

CONSUMER CONFIDENCE INDEX: June 2010

1. Consumer confidence at a glance

Consumer Confidence Index in Bulgaria

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Consumer Confidence Index is an instrument that registers and tracks the changes in the consumer climate. European Commission uses this survey method as a part of indicators' package for monitoring and evaluation of the economic situation in the European Union countries as well as in the applicant state's economies.

The Consumer Confidence Index method is a result of experiments conducted in France and Germany in the 70's and especially professor's Kantona and economists from Michigan University input on the significance of subjective judgments given by consumers for economical and social processes.

The consumer's opinion on different economical factors not only determine their market behavior but also influence on the future development of the objective factors. Thus the consumer climate researches provide information for tracking the cyclic processes and define precisely the economy turning points and can be use for future prognosis.

The **Consumer Confidence Index** has become an indispensable analytical and prognosis tool in Europe and USA, used by numerous economical agents - public and state departments, researchers, managers of private and multinational companies, foreign institutions, financial experts, universities, political organizations, information centers, banks etc.

The Consumer Confidence Index is measured in Bulgaria from May 2001 as a part of Consumer Barometer Project financed by European Commission.

Methodology

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In Bulgaria the project is realized by GfK Bulgaria. The survey is conducted at the beginning of each month on the basis of random representative sample of 1000 individuals aged over 15 years over the territory of the whole country.

The Consumer Confidence Barometer keep track of consumer behavior on the base of six main indicators:

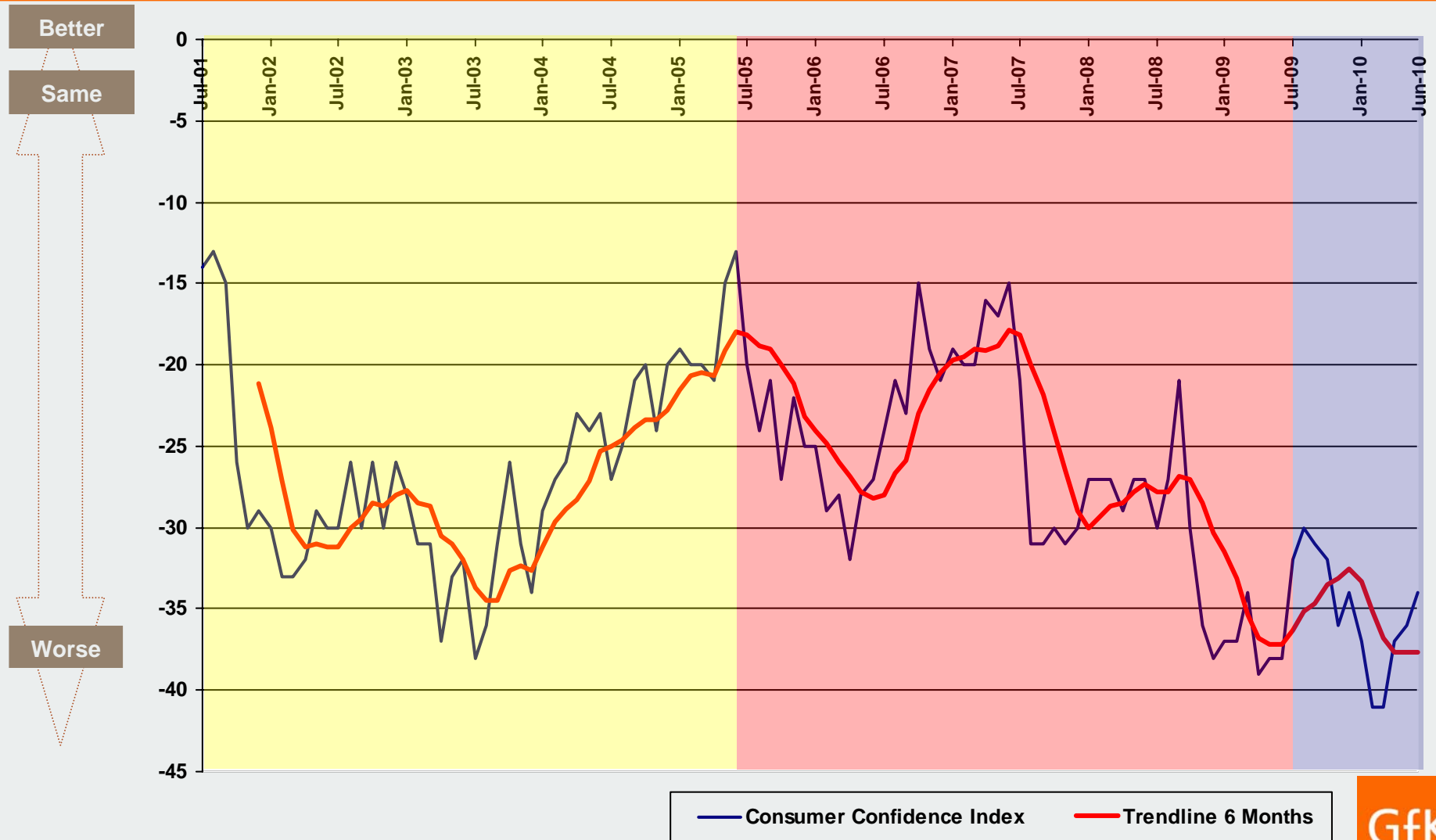
- Evaluation of the household financial status
- Evaluation of the overall economic situation in the country
- Big purchases ability of the household
- Unemployment expectations
- Prices expectations
- Savings ability

On the basis of those indicators is calculated the complex **Consumer Confidence Index**

