

REDC

Consumer Mood Monitor

January 2021





January 2021

The vaccine roll out helps consumer confidence begin to return, but the impact of Brexit casts a further cloud

New optimism for pandemic but Brexit outlook remains bleak



1

Small Gains in Outlook

The consumer outlook has begun to see improvements from lows seen in June and October 2020, but remains relatively bleak. 14% expect the economy to improve while 27% expect it to improve or fare the same.

2

Optimism Over Vaccine

This growth in confidence is driven by newfound optimism in relation to the Covid-19 pandemic driven by a number of new vaccines now being available. Only 33% now expect the pandemic to get worse compared to 62% in October.

3

Brexit Also Driving Concerns

However, the outlook is still well below that of recent years, and is at similar levels seen after the global financial crash in 2012. These concerns are being driven in part by Brexit, with the majority (87%) concerned that Brexit will harm the Irish economy.

4

Real Experience of Brexit Impact

Despite the announcement of a UK/EU trade deal, real life experience is driving ongoing concerns around Brexit. Almost two thirds (64%) have noticed more empty shelves and sold-out products, and half (50%) have had to pay more charges on goods from the UK since Brexit.

5

Fears Impact Will Get Worse

Almost all consumers (87%) also believe Brexit will lead to higher prices, or that Brexit will reduce the availability of certain goods (81%). At the same time more than half (55%) claim they would be less likely to travel to the UK due to Brexit, and 70% would like to see a United Ireland as a result of Brexit.

6

Some Increase in Spend Expected

Despite these fears, the small improvements in consumer confidence has led to more planning on increasing their spend on entertainment, travel and consumer goods. Fewer are anticipating having to spend more on groceries, and more are predicting having more money in the next 5 months.

