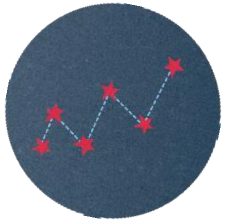
Consumer Mood Monitor

Consumer confidence bounces back up after Brexit resolution

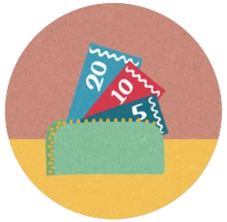
January 2020

Consumer confidence bounces back up after Brexit resolution



After declines in consumer confidence since the beginning of 2018, we see improved outlook in January 2020, following the confirmation of a “soft” Brexit by the end of the month.

But consumer outlook remains low and consumers remain concerned about the impact Brexit will have on the Irish economy.



As a result of this, we only see limited change in income expectations and consumers remain cautious in relation to future spend. Spend intention is up for holidays but unchanged or down for all other categories.

Support for a United Ireland as a result of Brexit remains strong with almost 7 in 10 in favour.

Consumer Mood – Headline Facts

Consumer outlook for the Irish economy sees its first increase in more than 2 years. **59%** believe the Irish economy will fare the same or better in the next 6 months – up from 37% in October 2019. **20%** believe the economy will fare better in the next 6 months.

But consumer outlook remains low, with **84%** concerned about the impact of Brexit on the Irish economy. This is however down from 87% in October 2019.

Slight increase in expectations for the world economy, with **44%** believing the world economy will improve or fare the same over the next 6 months – up from 39% in October 2019. Expectations are higher for the Irish economy than the world economy.

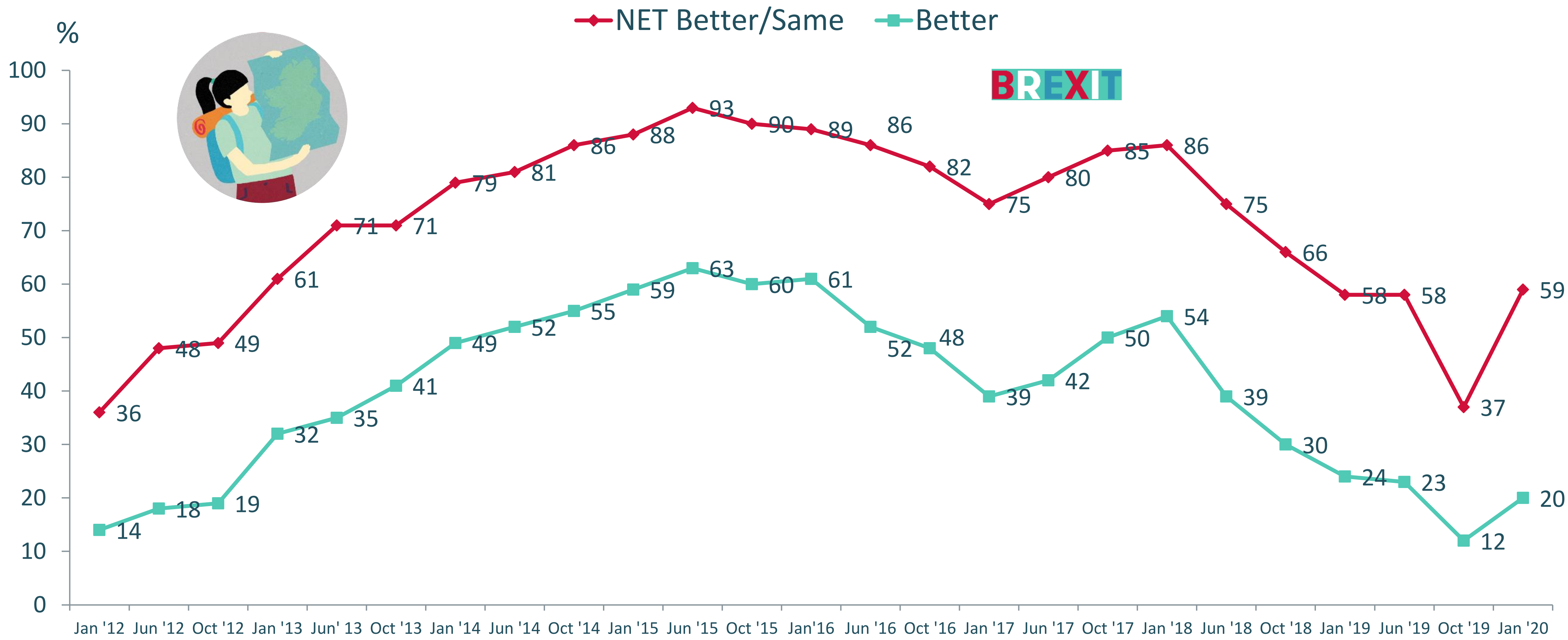
Employment outlook is also up after a significant decline in October 2019. **21%** expect employment opportunities to improve in the next 6 months – up from just 12% in October. Income expectations are unchanged.

Consumers remain cautious in terms of future **spend**, with holidays being the only category that sees an increase. Grocery spend sees a decrease.

69% would like to see a United Ireland as a result of Brexit – this is similar to the level seen in October 2019.

Consumer confidence bounces back up after Brexit resolution but remains low

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



After a sharp decline in consumer outlook for the Irish economy since the beginning of 2018, we see an improvement in January, following the confirmation that a soft Brexit will take place at the end of the month. But consumer outlook remains low with just 1 in 5 believing that the Irish economy will improve in the next 6 months.

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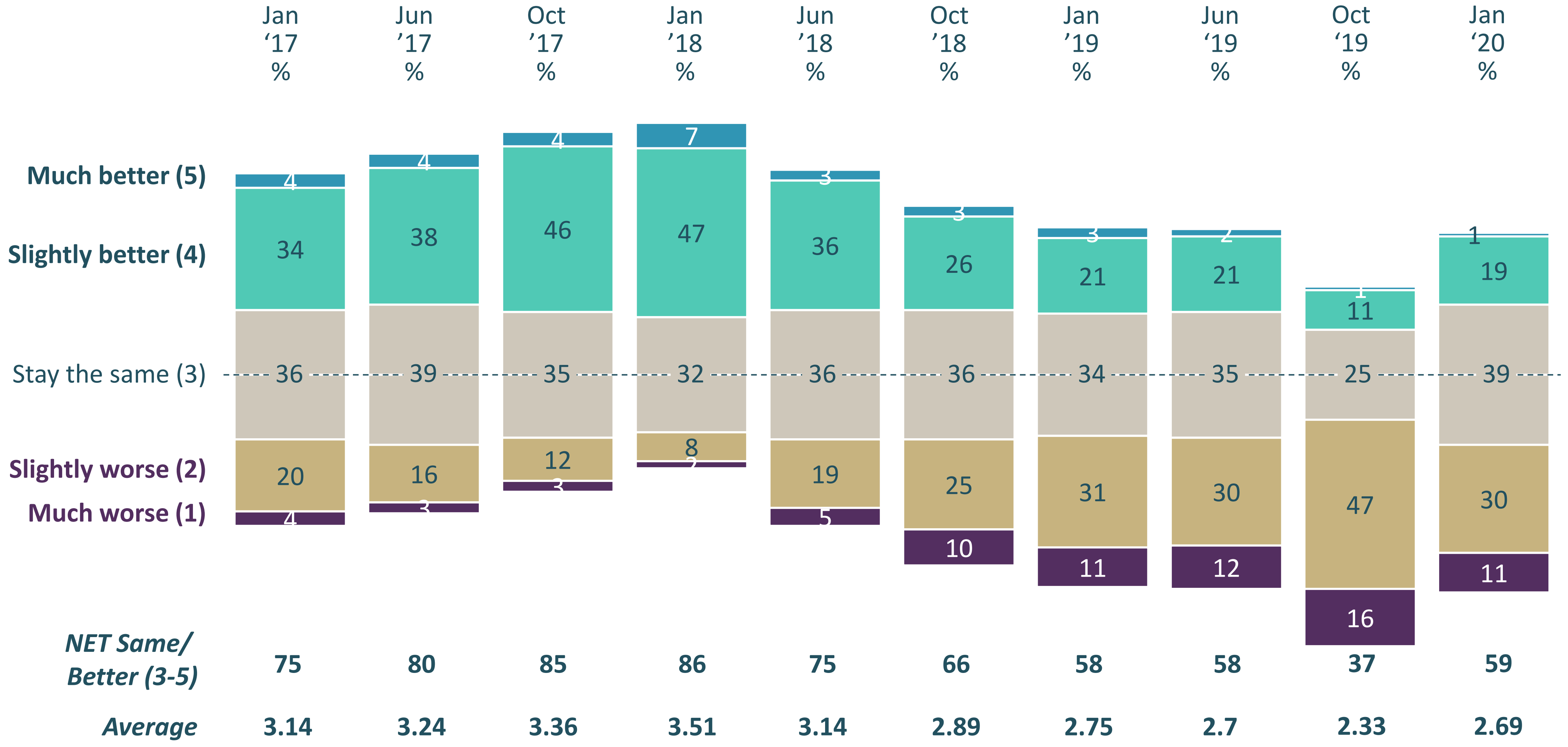
How do you expect the Irish economy to fare in the next 6 months?

