



Positive Outlook & Mood – Across the Nation - but Impact Not Yet Seen Personally

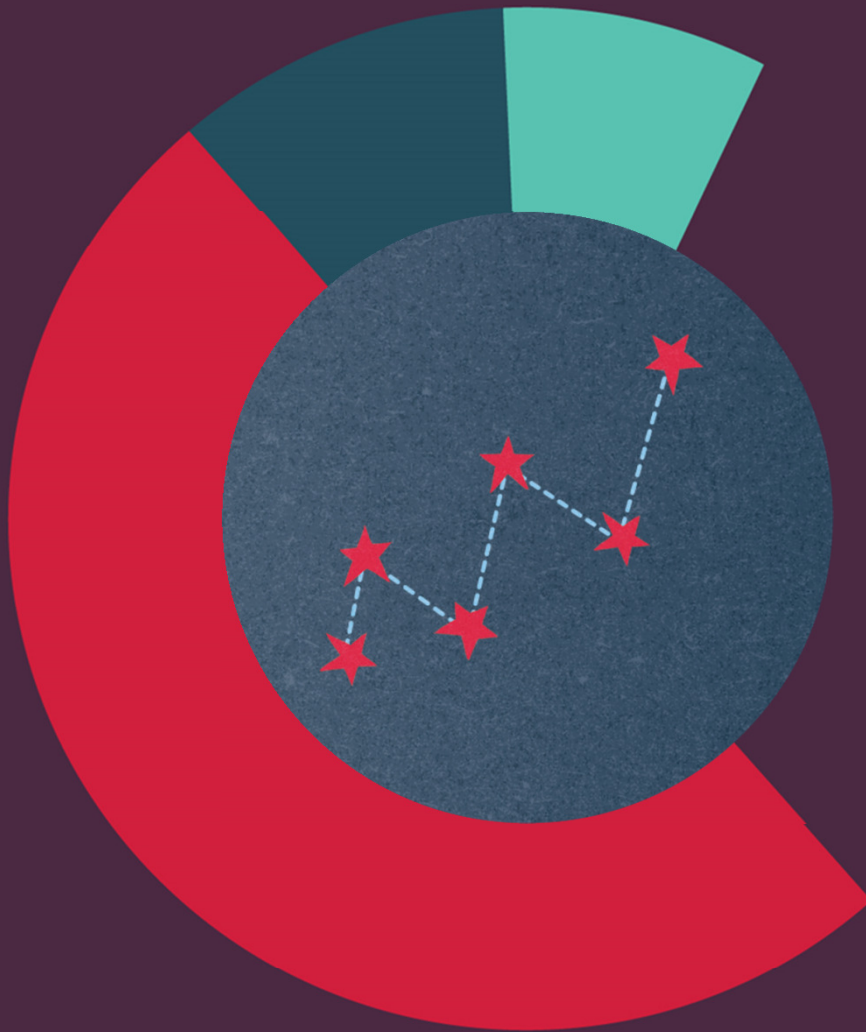
Credit Crunch Tracking
January 2014



Positive Outlook & Mood – Across Ireland

- ✓ Consumer confidence in the Irish economy increases again this period – half of all adults now believe the Irish economy will fare better in the next 6 months.
- ✓ The gap between Dublin and the rest of the country has closed with counties outside Dublin seeing a much larger improvement in outlook over the last few months.
- ✓ As a nation, we also feel much happier than a year ago, our perceived quality of life is higher and we feel more motivated.
- ✓ Yet, in spite of all this optimism, we are still waiting for more tangible benefits from the recession being over – this explains why consumer spending is growing at a much slower pace than consumer confidence.

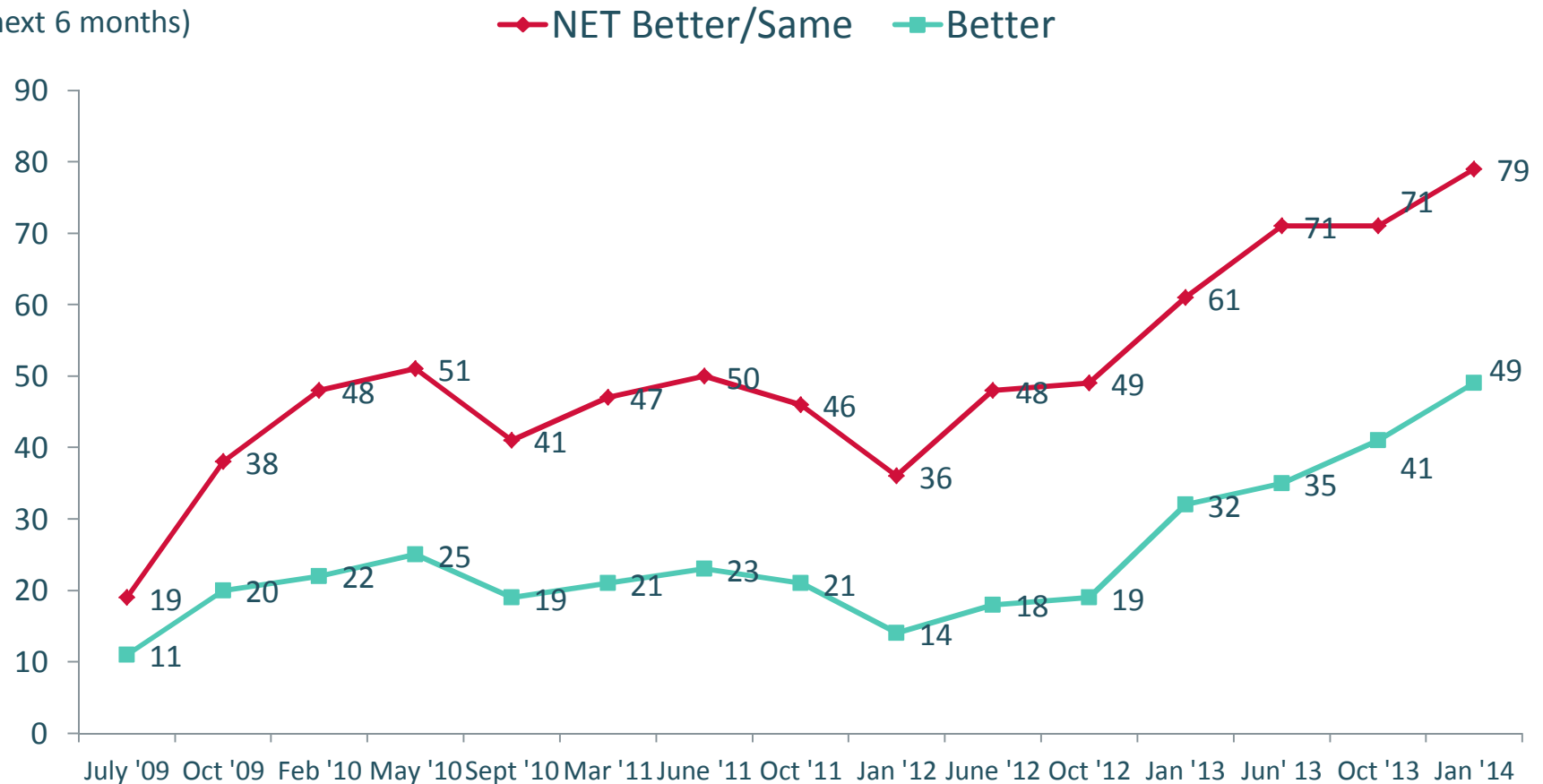




Consumer confidence continues to increase, with half believing the Irish economy will improve in the next 6 months

How do you expect the Irish economy to fare in the next 6 months?