01

New optimism is seen around the pandemic with the onset of available vaccines

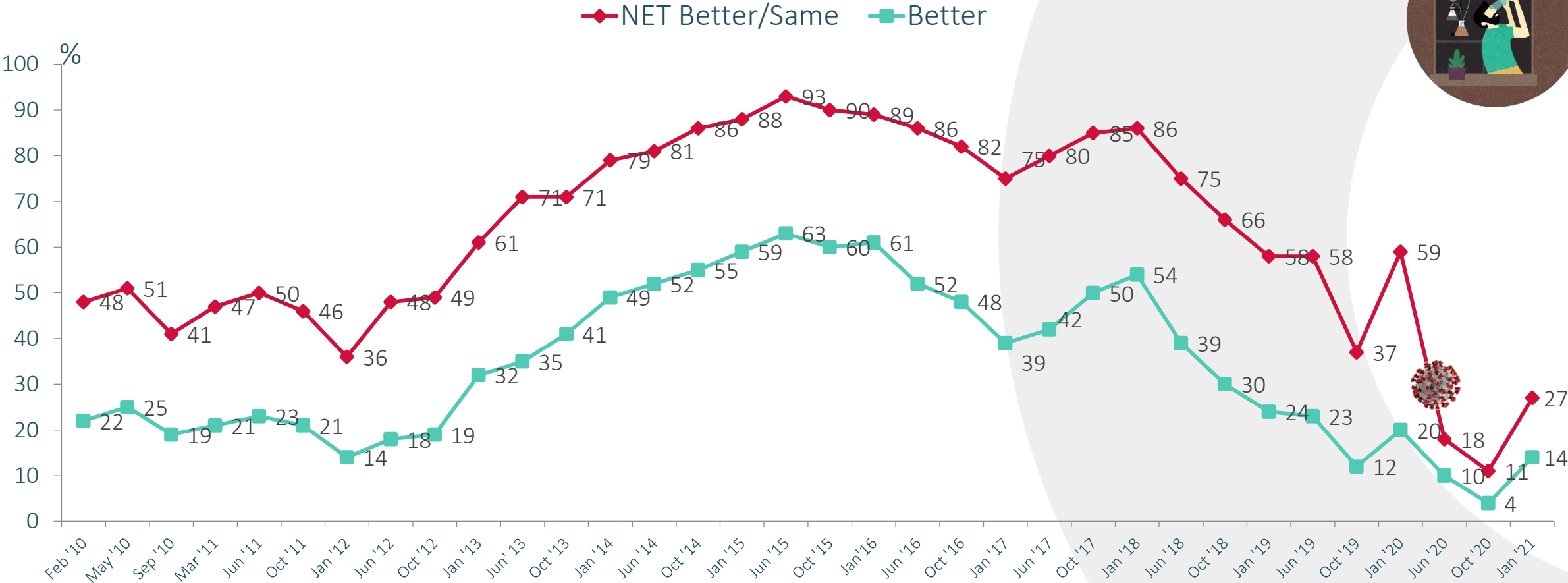


Consumer confidence regains ground since low-point in Oct '20



However, notwithstanding June and October 2020, consumer confidence is at the lowest level seen since the direct after-math of the 2007/08 financial crash.

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

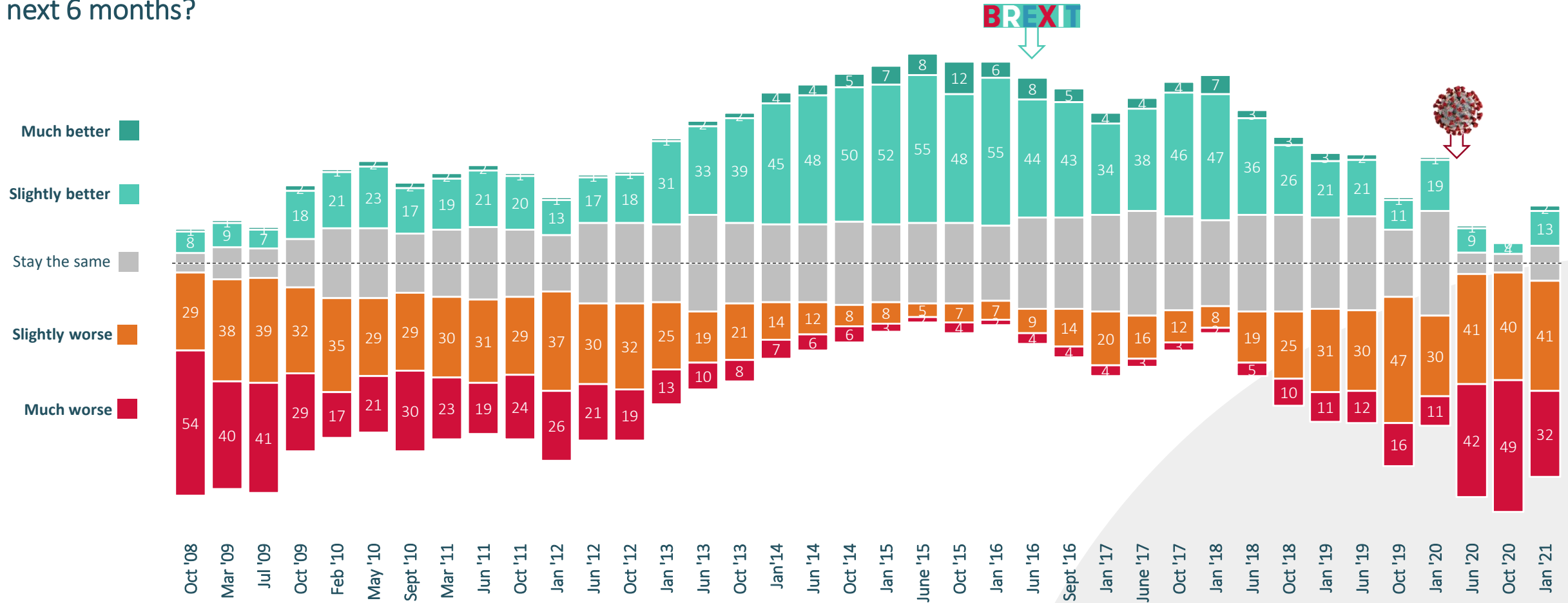


Numbers envisioning an improvement in the economy are up



The number expecting the economy to improve improves slightly, while fewer are predicting the economy will fair 'much worse'. We also see very few expecting the economy to 'remain the same'.