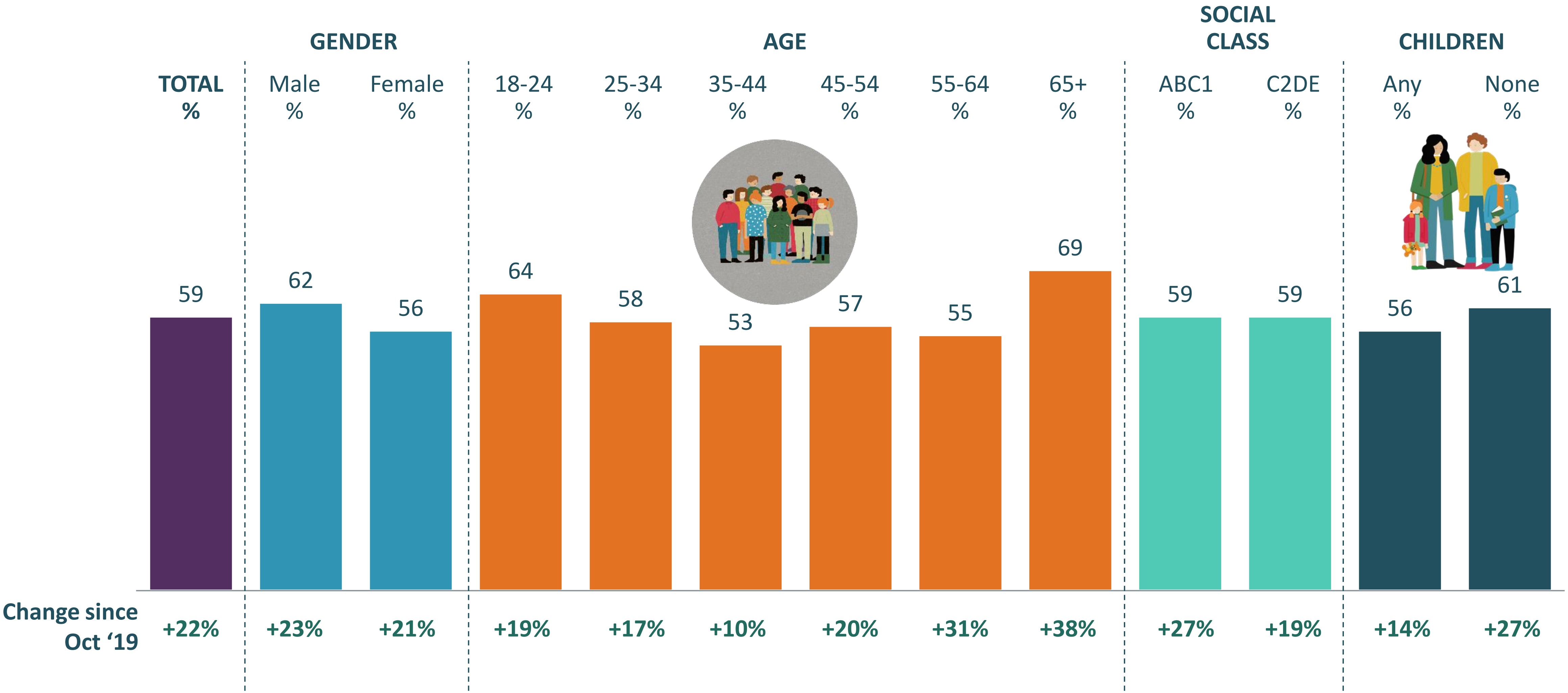


✓ 1 in 5 believe the Irish economy will improve in the next 6 months.

✕ But more than 2 in 5 expect the economy to fare worse in the next 6 months.

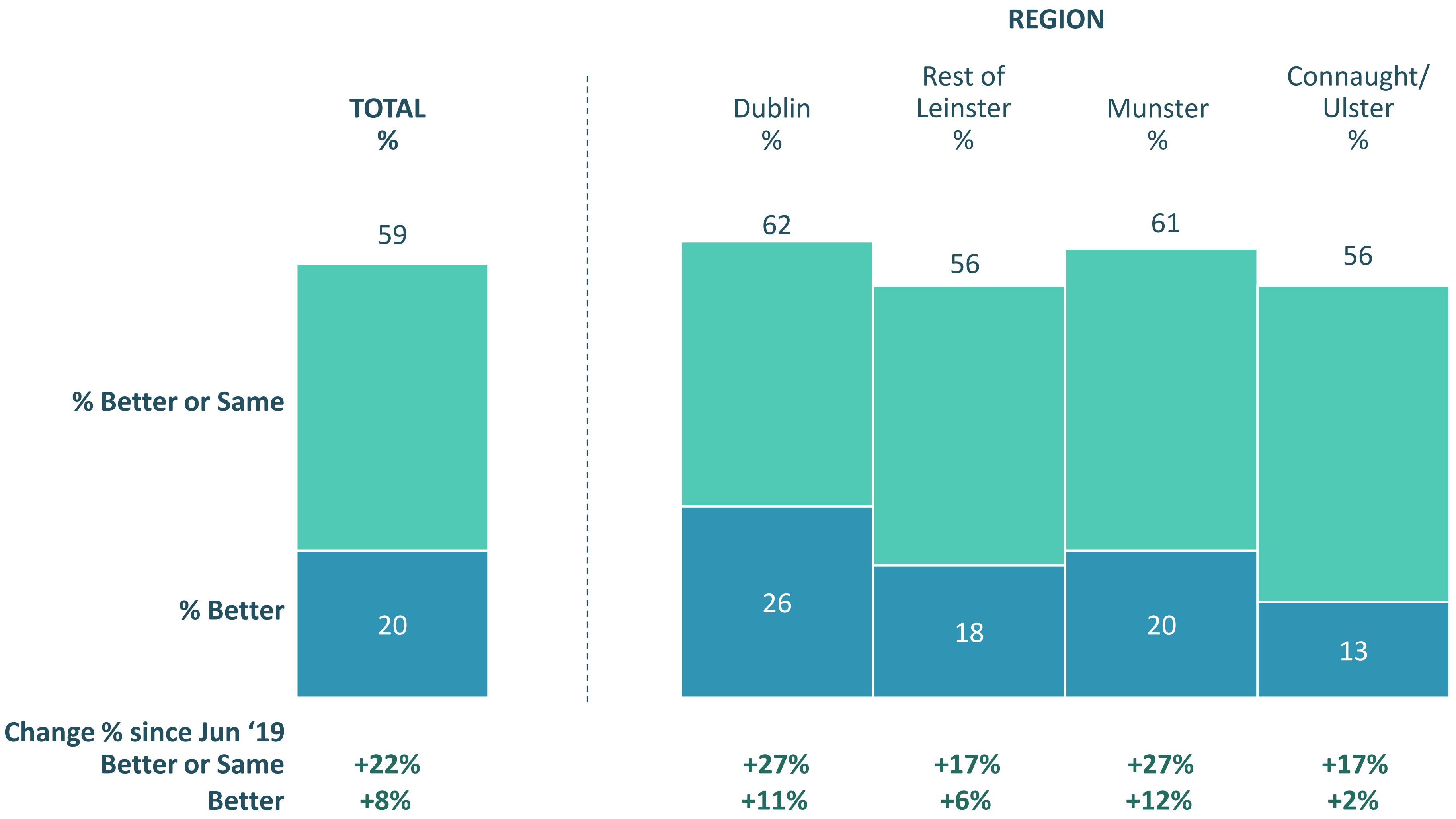
Expectations for the Irish economy 6 months from now

% Stating they believe it will be better/the same



Consumer outlook for the Irish economy is up for both genders, and across all age groups and social classes. The mid-age groups are less optimistic compared to the national average.

Expectations for the Irish economy across the country…



Consumer outlook for the Irish economy is up across the country. Those living in Dublin have a more positive outlook than the rest of the country.

