



Recession deepens...?

**Credit Crunch
Tracking**

October 2011

Recession deepens...?



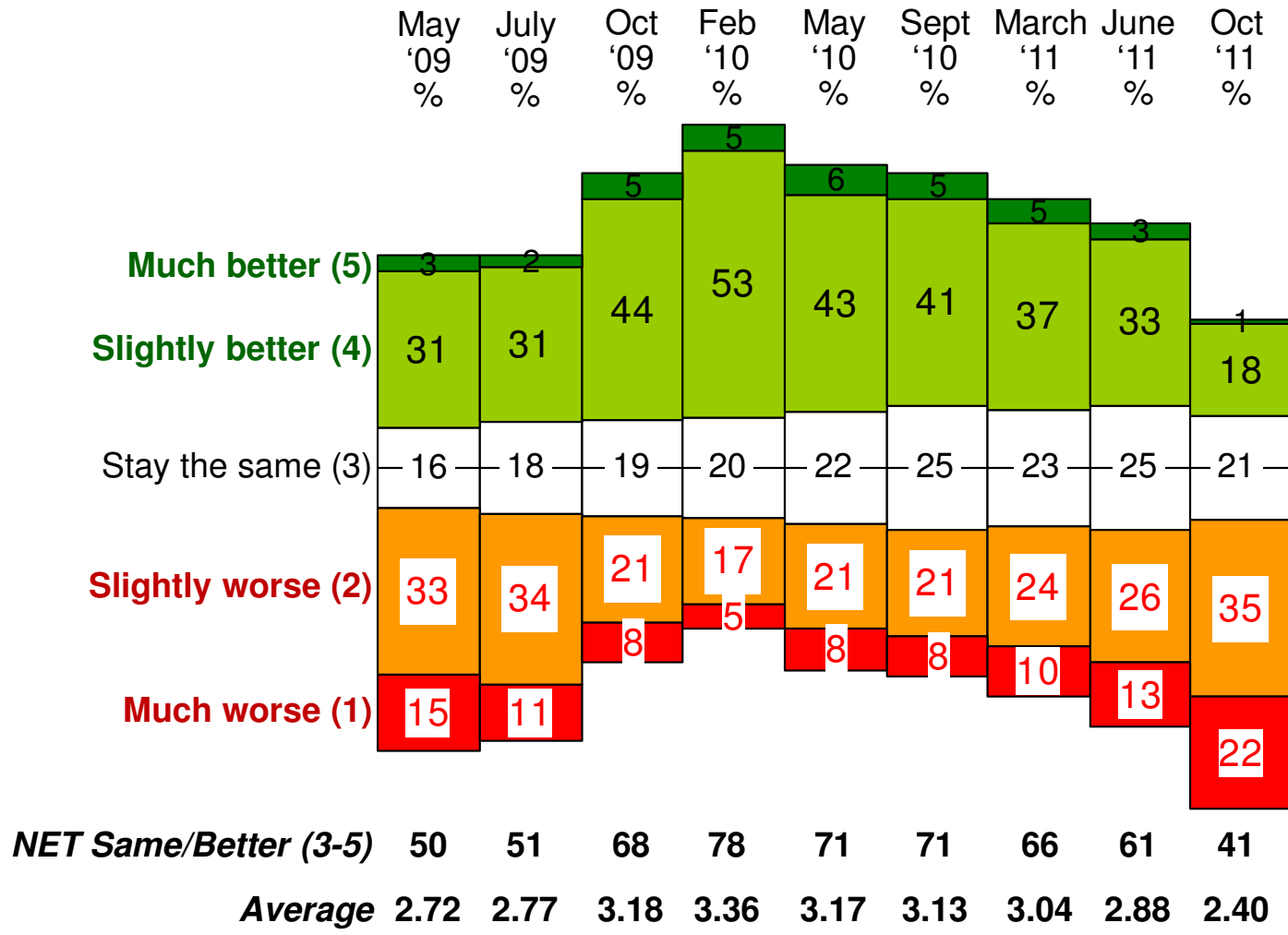
- ✘ Consumers are holding back their spend and worry over the prospect of a deepening recession caused by the Eurozone economy.
- ✓ Yet, they remain optimistic in terms of the Irish economy – indicating a feeling that the worst is over.
- ✓ Consumers are likely to increase spend on socialising and consumer goods over the coming year – or even earlier if the European debt problem is resolved.



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The situation in Greece/Europe is causing consumer concerns over the prospect of a double dip recession

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



✘ Expectations of the World economy are bleaker now than at the onset of the recession with almost 3 in 5 expecting the World economy to fare worse in the next 6 months.