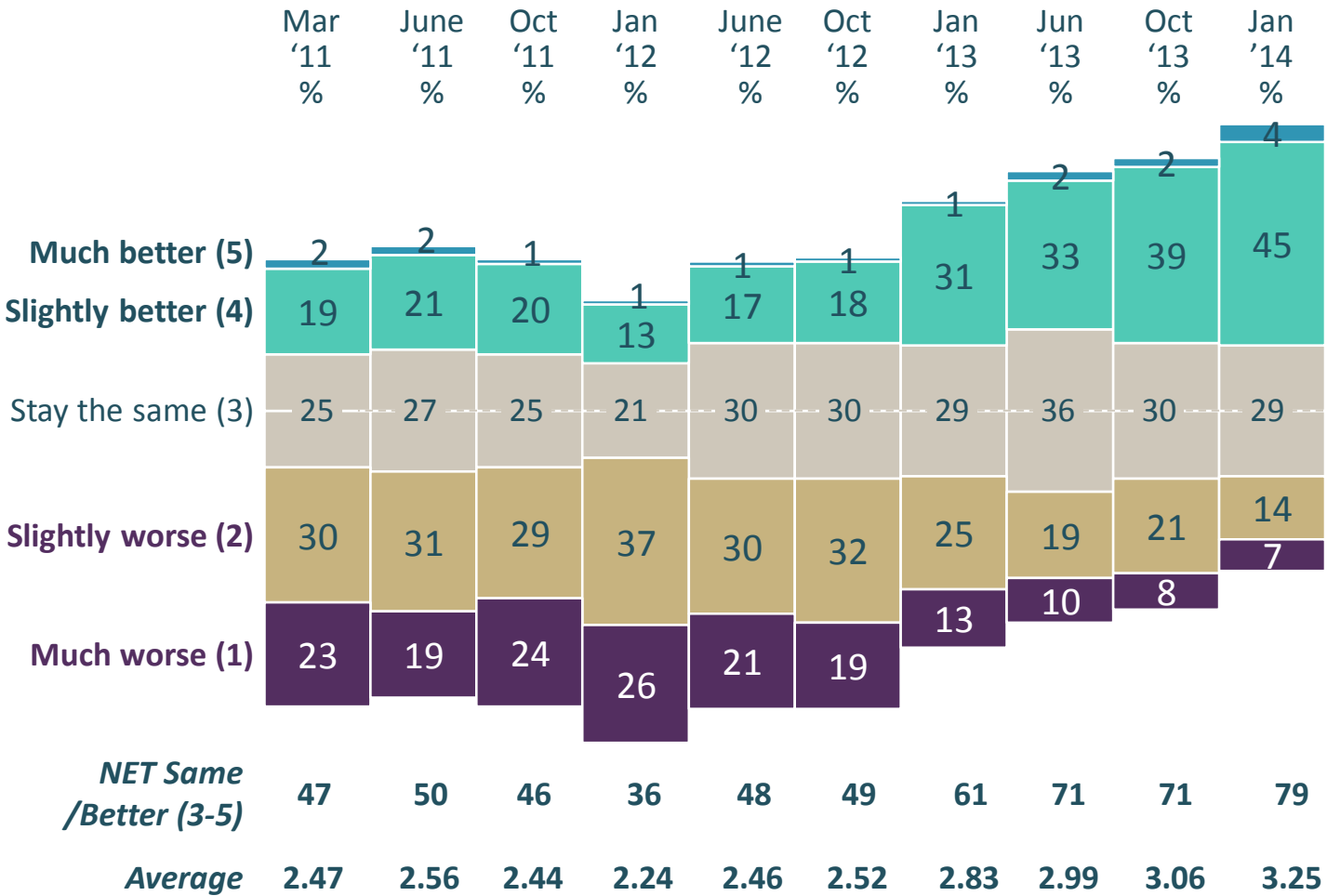
% NET Better/Same
(next 6 months)



Consumer outlook for the Irish economy continues a sharp increase with half now believing the Irish economy will fare better in the next 6 months while only 1 in 5 believe it will fare worse.

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How do you expect the Irish economy to fare in the next 6 months?



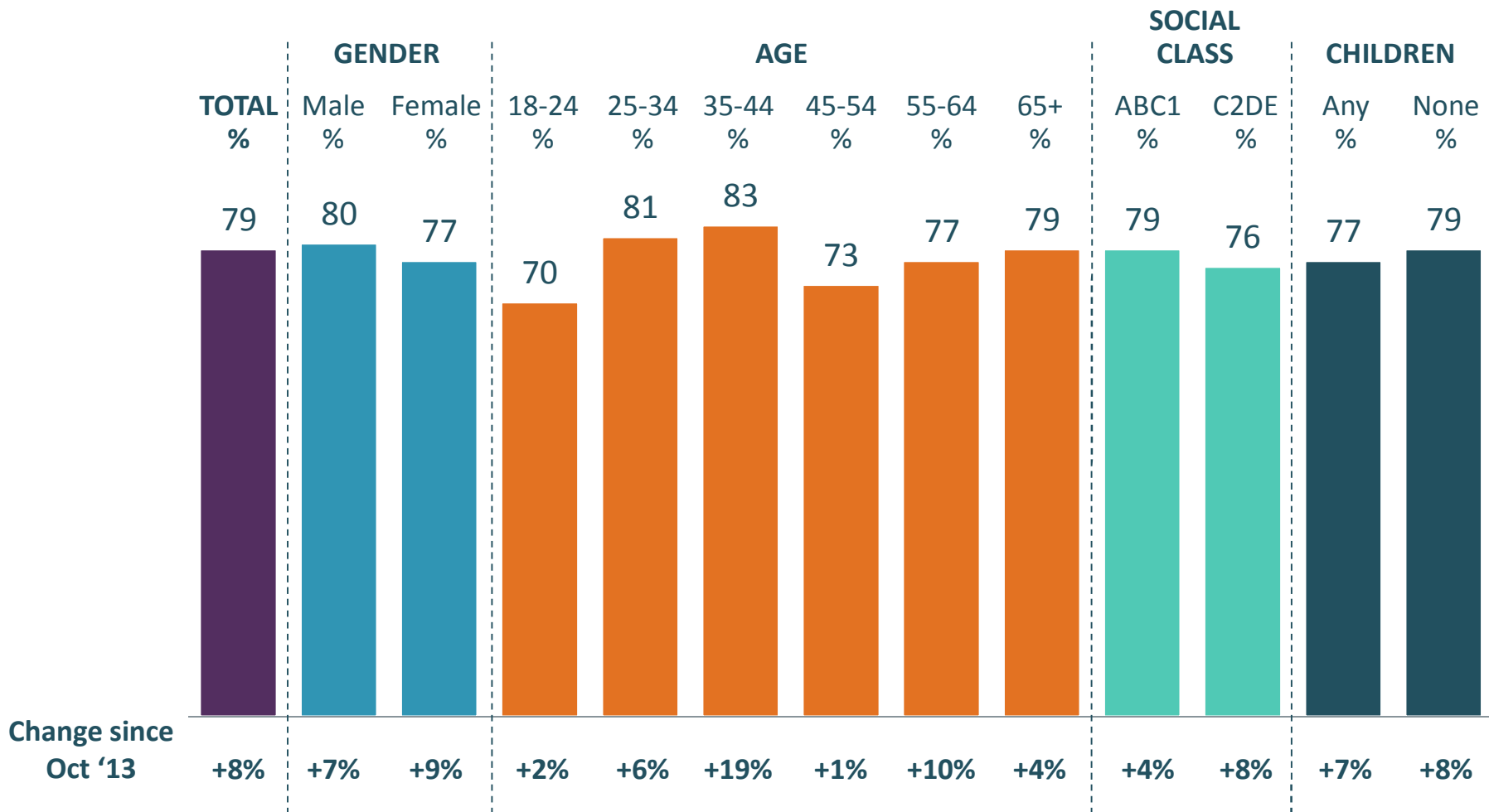
✓ Half believe the Irish economy will fare better in the next 6 months – most expect a modest improvement.

✓ Only 1 in 5 believe the economy will fare worse in the coming 6 months.



