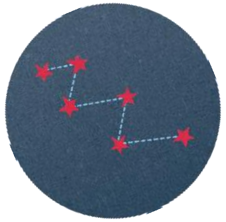
Consumer Mood Monitor

Consumer confidence plummets due to hard Brexit fears

October 2019

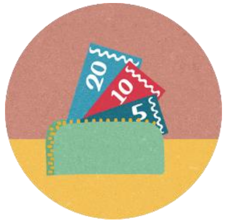
Consumer confidence plummets due to hard Brexit fears



Consumer outlook for the Irish economy takes a plunge and has reached its lowest level since January 2012.

This is driven by concerns about a hard Brexit and its negative impact on the Irish and World economy.

For the first time, we also see a significant negative impact on employment outlook while income expectations are down slightly.



Consumer spend is also likely to be hit, with decreases recorded across all categories except groceries.

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

Consumer Mood – Headline Facts

Consumer outlook for the Irish economy takes a plunge from the level recorded in June. **63%** believe the Irish economy will fare worse in the next 12 months while just **12%** believe it will fare better.

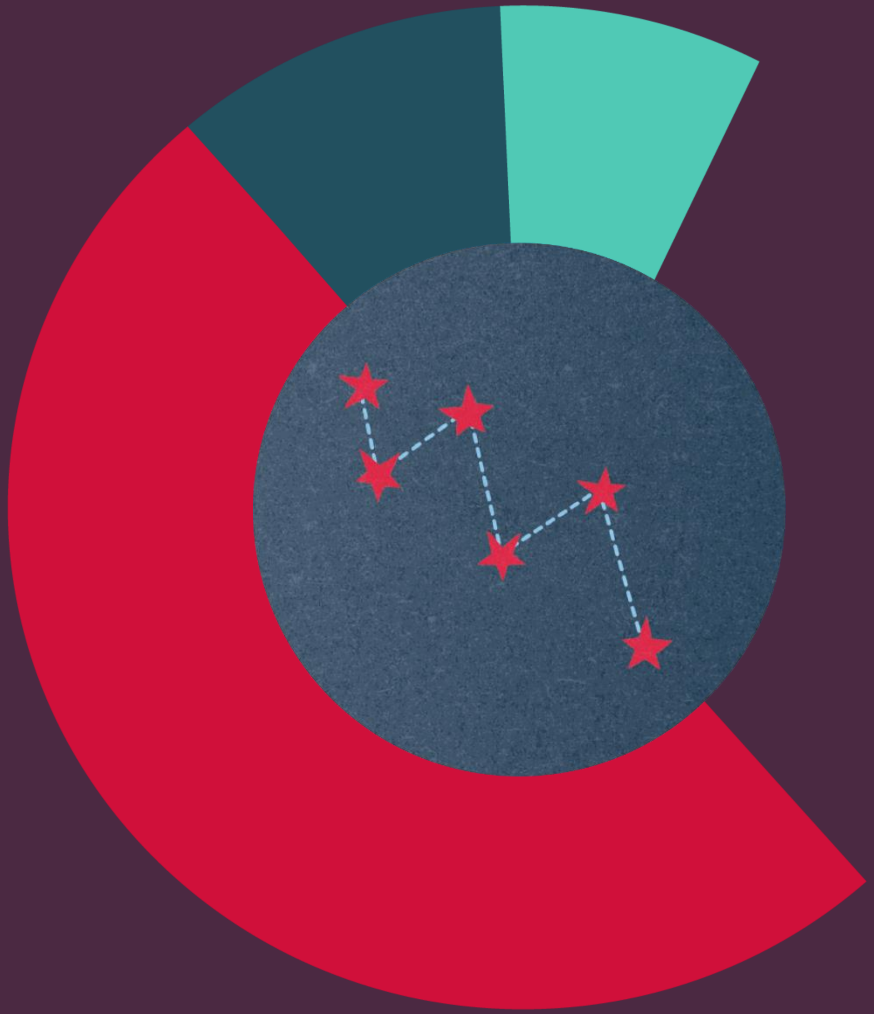
89% are concerned about the impact of Brexit on the Irish economy. **50%** are very concerned – up from 47% in June and 40% in January.

Expectations for the World economy are also down significantly and at the same level as the Irish economy. **39%** believe the World economy will stay the same or improve in the next 6 months – down from 55% in June.

Employment outlook is also affected by the decline in consumer mood. Just **12%** expect employment to improve in the next 6 months – down from 29% in June.

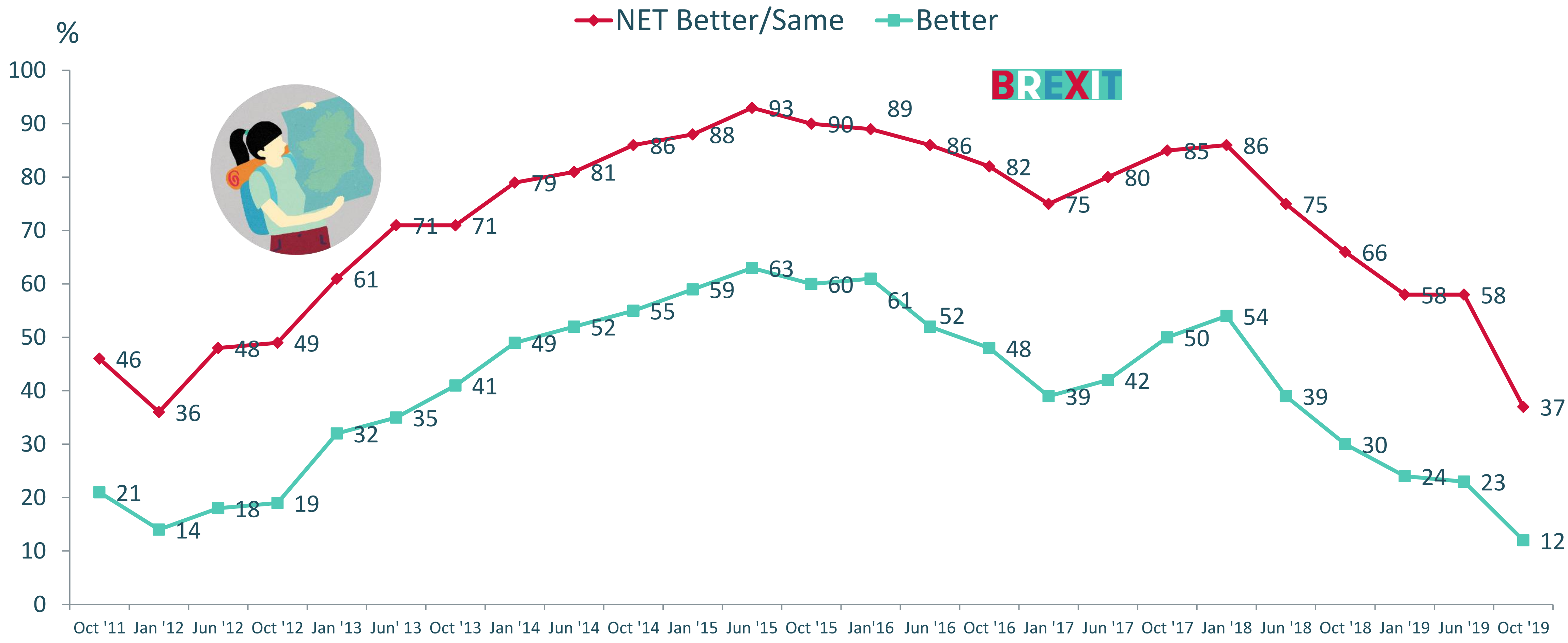
Spend intentions are also likely to be hit with notable drops in spend intentions across all categories, except groceries.

68% would like to see a United Ireland as a result of Brexit – this is unchanged from June.