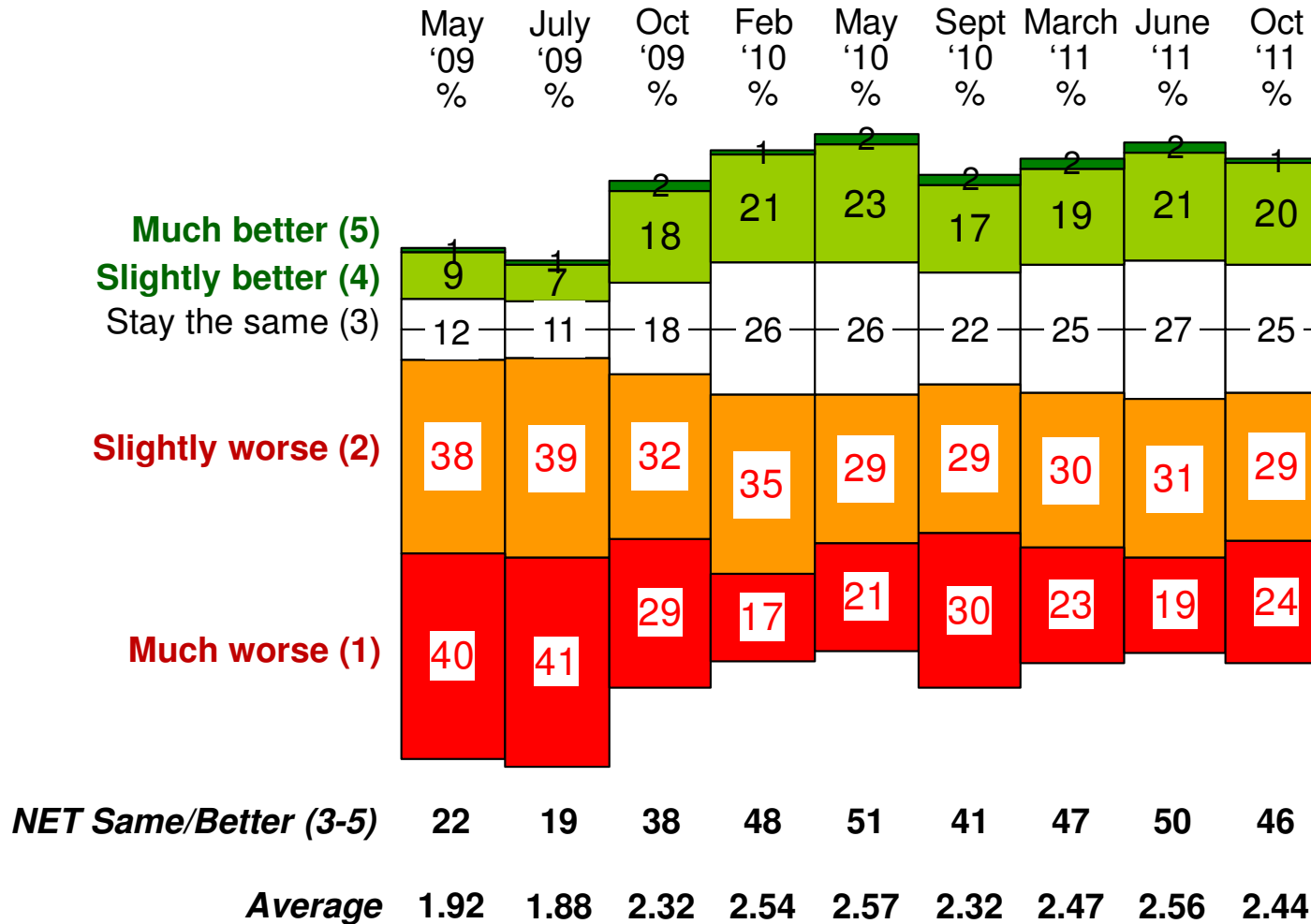


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Yet, the fears for the global economy only have a limited impact on how we believe the Irish economy will fare



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



✓ More than 1 in 5 expect the Irish economy to improve over the next 6 months.

✓ Almost half do not expect our economy to worsen over the next 6 months.

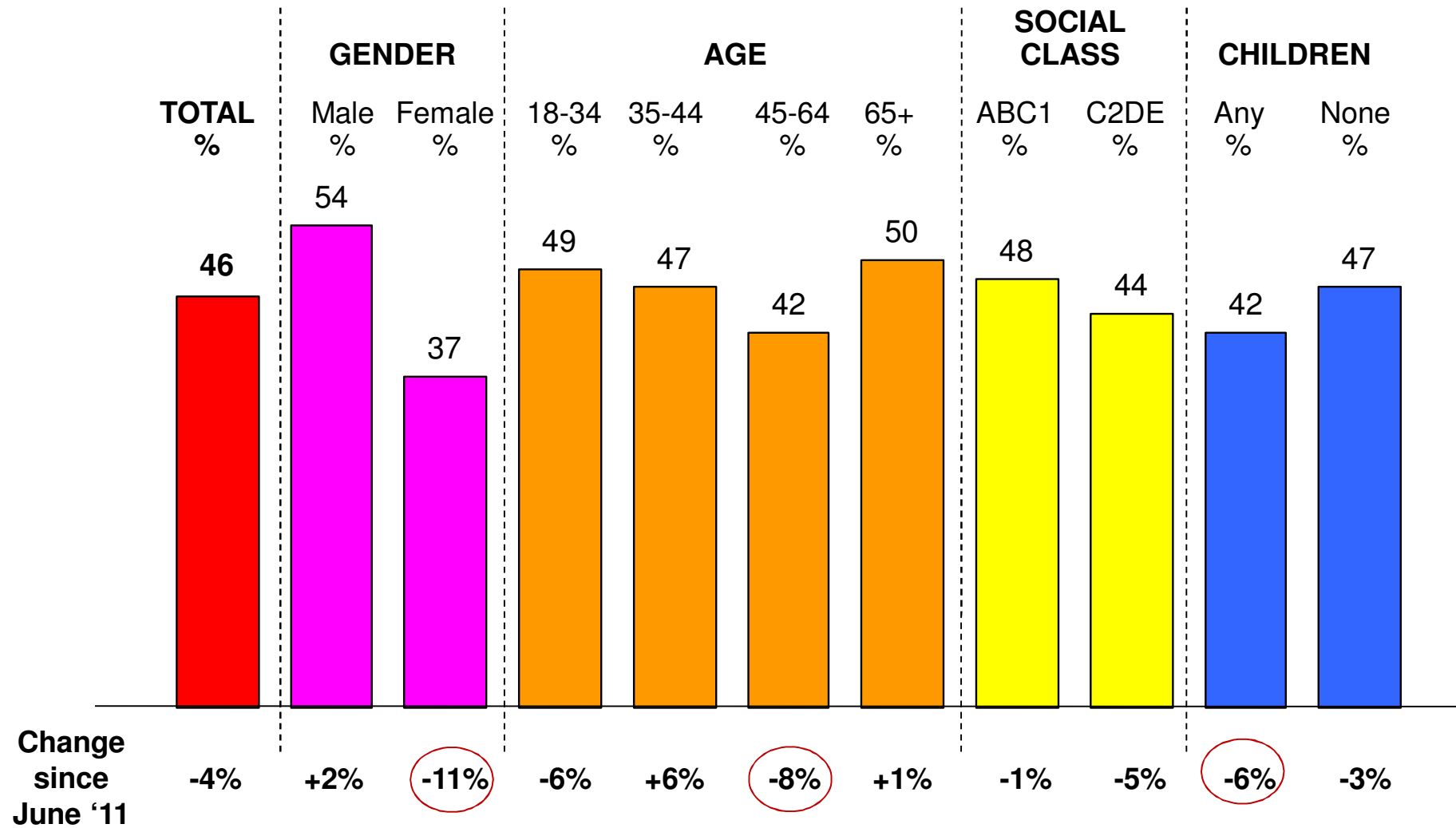


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We see significant declines in expectations of the Irish economy among females and families – these groups are more negative than average