Expectations for the Irish economy 6 months from now

% Stating they believe it will be the same or better

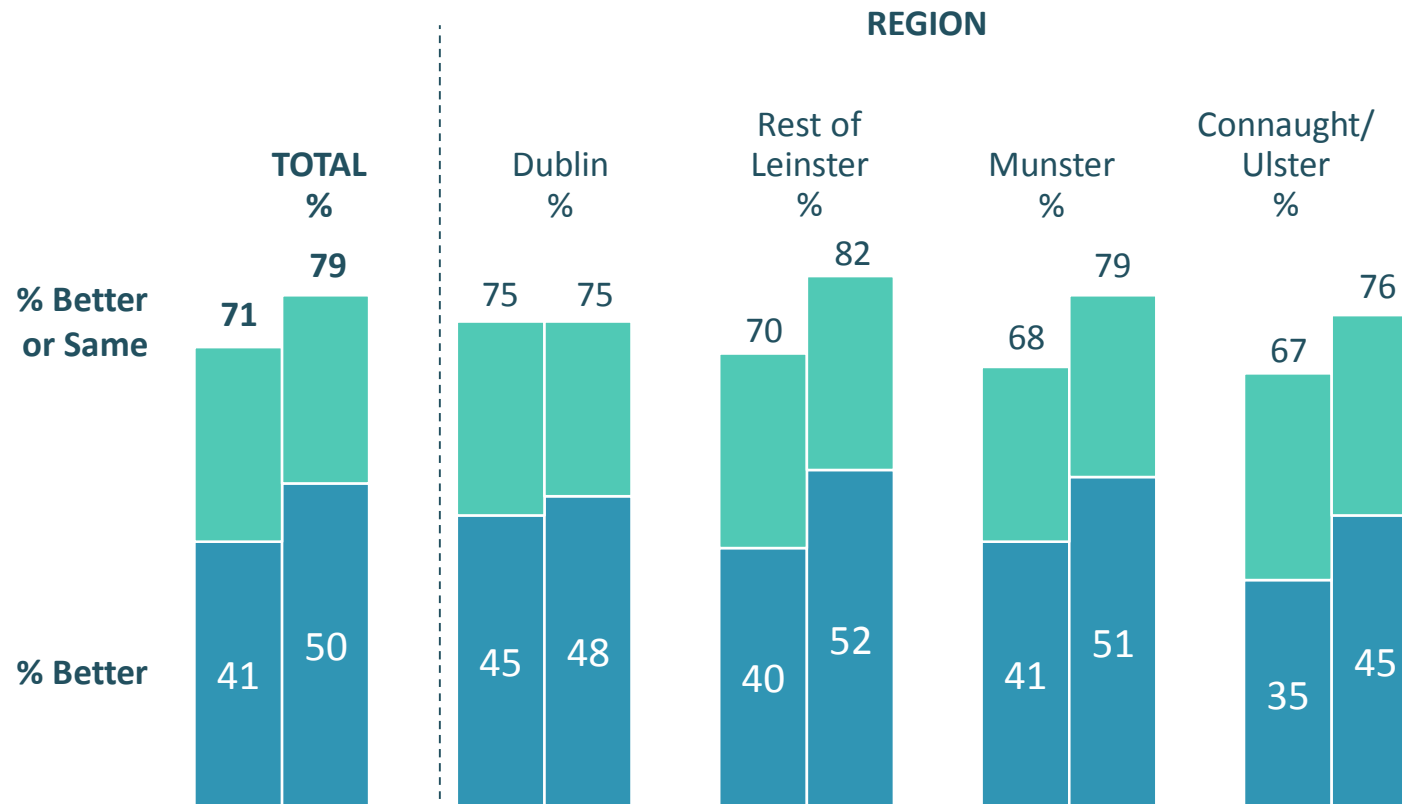


The positive outlook for the Irish economy is shared across age & life stages – but we see a higher level of optimism among the 25-44 year olds.

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The country is catching up with Dublin...

Oct'2013 Jan'2014



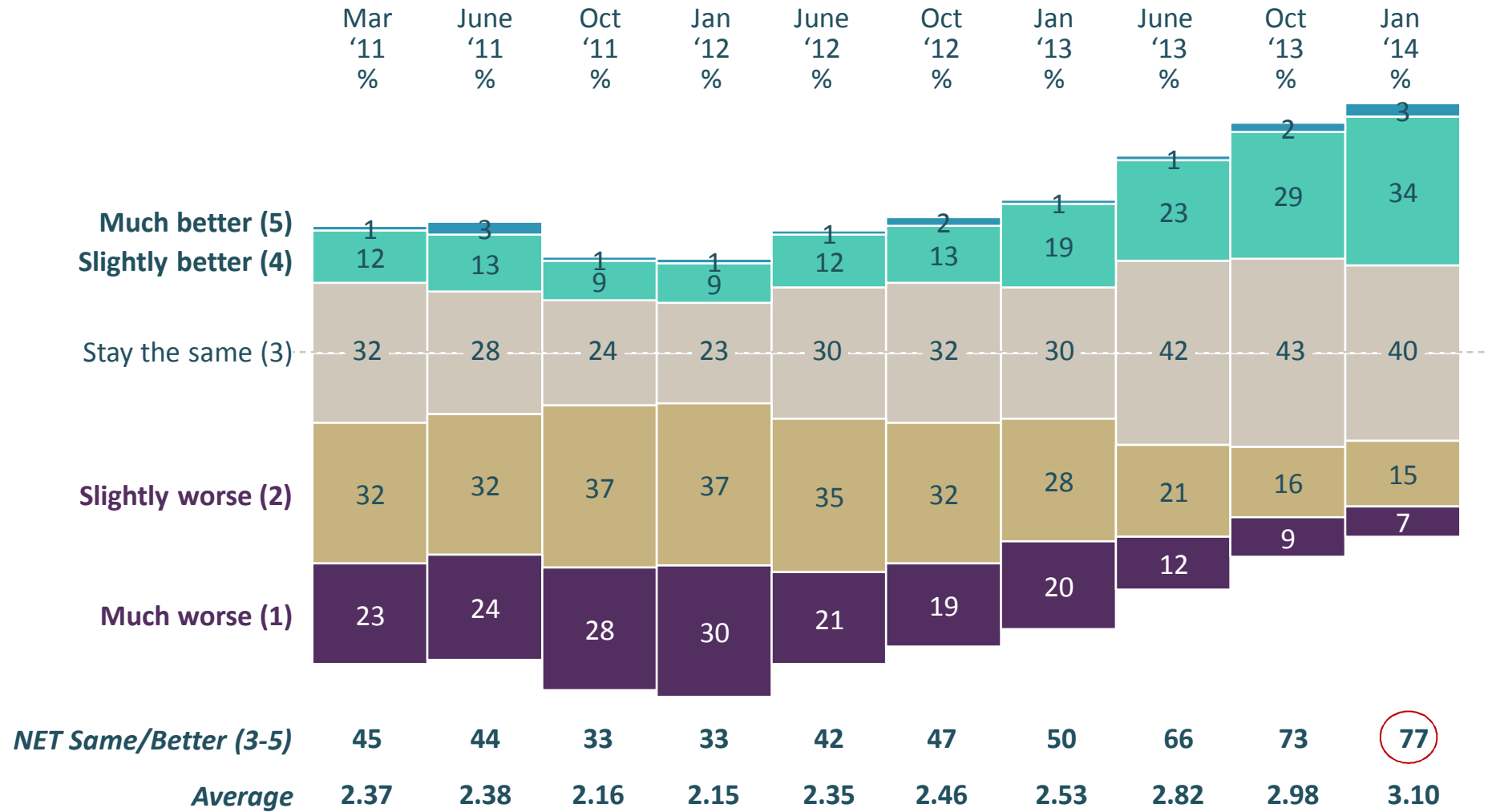
While outlook is unchanged among Dubliners, we see significant improvements in consumer confidence outside Dublin – the rest of the country is now as positive as Dubliners.