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

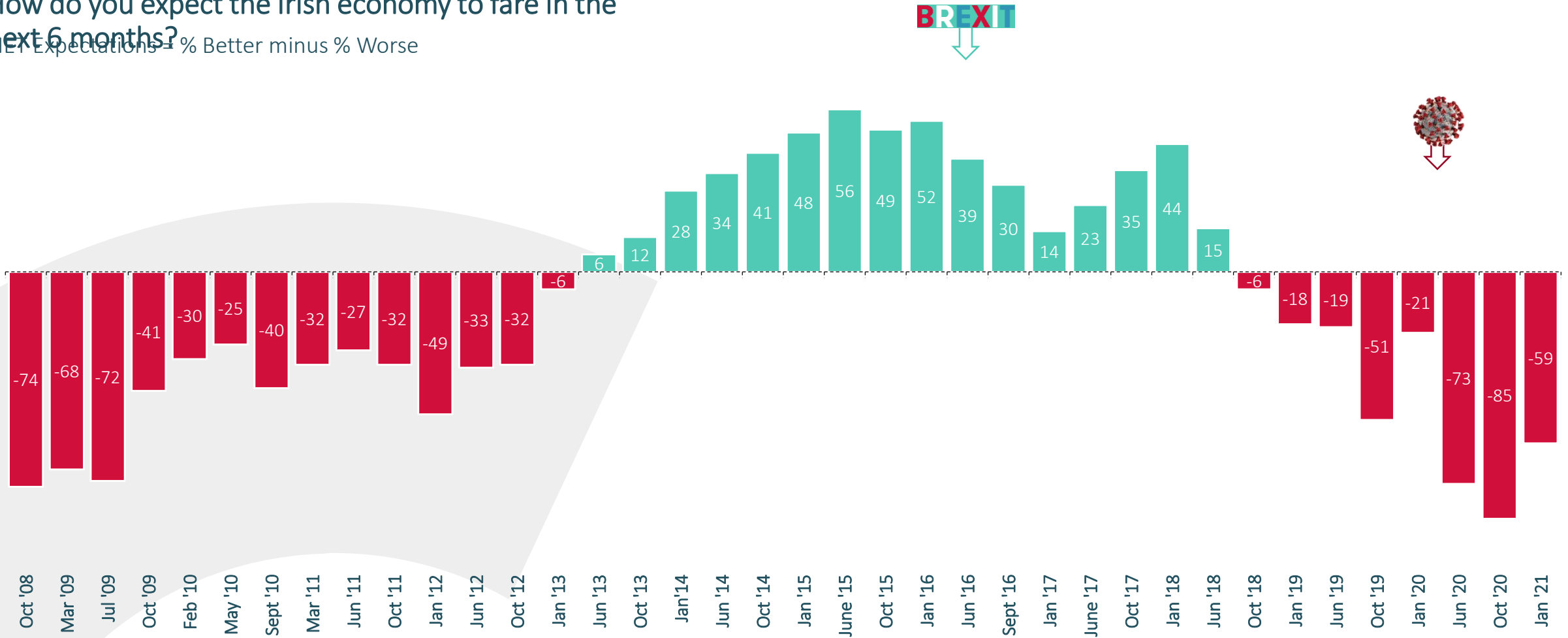


NET Expectations up from October, but still firmly negative



The NET expectations score is up significantly from October however the score is still firmly in negative territory, and the lowest seen since July 2009, excluding June and October 2020.

How do you expect the Irish economy to fare in the next 6 months?
NET Expectations = % Better minus % Worse



