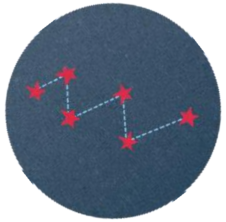
Consumer Mood Monitor

Fears over a hard Brexit drive consumer confidence down

October 2018

Brexit Fears Drive Down Consumer Confidence



Consumer Outlook for the Irish economy sees a further decrease. More people expect the economy to fare worse in the next 6 months compared to those who expect it to fare better.

The decline in Consumer Outlook is driven by increasing fears of a hard Brexit and its impact on the Irish economy.

1 in 3 are now concerned that their disposable income will decrease in the next 6 months.

This has a negative impact on spend intention, especially for holidays.

REDC

Consumer Mood - Headline Facts

Further declines in expectations for the Irish economy with **66%** expecting it to stay the same or improve – down from 75% in June and 86% in January.

56% expect the world economy to stay the same or improve – down from 60% in June.

A new high of **85%** are concerned about the impact of Brexit on the Irish economy. This is driving down consumer mood.

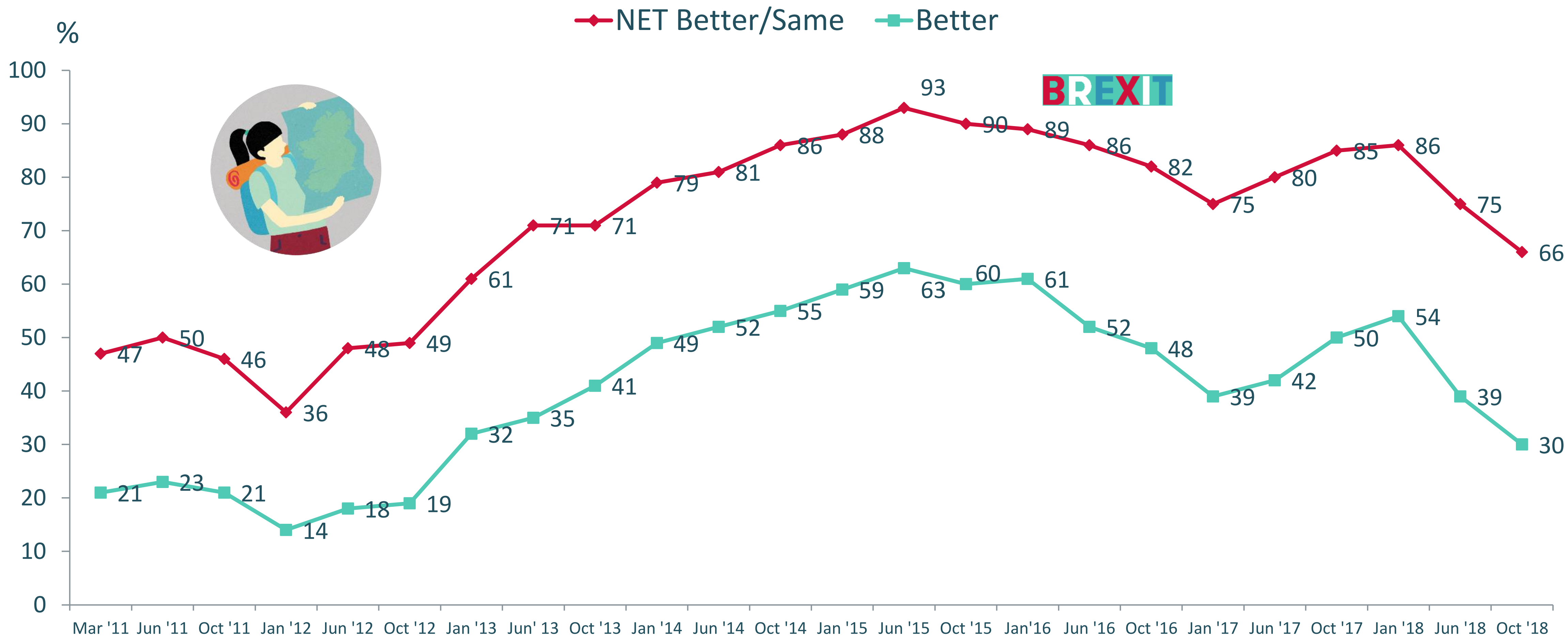
32% expect their disposable income to decrease in the next 6 months while **22%** expect an increase in their disposable income.

Spend intention is down significantly for **holidays** but also entertainment/socialising.

66% would like to see a United Ireland as a result of Brexit – this is unchanged from June.

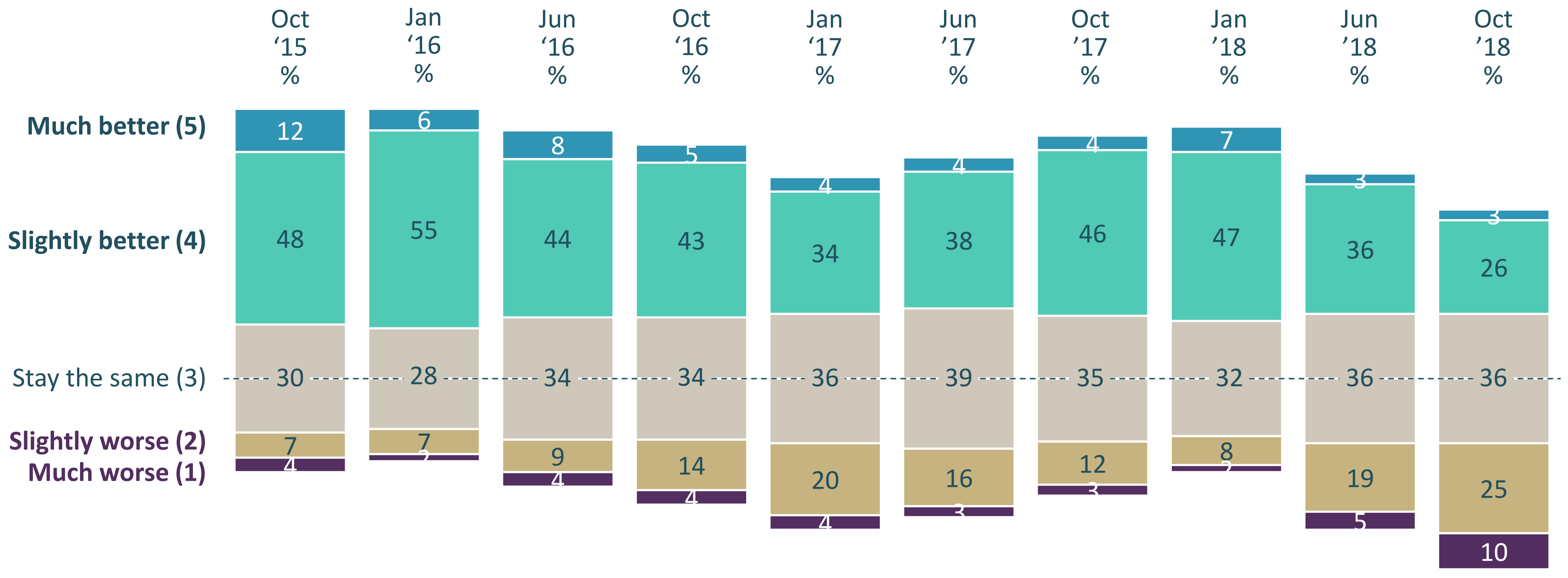
Fears over a possible hard Brexit drive consumer confidence down significantly

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



Consumer outlook for the Irish economy continues to decrease, with just 3 in 10 expecting the economy to improve in the next 6 months. 2 in 3 expect the economy to improve or stay the same, down from 75% in June.

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



	Oct '15	Jan '16	Jun '16	Oct '16	Jan '17	Jun '17	Oct '17	Jan '18	Jun '18	Oct '18
NET Same/ Better (3-5)	90	89	86	82	75	80	85	86	75	66
Average	3.59	3.56	3.43	3.32	3.14	3.24	3.36	3.51	3.14	2.89

✓ Just 3 in 10 expect the economy to improve in the next 6 months – down from 39% in June 2018.

