



Improved Belief in Ireland but Cautious Spending Remains

Credit Crunch
Tracking
June 2012

Positive Outlook... But Decreased Spend...



- ✓ The consumer outlook for the Irish economy is at its highest level since June 2011 – in spite of the continuation of the European debt crisis. (Note: survey conducted prior to latest bank debt announcement).
- ✓ We also see fewer and fewer people who say that they have been personally impacted by the recession in the past three months.
- ✗ Yet, consumers remain cautious in terms of increasing their spend – in fact, most consumers expect to decrease their spend across all product categories over the next 6 months.

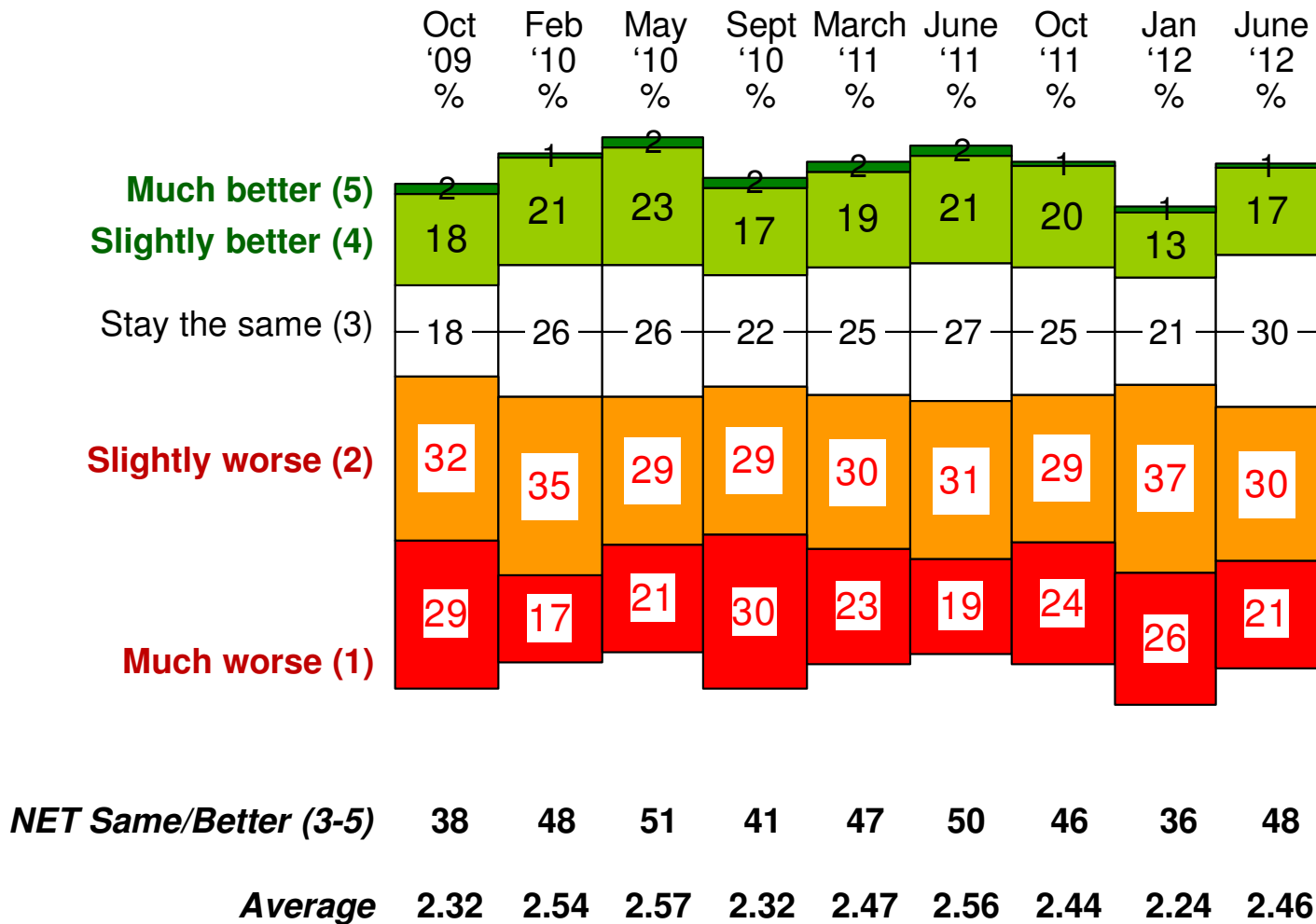


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Expectations of the Irish economy are at its highest level since June 2011 – in spite of the continuation of the European debt crisis



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



✓ Almost half feel that the Irish economy will fare the same or better in the next 6 months.

✓ This is the highest level of confidence recorded since June 2011.

