

# Consumer Mood Monitor

*Outlook remains strong and more consumers feel personally impacted by the Recovery*



January 2016  
Ref: 06312

# Outlook remains strong and more consumers feel personally impacted by the recovery

- ✓ Consumer Outlook for the Irish economy remains strong and most consumers now feel the impact of the recovery on their personal finances.
- ✓ Consumer spend is likely to increase in the next 6 months, especially holiday spend but also spend on groceries, entertainment and consumer goods.
- ✓ Compared to previous Consumer Mood surveys, the rest of the country has now caught up with Dublin in terms of feeling the impact of the recovery and likelihood to increase spend – this is likely to result in further growth.
- ✓ But expectations to the World Economy continue to be a threat to our positive outlook with many having concerns about how the European refugee crisis and the downturn in the Chinese economy will affect Ireland.



## Consumer Mood - Headline Facts

- ✓ **61%** believe the Irish economy will improve in the next 6 months – up from 60% in October
- ✓ **32%** believe the World economy will improve in the next 6 months – down from 36% in October
- ✓ **50%** feel the economic recovery is benefiting them personally – up from 46% in October and 43% a year ago.
- ✓ **37%** of consumers believe they are living comfortably – up from 36 in October but 31% a year ago.
- ✓ BUT **23%** are still struggling financially – this is unchanged from October
- ✓ **32%** anticipate spending more on holidays over the next 6 months – up from 26% in October. Other categories also see increased spend intention when comparing to same time last year.

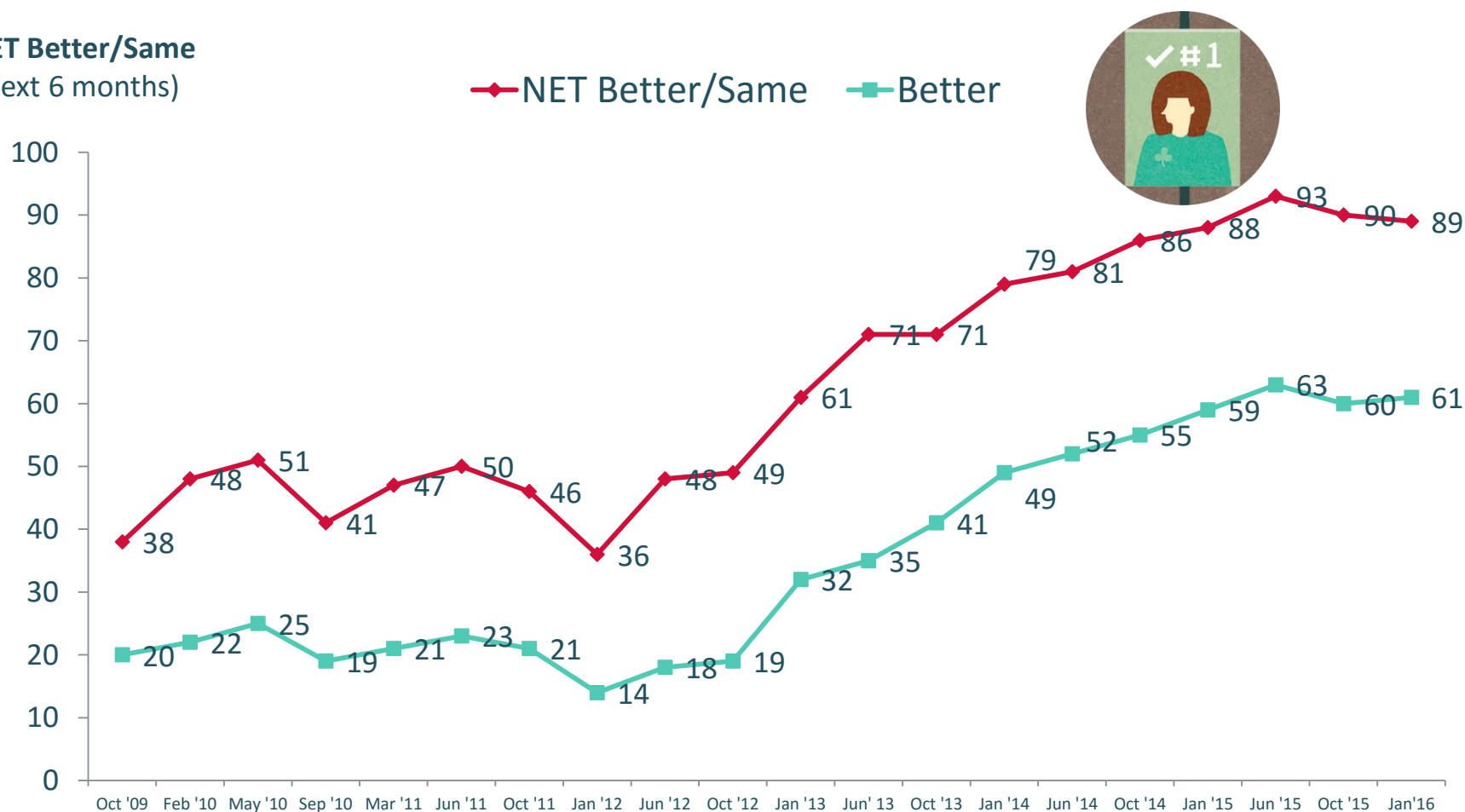




**Irish Outlook  
remains high in spite  
of volatile World  
Economy**

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

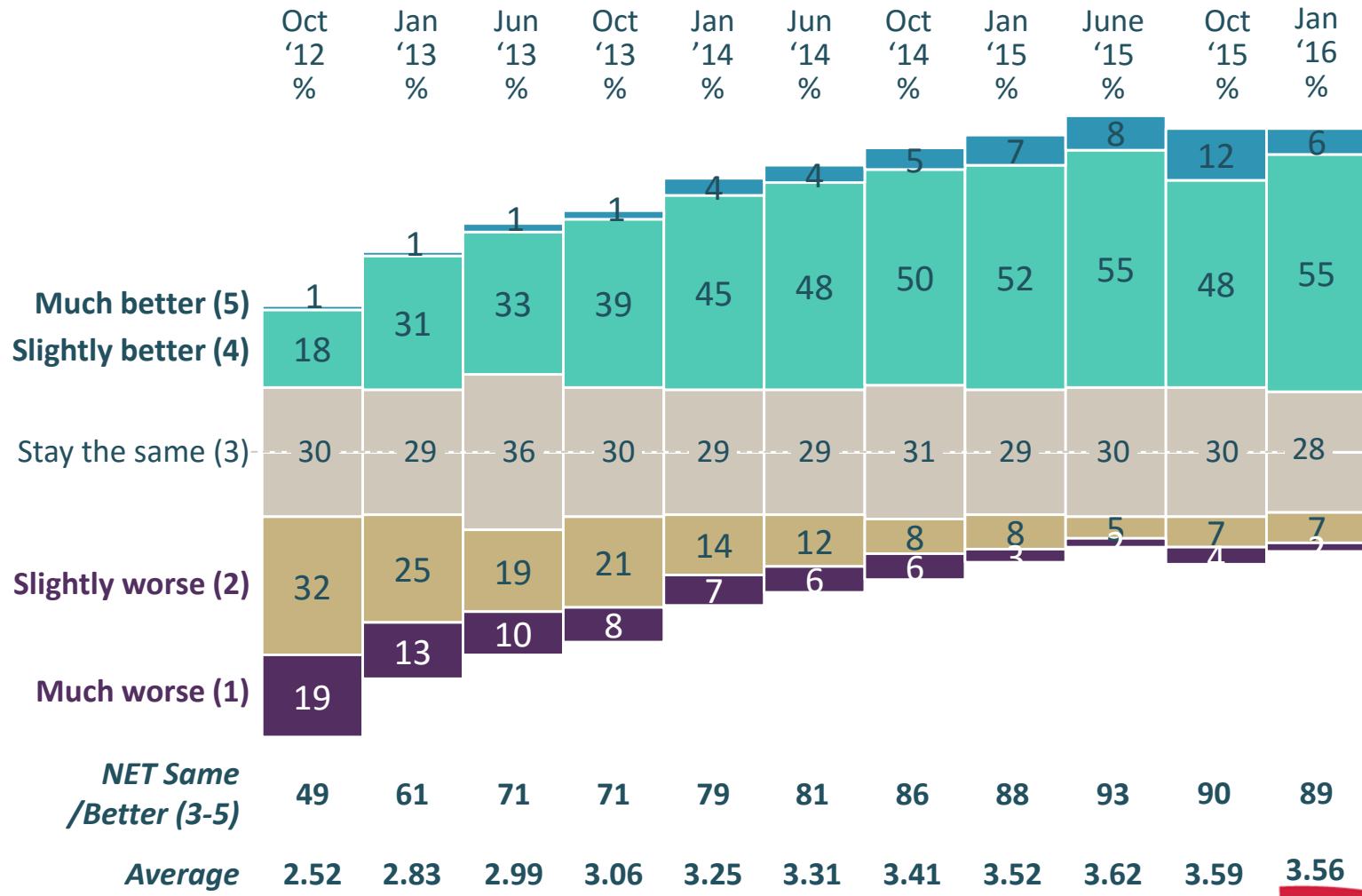
% NET Better/Same  
(next 6 months)



The Irish outlook remains unchanged compared to October 2015 with 3 in 5 expecting the Irish economy to improve in the next 6 months.