✕ More than 1 in 3 expect the economy to fare worse in the next 6 months – up from 24% in June 2018

REDC

Expectations for the Irish economy 6 months from now

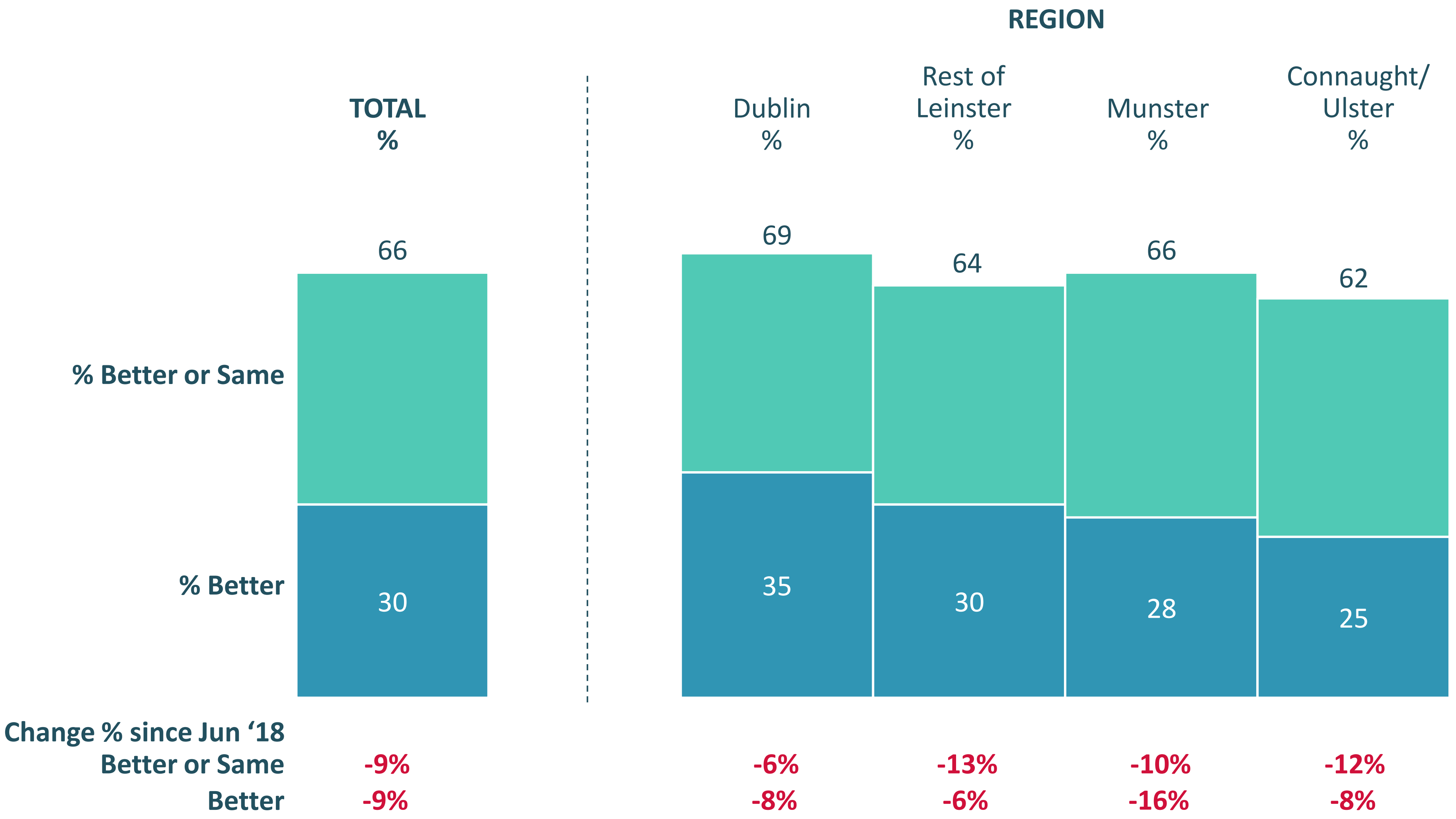
% Stating they believe it will be better

		GENDER		AGE						SOCIAL CLASS		CHILDREN	
	TOTAL %	Male %	Female %	18-24 %	25-34 %	35-44 %	45-54 %	55-64 %	65+ %	ABC1 %	C2DE %	Any %	None %
	30	33	26	39	30	25	28	24	35	33	27	25	32
Change since Jun '18	-9%	-12%	-8%	-6%	-4%	-8%	-7%	-16%	-18%	-14%	-6%	-9%	-11%

The decline in consumer mood takes place across all demographic groups and social classes.

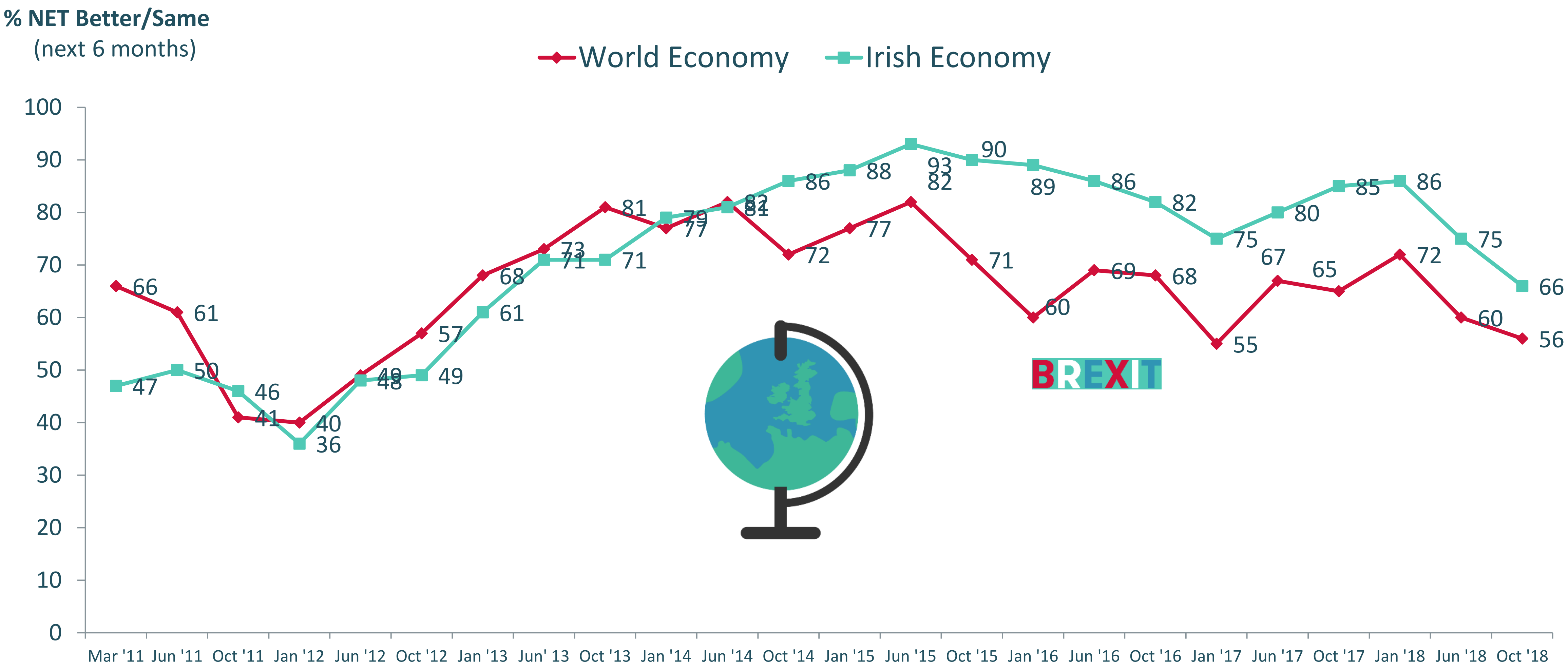
REDC

Expectations for the Irish economy across the country…



Those based in Dublin are more positive about the Irish economy than the rest of the country.