Expectations for the Irish economy 6 months from now

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

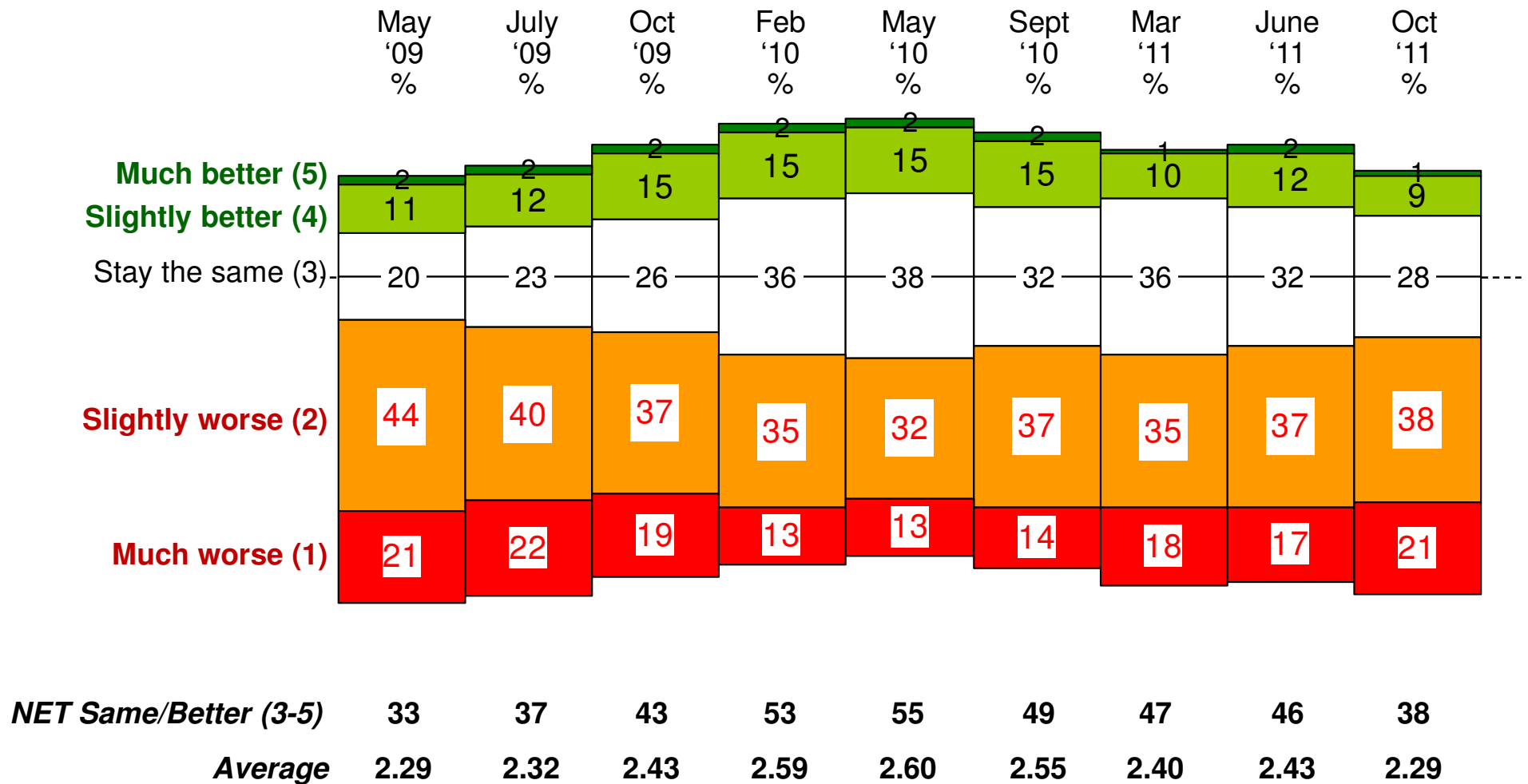




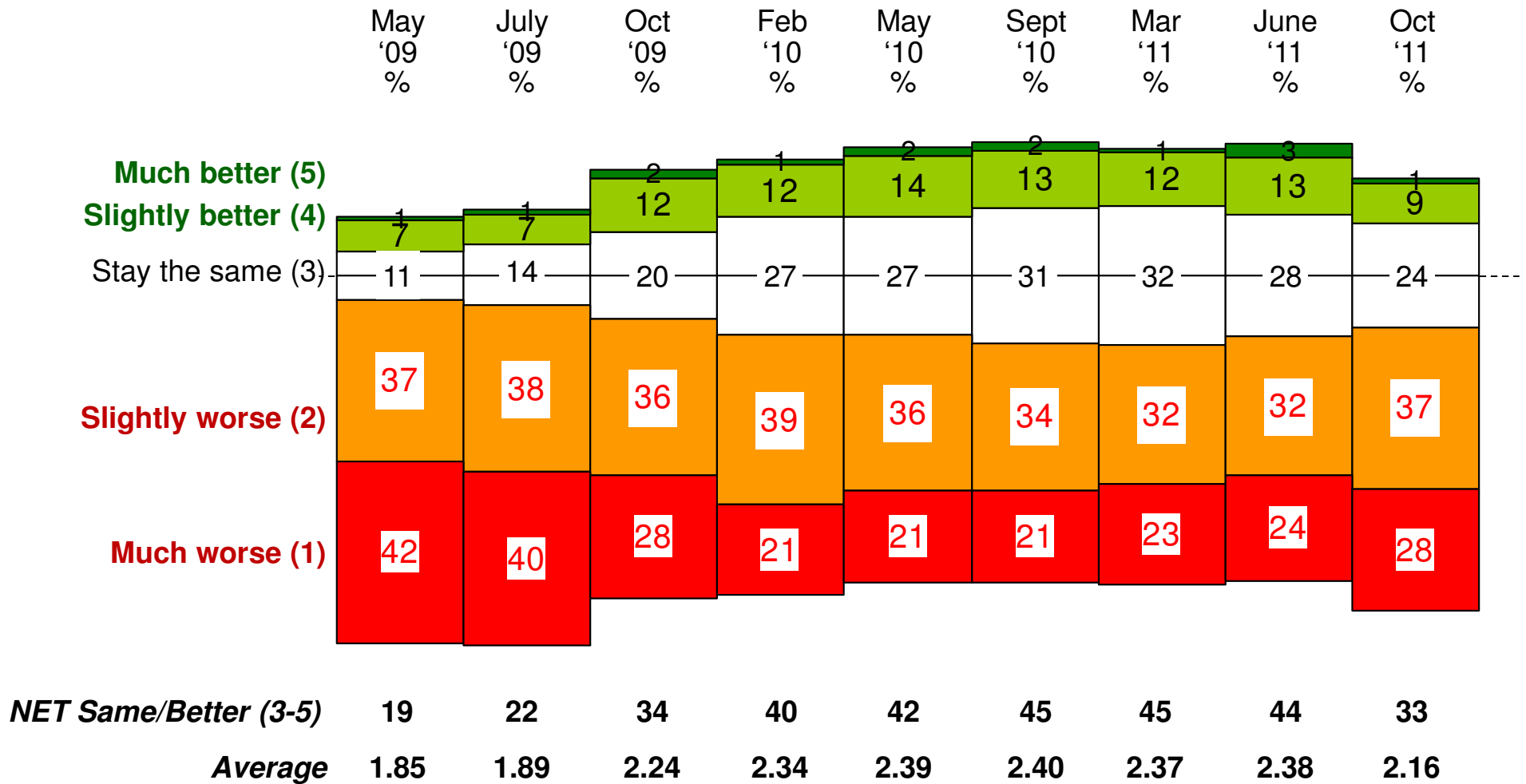
