



Rising Consumer Confidence Lays Ground for Future Spending...

**Credit Crunch
Tracking
June 2013**

Consumer Confidence is Up!

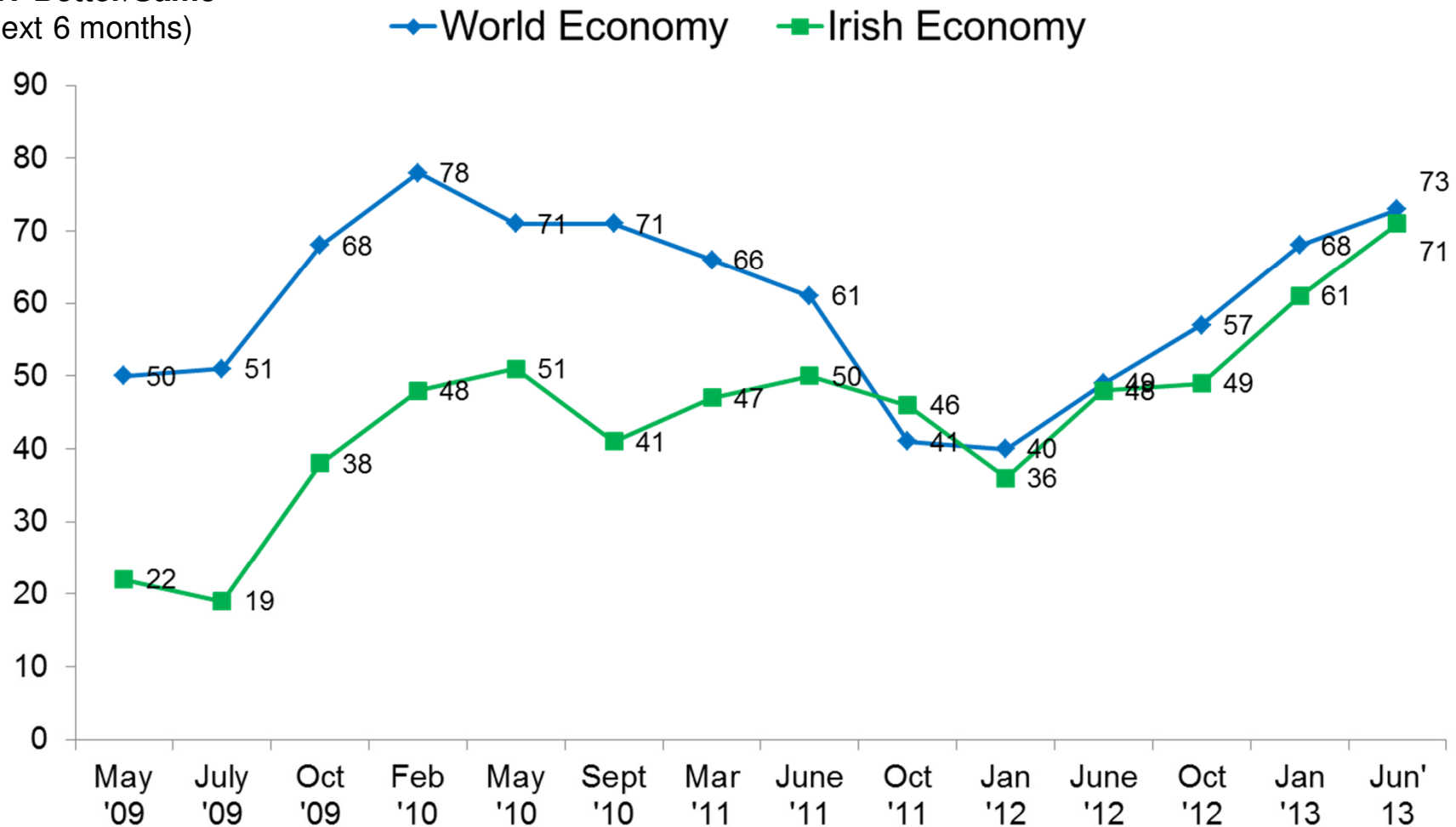


- ✓ The positive trend in consumer outlook for the Irish economy continues; with more people now believing the economy will improve over the next 6 months, than those who believe it will worsen.
- ✓ As a nation, we are also more happy than a year ago and have more energy and motivation for life.
- ✗ While we see this increased confidence impact our expectations for the housing and job market, we continue to be reluctant to increase our consumer spend.
- ✗ Consumers need to see personal benefits of the increased confidence to dare spending again.

Outlook for Irish Economy continues Rise!



% NET Better/Same
(next 6 months)



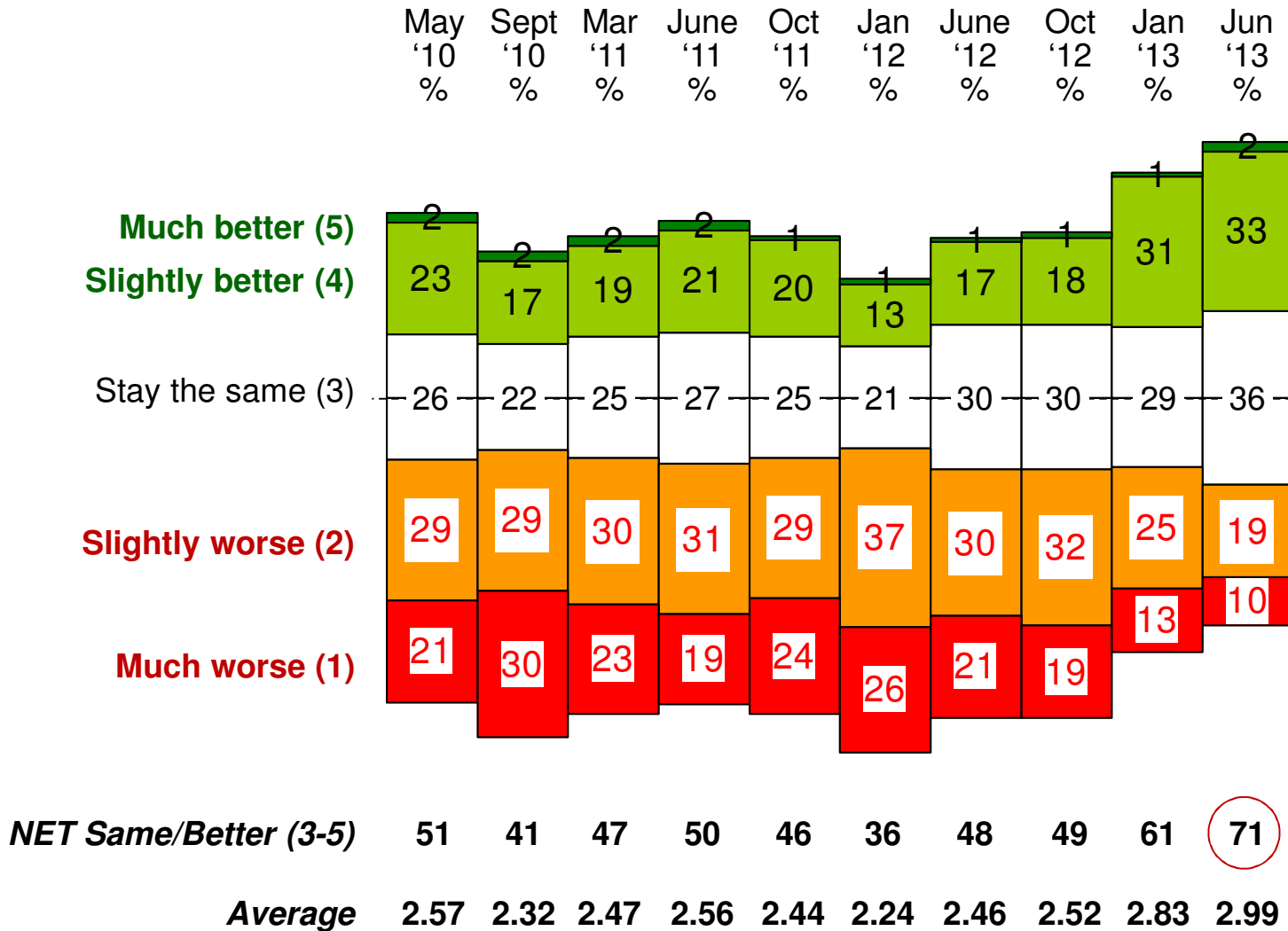
Almost 3 in 4 feel the Irish economy will fare better or the same over the next 6 months