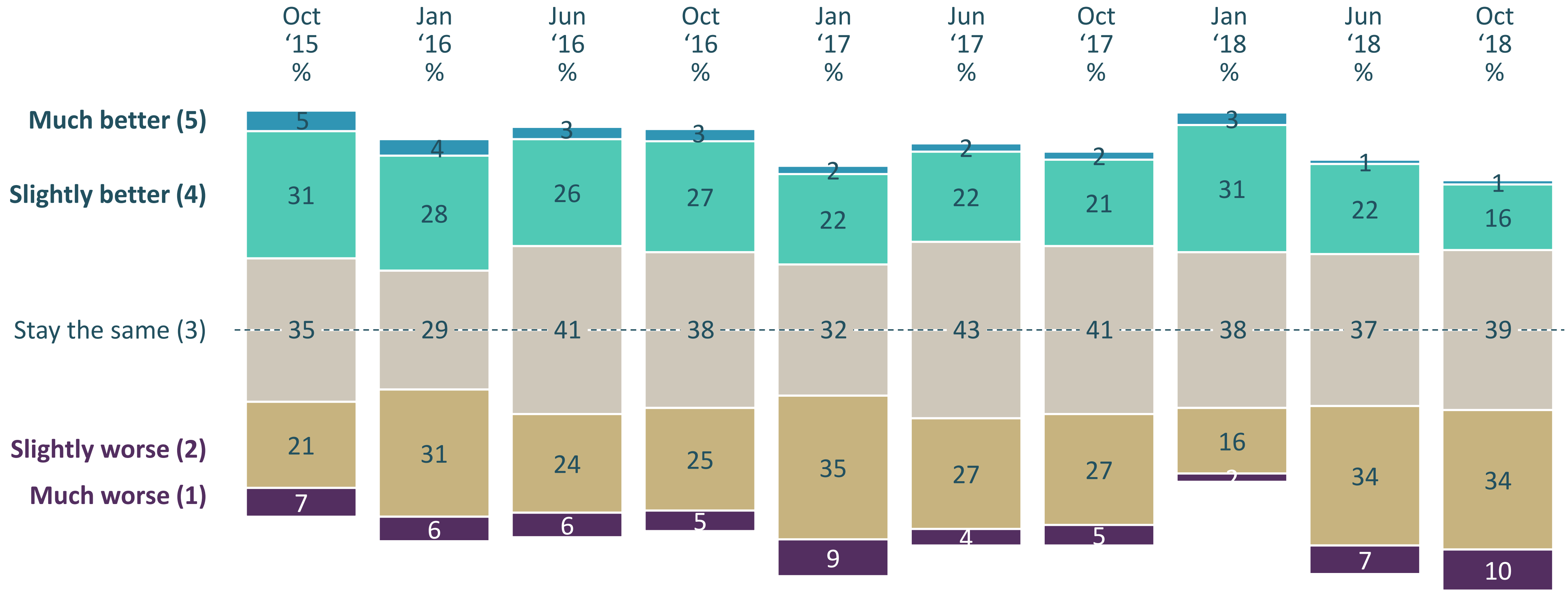
Expectations for the World Economy



Concerns about the impact of Brexit continue to drive the decline in consumer outlook with declines for both the Irish economy and the World economy. Consumers are more positive about the Irish economy than the World economy but the gap has reduced since June.

REDC

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



	Oct '15	Jan '16	Jun '16	Oct '16	Jan '17	Jun '17	Oct '17	Jan '18	Jun '18	Oct '18
NET Same/Better (3-5)	**71**	**60**	**69**	**68**	**55**	**67**	**65**	**72**	**60**	**56**
Average	**3.06**	**2.92**	**2.96**	**2.98**	**2.72**	**2.90**	**3.00**	**3.19**	**2.78**	**2.65**

✓ Less than 1 in 5 expect the World economy to improve in the next 6 months.

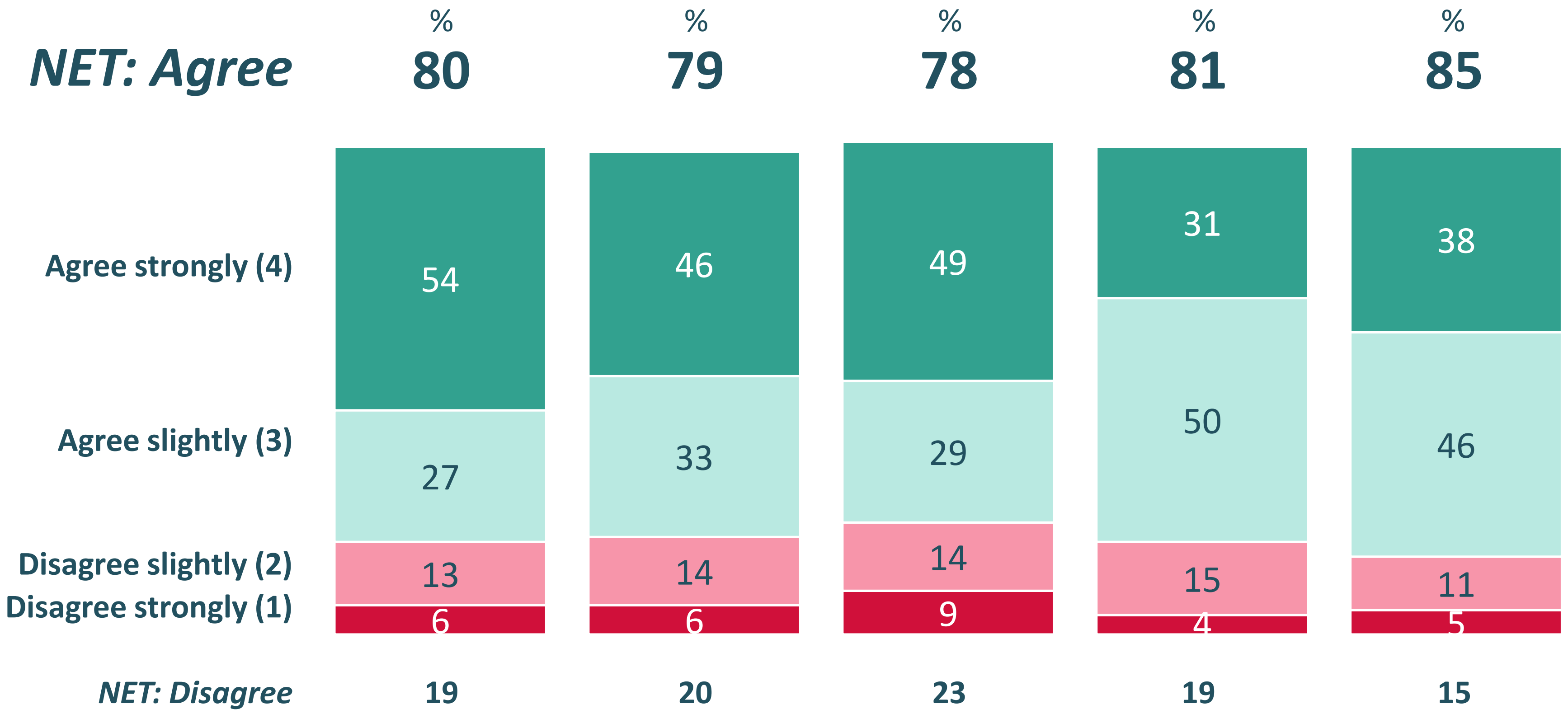
✕ Almost half expect the World economy to fare worse in the next 6 months!

REDC

Impact of Brexit on Ireland's Economy

Jun 2017 | Oct 2017 | Jan 2018 | Jun 2018 | Oct 2018

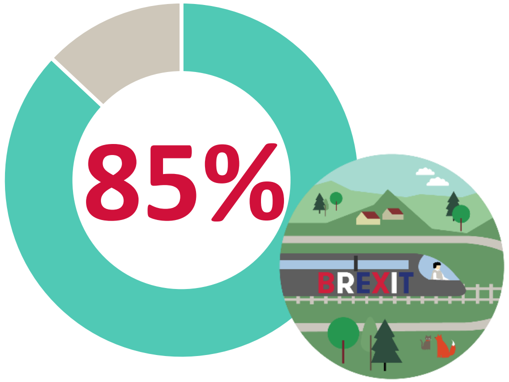
"I am worried that Brexit will have a negative impact on Ireland's economy"



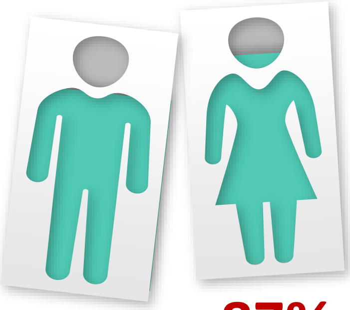
85% are now worried that Brexit will have a negative impact on the Irish economy – this is at its highest level ever.