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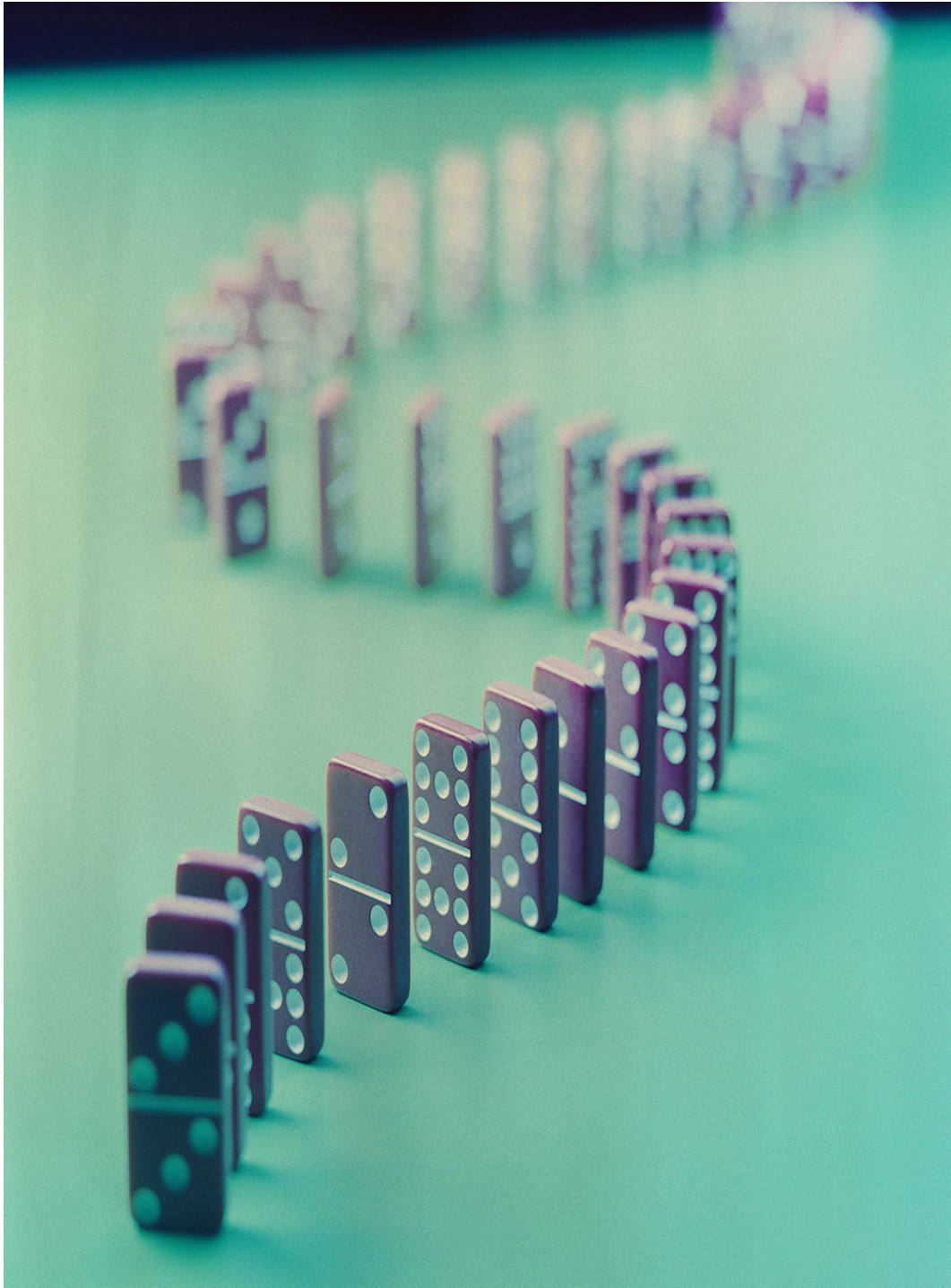
The fears of a global recession have impacted our expectations of both the housing market and job security

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?

