



Consumer Confidence on the Rise - Increased Consumer Spend Imminent

Credit Crunch Tracking
October 2013



Increased Consumer Spend Just Around The Corner?

- ✓ Consumer confidence is on the rise *across the nation* with people across life stages feeling more positive about the Irish and World economy.
- ✓ A two tier economic outlook is apparent – with those in Dublin far more optimistic than those outside of the capital
- ✓ Less consumers claim to have been negatively impacted by the economic climate recently and, as a result of this, we see signs of recovery in terms of consumer spend.
- ✓ Consumer spend, however, increases at a much slower pace than the improvements in confidence – indicating that further confirmation and consolidation of current outlook is required for spend to fully take off.
- ✓ We also feel happier and more energetic than a year ago – underlining the opportunity to kick start spend if the positive news continue.

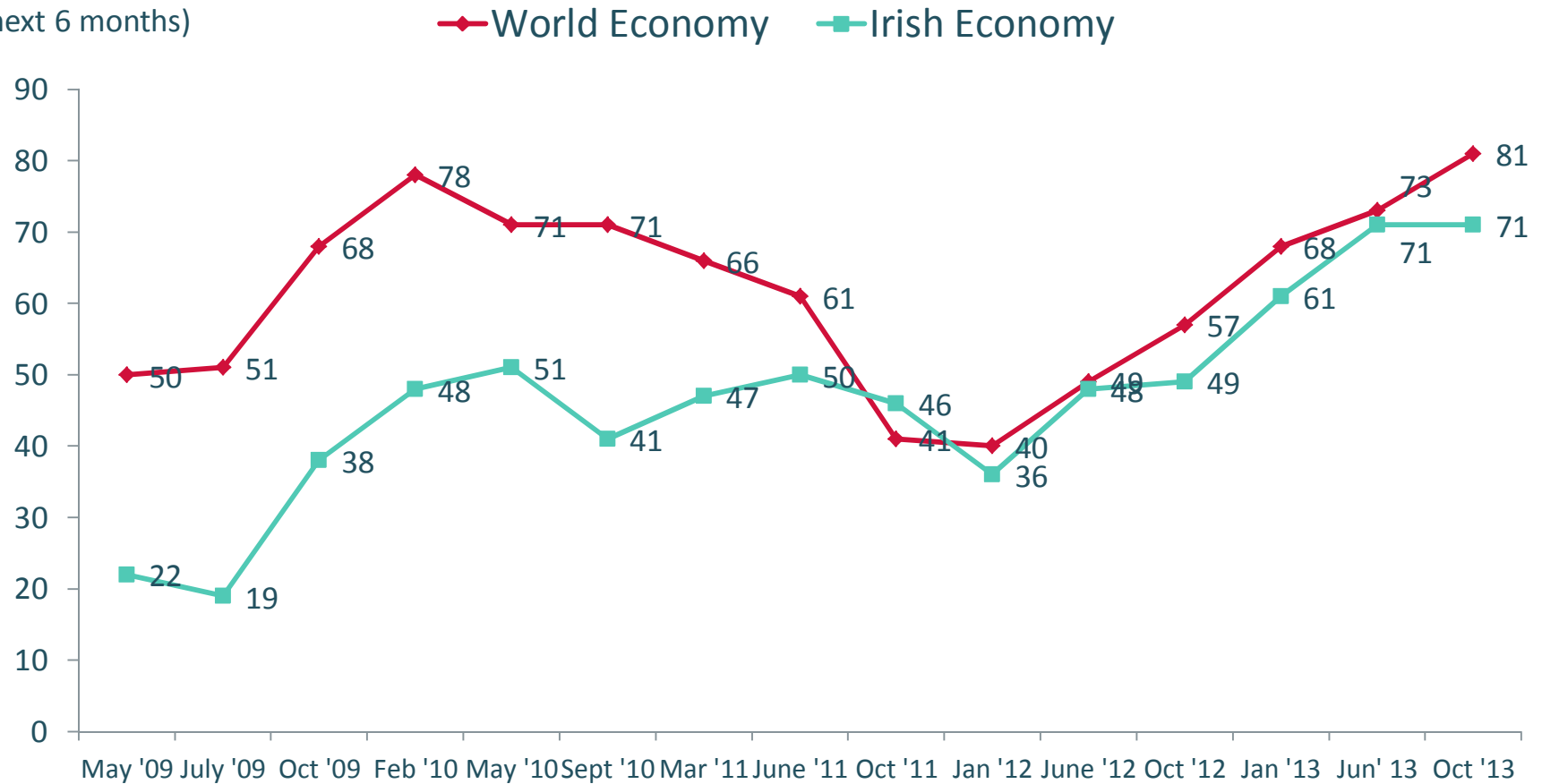




Consumer confidence continues to increase with more and more people feeling the Irish economy will fare better in the next 6 months