REDC

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

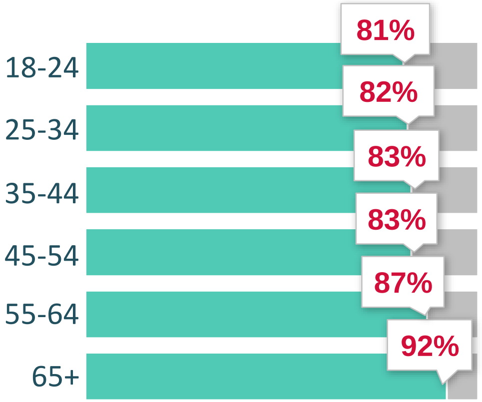


Gender



83% 87%

Age

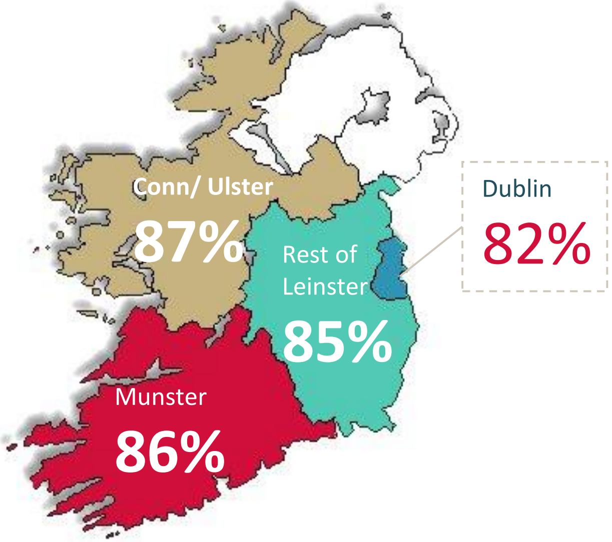


Social Class

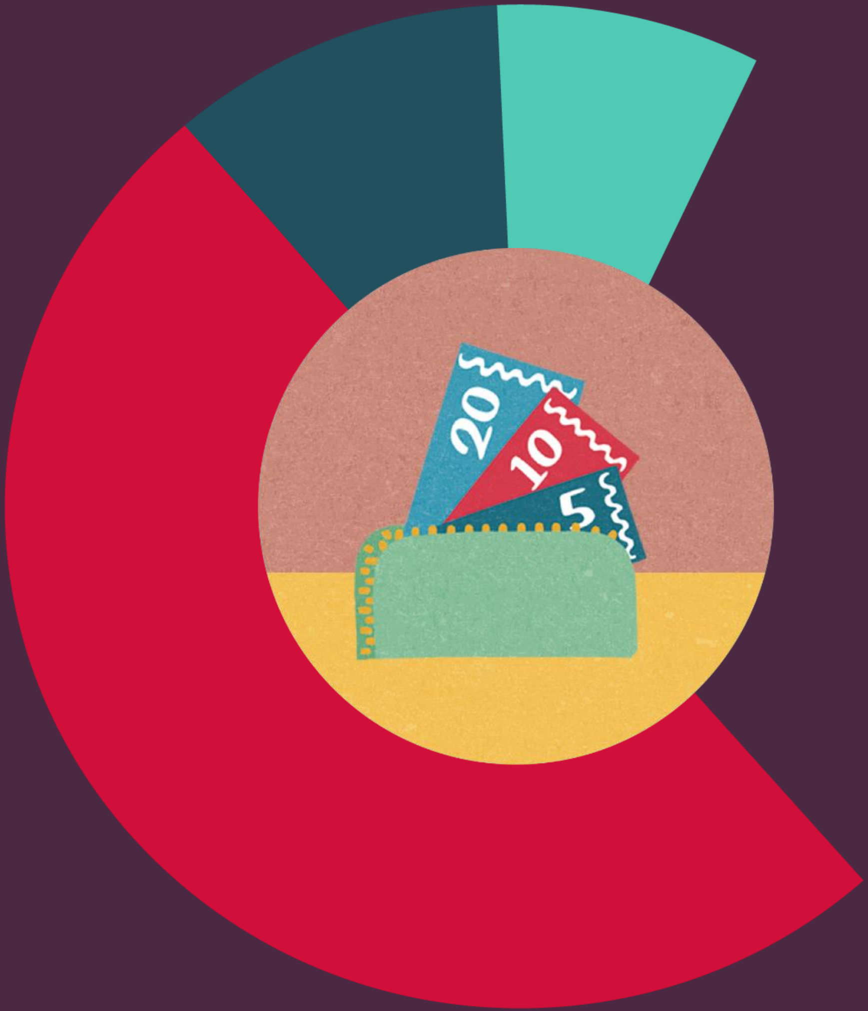
ABC1: 87%

C2DE: 82%

Region

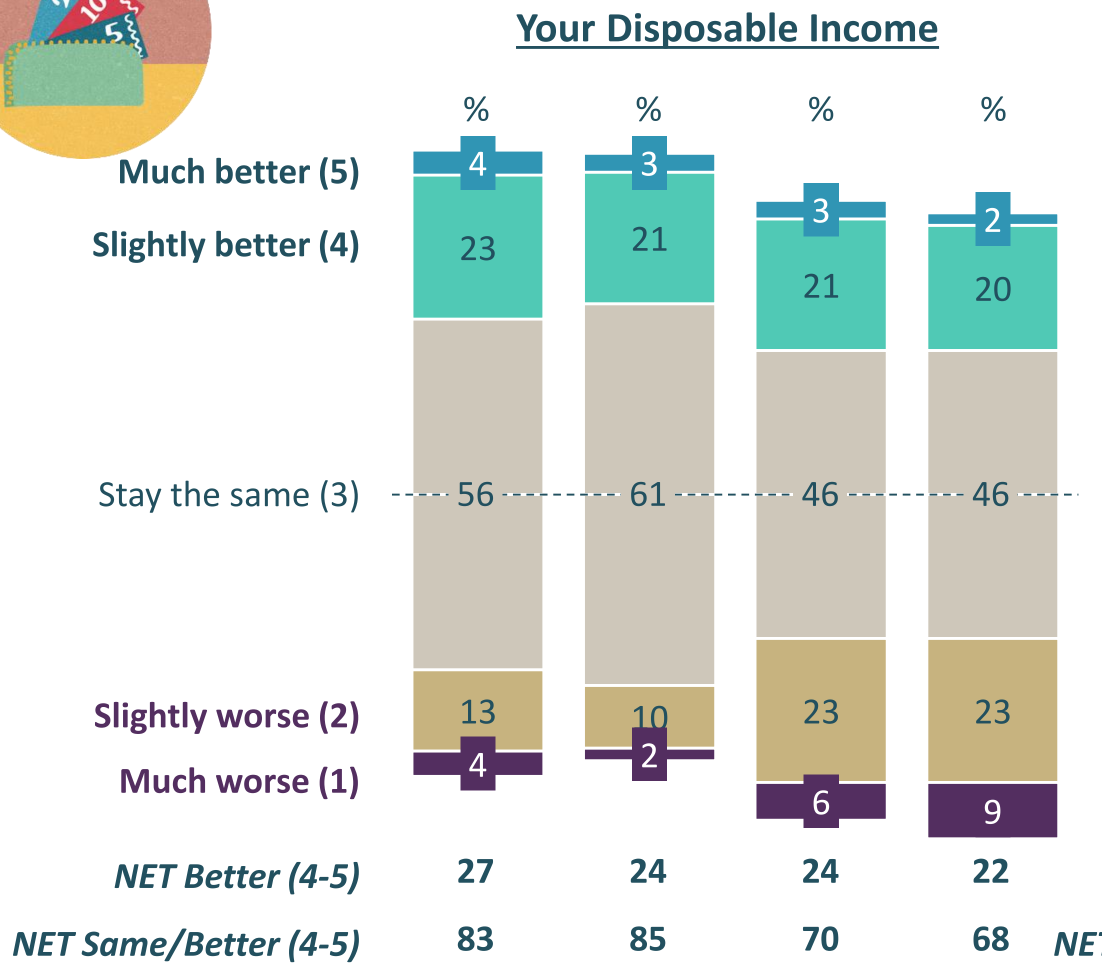


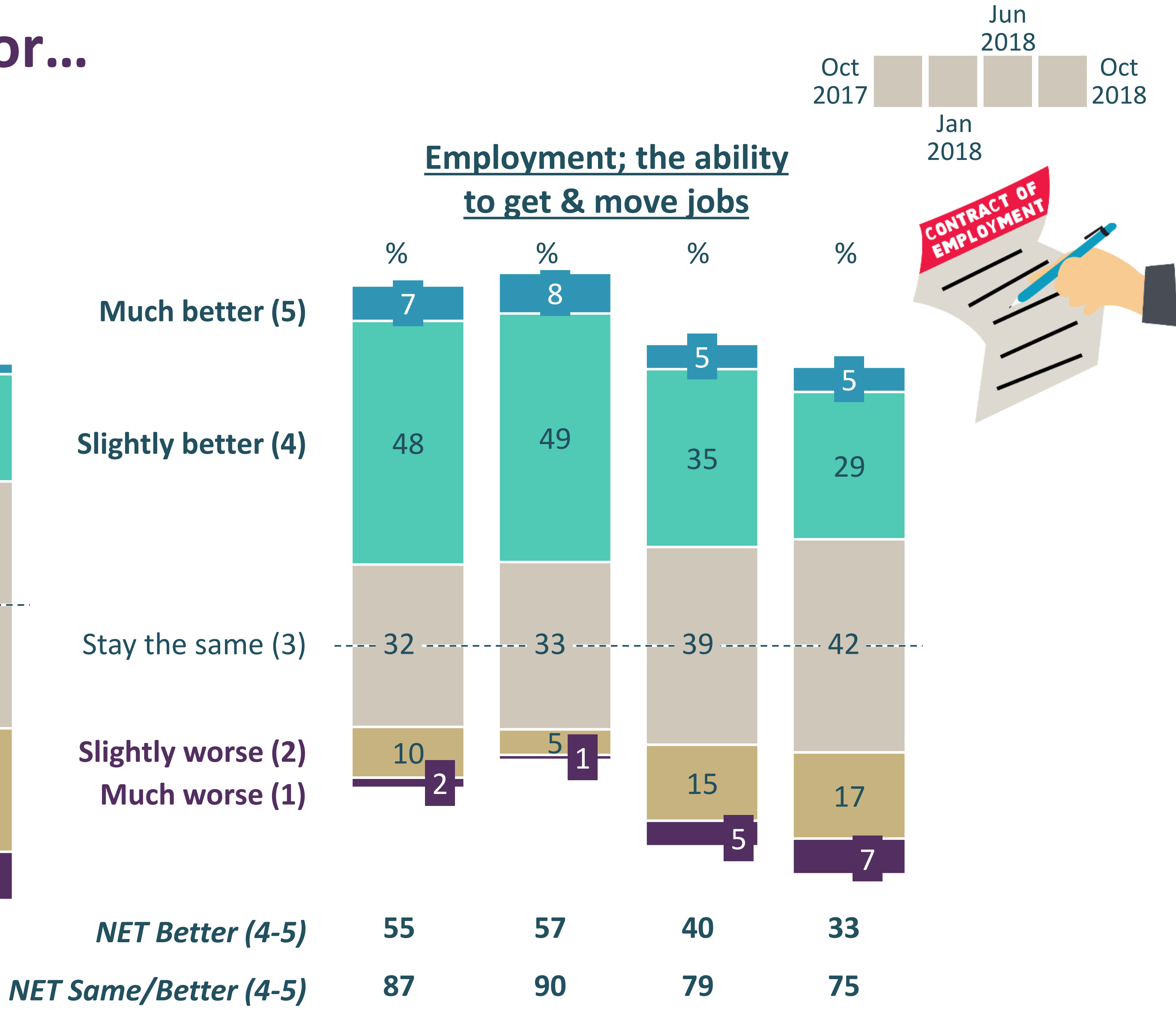
Significant concerns about the impact of Brexit on Ireland's economy across all lifestages and social classes. The 55+ and those living outside Dublin are more concerned.