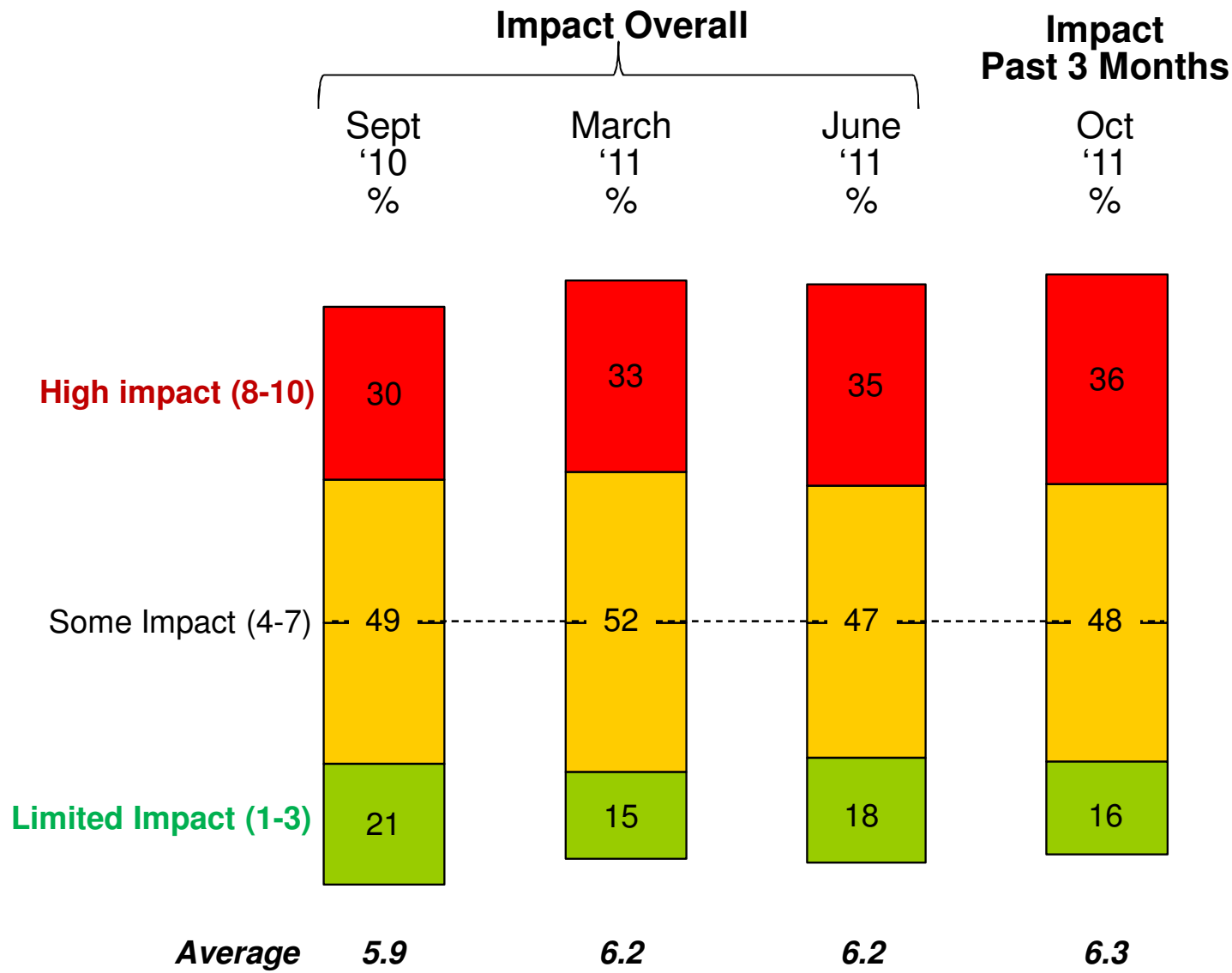




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The recession continues to have a negative impact on us and more people feel impacted in the past three months than a year ago

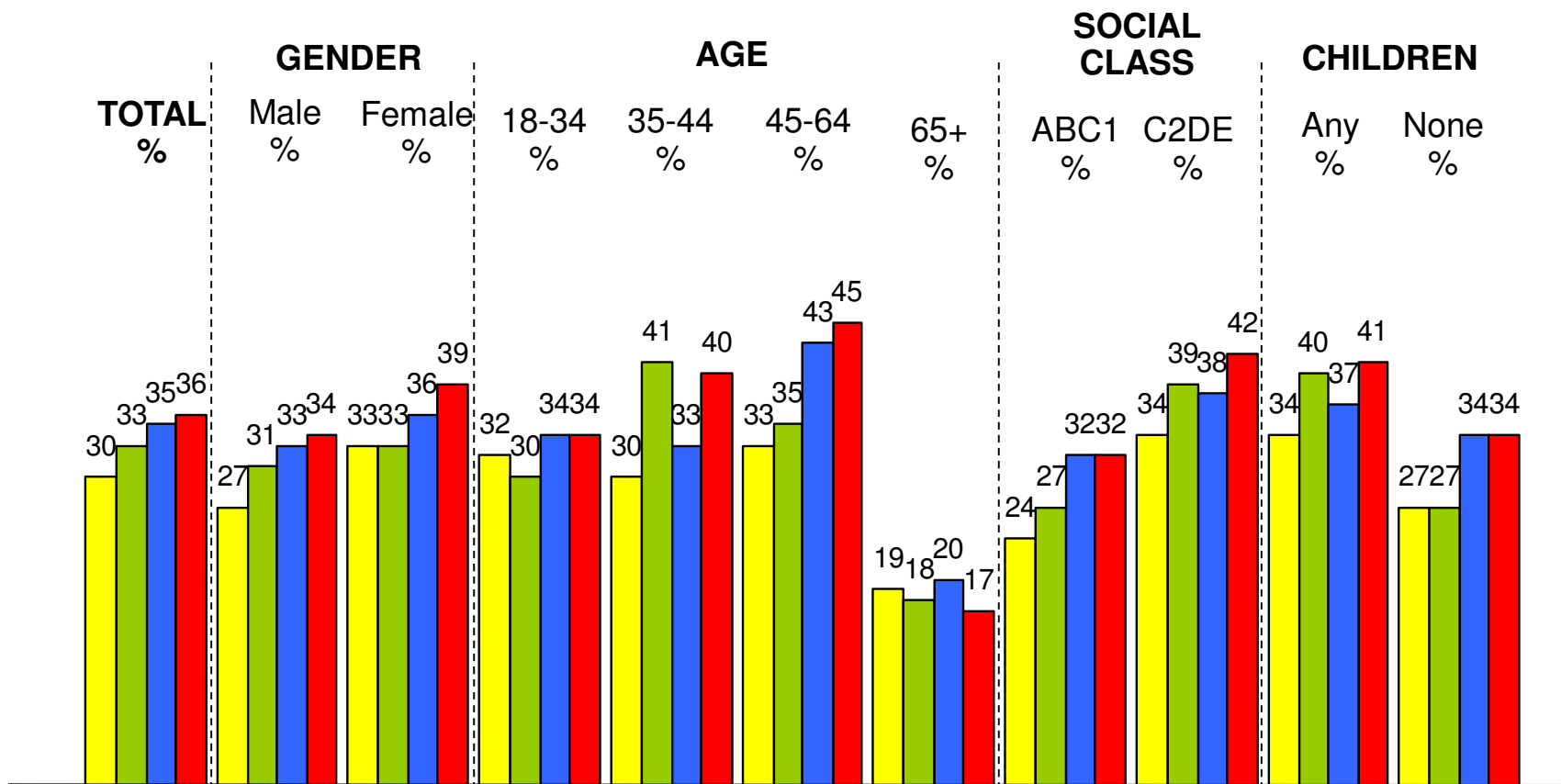
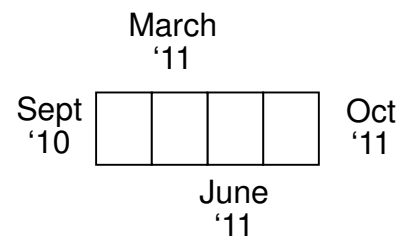
Personal Recession Impact – Overall



