

Consumer Mood Monitor

*Consumers are planning to Increase Spend
but doubt about World Economy can stop
this from happening*

October 2015
Ref: 06312



Consumers are ready to increase spend following the strong Irish recovery

- ✓ After strong improvements in Consumer Mood over the past 3 years, consumers are now feeling the impact on their personal finances and are ready to start spending again.
- ✓ We see the highest spend intention for socialising and holidays but all product categories are likely to be impacted.
- ✓ Furthermore, the spend intention is across the population, though the younger age groups and those living in Dublin are more likely to increase spend.
- ✓ But the refugee/migration crisis combined with uncertainties about the Chinese economy is pulling consumer confidence down – this is not impacting spend in the short term but could do so long term.
- ✓ The Irish economy is seen as going well with the majority expecting further improvements in the next 6 months, improving job market and stabilised housing market.



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Consumer Mood - Headline Facts

- ✓ **60%** believe the Irish economy will improve in the next 6 months – down from 63% in June
- ✓ **36%** believe the World economy will improve in the next 6 months – down from 45% in June
- ✓ **46%** feel the economic recovery is benefiting them personally – no change from June.
- ✓ **36%** of consumers believe they are living comfortably – up from 34%
- ✓ BUT **23%** are still struggling financially – however this is down from 25%
- ✓ Almost **25%** anticipate spending more goods & services over the next 6 months – this is up circa 5% from June.



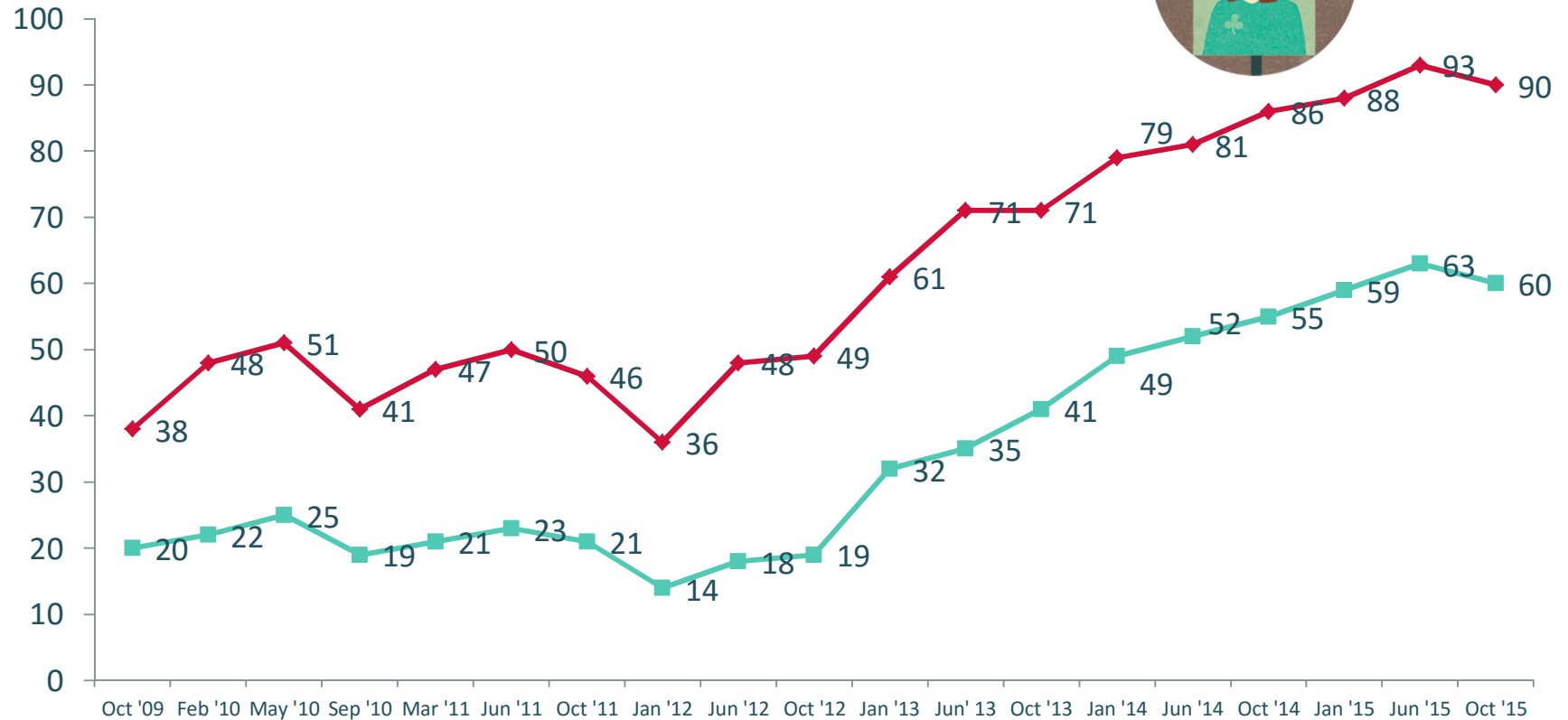


**Consumer Mood
remains high but we
see a decline driven
by uncertainty about
the World Economy**

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

% NET Better/Same
(next 6 months)

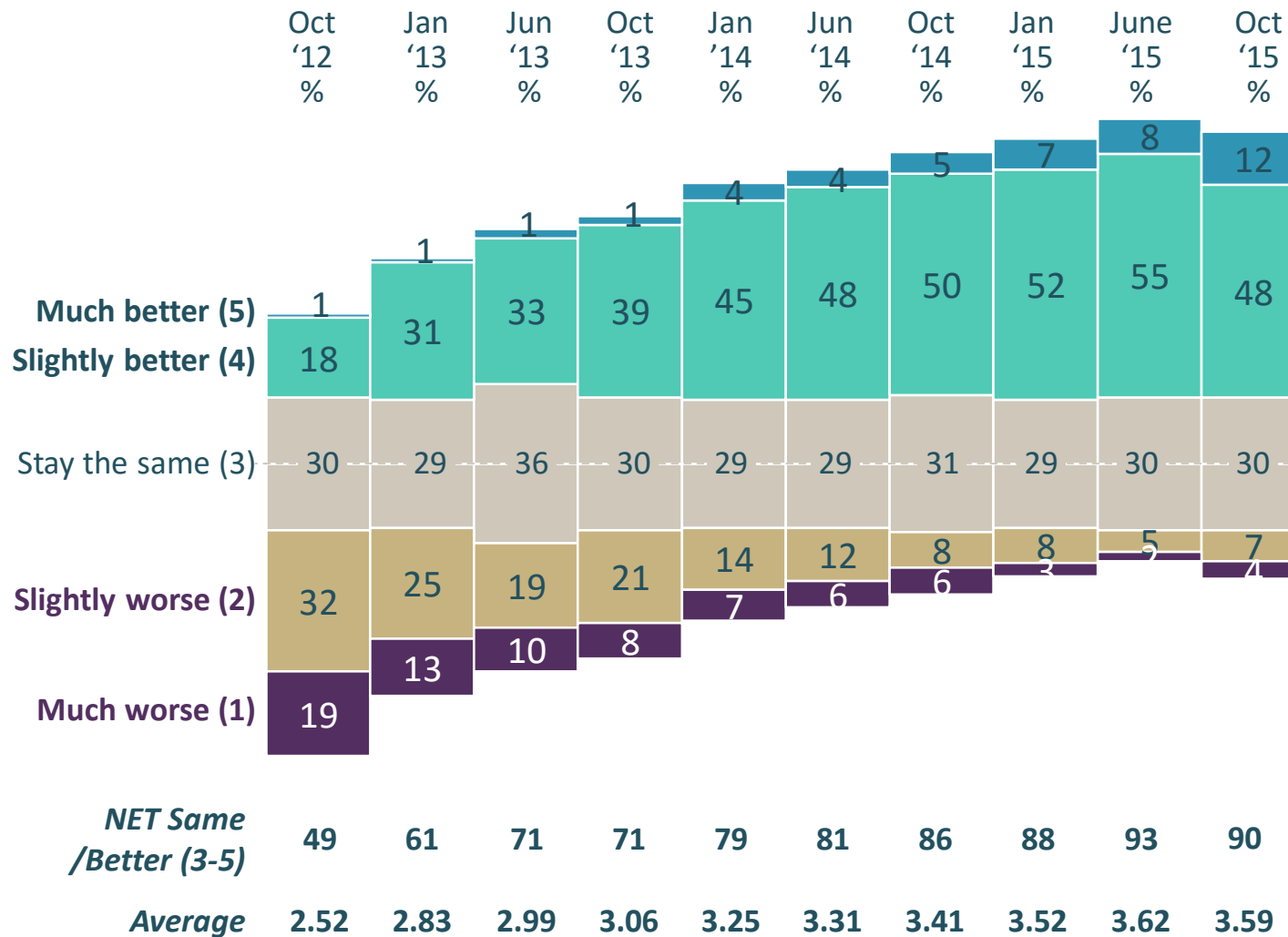
NET Better/Same Better



3 in 5 expect the Irish economy to fare better in the next 6 months – however this is a decrease from June and the first decrease in Consumer Mood for more than three years.

