

Consumer Opinion Survey

March 2019

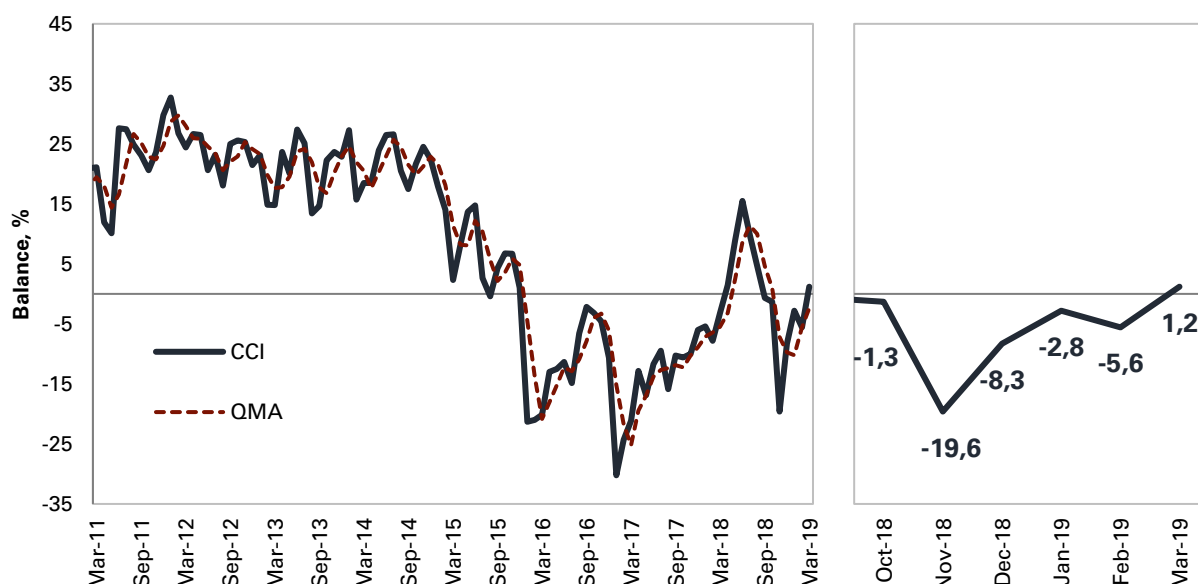
Bulletin 209



In March, the Consumer Confidence Index (CCI) returned to positive territory, recording a balance of 1.2%, which represents an increase of 6.8 percentage points (pps) compared to the previous month and 4.3 pps compared to the same month last year. The increase compared to the previous month is due to an increase in both the Economic Conditions Index and the Consumer Expectations Index. Consumer confidence increased in 4 of the 5 cities surveyed compared to February and in all cities compared to March 2018. Finally, the willingness to buy a house decreased relative to the previous month and March 2018, while the willingness to buy furniture and home appliances increased with respect to the same periods.

According to March results of the Consumer Opinion Survey (COS), the Consumer Confidence Index (CCI) recorded a balance of 1.2%. This value represents an increase of 6.8 percentage points (pps) compared to the previous month and an increase of 4.3 pps relative to the same month of 2018 (Graph 1).

Graph 1. Consumer Confidence Index (CCI)



Source: Consumer Opinion Survey (COS) – Fedesarrollo

QMA: Quarterly moving average

The improvement in consumer confidence compared to February 2019 was due to an increase in both the Economic Conditions Index and the Consumer Expectations Index.

The CCI has five components, the details of which are presented in Table 1. The first three refer to the expectations of households in a given year, while the other two refer to the perception of consumers about the current economic situation. The Consumer Expectations Index (CEI) is constructed with the first three and the Economic Conditions Index (ECI) with the remaining two.

The increase in the CCI with respect to February is explained by the 8.5 pps increase in the economic conditions index and the 5.6 pps increase in the consumer expectations index. Compared to March 2018, the economic conditions index and the expectations index increased 6.0 pps and 3.2 pps respectively (Graph 2).