REDC

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

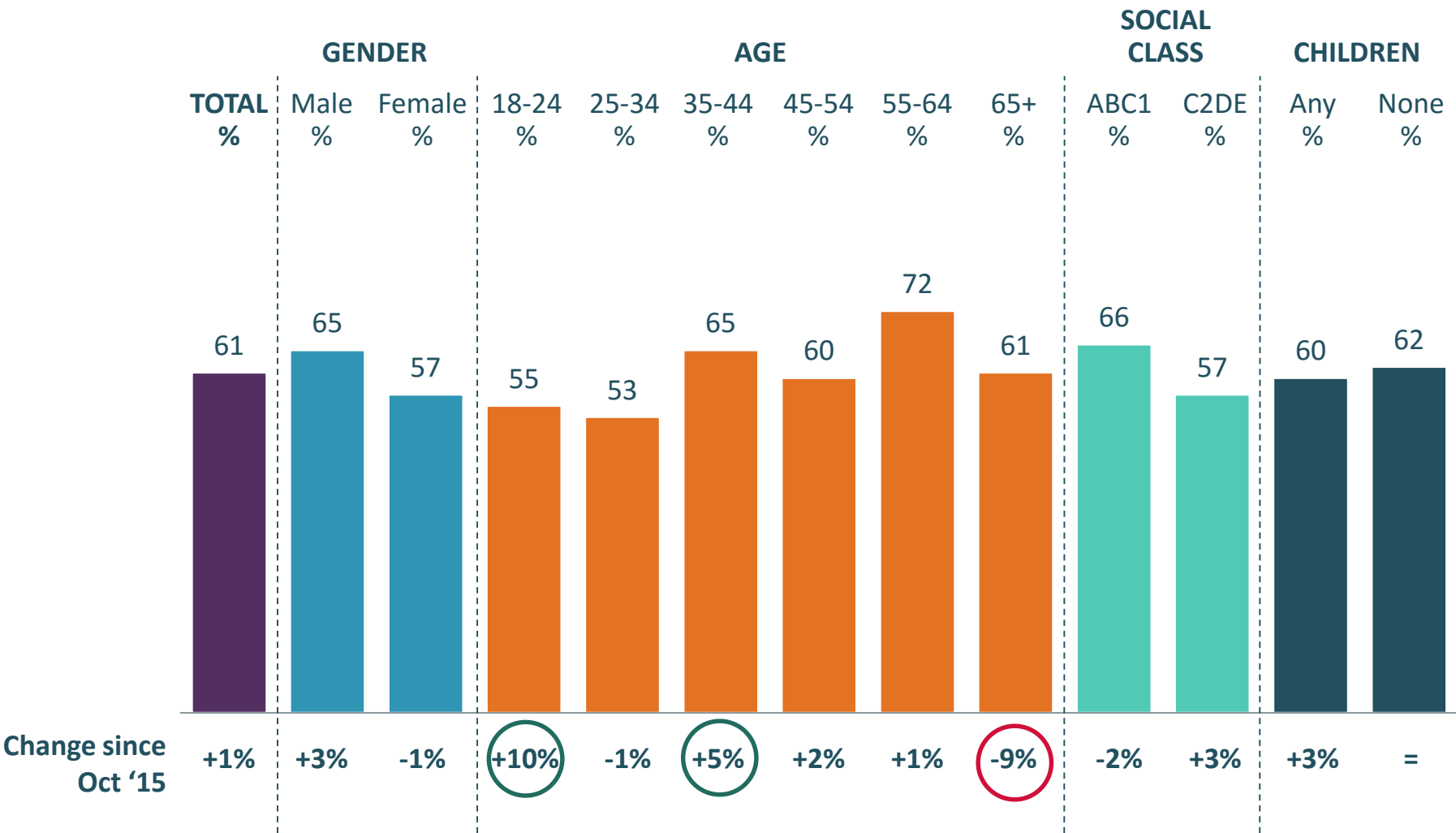


✓ While 3 in 5 expect the economy to improve, most expect only a slight improvement

✗ Only 9% expect the economy to be worse in the next 6 months, a decrease of 2% from October.

# Expectations for the Irish economy 6 months from now

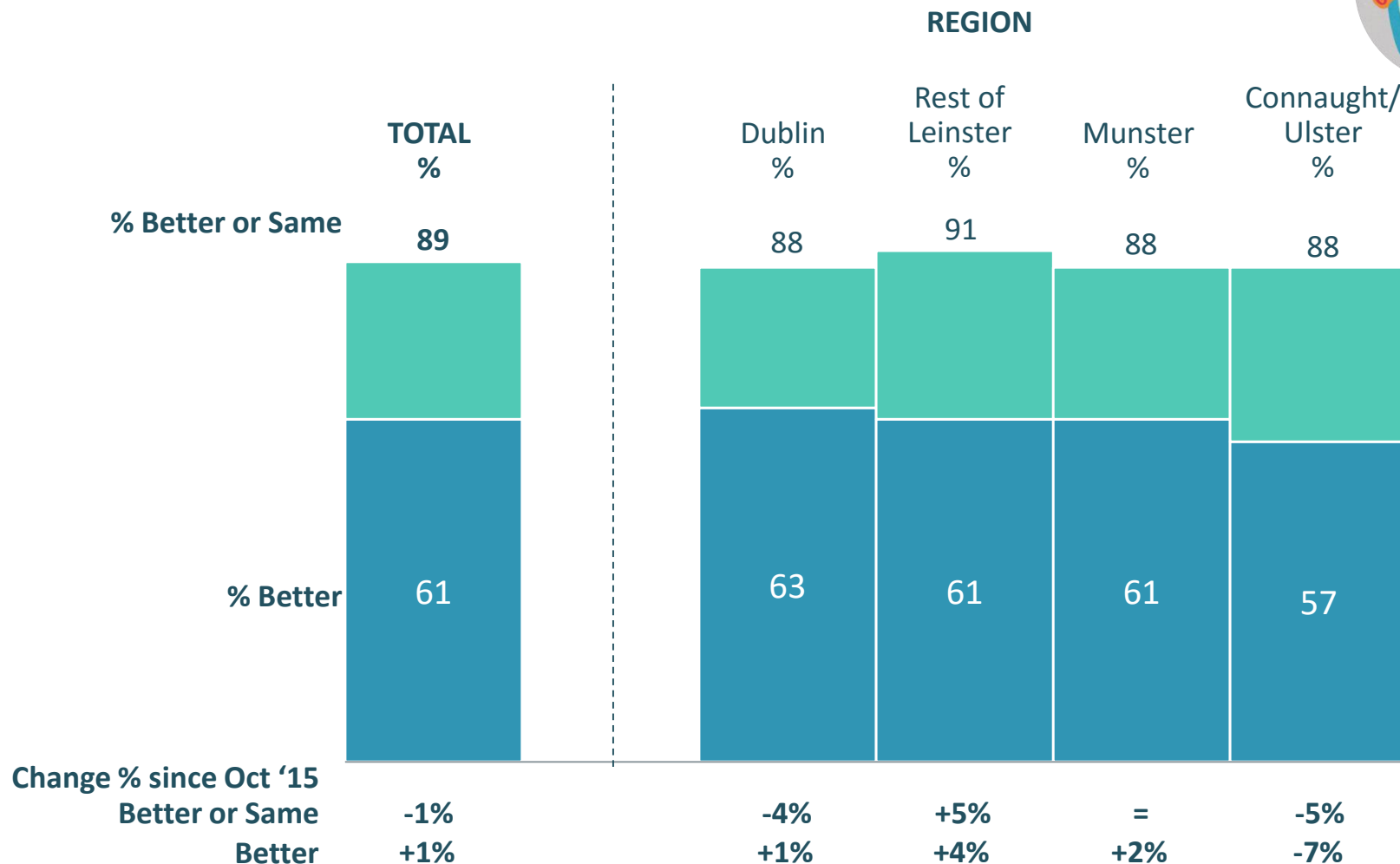
% Stating they believe it will be better



The 18-34 year olds continue to be less positive about the economy than those aged 35+ but we see a significant improvement in outlook among those aged 18-24 years.



# Expectations for the Irish economy across the country...



Connaught/ Ulster are slightly behind the rest of the country in terms of expectations to the Irish economy. We see an improvement in outlook among those living in Rest of Leinster.

**REDC**

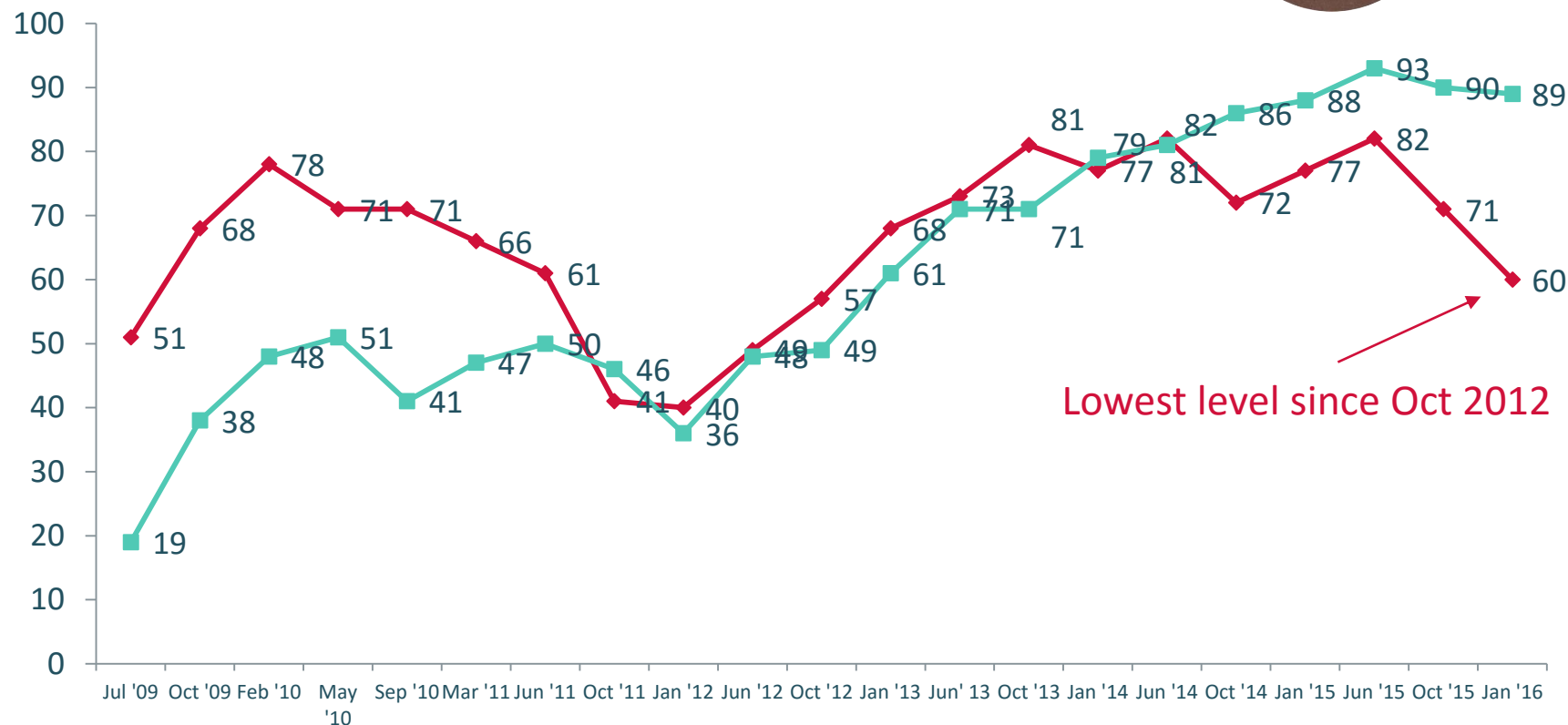


# Expectations for the World Economy



% NET Better/Same  
(next 6 months)