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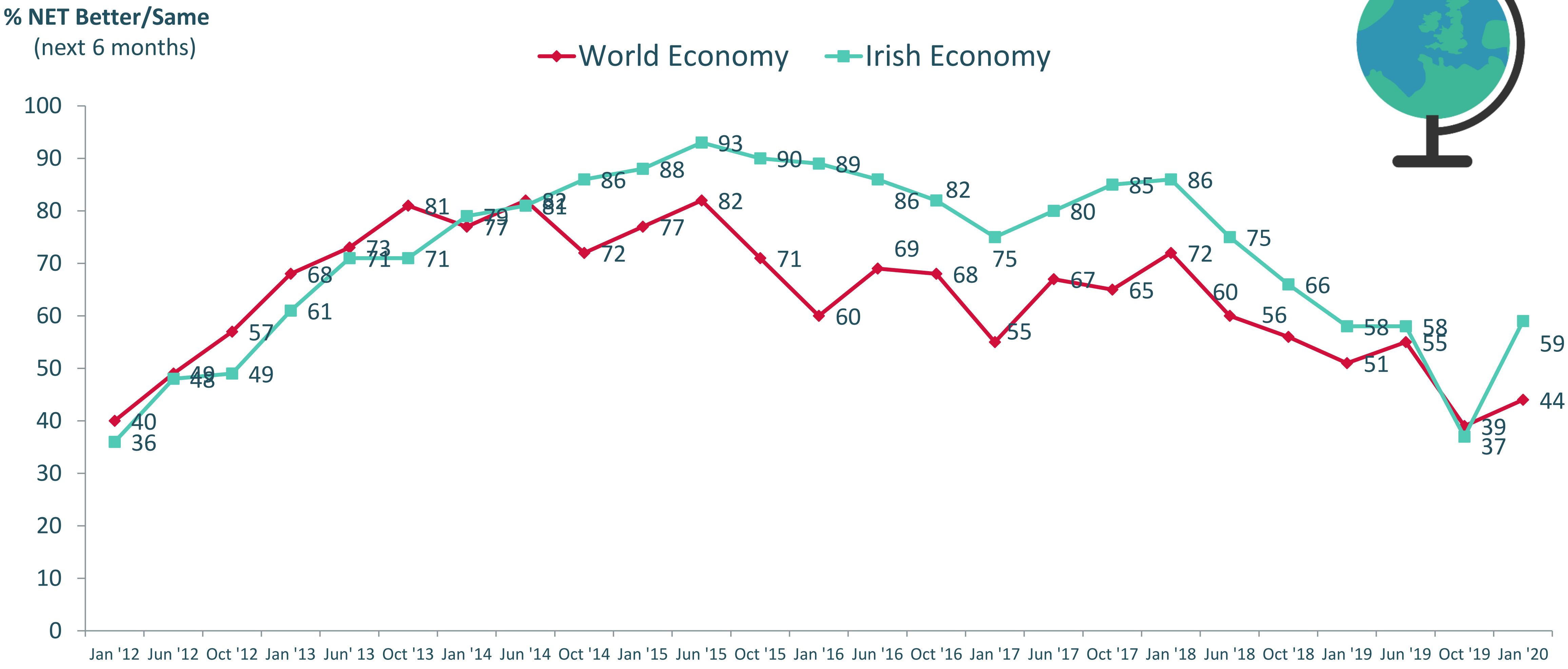
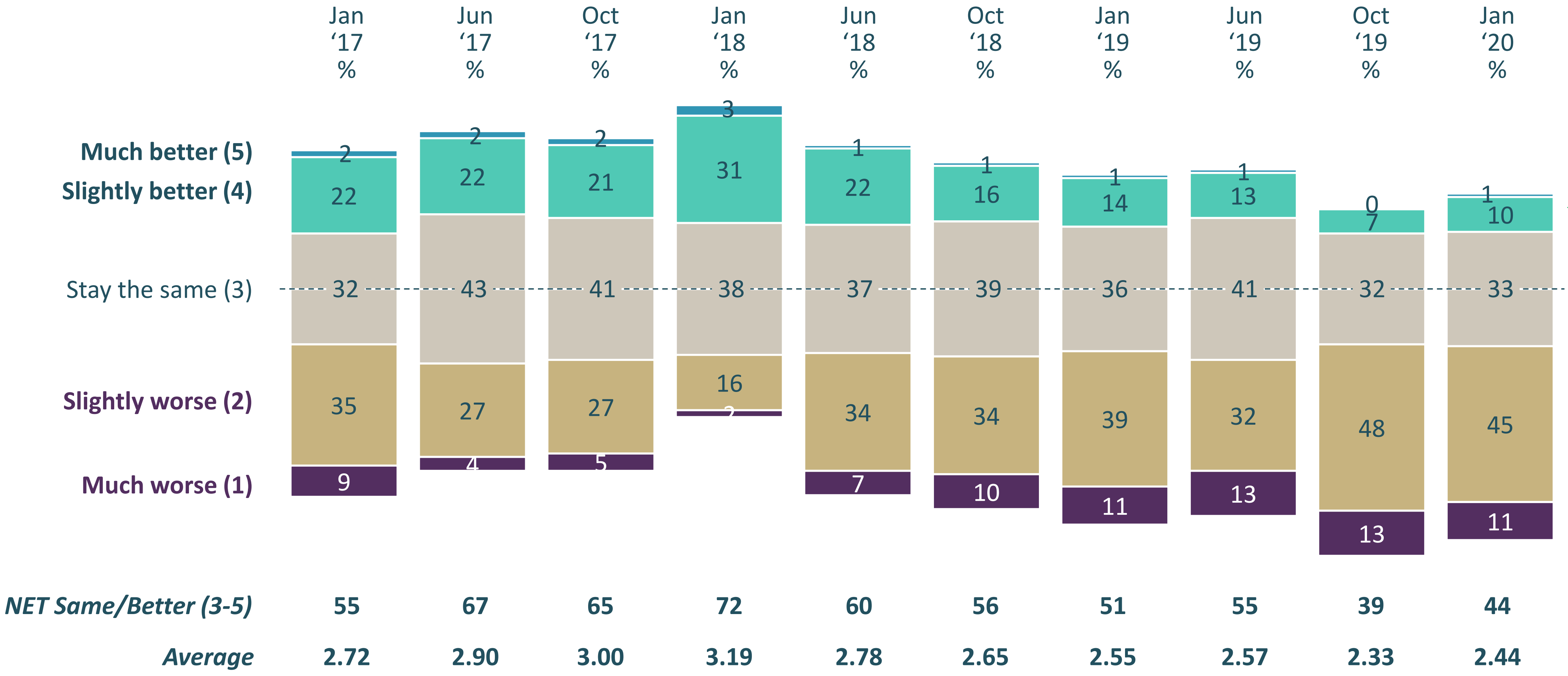
Expectations for the World Economy



Consumer outlook is also up for the world economy, but not to the same degree as outlook for the Irish economy. Outlook for the Irish economy is significantly better than outlook for the world economy.

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



✓ Circa 1 in 10 believe the world economy will improve in the next 6 months.

✕ More than half think that the world economy will fare worse in the next 6 months.

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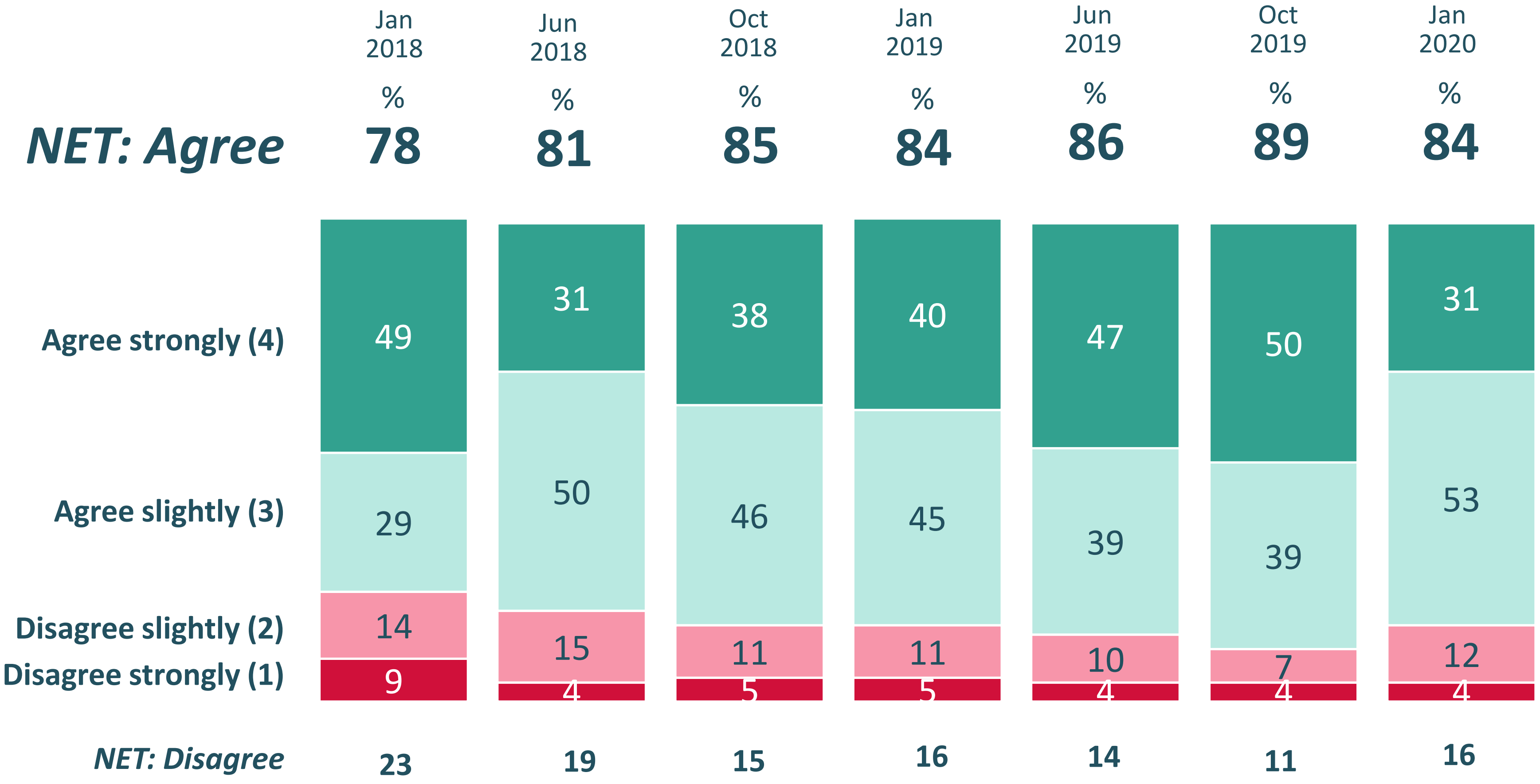
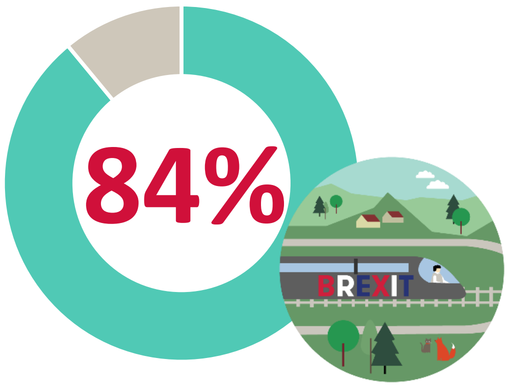
Impact of Brexit on Ireland's Economy

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

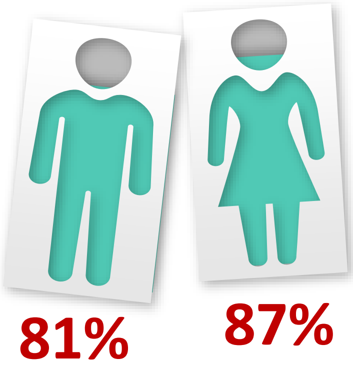


More than 4 in 5 are worried that Brexit will have a negative impact on the Irish economy. But we see less people strongly agreeing with this statement compared to October 2019, indicating that the Brexit resolution has reduced fears somewhat.

