

# Factors associated with consumer confidence

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**Abstract.** Consumer confidence has a significant impact on both economic trends and consumer behaviour. It is crucial for companies, governments, and scholars to understand the factors that influence customer confidence. Economic indicators, including inflation, unemployment, interest rates, and exchange rates, have a big impact on consumer confidence. Consumers' perceptions of their current financial status and aspirations for the future may change as a result of changes in these variables. In order to establish the Consumer Confidence Index in Coimbatore district Tamil Nadu, an attempt has been made in this study. According to the study's findings, a number of significant variables have a direct impact on consumer confidence. A few of these variables include the place of residence, the type of family structure, the occupation, the number of employed and unemployed family members, the size of the family, the frequency with which Tamil television news channels are watched, the use of social networking sites, the frequency with which economic information is gathered, and the level of awareness of economic indicators.

## 1 Introduction

The Consumer Confidence Index (CCI) gauges consumers' optimism or pessimism regarding both their own financial status and the state of the economy as a whole. It serves as a barometer of people's economic optimism and tendency to spend money now and in the future on goods and services. The Reserve Bank of India (RBI) measures the Consumer Confidence Index (CCI) in order to gather data on consumer behaviour and economic sentiment in the country. A significant economic indicator, the CCI provides information on the economy's current state and probable future from the perspective of consumers. By monitoring consumer confidence, the RBI can assess the health of the economy as a whole and identify patterns that can affect economic activity. One of the elements which the RBI takes into account while developing monetary policies is CCI. Consumer buying patterns, investment choices and borrowing habits can all be influenced by consumer confidence levels. RBI can decide on interest rates, liquidity management and other policy actions to assist economic growth and stability by carefully analyzing CCI. Consumer confidence influences how consumers perceive inflation. Consumers are more likely to anticipate higher income growth and increased spending when they are optimistic about the economy

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and their financial status. These anticipations may have an impact on inflationary pressures. RBI can monitor CCI to learn more about inflation expectations and modify its monetary policy as necessary.

Financial stability is highly correlated with consumer confidence. Consumers are more inclined to engage in economic activities like borrowing, investing and spending if they are optimistic about the economy and their financial prospects. RBI can evaluate the overall soundness of the financial system and spot any potential risks or vulnerabilities by keeping an eye on CCI. Businesses and market participants may find use for CCI data. It offers perceptions into shopper behaviour, purchasing trends and intentions for the future. Businesses may decide wisely about production, pricing, inventory management and expansion plans by assessing customer confidence. Overall, by measuring CCI, RBI is able to assess consumer mood, track economic trends, and choose the best course of action for promoting economic stability, growth, and financial well-being in the nation. Several variables, including job levels, income growth, inflation, interest rates and overall economic stability, have an impact on consumer confidence. Consumers are more likely to spend, invest, and incur debt when they have high levels of confidence, which promotes economic growth. Conversely, low consumer confidence can result in less purchasing, saving, and investment, which can have a detrimental effect on the economy. Thus, an effort has been undertaken to determine the variables affecting consumer confidence in this study.

## **1.2 Review of literature**

Ramalho, Caleiro and Dionfsio [8] observed that the unemployment rate, inflation, exchange rate, and political climate strongly affect Portugal's CCI. These variables were found to be strongly and significantly influencing consumer mood and national consumer confidence.

Hollanders and Vliegenthart [11] observed that the Consumer Confidence Index is significantly shaped by news. According to their findings, the news media's information dissemination significantly affects consumer perception and the degree of consumer confidence.

Barsky and Sims [2] observed that news is thought to play a major role in the relationship between economic activity and confidence levels. This highlights the crucial role news which is affecting consumer confidence, which has an impact on business activity. The claim underlines how news is important in affecting consumer sentiment and how that affects broader economic dynamics.

Raaij [10] found that media coverage of politics, the economy, unemployment, inflation, interest rates, pensions, and health care costs have a considerable impact on consumer confidence. The findings demonstrate how media coverage is important in affecting how consumers perceive and respond to the various economic and social factors that have an impact on their level of confidence. This highlights how important it is to provide clients with accurate and complete news coverage so they may build trust in the present state of the economy and other related factors.