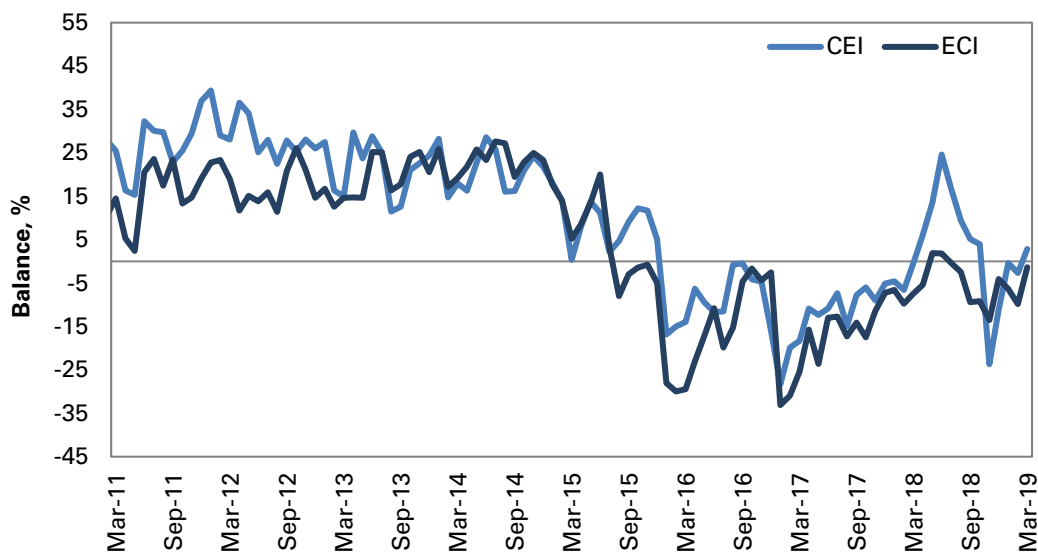
Table 1. Evolution of CCI Components
(Balances between favorable and unfavorable responses, %)

Variable / Balance %	2018	2019	
	March	February	March
Consumer Confidence Index - CCI	-3.2	-5.6	1.2
A. Consumer Expectations Index - CEI	-0.3	-2.7	2.9
-Do you think that within a year your household will economically do better, worse or the same than now?	26.3	26.0	31.7
-Do you think that within the next twelve months we will have good or bad economic times?	-21.3	-25.7	-16.8
-Do you think that the country's economic conditions will be better or worse within a year than they currently are?	-6.0	-8.4	-6.3
B. Economic Conditions Index - ECI	-7.4	-9.9	-1.4
- Do you think that your household is economically doing better or worse than a year ago?	-8.6	-18.5	-6.6
-Do you think this is a good time to purchase items such as furniture and household appliances?	-6.2	-1.3	3.9

Source: Consumer Opinion Survey (COS) – Fedesarrollo

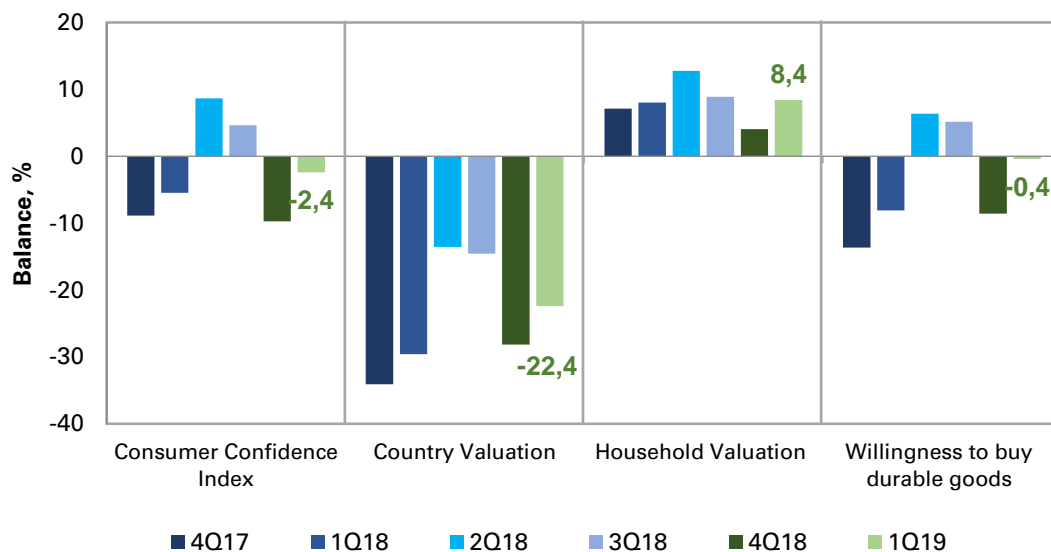
The results of the first quarter of 2019 show an improvement in confidence compared to the last quarter of 2018 (Graph 3). Particularly, both the consumer's assessment of the country and households situation improved compared to the previous quarter by 5.8 pps and 4.3 pps respectively. On the other hand, consumers' willingness to buy durable goods was -0.4%, which represents an improvement of 8.2 pps relative to the average balance registered during the fourth quarter of 2018.

