

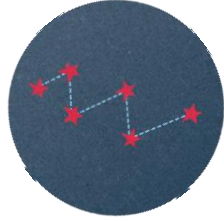
Consumer Mood Monitor

*Uncertainty about the World Economy Drives Down
Consumer Confidence & Spend*

June 2018



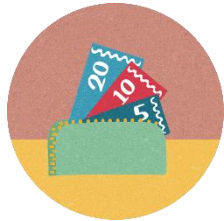
Uncertainty about World Economy Drives Down Consumer Confidence



Consumer Outlook for the Irish economy sees a significant decline. But 2 in 5 still expect the economy to improve in the next 6 months, with 1 in 4 expecting it to fare worse.



The decline in Consumer Outlook is driven by concerns about the World Economy due to Brexit and a possible trade war between the EU and USA.



A significant proportion are now worried that their disposable income will decrease in the next 6 months.



This has a negative impact on spend intention in the next 6 months, especially for entertainment/socialising and consumer goods.

Consumer Mood - Headline Facts

Significant decline in outlook for the Irish economy. **39%** believe the economy will improve in the next 6 months – down from 54% in January.

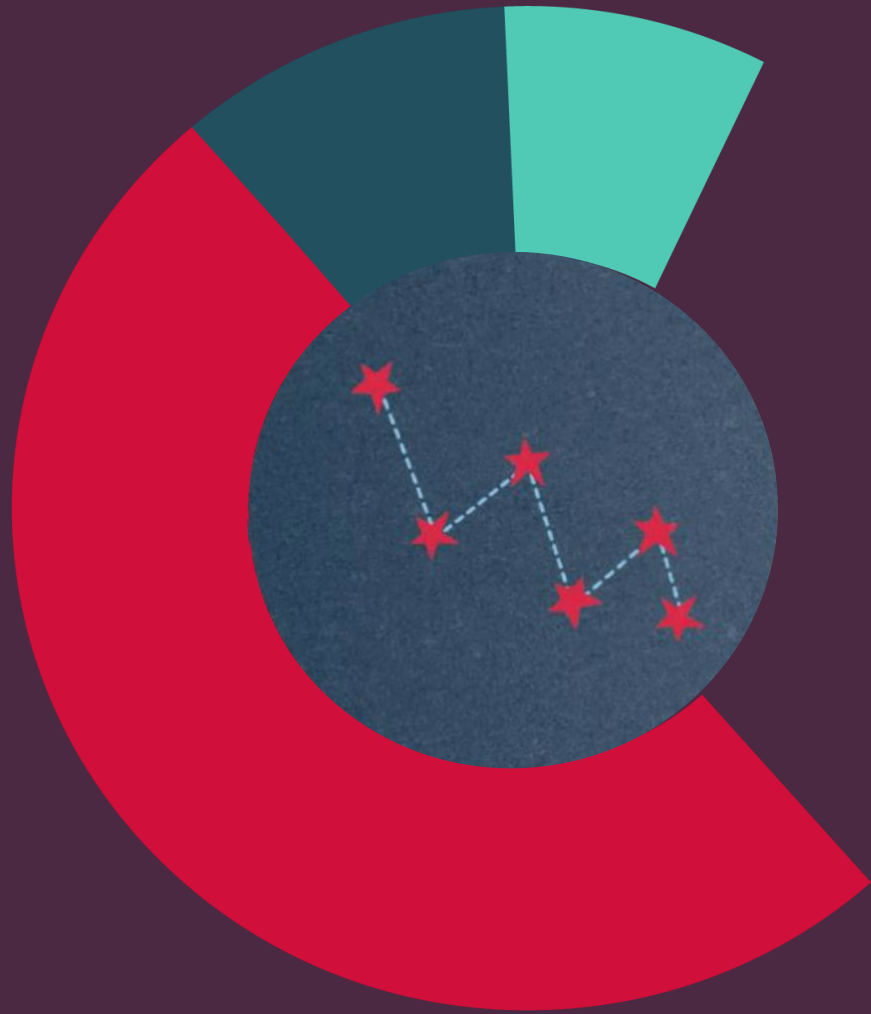
41% expect the World economy to worsen in the next 6 months – up from 18% in October.

Brexit remains a concern with **81%** being worried about the impact Brexit will have on the Irish economy. Possible trade war also drives down consumer outlook.

29% of consumers are expecting their disposable income to go down in the next 6 months while **24%** expect an increase in disposable income.

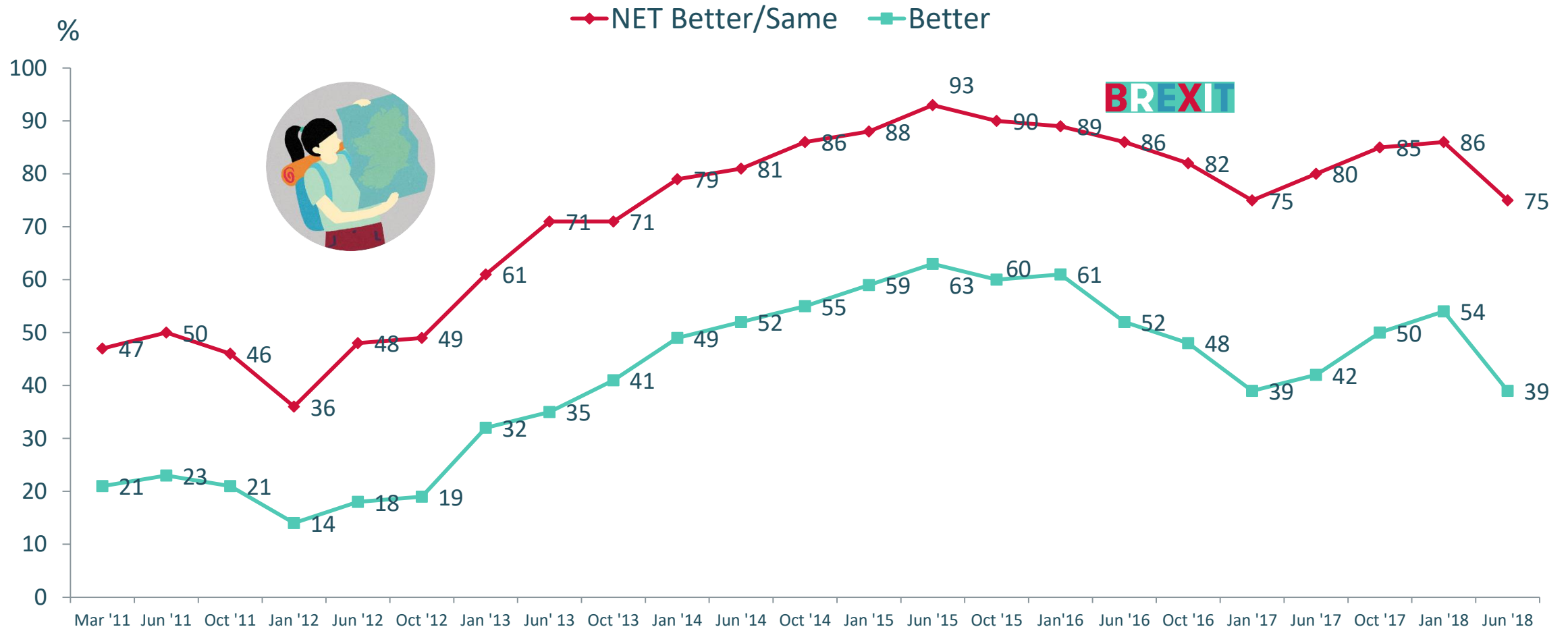
Spend intention is down, especially for **entertainment/ socialising and consumer goods.**

66% would like to see a United Ireland as a result of Brexit – this is up slightly from 62% in June last year.