Casey and Owen [5] observed a strong association between consumer confidence, which significantly affects the economy overall, and press coverage of news stories. The findings show how closely related consumer attitudes, media coverage, and the broader economic environment are affect. They highlight how news has a big influence on consumer behaviour, which has an impact on the economy. The study highlights how crucial it is to consider how media coverage impacts consumer confidence because it is a crucial element in identifying economic trends and patterns.

Paradiso, Kumar, and Margani [9] revealed that CCI is significantly impacted by inflation. Their findings highlight the important role that inflation plays in influencing

consumer sentiment and confidence levels in general. The study stresses how important it is to monitor and control inflation rates as a fundamental component of understanding and predicting consumer behaviour and economic outcomes.

Bruistle and Crain [4] claimed that CCI has the potential to be enhanced further by integrating media broadcast ratings and political opinion surveys. They underline the necessity for the consumer confidence index's current framework to incorporate other information sources, such as media evaluations and political viewpoints. A more complete and nuanced picture of consumer sentiment can be provided by this broader viewpoint, which can also aid in a more accurate assessment of consumer confidence levels.

Çelik and Deniz [6] determined that CCI was affected by a number of factors, including inflation, interest rates, and currency depreciation. The findings demonstrate the significance of these factors in affecting customer confidence and mood. Understanding how inflation, interest rates, and currency depreciation affect consumers' purchasing decisions are crucial for analysts and policymakers because it provides valuable insights into consumer behaviour. Knowing these effects allows policymakers to make well-informed decisions that will help create a favourable economic environment and increase consumer confidence.

Shayaa et al. [12] concluded that there is a significant correlation between Consumer Confidence Index and news spread through social media. Their findings emphasise the effect of social media as a crucial information source that affects customer confidence and alters consumer mood. The study emphasises how crucial it is to comprehend how social media influences consumer behaviour and contends that keeping an eye on and analysing social media trends might yield useful information on the dynamics of consumer confidence.

Alberto, Mari and Hernandez [1] ascertained a considerable impact of political and news events on Consumer Confidence Index. The results emphasise how important news coverage and political happenings are influencing consumer confidence and mood. Grasp the factors that influence consumer confidence require a grasp of the impact of news and political events. This information can be used by analysts and policymakers to determine how news and political events may affect consumer behaviour and to help them make decisions that will help create an atmosphere that is favourable for business.

Ghosh's (2020) observed that, particularly over the long term, changes in interest rates, stock market swings and unemployment changes all have a major impact on consumer purchasing behaviour at the household level in Brazil. The results highlight how crucial these economic issues are for influencing consumer choices and spending habits. Policymakers and analysts may understand consumer behaviour and support a stable and successful economic environment in Brazil by recognising the impact of unemployment, stock market swings, and interest rate adjustments.

Benny Budiawan et al. [7] noticed that a number of important variables, such as the inflation rate, unemployment rate, exchange rate and circumstances surrounding the control of corruption, had a significant impact on consumer confidence in Indonesia. The degree of consumer optimism and the nation's general economic outlook are significantly shaped by these variables. The results underline how important it is to keep an eye on and solve these aspects in order to maintain sustainable economic growth in Indonesia and an environment that is friendly to consumers. This information can be used by analysts and policymakers to develop well-informed plans and put them into action that will boost consumer confidence and foster a stable business climate.

### **1.3 Research gap**

The results of the previous study showed that a number of variables, including the employment rate, inflation, political climate, interest rate, cost of living and information reported by news outlets, have an impact on consumer confidence. In contrast to India, however, it is noteworthy that more studies of the variables that affect consumer confidence have been carried out in abroad. The present study was carried out in response to this information vacuum and to identify variables affecting consumer confidence specifically in the Indian setting.