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

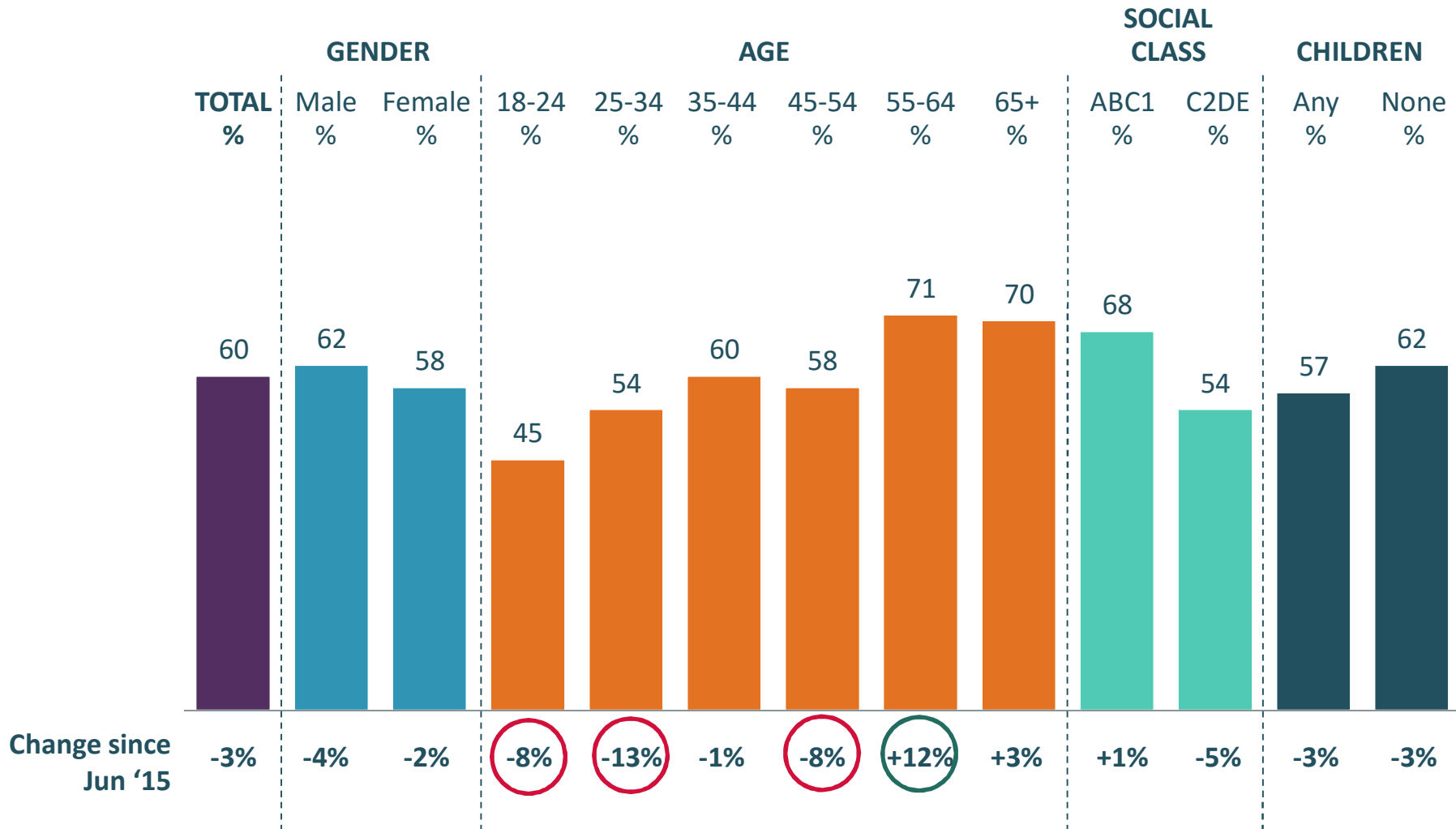


✓ 6 in 10 expect the Irish economy to fare better in the coming 6 months.

✗ 11% expect the economy to be worse in the next 6 months, an increase of 4% from June.

Expectations for the Irish economy 6 months from now

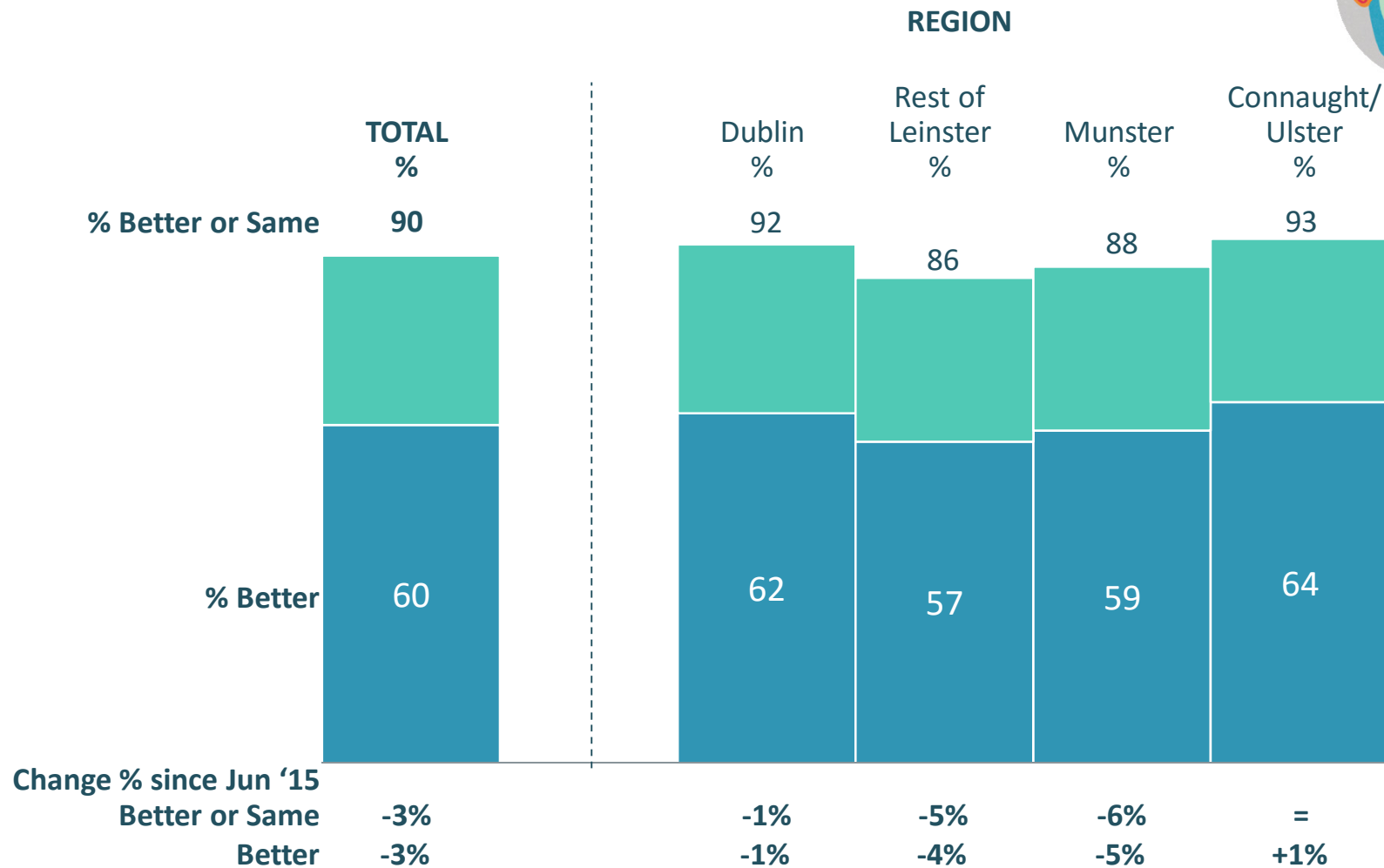
% Stating they believe it will be better



The decline in Consumer Mood is driven by the pre-family and mature family life stages. These life stages and lower social grades continue to have lowest consumer mood.

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Expectations for the Irish economy across the country...



Those in Rest of Leinster and in Munster have dropped their economic expectations most and fallen behind the rest of the country.

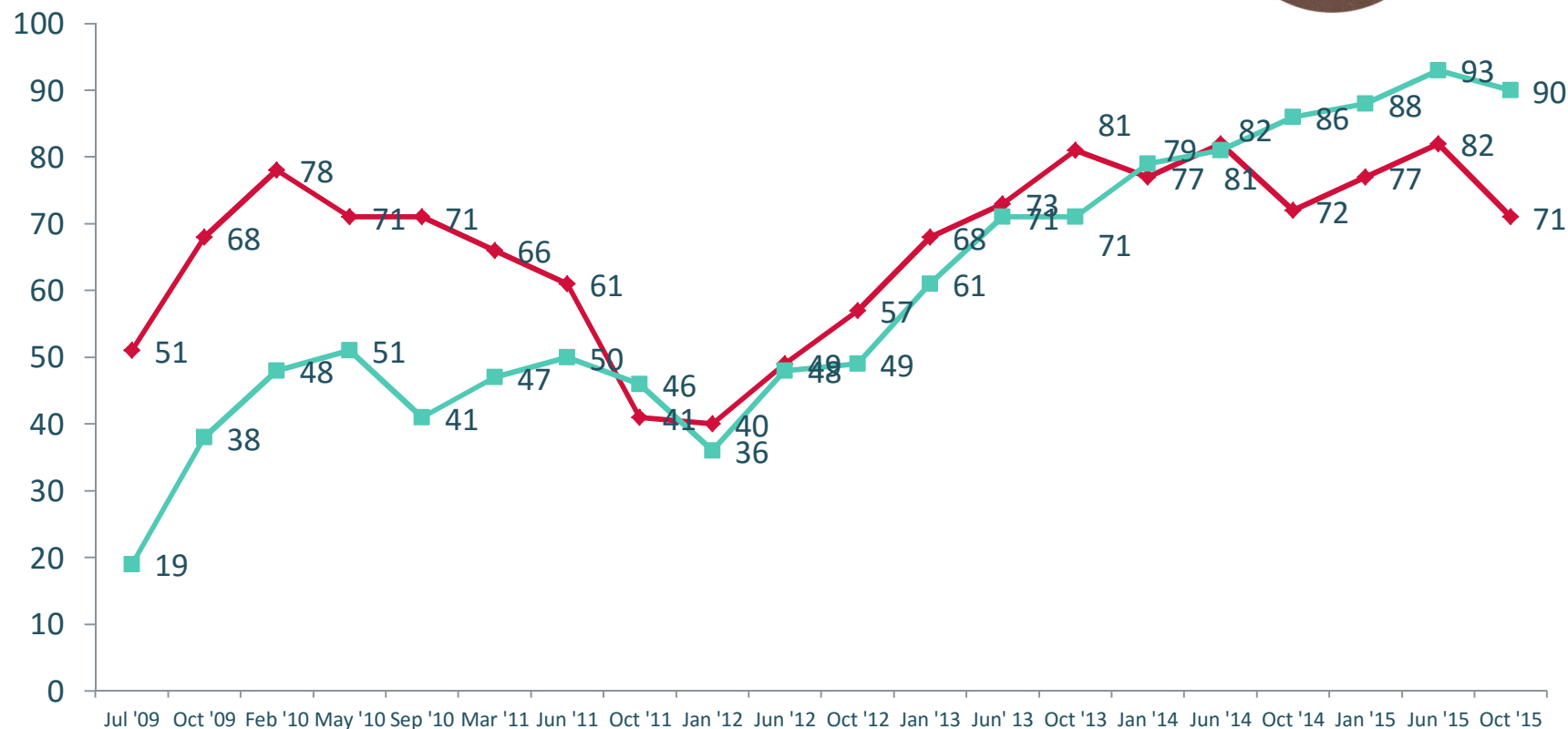
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Expectations for the World Economy