✘ More than 1 in 3 feel that the recession has had a high impact on them in the past three months.

Personal Recession Impact Overall

– Net High Impact (8-10)



Those aged 45-64 feel more impacted by the recession in the past three months than any other demographic group.



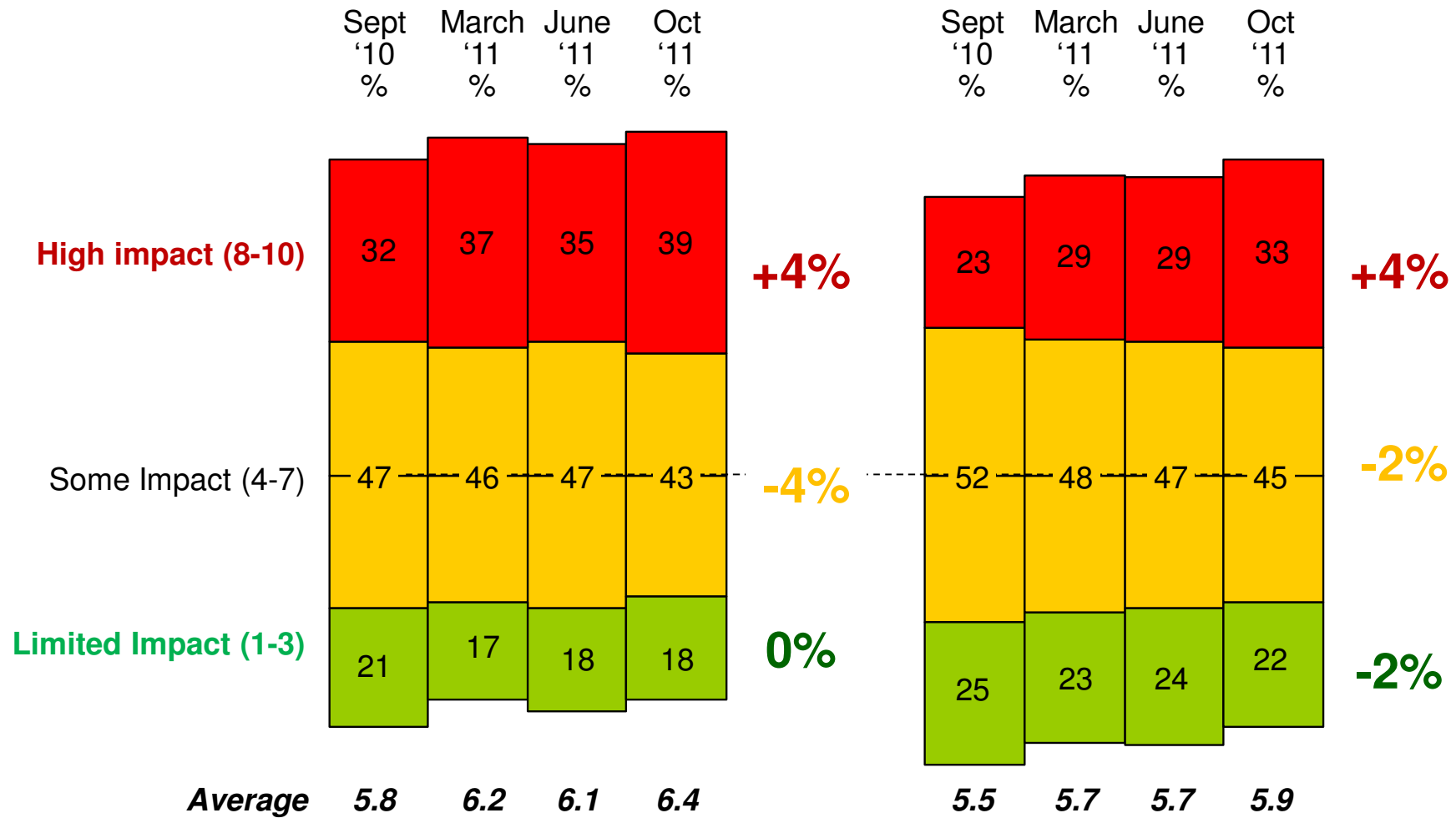
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The impact on our monthly spending and way of life has increased together with an increase in impact on job security among full time workers.

Impact of Recession on....