Outlook for World Economy Continues to Rise

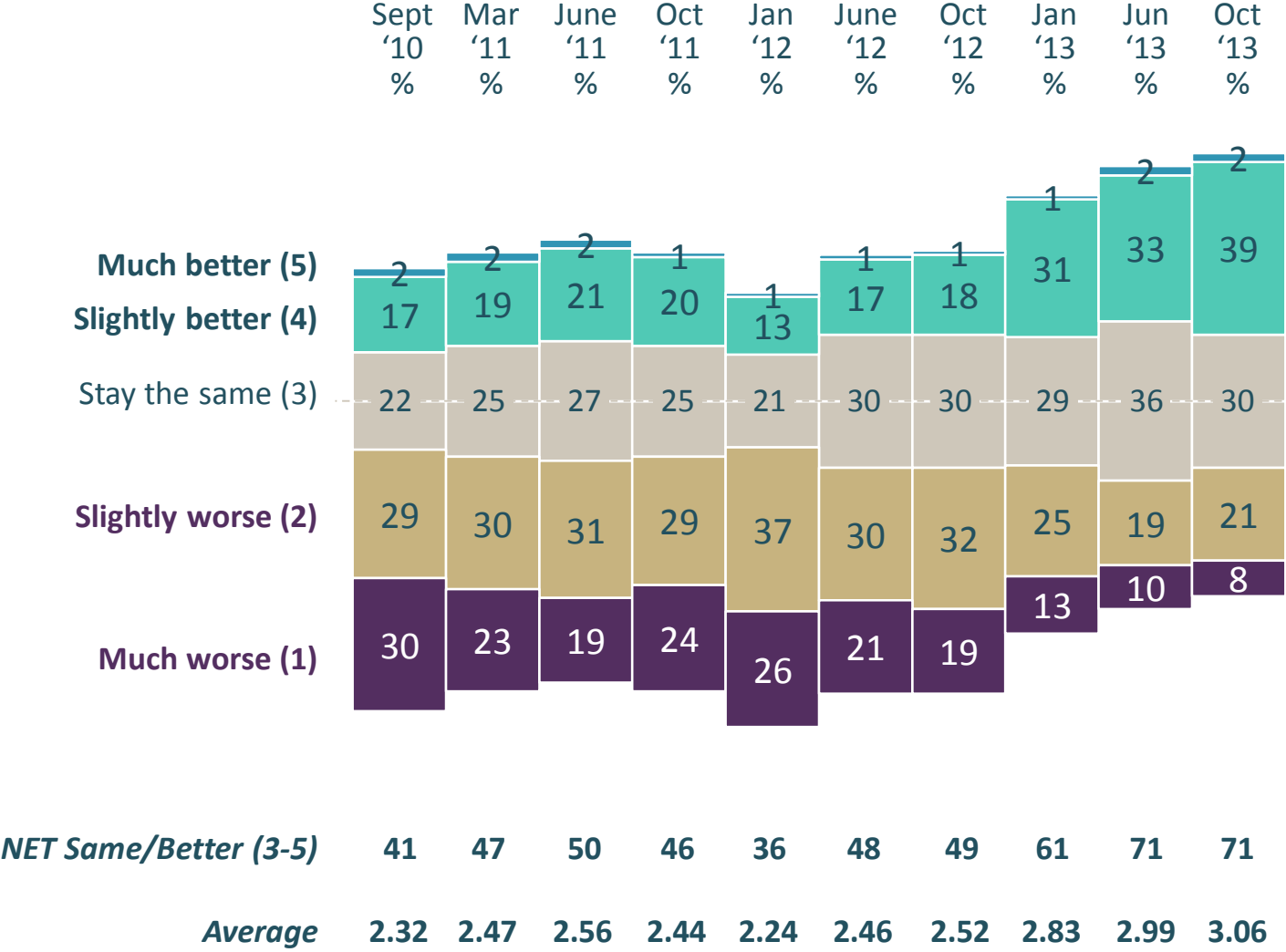
% NET Better/Same
(next 6 months)



Consumer outlook for the Irish economy remains at the high level recorded back in June while outlook for the World economy has improved further.

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



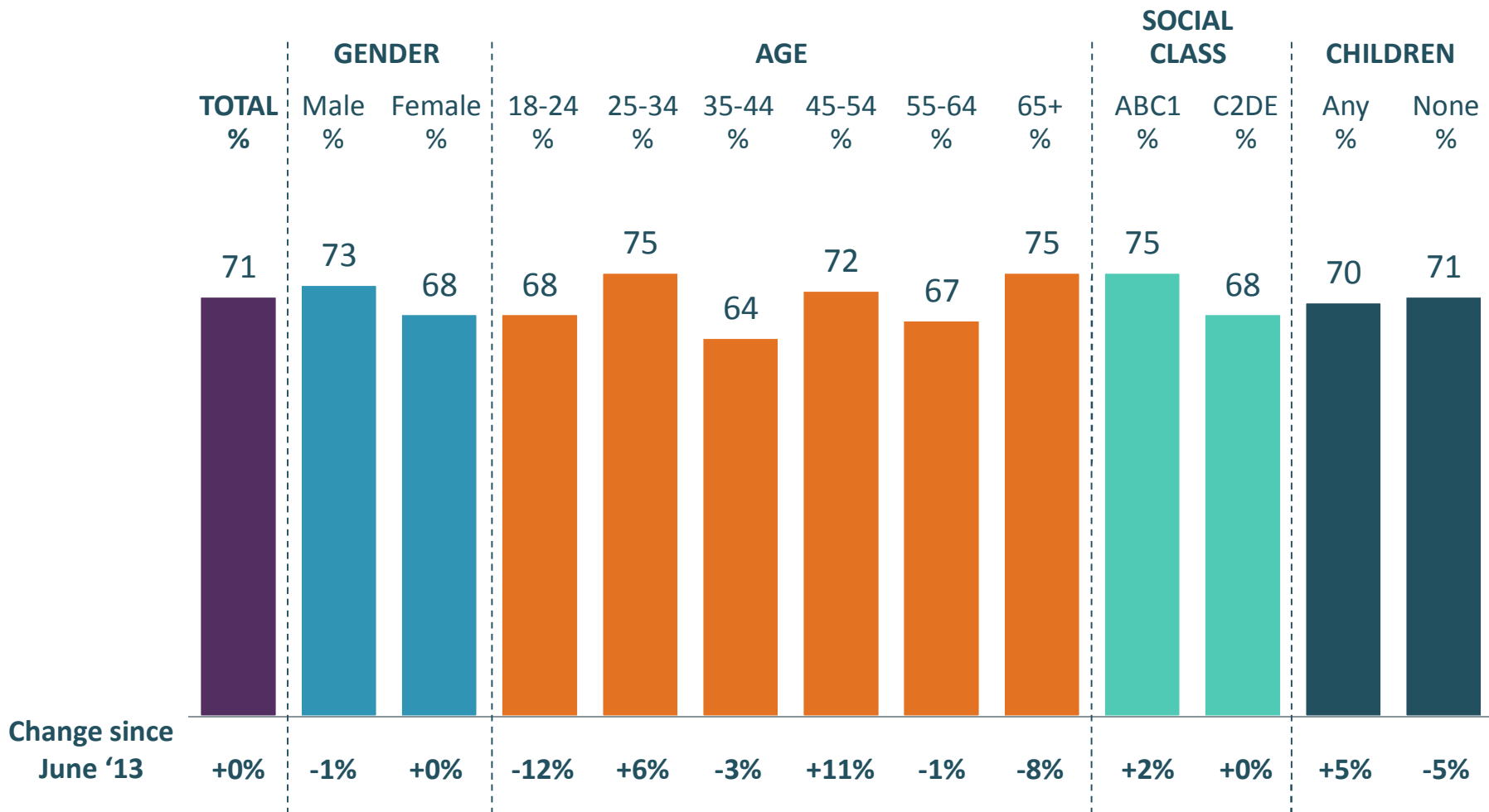
✓ More than 2 in 5 believe that the Irish economy will improve over the next 6 months.

✗ Yet, almost 1 in 3 continue to believe that the economy will fare worse over the next 6 months.