2. Results

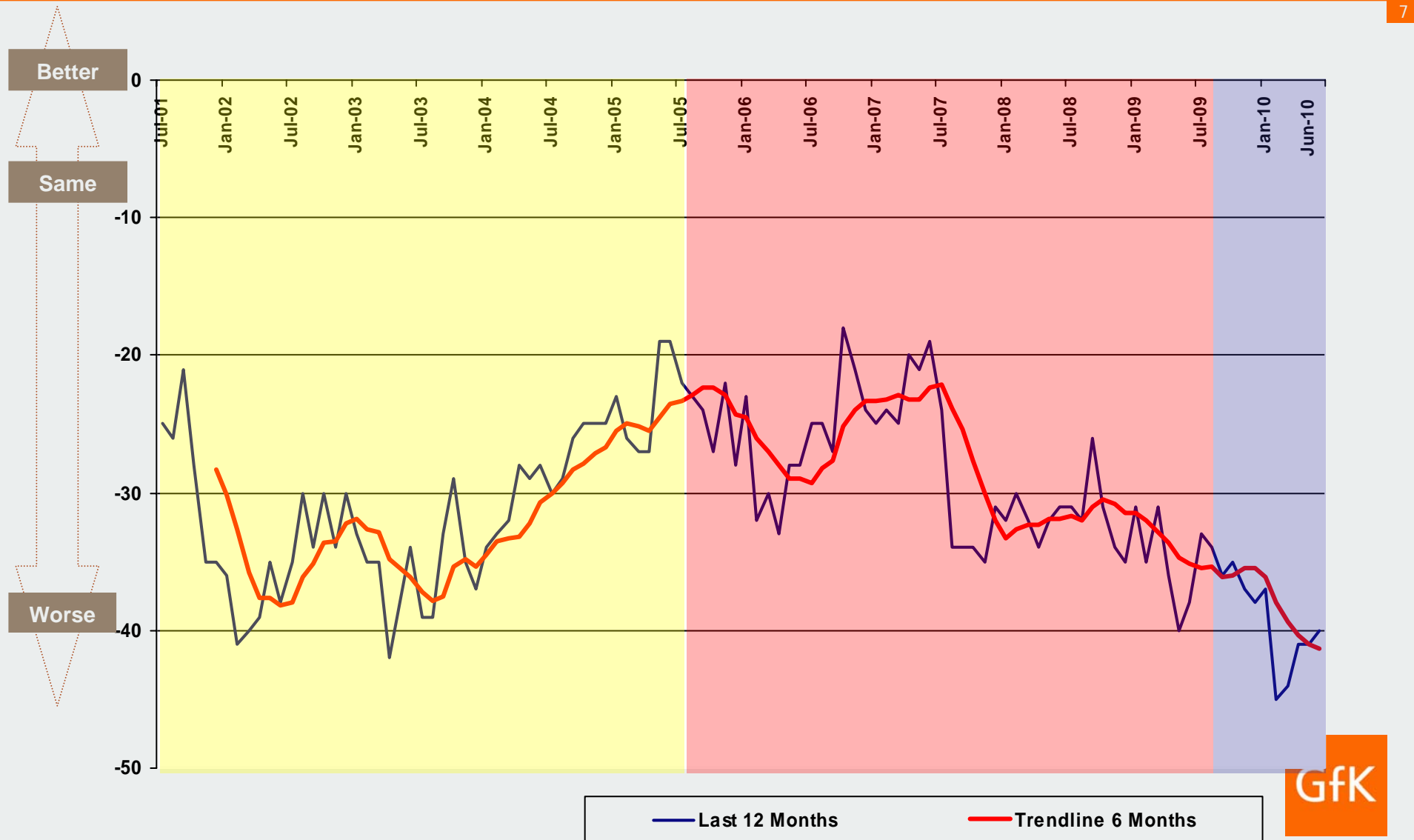
Consumer Confidence Index

Aggregate Index – Adult Opinion on Financial Status, Overall Economic Situation, Prices, Unemployment, Big Shopping and Savings



Financial Situation of the Households: Last 12 Months

Question: How has the financial situation of your household changed over the last 12 months?