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For the first time,
we see more
people who think
the Irish economy
will fare better over
the next 6 months
than people who
think the economy
will fare worse!

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



✓ Circa 1 in 3 feel that the Irish economy will improve over the next 6 months

✓ We see a significant drop in the proportion who think the economy will fare worse.

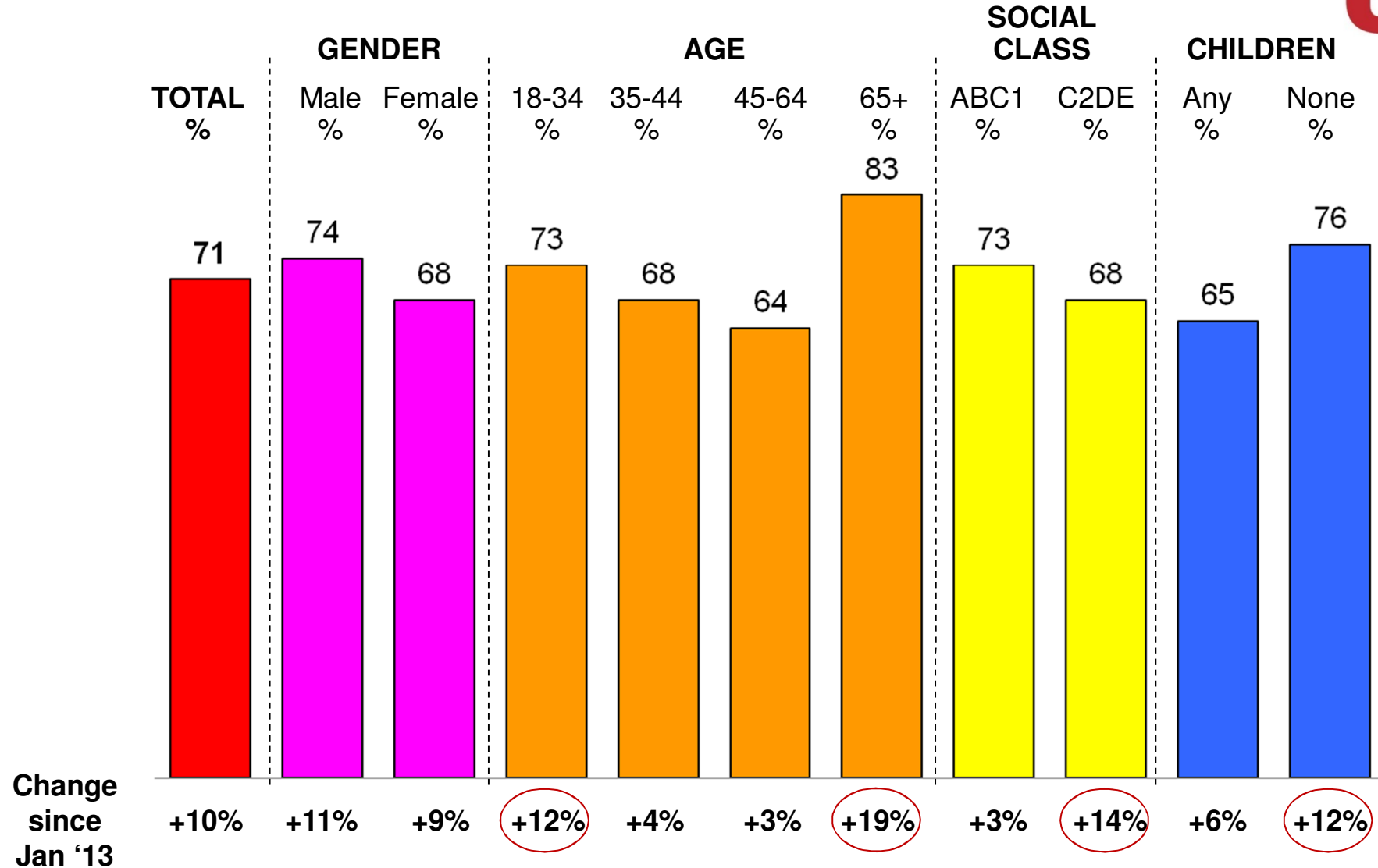


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The more positive outlook for the Irish economy is mainly driven by the 18-34 year olds and those above 65 years...