Expectations for the Irish economy 6 months from now

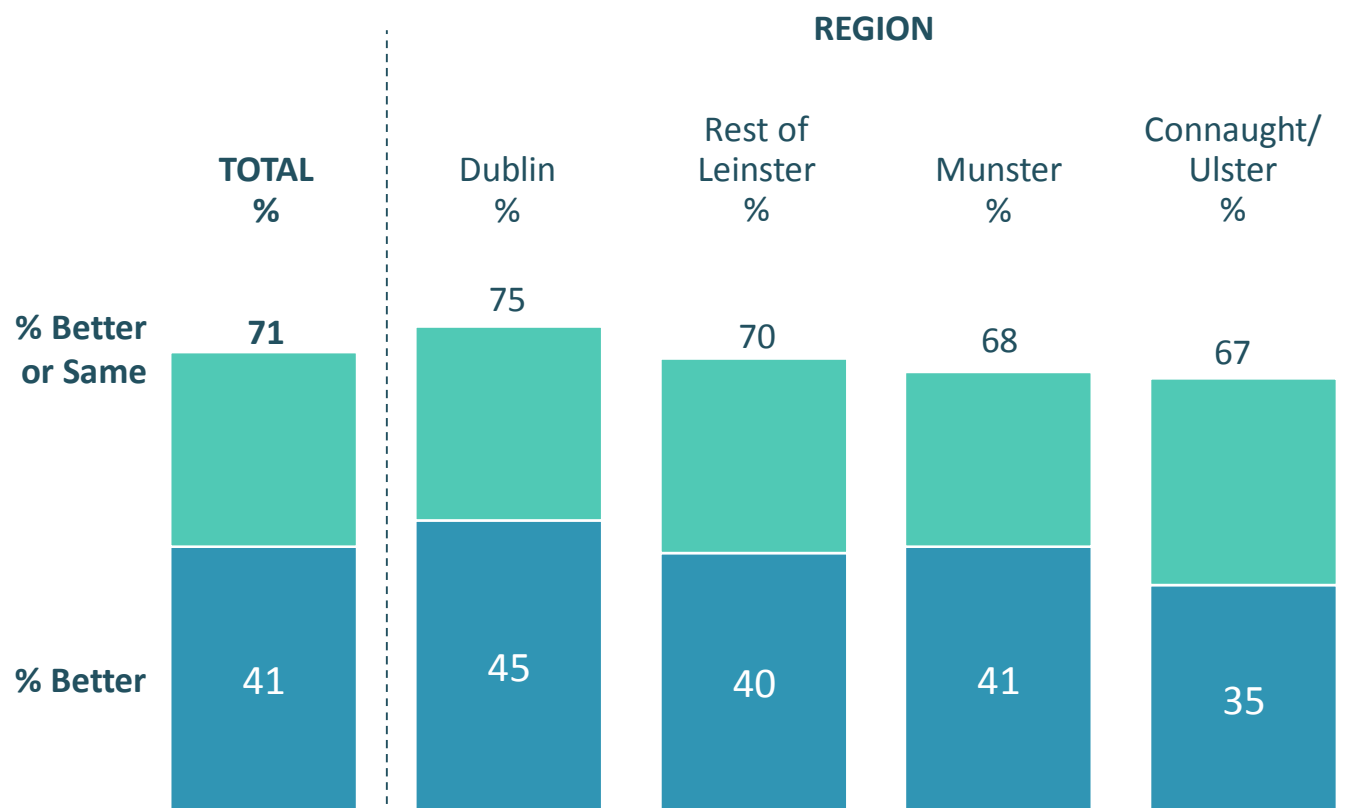
% Stating they believe it will be the same or better



The positive outlook for the Irish economy is shared across age & life stages - with those in more upmarket social groups most positive.

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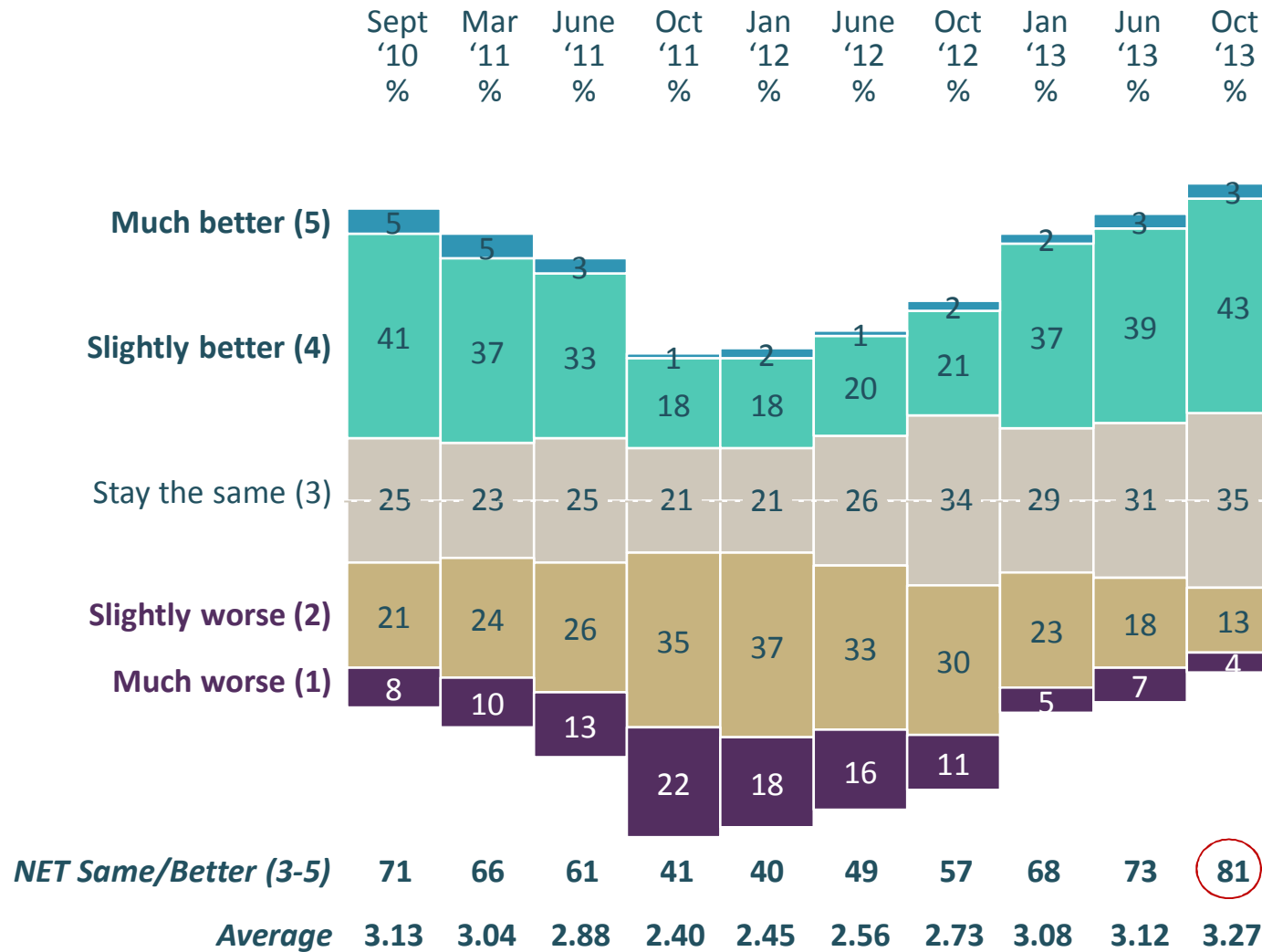
Expectations for the Irish economy 6 months from now



A two tier economic outlook is evident with Dubliners having better outlook than those living outside the capital.