% NET Better/Same
(next 6 months)

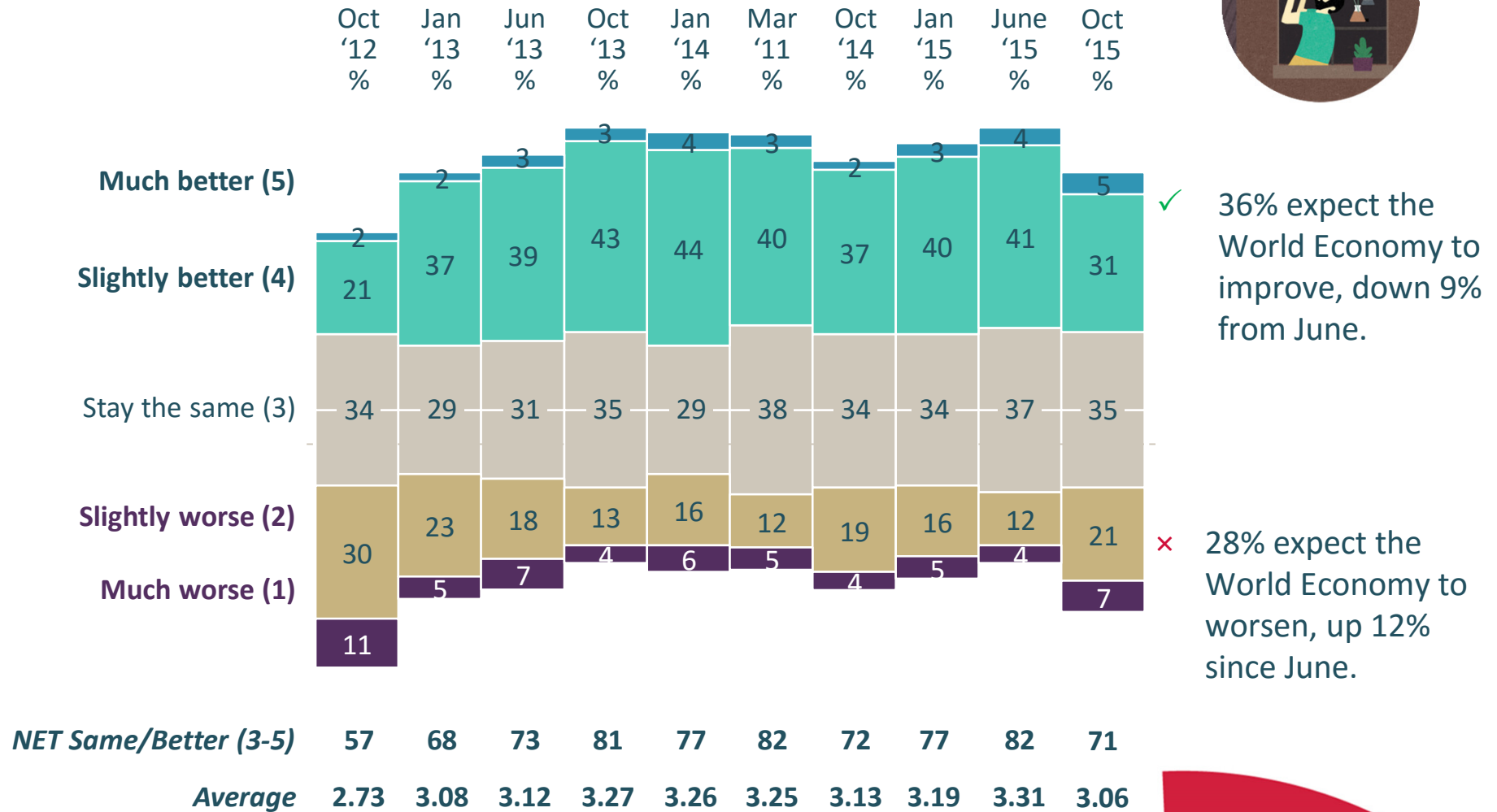
World Economy Irish Economy



The Syria refugee/migration crisis combined with uncertainty about the Chinese economy has caused a significant decline in expectations for the World Economy.

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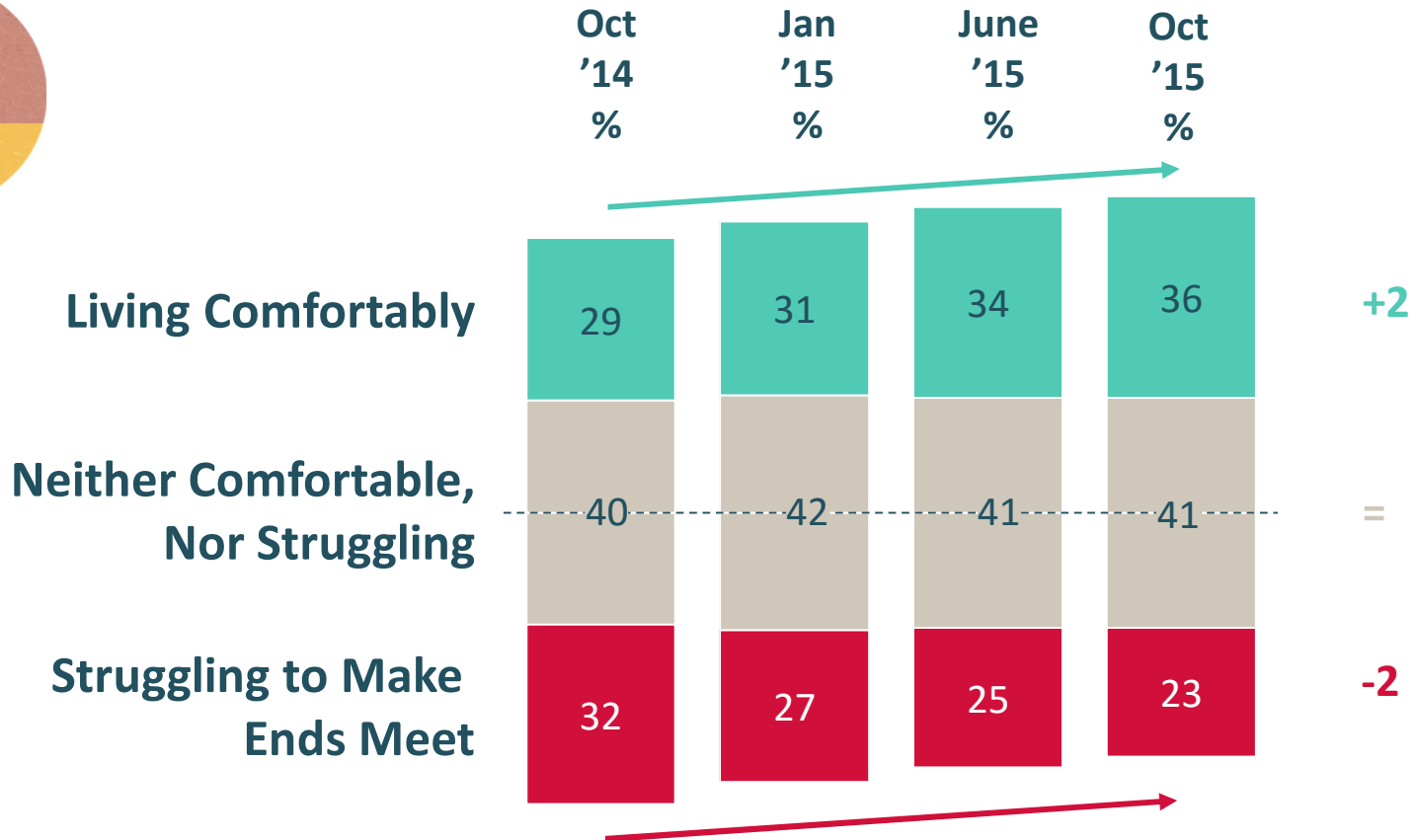
How do you expect the World economy to fare in the next 6 months?





The continued improvement in consumer mood over the past 3 years are gradually improving the personal finances of households in Ireland

Personal Impact of Recovery is evident when looking at Current Financial Situation...