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

Expectations for the next 6 months for…



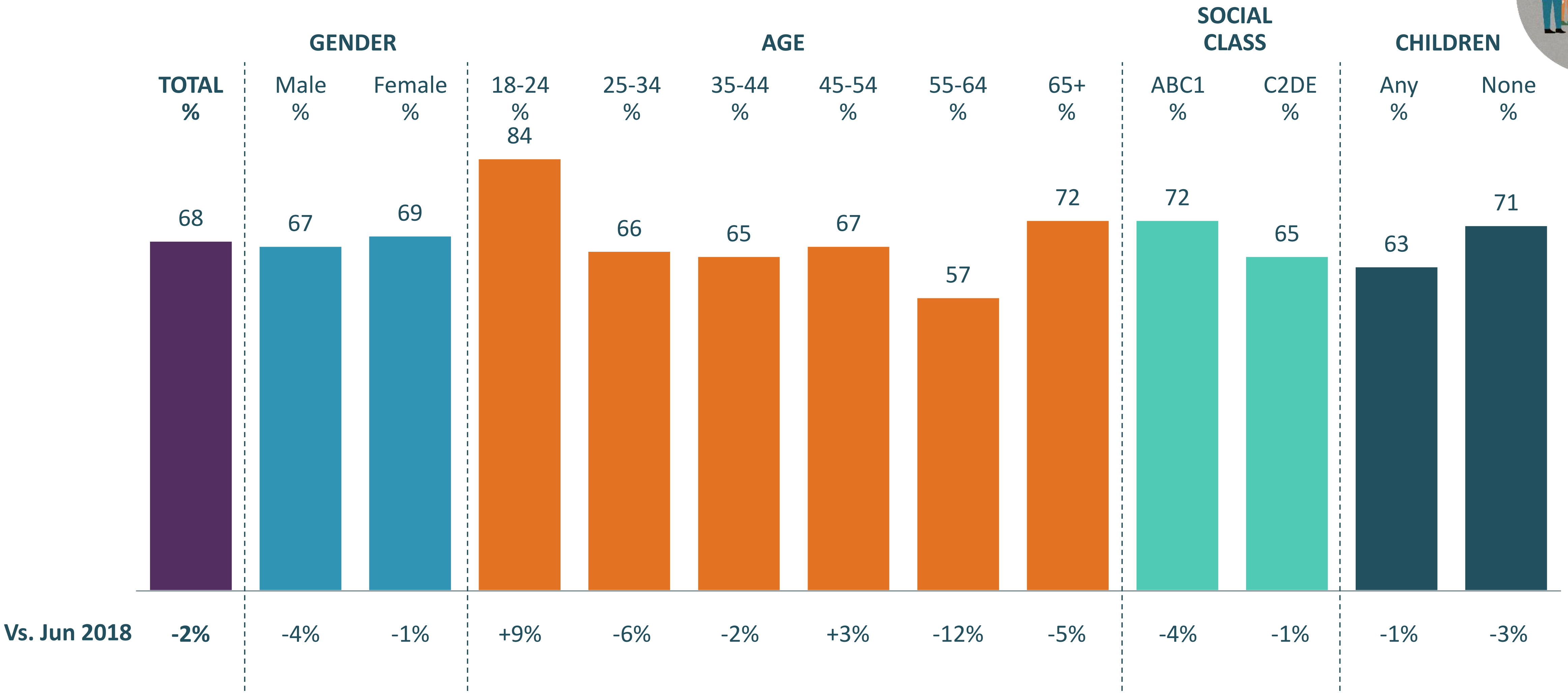


More people expect their disposable income to decrease in the next months compared to the number of people expecting an increase. We also see a decline in terms of employment outlook.

REDC

Expectations for disposable income in the next 6 months?

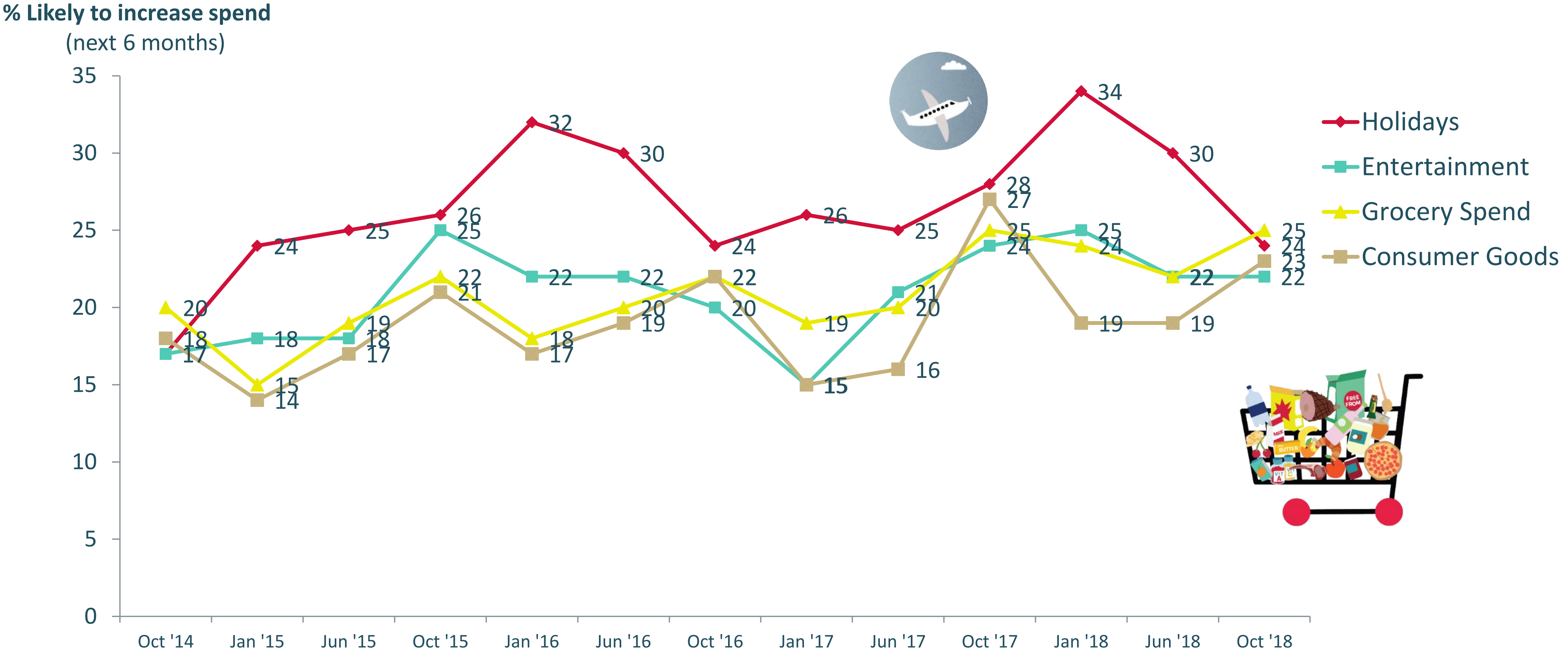
% Stating they believe it will be better or stay the same



Lower social classes and those with children are more likely to believe their disposable income will decrease in the next six months.