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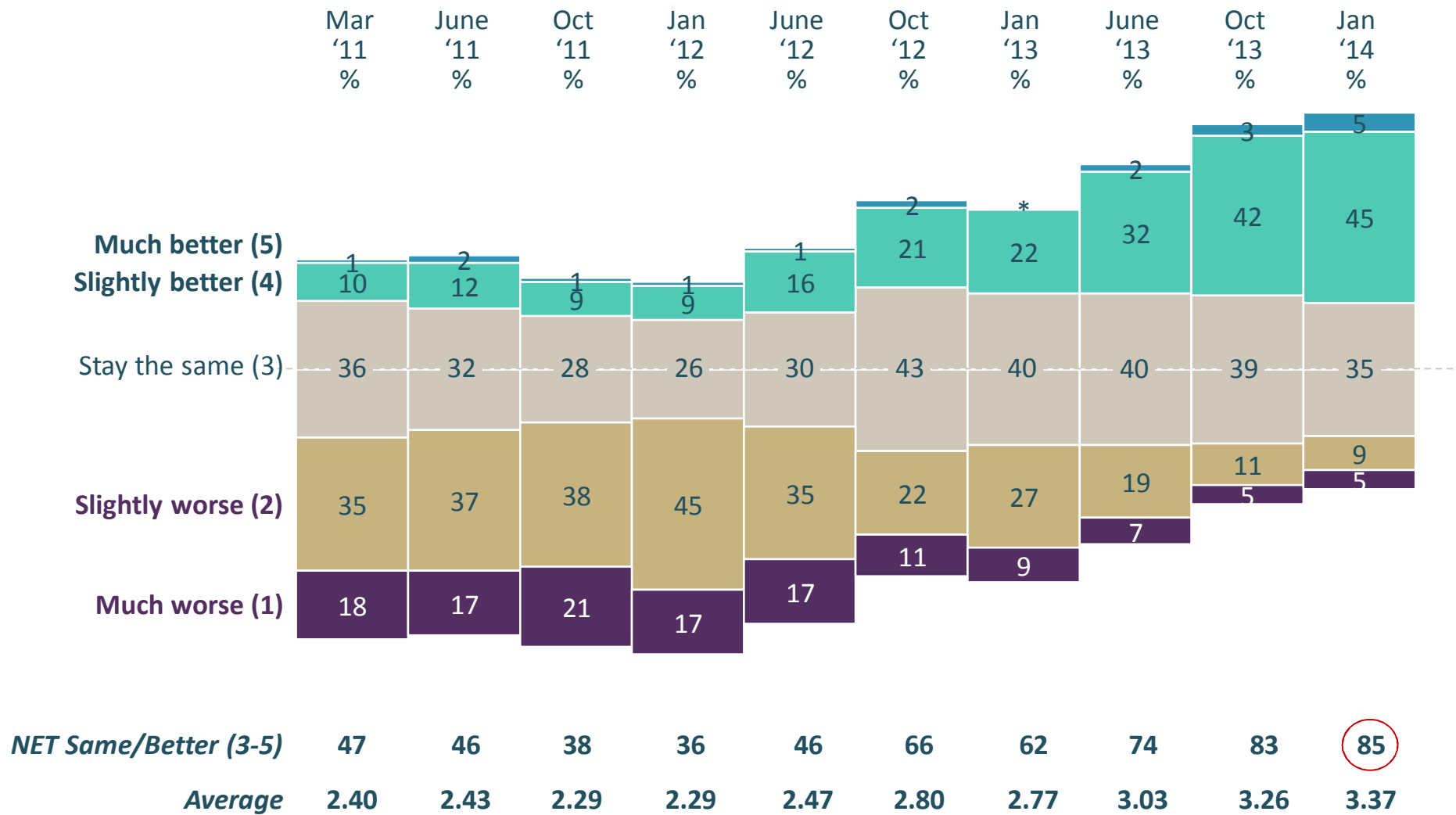


Expectations have also improved for both the job and housing market - but we see a decline in expectations for the World economy

How do you expect the Job market to fare in the next 6 months?

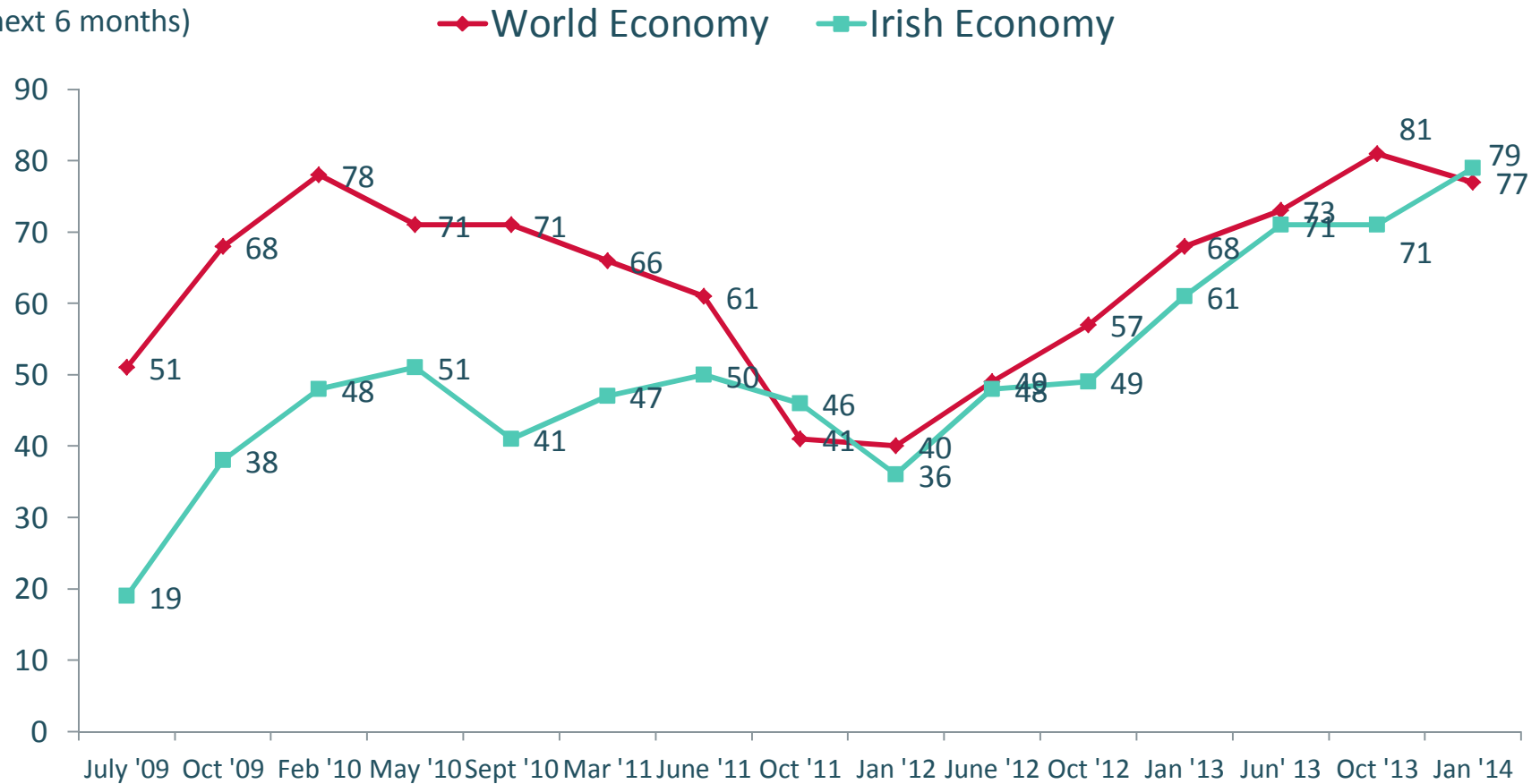


How do you expect the Housing market to fare in the next 6 months?