—●— World Economy    —■— Irish Economy

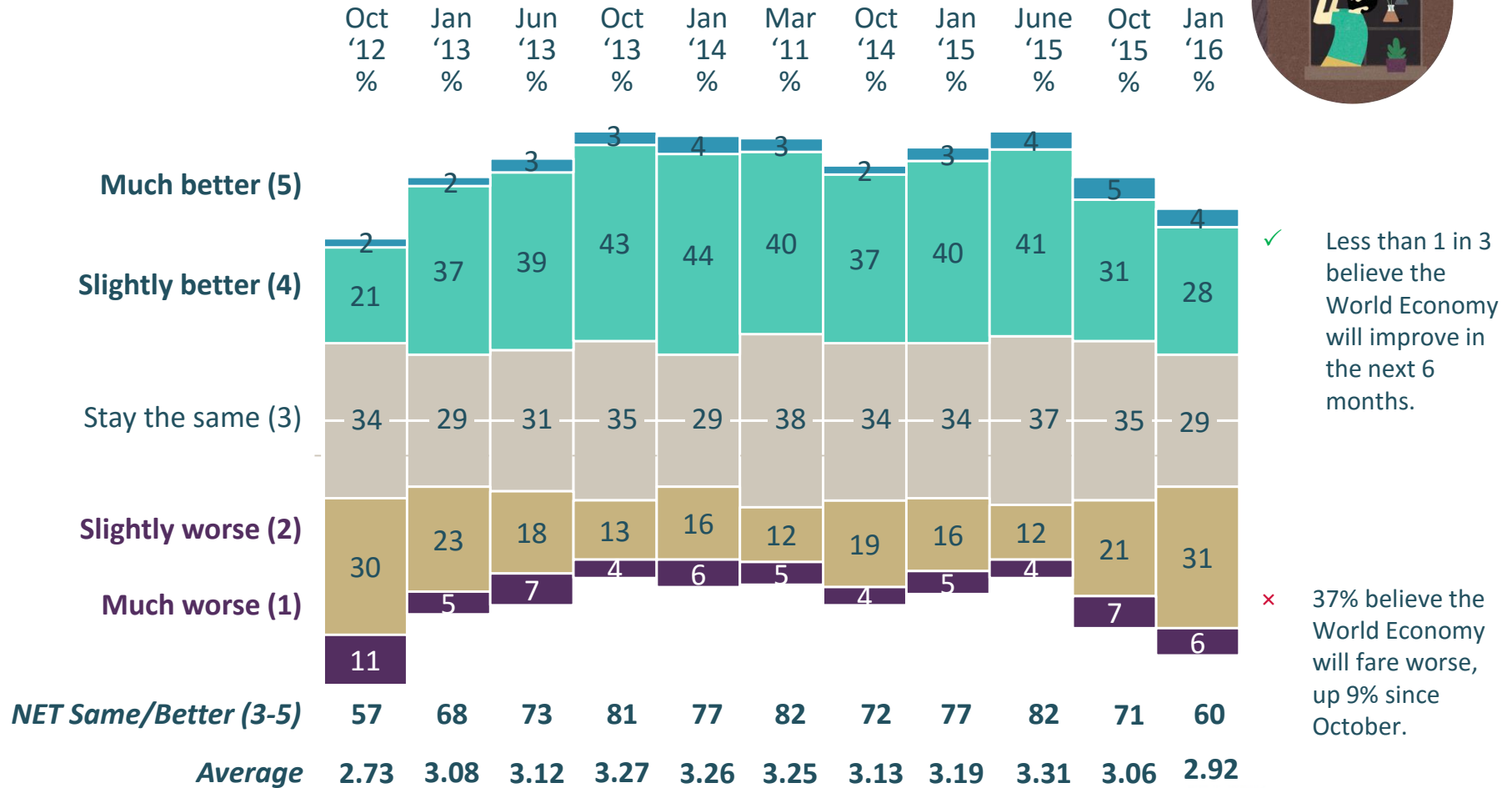


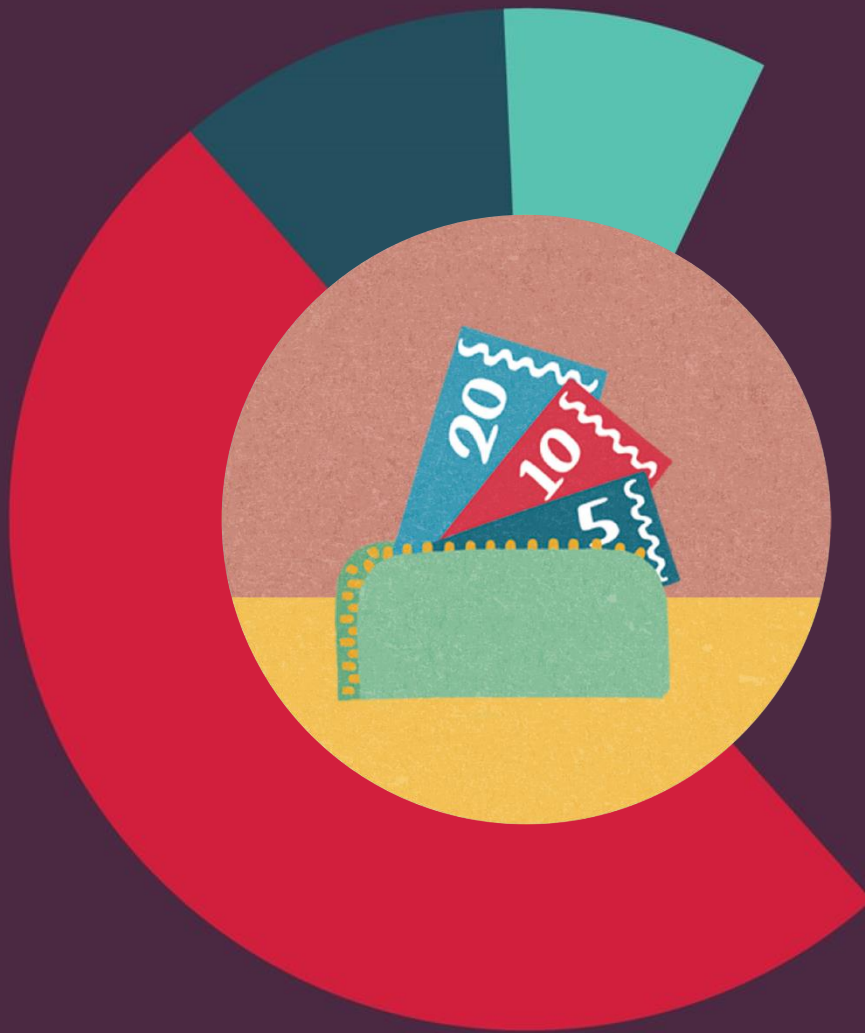
Lowest level since Oct 2012

The European refugee crisis combined with uncertainty about the Chinese economy has caused the World Outlook to drop further from October 2015 to January 2016.

**REDC**

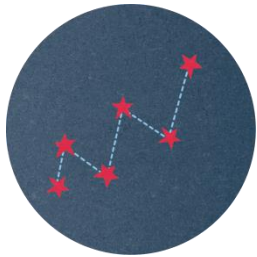
# How do you expect the World economy to fare in the next 6 months?





**More consumers  
now feel personal  
benefits of the  
recovery –  
especially outside  
Dublin**

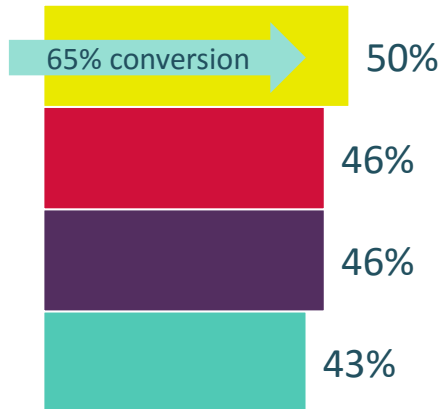
# Do you believe that an Economic Recovery in Ireland is...?