### **1.4 Statement of the problem**

In Tamil Nadu, India, Coimbatore district is a key economic centre. Numerous industries call it home, including those related to textiles, manufacturing, information technology and healthcare. Policymakers, companies and researchers can learn more about the distinctive dynamics and difficulties of the regional economy by examining the factors affecting consumer confidence in this particular area. Local market conditions have an impact on consumer behaviour and confidence. In Coimbatore district, factors including employment prospects, income levels, cost of living and market movements affect consumers' attitudes. Understanding these elements enables firms to modify their marketing plans, product lineups and price choices in accordance with the unique requirements and preferences of local customers. The development of targeted policies and actions benefits from research on consumer confidence in Coimbatore district. Insights gathered from researching consumer confidence can be used by local authorities to develop strategies that boost the economy, address particular consumer problems and foster a positive business climate. Understanding the variables affecting consumer confidence, for example, might help guide actions to boost employment creation, raise income levels, or develop market infrastructure.

Studying customer confidence might help businesses in Coimbatore district make wise decisions. Businesses can tailor their strategies, product development, pricing and marketing initiatives to fit the unique requirements and preferences of customers in the area by knowing the elements that affect consumer mood in the local market. Businesses benefit from this knowledge by increasing their market share and ability to compete. Socioeconomic development and consumer confidence are closely related. Policymakers and organisations can pinpoint areas that need attention and investment by researching the elements affecting consumer confidence in Coimbatore district. They can put plans into action to enhance social welfare programmes, infrastructure, employment prospects, and education, ultimately enhancing the region's socioeconomic wellbeing. Analysing consumer confidence in the district of Coimbatore enables comparison with other areas. Insights into regional disparities, socioeconomic variations and best practises can be gained by comparing consumer confidence levels, factors and trends between Coimbatore and other districts or cities. Policymakers and company owners can use this comparison research to find effective tactics and interventions that can be repeated or modified to raise customer trust in Coimbatore district. Thus, an effort has been undertaken in this study to determine the variables affecting customer confidence in Coimbatore district.

### **1.5 Objective of the study**

To identify factors associated with Consumer Confidence

## **1.6 Scope of the study**

The present study's specific focus on consumer confidence in Coimbatore district of Tamil Nadu, together with the questionnaire's inclusion of questions about socioeconomic profiles and consumer confidence indicators, adds depth and significance to the study.

## **2 Research methodology**

### **2.1 Data**

In order to get information directly from respondents, researcher frequently employs questionnaires to collect primary data. Researchers can directly gather data from people using questionnaires to learn about their beliefs, attitudes and experiences relating to consumer confidence.

### **2.2 Sampling and Sample Size**

Using the convenience sampling method, the necessary information was collected from 250 consumers who were spread out throughout the entire Coimbatore district.

### **2.3 Framework of Analysis**

The collected data have been analyzed by employing simple percentage and correlation.

## **3 Significance of the study**

For a variety of stakeholders, the study on consumer confidence is very important since it offers insightful information on market dynamics, economic behaviour and policymaking. There are several significant advantages to comprehend customer confidence and its effects. Consumer Confidence is a crucial economic indicator that captures how people feel about the economy as a whole. Researchers, decision-makers and economists can assess the state of the economy, forecast future economic trends and pinpoint potential risks or weaknesses by examining Consumer Confidence. Consumer behaviour, especially in terms of spending patterns, is directly influenced by Consumer Confidence. Businesses can better assess consumer confidence by researching how comfortable consumers are making purchases, making investments, and taking on debt. Companies can use this information to make well-informed decisions about pricing, production, inventory control and marketing tactics.

Data on Consumer Confidence can help with sales forecasting and provide insights into market demand. Businesses can determine possible market segments, predict demand for their goods or services and modify their production or marketing tactics by studying consumer opinion. As a result, resource allocation is optimised and company performance is enhanced. Individuals and firms' investment decisions are influenced by Consumer Confidence. Increased investment and entrepreneurial activity are frequently caused by higher Consumer Confidence levels, which promote economic growth. Investors and financial institutions can make well-informed choices on capital allocation and risk management by having a thorough understanding of the elements that affect Consumer Confidence. Making decisions on policies and preserving economic stability depend greatly on Consumer Confidence. Data on Consumer Confidence are used by policymakers, central banks and government organisations to assess the success of programmes, forecast

economic cycles and put in place economic stabilisation measures. Using the knowledge learned through researching Consumer Confidence, suitable monetary, fiscal and regulatory policies can be developed. Investor sentiment and the financial markets are influenced by Consumer Confidence. Increasing investor engagement, greater stock market valuations and improved market liquidity can all result from increasing Consumer Confidence. Investors and financial organisations can make better investment decisions by using the market sentiment information gained from the analysis of Consumer Confidence data.