Sudden Drop in Outlook for World Economy

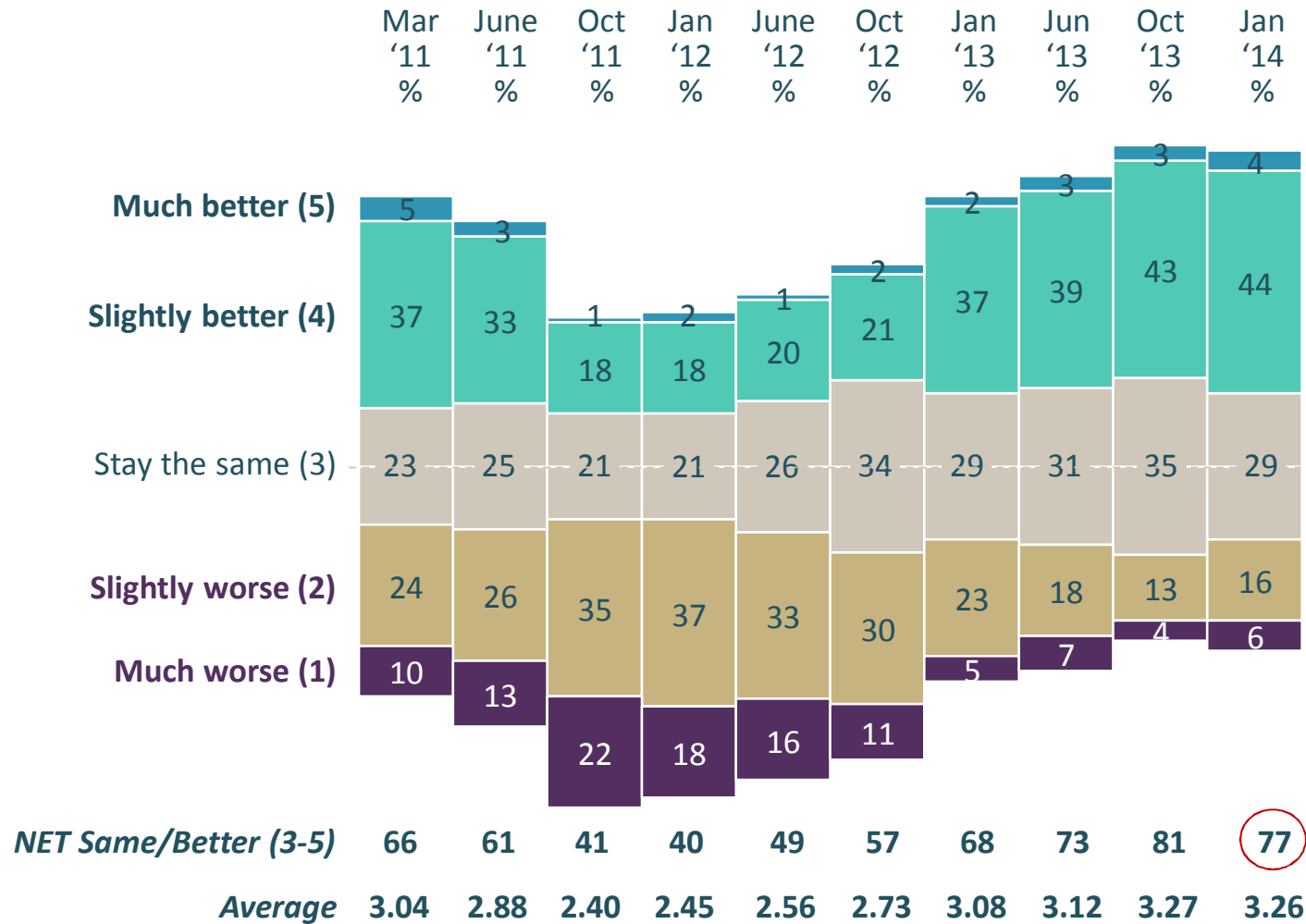
% NET Better/Same
(next 6 months)



While expectations for the World economy remain high, more people believe that the Irish economy will improve, than feel the world economy will improve in the next 6 months.

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How do you expect the World economy to fare in the next 6 months?



✓ Almost half believe the World economy will fare better in the next 6 months.

✗ Almost 1 in 4 feel that the World economy will fare worse.