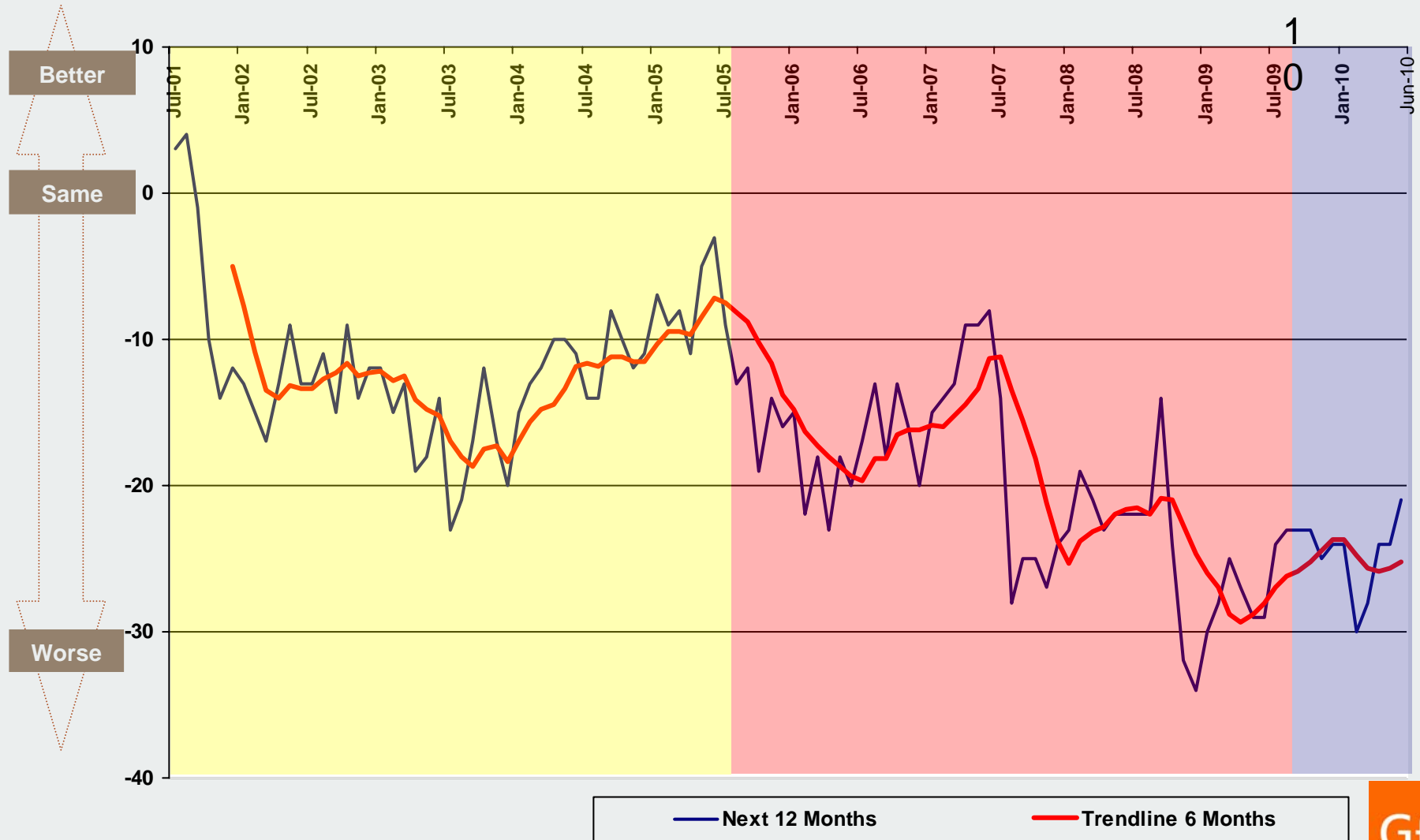


Financial Situation of the Households: Next 12 Months

Question: How do you expect the financial situation of your household to change over the next 12 months?

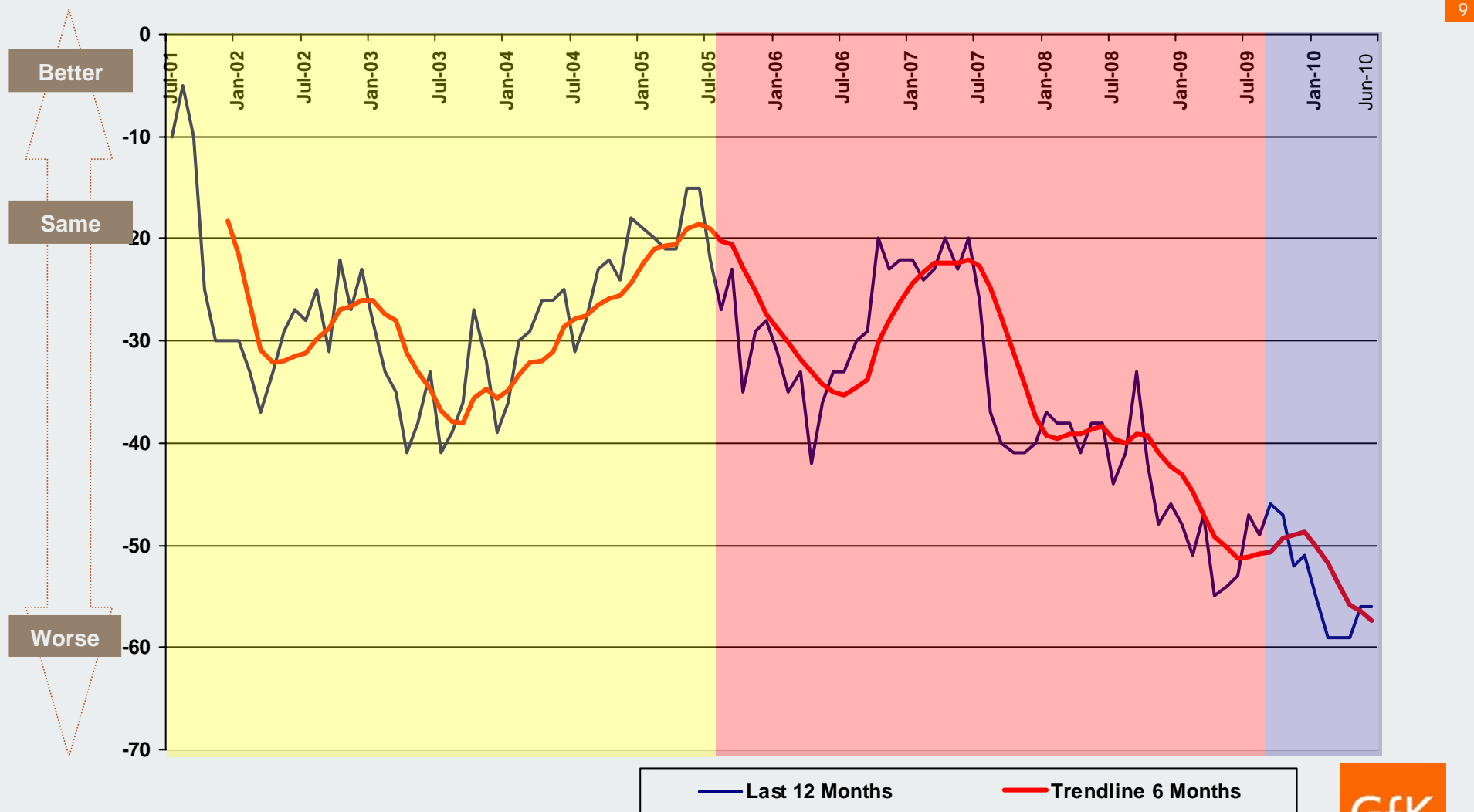
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Overall Economical Situation: Last 12 Months