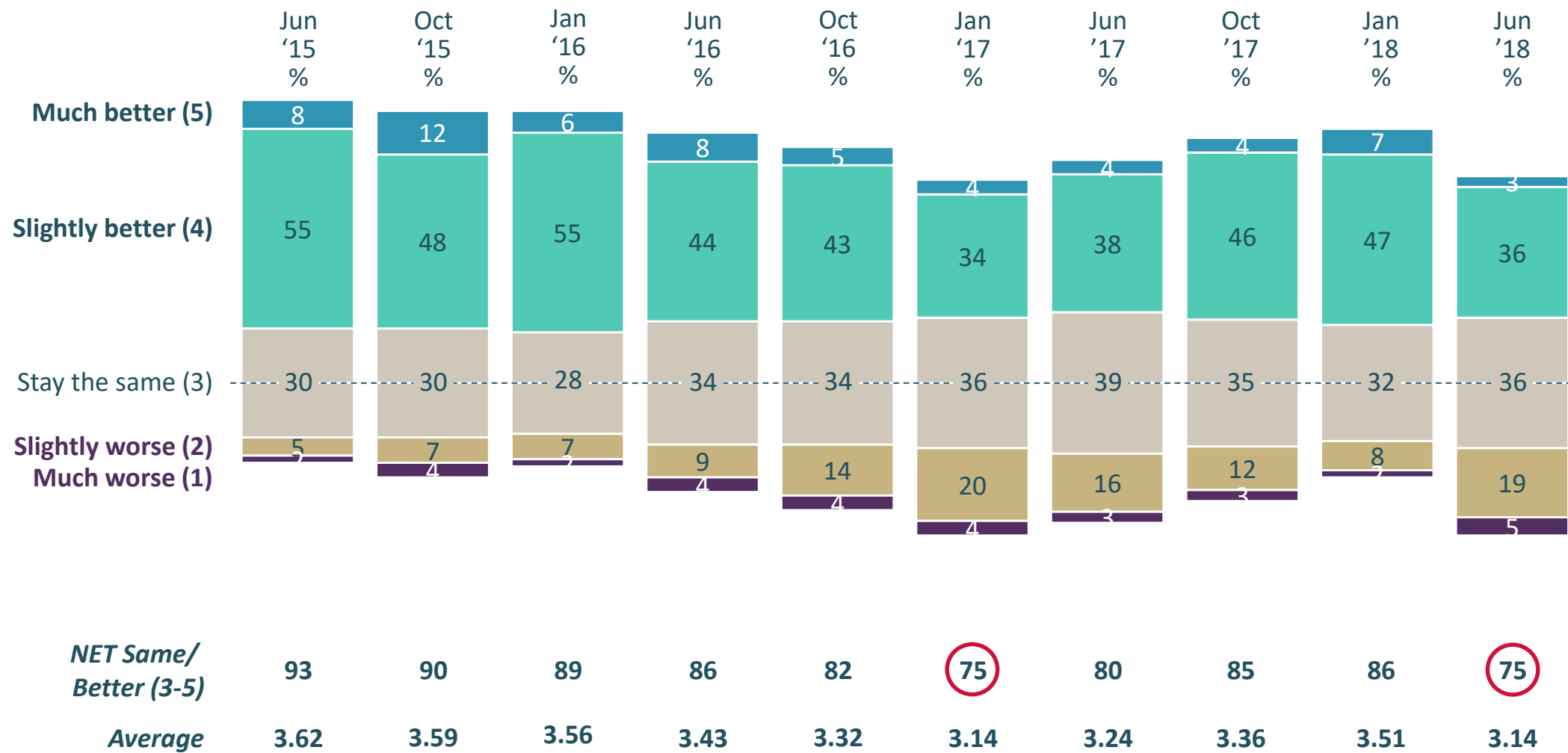
**Uncertainty about the
World Economy drives
down consumer outlook**

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



Consumer outlook for the Irish economy sees a significant decline from January to June 2018 and is now back at levels recorded in January 2017.

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

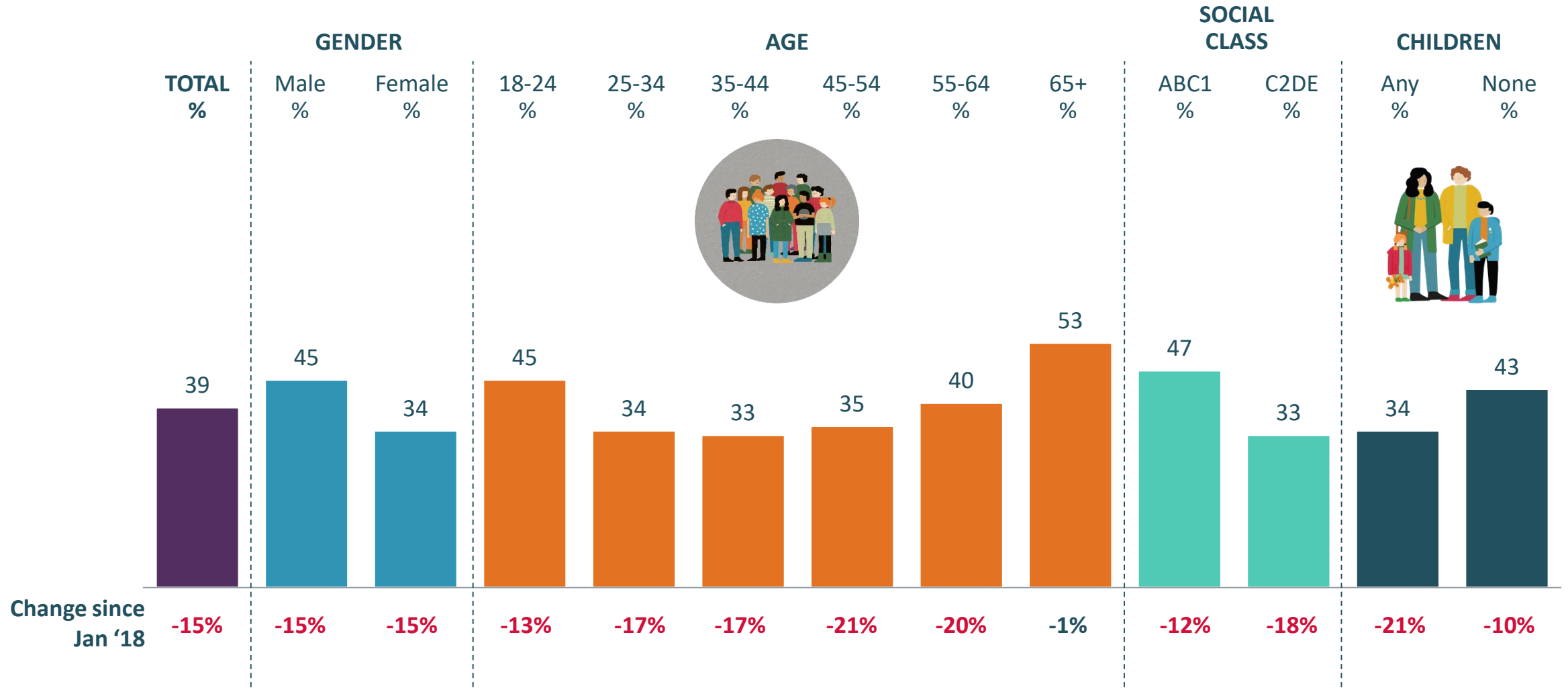


✓ Almost 2 in 5 expect the economy to improve in the next 6 months – down from 54% in January 2018.

✗ 1 in 4 expect the economy to fare worse in the next 6 months.

Expectations for the Irish economy 6 months from now

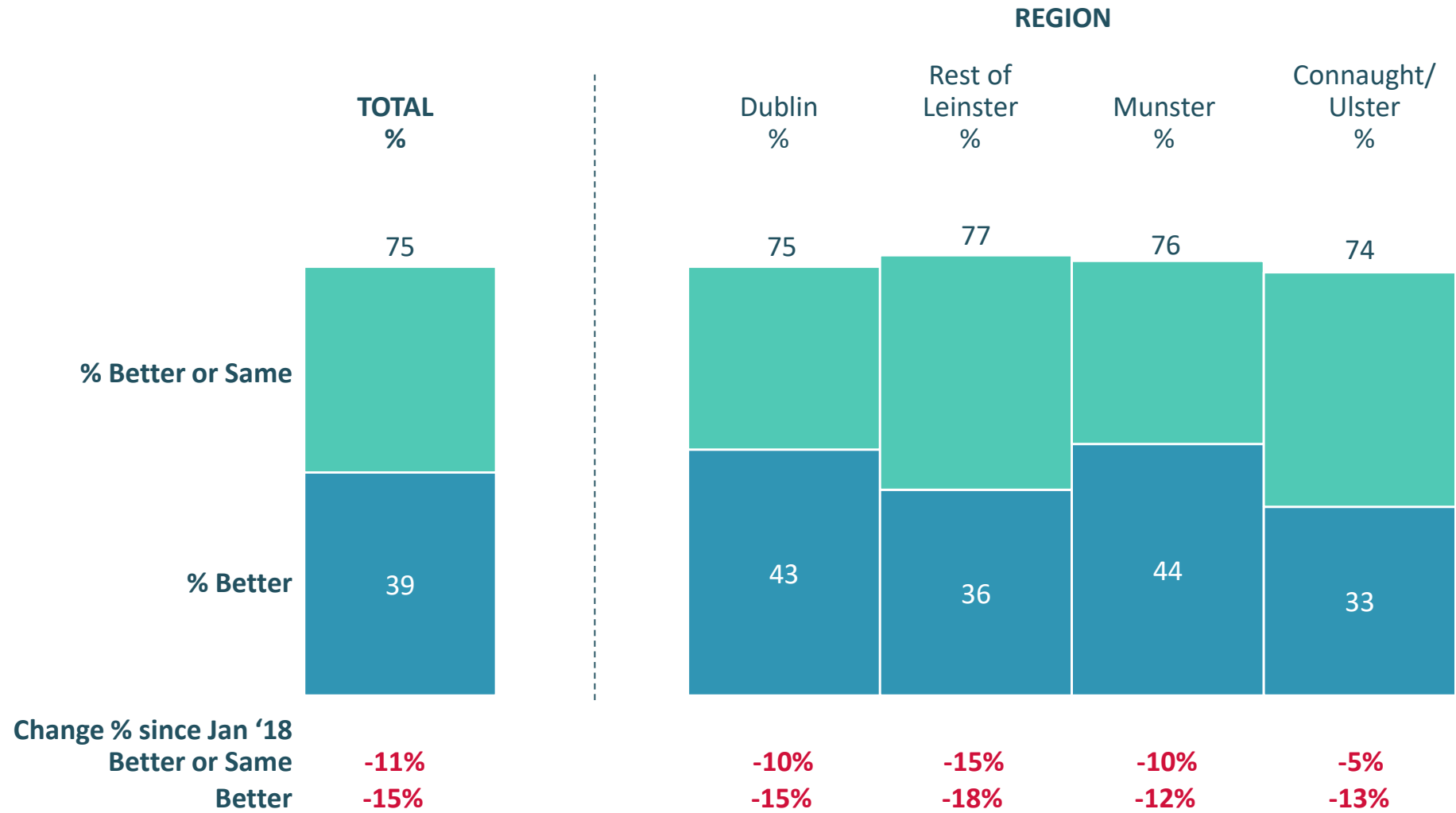
% Stating they believe it will be better



Consumer outlook for the Irish economy has decreased across the population but especially among those with dependent children. Males, higher social classes and those aged 18-24 or 65+ years have the most positive outlook.