Researchers and stakeholders acquire a thorough grasp of the economic climate, consumer behaviour and market dynamics by analysing Consumer Confidence. The results support the development of policies, corporate plans and decision-making based on facts. In the end, a greater comprehension of Consumer Confidence can help to support economic stability, encourage growth and improve the welfare of people and society at large.

## 4 Limitation of the study

The study may concentrate on a certain geographic region or demographic group, which restricts the applicability of the conclusions to a larger population. When extrapolating the results to other situations, care should be used because the factors affecting Consumer Confidence can vary across geographies and diverse socioeconomic backgrounds. Furthermore, it is critical to recognise any potential bias in the collecting of primary data. When generalising the findings, care should be taken to take into account the limits of the data and the possibility of bias.

## 5 Findings

### 5.1 Socio-economic profile

Researchers and policymakers can acquire insight into consumer behaviour and preferences by looking at the socioeconomic profile. Consumers' decisions on spending, saving and investing are influenced by a variety of factors, including their income levels, education, occupation, family structure and cultural background. Businesses and governments can modify their strategies and policies to match the needs and expectations of various consumer segments by being aware of these aspects. The socioeconomic profile of consumers in Coimbatore district is thus shown in the following table.

**Table 1.** Socio Economic Profile

Particulars	Numbers (n=250)	Percentage
<b>Age (Years)</b>		
Up to 25	24	9.6
26 – 40	176	70.4
Above 40	50	20.0
<b>Gender</b>		
Male	134	53.6
Female	116	46.4
<b>Area of Residence</b>		
Urban	121	48.4
Semi-urban	76	30.4
Rural	53	21.2
<b>Marital Status</b>		
Married	201	80.4
Unmarried	49	19.6

<b>Type of Family</b>		
<b>Joint</b>	107	42.8
<b>Nuclear</b>	143	57.2
<b>Educational Qualification</b>		
<b>Diploma</b>	37	14.8
<b>Graduate</b>	68	27.2
<b>Post Graduate</b>	101	40.4
<b>Professional</b>	15	6.0
<b>Others</b>	29	11.6
<b>Occupation</b>		
<b>Business</b>	5	2.0
<b>Govt. Employee</b>	104	41.6
<b>Pvt. Employee</b>	124	49.6
<b>Professional</b>	17	6.8
<b>Monthly Income (Rs.)</b>		
<b>Up to 25000</b>	92	36.8
<b>25001-40000</b>	107	42.8
<b>Above 40000</b>	51	20.4
<b>Family Income (Rs.)</b>		
<b>Up to 40000</b>	96	38.4
<b>40001-80000</b>	124	49.6
<b>Above 80000</b>	30	12.0
<b>Earning Members</b>		
<b>One</b>	69	27.6
<b>Two</b>	142	56.8
<b>Above Two</b>	39	15.6
<b>Non -Earning Members</b>		
<b>One</b>	99	39.6
<b>Two</b>	101	40.4
<b>Above Two</b>	50	20.0
<b>Family Size</b>		
<b>Up to Three</b>	112	44.8
<b>Four</b>	92	36.8
<b>Above Four</b>	46	18.4

- The majority of consumers fall within the age range of 26 to 40 years.
- Most of the consumers are male.
- The majority of consumers reside in urban areas.
- Most of the consumers are married.
- Majority of consumers belong to nuclear families.
- Most of the consumers have post-graduate educational qualifications.
- The majority of consumers work in private companies.
- Most of the consumers have monthly income ranging from Rs. 25,001 to Rs. 40,000.
- Majority of consumers have family income ranging from Rs. 40,001 to Rs. 80,000.
- Most of the consumers have two earning members in their family.
- Most of the consumers have two non-earning members in their family.
- Most of the consumers have up to three family members.