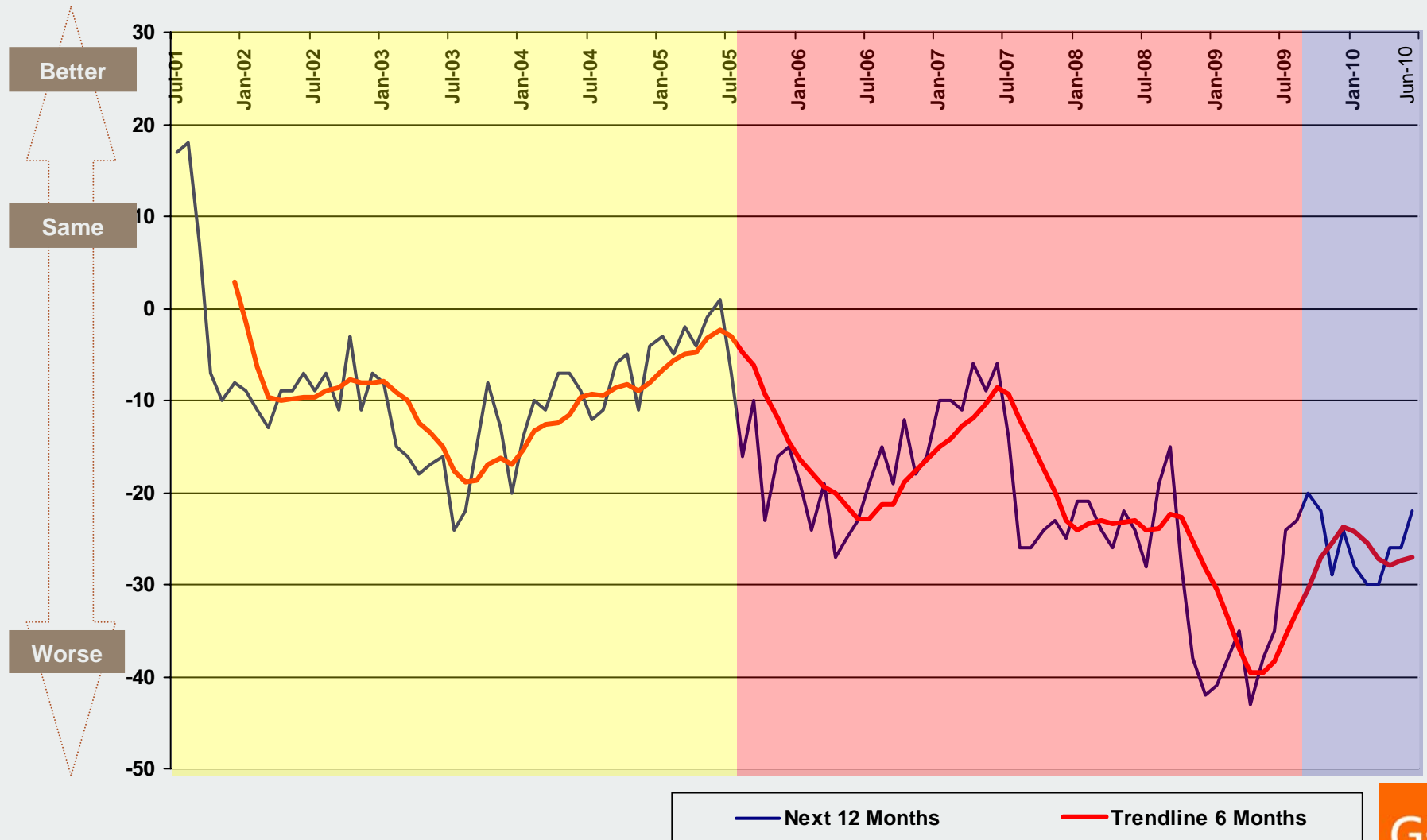
Question: How do you think the general economic situation in the country has changed over the last 12 months?



Overall Economical Situation: Next 12 Months

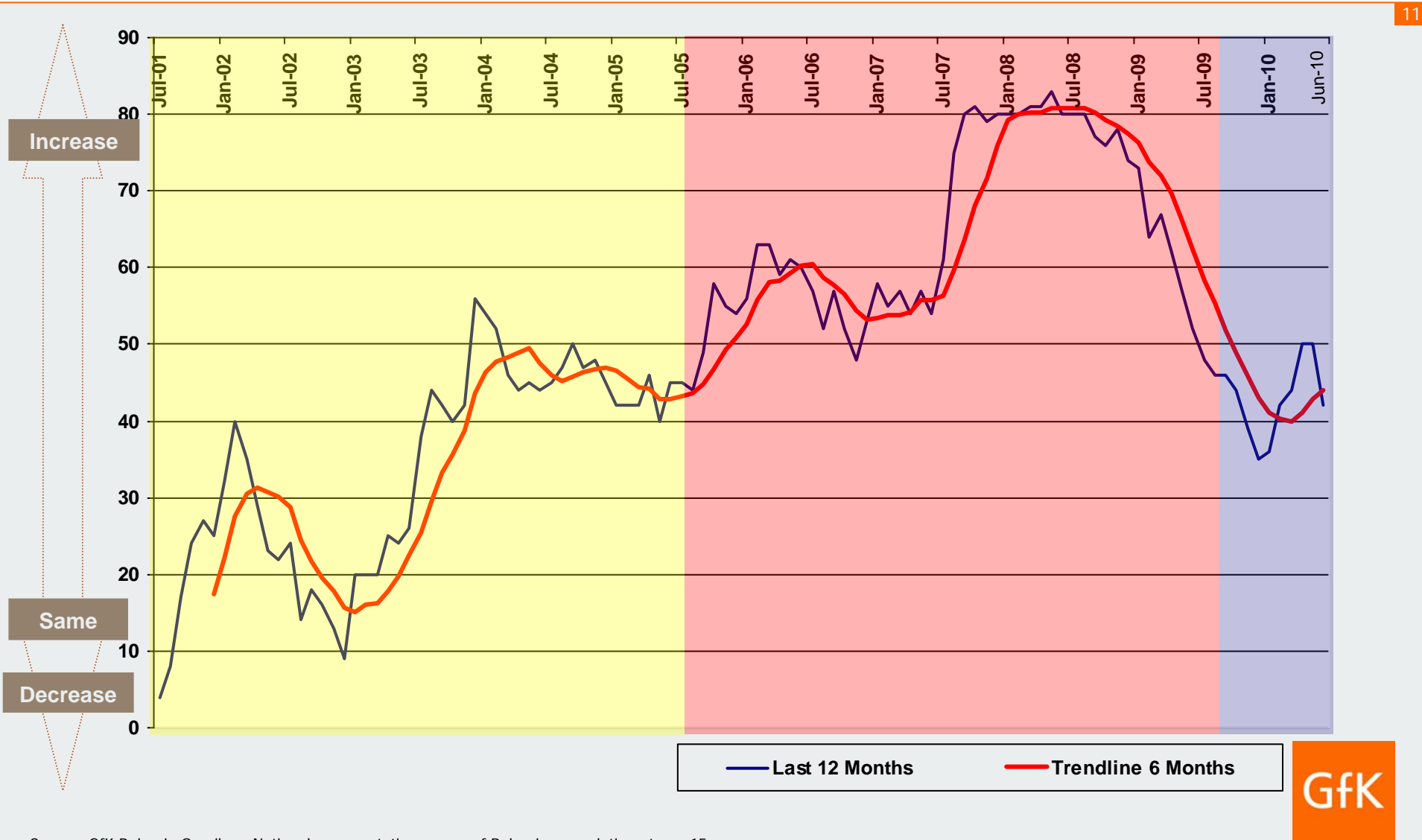
Question: How do you expect the general economic situation in this country to develop over the next 12 months?