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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.

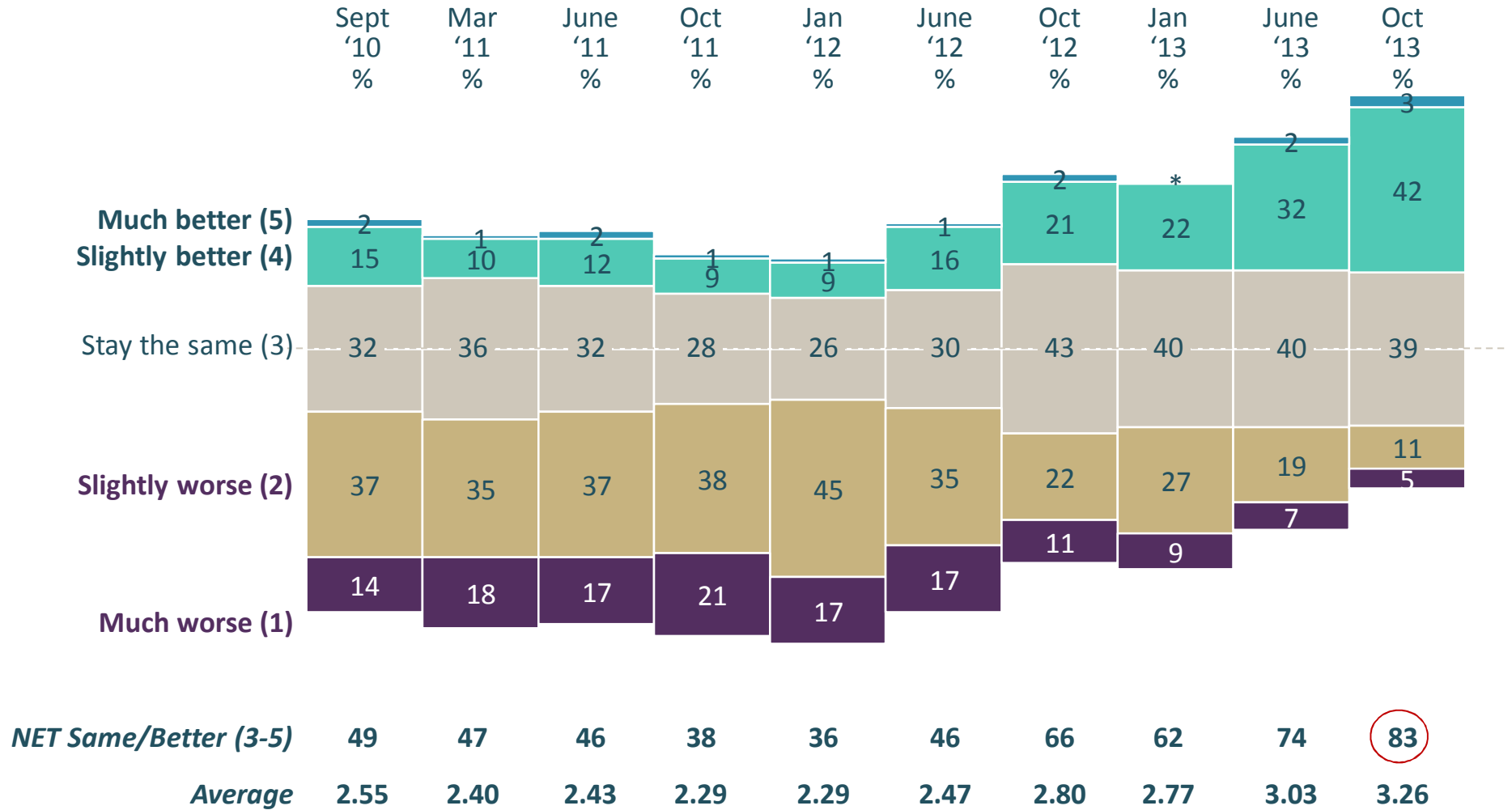
✓ Less than 1 in 5 feel that the World economy will fare worse.