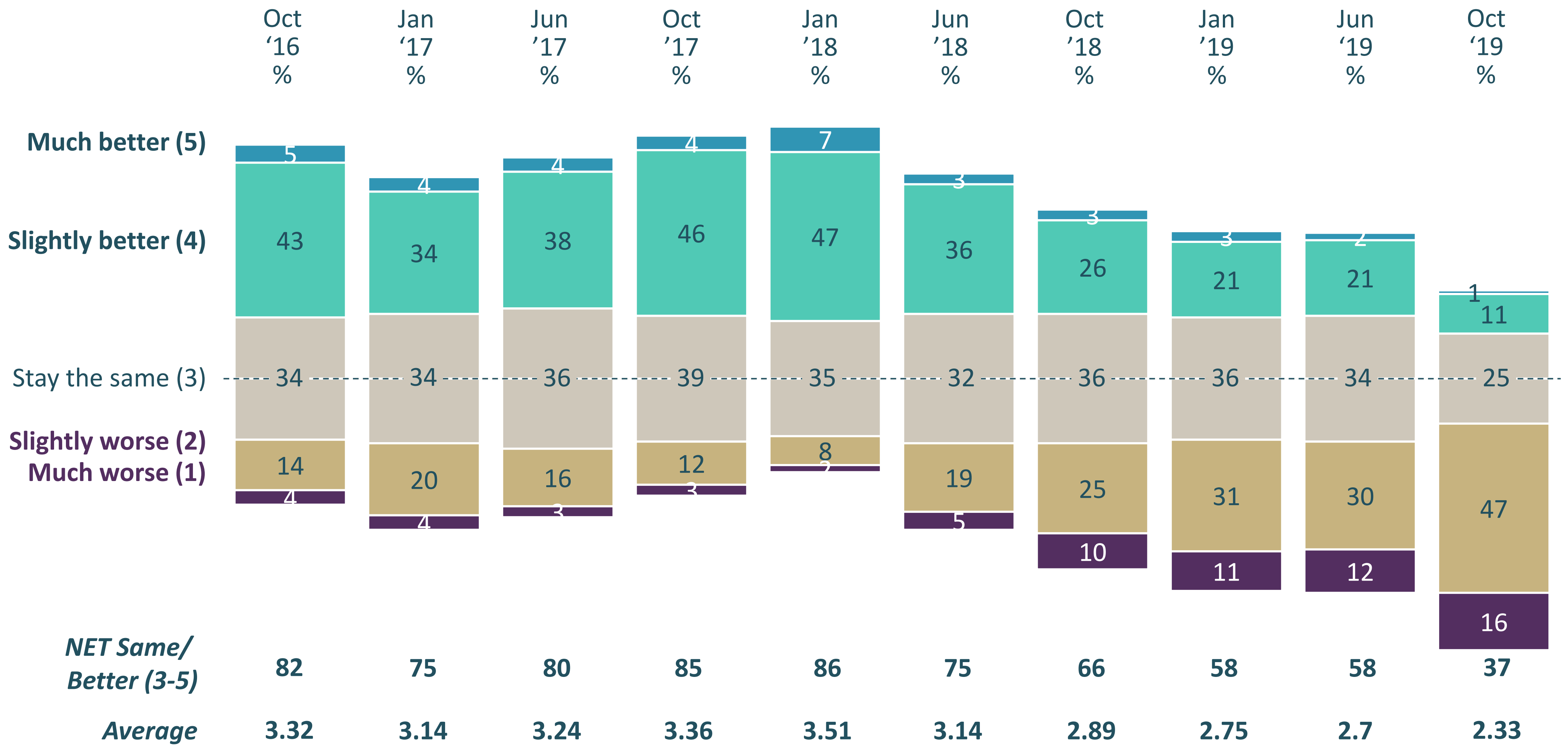
Consumer confidence plummets due to hard Brexit fears

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



Consumer outlook for the Irish economy has dropped significantly from June to October, driven by the threat of a hard Brexit. Only 37% believe the economy will improve or stay the same in the next 6 months – this is the lowest level of confidence since January 2012.

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

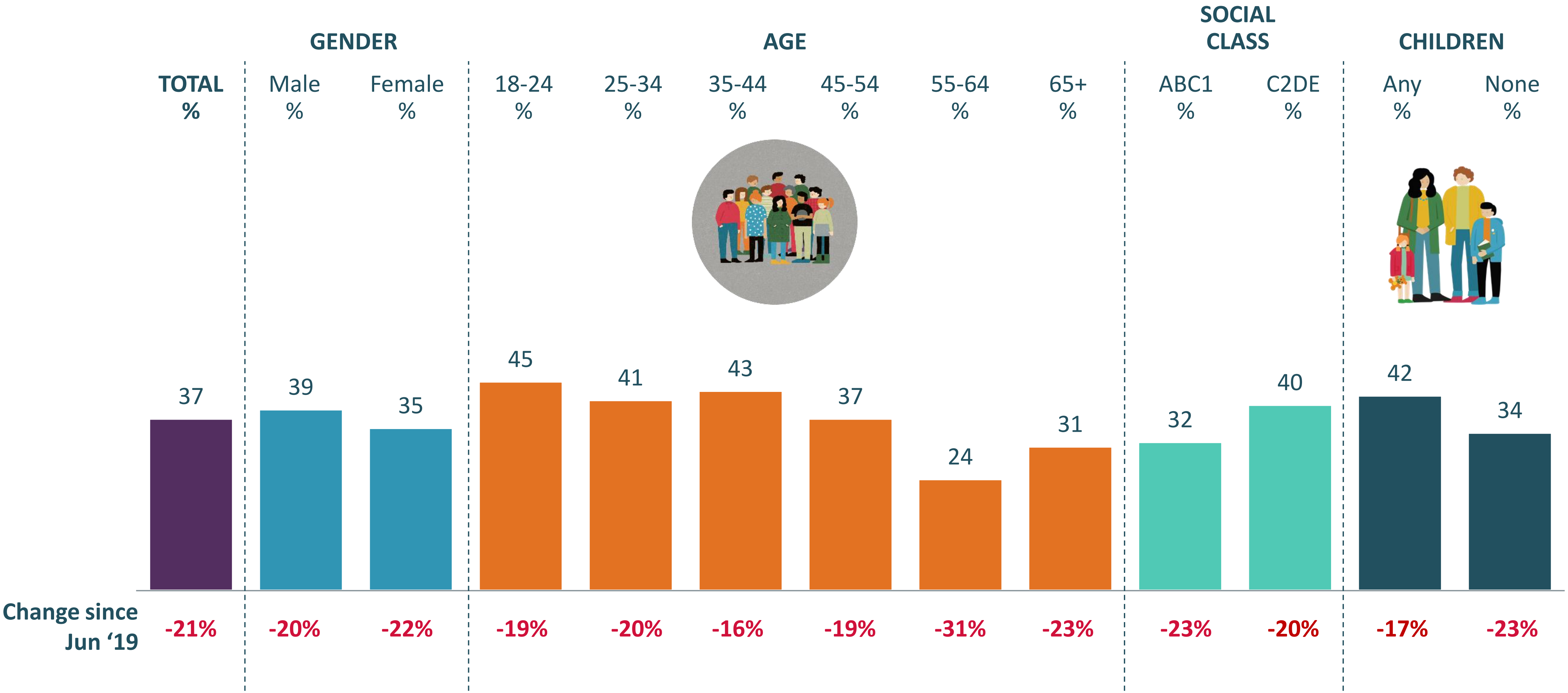


✓ Just over 1 in 10 believe the Irish economy will improve in the next 6 months.

✗ Almost 2 in 3 expect the economy to fare worse in the next 6 months.

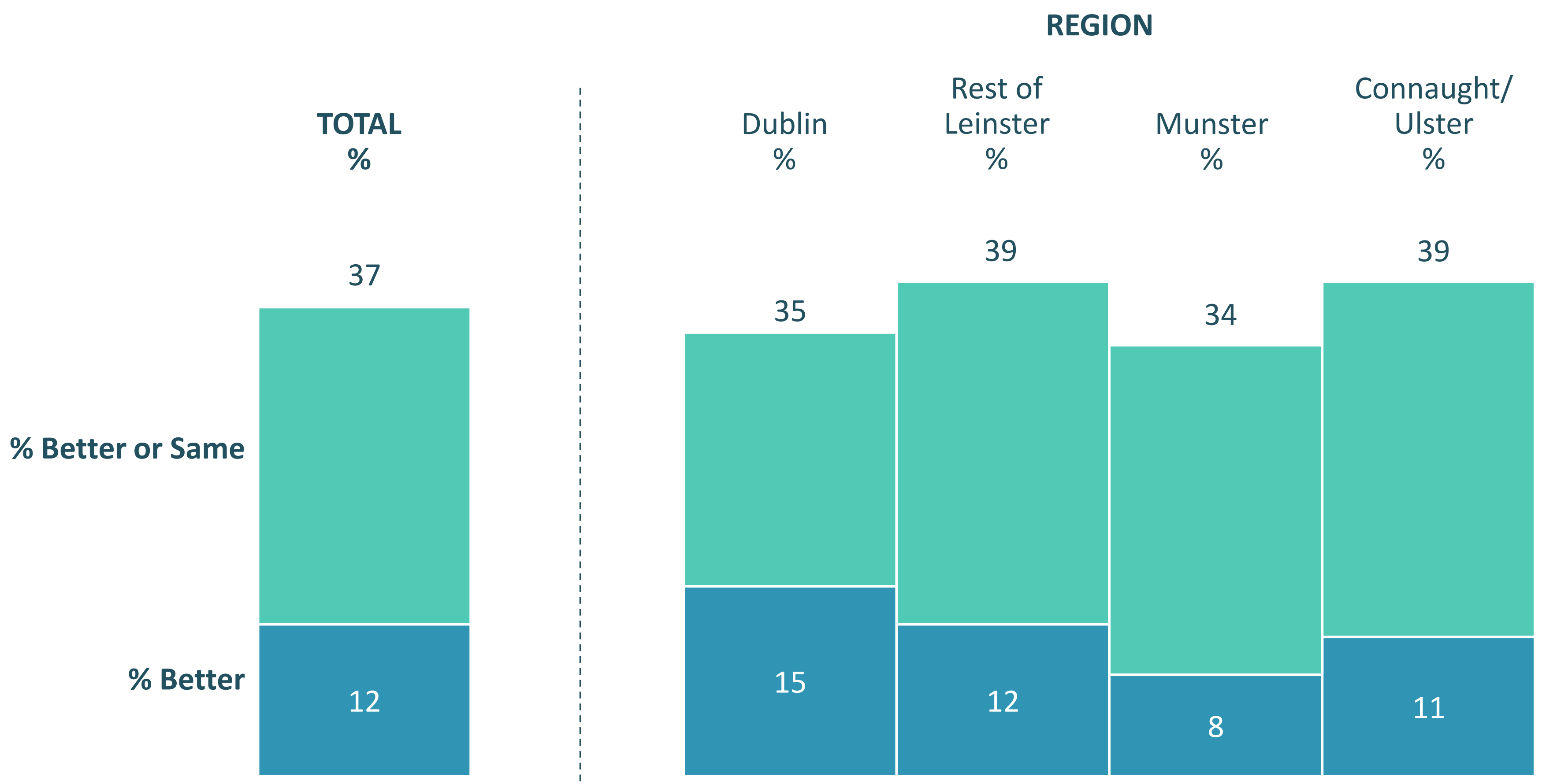
Expectations for the Irish economy 6 months from now