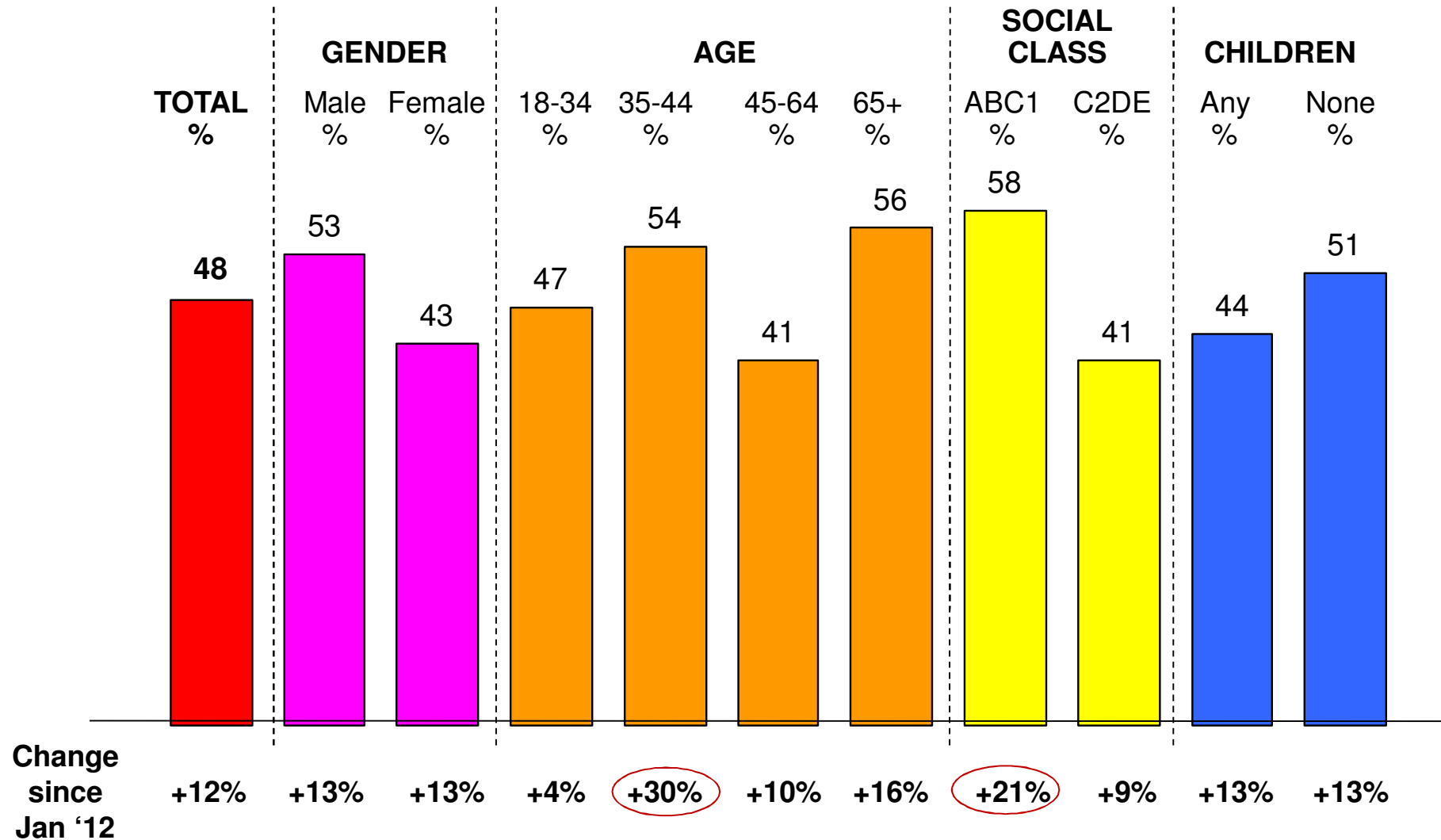


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Higher social class and middle aged in particular see a positive change in outlook for the Irish economy

Expectations for the Irish economy 6 months from now

% Stating they believe it will be the same or better (3-5)