**Our happiness,
motivation and
perceived quality of
life have improved
significantly since
last year**

Change Compared To Same Time Last Year in

Jan '13 Jan '14



Quality of Life %



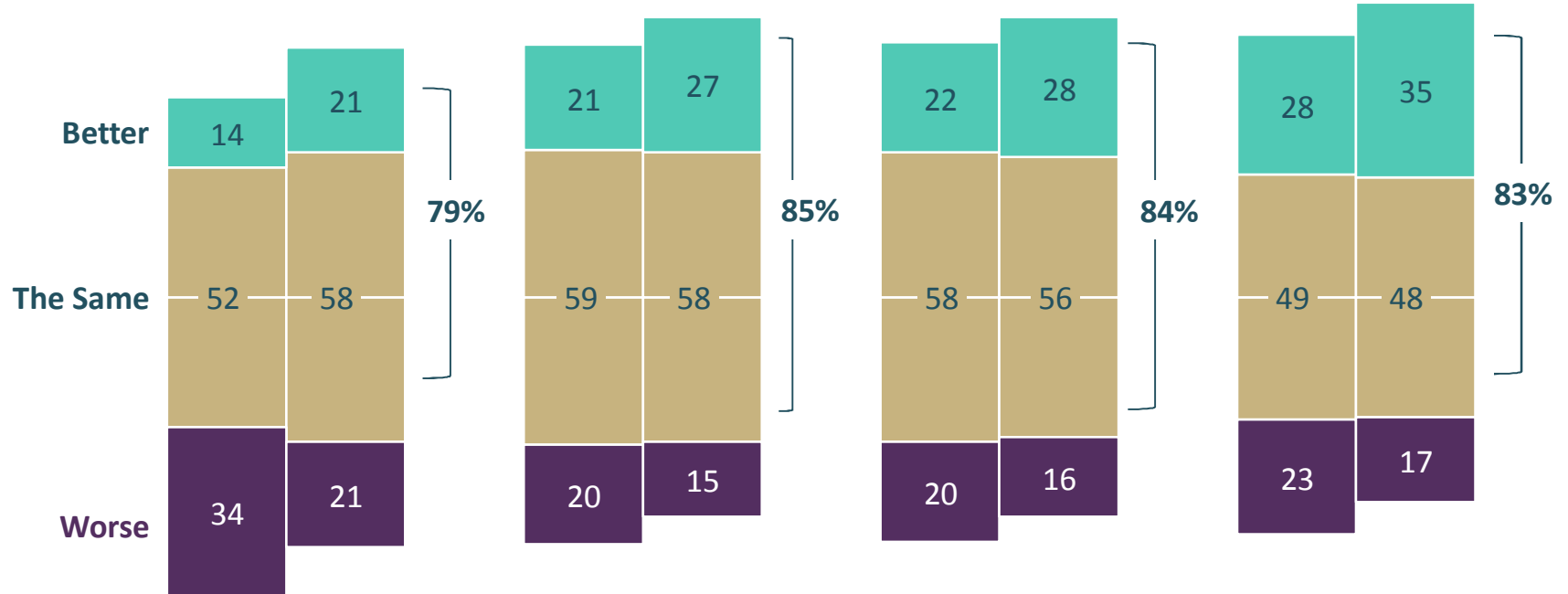
Your Happiness %



Your Energy for Life %



Your Motivation %



Change Compared To Same Time Last Year

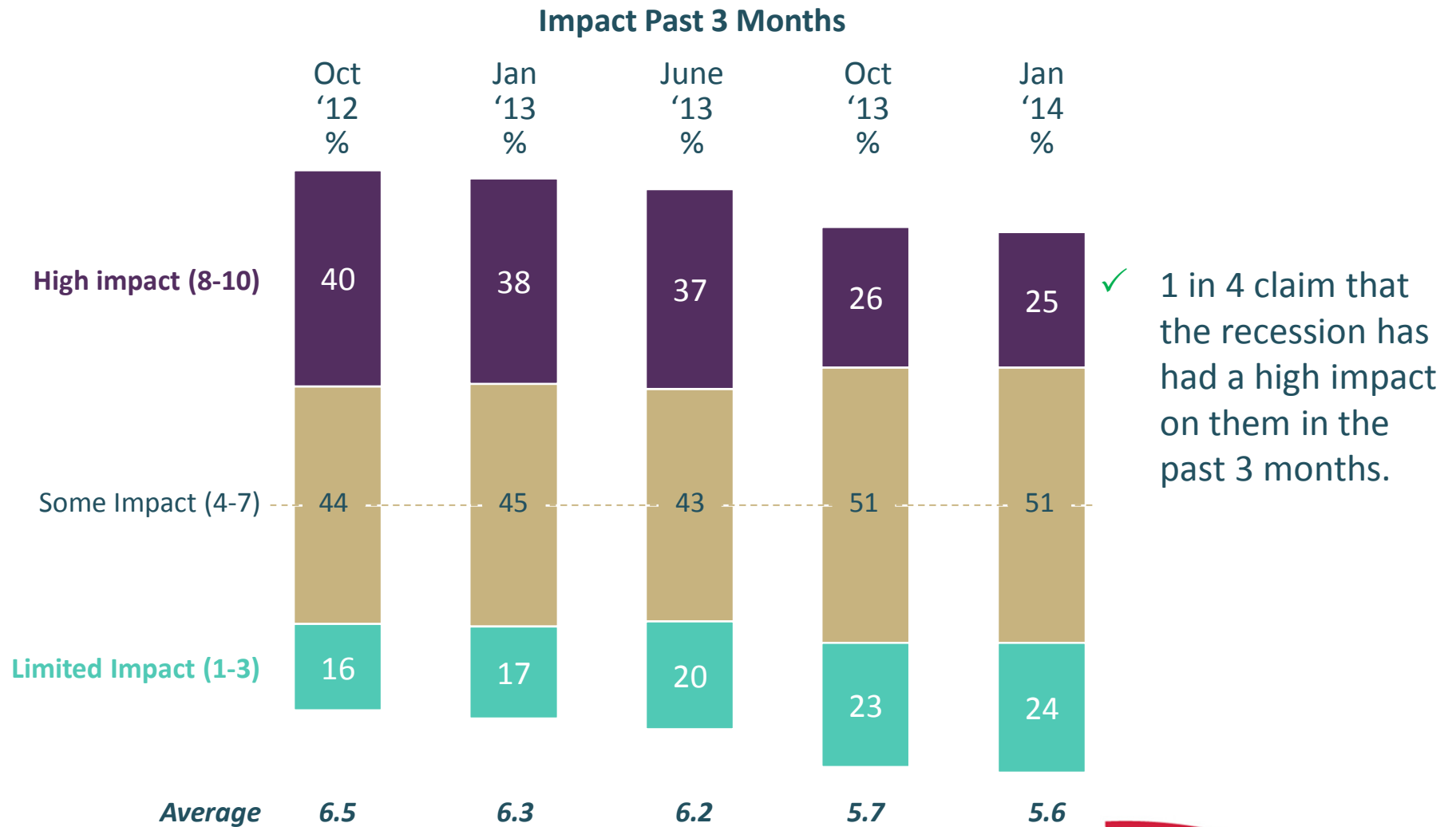
% Better as same time last year	 Quality of Life	 Your Happiness	 Your Energy for Life	 Your Motivation
Total	21	27	28	35
Gender				
Male	22	29	28	35
Female	20	25	29	35
Age				
18-24	31	43	44	49
25-34	34	43	40	49
35-44	21	25	27	35
45-54	12	20	26	28
55-64	10	17	18	23
65+	15	16	16	23
Social Class				
ABC1	23	33	33	41
C2DE	18	23	25	30
Region				
Dublin	22	31	31	38
Rest of Leinster	22	28	27	34
Munster	20	24	27	34
Connaught/Ulster	19	26	29	33

The 18-34 year olds are more likely to feel better than last year.



The personal benefits of a more positive outlook are however more limited – with no change to the proportion impacted by the recession in the past 3 months

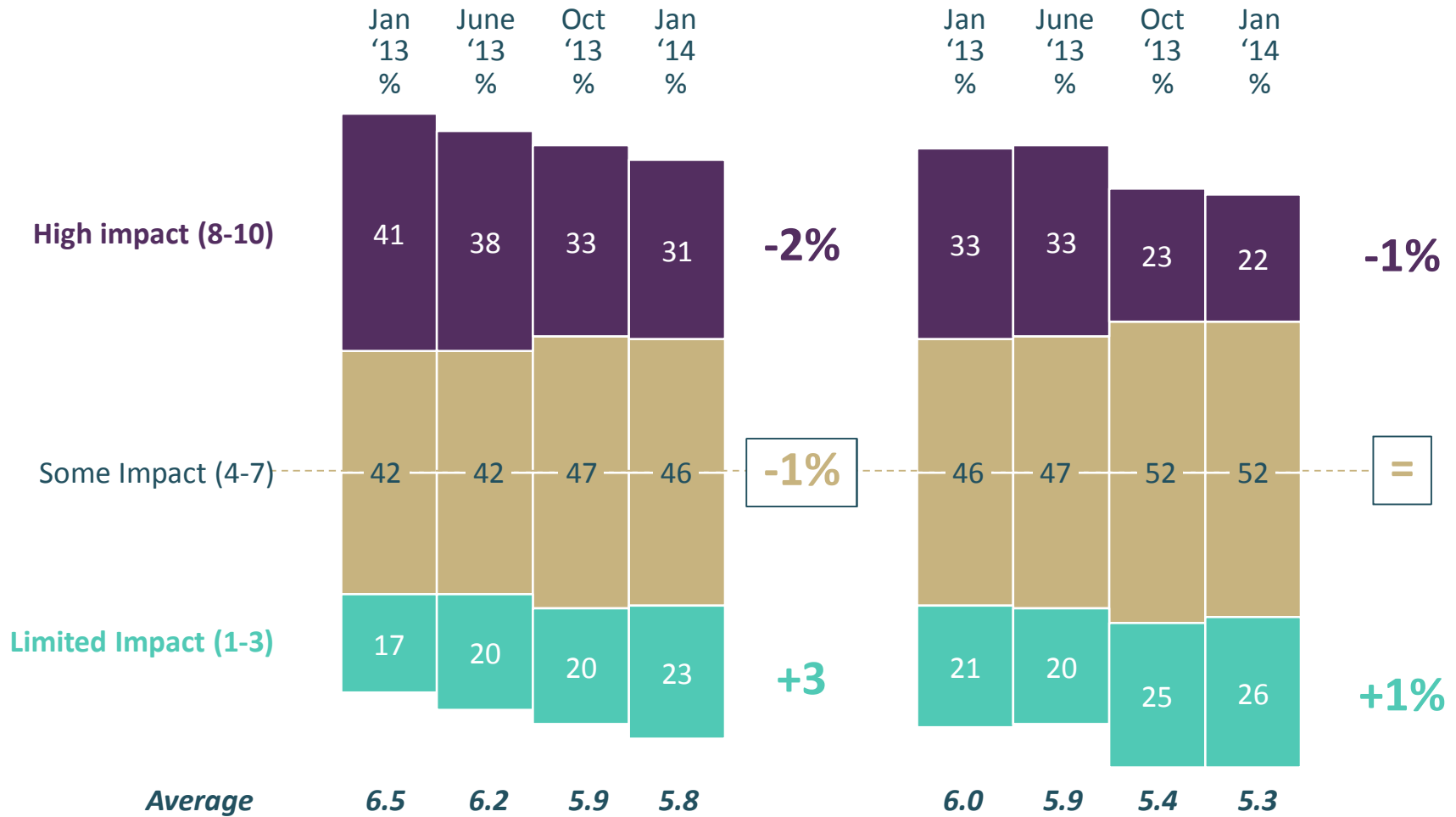
Personal Recession Impact – Overall



Impact of Recession on....