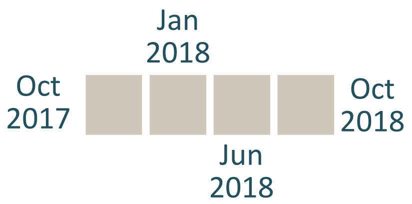
Spend intentions are less affected but we do see a decline for holidays

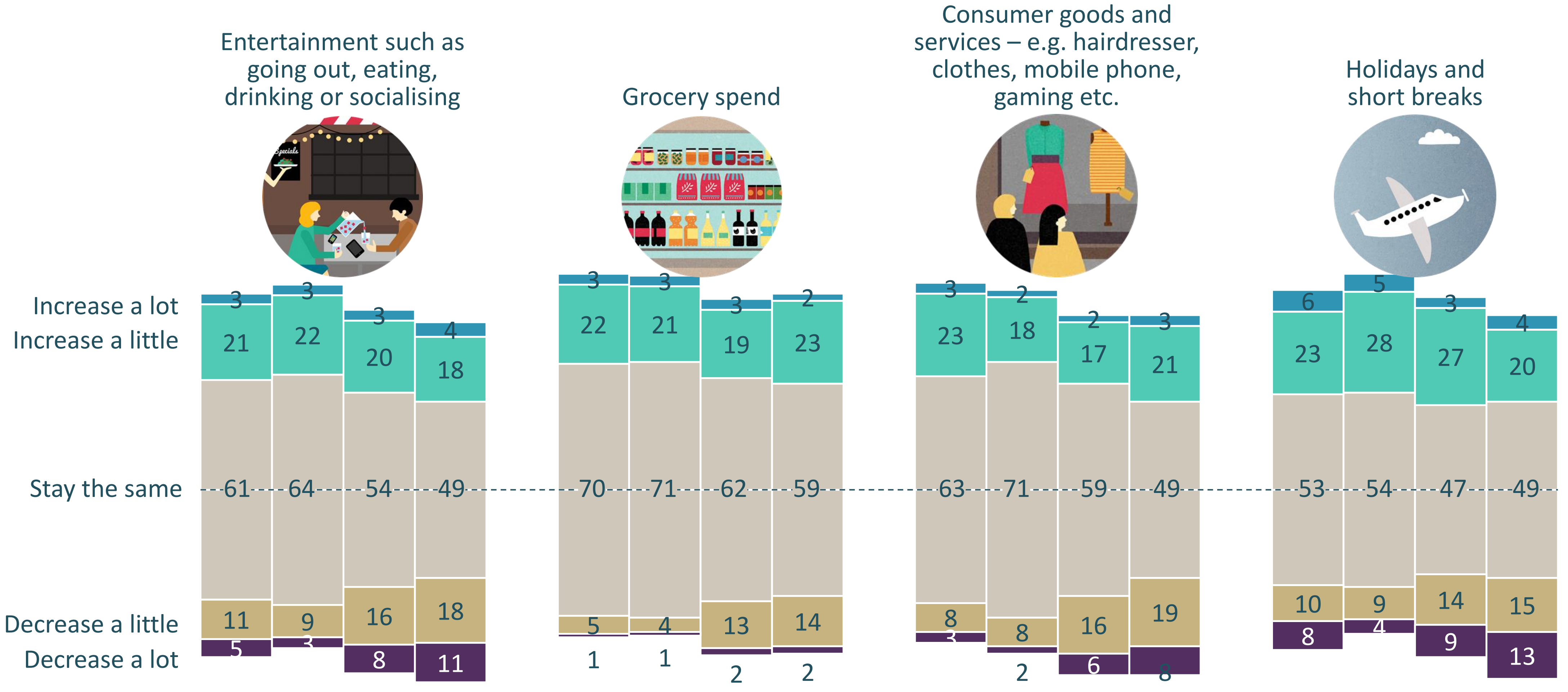
Expected Increase in Spend In The Next 6 Months



Spend intention for holidays continues to decrease and is now back at the level of the other spend categories.

Expected Changes In Spend Over The Next 6 Months





For entertainment, consumer goods and holidays, we now have more people who expect to decrease spend in the next 6 months compared to the number of people who expect to increase spend.

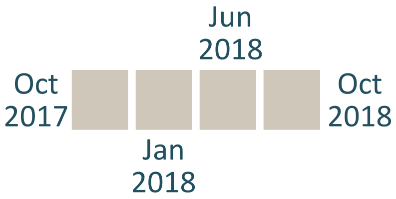
REDC

The younger age groups are more likely to increase spend in the next 6 months…



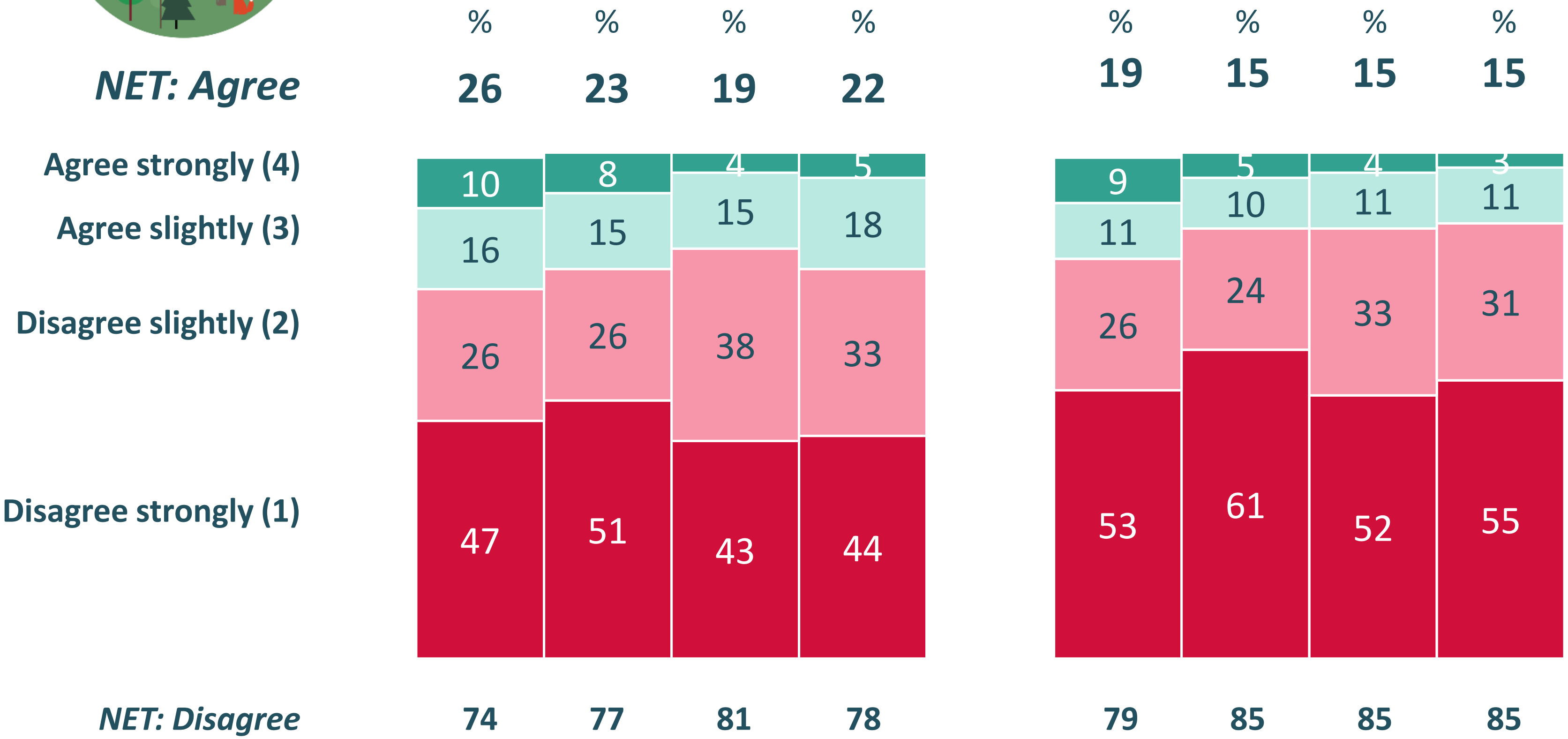

% Likely to increase spend in next 6 months	Entertainment	Grocery Spend	Consumer Goods/ Services	Holidays/ Shorter Breaks
Total	**22**	**25**	**23**	**24**
Gender				
Male	23	27	23	23
Female	21	23	24	24
Age				
18-24	**37**	20	**39**	**33**
25-34	**29**	29	27	26
35-44	22	**31**	27	26
45-54	19	27	22	21
55-64	17	23	19	19
65+	13	16	12	19
Social Class				
ABC1	**27**	23	25	27
C2DE	19	27	22	21
Region				
Dublin	24	27	27	**30**
Rest of Leinster	18	21	21	16
Munster	23	24	23	21
Connaught/Ulster	22	28	22	28