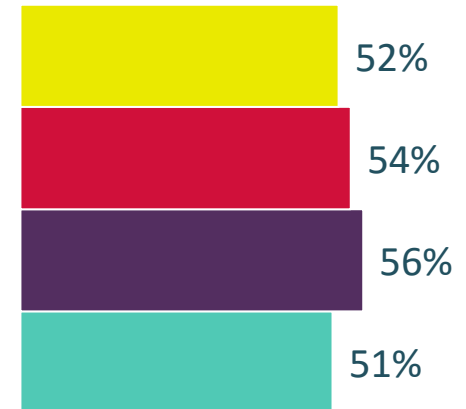
## Underway



## Benefitting You Personally



## Set to Make Next Generation Better Off



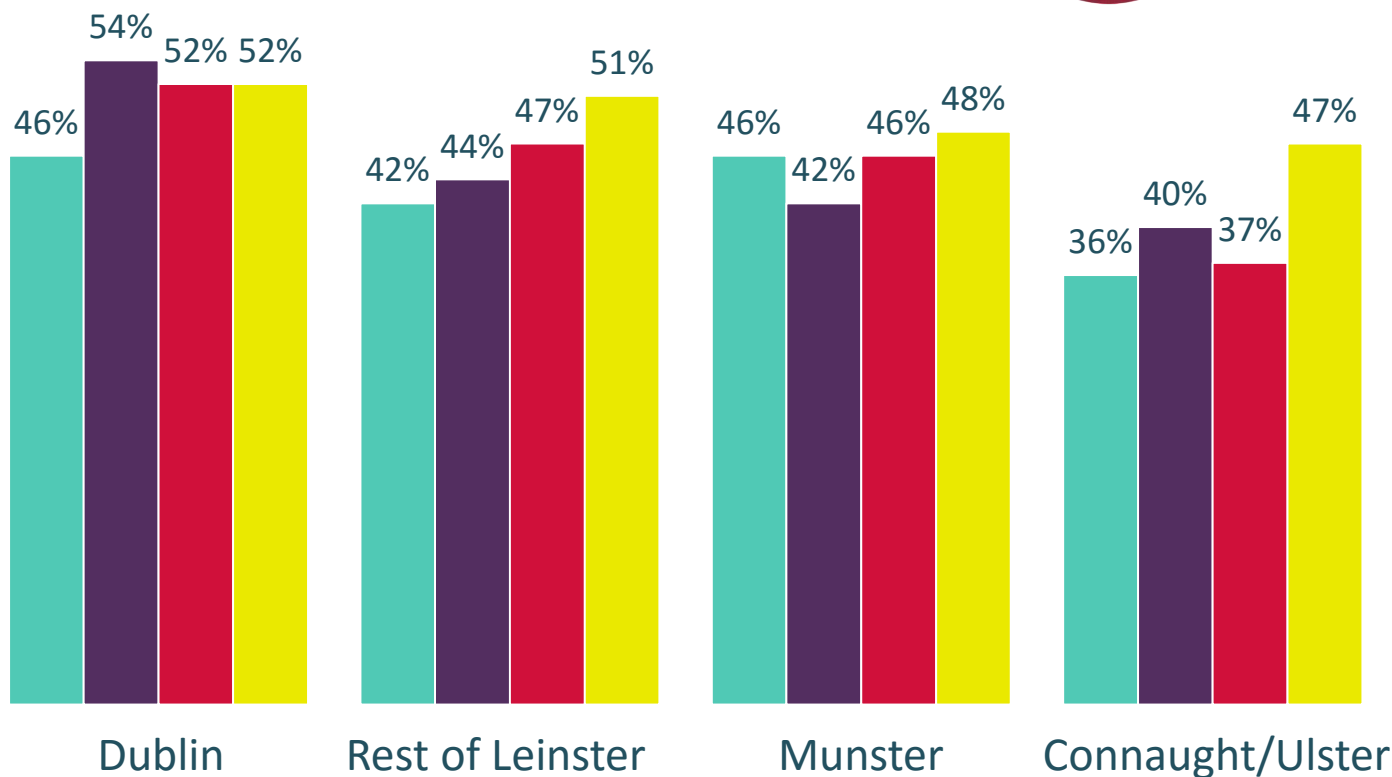
50% now feel personal benefits of the economic recovery, up 4% from October 2015 and 7% since the same time last year. Of those who believe in the recovery, 2 in 3 feel personal benefits.

# Personal benefits of recovery by region

% Stating Yes



Jan 2015 June 2015 Oct 2015 Jan 2016

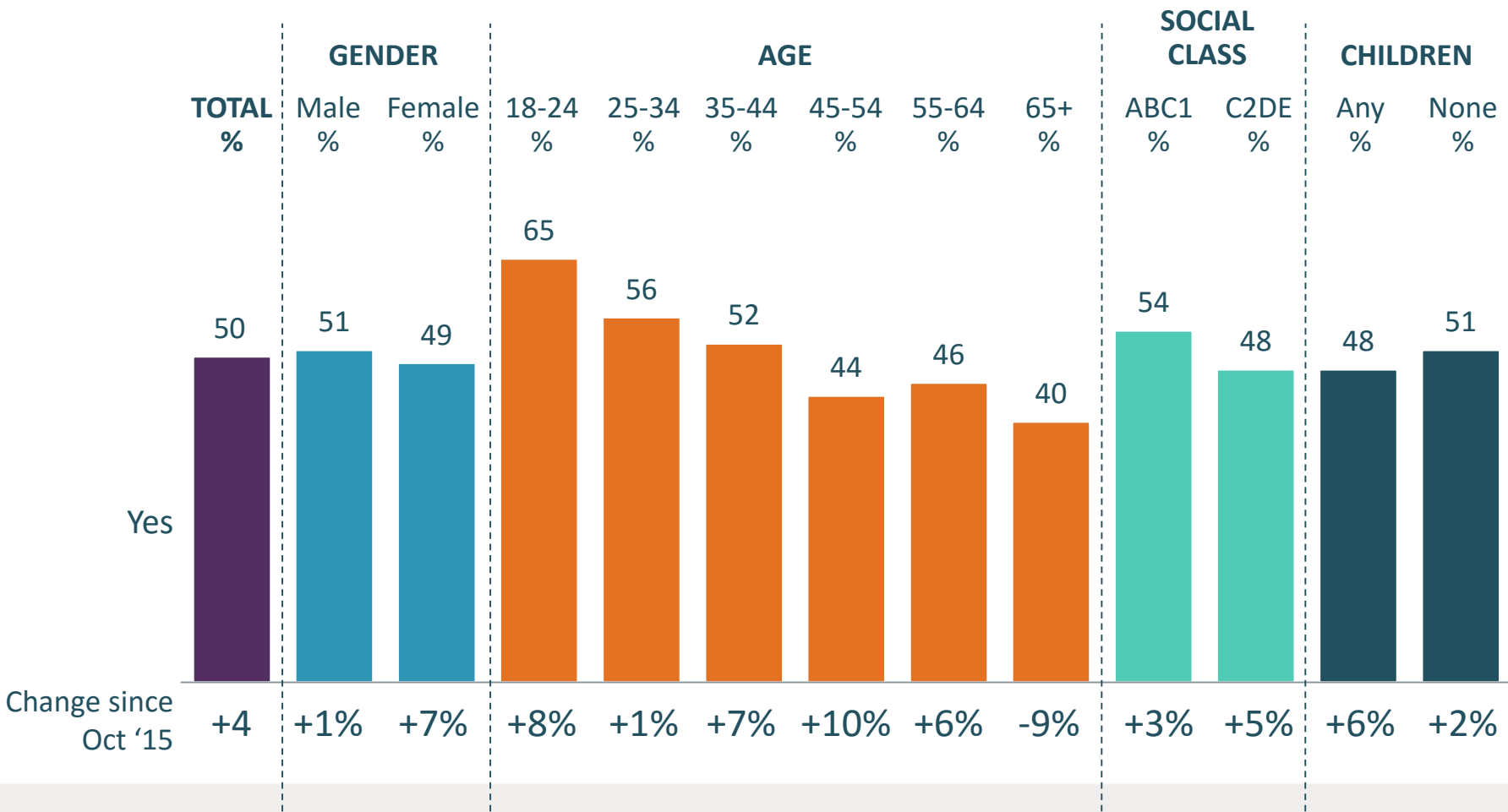


The regions outside Dublin are catching up with Dublin in terms of feeling personal benefits from the economic recovery.

**REDC**

# Ireland's Economic Recovery Benefitting You Personally?

% Stating Yes



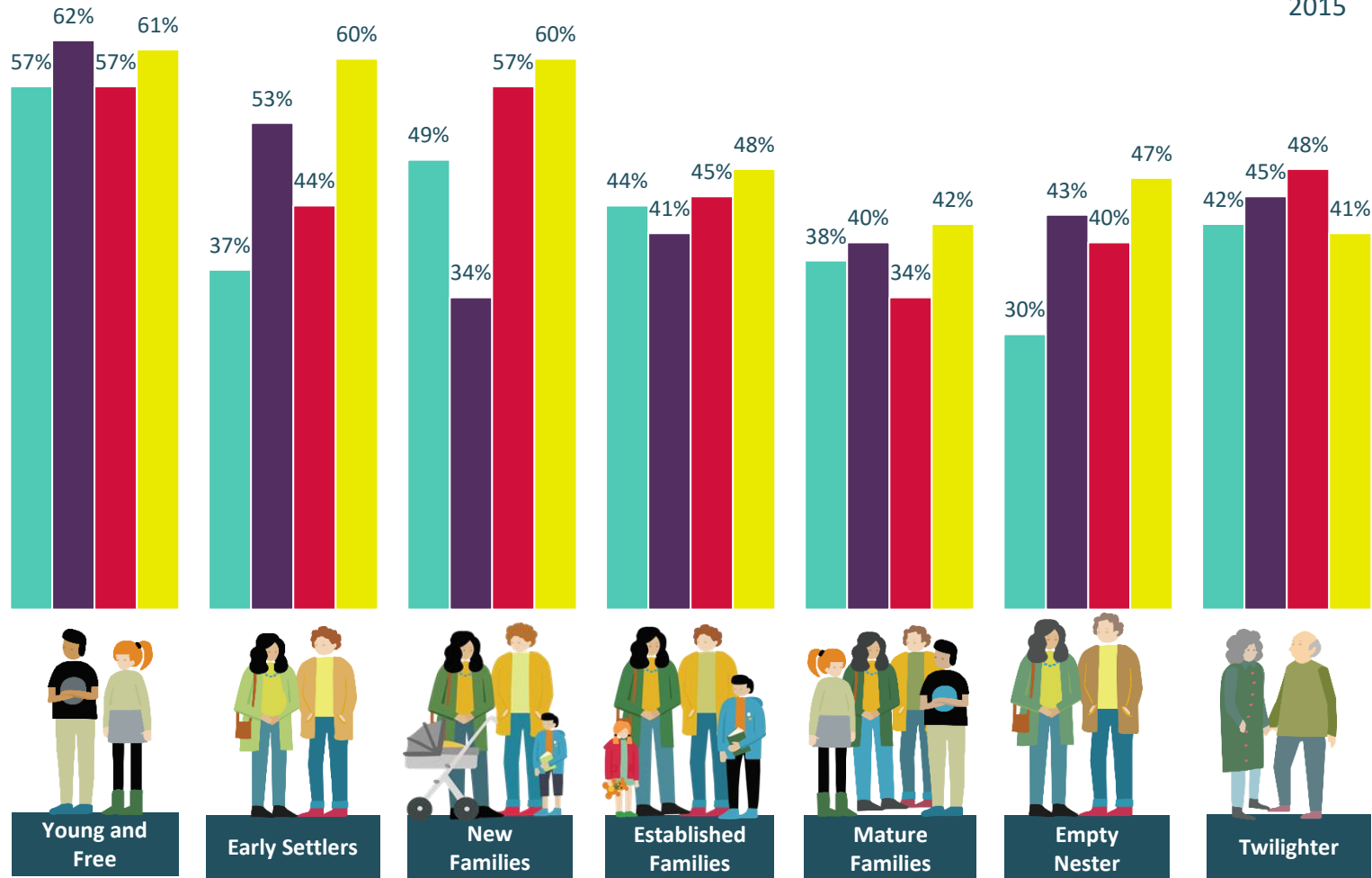
The 18-44 year olds continue to be more likely to feel personal benefits but we see an improvement across all age groups, except the 65+ year olds.