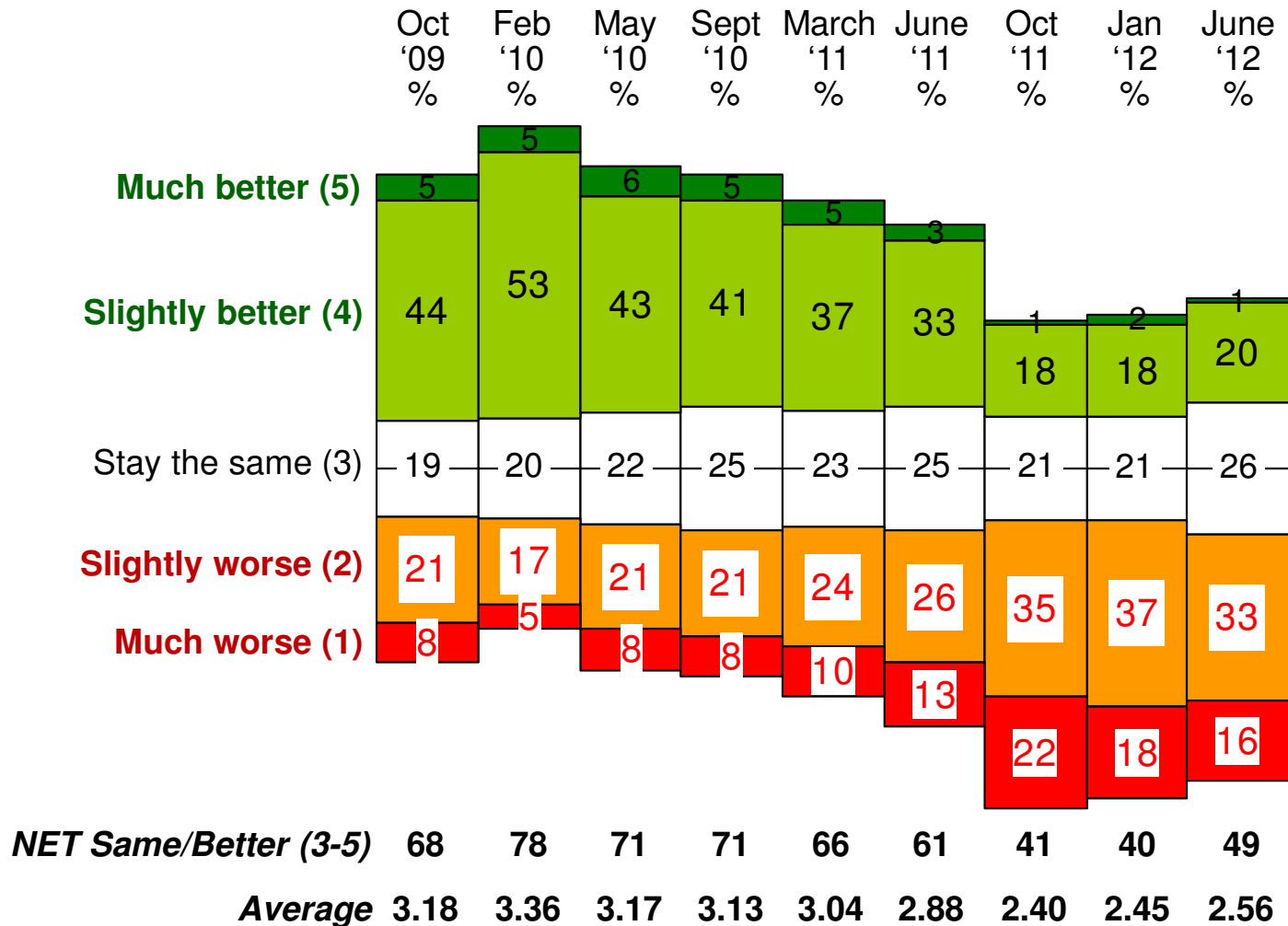




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We also see an improvement in outlook for the World economy since January – but not to the same degree as for the Irish economy

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



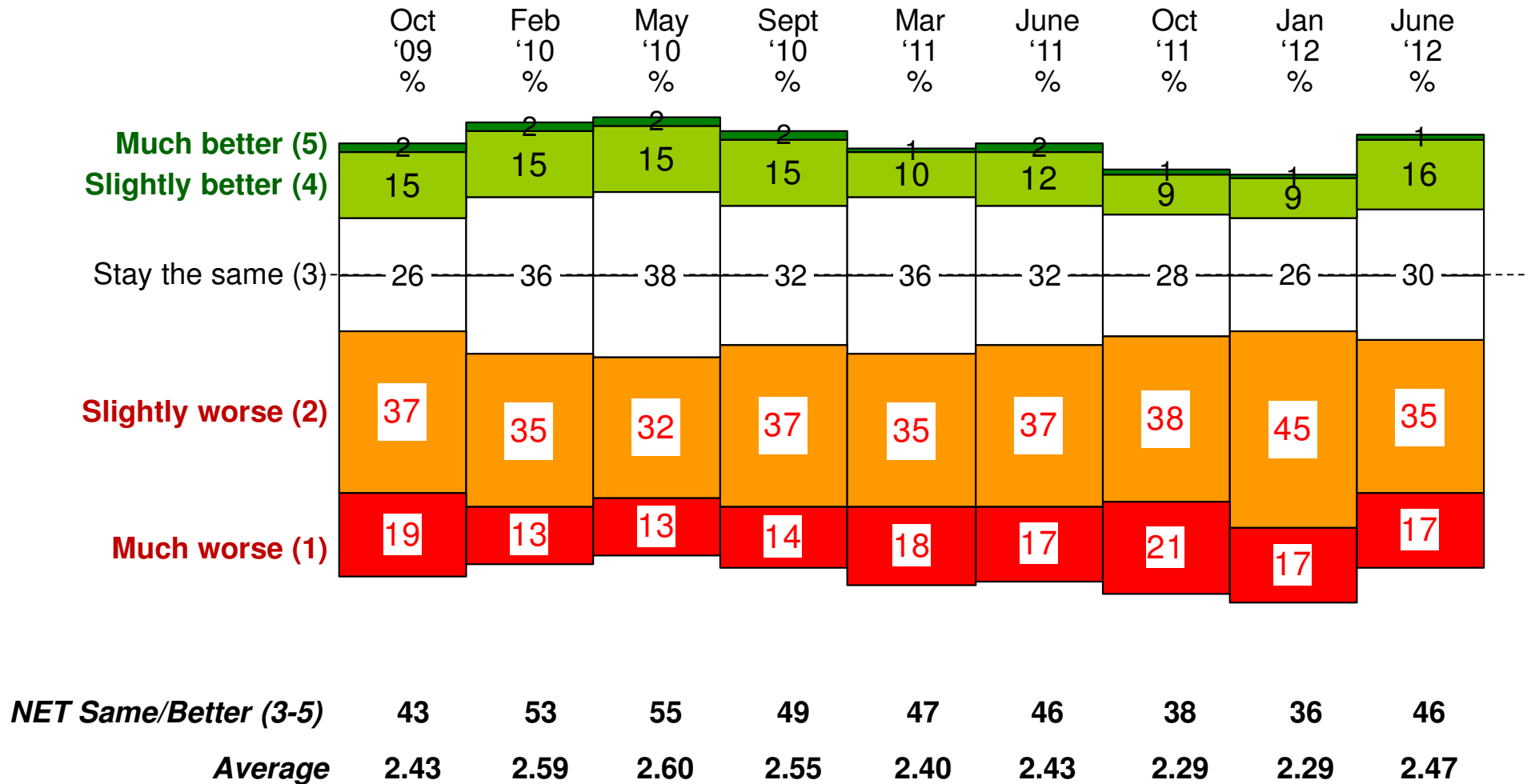
- ✓ Almost half feel that the World economy will fare the same or better in the next 6 months.
- ✗ Yet, World outlook remains much lower than a year ago.