Expectations for the Irish economy 6 months from now

% Stating they believe it will be the same or better



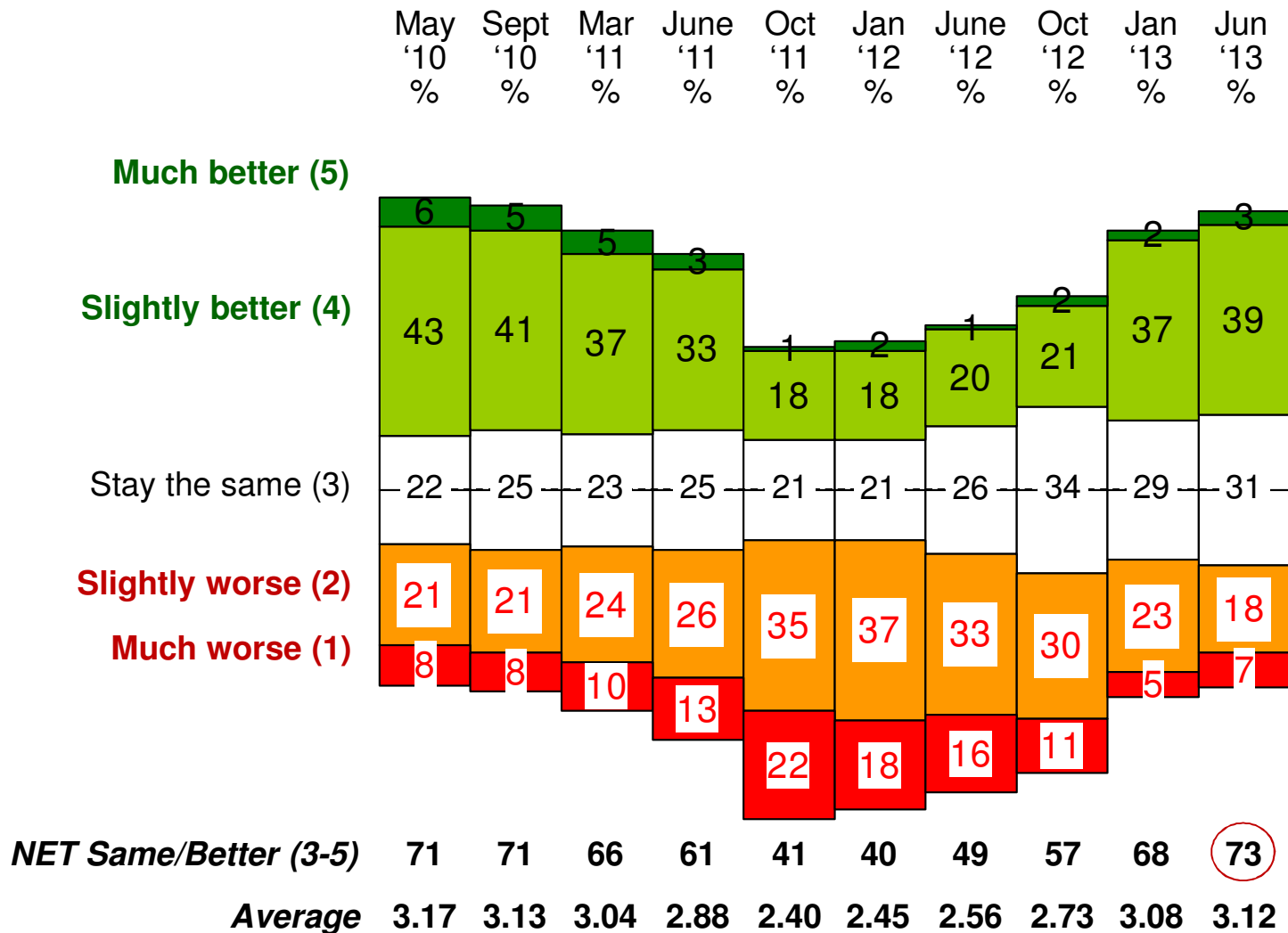
Change since Jan '13



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The outlook for
the World
economy
continues to
improve and is at
the highest level
since February
2010

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



✓ More than 4 in 10 feel the World economy will improve.

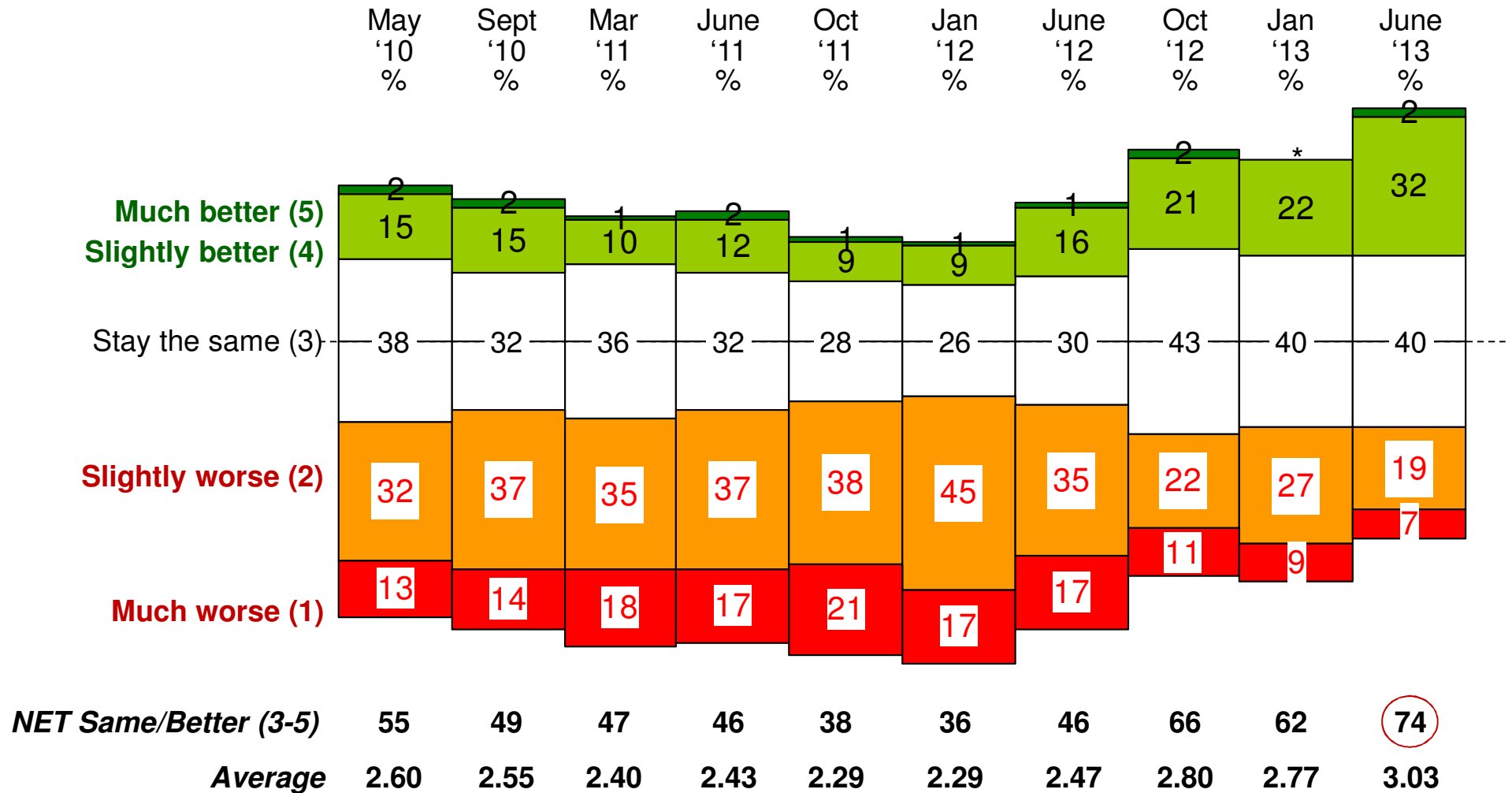
✓ Only 1 in 4 believe the World economy will fare worse.