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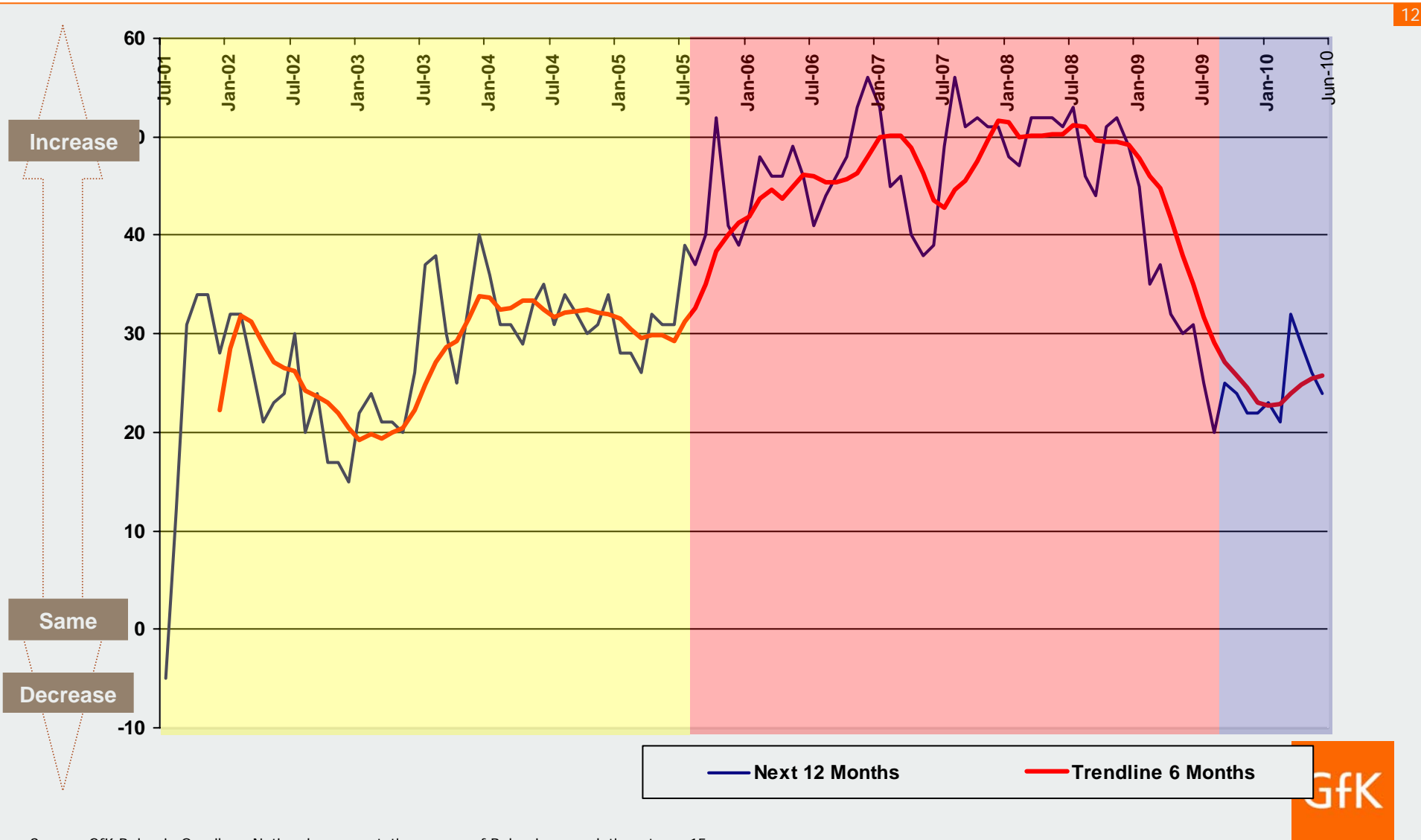
Prices: Last 12 Months

Question: How do you think that consumer prices have developed over the last 12 months?