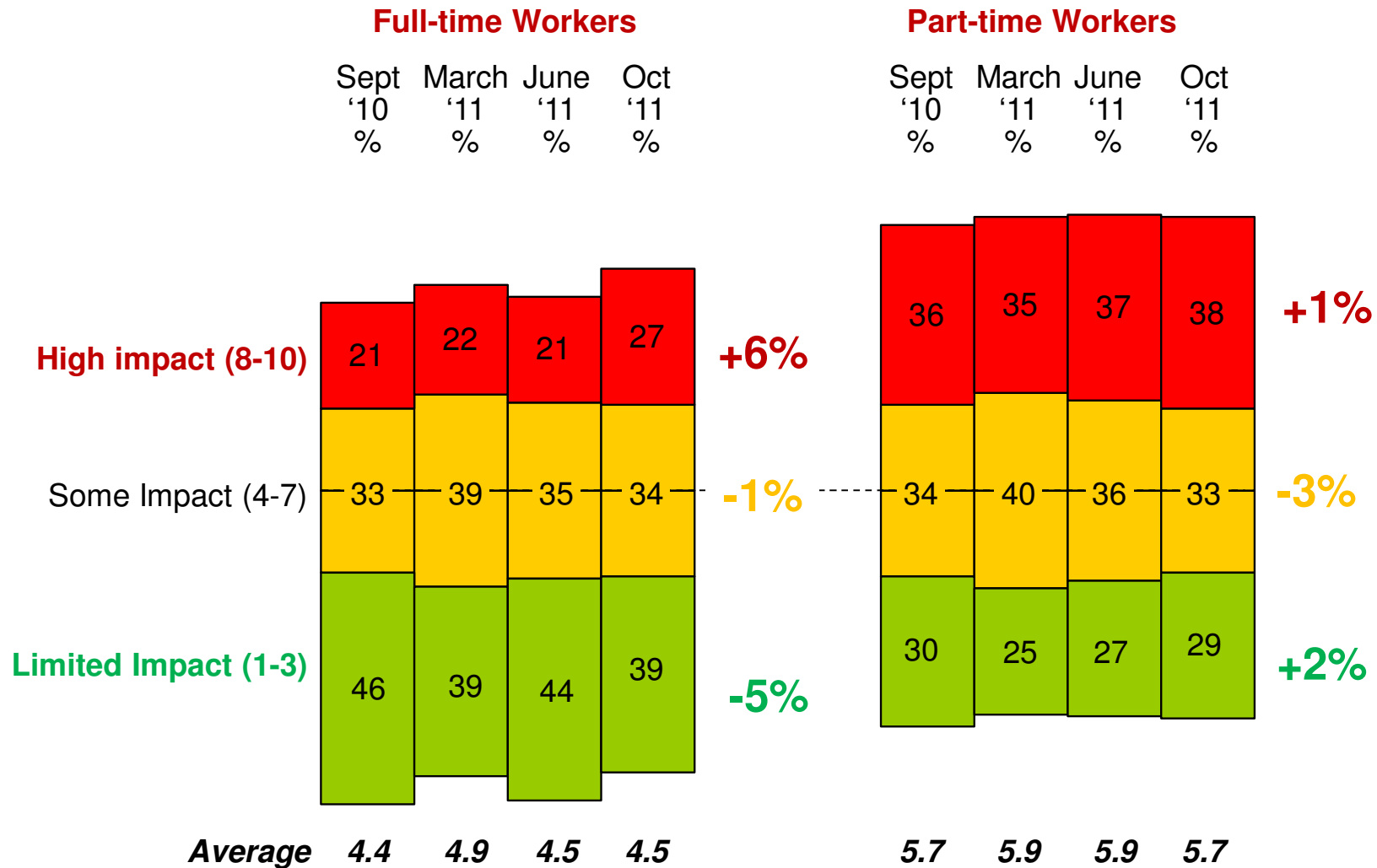


Monthly Spending

Your Way Of Life



Impact of Recession on Job Security





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There is an decline
in happiness
among Irish
consumers since
last year, with more
people suggesting
their quality of life,
motivation and
energy has
declined

Change Compared To Same Time Last Year in

Sep '10 Oct '11



Quality of Life %



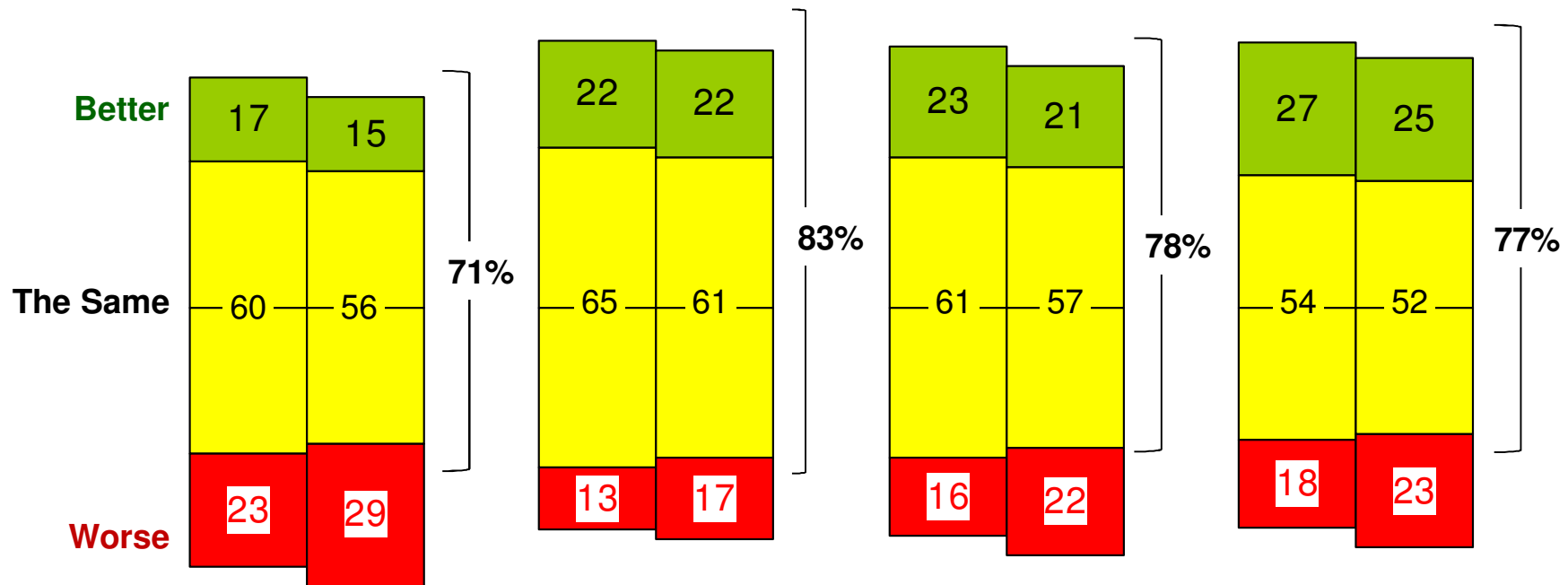
Your Happiness %



Your Energy for Life %







Your Motivation %



Our happiness has decreased since last year but 3 in 5 remain as happy now as they were a year ago. We also see a decline in perceived quality of life with almost 1 in 3 claiming to be worse off than a year ago.