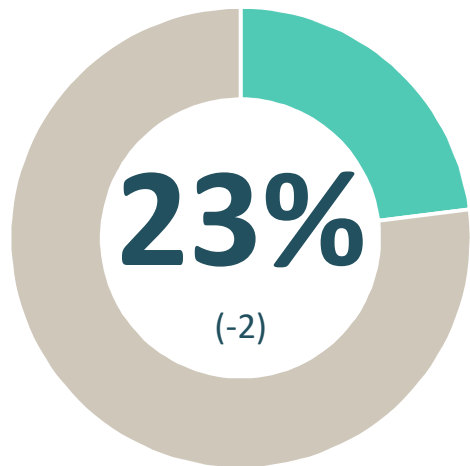


Compared to a year ago, we see a strong positive trend in personal finances with more than 1 in 3 living comfortable financially. **But almost 1 in 4 continue to struggle.**

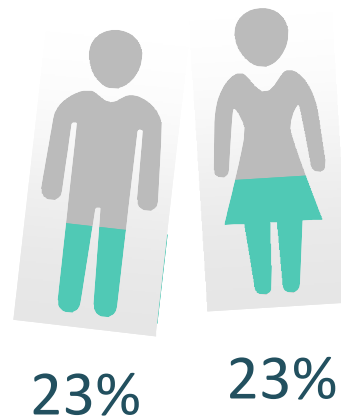
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Who is Struggling to Make Ends Meet?

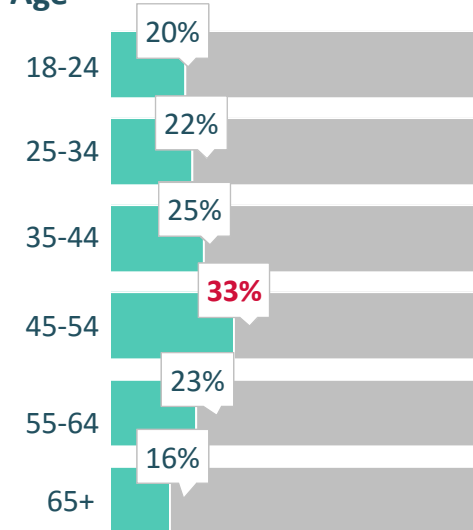
Total – almost 1 in 4 struggle to make ends meet



Gender



Age



Social Class

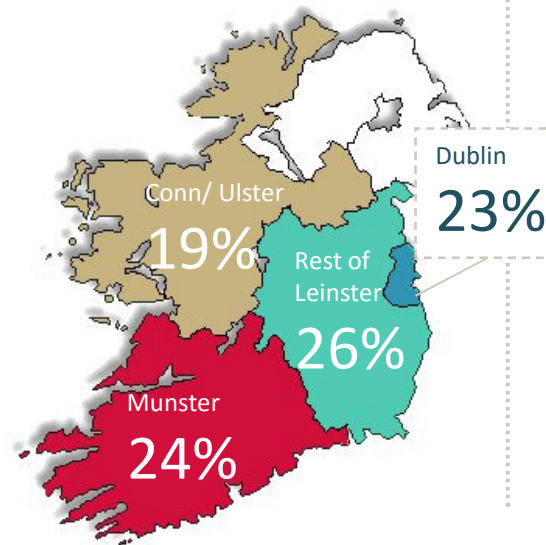
Higher Social Grades: 14%



Lower Social Grades: 31%



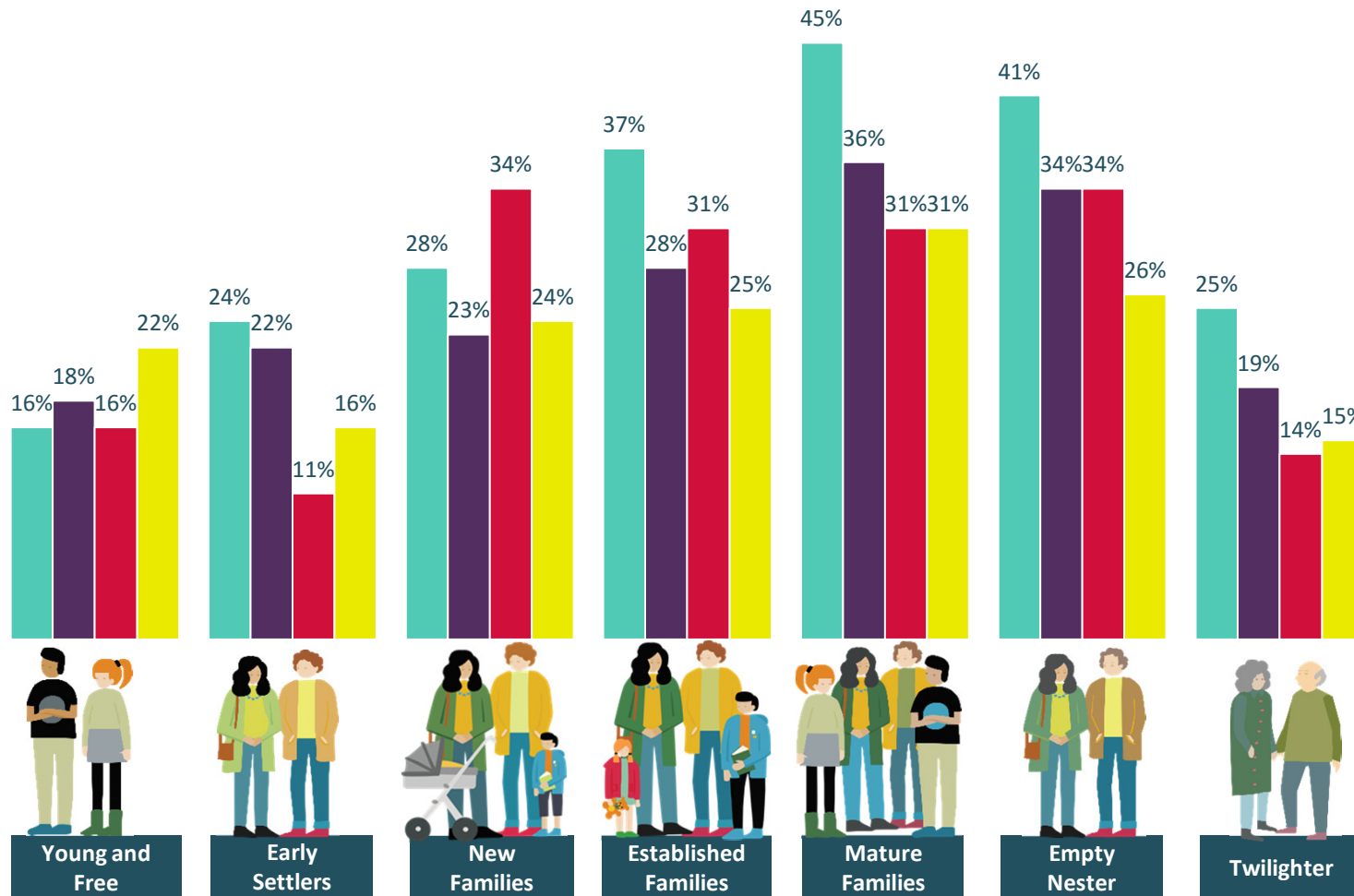
Region



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Who is struggling to make ends meet?

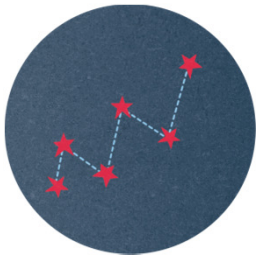
% Struggling to make ends meet



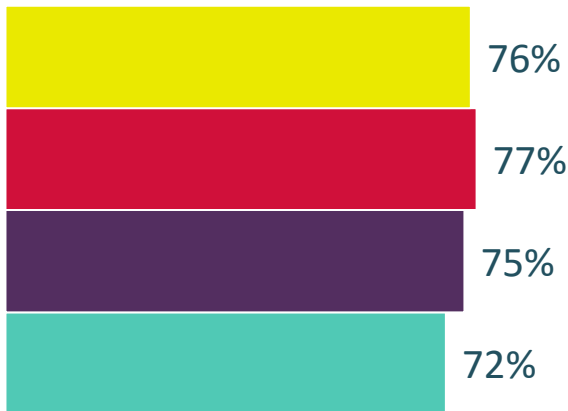
Mature families are most likely to feel that they are struggling to make ends meet. New families and empty nesters see a significant improvement from June to October.

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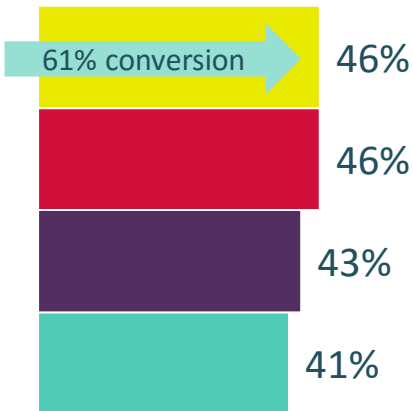
Do you believe that an Economic Recovery in Ireland is...?