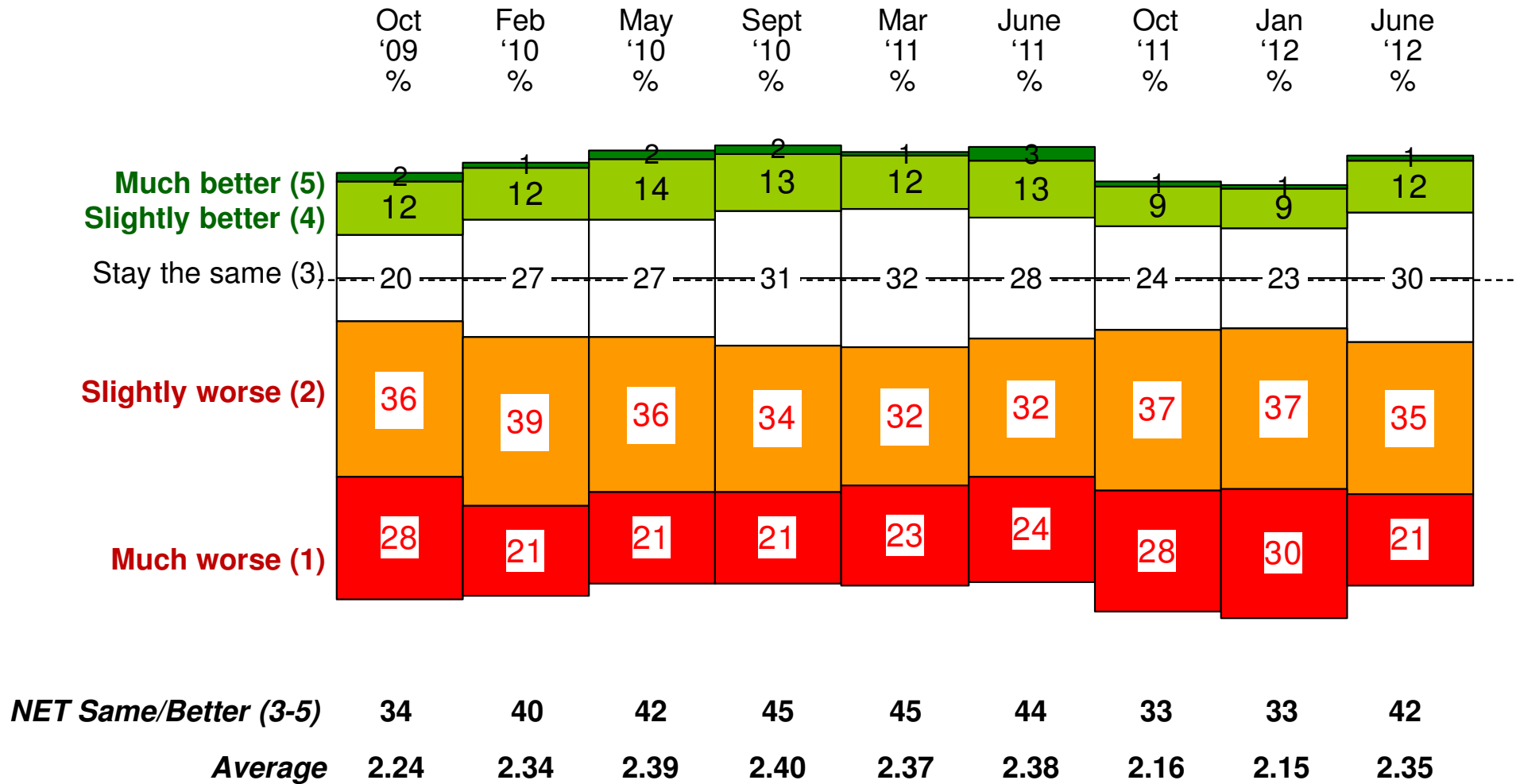
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The improved outlook for the Irish economy is also reflected in our expectations of the housing and job markets