## 5.2 Consumer behaviour and knowledge upgradation

The table demonstrates how people interact with various media outlets to learn about the economy. It entails reading a range of newspapers, browsing publications that focus on economic issues, watching television shows or channels that only broadcast economic news

and using social networking sites to get economic information. This wide variety of media outlets exemplifies the various ways in which people look for and use economic information.

**Table 2.** Consumer Behaviour and Knowledge Upgradation

Particulars	Numbers (n=250)	Percentage
<b>Intensity of Reading Business Newspaper</b>		
Low	82	32.8
Moderate	120	48.0
High	48	19.2
<b>Intensity of Reading General Newspaper</b>		
Low	54	21.6
Moderate	157	62.8
High	39	15.6
<b>Section in Newspaper</b>		
General	68	27.2
Economy	15	6.0
Both	167	66.8
<b>Intensity of Reading Magazines</b>		
Low	25	10.0
Moderate	172	68.8
High	53	21.2
<b>Intensity of Watching Tamil News</b>		
Low	49	19.6
Moderate	173	69.2
High	28	11.2
<b>Intensity of Watching English News</b>		
Low	120	48.0
Moderate	73	29.2
High	57	22.8
<b>Type of News</b>		
General	69	27.6
Economy	1	.4
Both	180	72.0
<b>Social Networking</b>		
Facebook	103	41.2
Twitter	52	20.8
Linkedin	66	26.4
Others	29	11.6
<b>Frequency of Gathering Economic Related Infn.</b>		
Regularly	64	25.6
Occasionally	166	66.4
Never	20	8.0
<b>Section on Internet</b>		
General	52	20.8
General & Economy	198	79.2
<b>Awareness on Economic Indicators</b>		
Low	40	16.0
Moderate	163	65.2
High	47	18.8

The majority of consumers read business and general newspapers on a moderate basis. Newspapers with general and economic news are also read by them. They also occasionally read publications.

The majority of viewers only pay moderate attention to Tamil news on television and show a little interest in English news. They watch television news, both general and economic news.

The majority of customers use Facebook, and they occasionally access social media for economic news.

The majority of customers use the internet to watch news that is both general and economic in nature. They are only little aware of economic indicators.

### 5.3 Factors associated with consumer confidence

**Table 3.** Factors Associated with Consumer Confidence

Variables	R	r <sup>2</sup>
Age	-0.106	0.011
Gender	0.067	0.005
Area of Residence	-0.398**	0.158
Marital Status	-0.119	0.014
Type of Family	0.269**	0.072
Educational Qualification	-0.034	0.001
Occupation	0.408**	0.166
Monthly Income	0.214**	0.046
Family Income	-0.045	0.002
Earning Members	0.292**	0.085
Non-Earning Members	-0.188**	0.035
Family Size	-0.164**	0.027
Intensity of Reading Business Newspaper	.019	0.000
Intensity of Reading General Newspaper	-.045	0.002
Section in Newspaper	-.054	0.003
Intensity of Reading Magazines	-0.120	0.014
Intensity of Watching Tamil Television News Channels	0.237**	0.056
Intensity of Watching English Television News Channels	-0.114	0.013
Type of News	-0.058	0.003
Social Networking	-0.182**	0.033
Frequency of Gathering Economic Related Information	0.232**	0.054
Section on Internet	-0.035	0.001
Level of Awareness on Economic Indicators	0.246**	0.061

- The correlation test is used to determine the type of relationship between the dependent and independent variables. Eleven of the twenty-three independent variables are determined to be significant. Area of residence, family type, occupation, monthly income, number of wage earners and non-earners, family size, frequency of gathering economic-related information from social media, frequency of gathering information on economic indicators, and level of awareness of economic indicators are all found to be significant at a 1% level.
- Urban residents have a high degree of buyer confidence. Generally speaking, urban regions provide easier access to resources including job openings, greater wages, diverse markets and a wider variety of goods and services. Urban people are more financially secure and stable as a result of this access to resources, which helps them feel more confident while making purchases. A broader variety of career options in different industries and sectors are frequently offered in urban regions. White-collar, professional and service-oriented jobs are all available in urban areas, giving inhabitants more solid employment prospects and income possibilities. Their stability and financial security have a favourable impact on their customers' confidence.