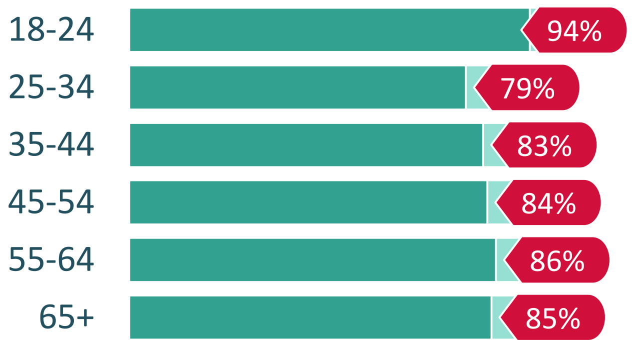
Who are worried that Brexit will have a negative impact on Ireland's Economy?



Gender



Age

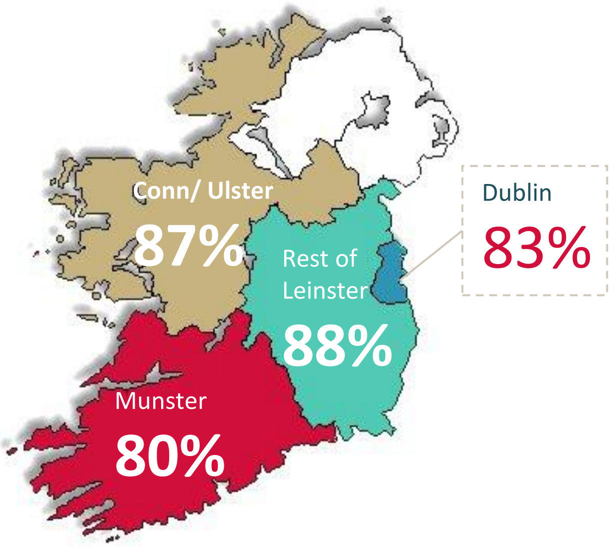


Social Class

ABC1: 86%

C2DE: 81%

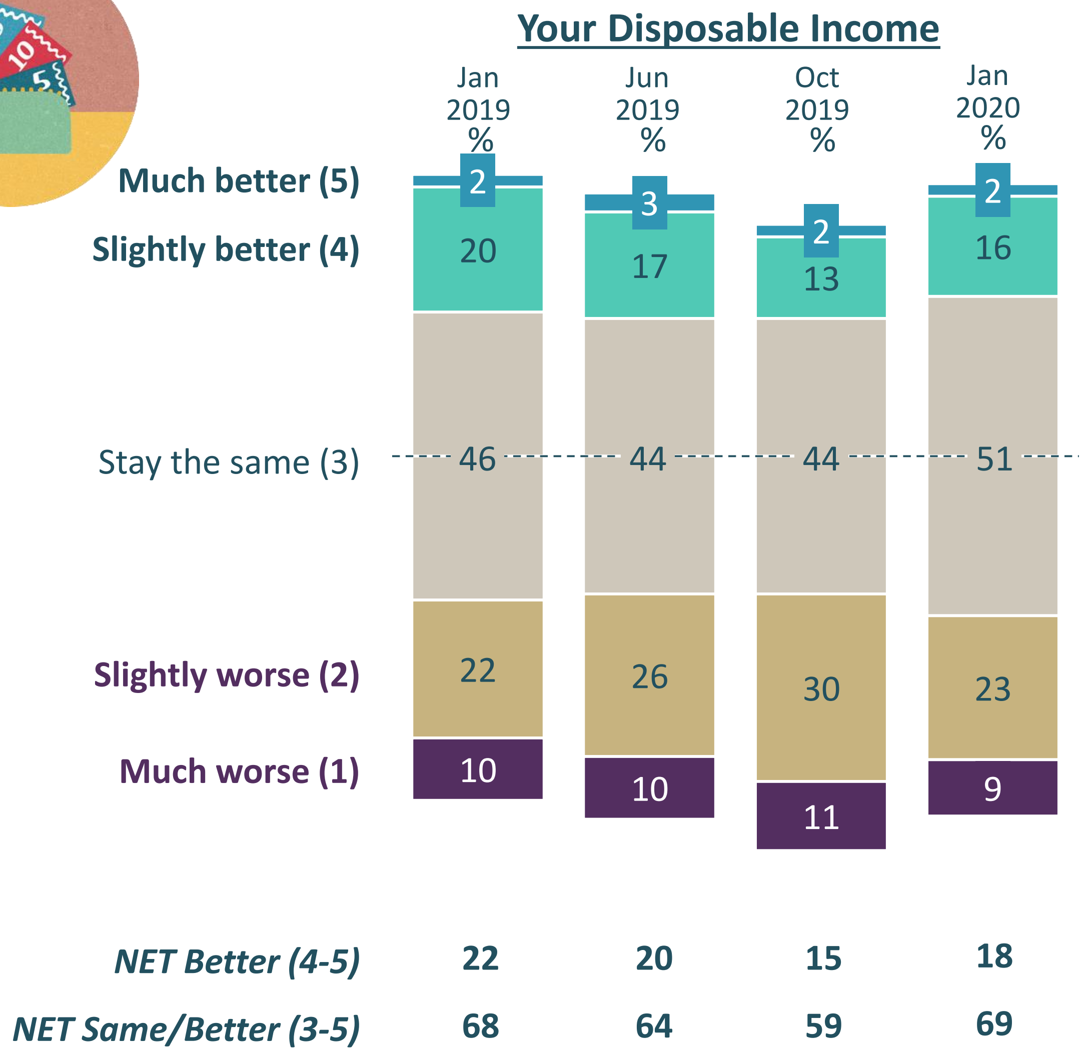
Region

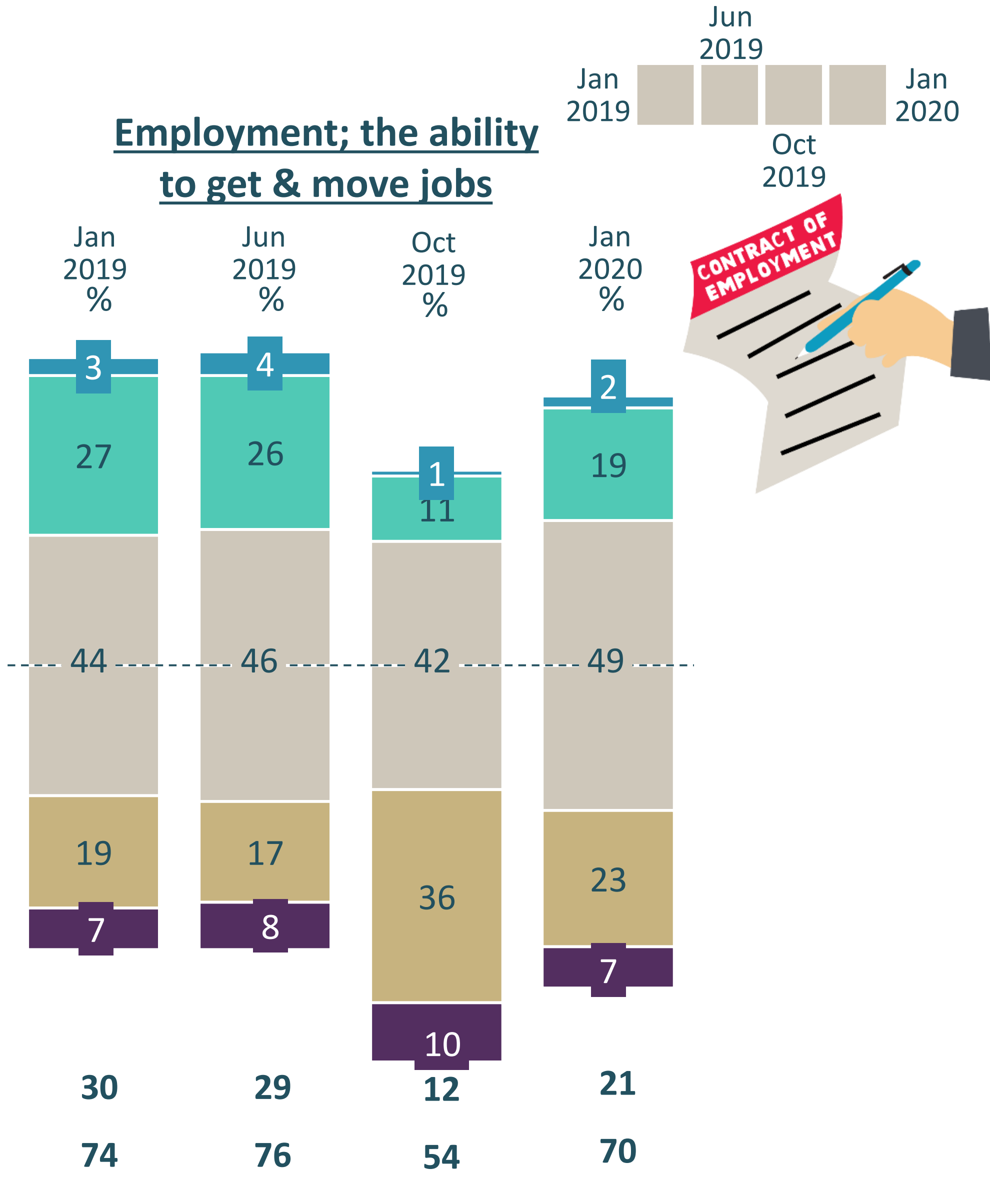


Across all demographic groups, there are concerns about the impact Brexit will have on the Irish economy. 18-24 year olds are more concerned than the national average.