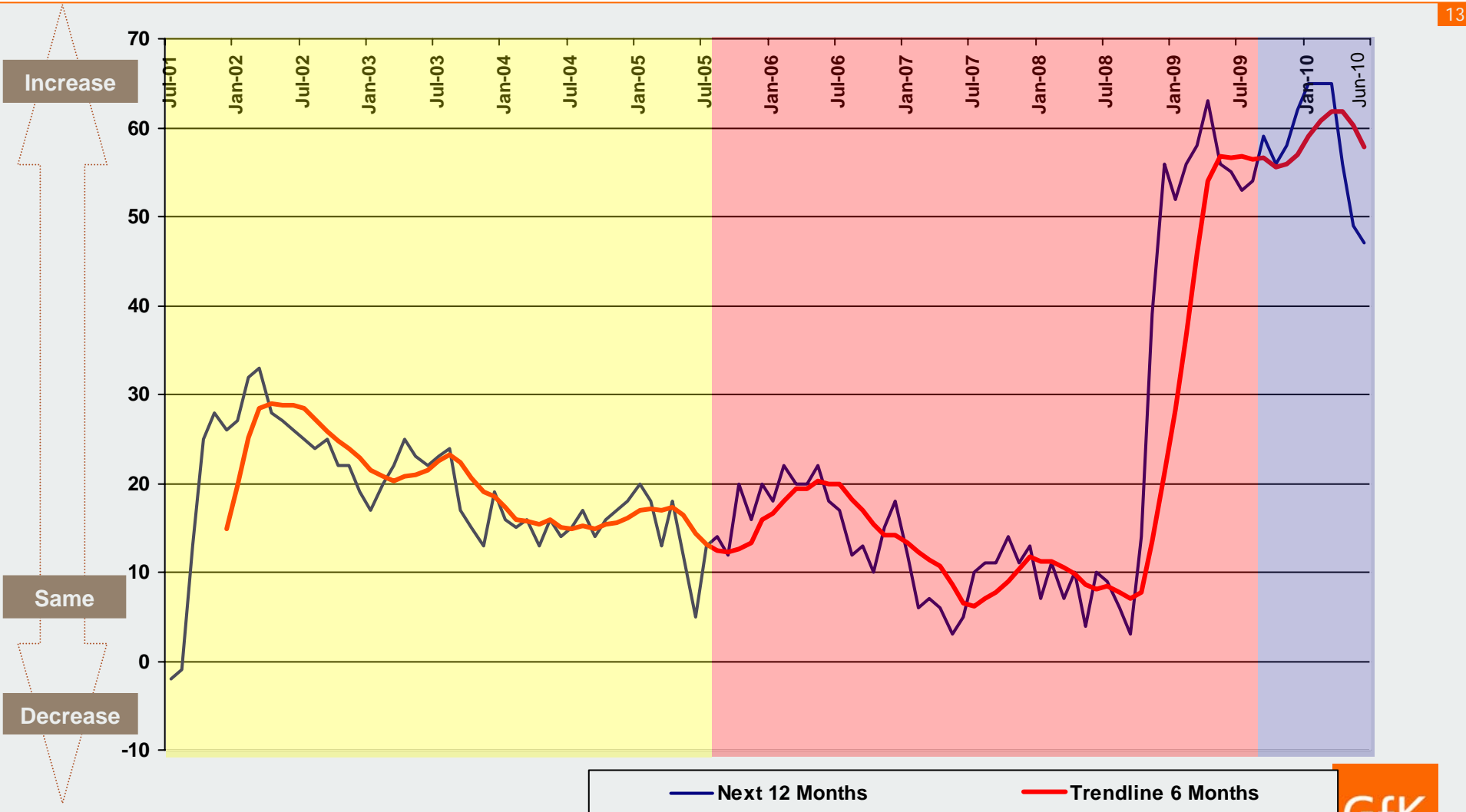
Prices: Next 12 Months

Question: By comparison with the past 12 months, how do you expect that consumer prices will develop in the next 12 months?



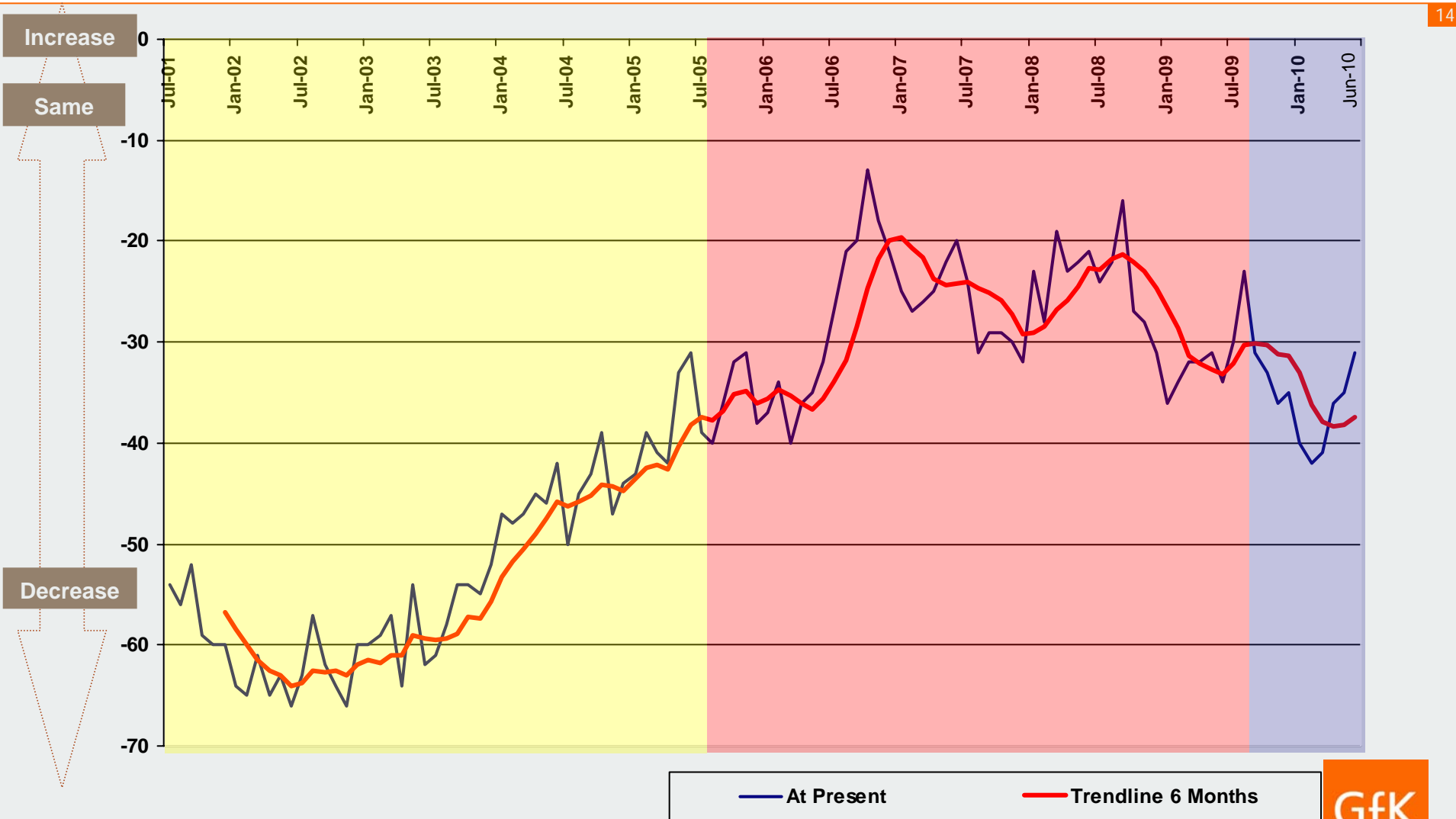
Unemployment: Next 12 Months

Question: How do you expect the number of people unemployed in the country to change over the next 12 months?