# Personal benefits of recovery by life stage

% Stating Yes

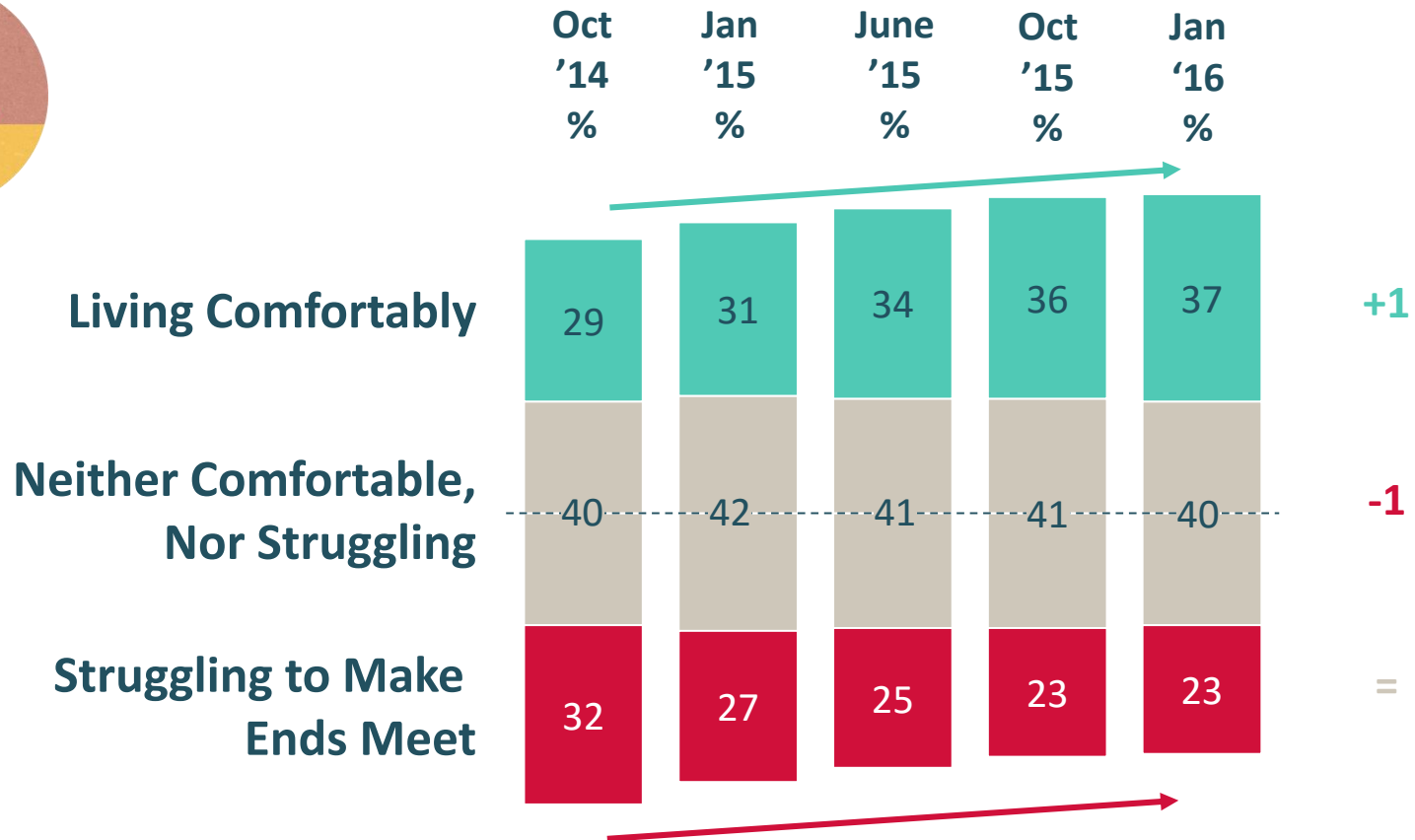
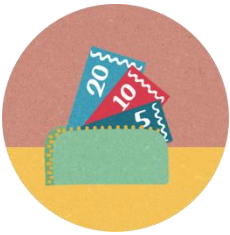
Jan 2015 June 2015 Oct 2015 Jan 2016



Early Settlers, Mature Families and Empty Nesters all see growth for personal benefits of the recovery. Twilghters see a decrease.

REDC

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

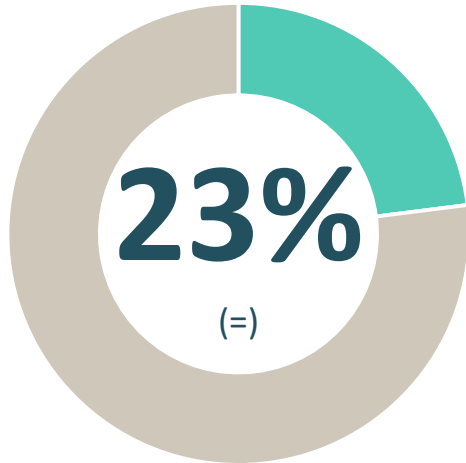


We see a slight increase in the proportion of consumers who are living comfortably. Compared to a year ago, we see significant growth in the financial situation of Irish consumers.

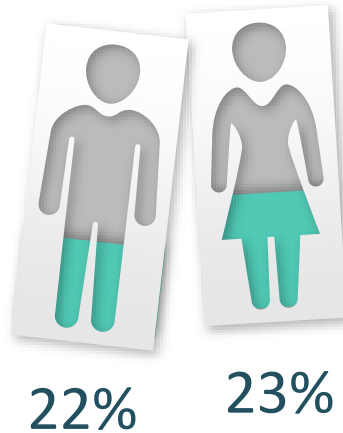


# Who is Struggling to Make Ends Meet?

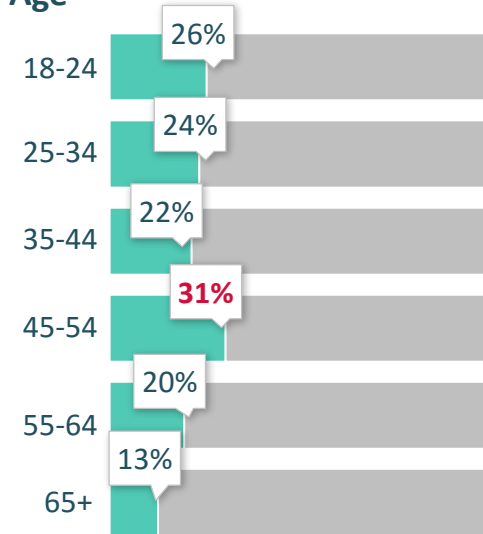
Total – almost 1 in 4 struggle to make ends meet