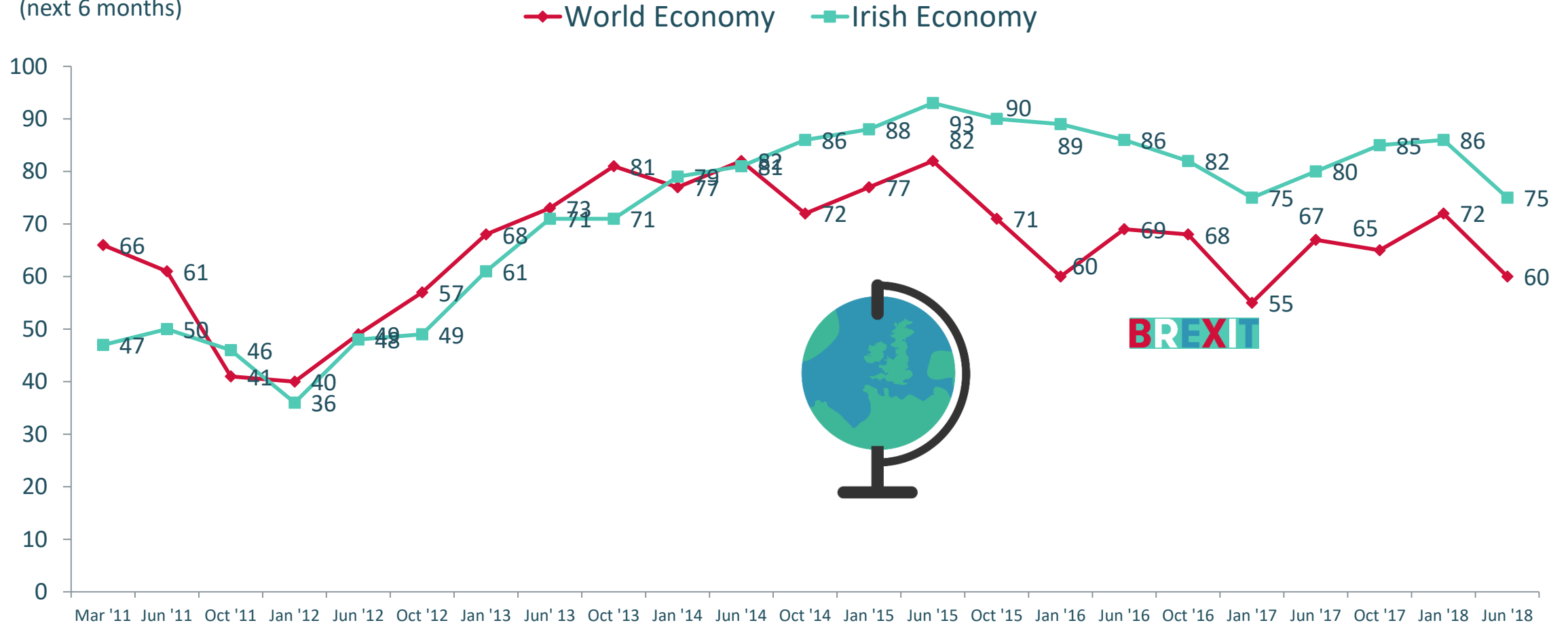
Expectations for the Irish economy across the country...



All regions see a decline in consumer outlook for the Irish economy from January to June 2018. Connaught/Ulster and Rest of Leinster are less positive about the economy compared to the national average.

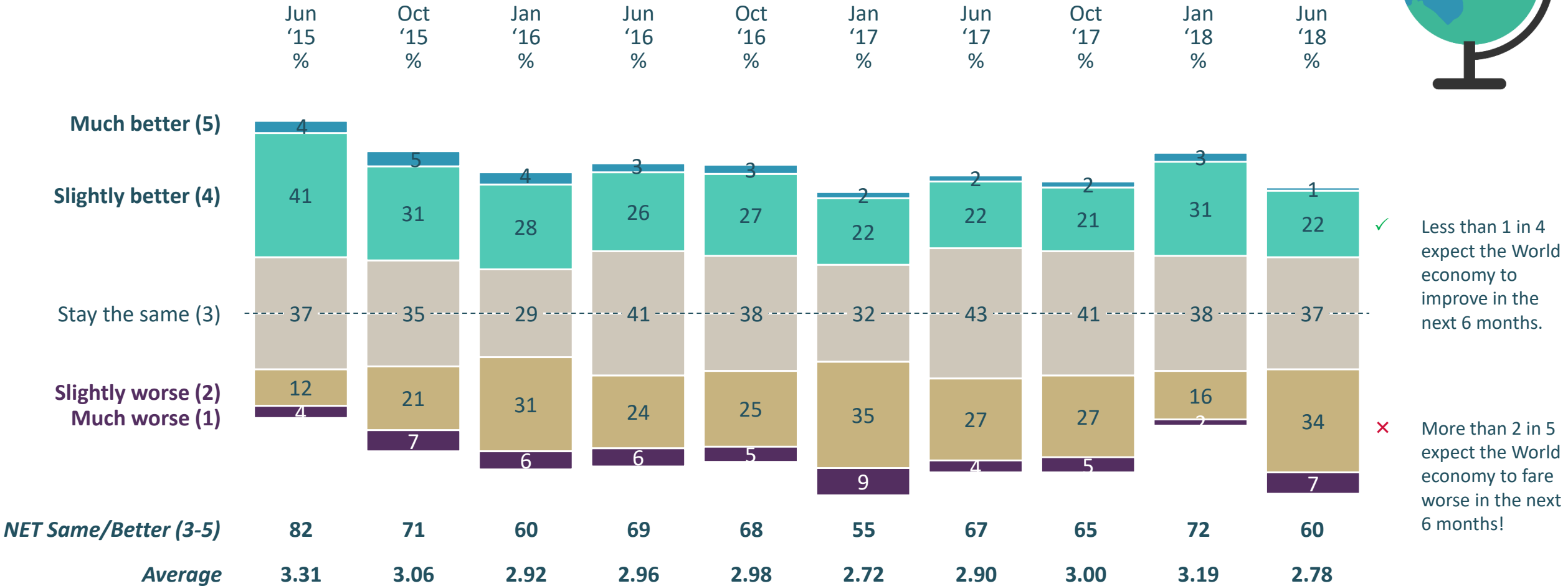
Expectations for the World Economy

% NET Better/Same
(next 6 months)



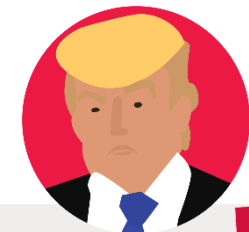
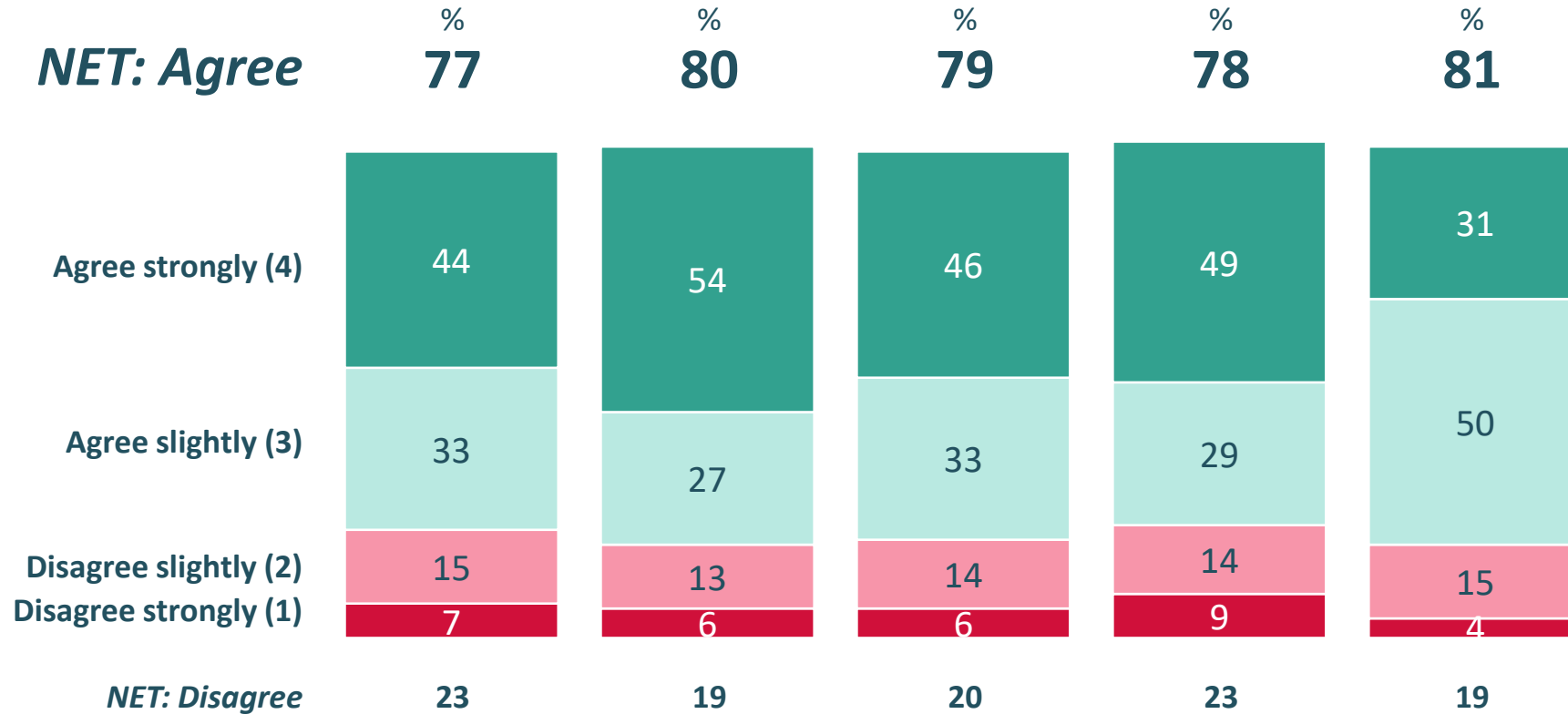
The decline in outlook for the Irish economy is driven by a significant decline in outlook for the World economy. 60% expect the World economy to improve or stay the same in the next 6 months compared to 72% in January 2018.