Graph 2. Consumer Expectations Index (CEI) – Economic Conditions Index (ECI)



Source: Consumer Opinion Survey (COS) – Fedesarrollo.

Graph 3. Perception of consumers about the situation of the country and the household



Source: Consumer Opinion Survey (COS) – Fedesarrollo

Cities. In March, the CCI improved in four of the five surveyed cities compared to the previous month. Compared to the same month of 2018, confidence increased in all the cities analyzed.

The CCI improved compared to the previous month in Medellín (19.9 pps), Cali (9.3 pps), Bogotá (3.8 pps) and Barranquilla (3.3 pps), and declined in Bucaramanga (8.3 pps). Relative to March 2018, consumers confidence in all the cities surveyed, especially in Medellín, where confidence improved 16.2 pps (Table 2).

Table 2. Evolution of the CCI by cities

City, Balance %	2018	2019	
	March	February	March
Bogotá	-5.6	-8.7	-5.0
Medellín	-5.8	-9.5	10.4
Cali	5.9	2.1	11.4
Barranquilla	8.3	7.8	11.1
Bucaramanga	-14.7	-0.1	-8.4
Total	-3.2	-5.6	1.2

Source: Consumer Opinion Survey (COS) – Fedesarrollo

Socioeconomic level. In March, consumers confidence improved in the middle and lower strata compared to the previous month. Compared to March 2018, the CCI increased in the low and high strata.

By socioeconomic level and compared to the previous month, the CCI increased 7.7 pps and 7.2 pps in the medium and low strata, respectively, while in the high stratum it decreased 4.3 pps. Compared to the same period of 2018, consumers confidence improved in the low (9.8 pps) and high (7.2 pps) strata but deteriorated (1.0 pps) in the middle stratum.

Table 3. Evolution of the CCI by income level

Income Level. Balance %	2018	2019	
	March	February	March
High	-10.2	1.3	-3.0
Medium	4.1	-4.6	3.0
Low	-9.9	-7.3	-0.1
Total	-3.2	-5.6	1.2

Source: Consumer Opinion Survey (COS) – Fedesarrollo

Housing. The willingness to buy a house decreased compared to last month and compared to March 2018. By cities, this indicator fell in all cities compared to the previous month and compared to the same month of 2018 except in Cali where it increased with respect to both periods.

In March, willingness to buy a house stood at 1.2%, which is equivalent to a worsening of 1.8 pps compared to the previous month and a 1.2 pps reduction compared to March 2018 (Table 4) . Compared to last month, the willingness to buy a house only improved in Cali (21.1 pps). With respect to March 2018, this indicator improved only in Cali with an increase of 3.5 pps and decreased in all other cities, especially in Bucaramanga (14.0 pps).

Table 4. Willingness to buy a house by cities

City. Balance %	2018	2019	
	March	February	March
Bogotá	-7.1	-2.2	-9.1
Medellín	6.8	9.8	5.1
Cali	23.0	5.4	26.5
Barranquilla	23.9	24.4	23.5
Bucaramanga	5.3	-6.7	-8.6
Total	2.4	3.0	1.2

Source: Consumer Opinion Survey (COS) – Fedesarrollo

Compared to the previous month and to March 2019, the willingness to buy a house worsened in the high and low stratum but increased in the middle stratum.

In March, willingness to buy a house disaggregated by socioeconomic level, showed a reduction compared to the last month in the low stratum of 11.9 pps and in the high of 6.8 pps, while in the medium stratum it increased by 8.5 pps. Compared to March 2018, it deteriorated by 17.1 pps in the upper stratum and by 7.0 pps in the low stratum, but improved by 6.4 pps in the middle stratum.