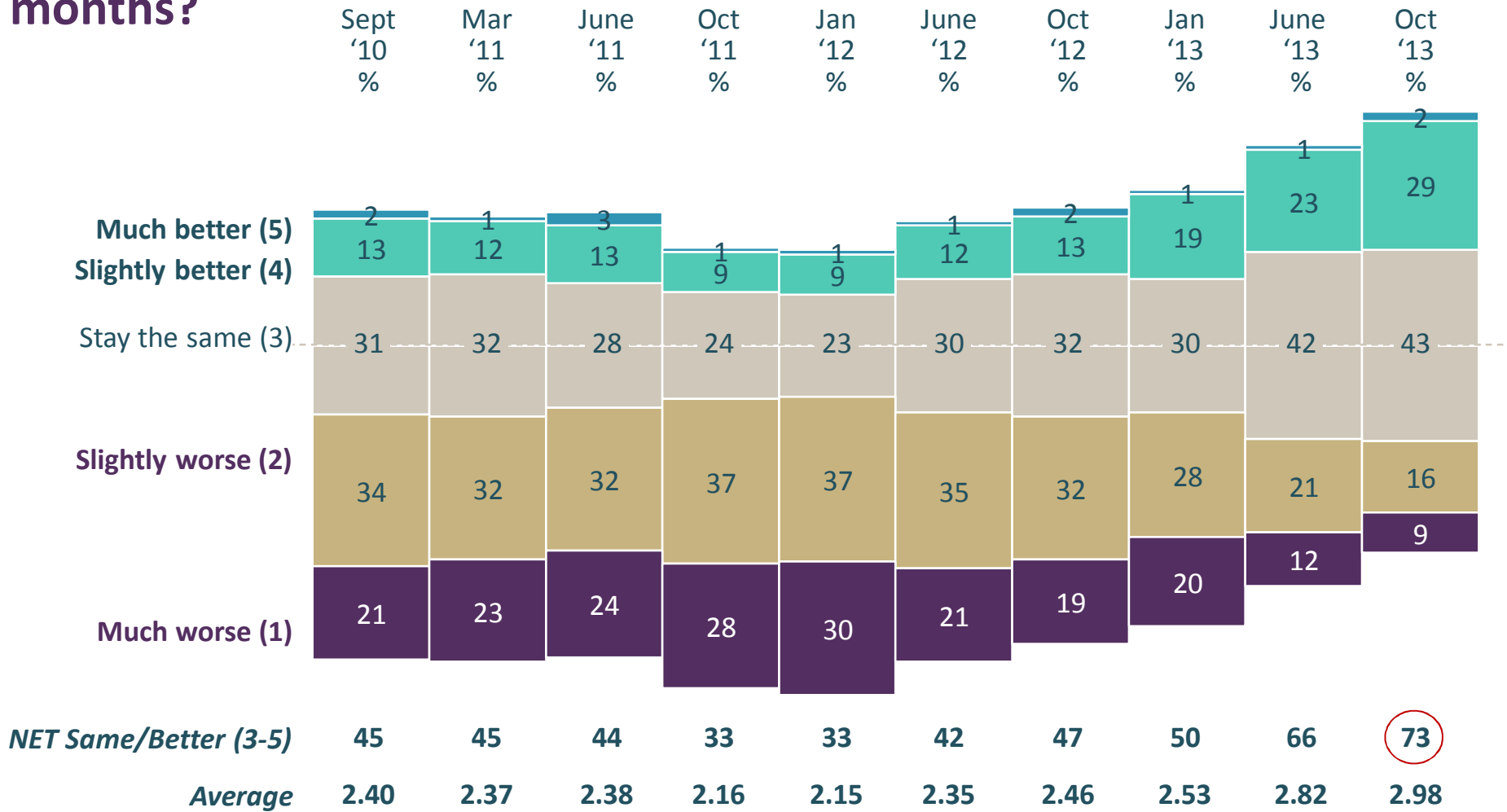


Expectations are also improving for both the housing and job market

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?

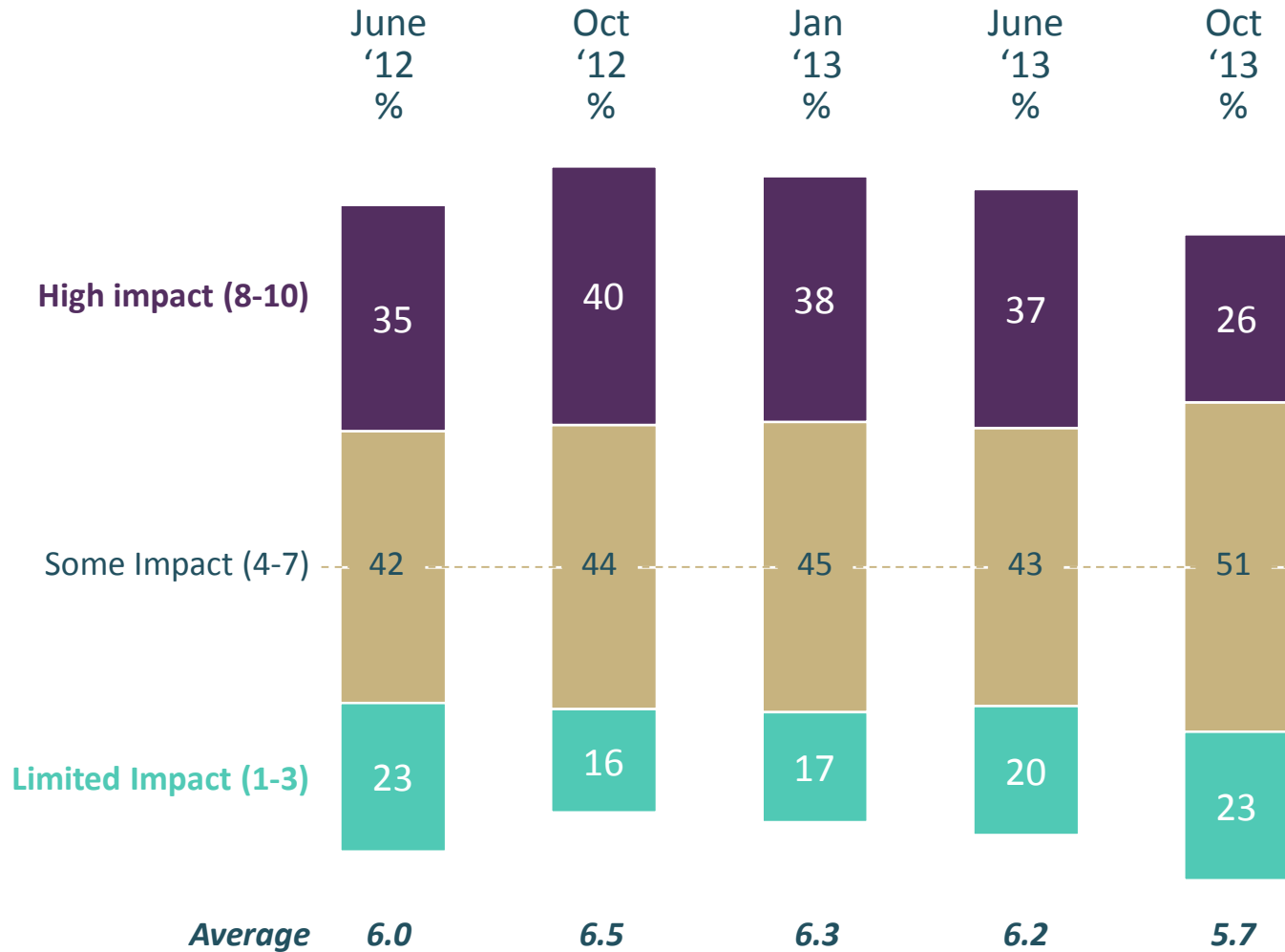




For the first time, we see a significant decline in the proportion of people feeling negatively impacted by the economy in the past 3 months.