% Stating they believe it will be better/the same



The younger age groups and lower social classes are somewhat more positive about the Irish economy, but large declines seen vs. Jun ‘19 across all sub-groups.

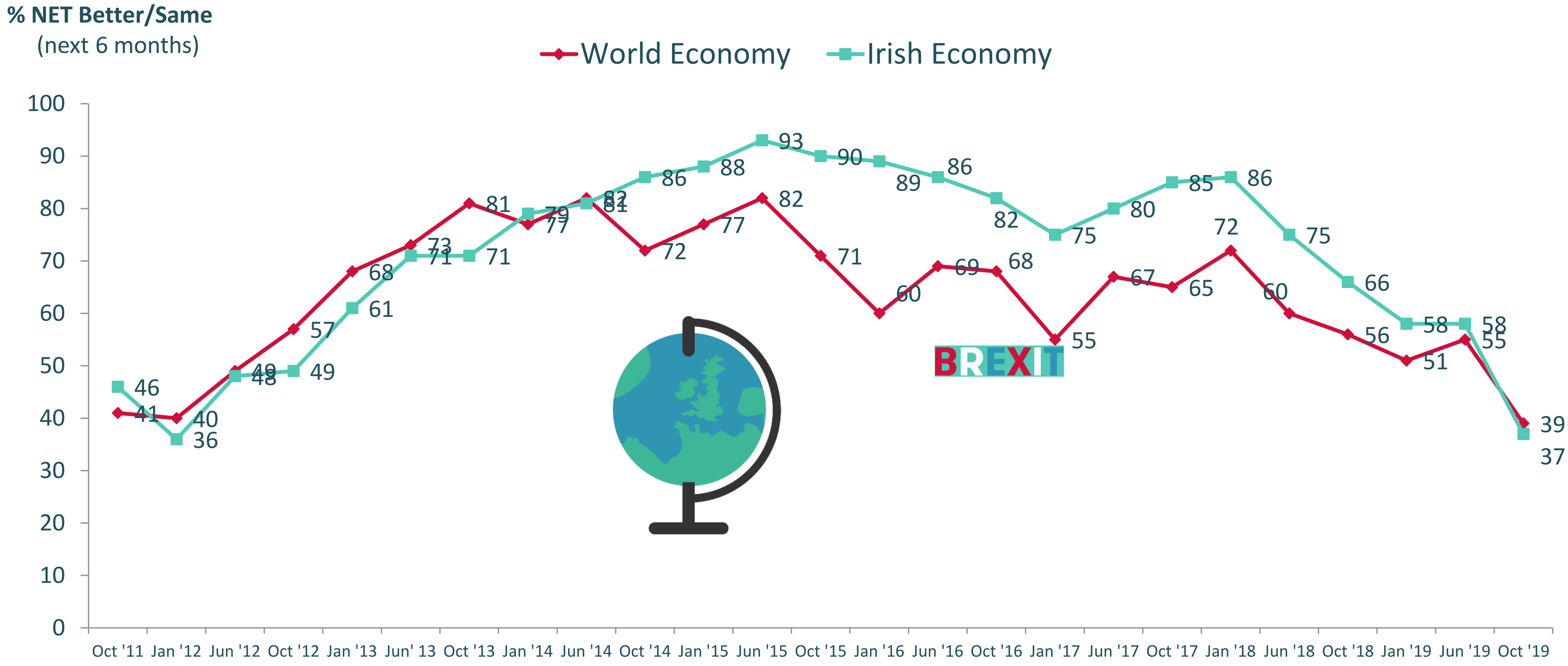
Expectations for the Irish economy across the country…



Change % since Jun '19	TOTAL	Dublin	Rest of Leinster	Munster	Connaught/ Ulster
Better or Same	-21%	-25%	-16%	-23%	-21%
Better	-11%	-13%	-8%	-13%	-10%

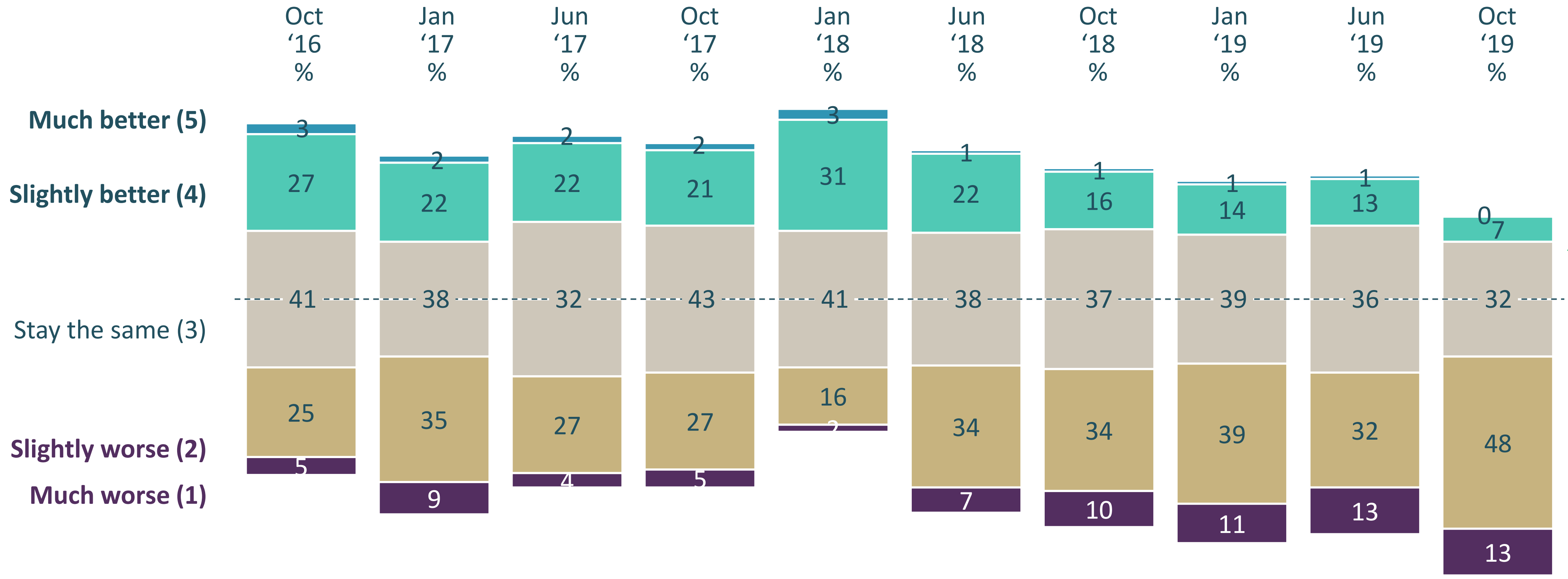
Those living in Dublin are more likely to believe the economy will fare better in the next 6 months but consumer confidence is down significantly across all regions.

Expectations for the World Economy



We also see a significant drop in consumer confidence for the World economy. Just 2 in 5 expect the World economy to stay the same or improve in the next 6 months.

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



	Oct '16	Jan '17	Jun '17	Oct '17	Jan '18	Jun '18	Oct '18	Jan '19	Jun '19	Oct '19
NET Same/Better (3-5)	**68**	**55**	**67**	**65**	**72**	**60**	**56**	**51**	**55**	**39**
Average	**2.98**	**2.72**	**2.90**	**3.00**	**3.19**	**2.78**	**2.65**	**2.55**	**2.57**	**2.33**

✓ Just 7% believe the World economy will improve in the next 6 months.