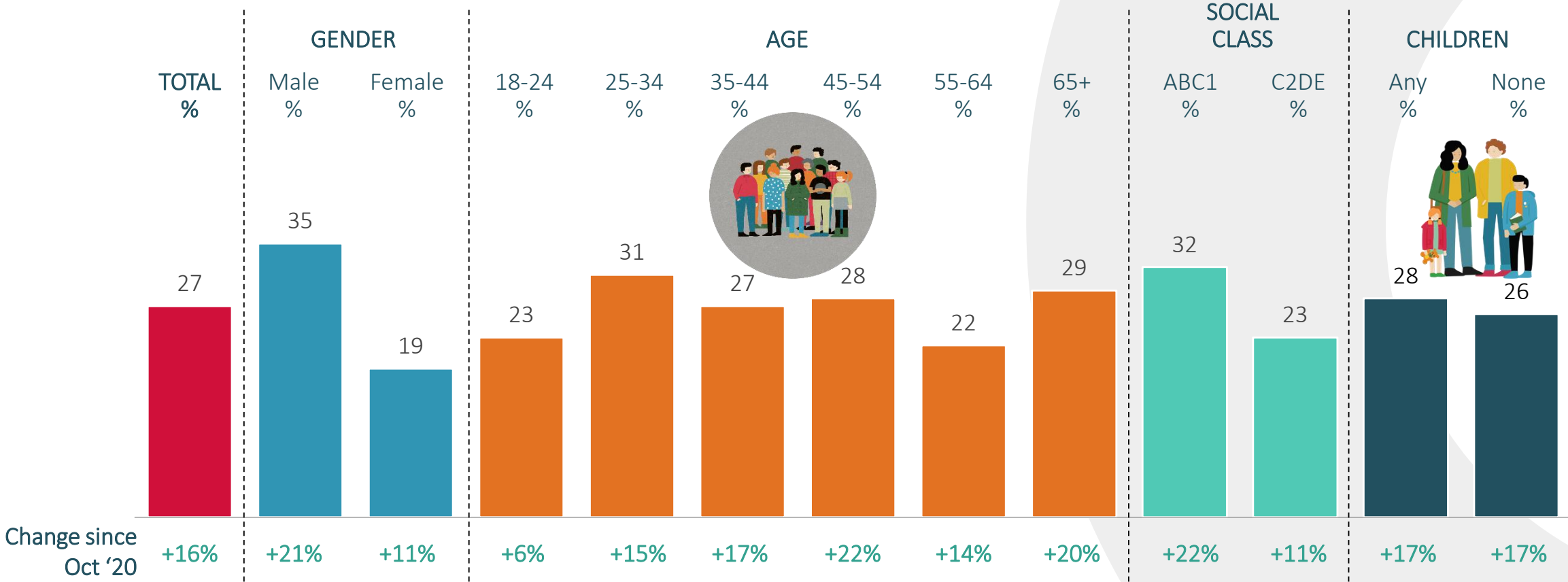
Greatest optimism among men and higher social grades



Women, 18-24s and lower social grades are more likely to work in sectors such as retail or hospitality which are least likely to return in the short-term.