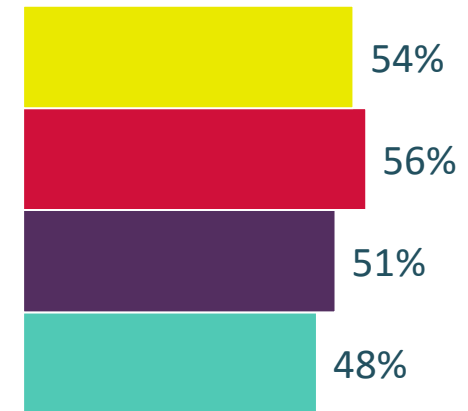
Underway



Benefitting You Personally



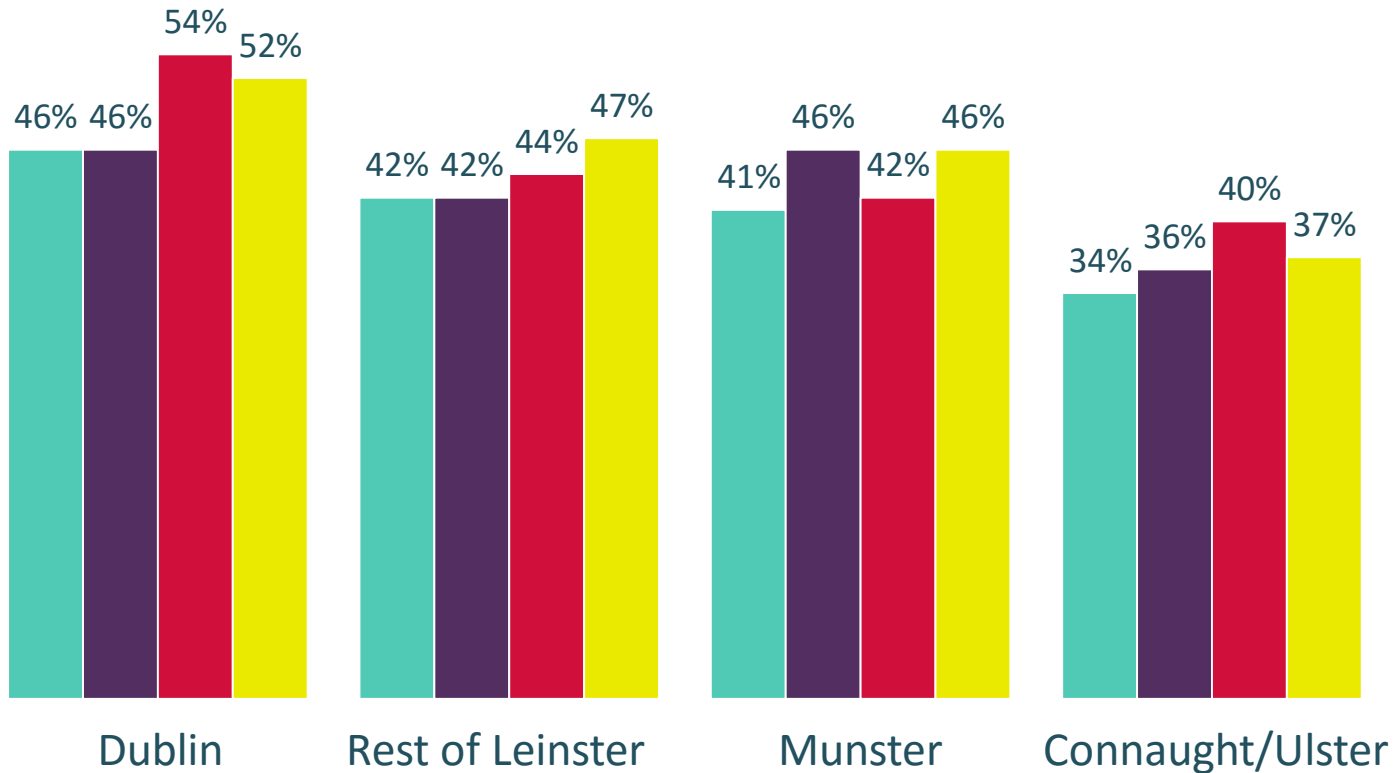
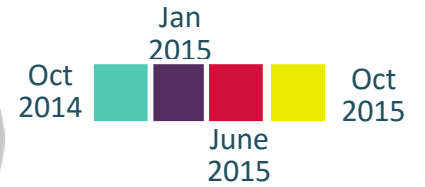
Set to Make Next Generation Better Off



More than 3 in 4 believe the recovery is underway in Ireland with more than 3 in 5 of those feeling the benefit on a personal level.

Personal benefits of recovery by region

% Stating Yes

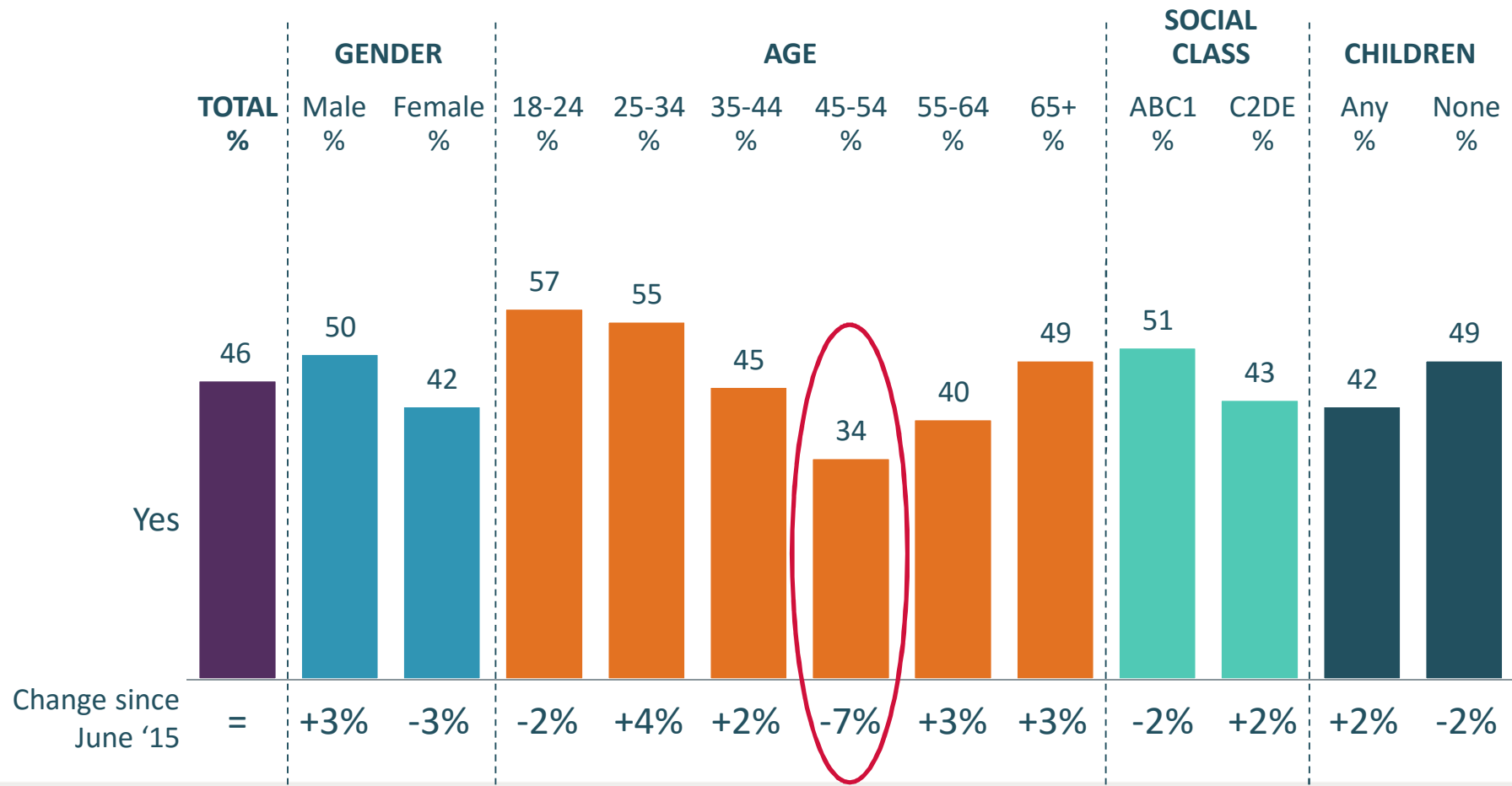


Dubliners continue to feel the benefits most however Rest of Leinster and Munster are increasingly also feeling the personal benefits of an improving economy.

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Ireland's Economic Recovery Benefitting You Personally?

% Stating Yes

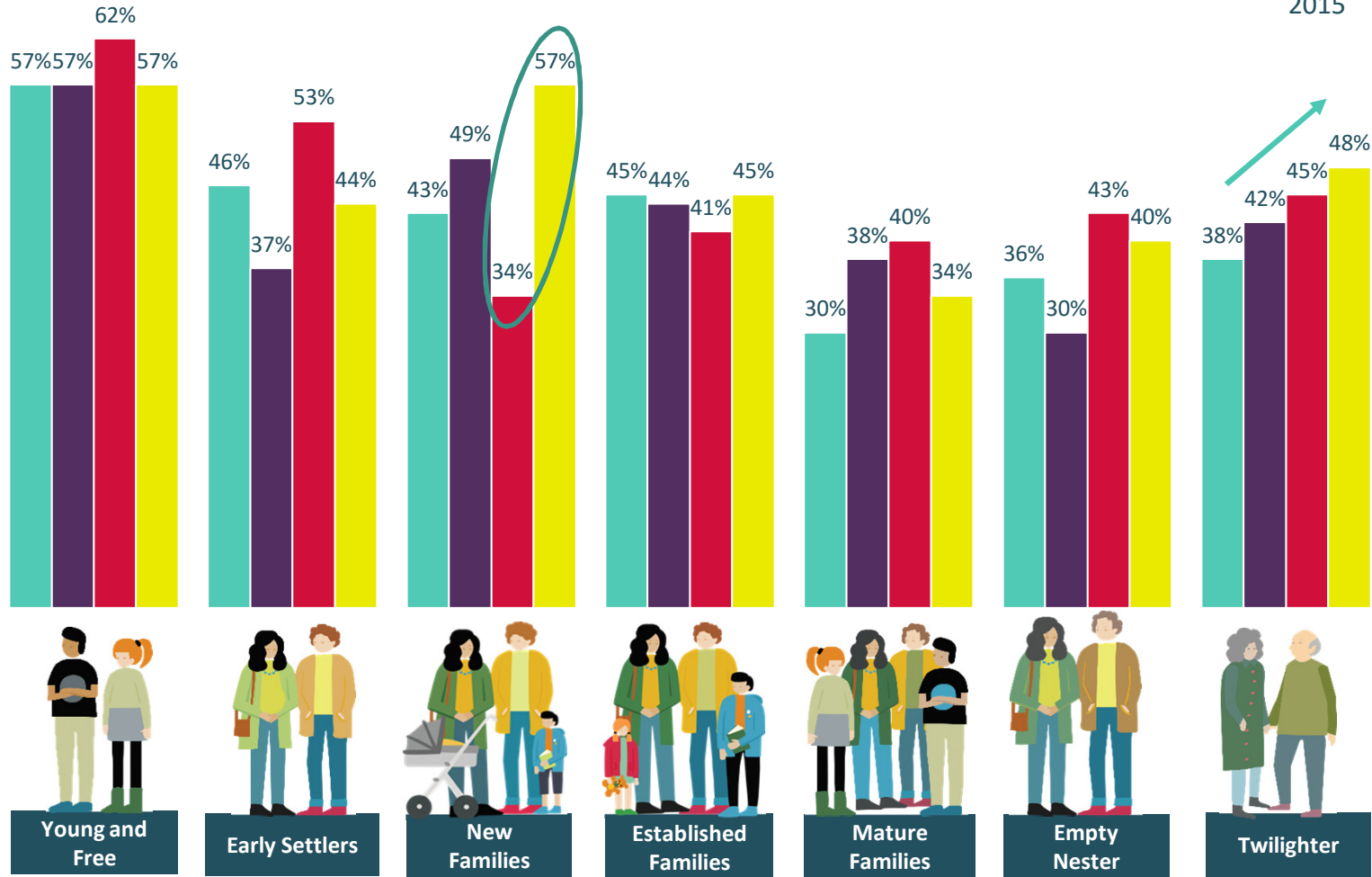
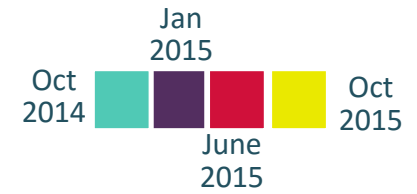