- Consumer confidence is particularly high among people who live in joint households. Families with numerous income earners frequently combine their financial resources. Given that everyone contributes to take care of the family's money, there is a higher sense of stability and security as a result of this method. Individuals in joint households tend to have higher levels of consumer confidence since shared resources are accessible to them.
- Government Customers have confidence on employees. Government employment is renowned for its consistency and security. Compared to those in the private sector, government employees often hold permanent jobs with a lesser danger of losing their jobs. This stability gives people a feeling of comfort and financial security, which helps to boost Consumer Confidence. Government workers are more likely to have faith in their capacity to manage their finances and make purchasing decisions. Government workers benefit from consistent and reliable pay streams. They often receive their annual pay increases on time, along with perks like health insurance, retirement plans and paid time off. Government personnel has more consumer trust as a result of their consistent income and extensive benefits package.
- Consumers who earn more than Rs. 40,000 per month have a high level of Consumer Confidence. Increased financial stability is offered to clients at higher income levels. Consumers feel more confidence about their capacity to afford their desired lifestyle, achieve their financial goals, and deal with unforeseen expenses when they have more spare money after paying for necessities. A greater sense of financial security influences Consumer Confidence. Higher-income consumers have more purchasing power, which enables them to access a bigger selection of goods and services. They are able to indulge in luxury purchases, experiences, and discretionary spending that may be out of the price range of individuals with lower salaries. Their increased purchasing power boosts their consumer confidence because they can now more easily achieve their goals and dreams.
- Consumers with families that include more than two income earners have a high level of Consumer Confidence. When a family has several income earners, it signifies that the household has multiple sources of revenue. A stronger financial foundation is created by the higher household income, making it easier to pay expenses, save money and make desired purchases. A higher level of Consumer Confidence is a result of the increasing income.
- Consumers who have one non-earning family member display a high level of Consumer Confidence. Families with one non-earning member frequently share similar financial aims and goals. The emphasis is on attaining shared goals, including financing the family's needs, as well as long-term savings, healthcare and education. A sense of purpose and self-assurance in making judgements about purchases that are in line with financial goals are fostered by the common commitment to those goals.
- Three family members are associated with higher levels of Consumer Confidence. Compared to smaller households, there is often a more solid financial condition when there are three family members. Multiple revenue producers or contributions enable a more stable financial foundation. Customers benefit from this stability because they feel confident in their capacity to handle expenses, pay bills and make purchases. Financial burdens and duties are frequently shared among three family members. This shared responsibility fosters a balanced approach to managing spending and lessens personal financial stress. As the load is shared across several family members, the capacity to share financial commitments increases Consumer Confidence.
- Consumer Confidence is high among those who closely follow Tamil news. Customers can receive timely and pertinent information about different areas of the economy, market trends and consumer-related topics by closely watching Tamil news networks.

Consumers can use this information to stay informed about market opportunities, government regulations, industry trends and economic developments. By empowering people to make informed decisions, the availability of such information boosts Consumer Confidence.