Expectations for the Irish economy 6 months from now

% Stating they believe it will be better/the same

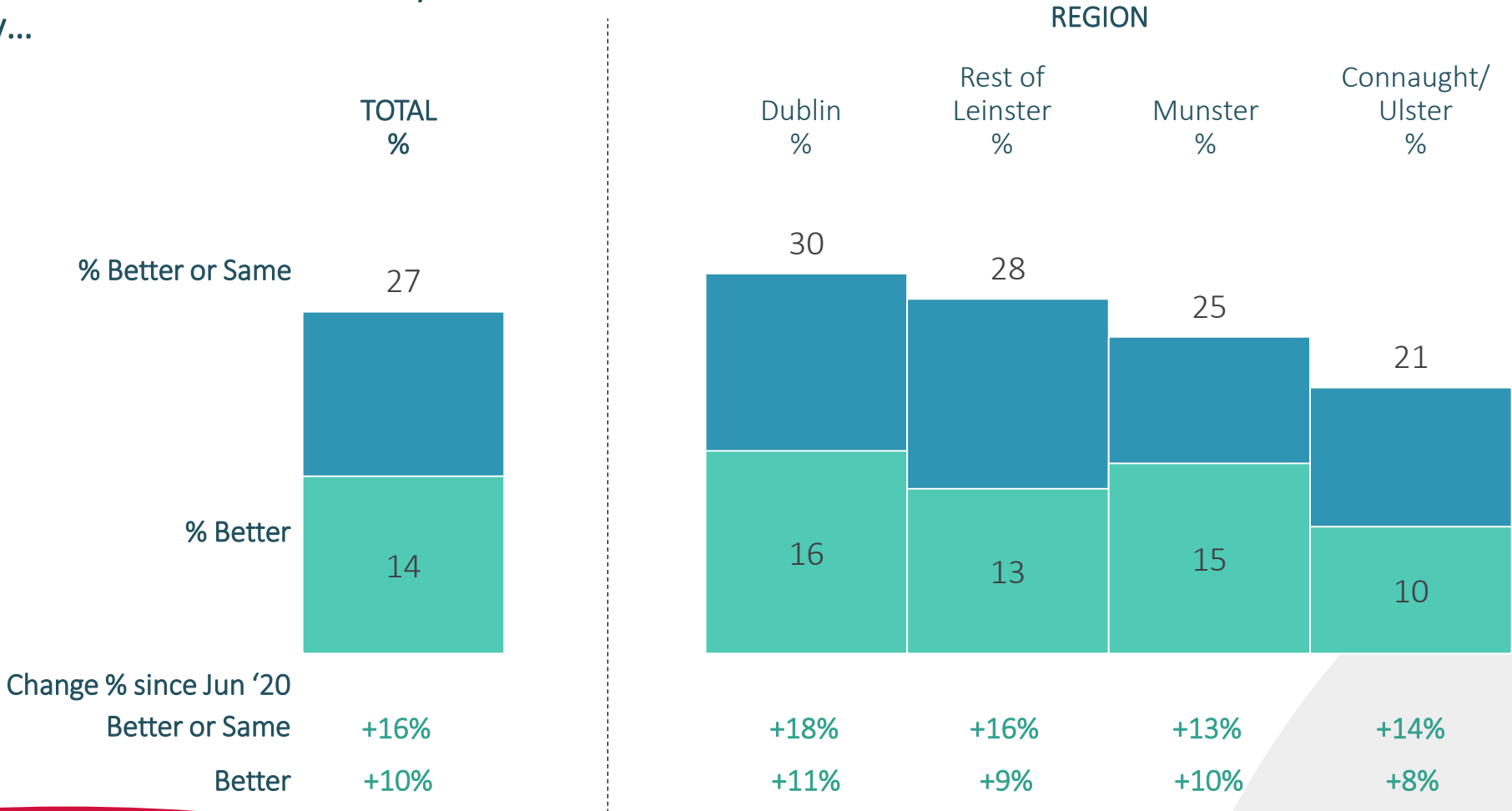


Highest optimism in Dublin and Leinster



While Connaught/Ulster see the lowest level of optimism in the Irish economy.

Expectations for the Irish economy across the country...