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



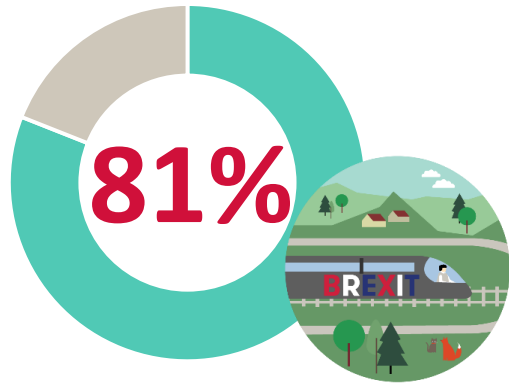
Impact of Brexit on Ireland's Economy

"I am worried that Brexit will have a negative impact on Ireland's economy"

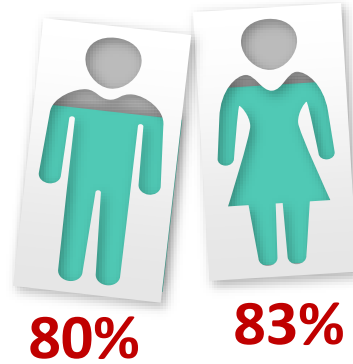


More than 4 in 5 are worried about the impact of Brexit on the Irish economy. However, we see a decline in the proportion who are very concerned, indicating a possible trade war between the EU and USA also plays a role in driving consumer mood down.

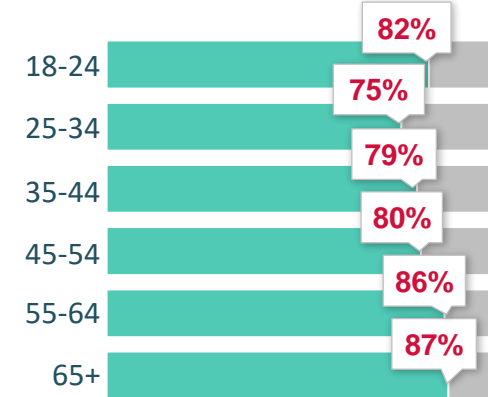
Who are worried that Brexit will have a negative impact on Ireland's Economy



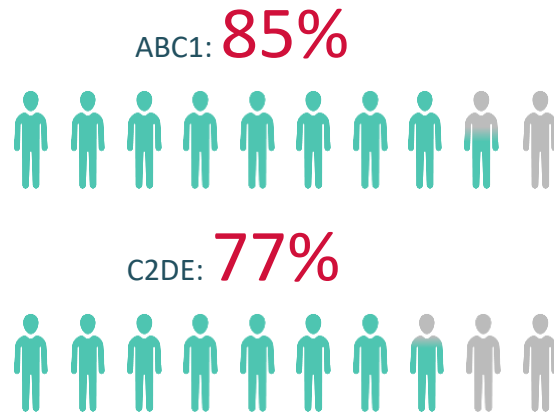
Gender



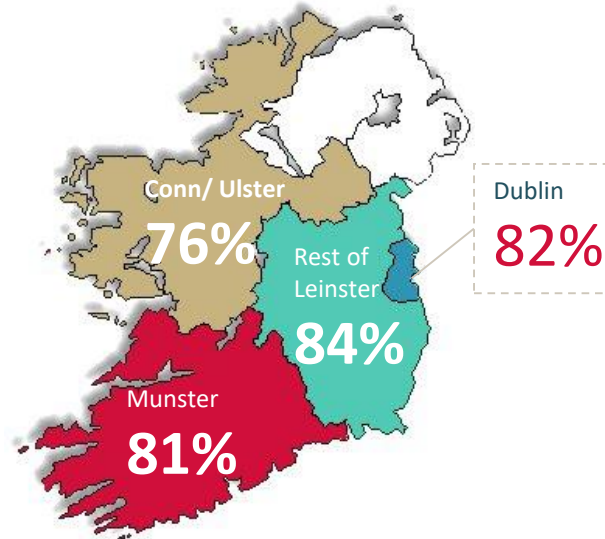
Age



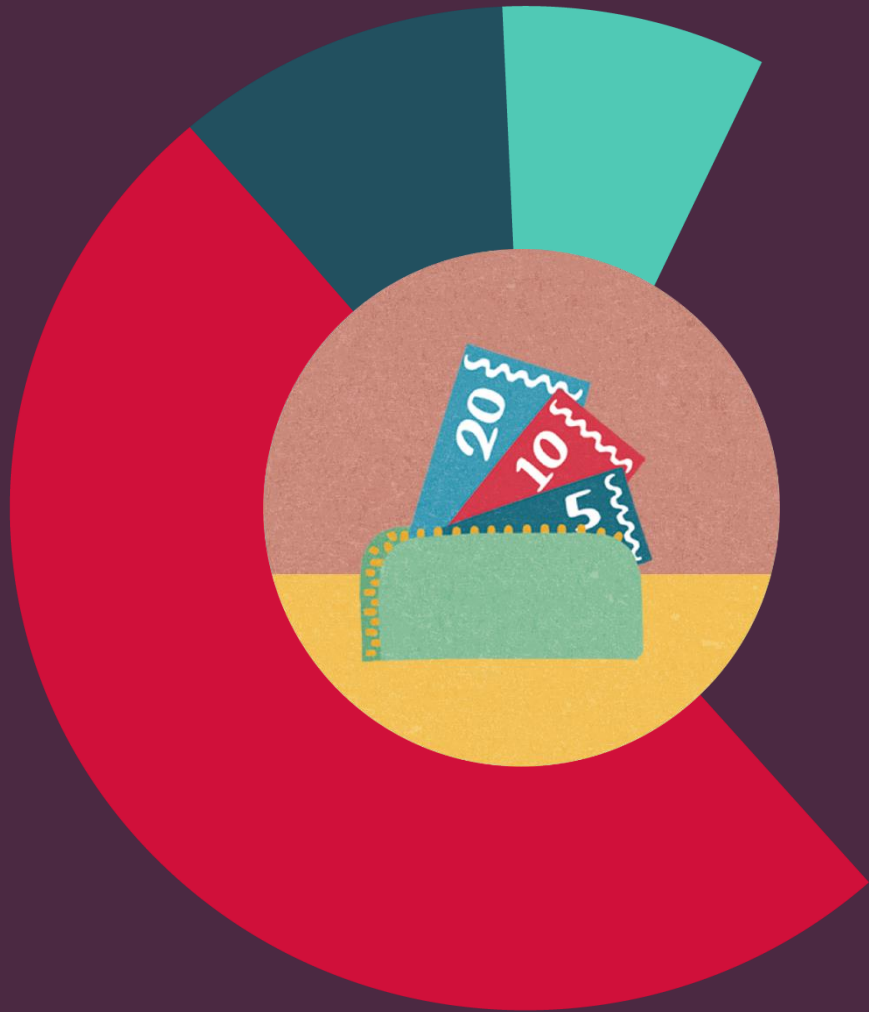
Social Class



Region

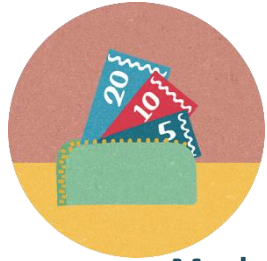


4 in 5 are concerned about the impact of Brexit on Ireland's economy. This is higher among the 55+ year olds and higher social classes. Connaught/Ulster is less concerned compared to the rest of the country.