- Consumers that obtain economic news from Facebook display a high level of Consumer Confidence. A wide variety of content producers, authorities, and influencers may be found on Facebook who share their knowledge and viewpoints on economic issues. Users can follow and interact with groups and individuals who offer insightful information and analysis. Consumers can gain a more thorough awareness of economic causes and their ramifications as a result of exposure to other points of view. This openness to many viewpoints encourages critical thinking, which is necessary for evaluating economic data and making wise consumer decisions.
- Consumers that often seek out economic news exhibit a high level of Consumer Confidence. Consumers can stay informed about the most recent market circumstances, financial news and economic trends by routinely acquiring economic-related information. Consumers are better equipped to make wise decisions thanks to this information and awareness since they have a clear picture of the economic environment. They are confident in their capacity to successfully navigate the market since they have a thorough understanding of the variables that may have an impact on their financial condition.
- Consumers who are highly informed about economic indicators exhibit high levels of Consumer Confidence. Consumers can comprehend the current economic trends and situations by being aware of economic indicators. They are aware of statistics on the GDP, inflation, unemployment, consumer mood and interest rates. This knowledge aids customers in interpreting the current economic situation and foreseeing how it will affect their financial security. Consumer Confidence is increased by understanding economic trends because people feel more prepared to respond to changes in the economy.

## 6 Suggestions

Rural residents lack Consumer Confidence. Addressing many issues that affect rural communities' perceptions of economic stability and well-being is necessary to increase Consumer Confidence. Access to high-quality education and training programmes can improve residents' employability in remote locations. People are more confident in their financial future when they have the information and skills needed to land better jobs. By providing courses and programmes on financial literacy, rural consumers can get the knowledge and abilities necessary to make wise financial decisions. This can include managing debt, understanding credit, saving, and budgeting. A higher level of financial literacy increases self-assurance in handling personal finances.

Consumer Confidence is low among consumers who are part of nuclear families. By providing materials for financial education that are especially suited to nuclear families, you may aid consumers with financial management skills and increase Consumer Confidence. Budgeting, setting up money for emergencies and future objectives, managing debt and investing are just a few of the subjects that can help families become more financially savvy and confident. Families can gain more financial security and self-assurance if they are encouraged to make and stick to a budget that is tailored to their own requirements and objectives. Stress the value of budgeting, setting priorities and setting money aside for future costs or investments. Consumer Confidence among nuclear families can be strongly impacted by access to affordable housing and owning prospects. Governments, banking institutions and charity organisations can offer aid by way of down

payment assistance programmes, affordable housing initiatives, and home purchase process education.

Consumer Confidence is low among consumers who work for private concerns. Addressing different issues that affect the financial stability and well-being of people who work for private concerns (private enterprises) is necessary to increase Consumer Confidence among these people. The key to raising income stability is boosting Consumer Confidence. A supportive work environment that provides competitive pay, frequent performance reviews, chances for professional progress and job stability can be the focus of private concerns. Having open lines of communication about pay, perks and bonuses can also help people feel more confident about their financial situation. Employees' ability to make wise financial decisions and their general financial well-being can both be improved by implementing financial wellness programmes within private businesses. These programs can include financial education workshops, access to financial advisors, retirement planning assistance, and resources for managing debt and expenses. These initiatives may consist of seminars on money management, access to financial counsellors, help with retirement planning and tools for handling debt and spending.

Consumer Confidence is low among consumers with monthly incomes up to Rs. 25,000 to increase their customers' trust in them. Individuals with low incomes can improve their budgeting abilities by receiving financial education that is specifically geared towards their needs. Making sure that people with restricted incomes have access to cheap financial services like savings accounts, microloans and microinsurance can help them achieve financial stability. It is critical to help those with low incomes get access to necessary goods and services at reasonable costs. Work together with community, nonprofits and governmental organisations to offer subsidies, discounts, or vouchers for necessities like electricity, food, and healthcare. This assistance can reduce financial stress and boost Consumer Confidence.

Consumers with low levels of Consumer Confidence may not seek out economic-related information. Present economic information in a clear and understandable way to increase their level of confidence. To explain concepts in economics, use straightforward language, visual aids and relevant examples. A person with minimal economic literacy may find it incomprehensible, so stay away from jargon and sophisticated terms. Create consumer education initiatives that emphasise financial literacy. These courses may include fundamental economic concepts, managing one's personal finances, comprehending market patterns, and making wise purchases. Launch educational programmes to increase public understanding of economic issues and how they affect consumers. Disseminate distilled economic information using a variety of communication channels, including social media, websites, neighbourhood events, and local media.