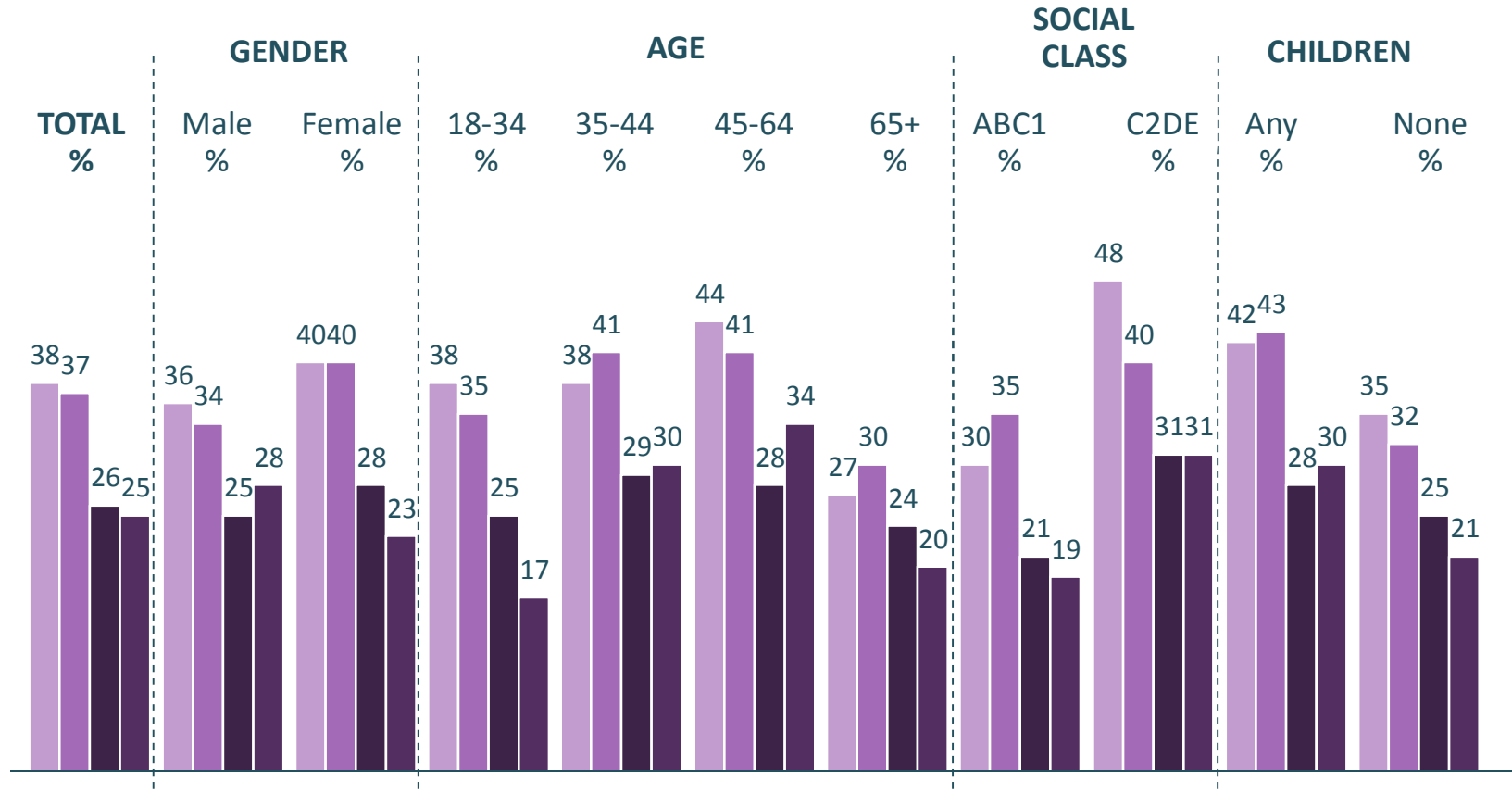
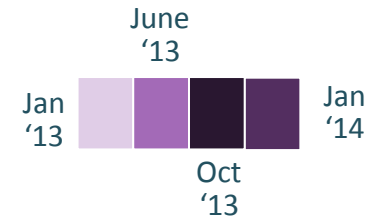
Monthly Spending

Your Way Of Life



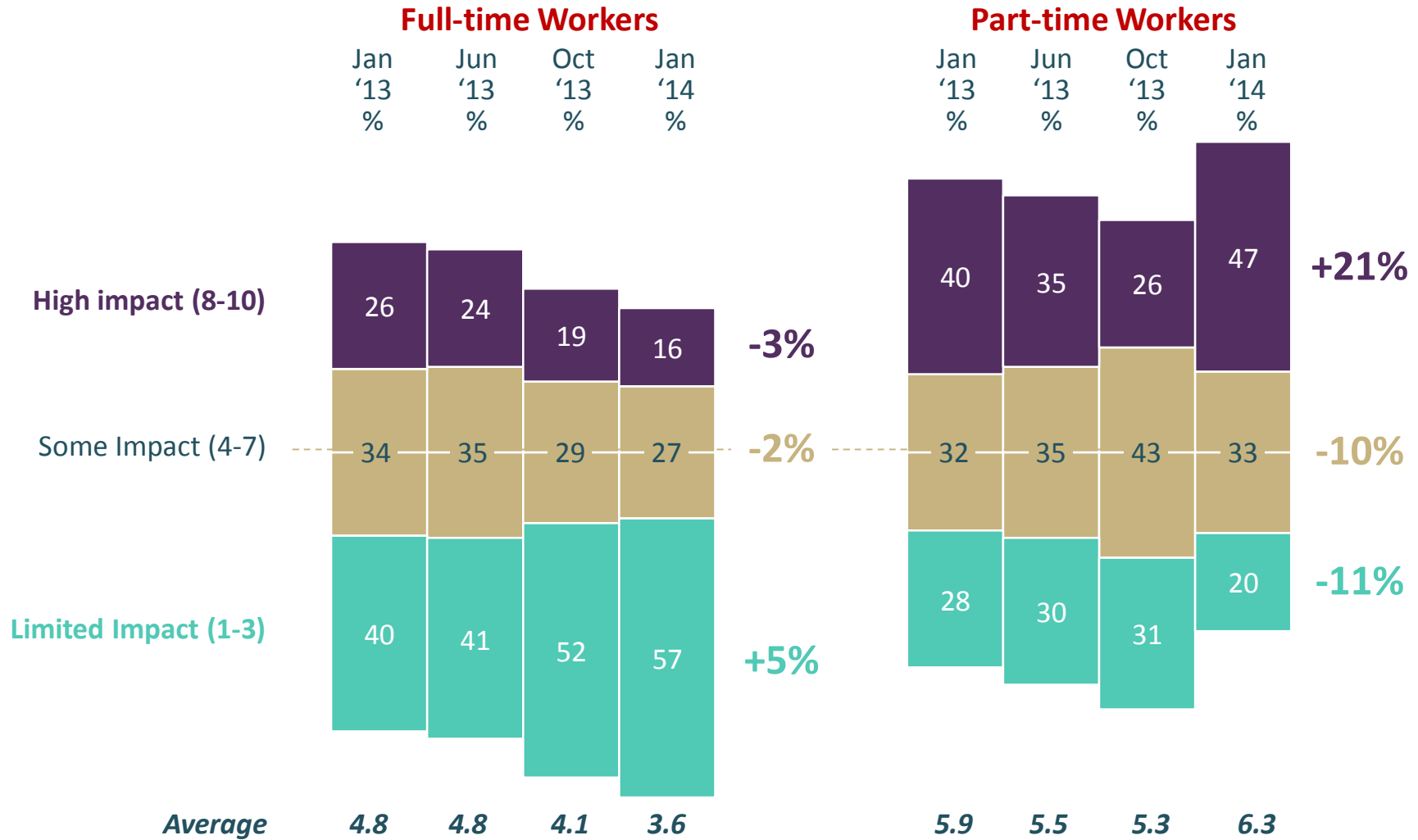
Personal Recession Impact Overall

– Net High Impact (8-10)



Limited changes in terms of demographics but we see the 45-64 year olds as more likely to claim being personally impacted by the recession in the past 3 months.