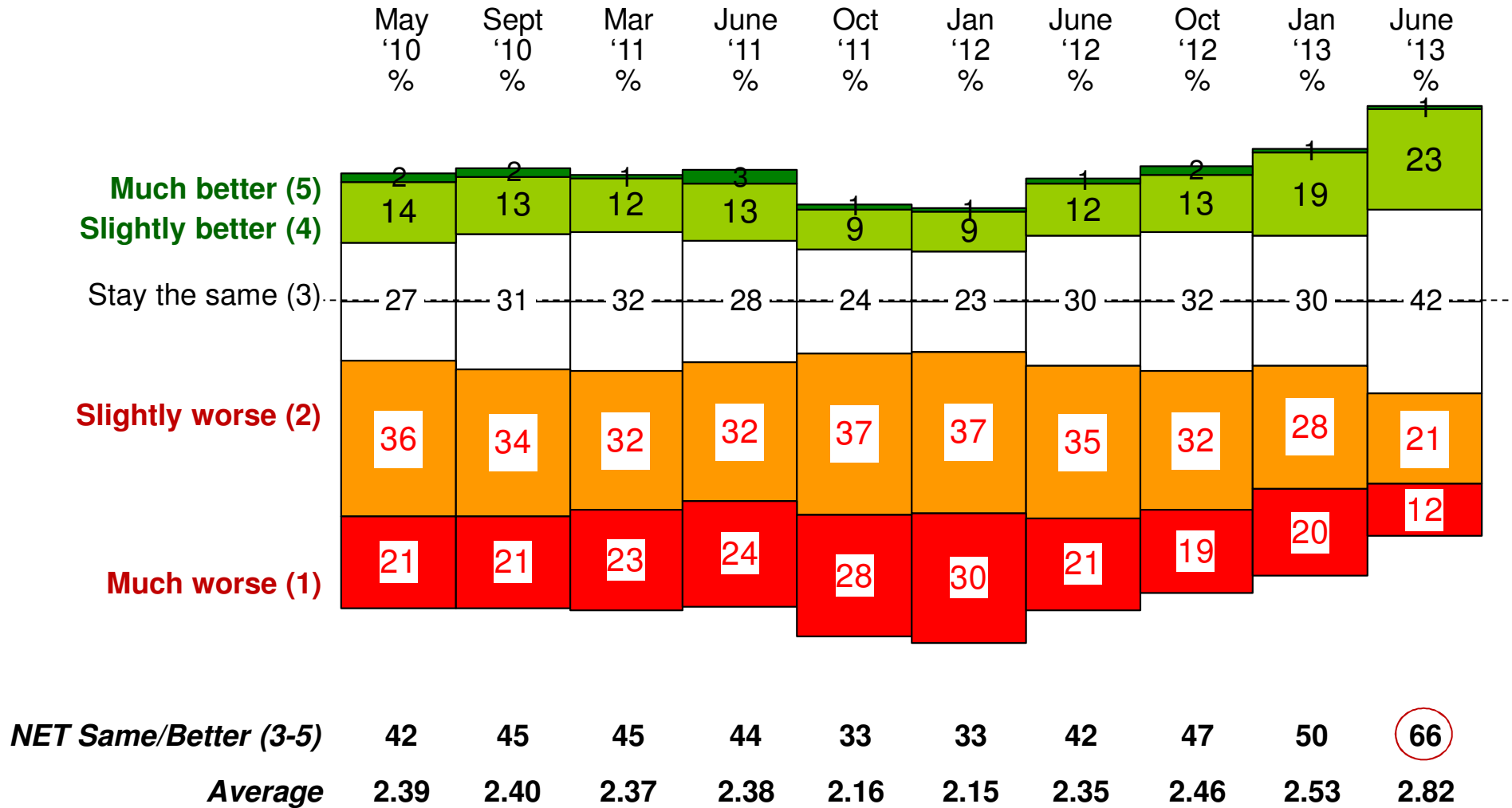
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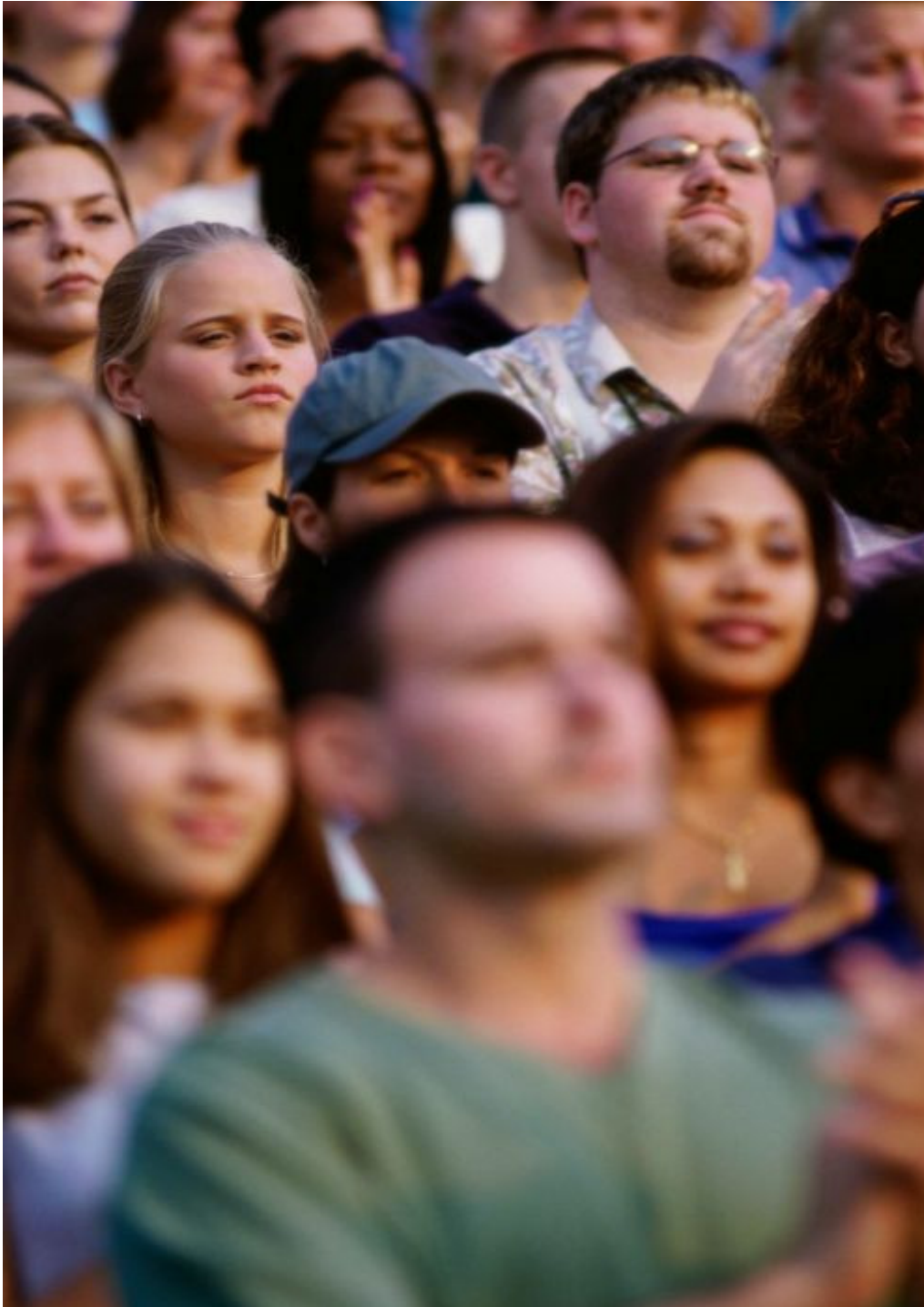
We also see a significant uplift in outlook for the housing and job market...