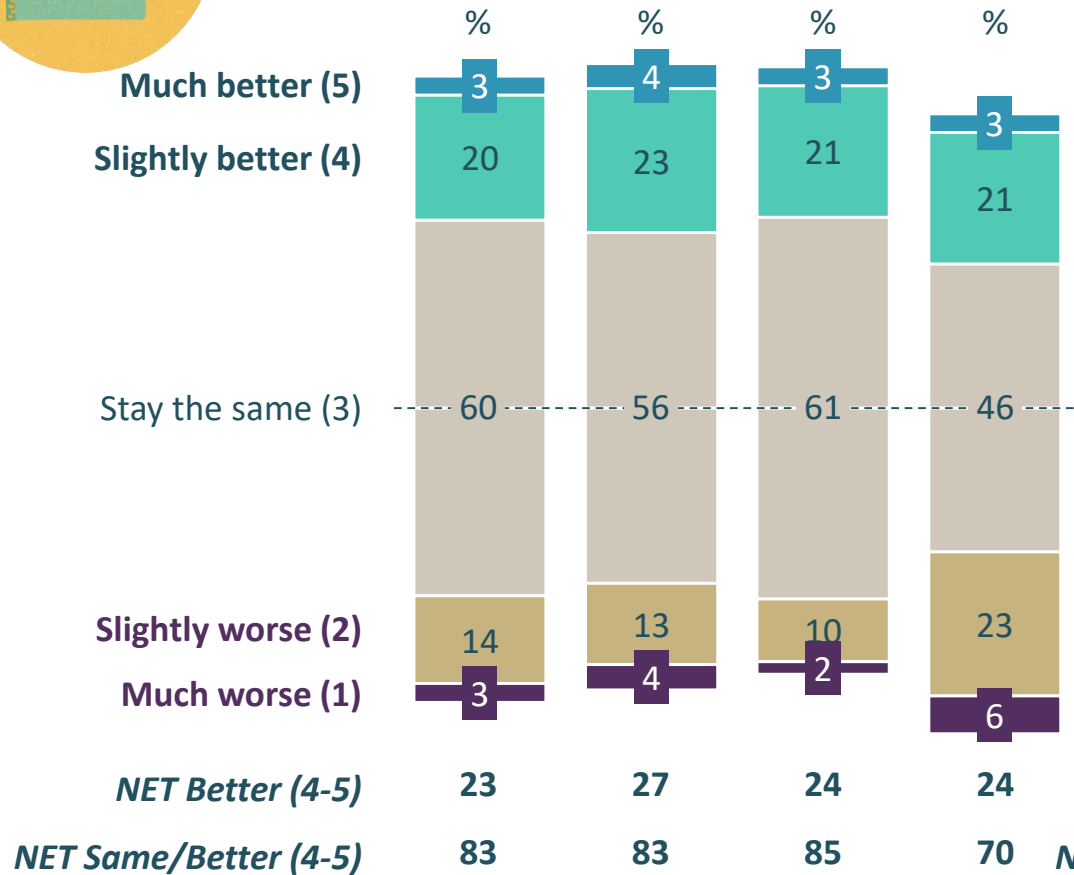


**3 in 10 expect their
disposable income to
decrease in the next 6
months**

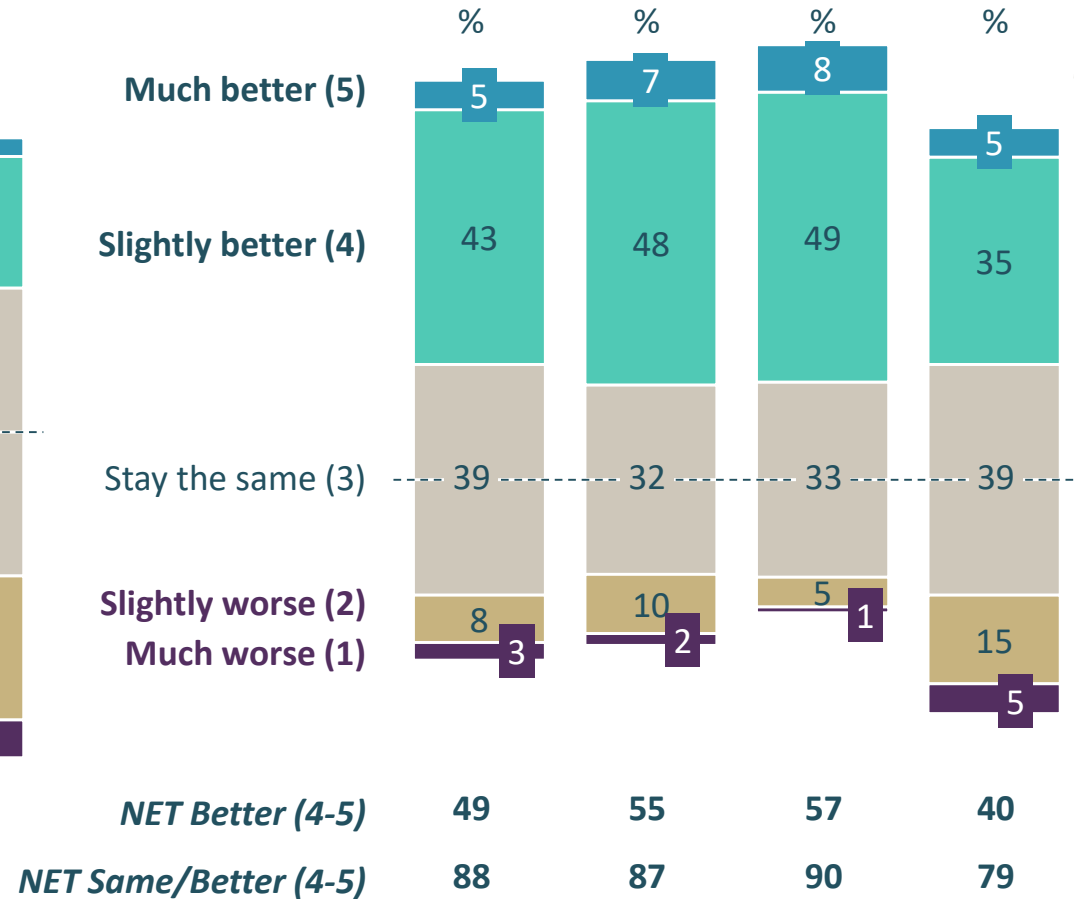
Expectations for the next 6 months for...



Your Disposable Income



Employment; the ability to get & move jobs



Timeline: Jun 2017, Oct 2017, Jan 2018, Jun 2018

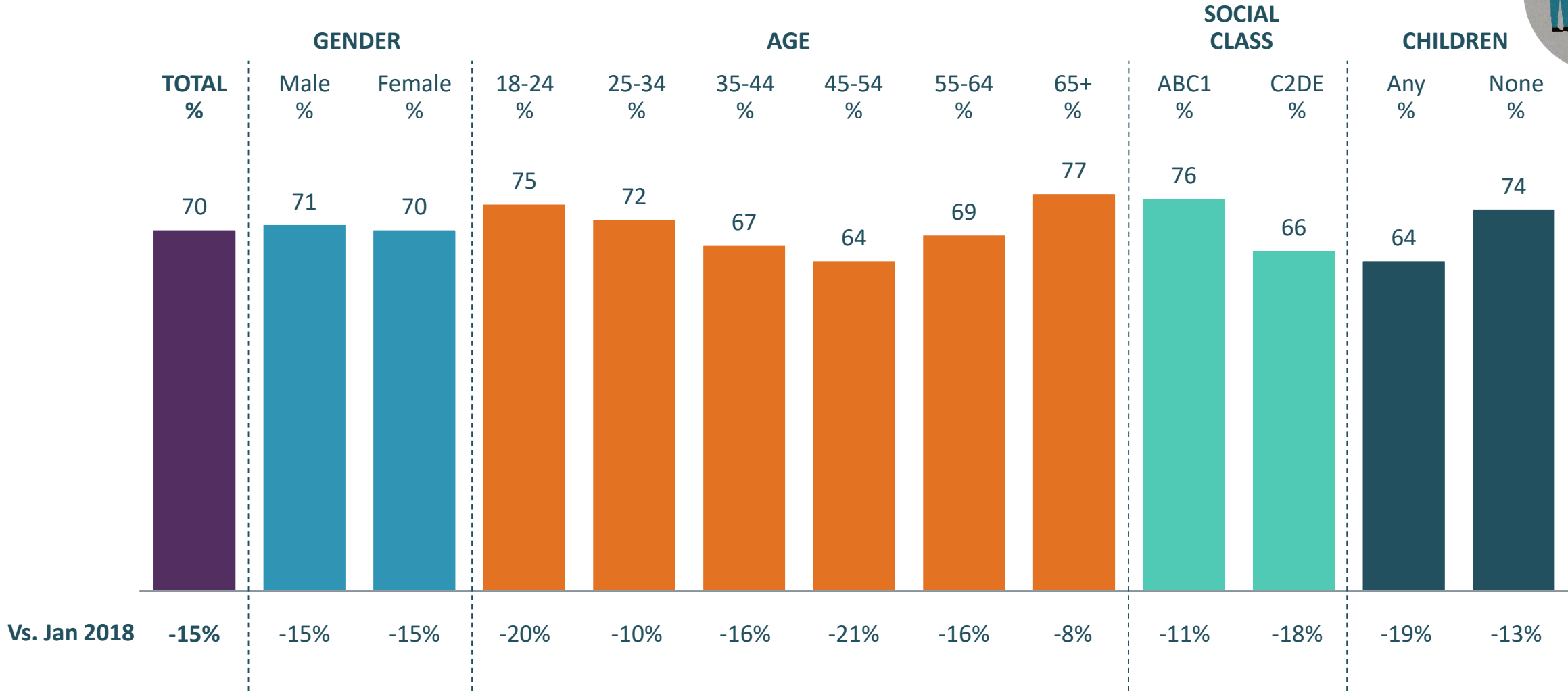


More people now expect their disposable income to worsen in the next 6 months compared to the number of people who expect an improvement. 2 in 5 expect an improvement for employment opportunities – down from 57% in January 2018.



Expectations for disposable income in the next 6 months?