## Gender



## Age



## Social Class

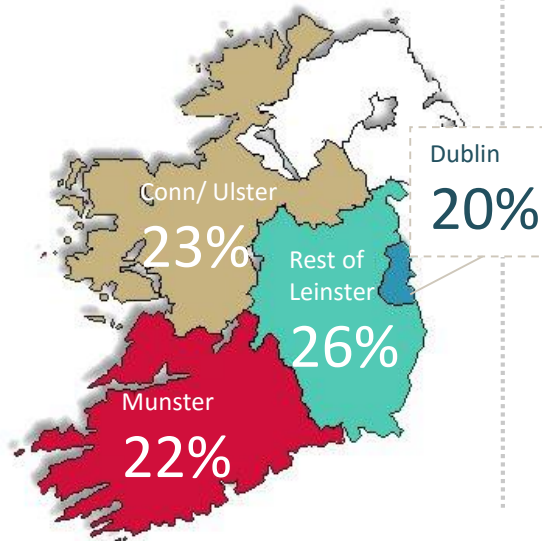
Higher Social Grades: 17%



Lower Social Grades: 27%



## Region

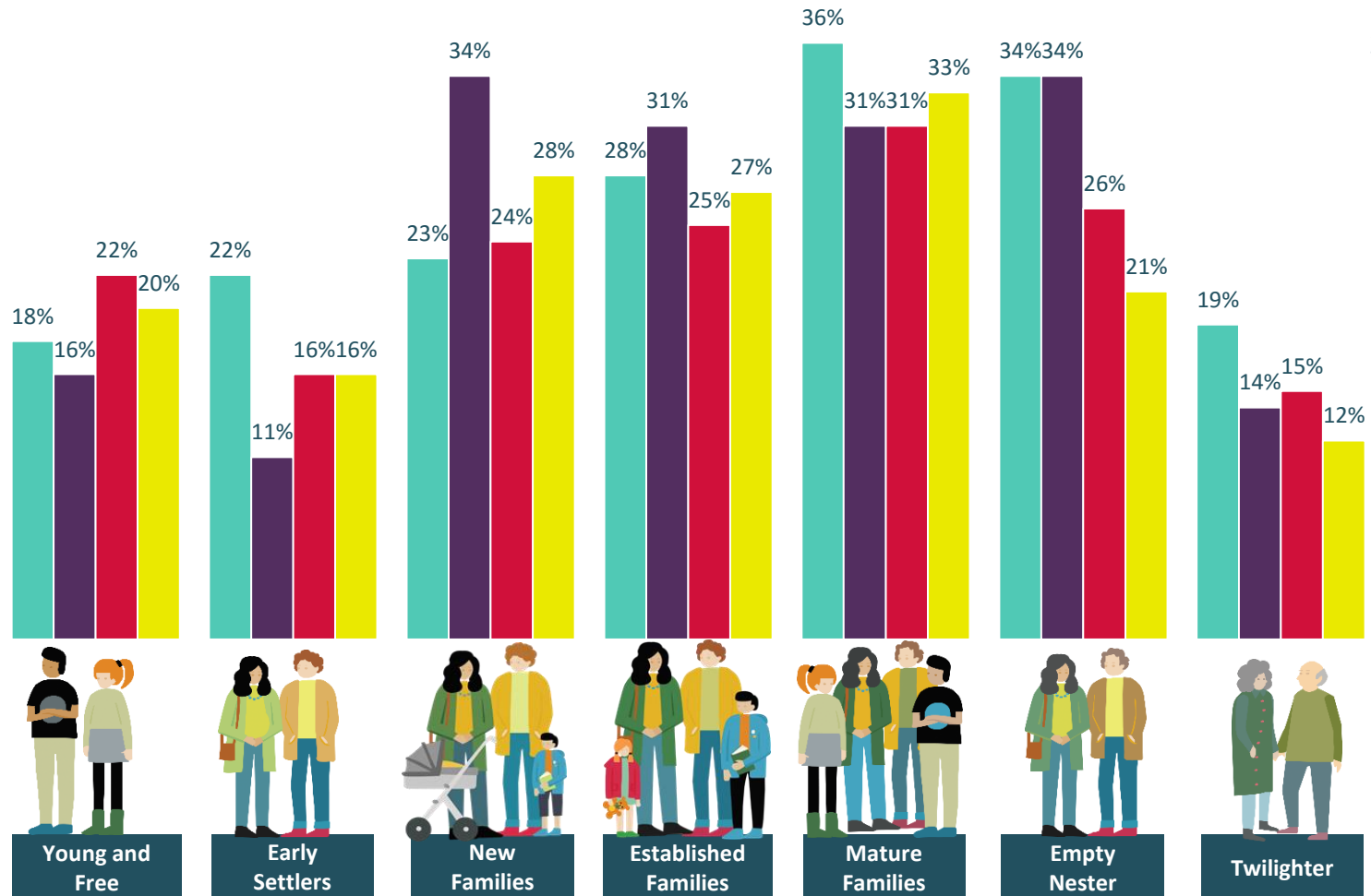


REDC

# Who is struggling to make ends meet?

% Struggling to make ends meet

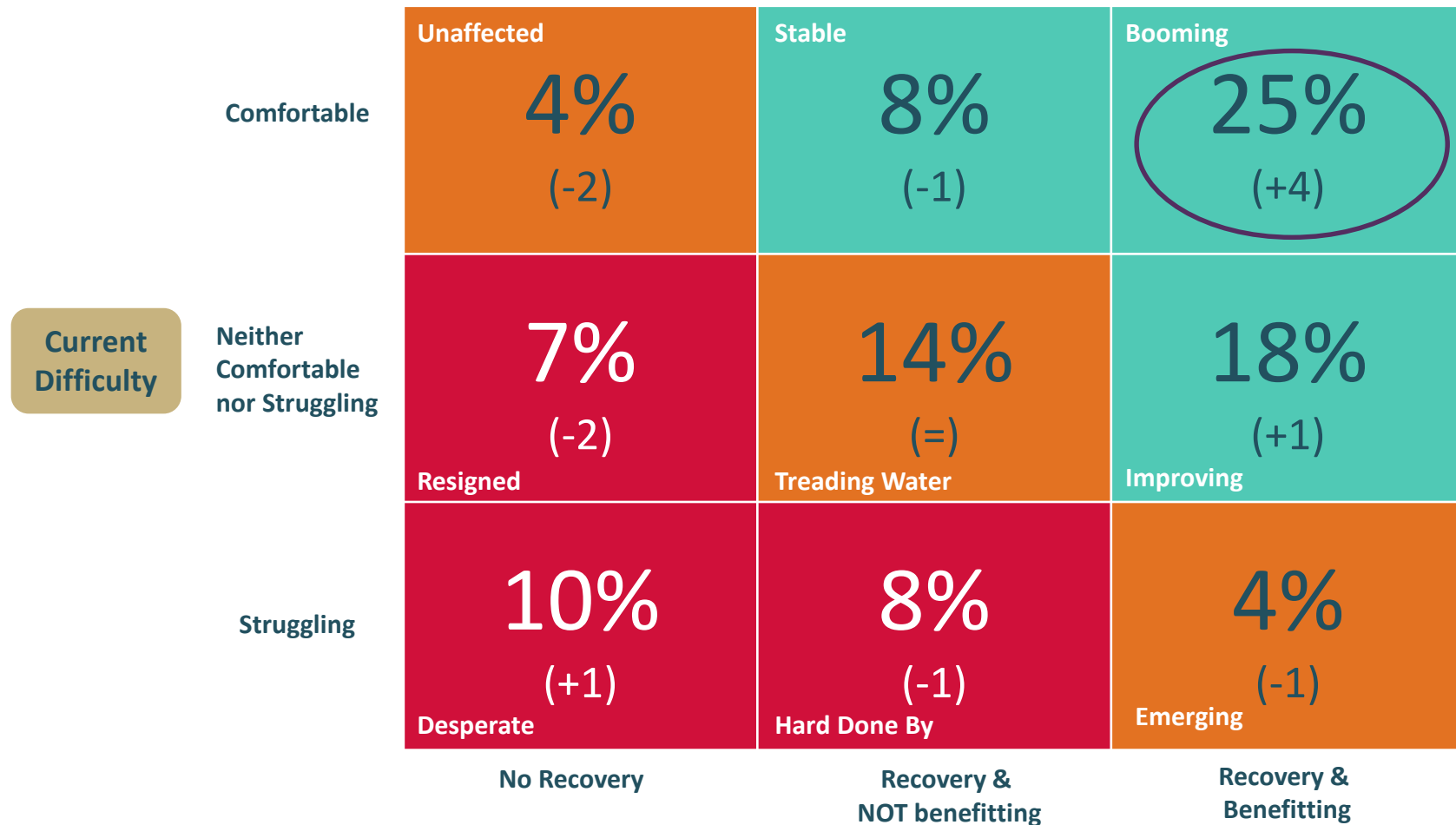
Jan 2015 June 2015 Oct 2015 Jan 2016



The family life stages continue to be more likely to struggle to make ends meet.

REDC

# Relationship between Economic Situation and Impact of Recovery



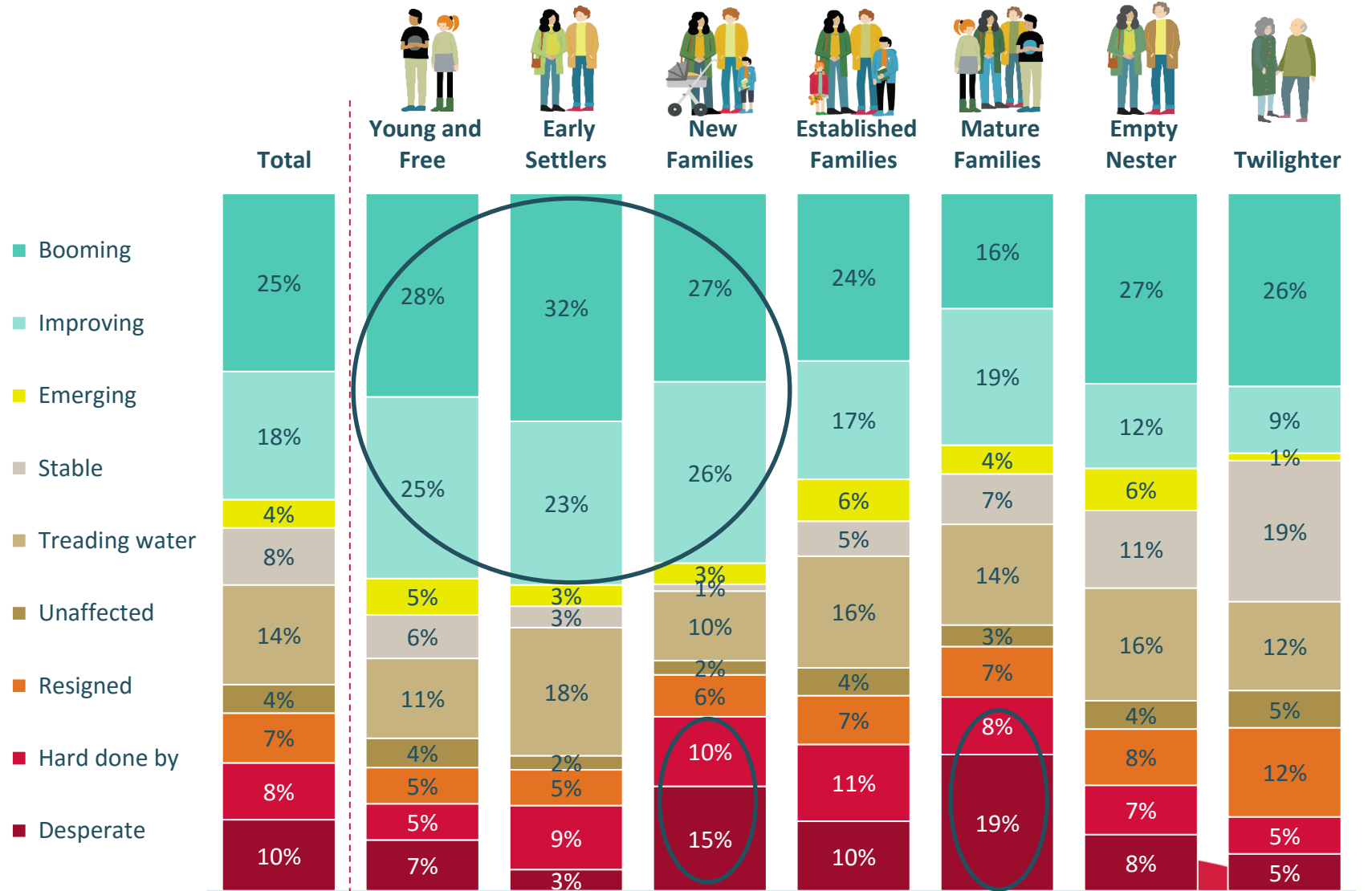
( ) = change from Oct 2015

**Future Opportunity**

1 in 4 are now “booming” (living comfortable & benefitting from recovery), this is up 4% since October.