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?

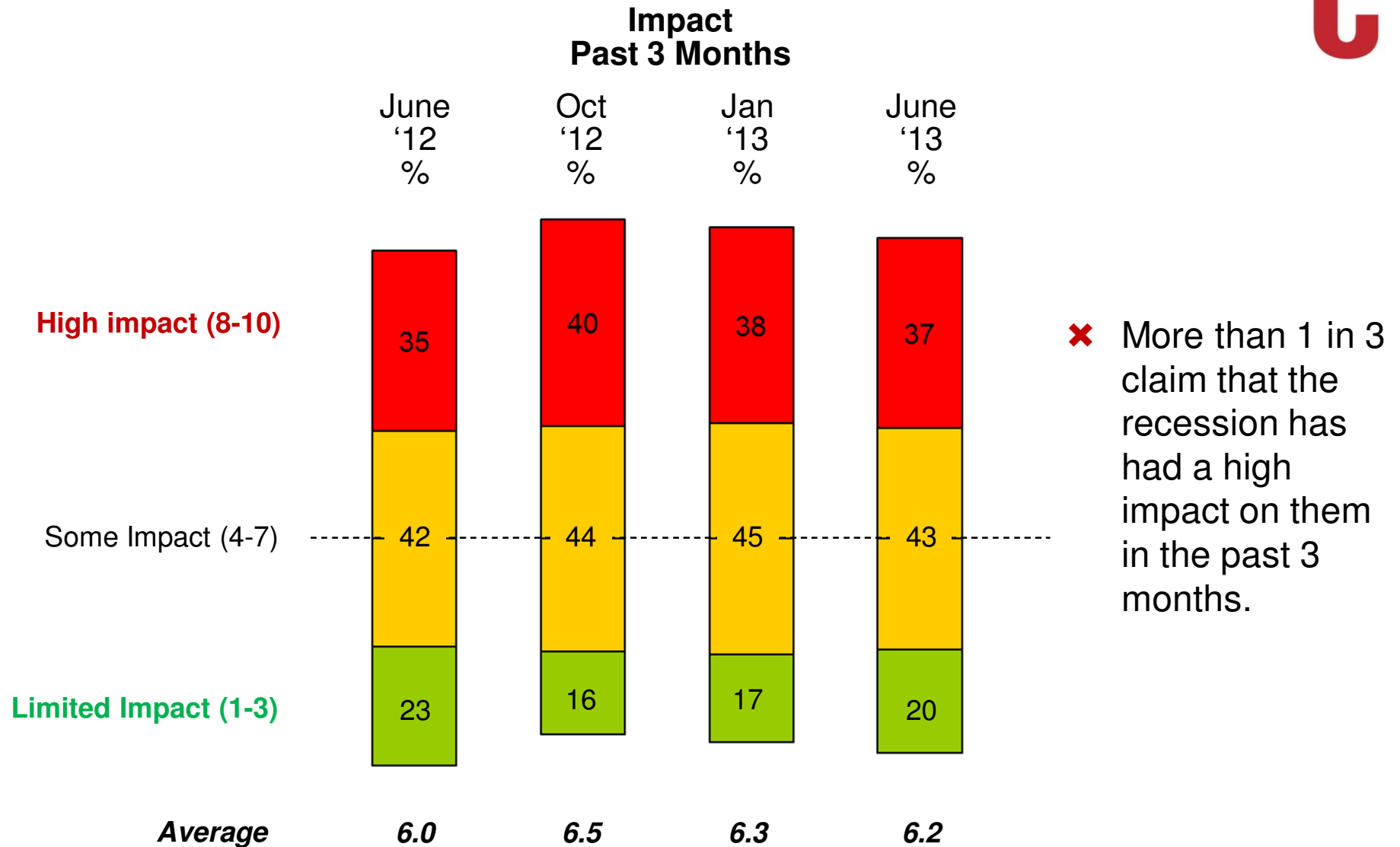




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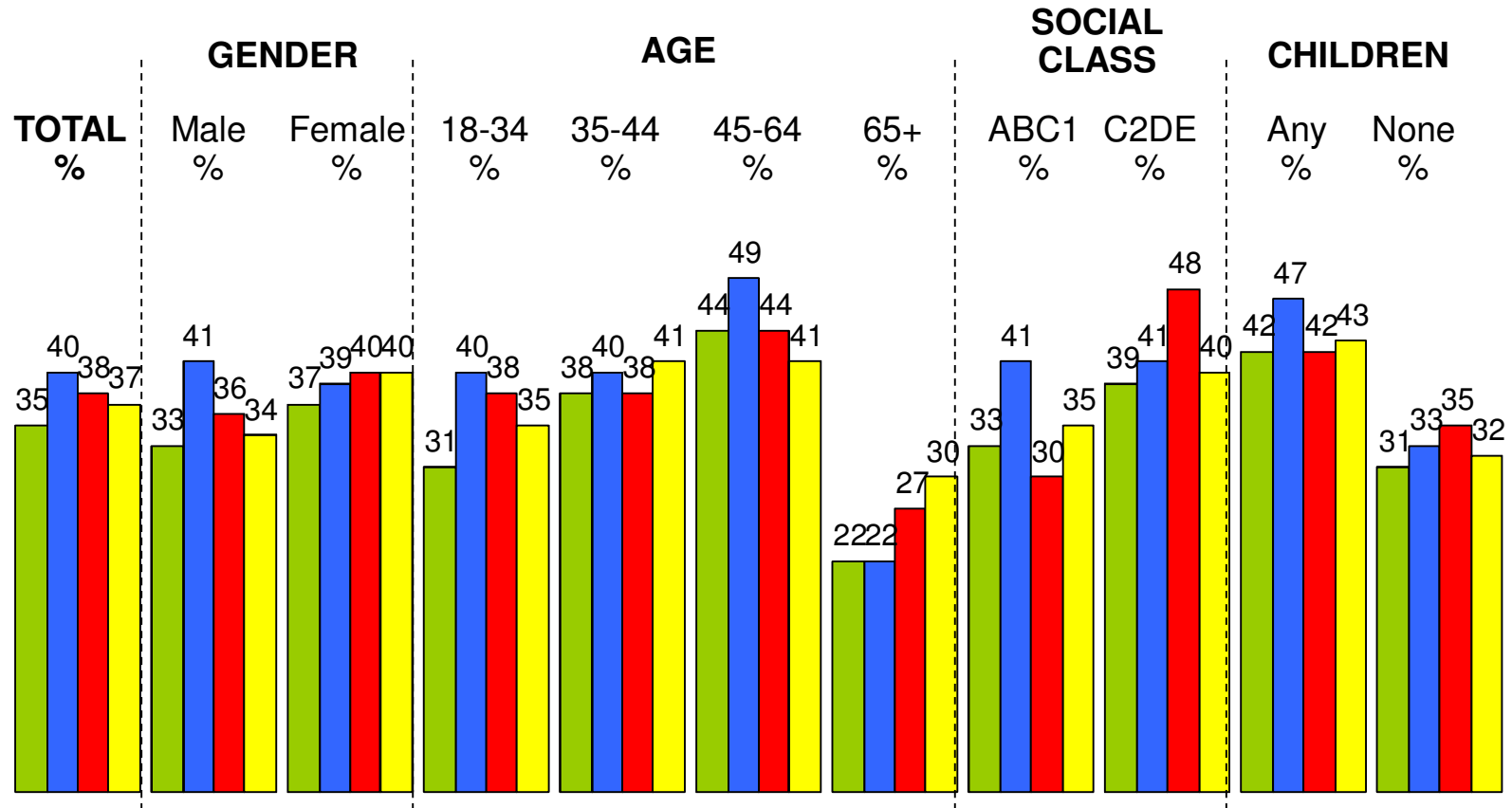
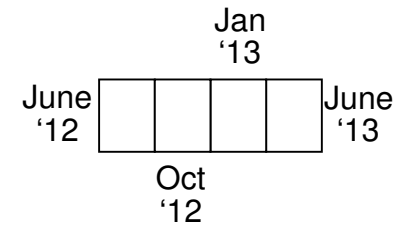
In spite of the significant uplift in consumer outlook, many still feel personally impacted by the recession in the past 3 months...

Personal Recession Impact – Overall



Personal Recession Impact Overall