Low Consumer Confidence is demonstrated by consumers who are unaware of economic indications. Focusing on education, accessibility and communication will help people who have a poor level of understanding of economic indicators increase their consumer confidence. Create initiatives to promote economic literacy that are targeted at those with a poor understanding of economic indicators. These programmes ought to go through fundamental economic ideas including GDP, employment rates, inflation, and consumer spending. Make the material more approachable and relatable by using interactive exercises, real-world examples and other teaching techniques. Present economic statistics and indicators in a clear and understandable manner. Use infographics, pictures, and simple language to communicate important information. Convert technical economic jargon and concepts into understandable English for people with less economic literacy.

## 7 Conclusion

Compared to residents of rural areas, urban residents frequently exhibit higher levels of Consumer Confidence. This might be explained by elements like improved resource accessibility, job opportunities and a more developed market environment in urban locations. Consumer Confidence is stronger among those who live in joint families. A sense of security, shared financial obligations and a support network that come with living together as a family may help boost consumer confidence. People who work for the government typically exhibit higher levels of customer confidence. Their confidence in making decisions pertaining to purchases may be influenced by elements such as job security, consistent income, and access to employee perks.

Consumers who make more money each month Rs. 40,000 have a tendency to exhibit higher levels of Consumer Confidence. A higher salary gives people more financial security, more spending power and the capacity to fulfil their needs and wants. Customers that have several earners in their family or just one non-earner frequently have a higher level of consumer confidence. This shows that a household with diverse income or support sources has a beneficial impact on consumer confidence.

Consumers who have a particular family size, such three people, may exhibit a higher level of Consumer Confidence. This association may be due to a variety of variables, including financial stability, efficient budgeting, or a feeling of control over home money. Consumers who closely follow Tamil news channels or learn about the economy via websites like Facebook typically have higher levels of Consumer Confidence. Keeping up with market developments, economic trends and consumer news might help one feel more confident while making judgements. Consumer Confidence is stronger among those who often seek out economic-related information. People who regularly keep up with economic data, market trends and financial news have information that can guide their decision-making and improve their Consumer Confidence. Consumers who are well-informed about economic indicators frequently exhibit higher levels of consumer confidence. People who are aware of how economic indicators affect their own finances and consumer behaviour are able to make educated selections and feel more secure about their financial decisions.

## 8 Scope for further research

Consumer Confidence is a crucial economic indicator because it captures how consumers feel generally and what they expect from the economy and their own financial circumstances. Understanding the variables that affect Consumer Confidence can help us better understand how people behave, how they spend their money, and how the economy as a whole is doing. Look into the connections between the macroeconomic variables of GDP growth, inflation, unemployment, interest rates, and stock market performance and Consumer Confidence. Examine how these variables affect consumer confidence levels and whether there are any key turning points or thresholds that have a big impact on how people feel. Examine the effects of demographic variables such age, gender, income, education, and employment position on Consumer Confidence. Identify the underlying causes of any disparities in how optimistic or pessimistic a group of people is regarding the state of the economy.

Examine how consumer attitude and expectations affect expectations for the market. Examine how elements including media coverage, economic predictions, political developments and global economic situations affect consumer attitude, which in turn affects Consumer Confidence levels. Examine the psychological elements, such as cognitive biases, risk perception and emotional reactions to economic events, that affect Consumer Confidence. Examine the effects of these psychological elements on consumer

behaviour and how they affect economic statistics. Examine the connections between income, wealth, and Consumer Confidence. Explore the methods by which these factors affect consumer mood and consider whether income and wealth differences have an impact on consumer confidence levels. Look into the connection between consumer confidence, financial stability, and consumer debt levels. Examine the effects of variables like household debt, credit availability, and credit conditions on Consumer Confidence and purchasing habits. Investigate how political and policy influences affect Consumer Confidence. Examine how alterations to governmental regulations, spending plans, and policy environments impact consumer confidence in the economy. Conduct long-term studies to examine the variations in consumer confidence over time and to pinpoint the underlying causes of those changes. Examine the short- and long-term effects on consumer confidence of events including financial crises, economic recessions and substantial policy changes.

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