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	71	83	78	77
Gender				
Male	72	85	82	80
Female	71	81	74	75
Age				
18-34	78	80	77	76
35-44	60	84	78	73
45-64	64	82	76	75
65+	85	89	83	89
Social Class				
ABC1	71	86	81	79
C2DE	70	79	76	75

Those aged 65 and over have seen a greater positive impact on quality of life and happiness compared to a year ago.



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Consumers are considering increasing their spend on socialising and consumer goods over the next 12 months

... but grocery spend is expected to remain unchanged

Likelihood to increase spend in...

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Entertainment
such as going out,
eating, drinking or
socialising



Sept '10	Mar '11	June '11	Oct '11
%	%	%	%

Grocery
spend



Sept '10	Mar '11	June '11	Oct '11
%	%	%	%

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



Sept '10	Mar '11	June '11	Oct '11
%	%	%	%

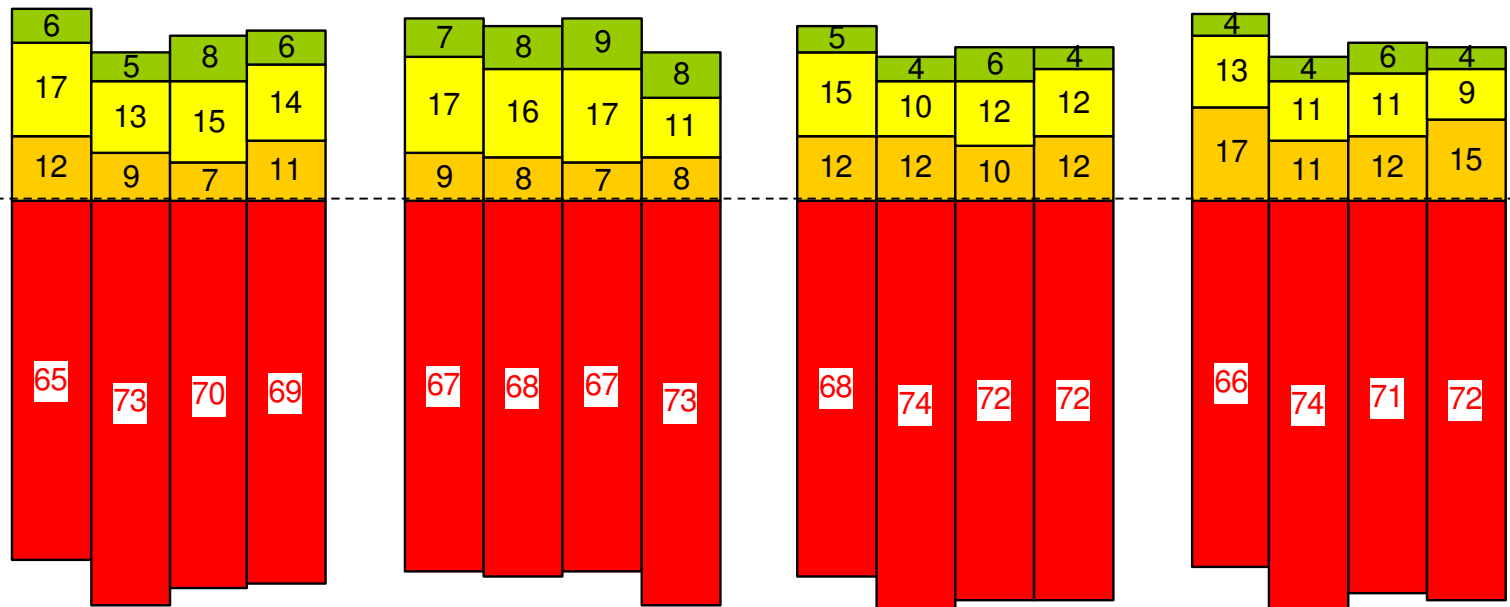
Holidays
and short
breaks



Sept '10	Mar '11	June '11	Oct '11
%	%	%	%

Already increased
Likely to increase
in next 6 months
Likely to increase
in next 12 months

Not likely to
increase



Compared to June 2011, less people claim to have increased spend. However, more people intend to start spending on entertainment and consumer goods over the next year.

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



% Likely to increase spend in next 12 months	Entertainment	Grocery Spend	Consumer Goods/ Services	Holidays/ Shorter Breaks
Total	26	19	23	24
Gender				
Male	24	16	22	24
Female	27	21	25	24
Age				
18-34	35	20	32	34
35-44	28	23	24	27
45-64	18	15	15	15
65+	16	17	19	14
Social Class				
ABC1	28	19	26	27
C2DE	24	19	22	22



Summary...



- The situation in Greece/Europe is causing great concerns among Irish consumers with the worst expectations for the World economy recorded since February 2009.
- This has led to decreased spend and increased concerns over job security and the housing market.
- Yet, expectations for the Irish economy remain relatively unchanged – perhaps indicating a cautious optimism for the Irish situation.



Summary...



- There is potential for increased spend on socialising and consumer goods if consumers can be assured that the European debt problem will not affect them personally.
- The majority of the Irish remain as happy as last year but the proportion of people that are less happy (and less motivated/less energy for life) has increased.



Methodology – RED Express



- 1,000 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 12th wave of the credit crunch tracking – fieldwork was conducted the 18th-20th October 2011.