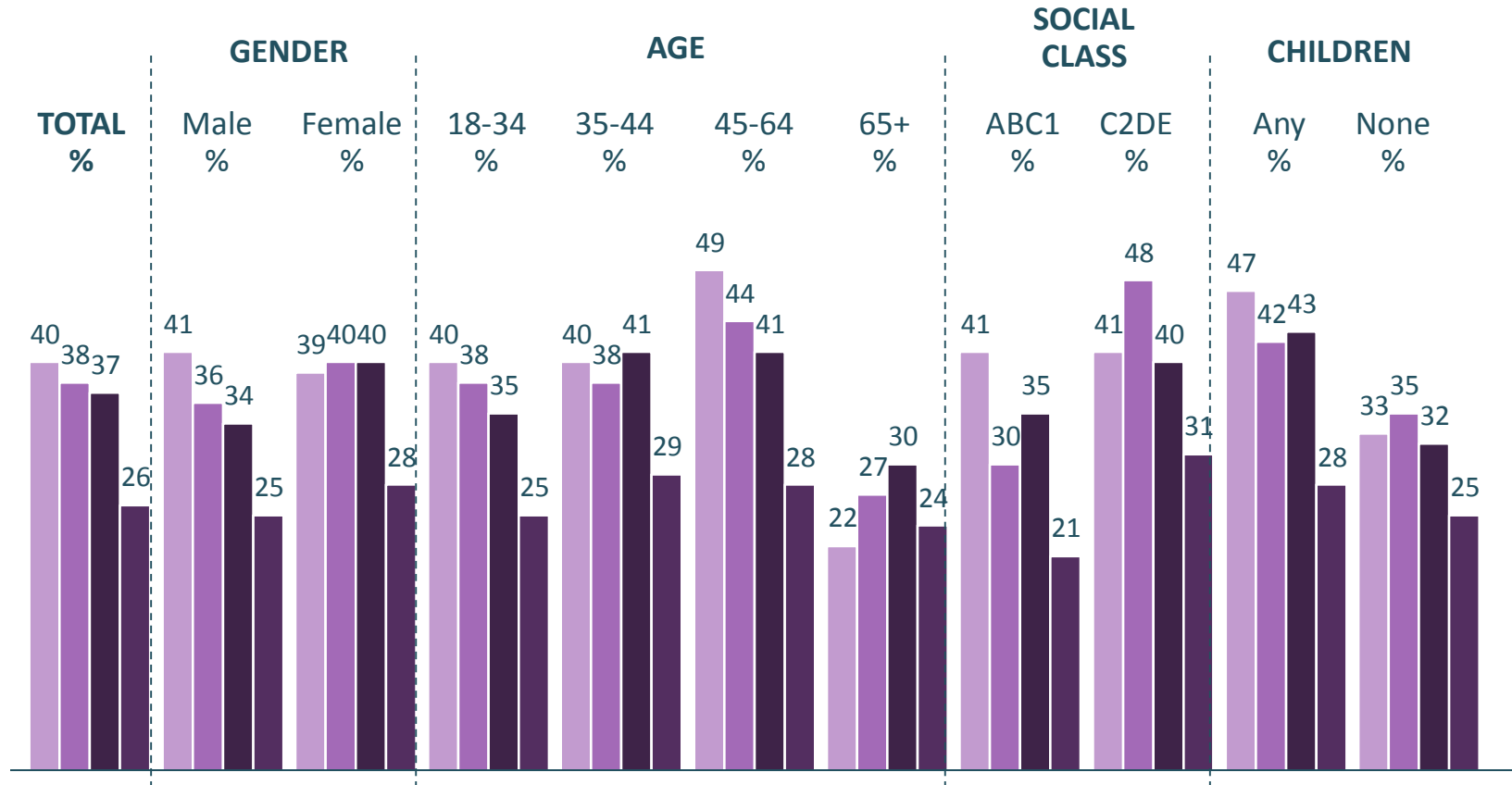
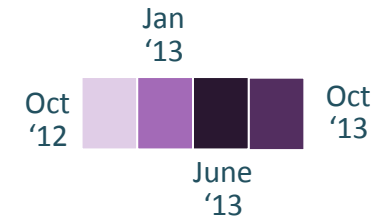
Personal Recession Impact – Overall

Impact Past 3 Months



✓ Only 1 in 4 claim that the recession has had a high impact on them in the past 3 months.

Personal Recession Impact Overall – Net High Impact (8-10)



Most life stages are equally impacted by the recession in the past 3 months but lower social classes continue to be more impacted.

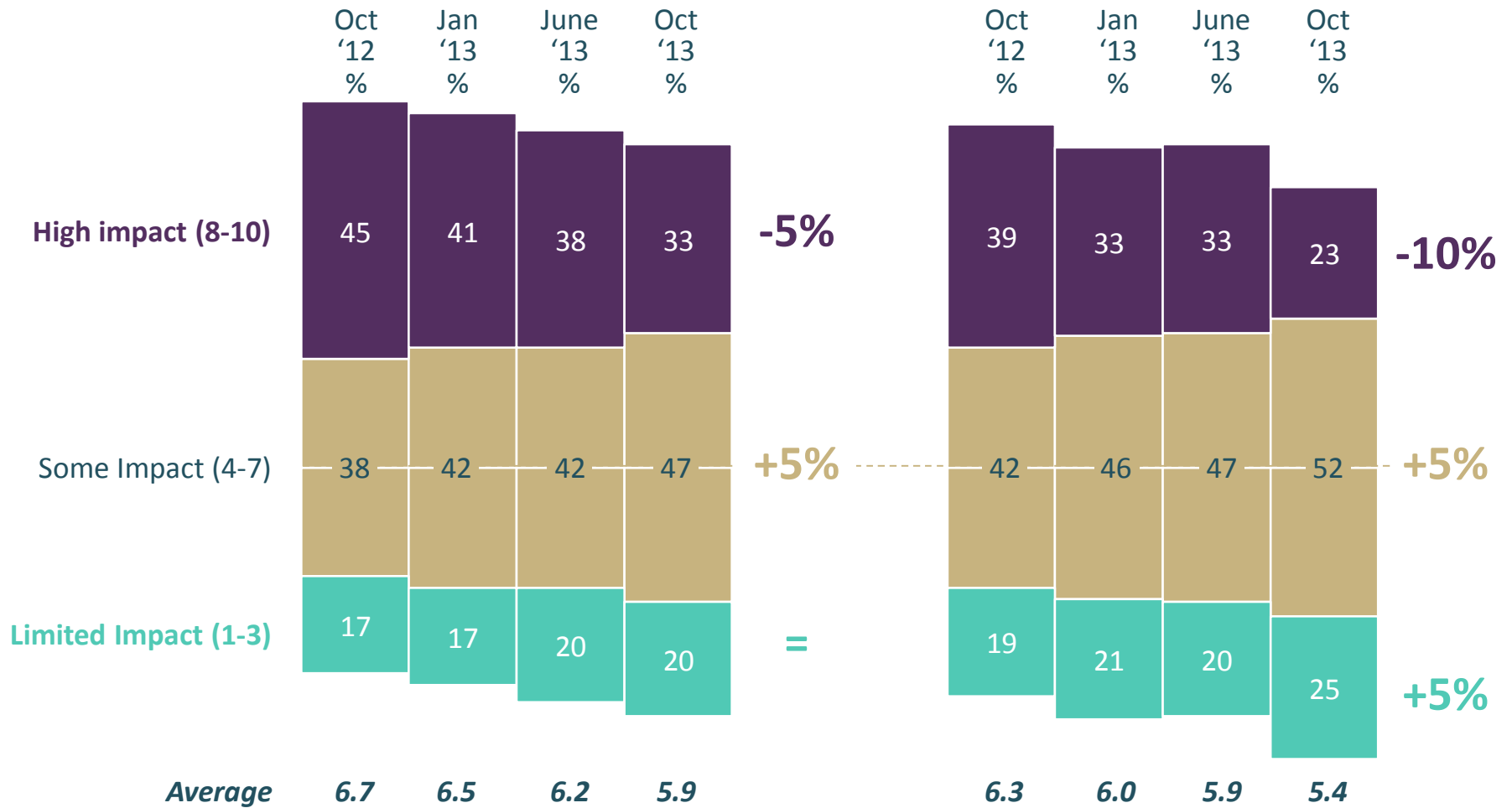


Improvements are also seen in terms of monthly spend and job security, with significantly less people claiming to have been affected in the past three months...