% Stating they believe it will be better or stay the same



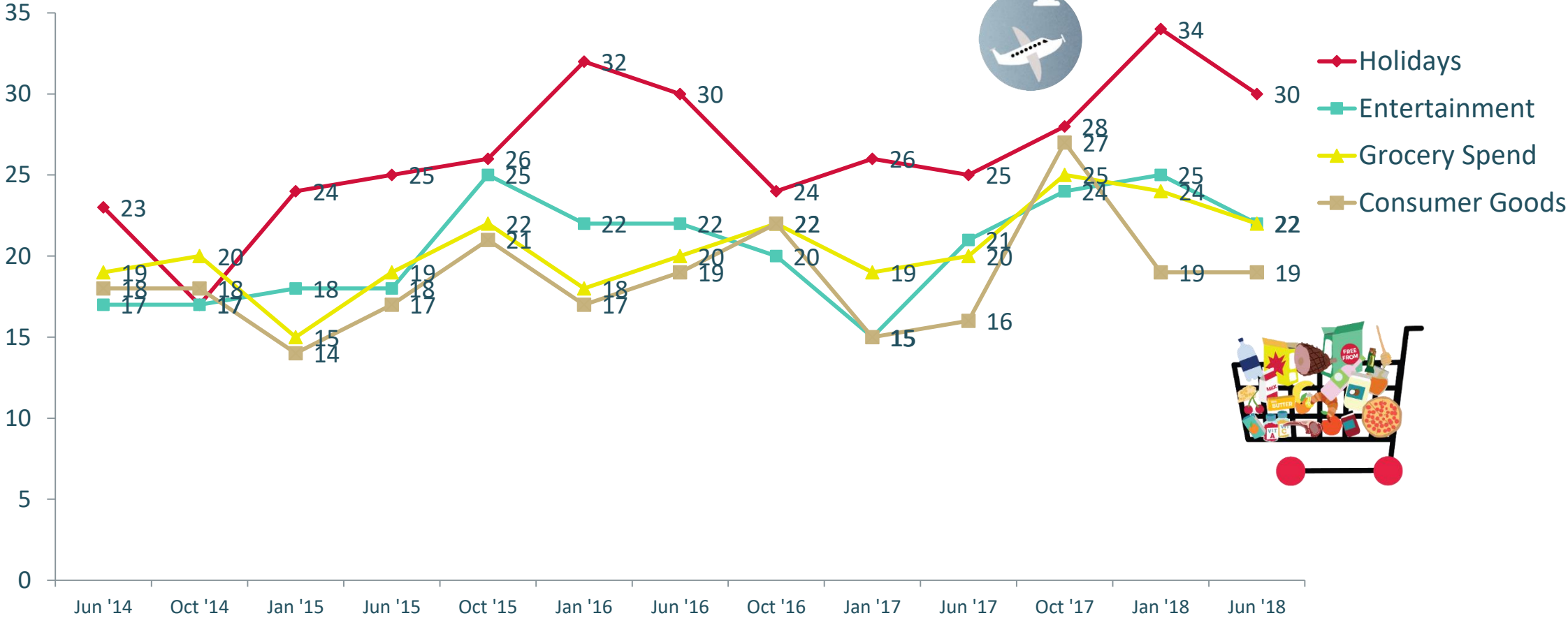
Lower social classes and those with children are more likely to expect their disposable income to worsen in the next 6 months.



Consumers are less likely to increase spend, especially for entertainment and consumer goods

Expected Increase in Spend In The Next 6 Months

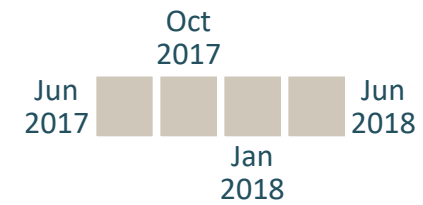
% Likely to increase spend
(next 6 months)



We see a decline in spend intention in the next 6 months for holidays, entertainment/socialising and grocery spend.



Expected Changes In Spend Over The Next 6 Months



Entertainment such as going out, eating, drinking or socialising



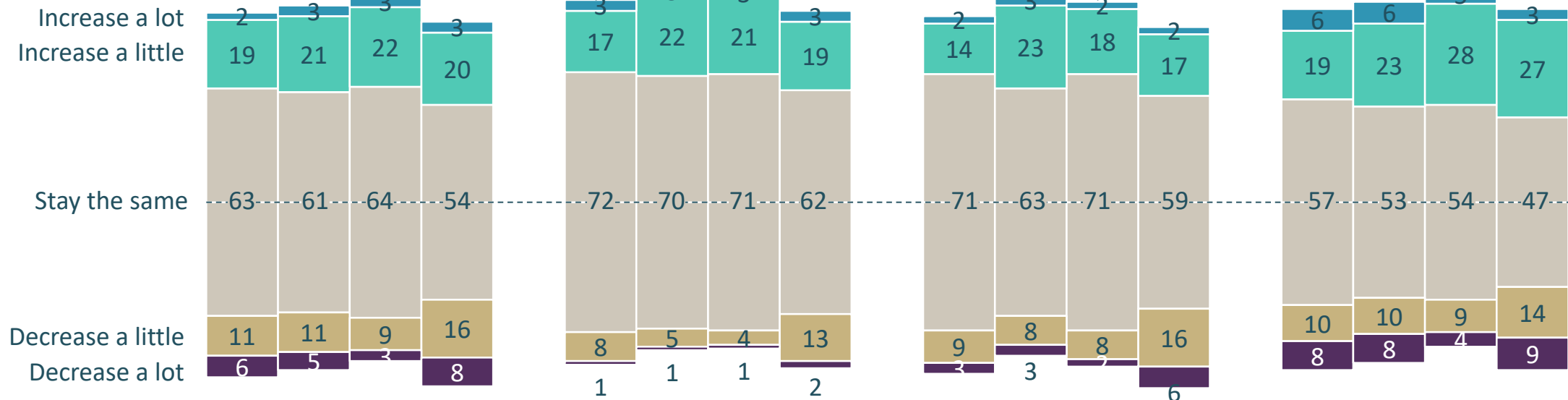
Grocery spend



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



Holidays and short breaks



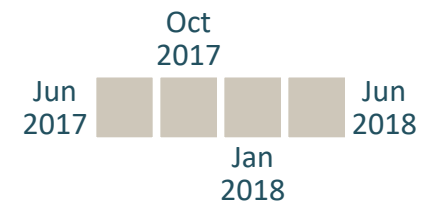
For **entertainment/socialising and consumer goods**, we now see more people who expect to decrease spend on these categories than people who expect to increase spend.

The younger age groups and those living in Munster are more 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	22	22	19	30
Gender				
Male	23	23	21	30
Female	22	21	18	30
Age				
18-24	45	27	33	47
25-34	26	32	28	36
35-44	24	27	20	32
45-54	15	20	13	20
55-64	16	15	12	21
65+	17	11	13	29
Social Class				
ABC1	25	21	20	34
C2DE	20	22	20	27
Region				
Dublin	23	23	20	31
Rest of Leinster	17	17	16	25
Munster	28	29	25	34
Connaught/Ulster	21	16	14	28

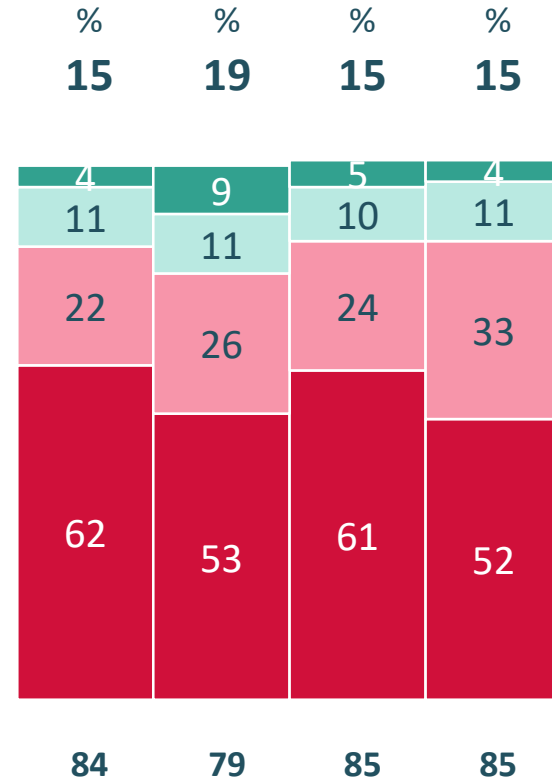
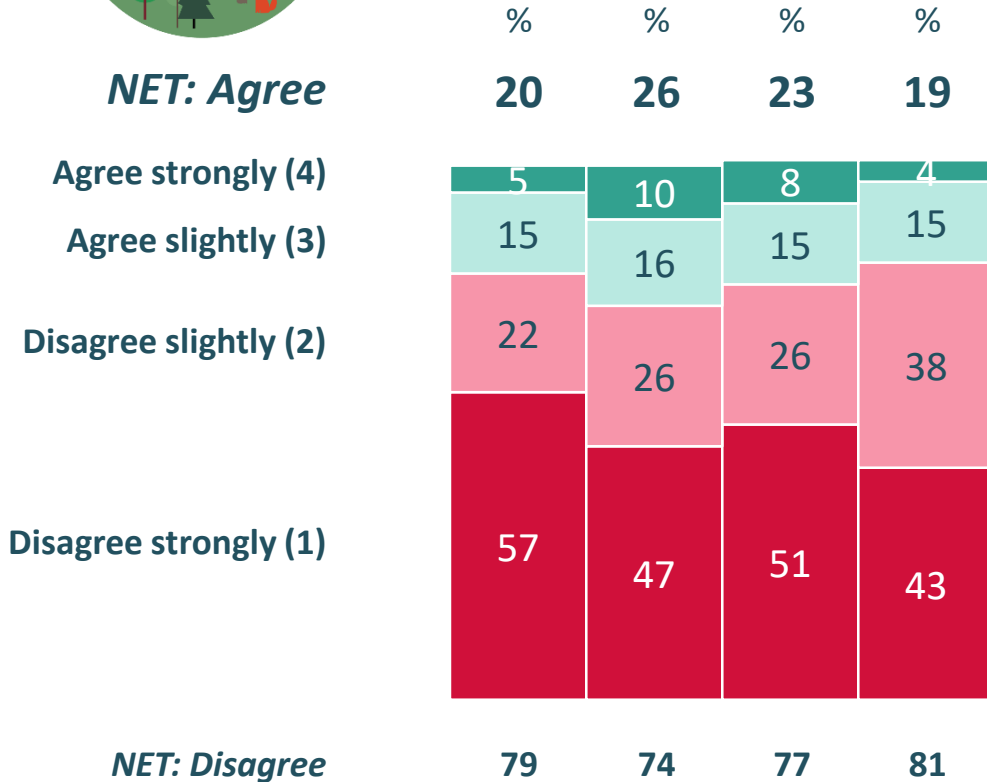
Brexit Impact on Republic of Ireland Spend



NET: Agree

“I have been purchasing more goods online directly from the UK since Brexit”

“I have been purchasing more goods from across the border in Northern Ireland since Brexit”



1 in 5 have bought more online from the UK since Brexit with 15% having bought more across the border to Northern Ireland. We see a slight downward trend in Brexit’s impact on Irish shopping.