Brexit Impact on Republic of Ireland Spend



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

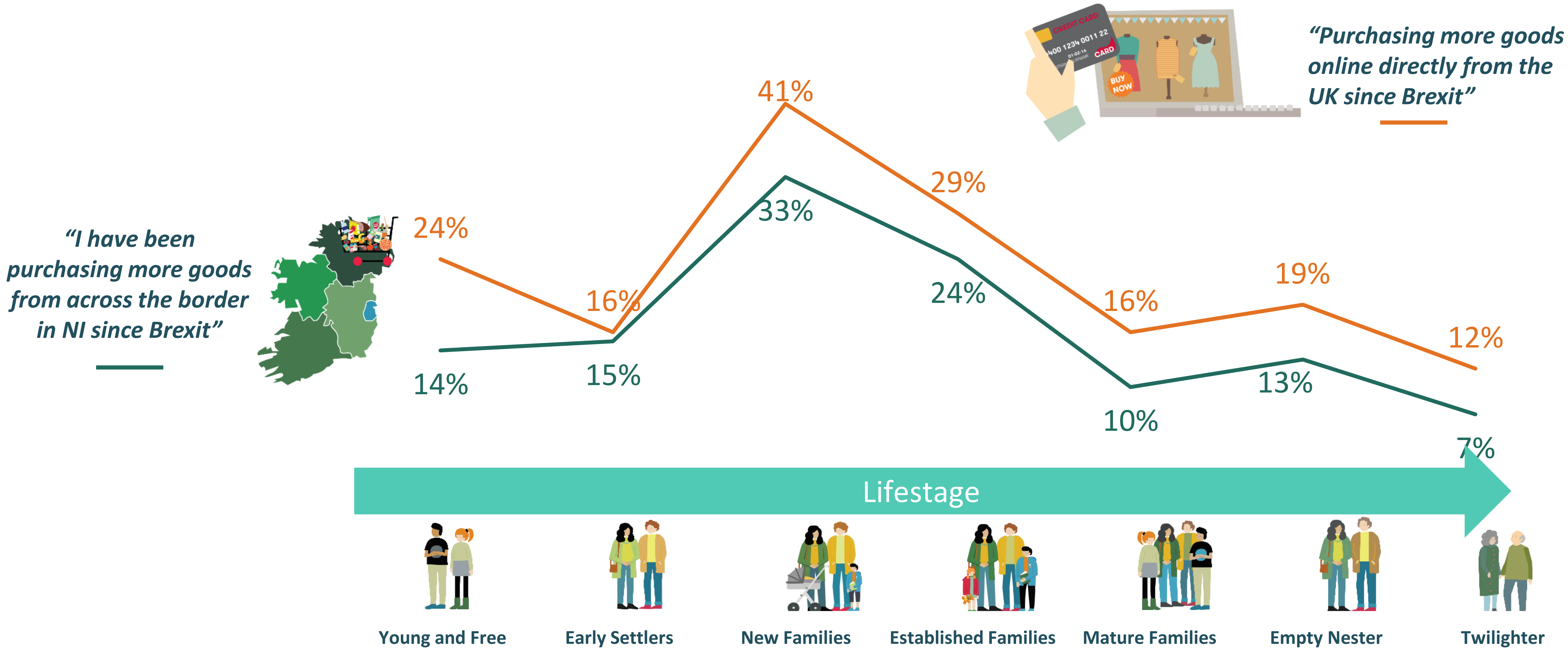
"I have been purchasing more goods from across the border in Northern Ireland since Brexit"



Almost 1 in 5 agree that they have bought more online from the UK since Brexit – this is up slightly from June. 15% have bought more across the border in Northern Ireland since Brexit.

REDC

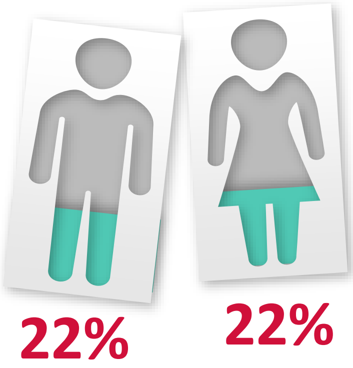
Brexit Impact on Republic of Ireland Spend by Life Stage



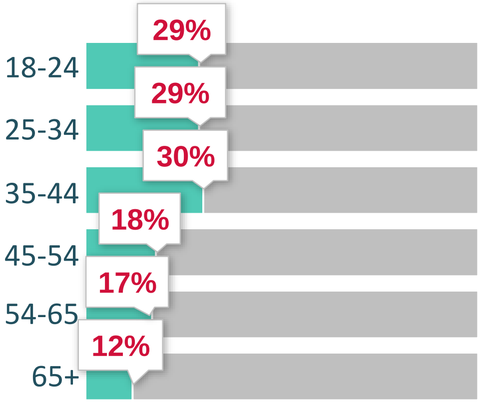
New Families are by far the most likely to have been shopping more both across the border and online, followed by Established Families.

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

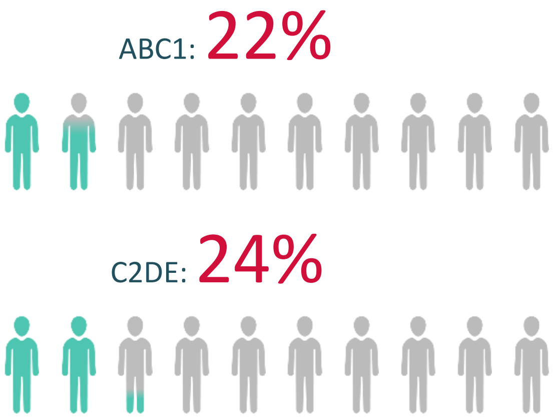
Gender



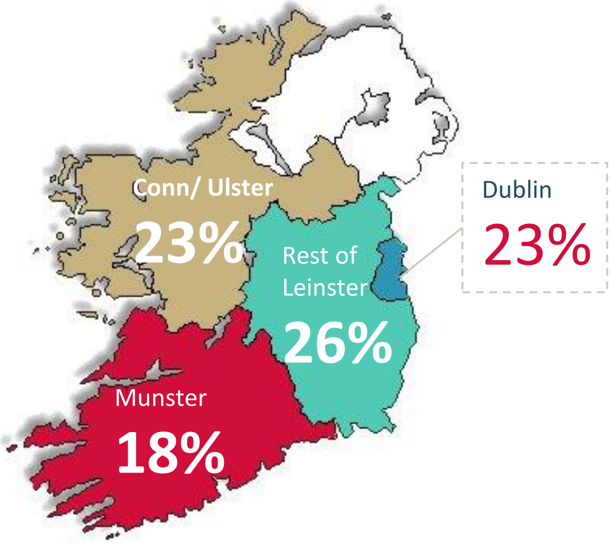
Age



Social Class

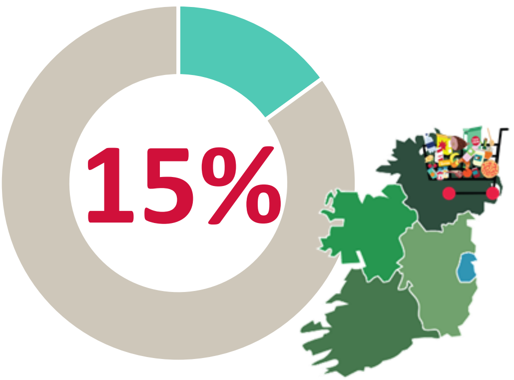


Region

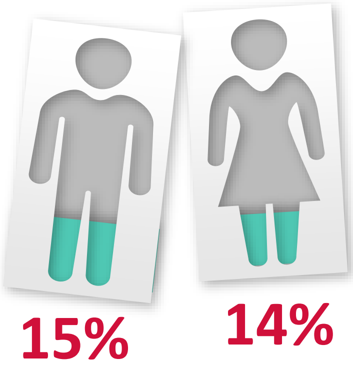


Those aged 18-44 years are more likely to have purchased more goods online directly from the UK since Brexit.

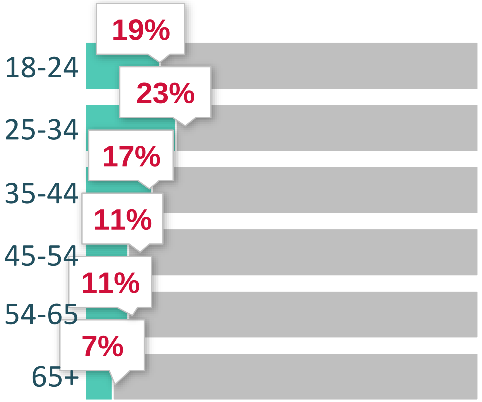
Who has been purchasing more goods across the Border in Northern Ireland since Brexit?