✕ 3 in 5 think that the World economy will fare worse in the next 6 months.

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Impact of Brexit on Ireland's Economy

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

	Oct 2017 %	Jan 2018 %	Jun 2018 %	Oct 2018 %	Jan 2019 %	Jun 2019 %	Oct 2019 %
NET: Agree	**79**	**78**	**81**	**85**	**84**	**86**	**89**
Agree strongly (4)	46	49	31	38	40	47	50
Agree slightly (3)	33	29	50	46	45	39	39
Disagree slightly (2)	14	14	15	11	11	10	7
Disagree strongly (1)	6	9	4	5	5	4	4
NET: Disagree	**20**	**23**	**19**	**15**	**16**	**14**	**11**

Almost 9 in 10 are worried that Brexit will have a negative impact on the Irish economy. Half of all adults agree strongly with this statement – up 10 percentage points from January.

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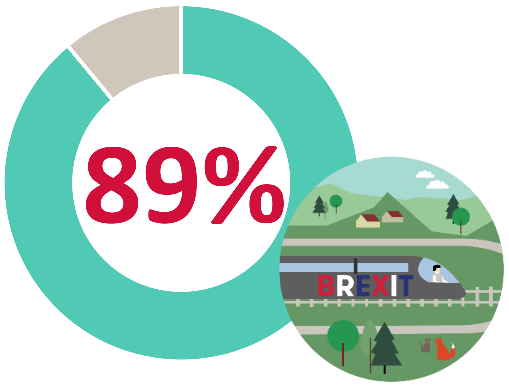
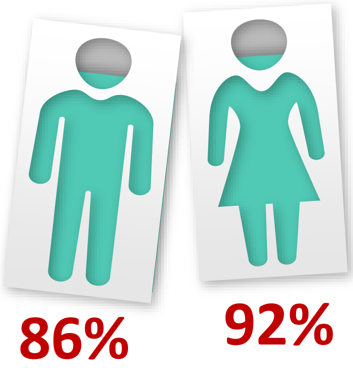
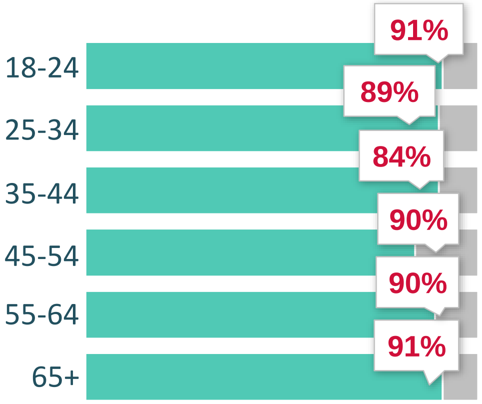
Who are worried that Brexit will have a negative impact on Ireland's Economy?