– Net High Impact (8-10)



Those aged 35-64 years and those with dependent children feel more impacted by the recession in the past three months than any other demographic group.



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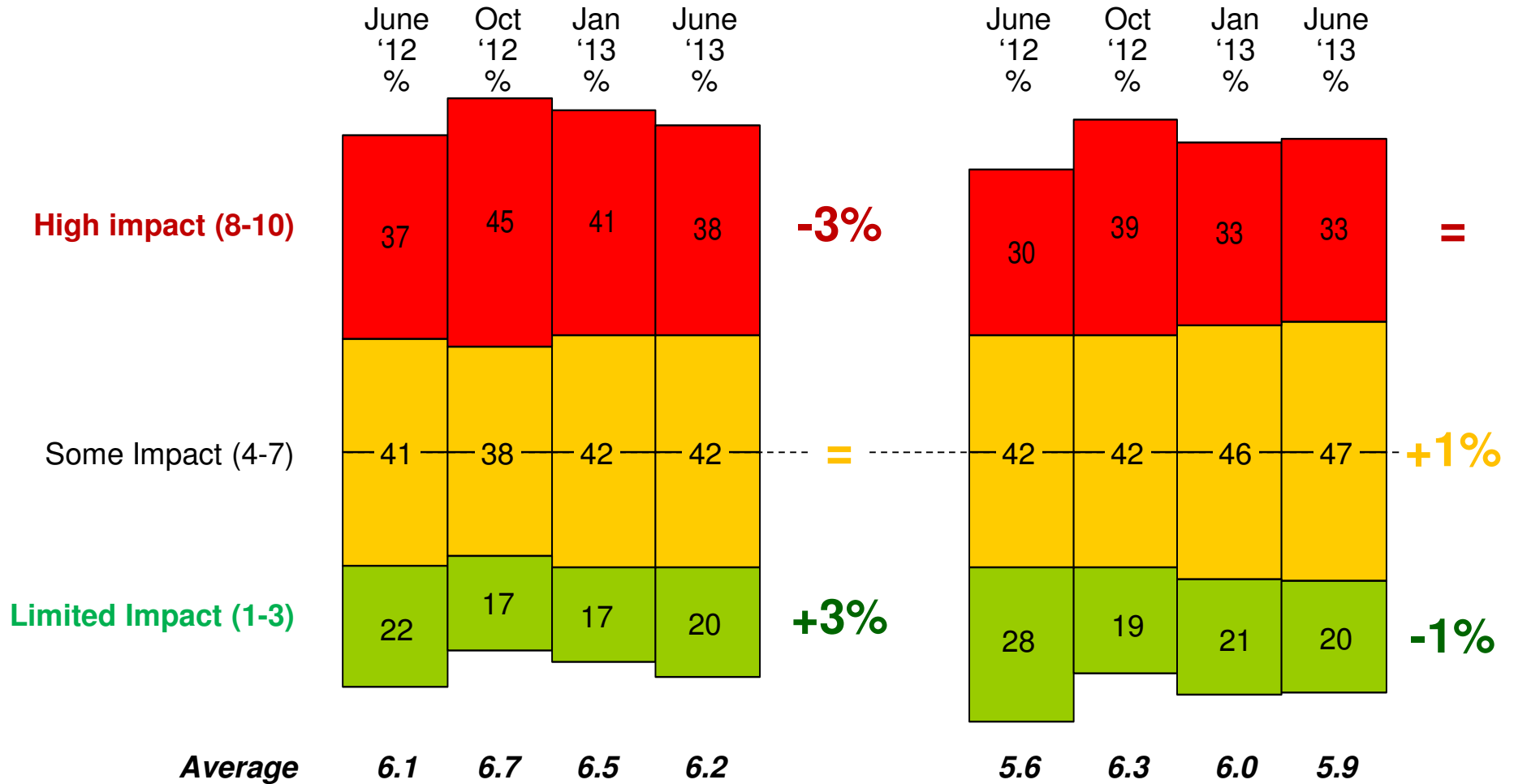
Improvements are seen in terms of monthly spend and job security, with less people claiming to have been affected in the past three months...