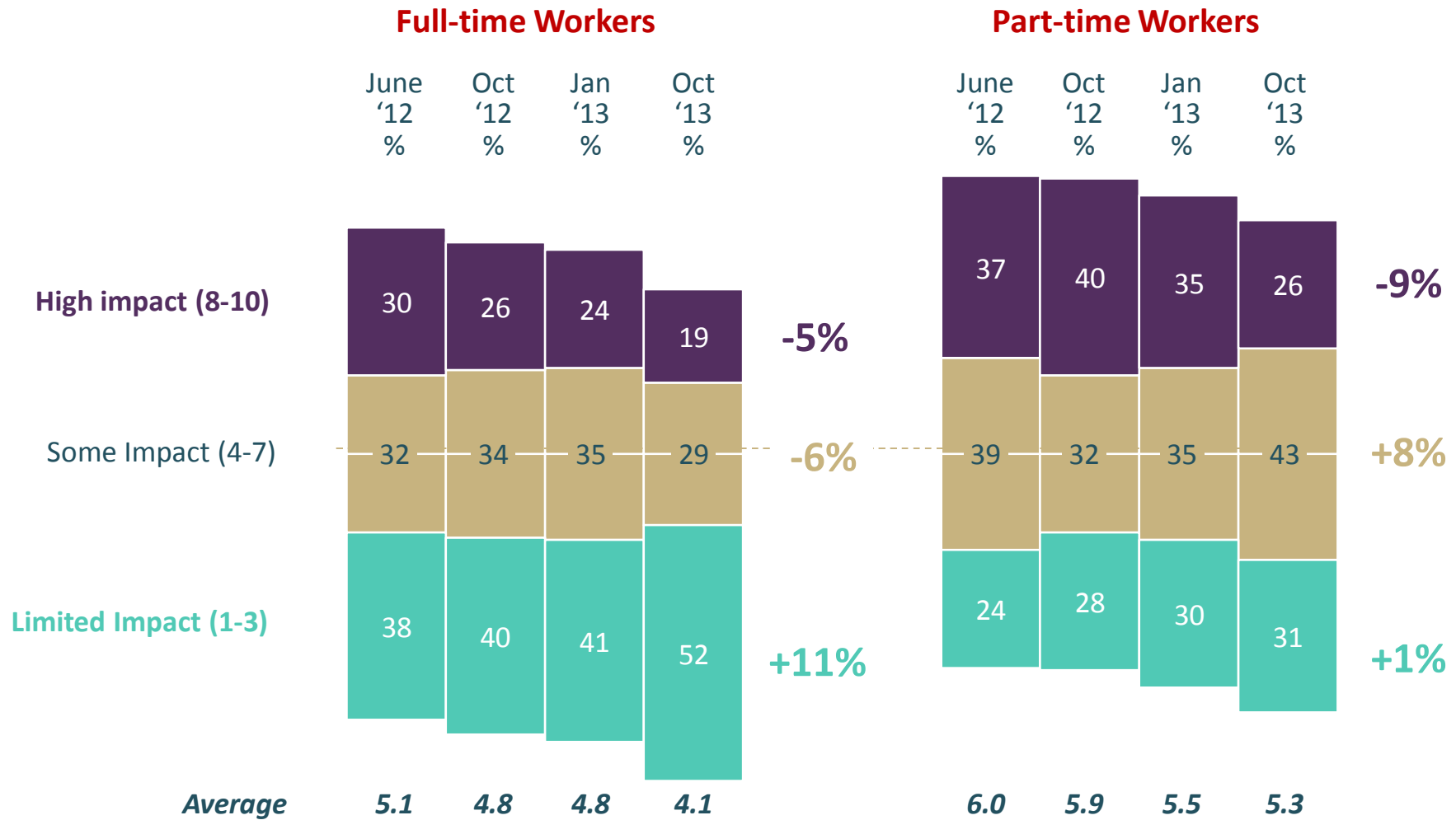
Impact of Recession on....

Monthly Spending

Your Way Of Life



Impact of Recession on Job Security





**The positive news has
furthermore impacted
our happiness and
energy for life – we
are much happier
now than a year ago**