Gender



Age

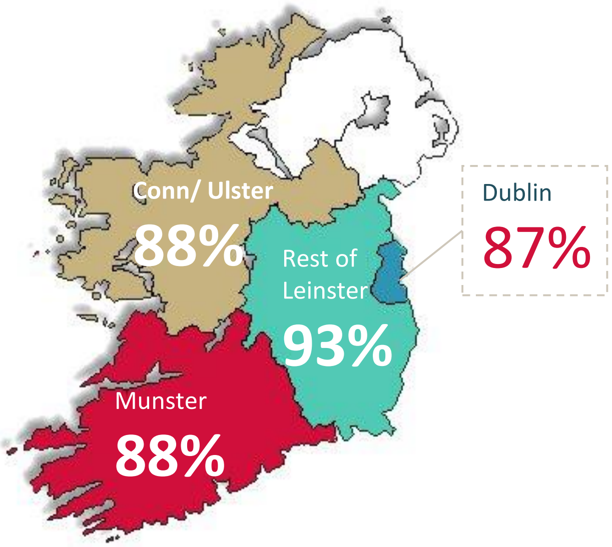


Social Class

ABC1: 91%

C2DE: 87%

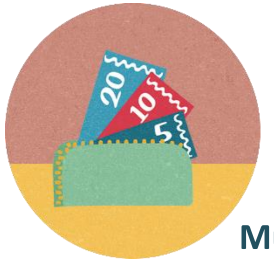
Region

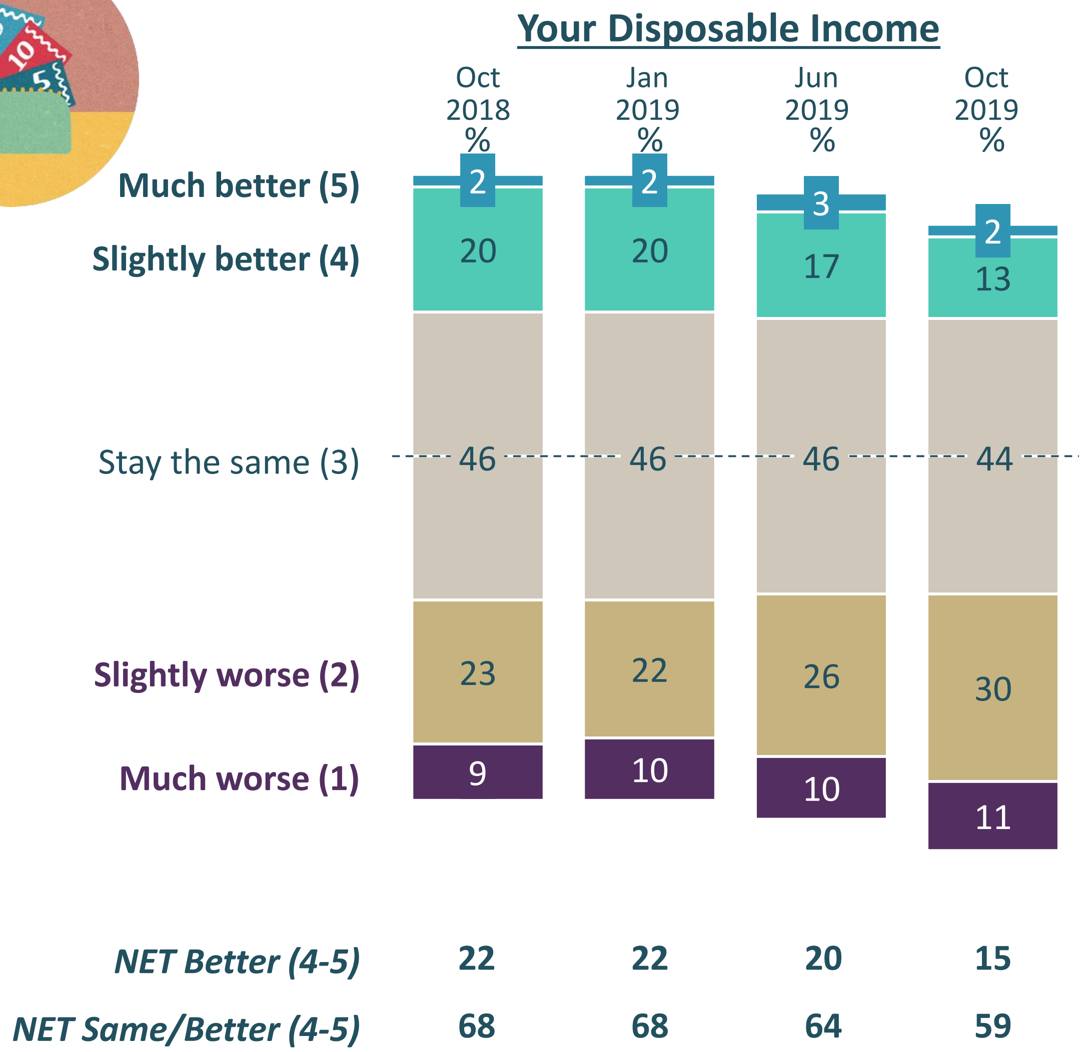


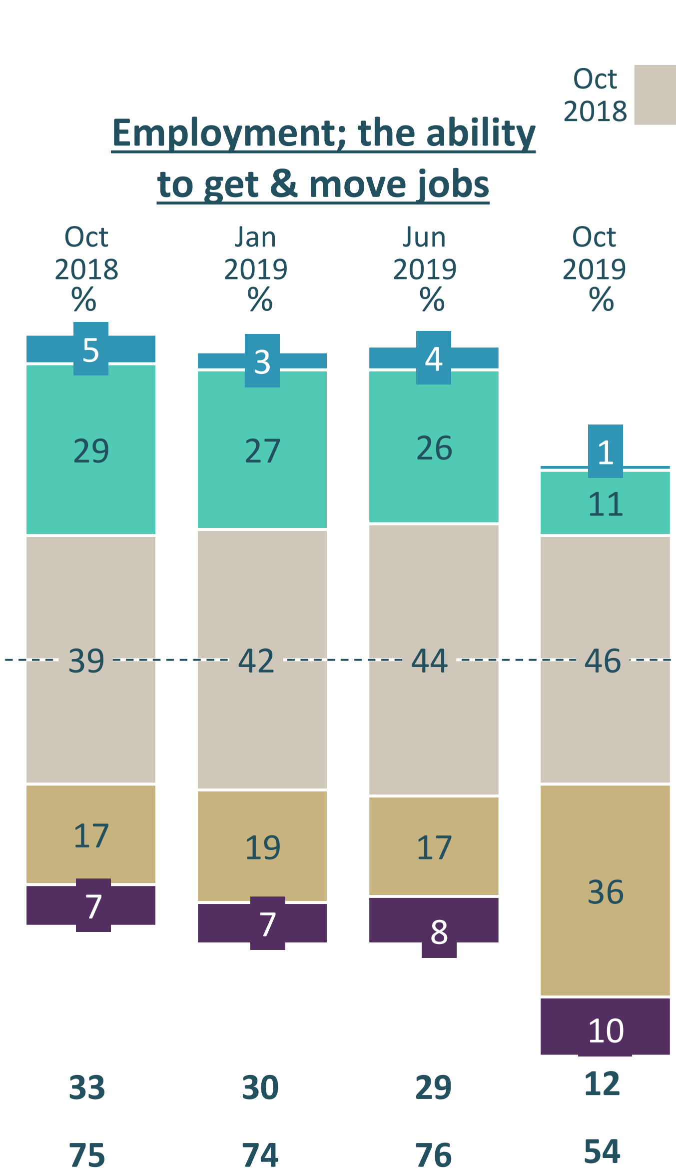
Across the population, we see significant concerns about the impact of Brexit on the Irish economy. Females and those living in Rest of Leinster are most concerned.

Employment outlook is down significantly, reflecting the plunge in consumer confidence

Expectations for the next 6 months for…







Employment outlook is also down significantly, following the drop in consumer confidence. Income expectations are down slightly, with just 15% expecting their income to increase in the next 6 months.

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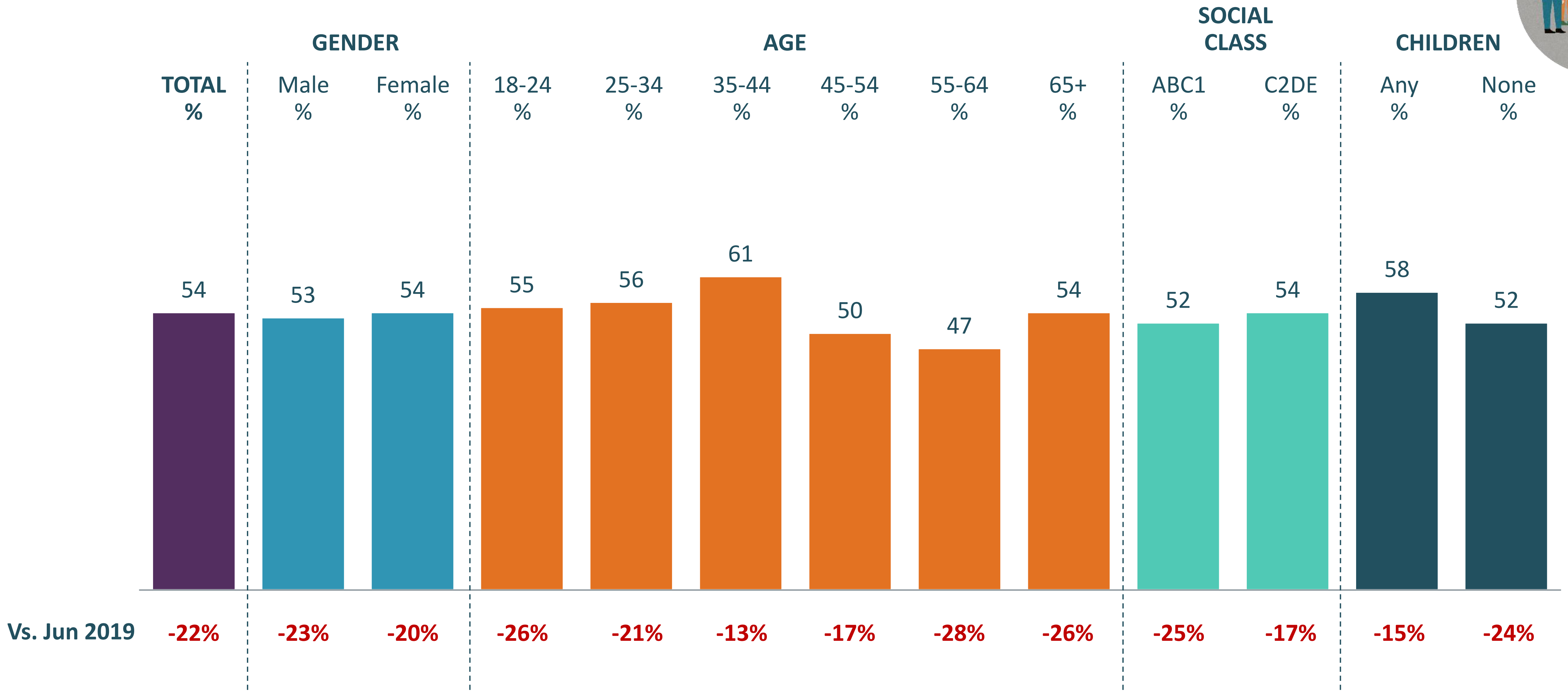
Expectations for employment in the next 6 months?

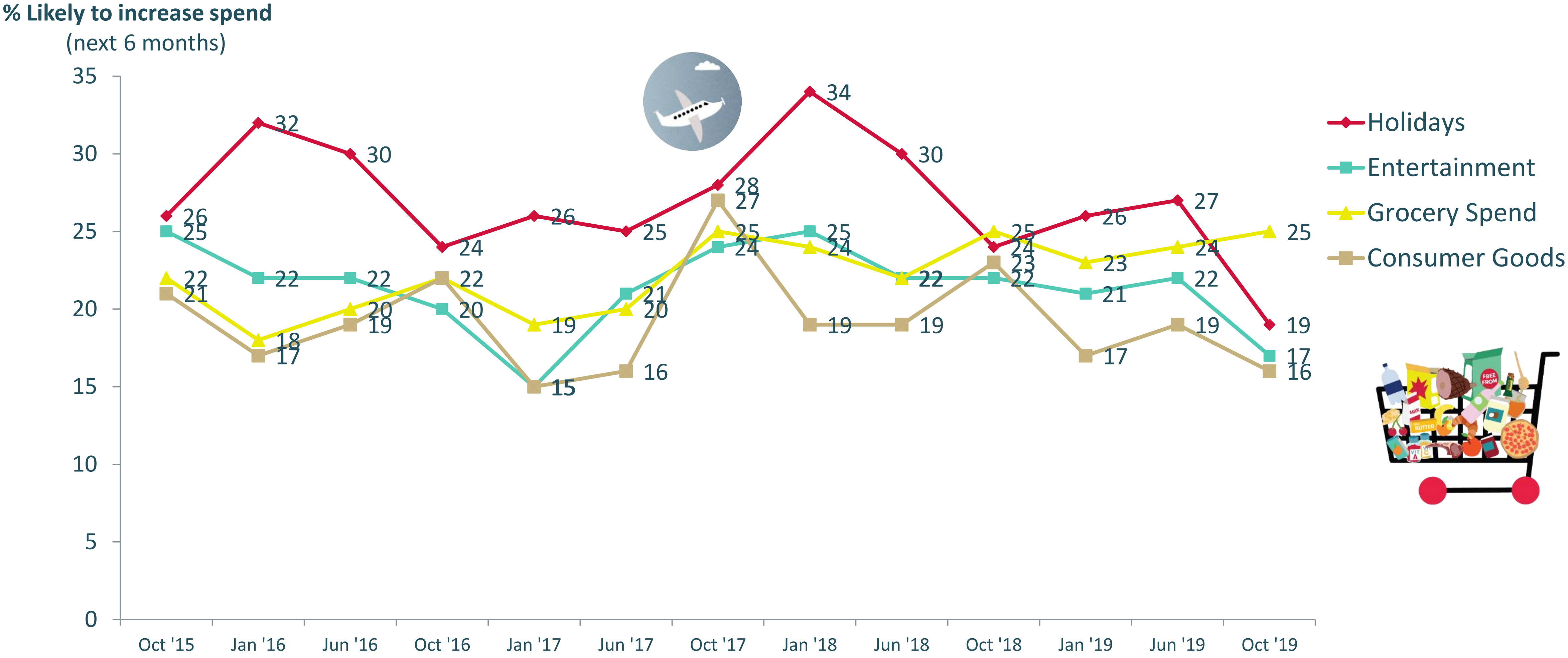
% Stating they believe it will be better or stay the same



Those aged 35-44 are more positive about employment opportunities in the next 6 months compared to the general population.