Improved consumer confidence is driving up employment outlook from the low level recorded in October 2019

Expectations for the next 6 months for…

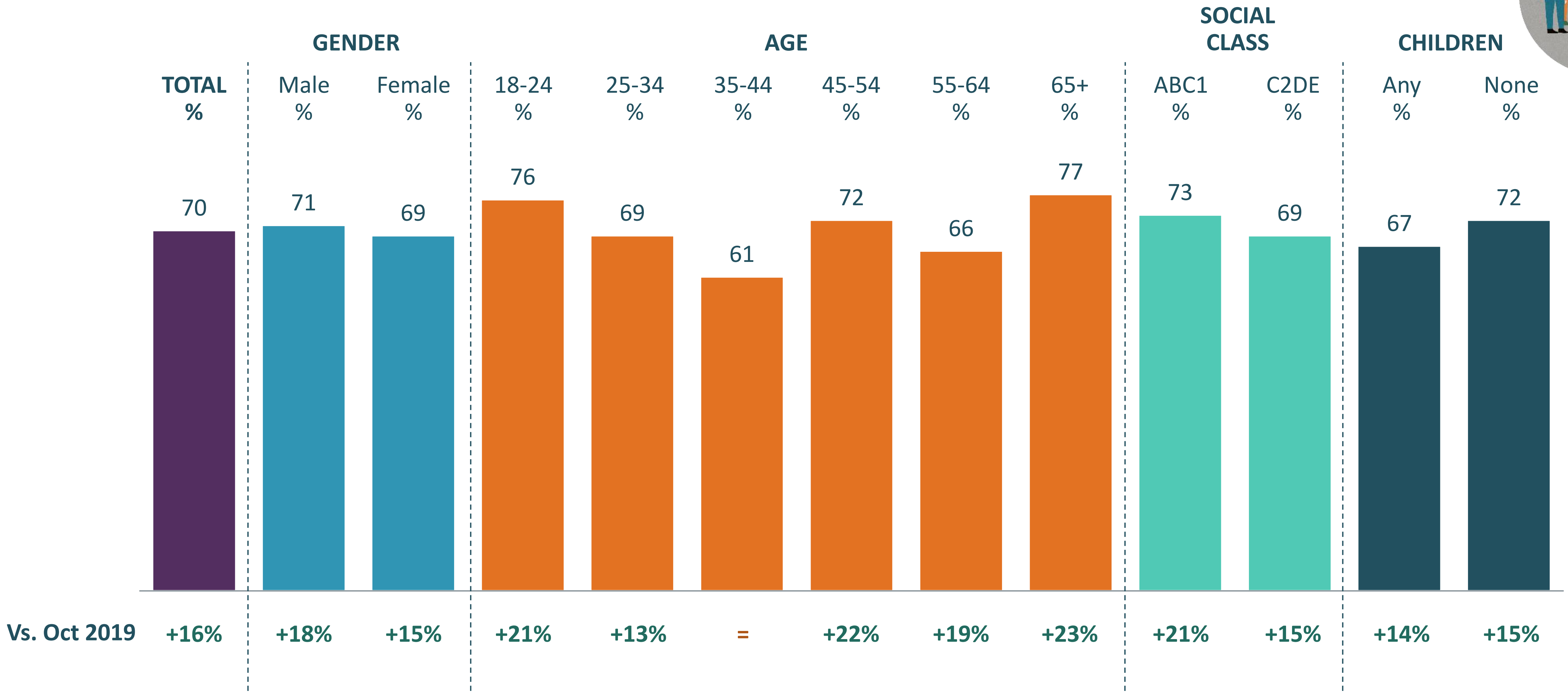




After a significant drop in employment outlook in October 2019, we now see a significant improvement. But employment outlook remains at a lower level than January last year. Income expectations are up slightly this wave.

Expectations for employment in the next 6 months?

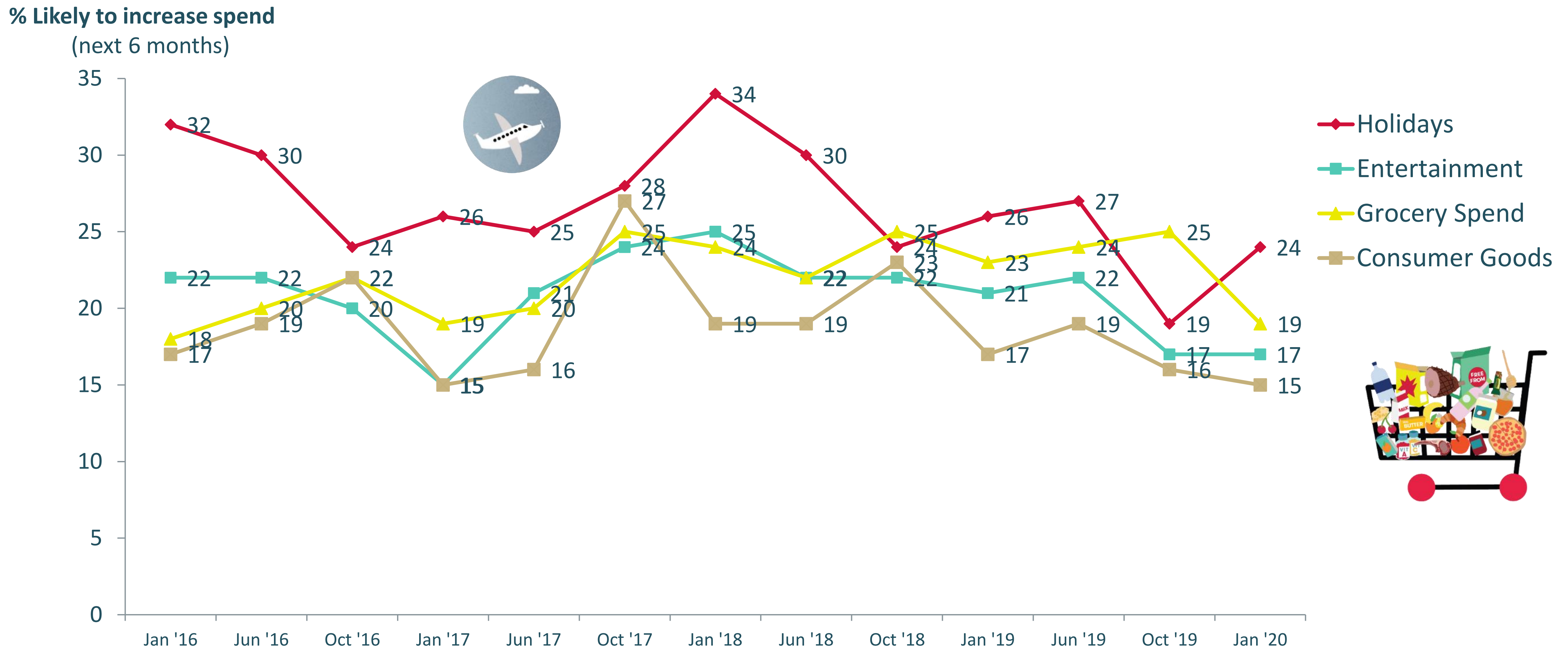
% Stating they believe it will be better or stay the same



The 35-44 year olds see no change in their outlook for employment and continue to be less positive compared to all other age groups.