Impact of Recession on....

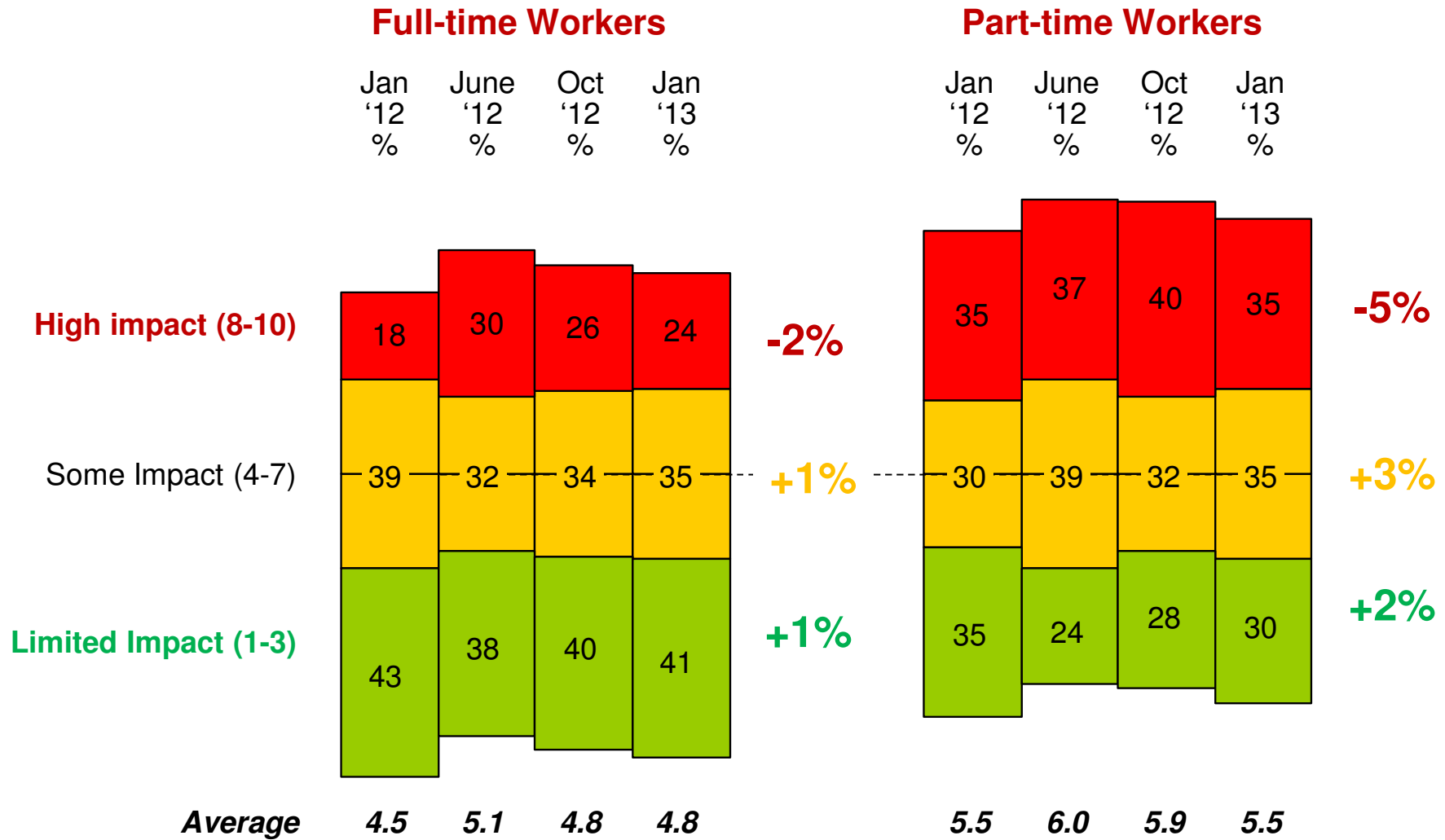


Monthly Spending

Your Way Of Life



Impact of Recession on Job Security





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We are happier as a nation than a year ago and we also see a positive trend for quality of life, energy levels and motivation...