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



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

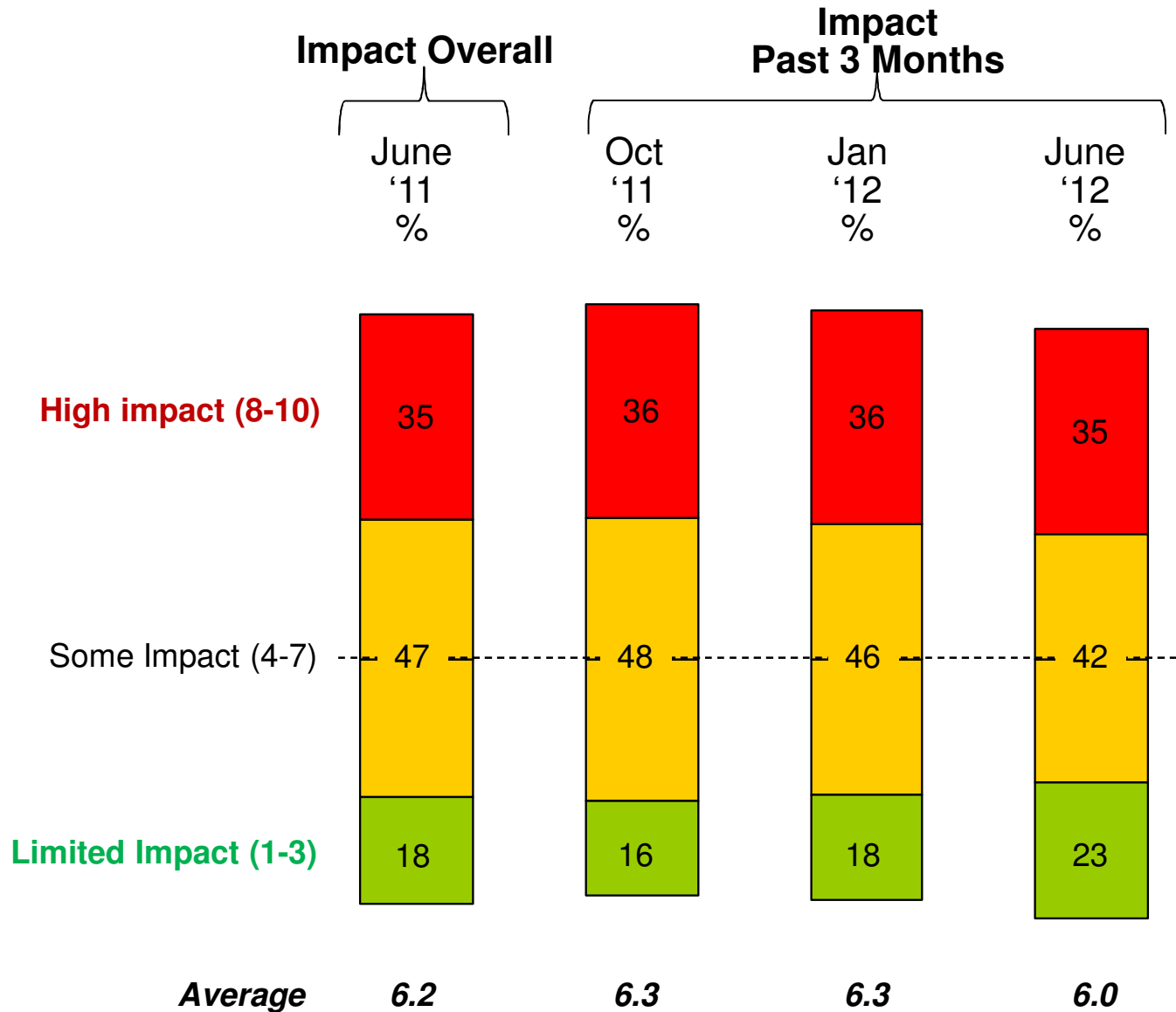




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Less people feel personally impacted by the recession in the past three months than back in January

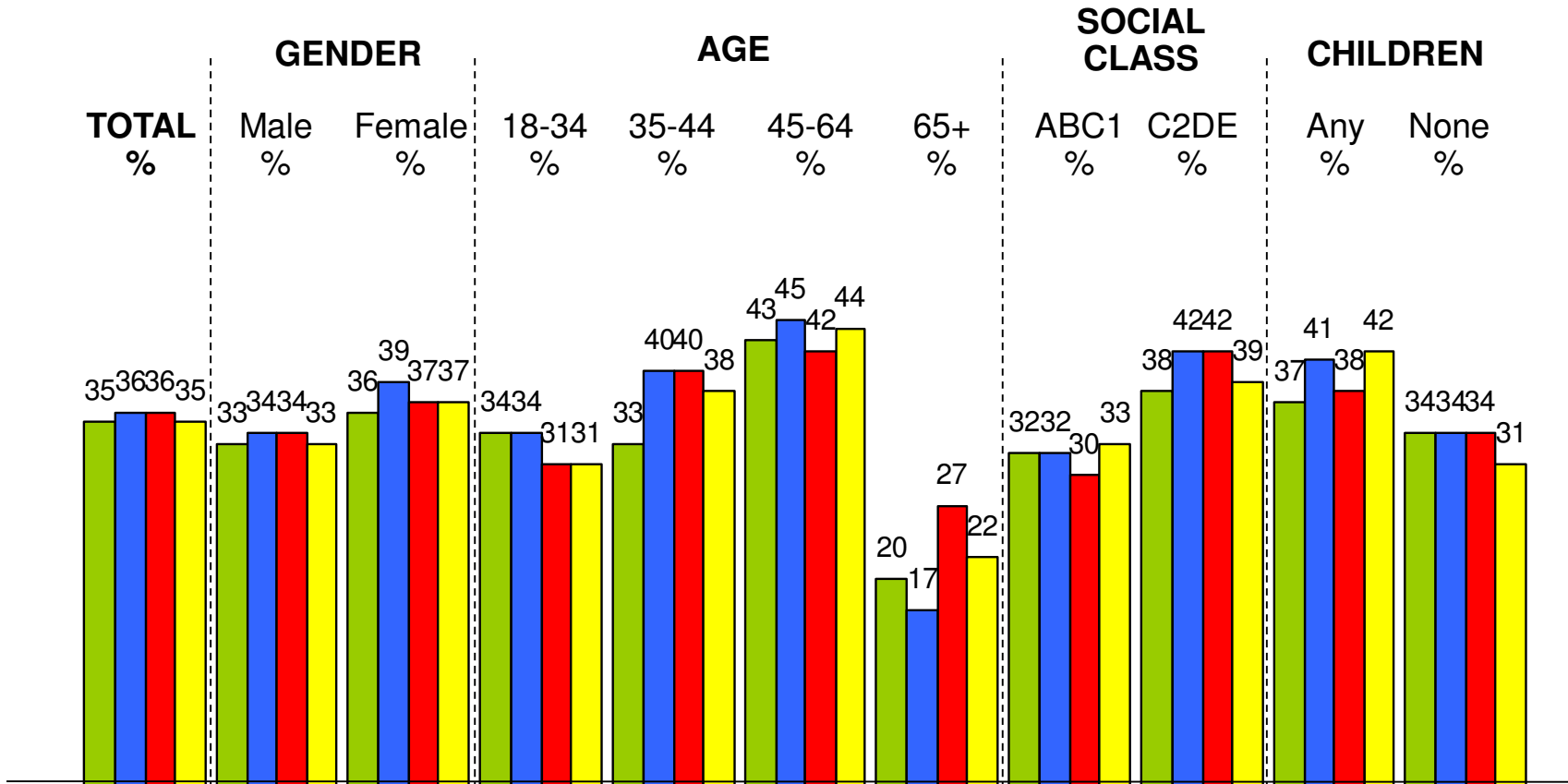
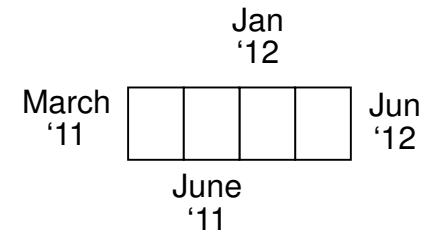
Personal Recession Impact – Overall



- ✓ Slightly less people feel impacted by the recession now than back in January
- ✗ Yet, more than 1 in 3 feel that the recession have had a high impact on them in the past three months

Personal Recession Impact Overall

– Net High Impact (8-10)



Those aged 35-64 and lower social classes feel more impacted by the recession in the past three months than any other demographic group.