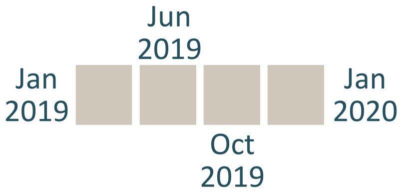
In spite of the improved outlook, consumers remain cautious in terms of future spend

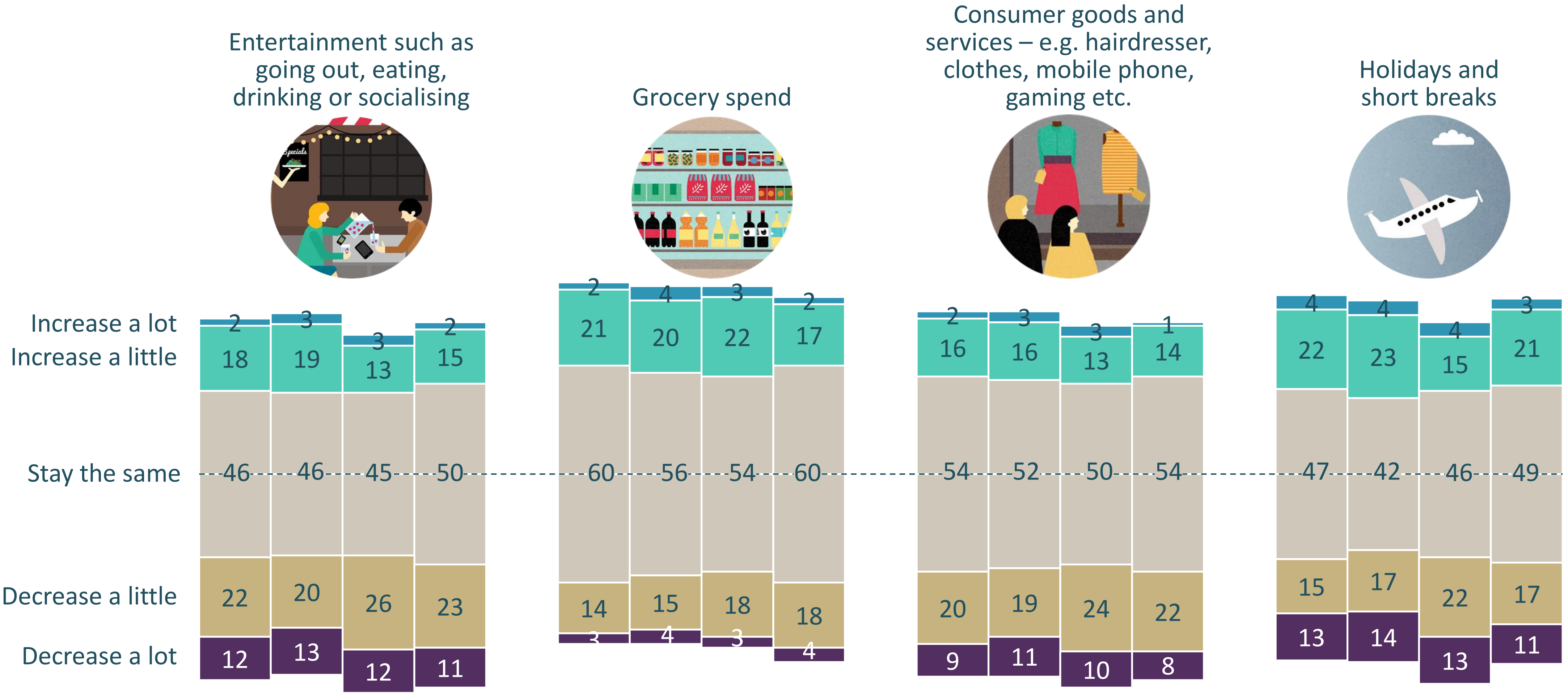
Expected Increase in Spend In The Next 6 Months



In spite of the improved consumer outlook, consumers remain cautious in terms of future spend, with holidays being the only category which sees an increase. Fewer are expecting to increase grocery spend over the next 6 months compared to October 2019.

Expected Changes In Spend Over The Next 6 Months





Consumers remain cautious in terms of future spend, with holidays being the only category that sees an increase. Across all categories, we have more consumers planning to decrease spend in the next 6 months than consumers planning to increase their spend.

The younger age and those living in Dublin are more likely to predict increased spend in the next 6 months…

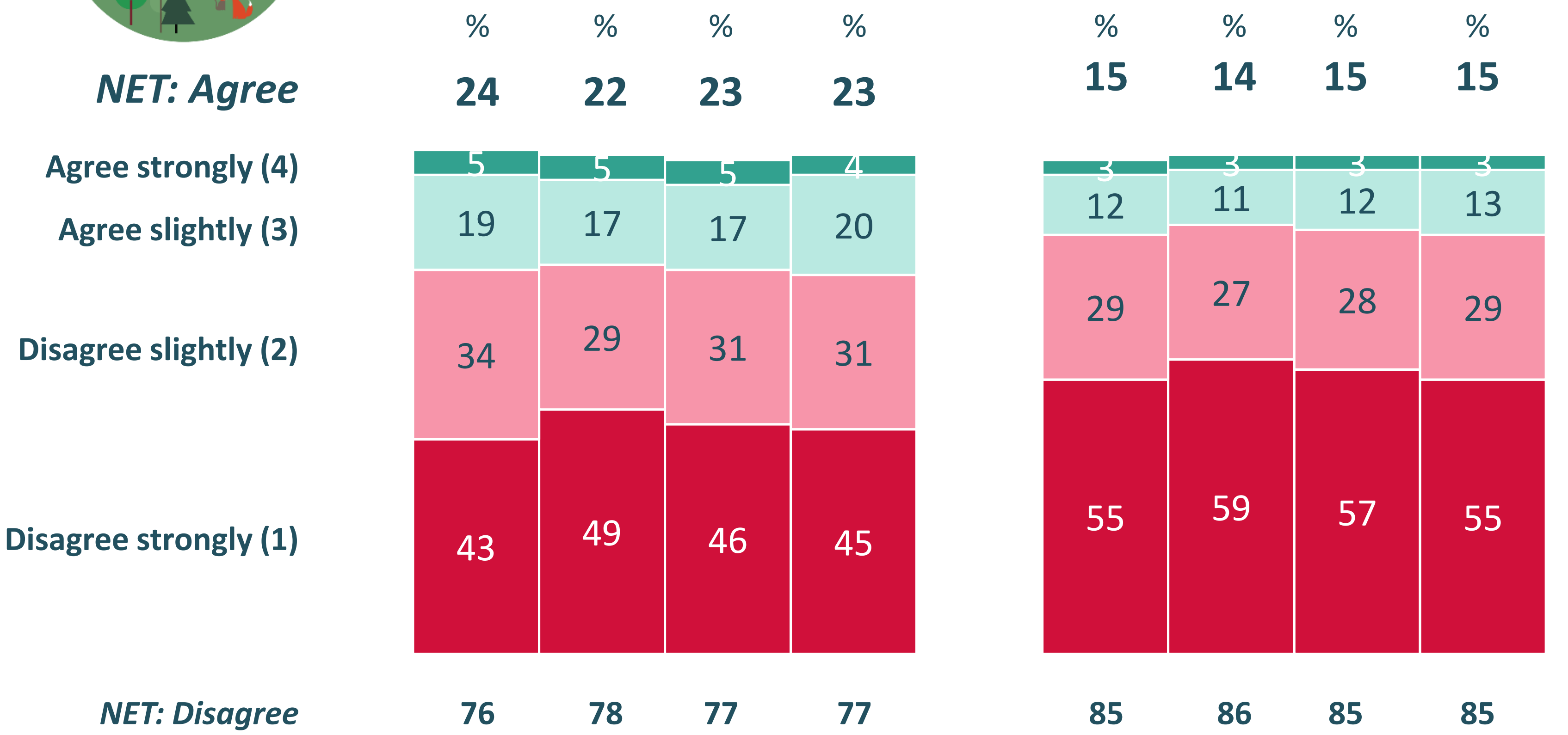
% Likely to increase spend in next 6 months	Entertainment	Grocery Spend	Consumer Goods/ Services	Holidays/ Shorter Breaks
Total	**17**	**19**	**15**	**24**
Gender				
Male	17	18	14	24
Female	18	21	16	24
Age				
18-24	**31**	17	29	**38**
25-34	15	21	15	26
35-44	18	22	16	24
45-54	15	21	16	19
55-64	12	15	10	20
65+	15	17	11	21
Social Class				
ABC1	16	17	14	25
C2DE	17	21	16	24
Region				
Dublin	18	**24**	16	**30**
Rest of Leinster	17	16	17	24
Munster	18	20	13	20
Connaught/Ulster	14	15	14	21

Brexit Impact on Republic of Ireland Spend

Jan 2019 · Jun 2019 · Oct 2019 · Jan 2020

"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 from the UK since the Brexit vote while circa 1 in 7 claim to have bought more across the border in Northern Ireland.