Males, younger age groups and higher social grades are most likely to feel the benefits while those aged 45-54 are least likely.

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Personal benefits of recovery by life stage

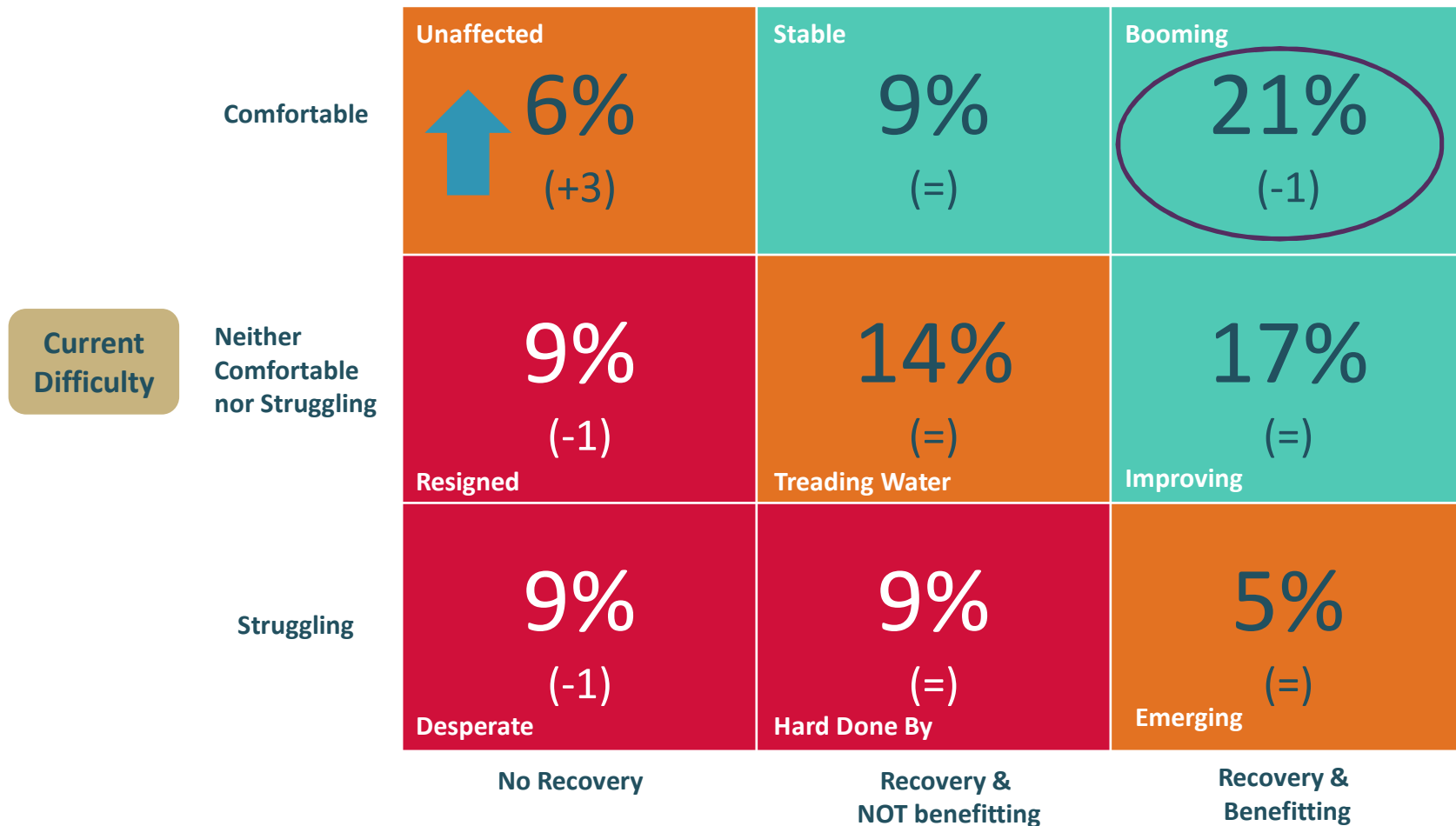
% Stating Yes



New Families are significantly more likely to be benefiting economically than in June. Twilighters are also steadily improving.

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Relationship between Economic Situation and Impact of Recovery



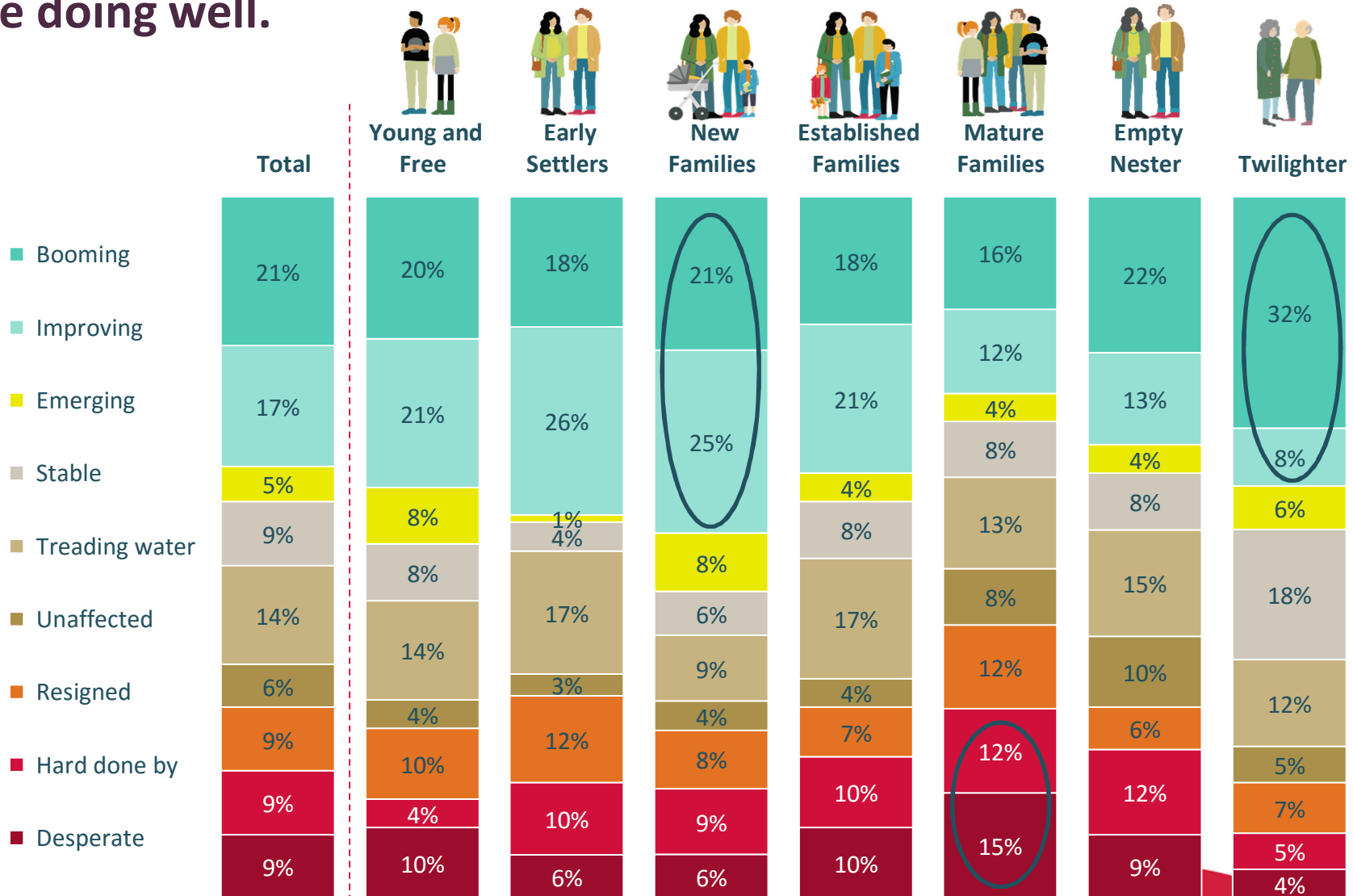
() = change from June 2015

Future Opportunity

Overall personal economic situation is stable with slightly fewer now struggling and not feeling the benefits of the recovery.



Mature Families are still struggling financially however New Families are doing well.