**REDC**

# The younger life stages are more likely to be booming/improving.

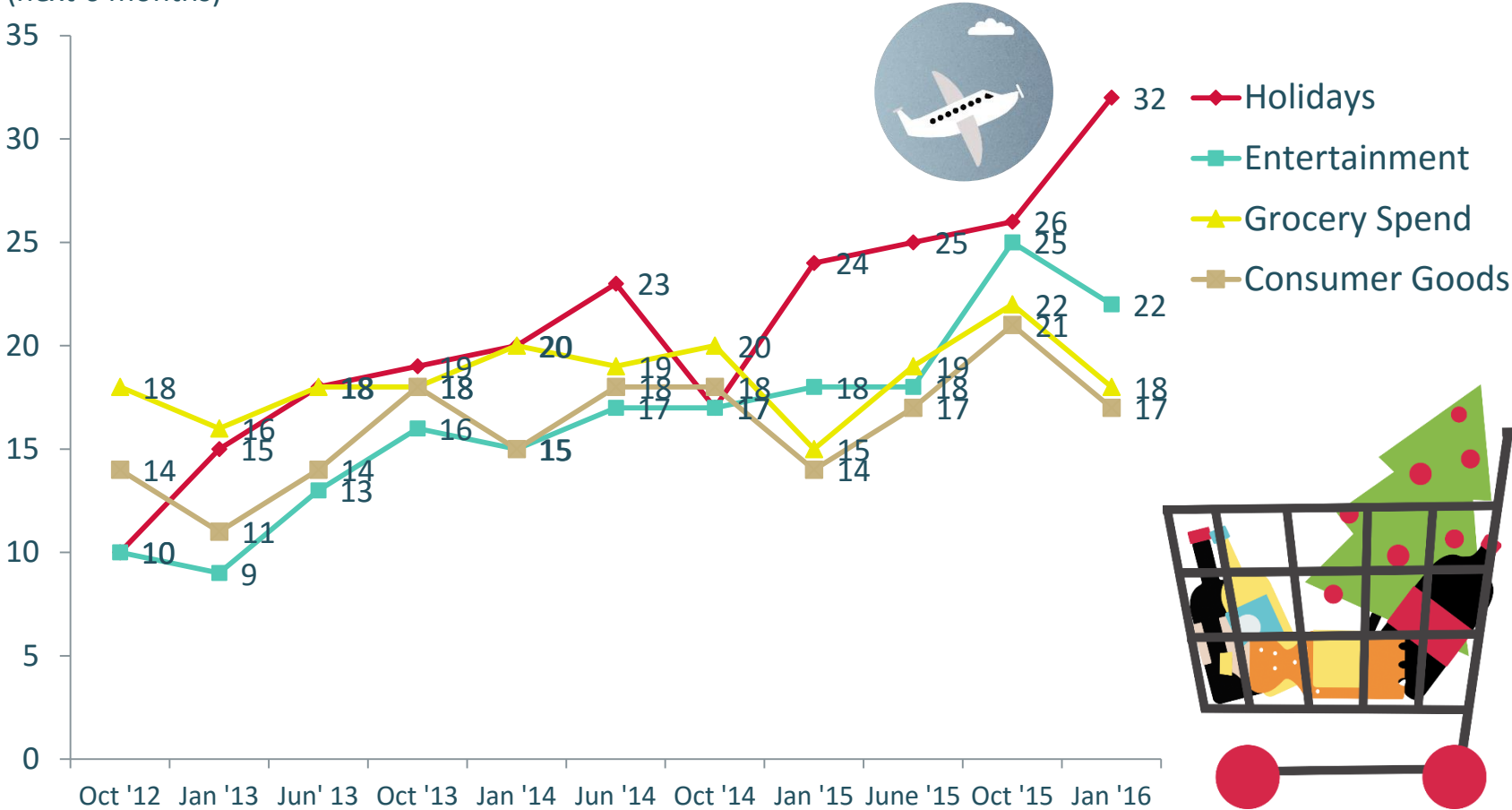




**Spend intention is significantly up compared to a year ago, especially for holidays**

# Expected Increase in Spend In The Next 6 Months

% Likely to increase spend  
(next 6 months)



Intention to spend on holidays sees another increase while spend intention is down for the other categories when comparing to October. Spend intention is however up for all categories when comparing to a year ago.



# Expected Changes In Spend Over The Next 6 Months



Entertainment such as going out, eating, drinking or socialising



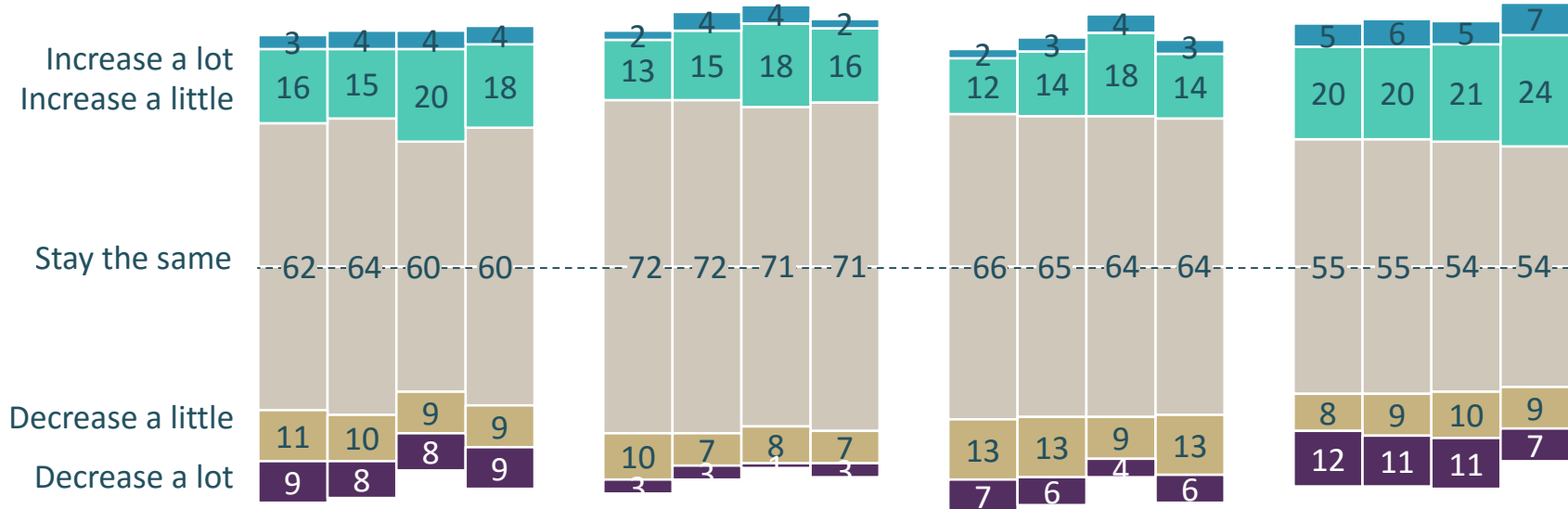
Grocery spend



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



Holidays and short breaks



All categories have higher spend intention than a year ago, especially holidays. We see a slight decrease in spend intention for entertainment, groceries and consumer goods when comparing to October.



The younger age groups express higher likelihood to increase spend. The gap between Dublin and rest of country has closed somewhat.



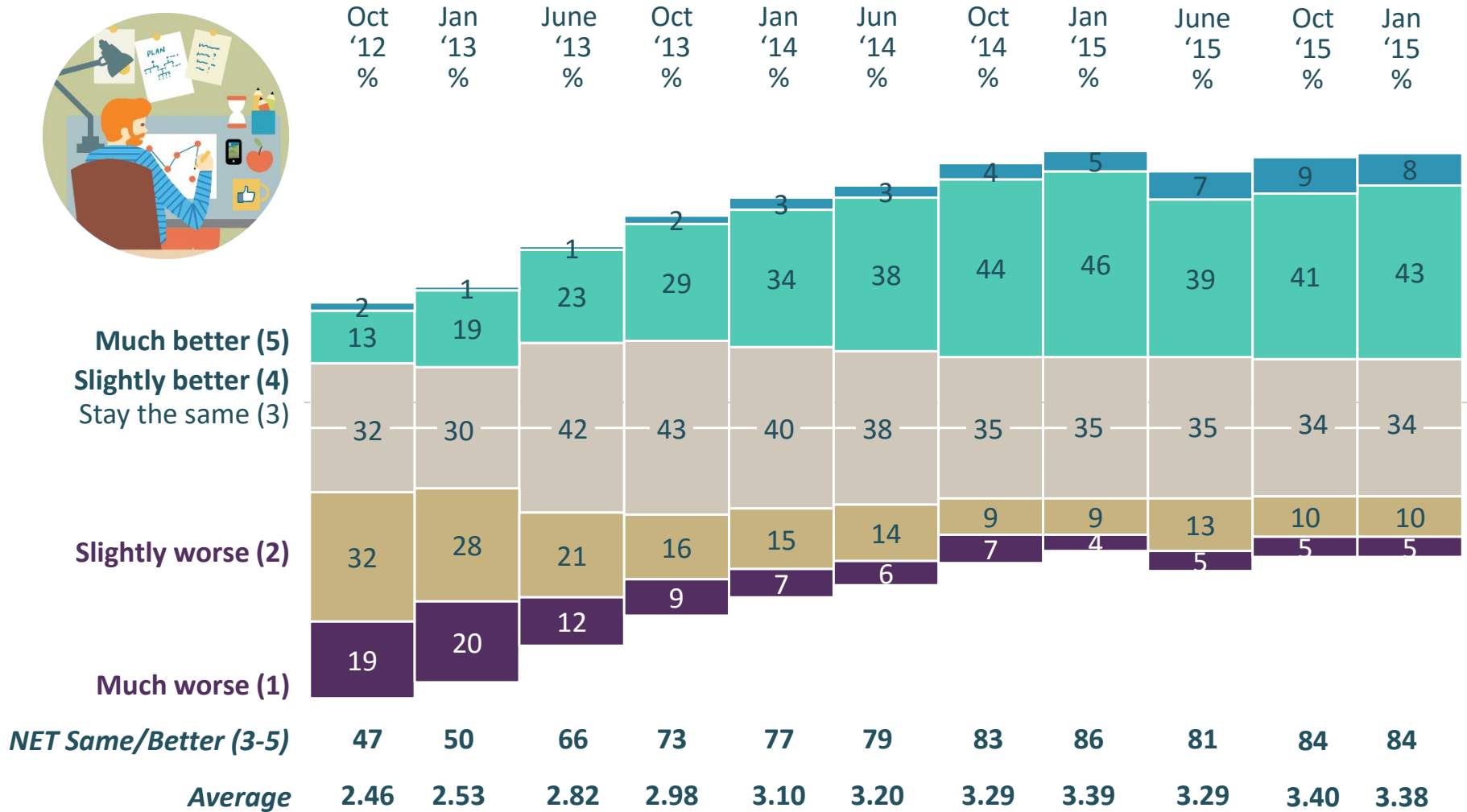
% Likely to increase spend in next 6 months	Entertainment	Grocery Spend	Consumer Goods/ Services	Holidays/ Shorter Breaks
<b>Total</b>	<b>22</b>	<b>18</b>	<b>17</b>	<b>32</b>
<b>Gender</b>				
Male	24	20	19	35
Female	19	17	16	29
<b>Age</b>				
18-24	35	24	24	42
25-34	29	21	21	37
35-44	22	17	17	34
45-54	20	13	16	28
55-64	16	16	9	30
65+	12	21	18	20
<b>Social Class</b>				
ABC1	25	17	18	36
C2DE	20	21	18	28
<b>Region</b>				
Dublin	25	20	22	34
Rest of Leinster	20	15	16	32
Munster	20	19	15	26
Connaught/Ulster	22	20	16	35