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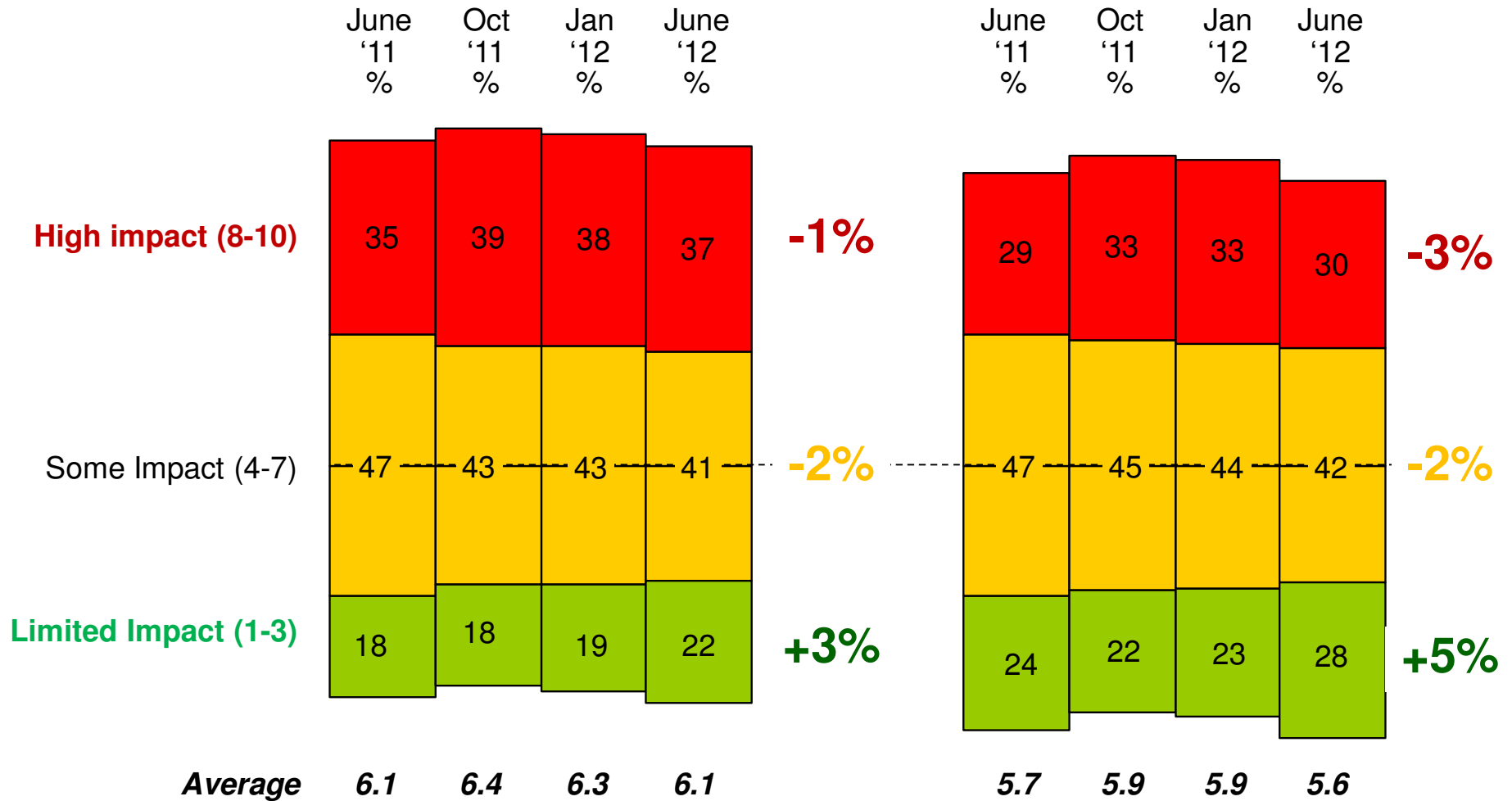
While the recession is still impacting our lifestyle, spend and job security, we see an improvement since January

Impact of Recession on....