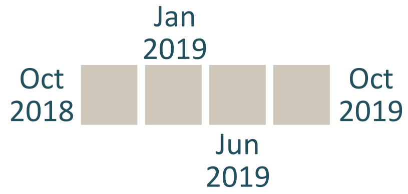
Spend intention is down for all categories, except groceries

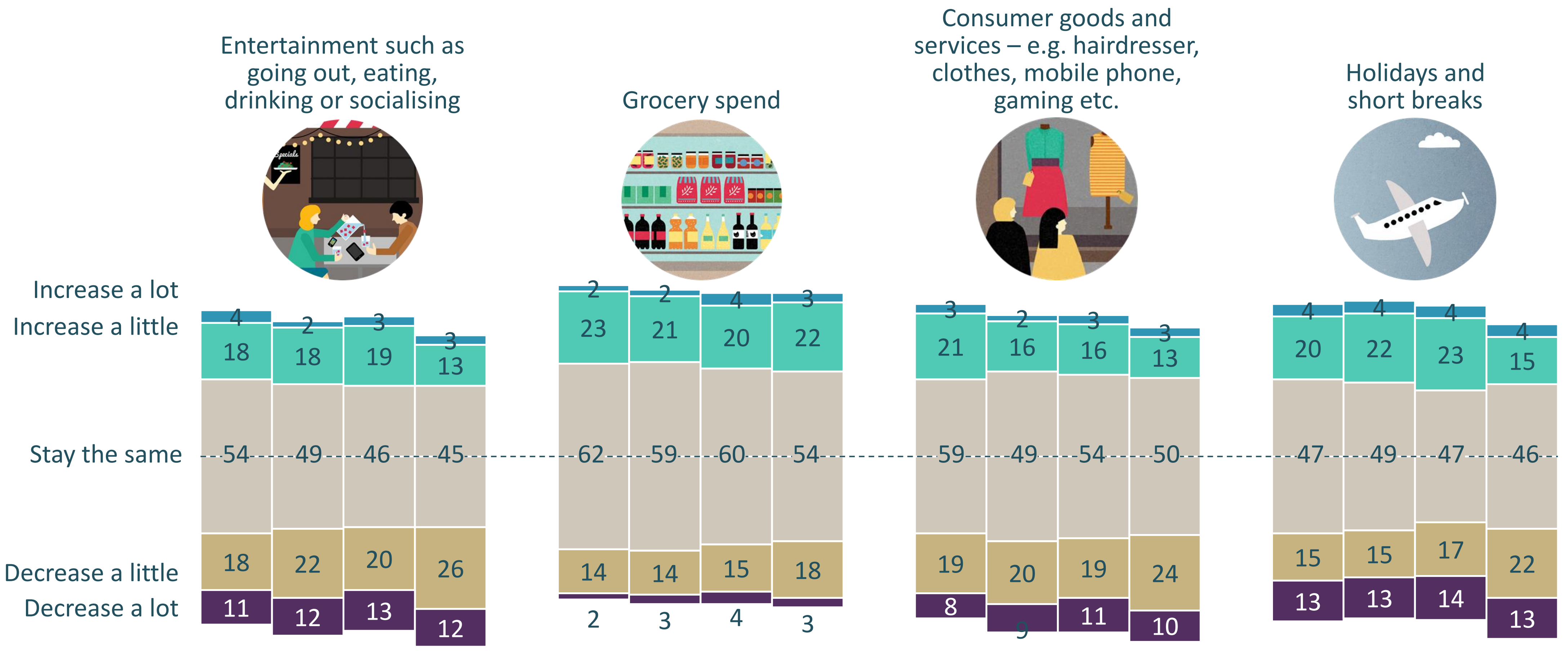
Expected Increase in Spend In The Next 6 Months



Apart from grocery spend, we see declines in spend intention across all categories.

Expected Changes In Spend Over The Next 6 Months





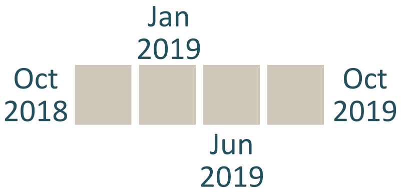
Across all categories except grocery spend, we see more people expecting to decrease spend in the next 6 months rather than people expecting to increase spend.

The younger age groups are more likely to predict spending more…



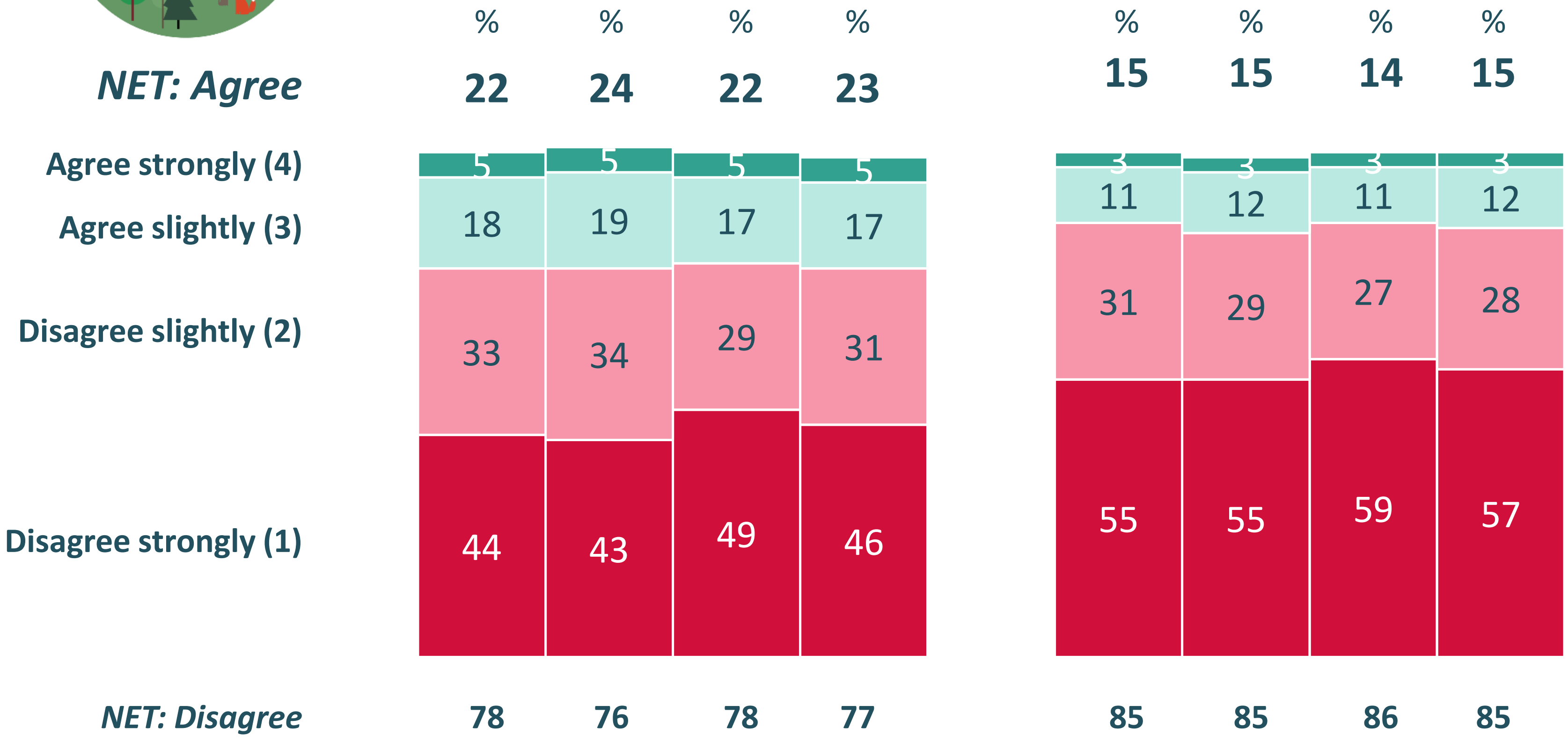

% Likely to increase spend in next 6 months	Entertainment	Grocery Spend	Consumer Goods/ Services	Holidays/ Shorter Breaks
Total	**17**	**25**	**16**	**19**
Gender				
Male	19	27	17	21
Female	15	22	15	17
Age				
18-24	**34**	24	**26**	14
25-34	**25**	**34**	19	**29**
35-44	16	29	16	19
45-54	11	22	15	13
55-64	12	20	13	14
65+	10	18	11	22
Social Class				
ABC1	18	24	15	22
C2DE	17	25	17	16
Region				
Dublin	16	25	16	21
Rest of Leinster	16	26	17	20
Munster	16	21	13	14
Connaught/Ulster	21	29	19	22