Table 5. Willingness to buy a house by socioeconomic level

Income level. Balance %	2018	2019	
	March	February	March
High	3.4	-7.0	-13.7
Medium	0.7	-1.4	7.1
Low	4.0	9.0	-3.0
Total	2.4	3.0	1.2

Source: Consumer Opinion Survey (COS) – Fedesarrollo

Durable Goods. The willingness to buy furniture and home appliances improved compared to the previous month and compared to March 2018. By cities, this indicator increased with respect to the previous year in all the cities analyzed.

The balance of answers about whether it is a good or bad time to buy goods such as furniture and appliances was 3.9% in march. This represents an increase of 5.2 pps compared to the month of February and a recovery of 10.1 pps compared to March 2018. Compared to the previous month, the willingness to buy durable goods increased in Cali (22.0 pps), Medellín (5.1) and Bogotá (4.9 pps), but decreased in Bucaramanga (8.5 pps) and Barranquilla (16.4 pps). Compared to March 2018, the willingness to buy goods increased in all cities (Table 6).

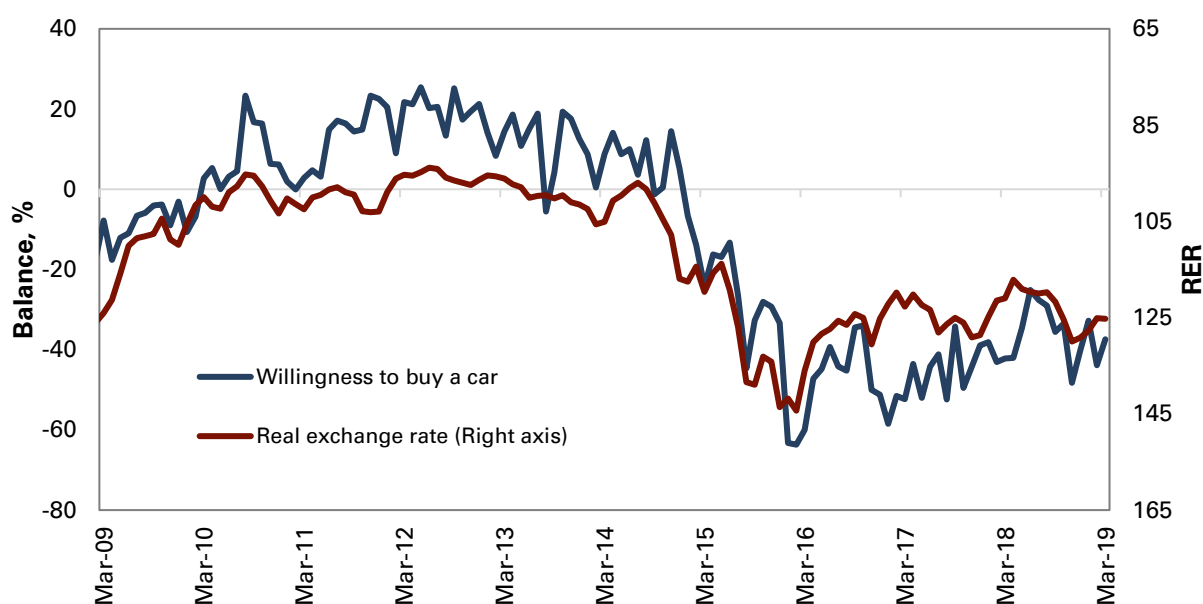
Table 6. Willingness to buy furniture and home appliances by cities

City. Balance %	2018		2019
	March	February	March
Bogotá	-12.2	-9.4	-4.5
Medellín	-6.5	4.6	9.7
Cali	20.6	9.5	31.5
Barranquilla	-2.2	24.0	7.6
Bucaramanga	-35.5	-6.2	-14.8
Total	-6.2	-1.3	3.9

Source: Consumer Opinion Survey (COS) – Fedesarrollo

Vehicles. In March, the willingness to buy a vehicle registered a balance of -37.4%. This implies an increase of 6.5 pps compared to the previous month and an increase of 4.8 pps relative to March 2018 (Graph 4).

Graph 4. Willingness to buy car vs. real exchange rate



Source: Consumer Opinion Survey (COS) – Fedesarrollo and Central Bank of Colombia



**Contact us if you would like to have access to
disaggregated results by city, level of income
and other survey questions**

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