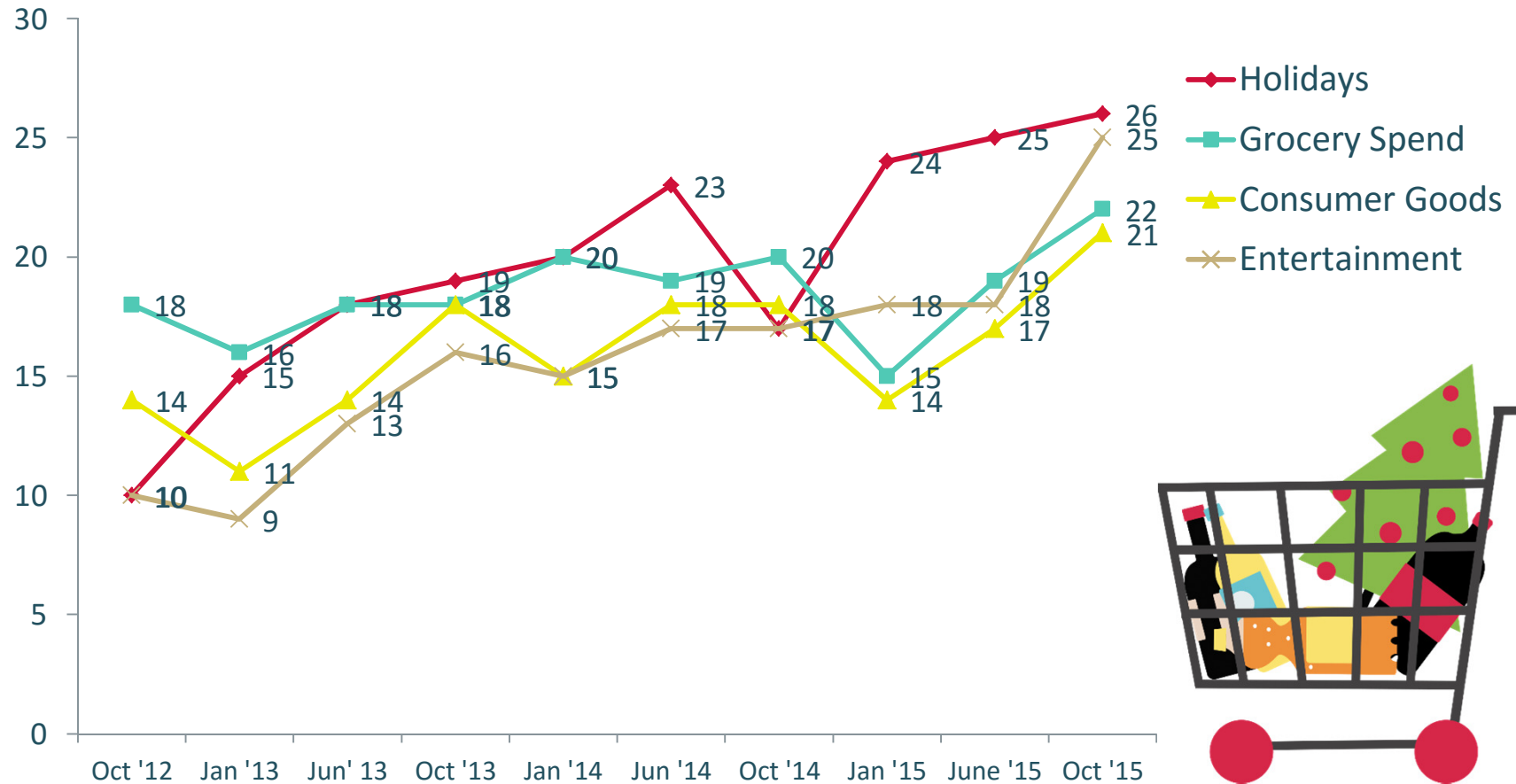




Improved personal finances are now having a significant and positive impact on consumer spend intention

Expected Increase in Spend In The Next 6 Months

% Likely to increase spend
(next 6 months)



Spend intentions are continuing to grow in all areas as consumers look towards a generous Christmas season. We see the biggest increase for entertainment services - e.g. going out/socialising.

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Expected Changes In Spend Over The Next 6 Months



Entertainment such as going out, eating, drinking or socialising



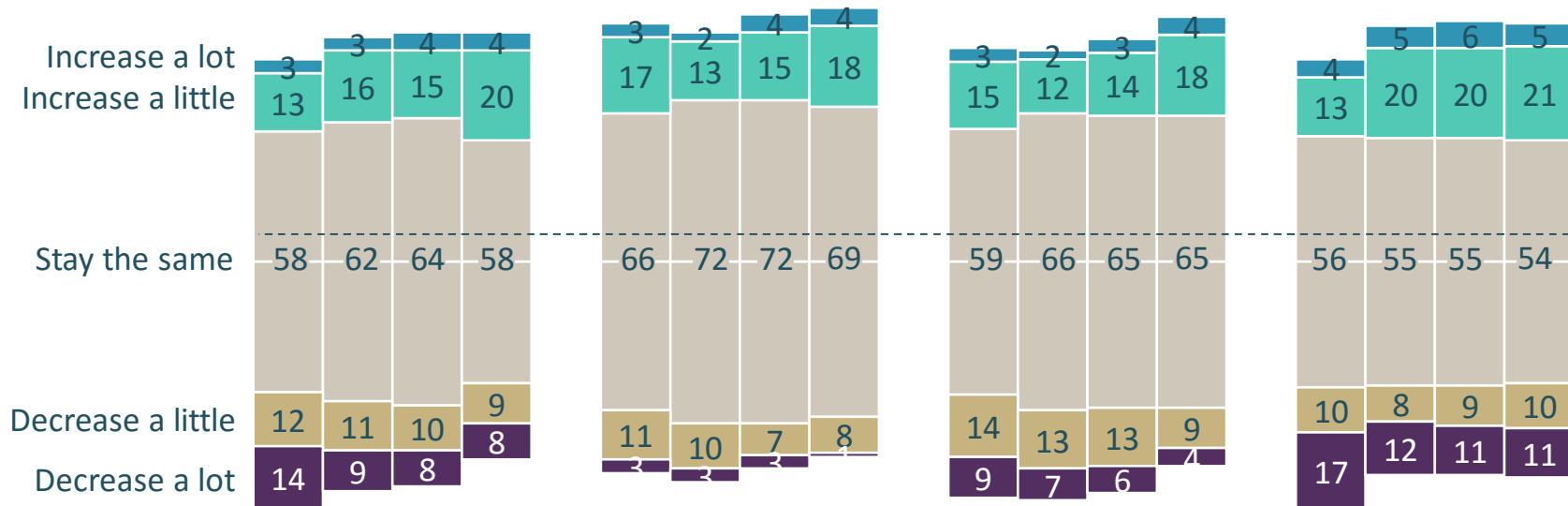
Grocery spend



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



Holidays and short breaks



Consumers are finally ready to spend following the positive recovery news, across all four product categories.

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The 18-24 year olds and those living in Dublin are most likely to increase spend in the next 6 months...