Impact of Recession on Job Security



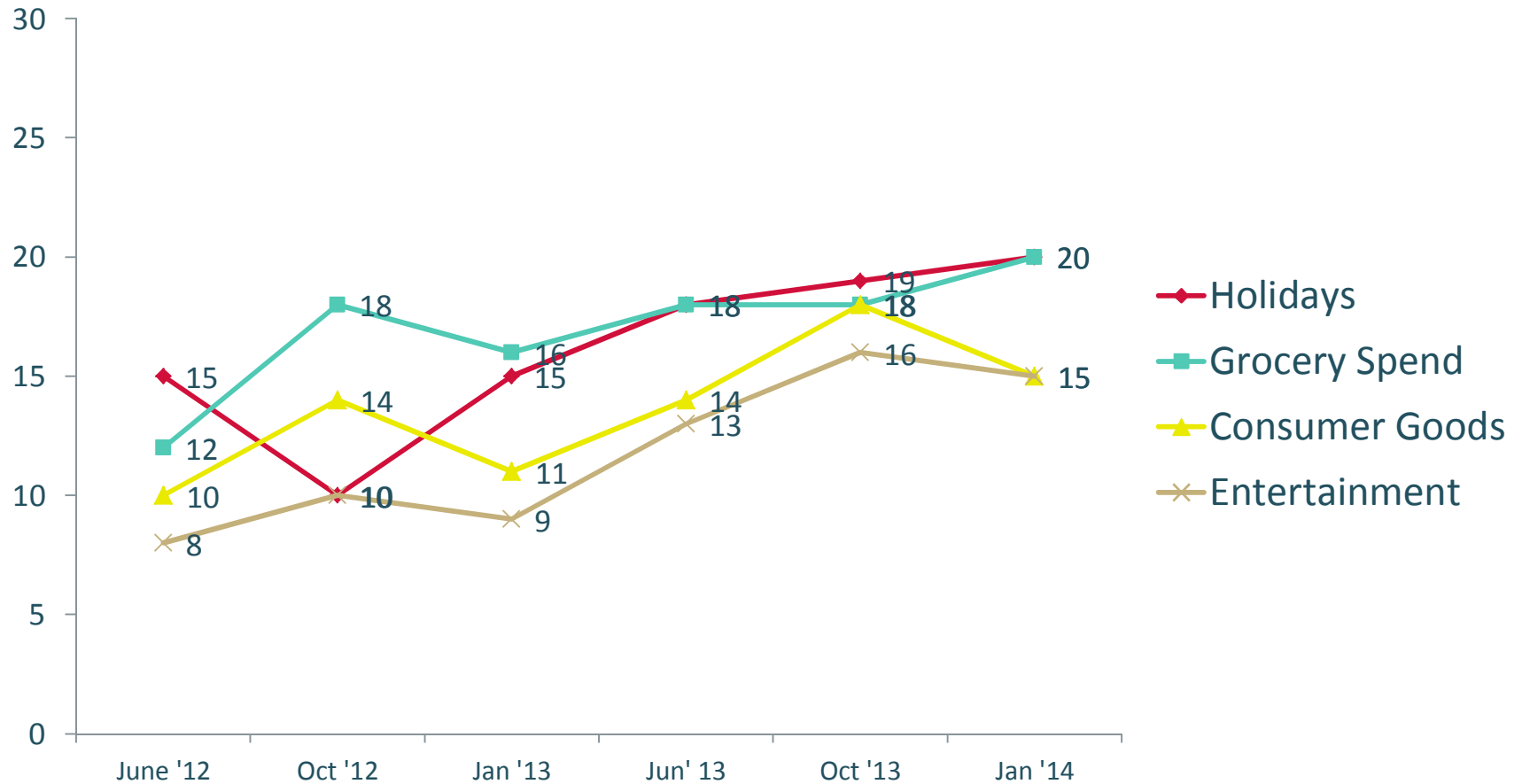
Improved outlook for the Irish economy has created concerns among part-time/seasonal staff – which could be replaced by more permanent positions when the economy improves.



Consumer spending continues to improve at a slower rate than consumer confidence in the economy

Spend intention remains unchanged compared to October 2012

% Likely to increase spend
(next 6 months)



Spend intention remains relatively unchanged compared to October with 1 in 5 likely to increase spend on holidays and groceries and 1 in 7 likely to increase spend on consumer goods/services and entertainment.

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Expected Changes In Spend Over The Next 6 Months



Entertainment such as going out, eating, drinking or socialising



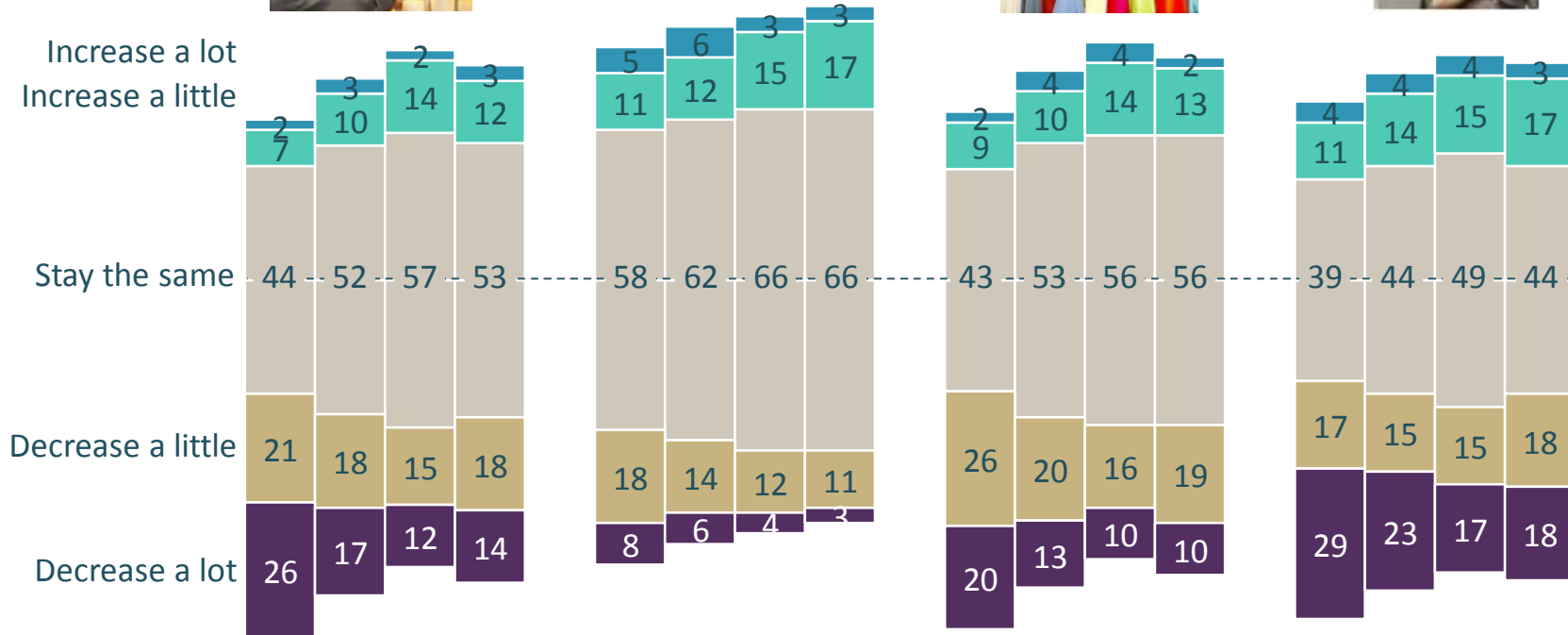
Grocery spend



Consumer goods and services – e.g. hairdresser, clothes, mobile phone, gaming etc.



Holidays and short breaks



Grocery spend has the best outlook with more consumers saying they will increase spend on this category. The lower spend intention on entertainment and consumer goods appears to be seasonal.



Few demographic differences in spend intention but the young are more likely to increase spend on entertainment and holidays



% Likely to increase spend in next 6 months	Entertainment	Grocery Spend	Consumer Goods/ Services	Holidays/ Shorter Breaks
Total	15	20	15	20
Gender				
Male	17	19	16	20
Female	12	21	15	19
Age				
18-24	27	17	17	32
25-34	18	21	15	29
35-44	15	21	17	16
45-54	8	13	9	12
55-64	11	19	16	14
65+	11	25	19	16
Social Class				
ABC1	16	18	15	23
C2DE	13	21	16	16
Region				
Dublin	17	19	16	19
Rest of Leinster	18	24	15	21
Munster	13	21	16	20
Connaught/Ulster	7	13	14	18

Summary of Main Findings

- / Consumer confidence has increased further – half now believe the Irish economy will improve in the next 6 months with only 1 in 5 believing the economy will fare worse. However most still feel any improvements in the economy will be limited.
- / The more recent growth in consumer confidence has taken place outside Dublin – thereby closing the gap between the capital and the rest of the country as seen in previous waves.
- / Consumers outlook for the job and housing market in Ireland also improves, but there is a slight decrease in expectations for the World economy.
- / As a nation, we are much more happy than a year ago, we feel an improvement in quality of life and we are more motivated and have more energy for life.
- / Yet, many still feels affected by the recession and there is a sense that we have not yet felt the more tangible benefits of the improved economy, e.g. higher salaries, lower taxes, etc. – due to this consumers remain cautious in terms of consumer spend.
- / 1 in 5 express that they will increase spend on groceries and holidays over the next 6 months, while circa 1 in 7 will increase spend on entertainment and consumer goods/services – but this has declined since October.
- / Personal benefits from the improved economy are required to kick start consumer spend.



Methodology – RED Express

- / 1,003 telephone interviews (CATI) using a random digit dial sample to ensure coverage of all households, including ex-directory.
- / Quotas were set and data weighted to ensure a nationally representative sample of the population aged 18+ years.
- / This is the 19th wave of the credit crunch tracking – fieldwork was conducted 3rd-5th February 2014.



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**THANK
YOU**

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