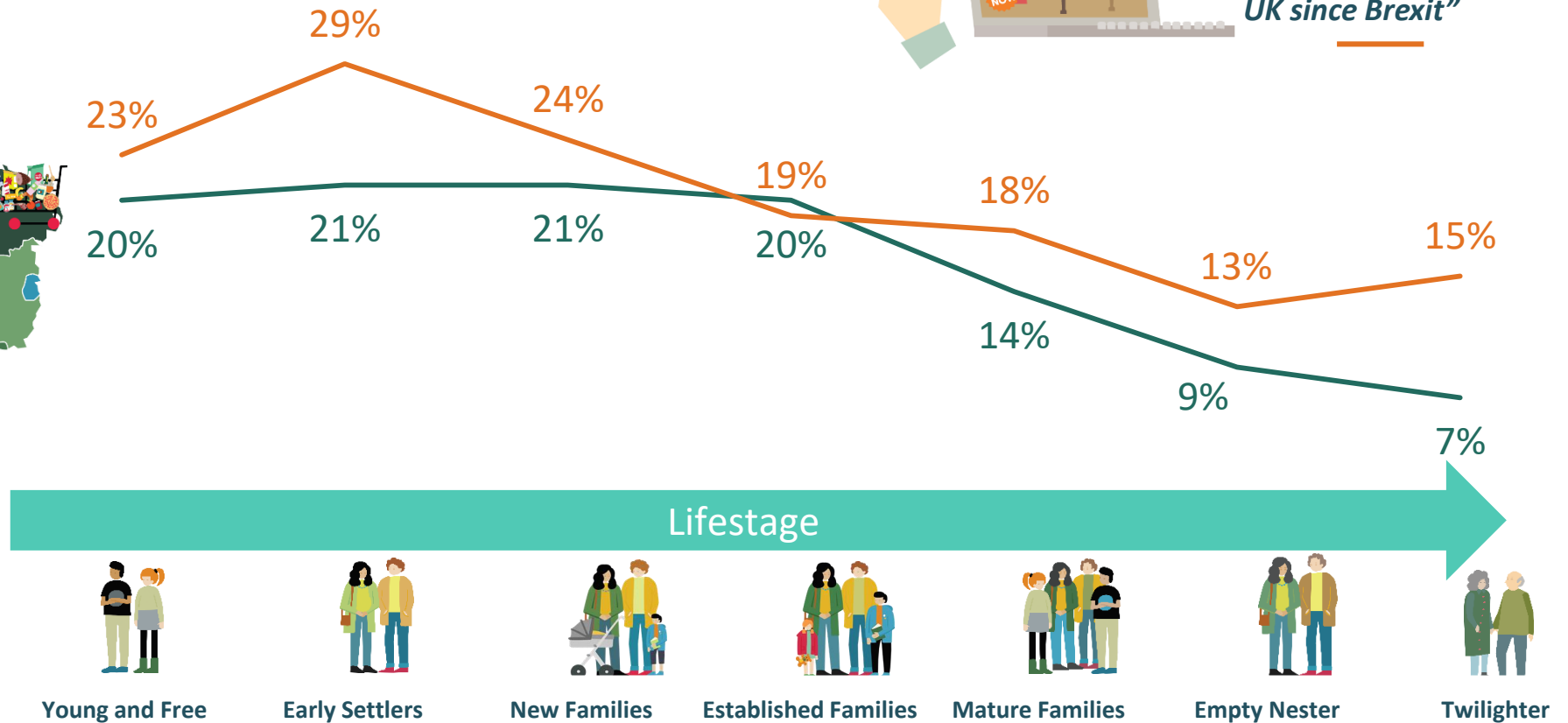


Brexit Impact on Republic of Ireland Spend by Life Stage

"I have been purchasing more goods from across the border in NI since Brexit"



"Purchasing more goods online directly from the UK since Brexit"

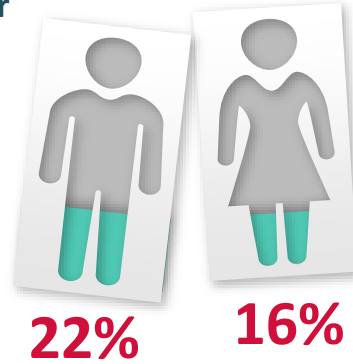


The early life stages are more likely to have purchased more in the UK or across the border to Northern Ireland as a result of Brexit.

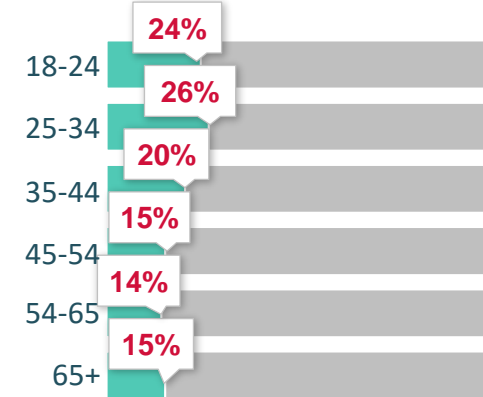
Who has been purchasing more goods online directly from the UK since Brexit?



