

**Media Contacts:**

**CNBC TV18**  
 Haresh Soneji  
 +91-22-4001 9124  
[haresh.soneji@network18online.com](mailto:haresh.soneji@network18online.com)

**Boston Analytics**  
 Shirin Bagga  
 +91-22-2518 2092  
[sbagga@bostonanalytics.com](mailto:sbagga@bostonanalytics.com)

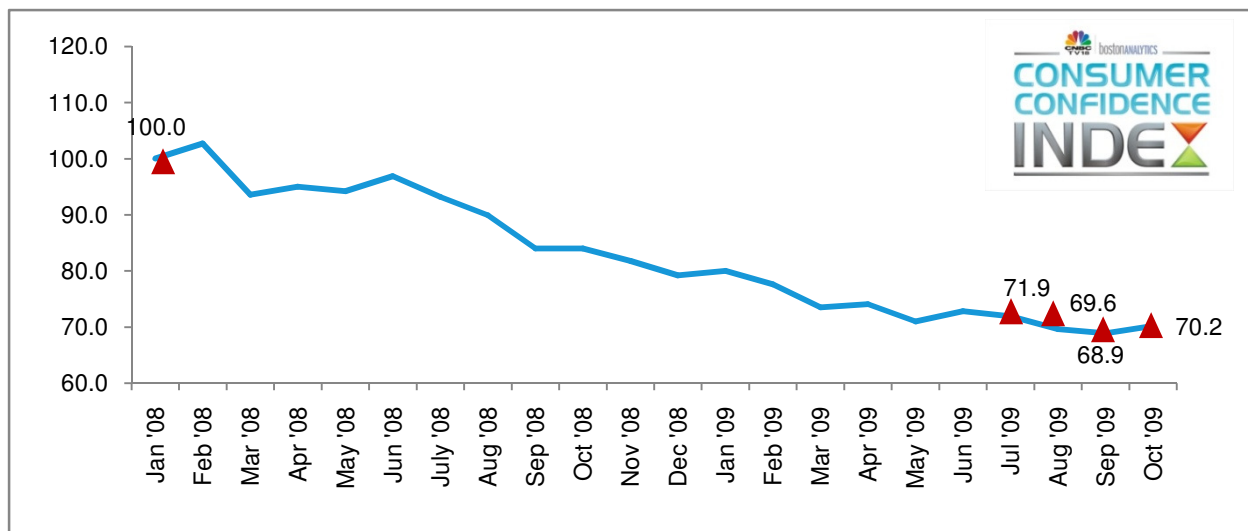
**AS SIGNS OF ECONOMIC RECOVERY BEGIN TO SURFACE, THE INDIAN CONSUMER IS SIGNALING OPTIMISM ABOUT THE STATE OF THE ECONOMY— CONSUMER CONFIDENCE REGISTERS AN UPTICK IN OCTOBER AFTER THREE CONSECUTIVE MONTHS OF DECLINE**

**MUMBAI, November 5, 2009** – Today CNBC TV18 and Boston Analytics released the CNBC-TV18 Boston Analytics Consumer Confidence Index for October 2009. The index is designed to measure consumer confidence in India on a monthly basis. The index is derived from a monthly survey targeting nearly 10,000 respondents across fifteen Indian cities, which makes it the largest and most comprehensive exercise of this kind in the country. The index is a monthly barometer of the opinion of Indian consumers regarding the current state and future expectations of the macro economy, household financial conditions and consumption. The index is computed from responses to 25 questions covering various variables known to affect consumer confidence. These variables pertain to general economic conditions, employment, inflation, interest rates, real estate, household financial conditions, household income, household spending plans, and savings.

The index for October stands at 70.2, an increase of 1.9 percent from September’s reading of 68.9. The increase in consumer confidence in October can be attributed primarily to increase in optimism about the observed (compared to 12 months ago) and expected (in the next 12 months) change in the nation’s economic conditions and household income.

Optimism about the observed change in the respondents’ personal financial conditions has strengthened. However, sentiment about expected personal financial conditions has weakened. The employment outlook, though still below the benchmark level of 50, has registered some improvement in the last month also. Sentiment related to discretionary spending continues to remain in negative territory (way below the benchmark level of 50) but has recorded some improvement in October. Despite improving sentiment pertaining to a number of variables constituting the composite, inflation sentiment remains mired in pessimism.

The exhibit below shows the CNBC-TV18 Boston Analytics Consumer Confidence Index between January 2008 and October 2009.



Source: Boston Analytics

The CNBC-TV18 Boston Analytics Consumer Confidence Index consists of two sub-indices – the Current Situations Index and the Future Expectations Index. Both the Current Situation Confidence Index and the Future Expectations Confidence Index registered an increase in October, though the latter is lower than the former signally some concern that the process of economic recovery may be tentative and questions over whether or not the growth process will be sustained if the Central Bank withdraws its expansive monetary stance. The Current Situation Confidence increased from 73.1 in September 2009 to 75.0 in October 2009, registering a rise of 2.5 percent in the last month. Similarly, the Future Expectations Confidence Index increased almost 1.9 percent from 64.4 in September 2009 to 65.6 in October 2009.

"Our October survey reveals that consumer confidence among India's urban consumers has bounced up off of low levels. Worries about the state of employment conditions and retail inflation continue to appear to be the dominant factors leading to austerity in spending plans and an increased propensity to save. However, this time, their impression of the general state of the economy has improved with the hope that improvement in personal circumstances will follow," said **Dr. Sam Thomas, Ph.D., Director of Research and Development at Boston Analytics.** "It appears that policy emphasis on large stimulus at the aggregate level has not trickled down adequately to the personal level of the urban consumer as yet."

### **About the CNBC-TV18 Boston Analytics Consumer Confidence Index**

The index is designed to measure consumer confidence in India on a monthly basis. The index is derived from a monthly survey targeting 10,000 respondents across fifteen Indian cities—Delhi, Mumbai, Kolkata, Chennai, Hyderabad, Bangalore, Ahmedabad, Chandigarh, Nagpur, Kochi, Jaipur, Lucknow, Bhubaneswar, Patna, and Vishakhapatnam. The sample is stratified based on the socio-economic characteristics of the Indian population in order to ensure sufficient sample sizes for sub-groups of interest. All data are collected via face-to-face interviews. The index is computed from responses to 25 questions covering various variables known to affect consumer confidence. These variables pertain to general economic conditions, employment, inflation, interest rates, real estate, household financial conditions, household income, spending plans, and savings. The index value in January 2008 was set to 100 to serve as the starting benchmark value of the time series. Inspired by the product design and index computation methodologies of consumer sentiment and consumer confidence indices across the world, the index has been adapted to the Indian economy's unique conditions.

**About CNBC-TV 18:** CNBC-TV18 is the undisputed leader in the business. The channel's benchmark coverage extends from corporate news, financial markets coverage, expert perspective on investing and management to industry verticals and beyond. CNBC-TV18 has been constantly innovating with new genres of programming that helps make business more relevant to different constituencies across India. CNBC-TV18 is currently available in over 30 million households in India

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