Monthly Spending

Your Way Of Life



Impact of Recession on Job Security

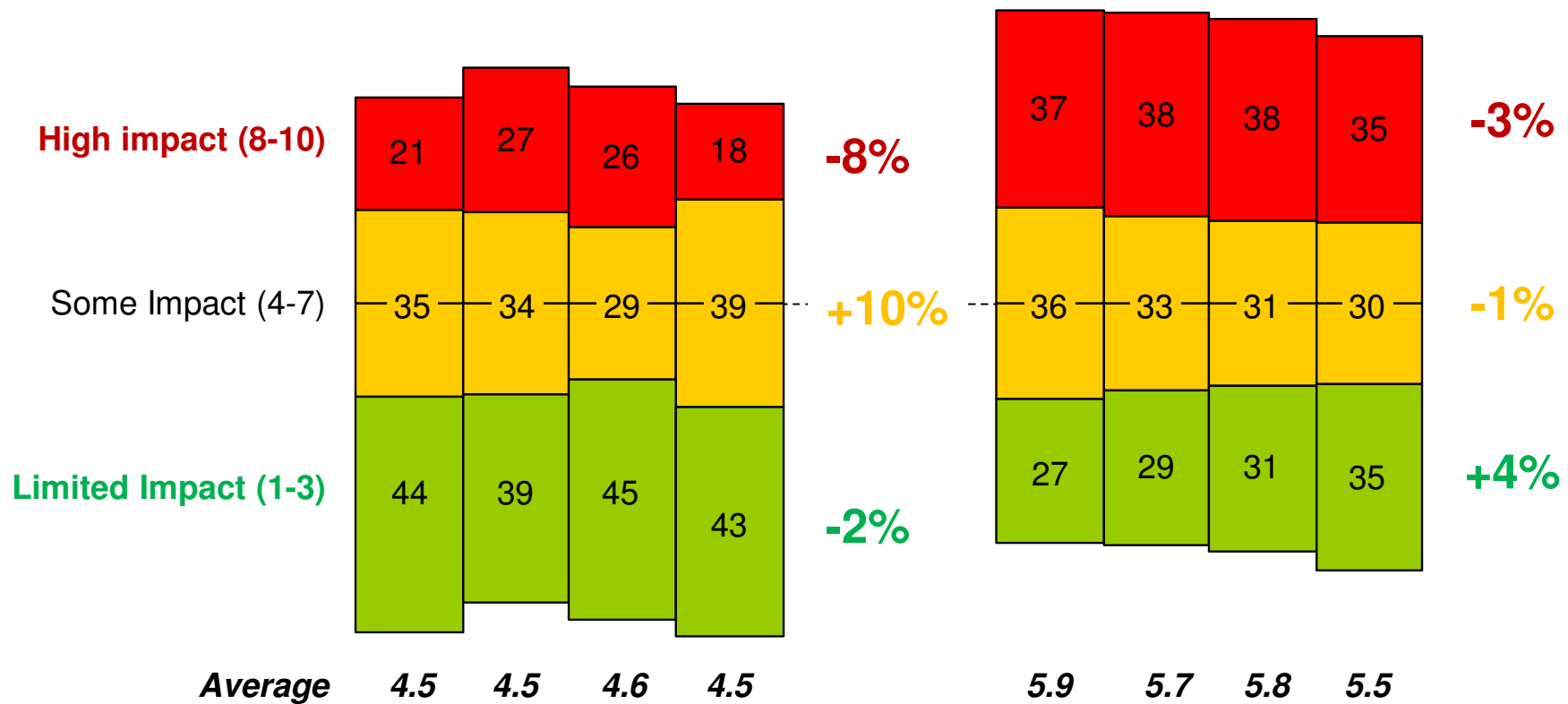


Full-time Workers

June '11	Oct '11	Jan '12	June '12
%	%	%	%

Part-time Workers

June '11	Oct '11	Jan '12	June '12
%	%	%	%





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The past year's
woes have not
impacted our
happiness,
energy level or
motivation

Change Compared To Same Time Last Year in

June '11 June '12



Quality of Life %



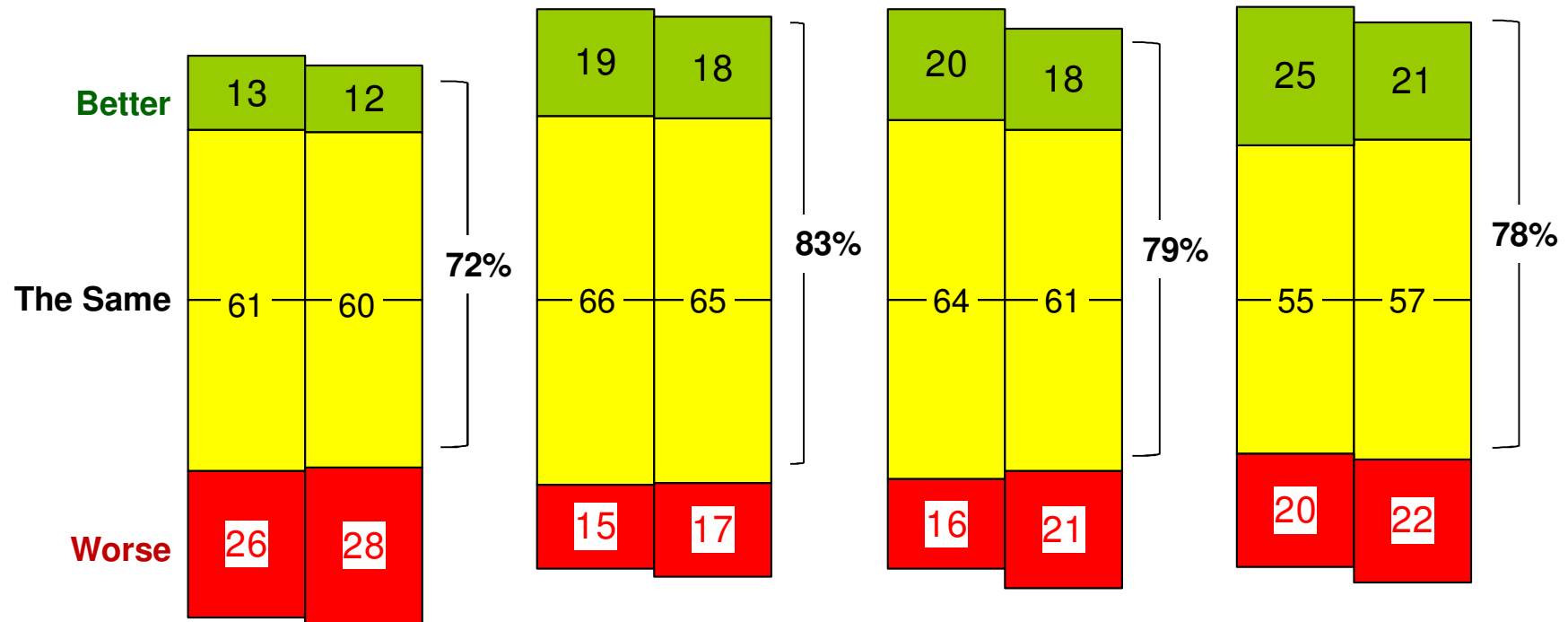
Your Happiness %



Your Energy for Life %







Your Motivation %



Change Compared To Same Time Last Year Analysed by key demographics

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% Better/Same as same time last year	 Quality of Life	 Your Happiness	 Your Energy for Life	 Your Motivation
Total	72	83	79	78
Gender				
Male	71	82	83	81
Female	72	83	76	76
Age				
18-34	74	81	82	82
35-44	69	86	82	82
45-64	65	80	75	70
65+	83	88	76	80
Social Class				
ABC1	75	82	83	79
C2DE	68	82	76	77

Very few differences in terms of happiness across demographics.