Change Compared To Same Time Last Year in

Oct '12 Oct '13



Quality of Life
%



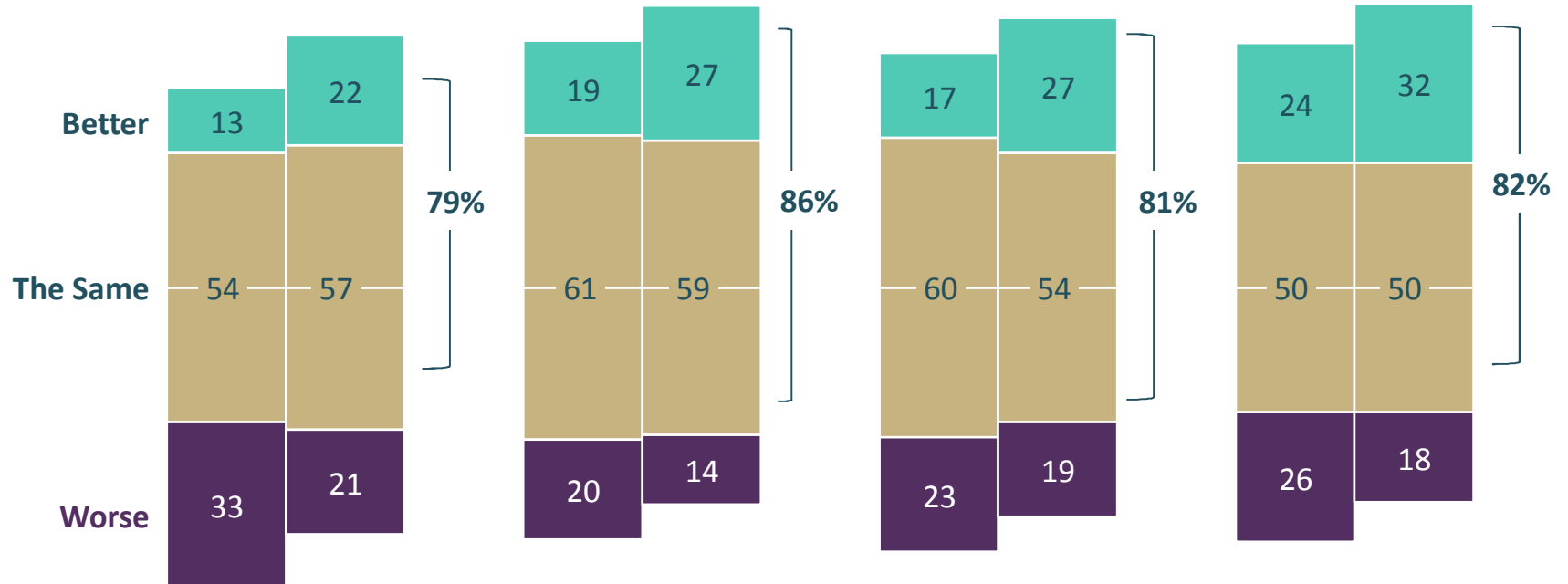
Your Happiness
%







Your Energy for Life
%



Your Motivation
%



Change Compared To Same Time Last Year

% Better/Same as same time last year	 Quality of Life	 Your Happiness	 Your Energy for Life	 Your Motivation
Total	79	86	81	82
Gender				
Male	81	86	84	84
Female	77	86	79	80
Age				
18-24	77	76	85	86
25-34	80	90	83	83
35-44	75	81	80	78
45-54	79	90	86	84
55-64	77	84	79	77
65+	86	91	77	85
Social Class				
ABC1	79	88	84	83
C2DE	77	84	79	80
Region				
Dublin	80	87	87	85
Rest of Leinster	78	86	82	80
Munster	76	84	75	79
Connaught/Ulster	83	88	82	84

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

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The signs of recovery in terms of consumer spend continue – though at a slower pace than the increases in consumer confidence

Expected Changes In Spend Over The Next 6 Months

Jun '13  Oct '13

Entertainment such as going out, eating, drinking or socialising



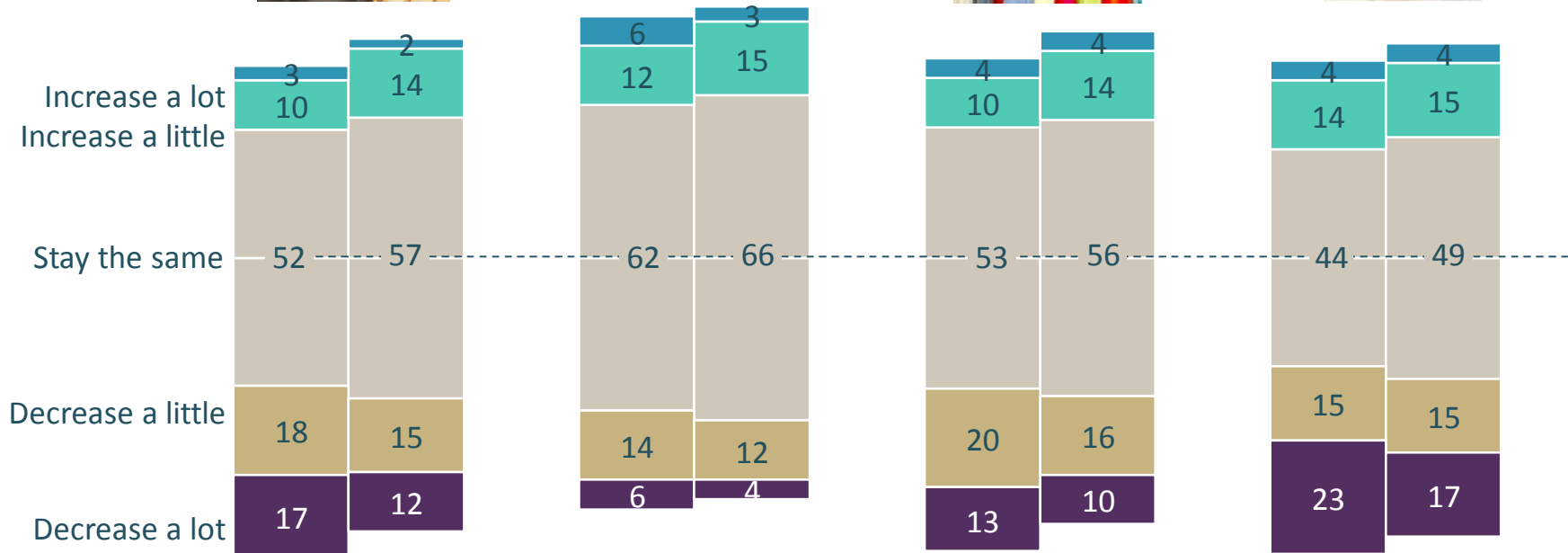
Grocery spend



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 than consumers saying they will reduce spend on this category

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The 18-14 year olds are most likely to increase spend on entertainment, consumer goods and holidays...



% Likely to increase spend in next 6 months	Entertainment	Grocery Spend	Consumer Goods/ Services	Holidays/ Shorter Breaks
Total	16	18	18	19
Gender				
Male	17	20	18	20
Female	16	17	19	20
Age				
18-24	31	17	30	27
25-34	20	18	21	21
35-44	17	19	21	19
45-54	12	19	14	19
55-64	9	18	13	16
65+	11	20	12	17
Social Class				
ABC1	19	20	23	19
C2DE	15	18	16	20
Region				
Dublin	19	19	27	22
Rest of Leinster	16	23	16	21
Munster	13	18	16	14
Connaught/Ulster	16	11	12	22

Summary of Main Findings

- / Consumer confidence has now really begun to take off, with improved outlook for the Irish and World economy, and also for the housing and job markets.
- / Confidence is more equally distributed across life stages than previously seen, indicating the increased optimism takes place across the nation. However a two tier economic outlook is growing – with greater optimism in Dublin than outside the capital.
- / The increased optimism has furthermore penetrated to a personal level with less consumers feeling negatively impacted by the economy. Our mood is also improving and as a nation, we are both happier and more energetic than a year ago.
- / Increasing consumer spend to further kick start the economy remains the key challenge. While we see signs of increased spend, this is coming at a much slower rate than the increases in consumer confidence.
- / Further confirmation and consolidation of confidence and outlook is required for consumers to let go of their cautiousness and start spending at a scale that can be felt in the economy.



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 18th wave of the credit crunch tracking – fieldwork was conducted 21st – 23rd September 2013.



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**THANK
YOU**

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