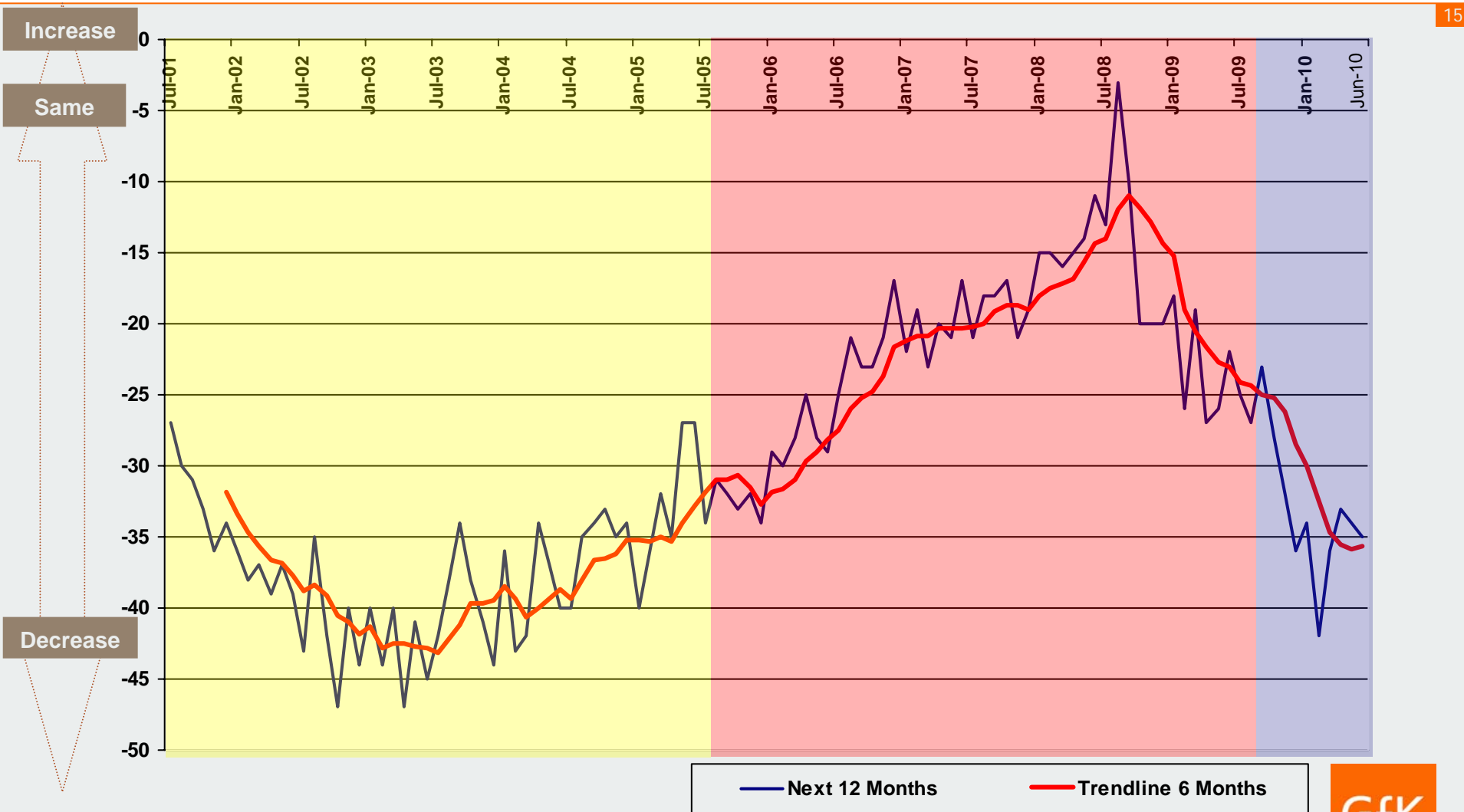
Big Purchases: **At Present**

Question: In view of the general economic situation, do you think that now it is the right moment for people to make major purchases such as furniture, electrical/electronic devices, etc.?