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

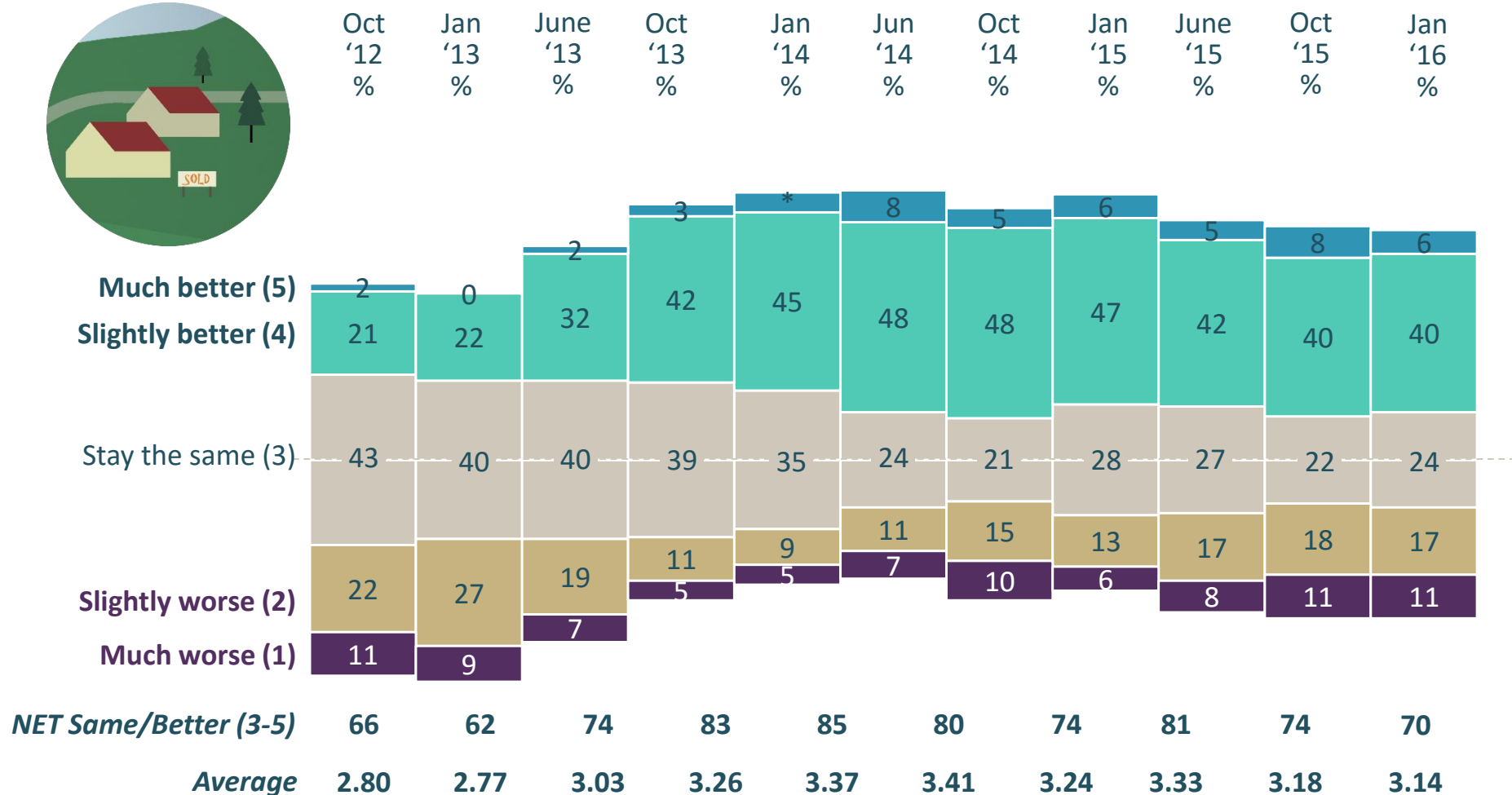
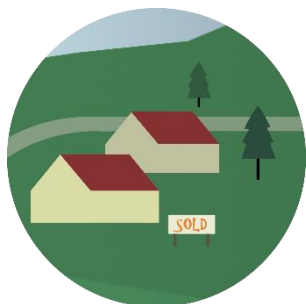
# How do you expect the job market to fare in the next 6 months?



Expectations for the job market remains unchanged with half expecting it to improve in the next 6 months.

**REDC**

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

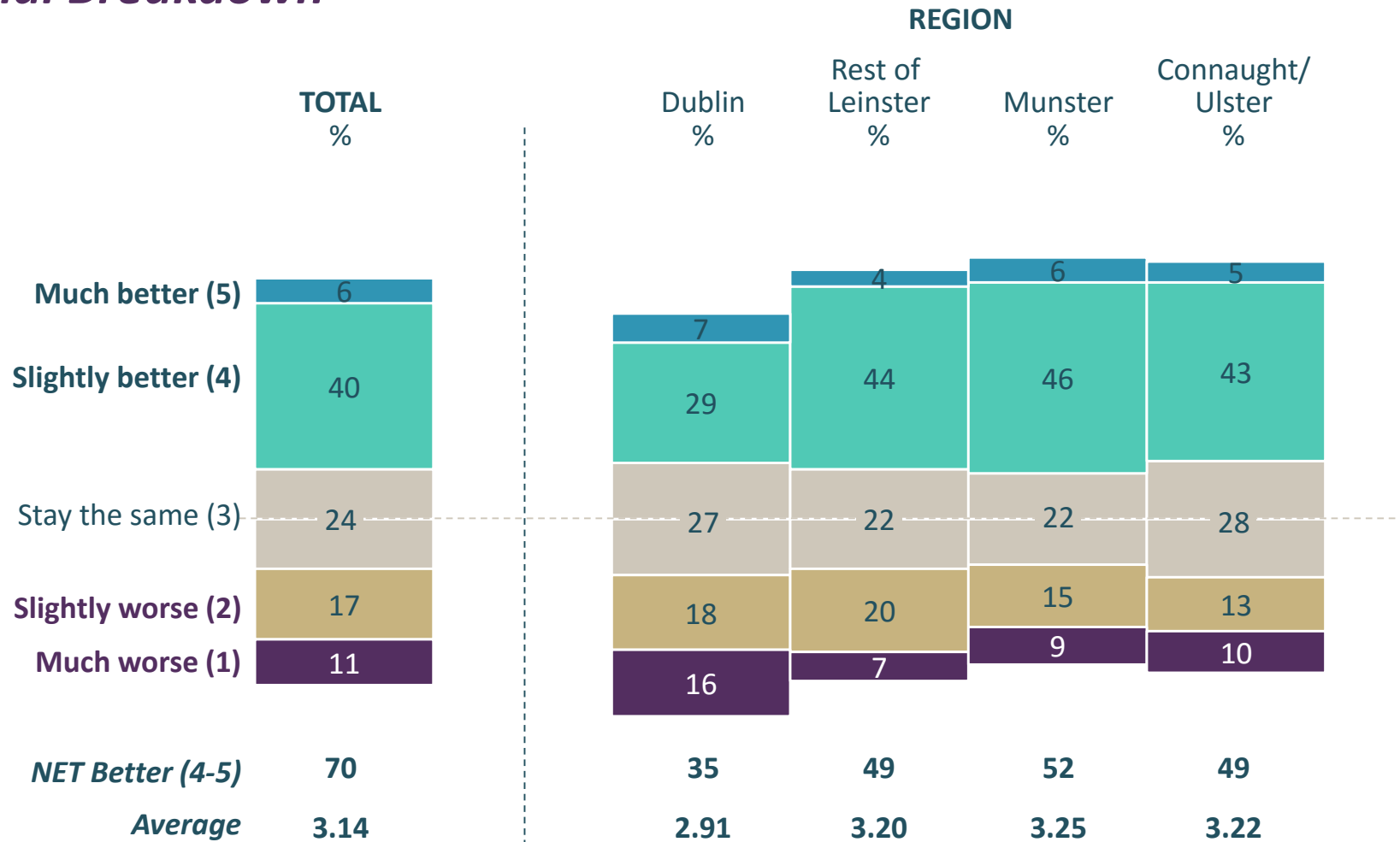


We see a slight decline in expectations for the housing market from October to now – continuing a negative trend since January last year. However, almost half expect the housing market to fare better in the next 6 months.

**REDC**

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

## *Regional Breakdown*



Expectations to the housing market continue to be higher outside Dublin – due to the higher price increases already seen in Dublin.

# Methodology

- / 1,008 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 **25<sup>th</sup> wave** of the Consumer Mood Monitor & fieldwork was conducted 25<sup>th</sup>-27<sup>th</sup> January 2016.



**THANK  
YOU**

**REDC**