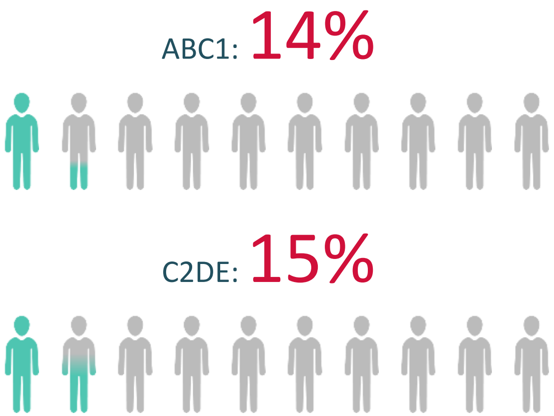
Gender



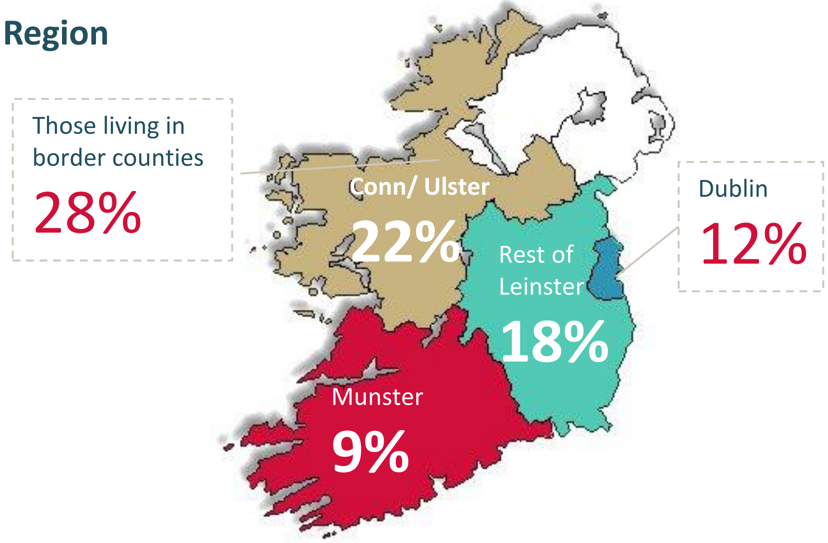
Age



Social Class



Region



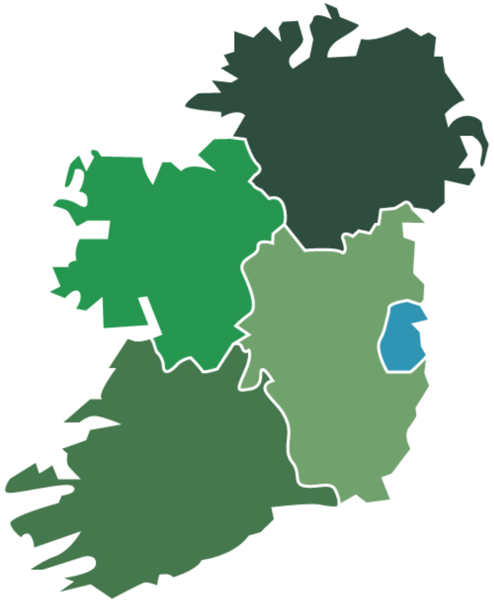
More than 1 in 4 of those living in countries bordering to Northern Ireland have bought more goods across the border since Brexit.

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

A United Ireland as result of the Brexit

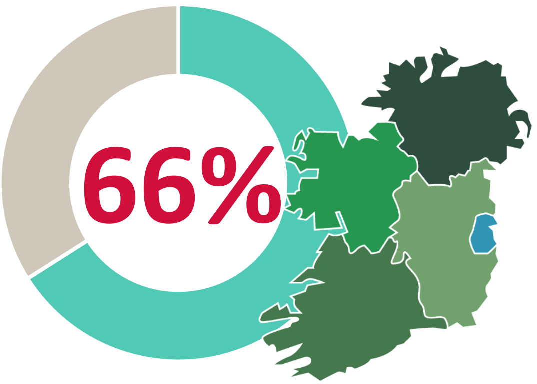
"I would like to see a United Ireland as result of Brexit"

	Jun 2018 %	Oct 2018 %
NET: Agree	**66**	**66**
Agree strongly (4)	27	29
Agree slightly (3)	39	37
Disagree slightly (2)	20	19
Disagree strongly (1)	14	15
NET: Disagree	**34**	**34**
Don't know	-	-

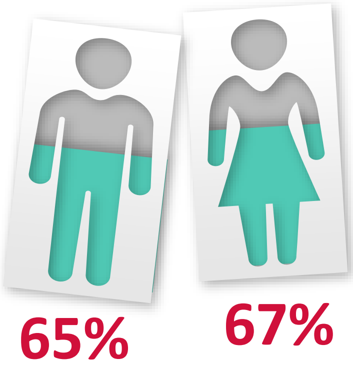


Support for a United Ireland as a result of Brexit is unchanged from June with 2 in 3 supporting this.

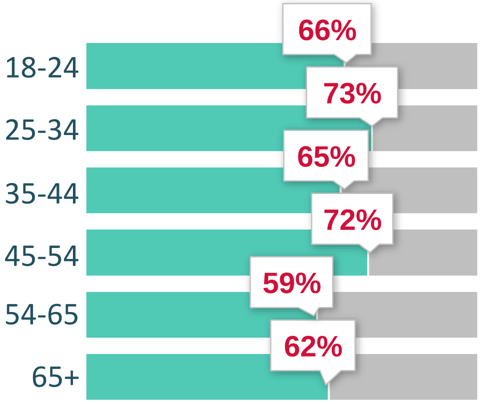
Who would like to see a United Ireland as a result of Brexit?



Gender



Age

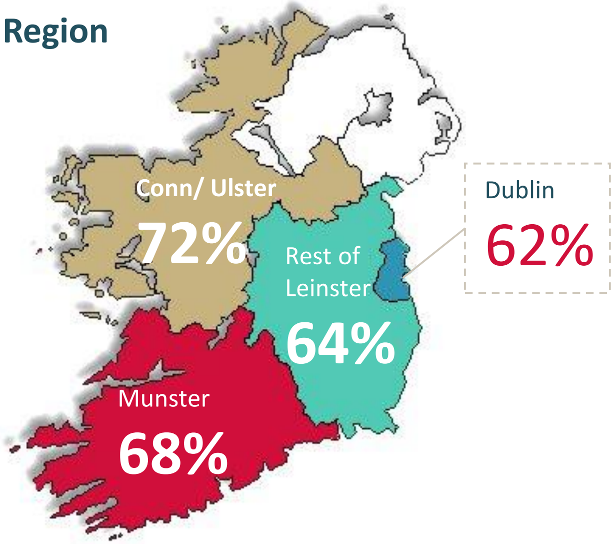


Social Class

ABC1: 66%

C2DE: 68%

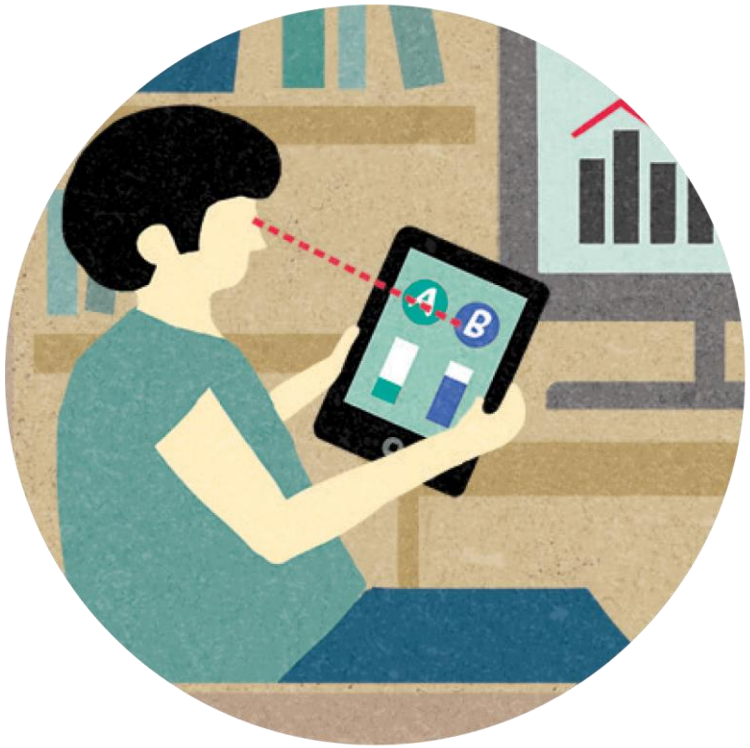
Region



Support for a United Ireland exists across all age groups, regions and social classes.

Methodology

- 1,040 online interviews were conducted using RED C's online panel, RED C Live – same methodology was used for the June 2018 wave.
- Waves from and before January 2018 were conducted using a telephone (CATI) methodology.
- Quotas were set and data weighted to ensure a nationally representative sample of the population aged 18+ years.
- The is the 33rd Wave of the RED C Consumer Mood Monitor and fieldwork was conducted from the 11th-16th October 2018.



THANK YOU