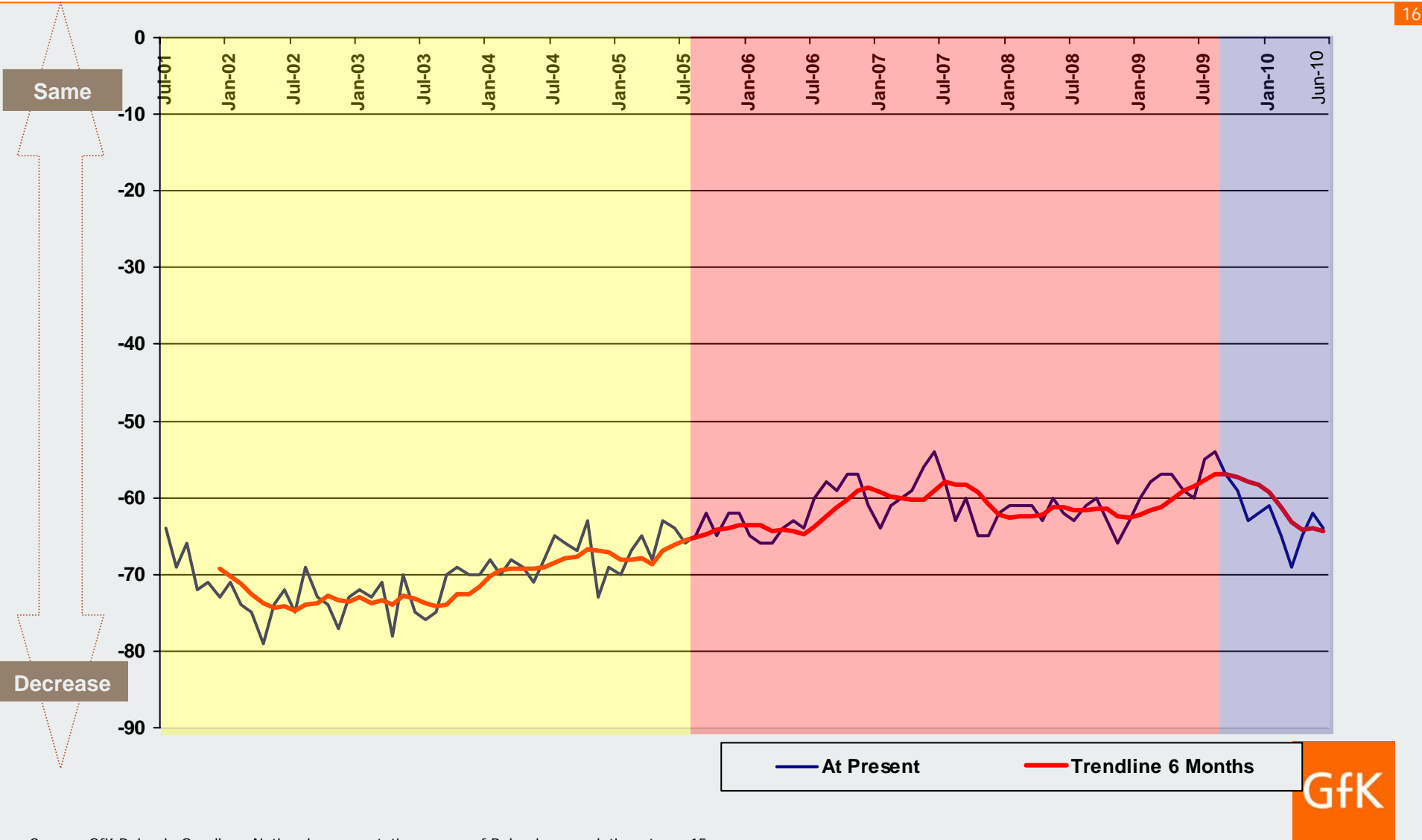
Big Purchases: Next 12 Months

Question: Compared to the past 12 months, do you expect to spend more or less money on major purchases (furniture, electrical/electronic devices, etc.) over the next 12 months?



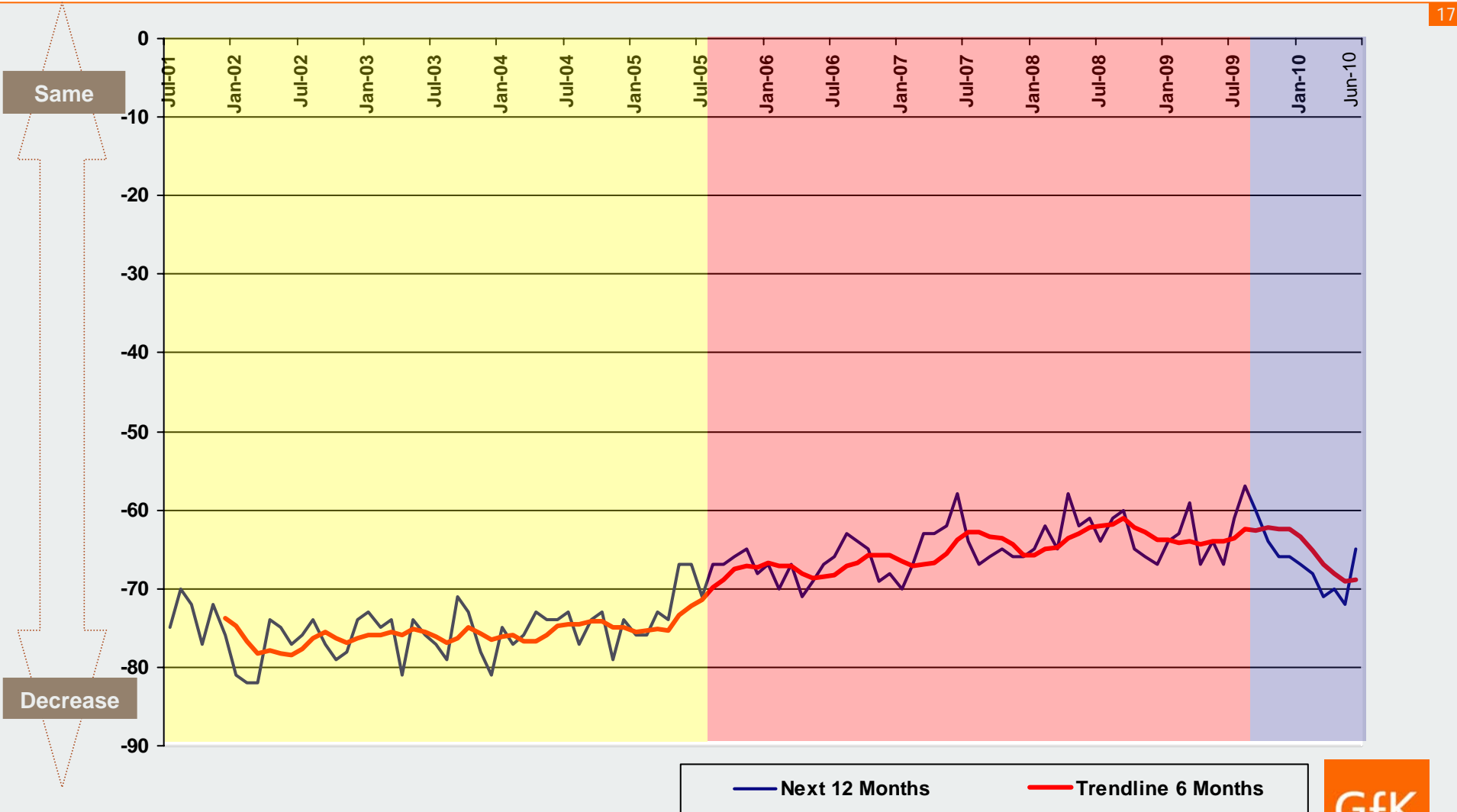
Savings: **At Present**

Question: In view of the general economic situation, do you think that now is the right moment to save?



Savings: Next 12 Months

Question: Over the next 12 months, how likely is it that you save any money?



Contact:
Maria Momchilova
Custom Research Division
GfK Bulgaria
Tel.: 930 86 14
E-mail: maria.momchilova@gfk.com