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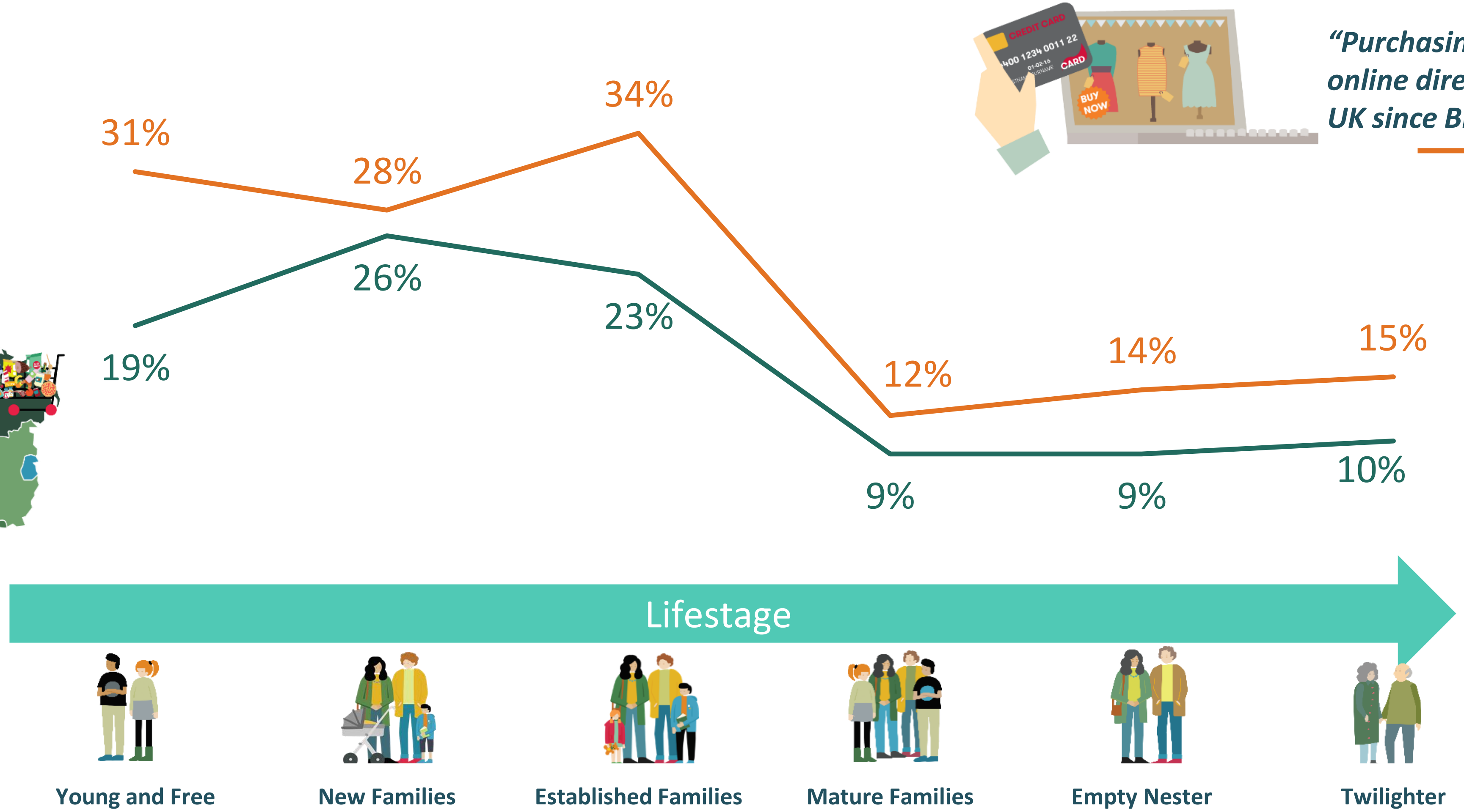
Brexit Impact on Republic of Ireland Spend by Life Stage

“Purchasing more goods online directly from the UK since Brexit”

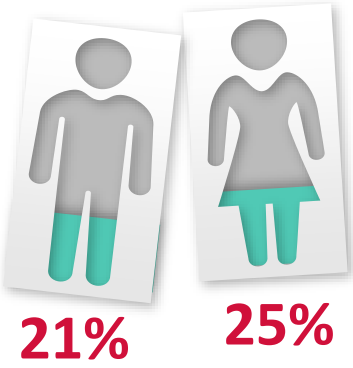
“I have been purchasing more goods from across the border in NI since Brexit”



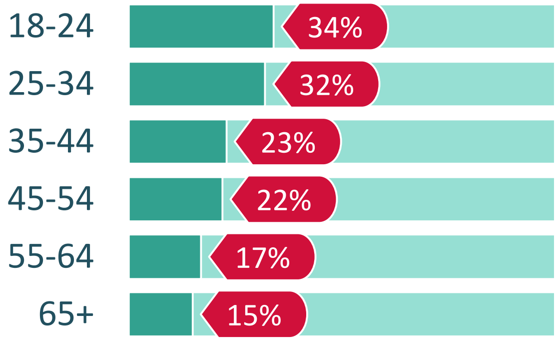
The younger life stages are more likely to have bought more online from the UK or across the border in Northern Ireland since the Brexit vote.

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

Gender



Age

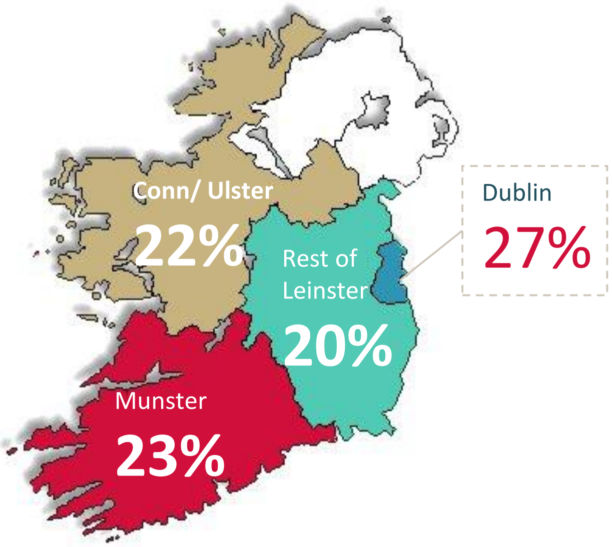


Social Class

ABC1: 22%

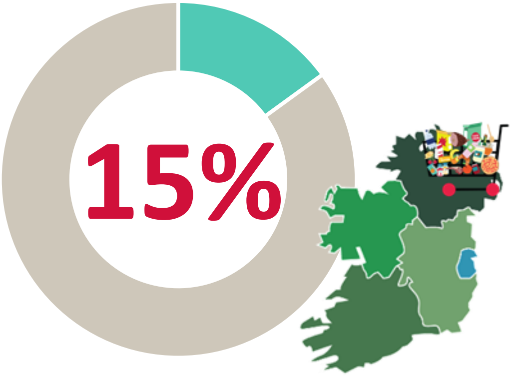
C2DE: 26%

Region

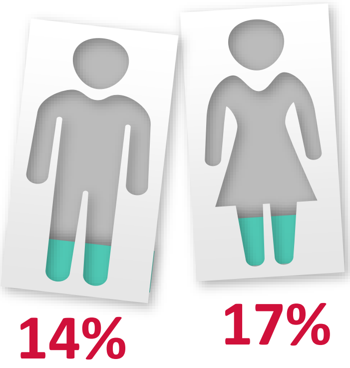


18-34 year olds are more likely to have purchased more online from the UK since the Brexit Vote.

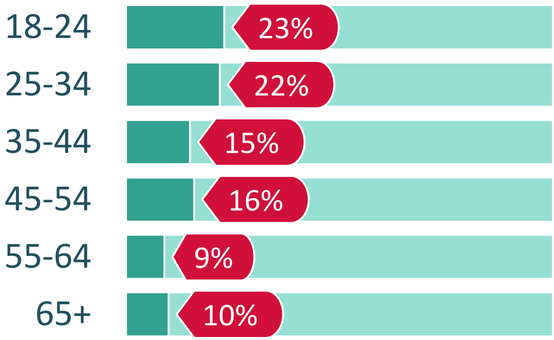
Who has been purchasing more goods across the Border in Northern Ireland since Brexit?