Change Compared To Same Time Last Year in

June '12 June '13



Quality of Life %



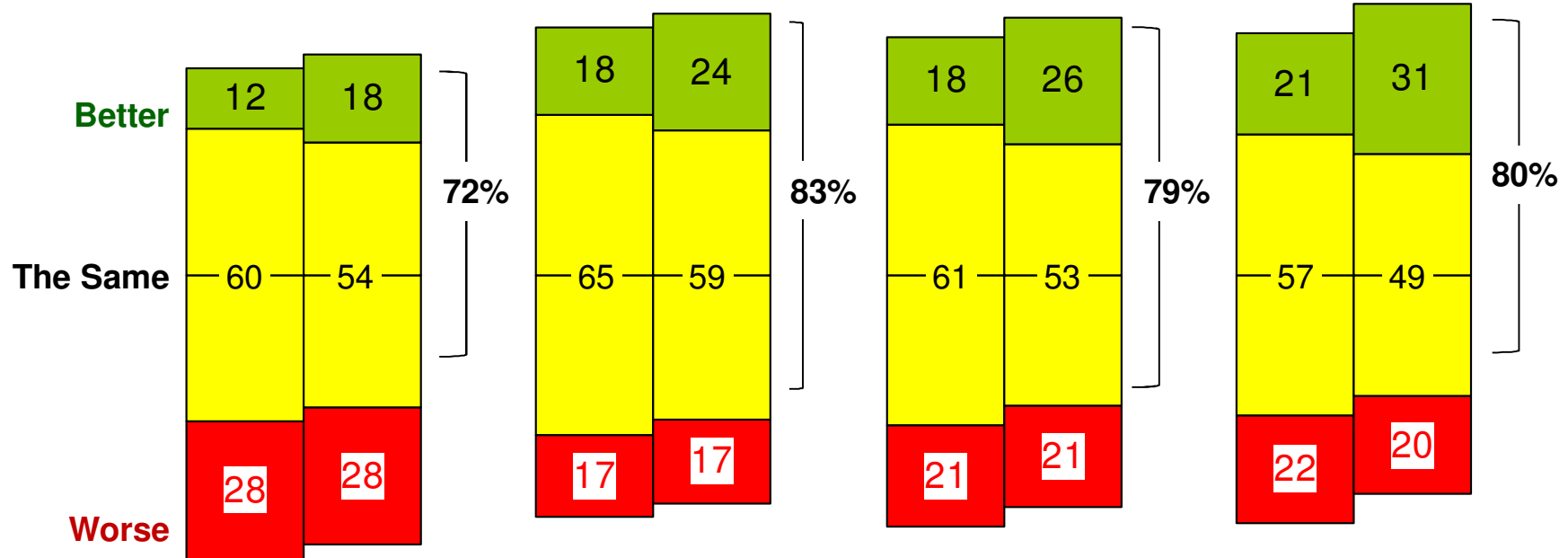
Your Happiness %



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	80
Gender				
Male	75	83	80	82
Female	70	84	77	78
Age				
18-34	77	85	82	82
35-44	64	75	75	76
45-64	70	84	77	75
65+	78	90	78	89
Social Class				
ABC1	73	83	82	81
C2DE	71	82	76	79

Those aged 65 years or more are more likely to feel the same or better than last year.



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Cautious spending remains for now, but we see far less people saying they will decrease spend, and some more saying they will increase.

Expected Changes In Spend Over The Next 6 Months

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Entertainment
such as going out,
eating, drinking or
socialising



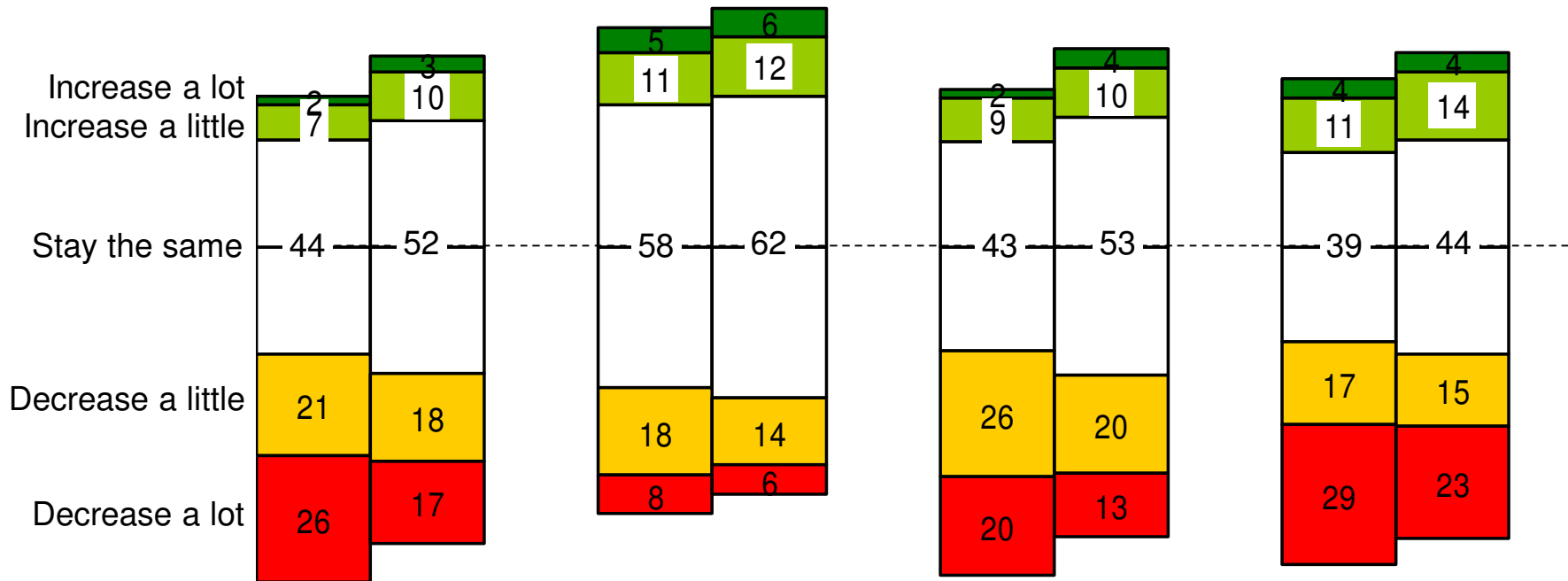
Grocery
spend



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



Holidays
and short
breaks



Consumers are more likely to increase grocery spend than any other category

The 18-34 year olds are most likely to increase spend on entertainment, consumer goods and holidays...

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% Likely to increase spend in next 6 months	Entertainment	Grocery Spend	Consumer Goods/ Services	Holidays/ Shorter Breaks
Total	13	18	14	18
Gender				
Male	12	17	15	19
Female	14	18	14	16
Age				
18-34	22	16	19	28
35-44	10	20	14	13
45-64	5	15	8	12
65+	12	22	15	13
Social Class				
ABC1	16	16	13	21
C2DE	11	17	16	15



Summary...

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- Summer 2013 may be seen as the turning point for consumer confidence in Ireland that provides springboard for growth ahead.
- This reports shows that there is now a strong belief that the Irish economy is recovering among consumers, with more people believing the economy will fare better over the next 6 months than people feeling the economy will fare worse.
- We also see much higher confidence in the housing market , which is positive for future growth.
- As a nation, we are happier than a year ago and motivation and energy levels are also higher.



Summary...



- This positive improvement in confidence will however take time to feed through into action.
- At present the recession continues to bite with more than 1 in 3 Irish feeling personally impacted by the in the past three months.
- Some green shoots are however apparent, with increases in the number suggesting they will spend more in the months ahead, and far less suggesting they will decrease spend, with groceries looking like the main initial beneficiary.



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 17th wave of the credit crunch tracking – fieldwork was conducted 10th – 12th June 2013.