Brexit Impact on Republic of Ireland Spend



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

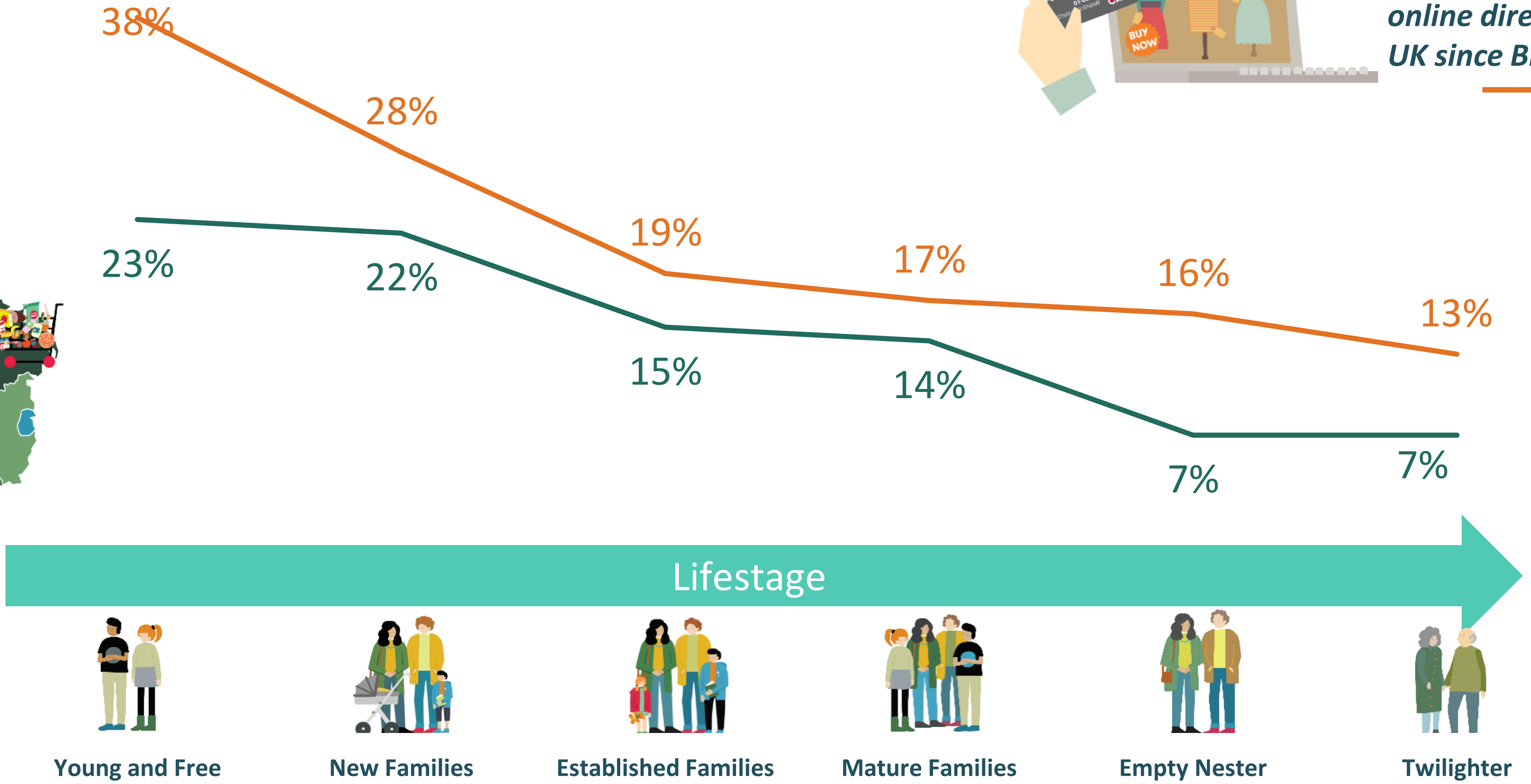
"I have been purchasing more goods from across the border in Northern Ireland since Brexit"



Almost 1 in 4 claim to have purchased more online directly from the UK since Brexit while 15% have bought more across the border in Northern Ireland – stable over past 12 months.

Brexit Impact on Republic of Ireland Spend by Life Stage

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

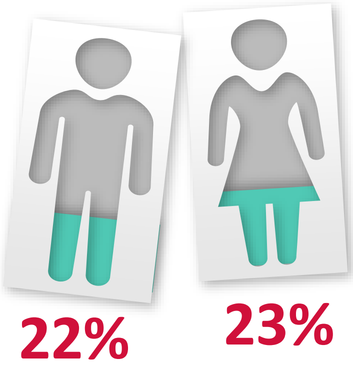


"I have been purchasing more goods from across the border in NI since Brexit"

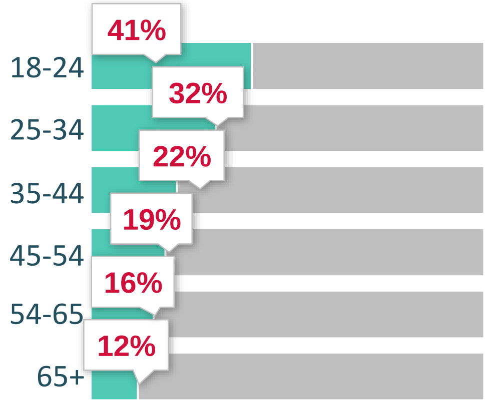
The younger life stages are more likely to have purchased online from the UK or across the border in Northern Ireland since Brexit.

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

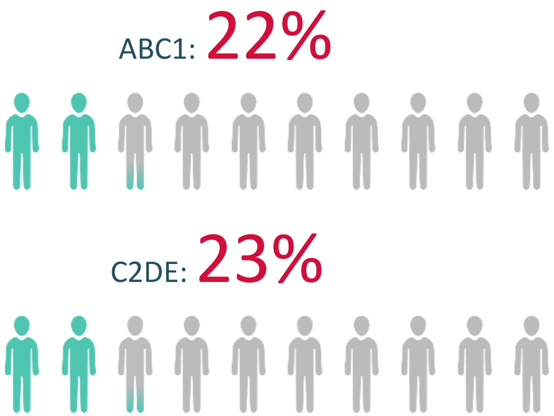
Gender



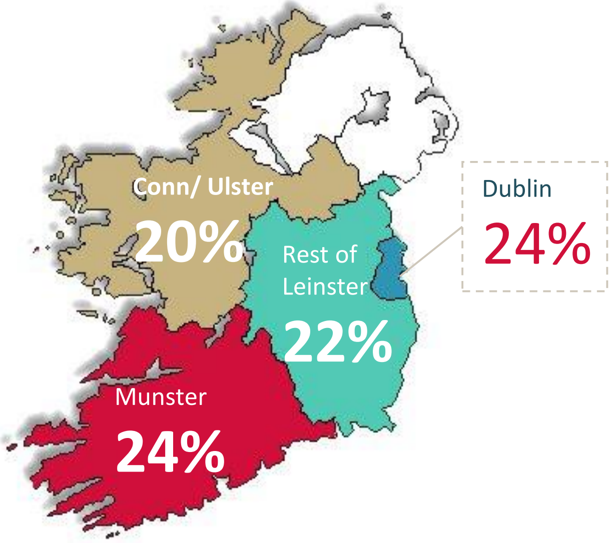
Age



Social Class

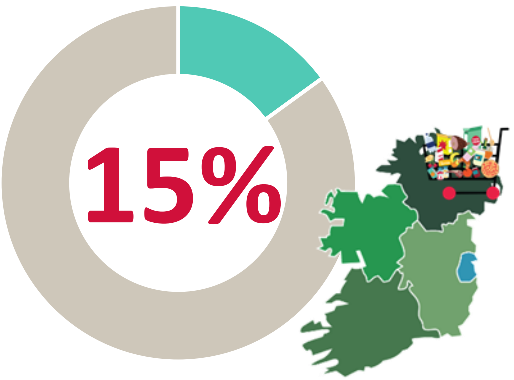


Region

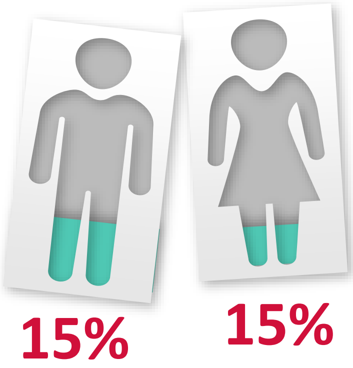


The younger age groups are more likely to have bought more online directly from the UK since Brexit.

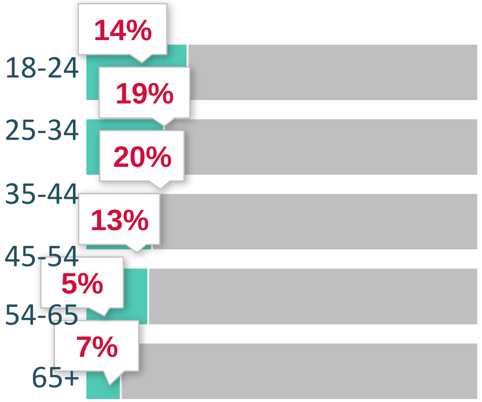
Who has been purchasing more goods across the Border in Northern Ireland since Brexit?