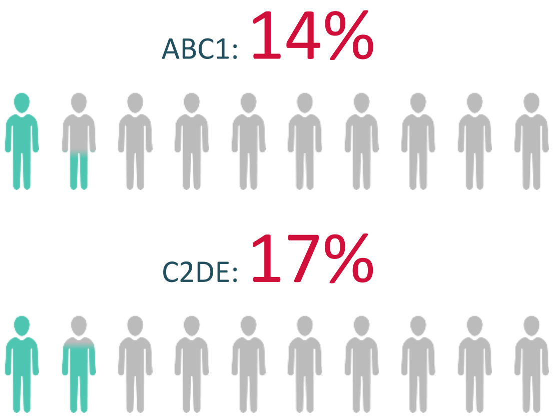
Gender



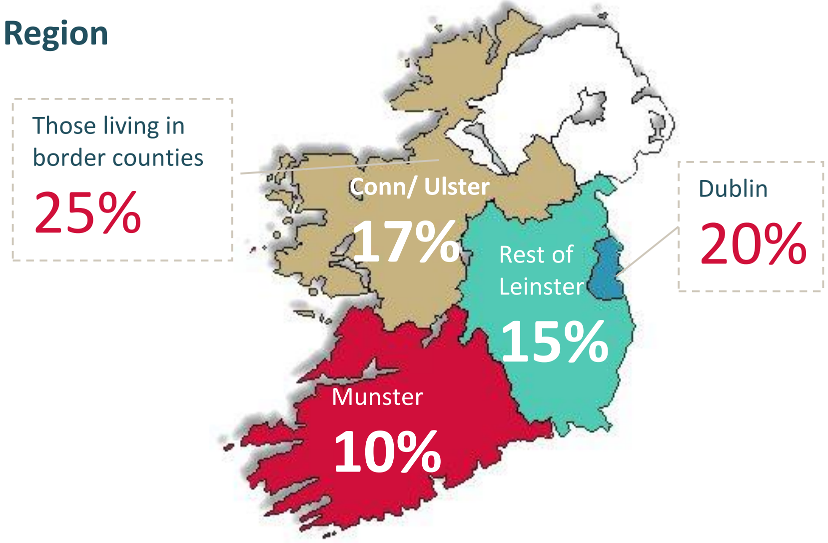
Age



Social Class



Region



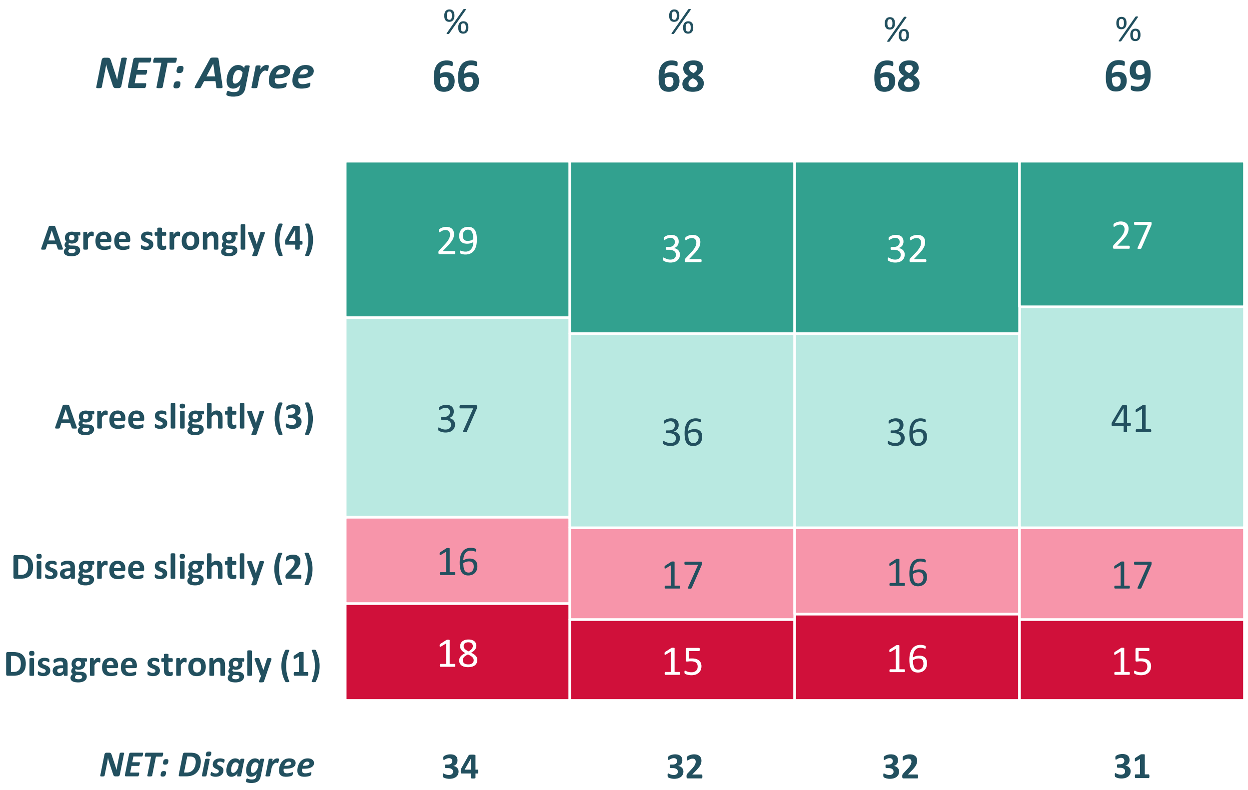
Among those living in the border countries, 1 in 4 claim to have bought more from across the border since the Brexit vote.

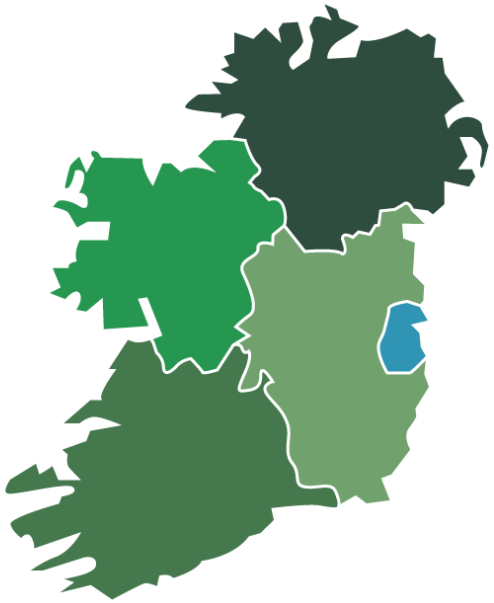
Support for a United Ireland remains strong

A United Ireland as result of the Brexit

Jun 2019
Jan 2019
Jan 2020
Oct 2019

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





Almost 7 in 10 would like to see a United Ireland as a result of Brexit. But we see fewer people agreeing strongly with this statement, following the recent confirmation of a "soft" Brexit at the end of January.

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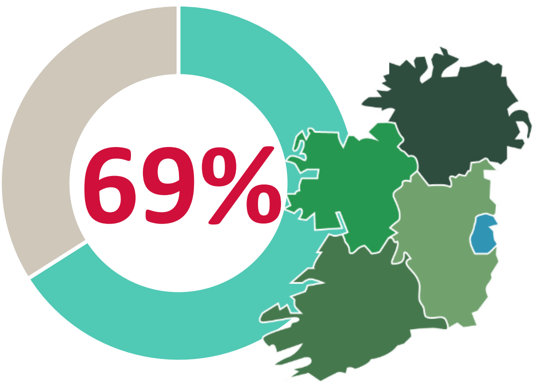
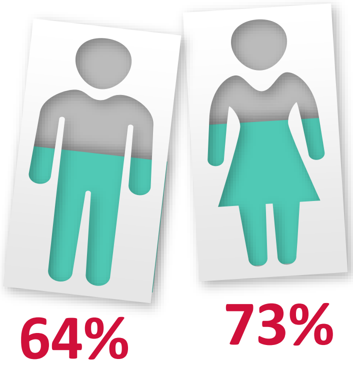
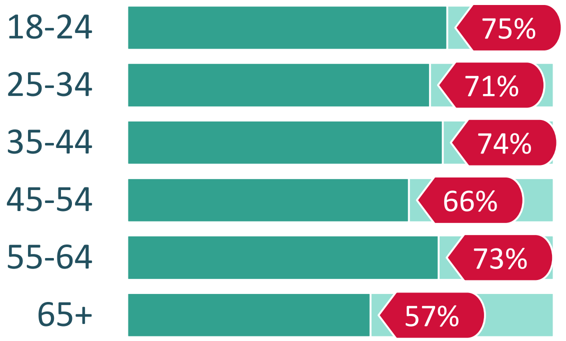
Who would like to see a United Ireland as a result of Brexit?



Gender



Age

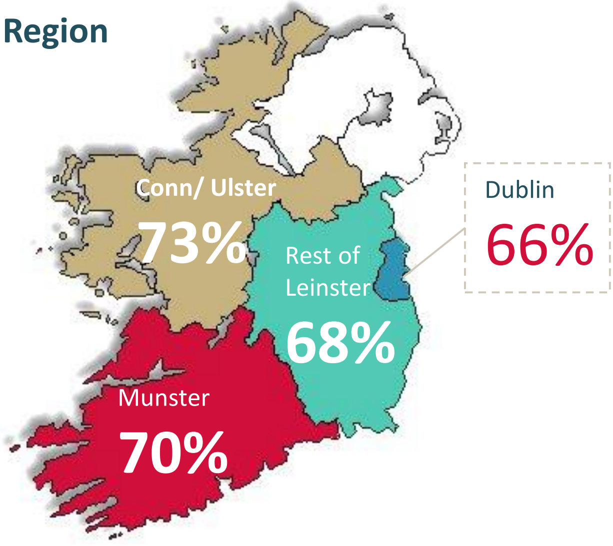


Social Class

ABC1: 61%

C2DE: 72%

Region



We see the strongest support for a United Ireland in lower social classes, among females, outside Dublin and in the younger age groups.

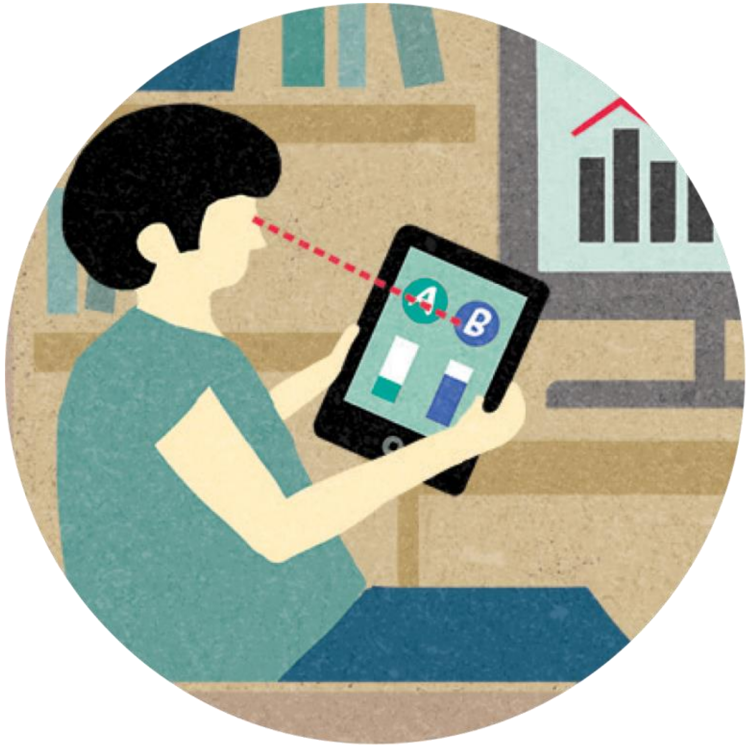
Methodology

/ 1,019 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 37th Wave of the RED C Consumer Mood Monitor and fieldwork was conducted from the 9th-13th January 2020.



THANK YOU

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