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In spite of the improved outlook, consumers continue to expect decreasing their spend across all product categories

Expected Changes In Spend Over The Next 6 Months



Entertainment
such as going out,
eating, drinking or
socialising



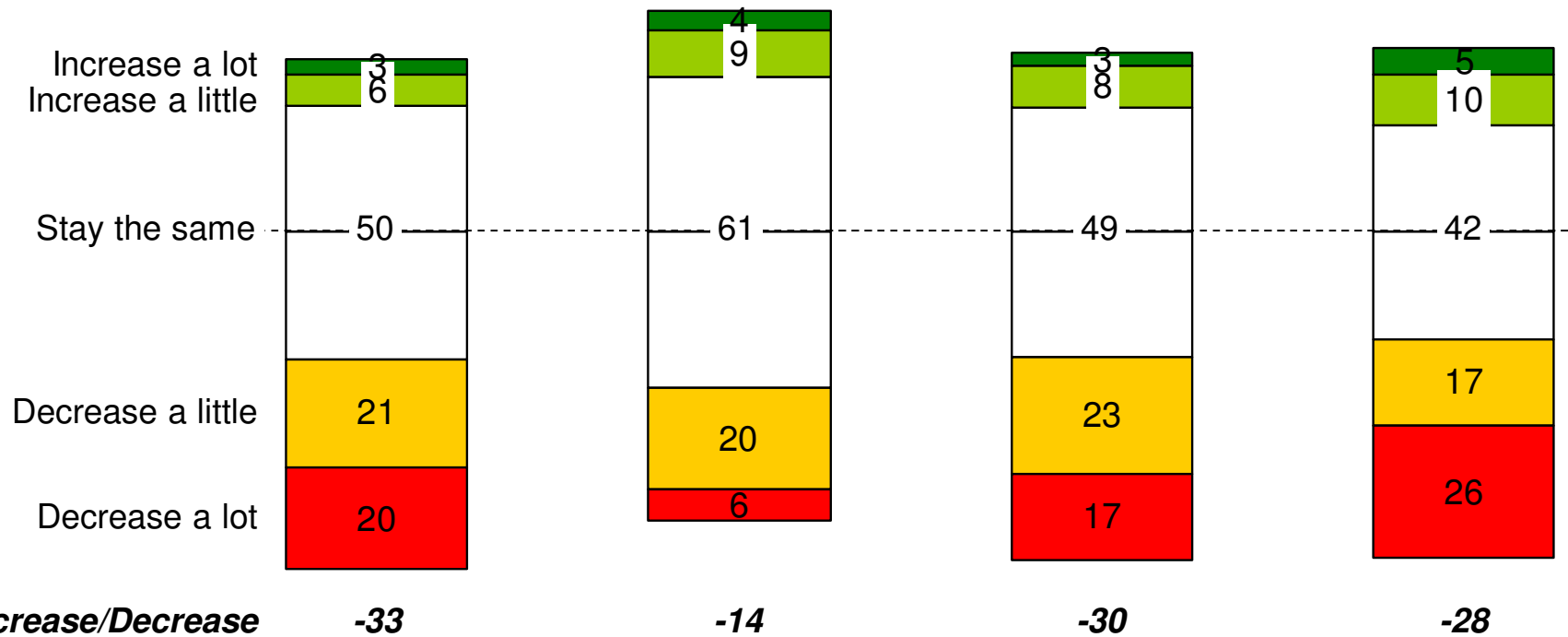
Grocery
spend



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



Holidays
and short
breaks



Grocery spend is less likely to be affected by decreasing spend than entertainment, consumer goods and holidays.

Those aged 18-34 are most likely to increase spend across all categories...

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% Likely to increase spend in next 12 months	Entertainment	Grocery Spend	Consumer Goods/ Services	Holidays/ Shorter Breaks
Total	8	12	10	15
Gender				
Male	8	11	10	17
Female	8	13	11	14
Age				
18-34	12	13	13	21
35-44	8	13	10	15
45-64	6	10	7	11
65+	4	14	11	11
Social Class				
ABC1	8	10	8	18
C2DE	8	15	13	12



Summary...



- We see the highest level of consumer confidence in the Irish economy since June 2011 – this is in spite of the European debt crisis. (Note: survey conducted prior to the latest bank debt announcement).
- Expectations for the World economy have also increased – though to a smaller degree than for the Irish economy – indicating that Irish consumers are becoming more resistant towards negative news from Europe.
- Lower social class families appear to be the hardest hit but we a significant, positive shift in outlook among those aged 35-44.



Summary...



- Also, less consumers feel they have been impacted personally by the recession in the last three months compared to January 2012 – yet, more than 1 in 3 still feel that the recession has had a high personal impact on them in the past three months.
- This explains the fact that many consumers expect to decrease their spend over the next six months – grocery spend is less likely to be affected than entertainment, consumer goods and holidays.
- More good news is required for the current positive sentiment to materialise into increased consumer spend.



Methodology – RED Express



- 1,009 telephone interviews (CATI) using a random digital sample to ensure coverage of all households, including ex-directory.
- Quotas were set and data weighted to ensure a national representative sample of the population aged 18+ years.
- This is the 14th wave of the credit crunch tracking – fieldwork was conducted 18th-20th June 2012.

