumer Confidence Indices are calculated on the basis of survey data, therefore, they do not contain potential errors of official statistics which does not cover the larger part of shadow economy.



3



## Why in particular the data of joint project between GfK Ukraine and International Center for Policy Studies

4

- ❑ We have at our disposal monthly indicators dynamics starting from 2000.
- ❑ It is possible to analyze Consumer Confidence by region, type of settlement, age, financial standing, employment – by position, field etc.
- ❑ Due to application of international methodology, it is possible to compare the Customer Confidence Indices with that of other countries, for example the USA, Britain, Poland.
- ❑ It is possible to get the quarterly aggregation of data for more detailed analyses of various socio-demographic groups.

# Survey methodology

5

- ❑ The Consumer Confidence Index in Ukraine is defined on the basis of random survey of domestic households.
- ❑ The survey involves 1 000 individuals aged from 15 to 59. The population aged 15–59 represents 61,3% of total population of Ukraine and constitutes the most active part of the consumers.
- ❑ The sample is representative by gender and age, takes into account urban and rural population, size of settlement.
- ❑ The margin of error does not exceed 3,2%.



## Consumer Confidence Indices which we calculate

6

- ❑ Index of Current Personal Financial Standing
- ❑ Index of Expected Changes in Personal Financial Standing
- ❑ Index of Expected Economic Conditions in the Country over the next year
- ❑ Index of Expected Economic Conditions in the Country over the next 5 years
- ❑ Index of Propensity to Consume
- ❑ Consumer Confidence Index
- ❑ Index of Current Situation
- ❑ Index of Economic Expectations
- ❑ Index of Expectation of Changes in Unemployment
- ❑ Index of Inflationary Expectations



# Methodology of index calculation (1)

7

In order to calculate the Consumer Confidence Index the respondents are asked the following questions:

- ❑ Index of Current Personal Financial Standing (x1);

How has the financial standing of your family changed over the last six months?

- ❑ Index of Expected Changes in Personal Financial Standing (x2);

In your opinion, how will the financial standing of your family change within the next six months?

- ❑ Index of Expected Economic Conditions in the Country over the next year (x3);

Speaking about economic situation in the country as a whole, do you think that the next twelve months will be good or bad time for the country's economy?

- ❑ Index of Expected Economic Conditions in the Country over the next 5 years (x4);

How would you characterize the next five years – as good or bad time for the country's economy?

- ❑ Index of Propensity to Consume (x5).

In your opinion, is now a good or bad time to make large purchases for household?

The index value is calculated in the following way: the share of negative answers are deducted from the share of positive answers and 100 is added to the difference in order to eliminate the negative values.

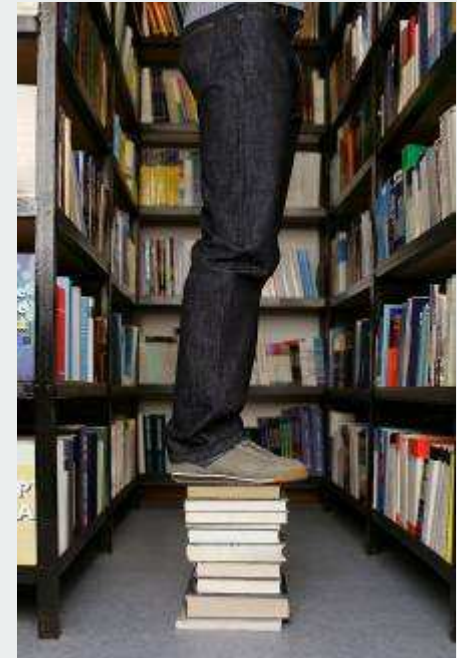
## Methodology of index calculation (2)

8

- ❑ On the basis of these five indices, three aggregate indices are determined:
  - Consumer Confidence Index (CCI) – arithmetic average of indices x1–x5;
  - Index of the Current Situation (ICS) – arithmetic average of indices x1 та x5;
  - Index of Economic Expectations (IEE) – arithmetic average of indices x2, x3, x4.
- ❑ The index values can range from 0 to 200. The index equals to 200, when all respondents assess positively the economic situation. The index equals to 100, when the shares of positive and negative assessments are equal. The index value less than 100 signifies the prevalence of negative assessments in the society.
- ❑ In order to define the Index of Expected Changes in Unemployment (IECU) and Index of Inflationary Expectations (IIE), the respondents are asked the following questions:
  1. In your opinion, within the next 12 months will the number of unemployed people (those who do not have a job or are looking for it) increase, remain about the same or decrease?
  2. In your opinion, how will the prices for the major consumer goods and services change within the next one-two months?
- ❑ The values of IECU and IIE are calculated as follows: the share of answers that indicate decrease of unemployment (inflation) is deducted from the share of answers that indicate increase in unemployment (inflation), and 100 is added to the difference to eliminate the negative values. The value of these indices can range from від 0 to 200. For example, the index value equals to 200, when all respondents expect increase in unemployment (inflation).

# Preliminary schedule of results presentation

<b>Month of survey</b>	<b>Excel tables</b>	<b>Analytical report</b>
January	16.02.2011	28.02.2011
February	16.03.2011	30.03.2011
March	14.04.2011	29.04.2011
April	17.05.2011	31.05.2011
May	15.06.2011	30.06.2011
June	15.07.2011	29.07.2011
July	12.08.2011	31.08.2011
August	14.09.2011	29.09.2011
September	13.10.2011	31.10.2011
October	16.11.2011	30.11.2011
November	14.12.2011	27.12.2011
December	18.01.2012	27.01.2012



# Research deliverables and price

10

- ❑ Research deliverables: Excel allocation tables in Ukrainian, analytical report in Ukrainian and English
- ❑ Research price: 8250 UAH per year (VAT not included), that is only **687 UAH per month**
- ❑ Terms of payment: 100% after receipt of first wave results