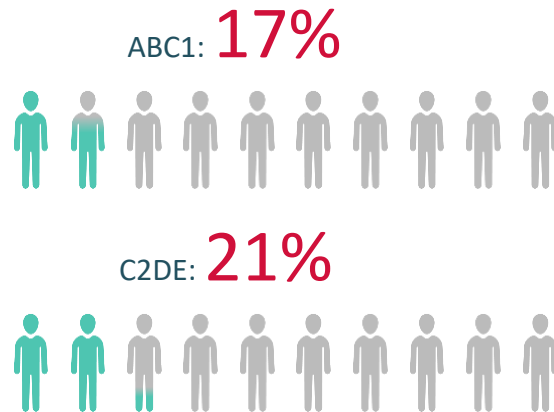
Gender



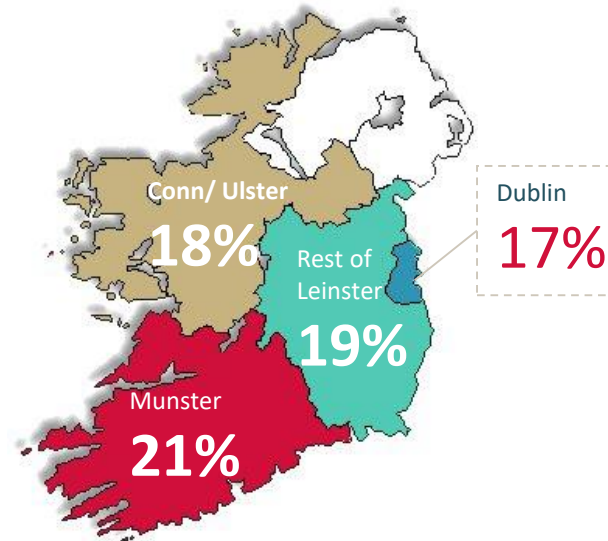
Age



Social Class

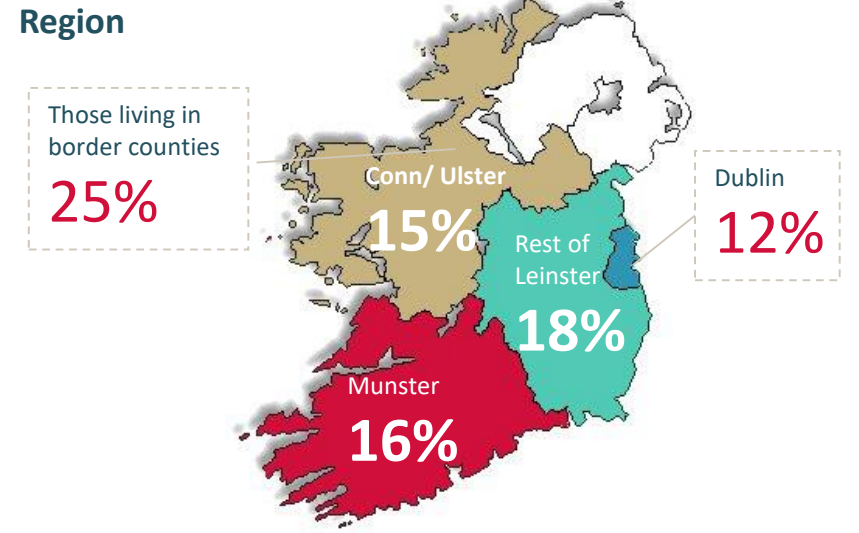
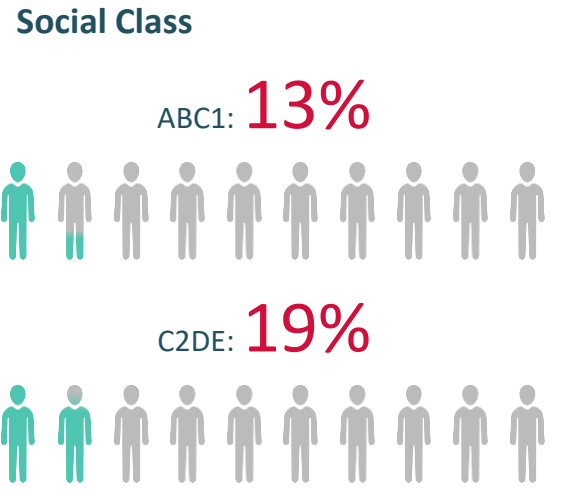
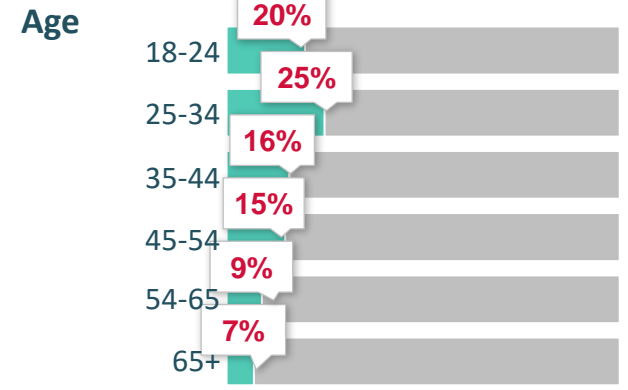
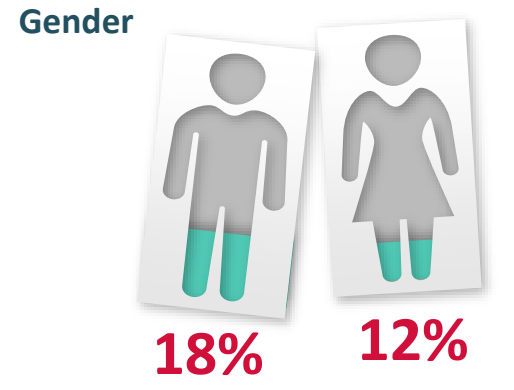
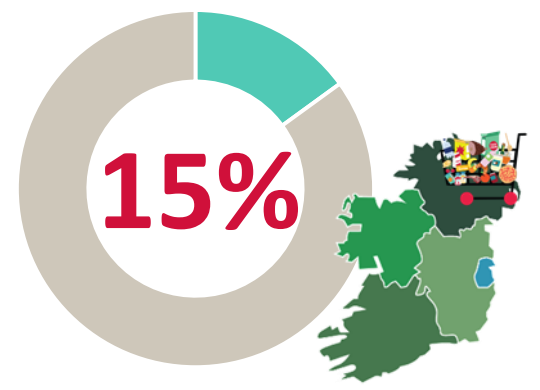


Region



Males and those aged 18-34 years are more likely to have purchased more online directly from the UK since Brexit.

Who has been purchasing more goods across the Border in Northern Ireland since Brexit?



Males and those aged 18-34 years are also more likely to have purchased more across the border. 1 in 4 of those living in Border counties have bought more across the border since Brexit.



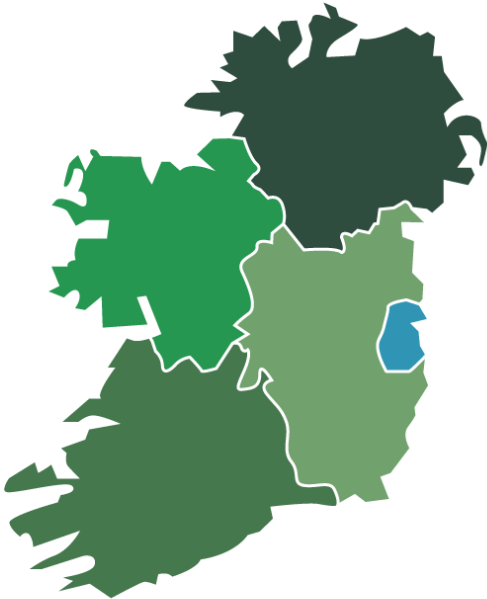
**2 in 3 would like to see a
United Ireland as a result
of Brexit**

A United Ireland as result of the Brexit

Jun 2017 Jun 2018

“I would like to see a United Ireland as result of Brexit”

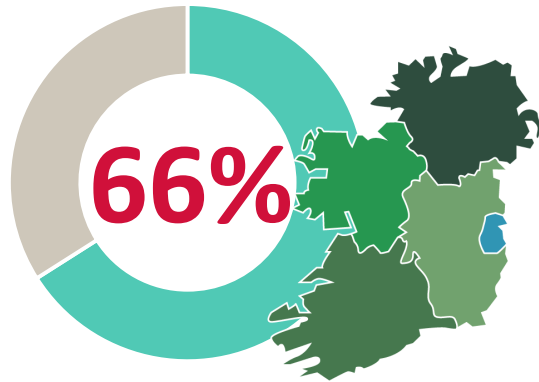
	%	%
NET: Agree	62	66
Agree strongly (4)	29	27
Agree slightly (3)	33	39
Disagree slightly (2)	20	20
Disagree strongly (1)	15	14
NET: Disagree	35	34
<i>Don't know</i>	3	-



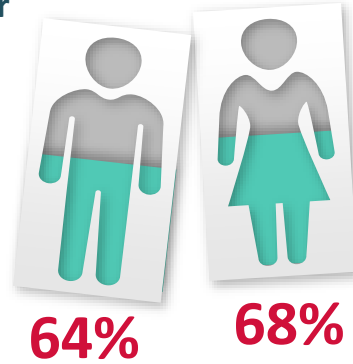
2 in 3 would like to see a United Ireland as a result of Brexit – this is up slightly compared to same time last year.



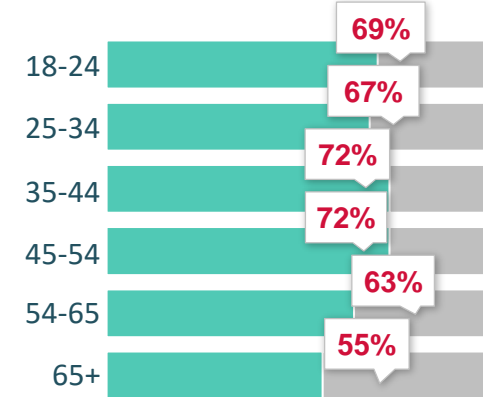
Who would like to see a United Ireland as a result of Brexit?



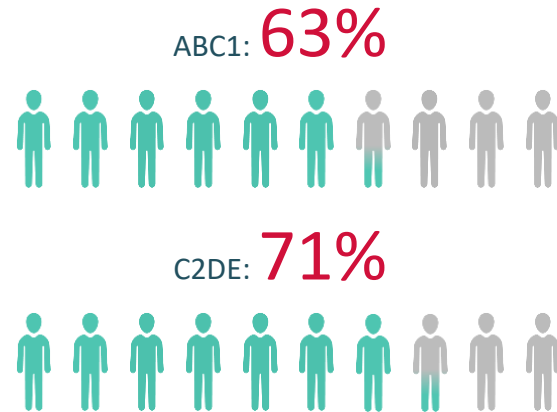
Gender



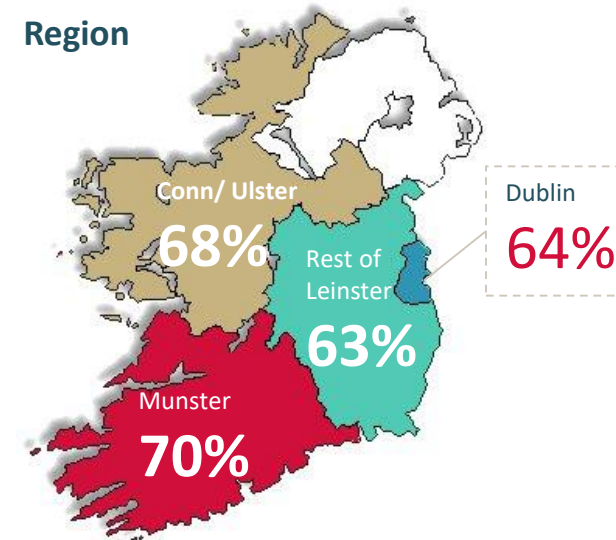
Age



Social Class



Region



Lower social classes and those aged 34-54 years are more likely to want to see a United Ireland as a result of Brexit.

Methodology

- / 1,038 online interviews were conducted using RED C's online panel, RED C Live.
- / Previous waves were conducted using a telephone (CATI) methodology.
- / The target sample, questions asked and quotas were unchanged from previous waves – minimising the impact of the change of methodology on data comparability.
- / Quotas were set and data weighted to ensure a nationally representative sample of the population aged 18+ years.
- / This is the 32nd Wave of the RED C Consumer Mood Monitor and fieldwork was conducted from the 20th-26th June 2018.



**THANK
YOU**

REDC