Gender



Age



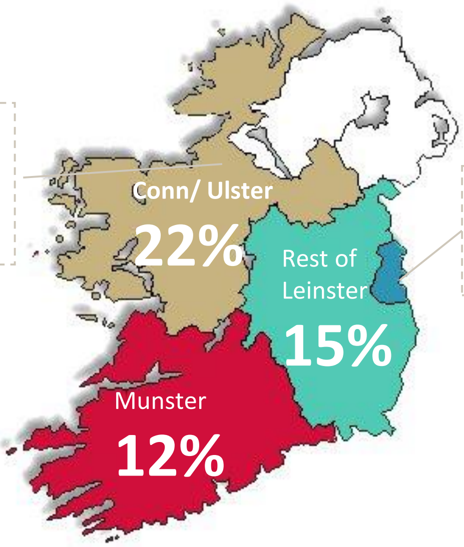
Social Class

ABC1: 14%

C2DE: 17%

Region

Those living in border counties
25%



Dublin
14%

The younger age groups are also more likely to have purchased across the border in Northern Ireland. 1 in 4 of those living in border counties claim to have bought more in Northern Ireland since Brexit.

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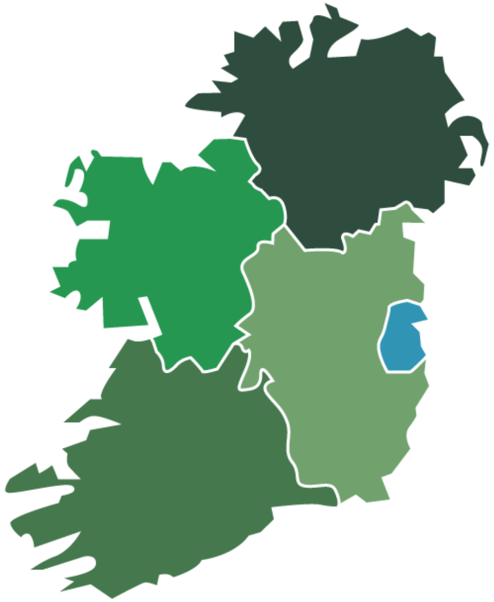
2 in 3 would like to see a United Ireland as a result of Brexit

A United Ireland as result of the Brexit

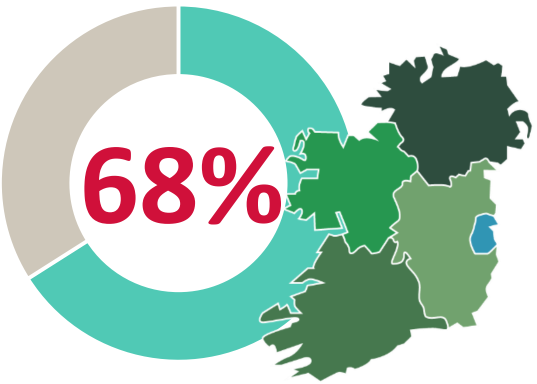
"I would like to see a United Ireland as result of Brexit"

	Oct 2018 %	Jan 2019 %	Jun 2019 %	Oct 2019 %
NET: Agree	**66**	**66**	**68**	**68**
Agree strongly (4)	29	29	32	32
Agree slightly (3)	37	37	36	36
Disagree slightly (2)	19	16	17	16
Disagree strongly (1)	15	18	15	16
NET: Disagree	**34**	**34**	**32**	**32**

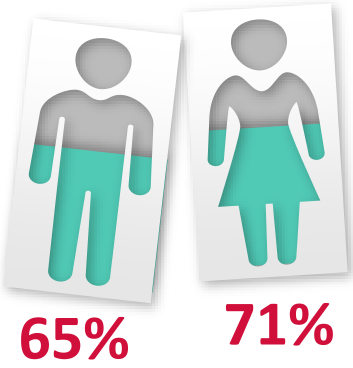


2 in 3 would like to see a United Ireland as a result of Brexit – this is unchanged since June.

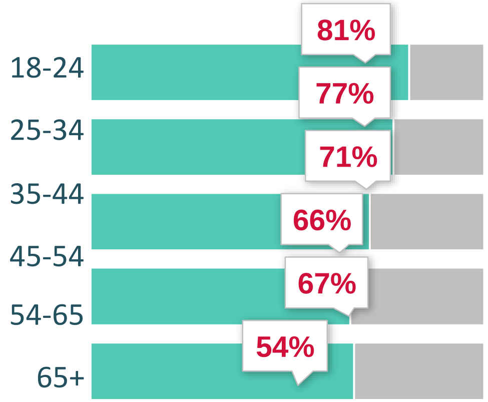
Who would like to see a United Ireland as a result of Brexit?



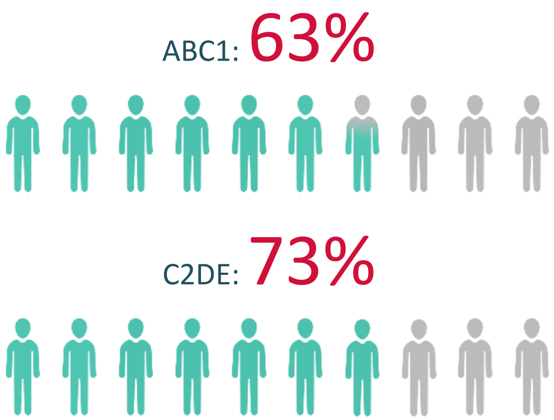
Gender



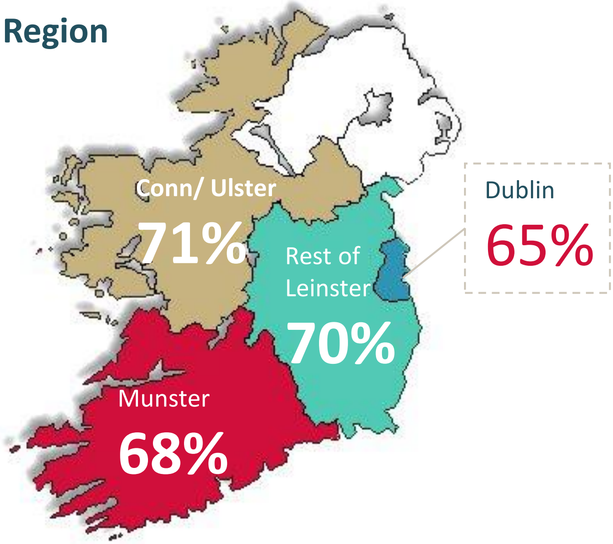
Age



Social Class



Region



We see strongest support for a United Ireland in the younger age groups and lower social classes.

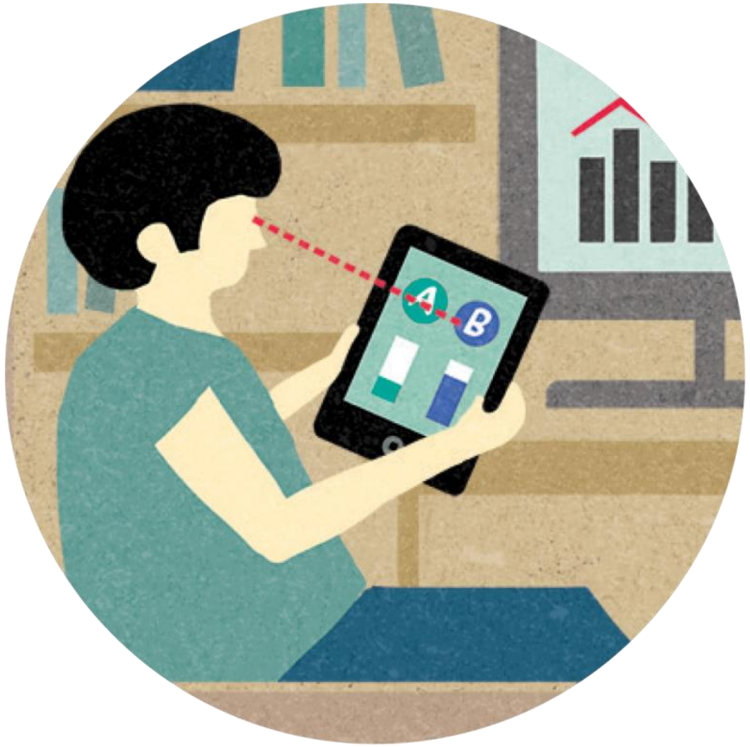
Methodology

/ 1,013 online interviews were conducted using RED C's online panel, RED C Live – this methodology has been used since June 2018.

/ Waves before and including 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 36th Wave of the RED C Consumer Mood Monitor and fieldwork was conducted from the 4th-9th October 2019.



THANK YOU

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