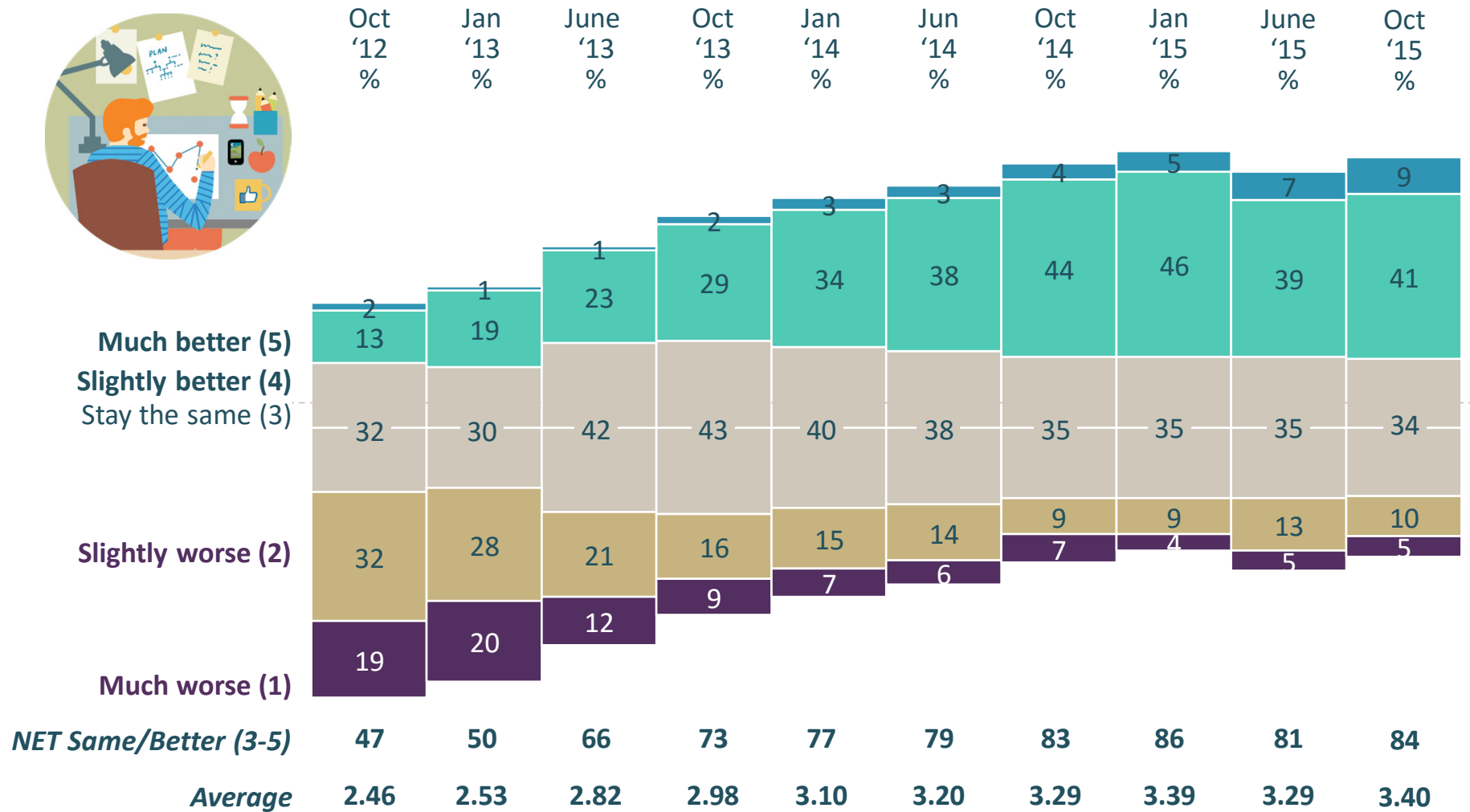


% Likely to increase spend in next 6 months	Entertainment	Grocery Spend	Consumer Goods/ Services	Holidays/ Shorter Breaks
Total	25	22	21	26
Gender				
Male	24	25	22	25
Female	25	20	21	26
Age				
18-24	39	29	25	26
25-34	25	22	20	26
35-44	25	32	25	25
45-54	21	16	19	26
55-64	23	19	19	22
65+	19	17	21	26
Social Class				
ABC1	30	22	24	31
C2DE	20	24	20	21
Region				
Dublin	34	27	27	32
Rest of Leinster	21	22	19	22
Munster	23	21	21	23
Connaught/Ulster	18	17	17	23



Outlook for the job market is improving however the housing market appears stable

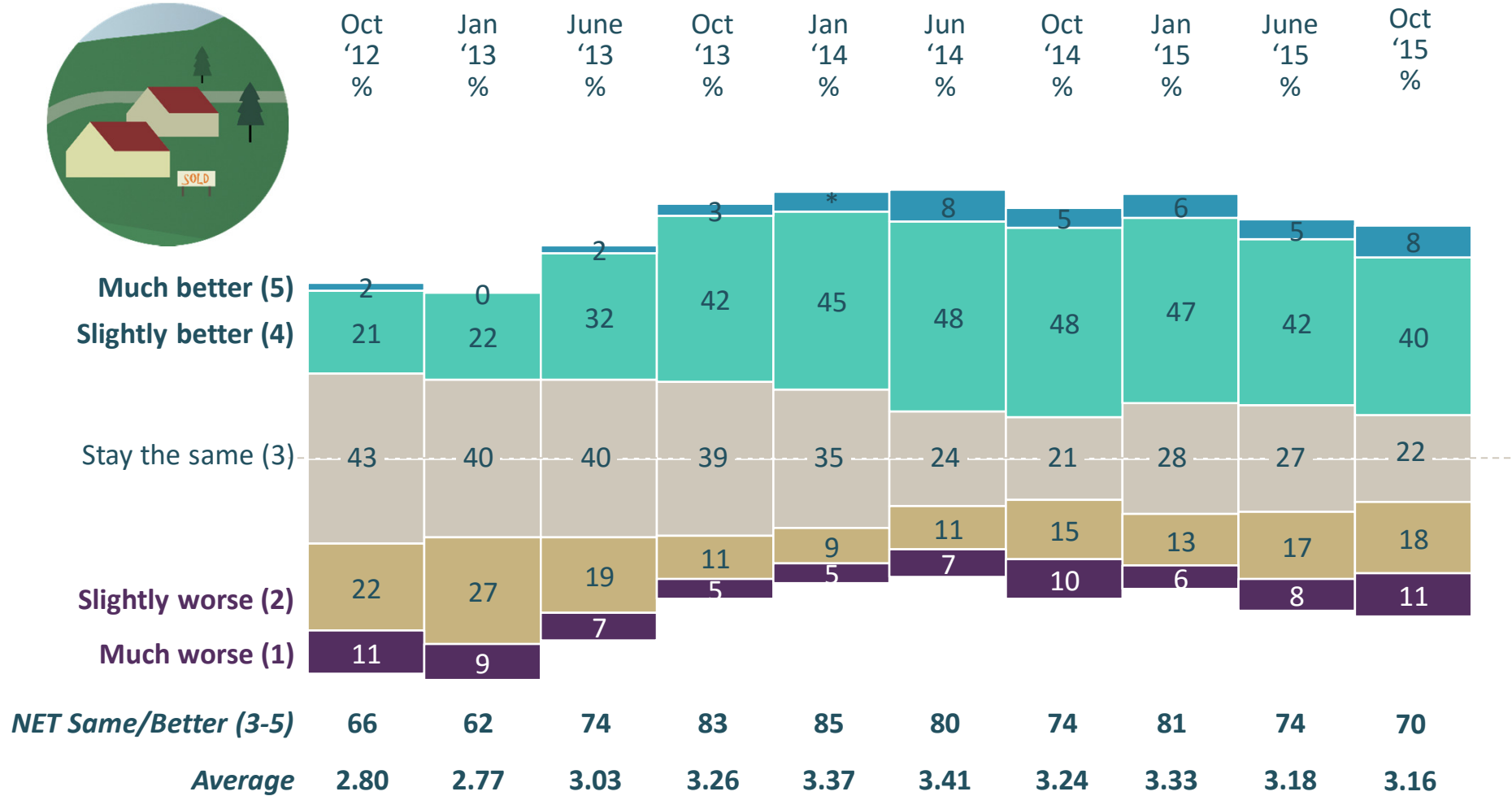
How do you expect the job market to fare in the next 6 months?



Expectations for the job market are strong with nearly 1 in 10 expecting it to be much better in the next 6 months.

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

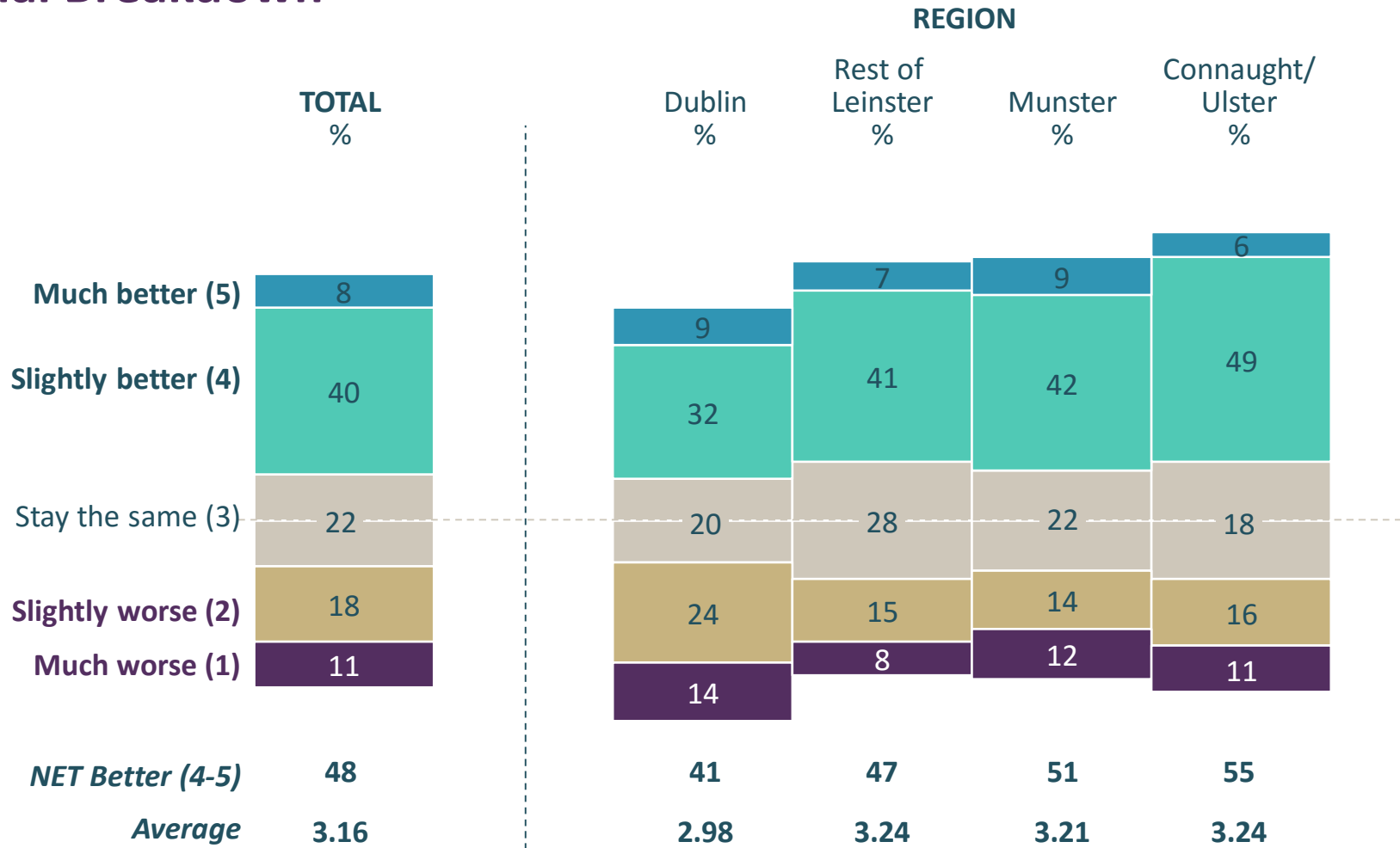


In line with expectations for the economy, expectations for the housing market remain high but have compressed slightly.

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

Regional Breakdown



Expectations to the housing market are highest in Connaught/Ulster and lowest in Dublin – reflecting the higher price increases already seen in Dublin.

Methodology

- / 1,006 telephone interviews (CATI) were conducted 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 24th wave of the Consumer Mood Monitor & fieldwork was conducted 28th-30th September 2015.



**THANK
YOU**

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