Expectations for the world economy also up since October

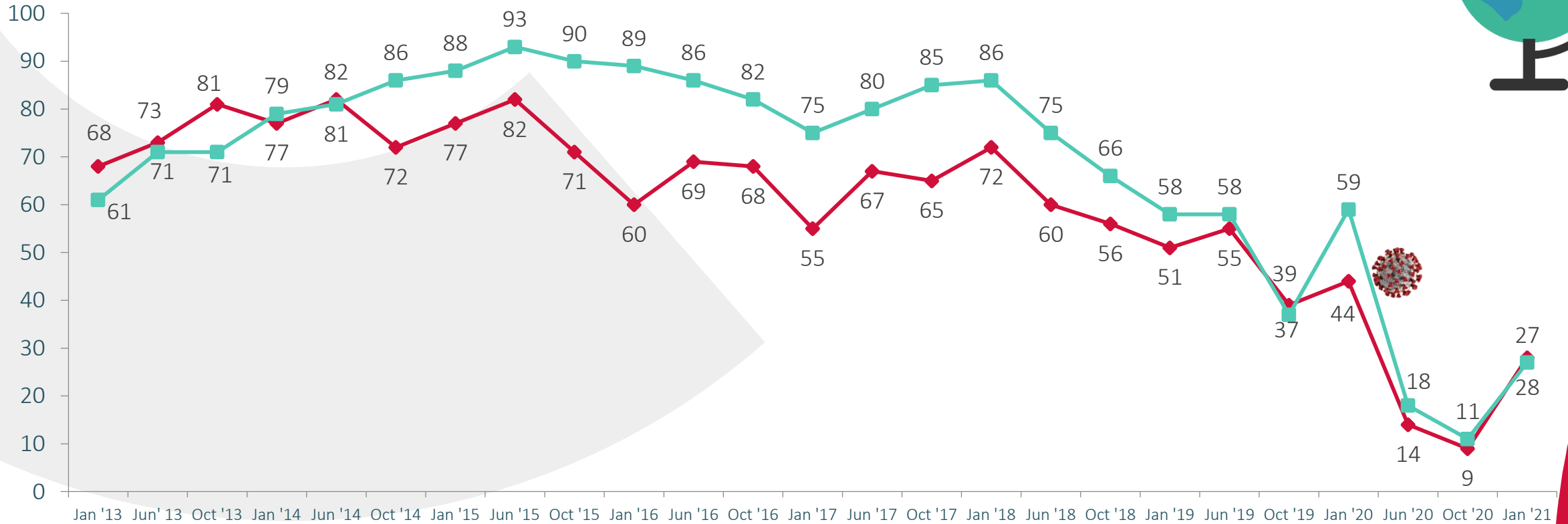


With the exception of January 2020, expectations for the world economy have closely shadowed those of the Irish economy for the last two years.

Expectations for the Irish & World Economy

% NET Better/Same
(next 6 months)

◆ World Economy ■ Irish Economy

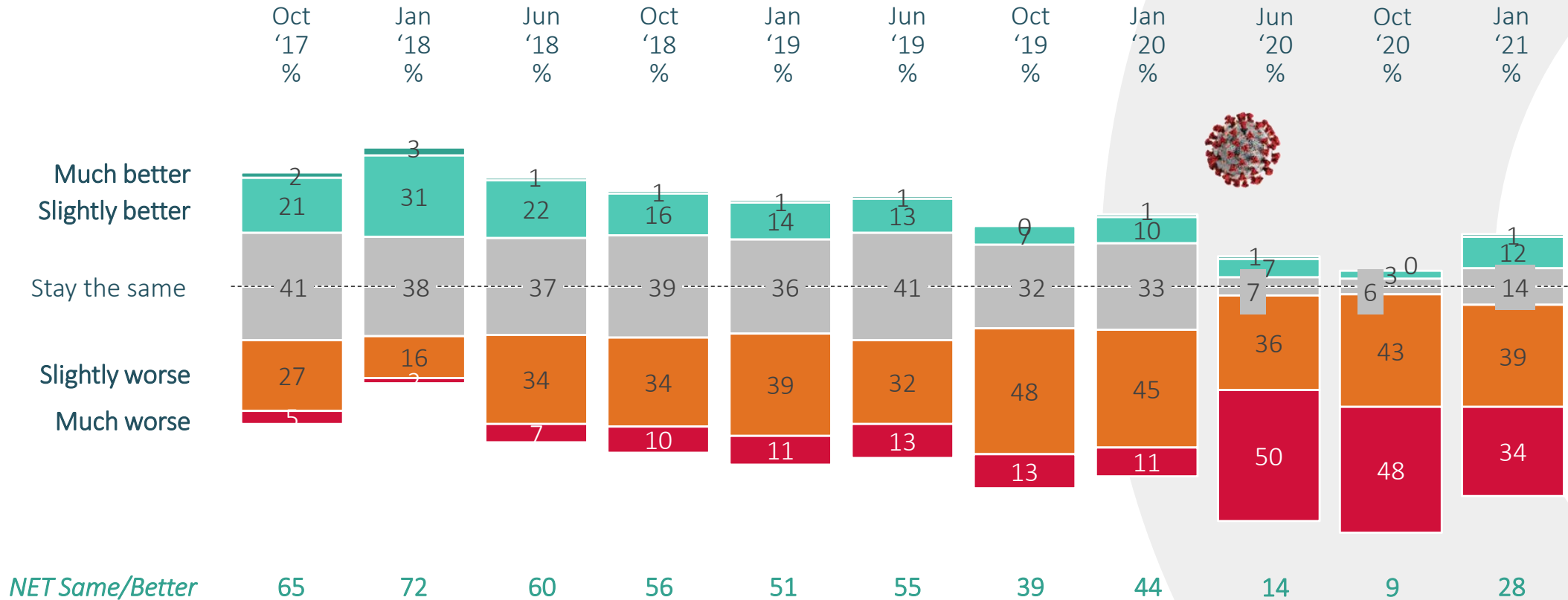


Improvement in outlook for the world economy



We see both fewer expecting the world economy to fair worse and more expecting it to fair better.

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

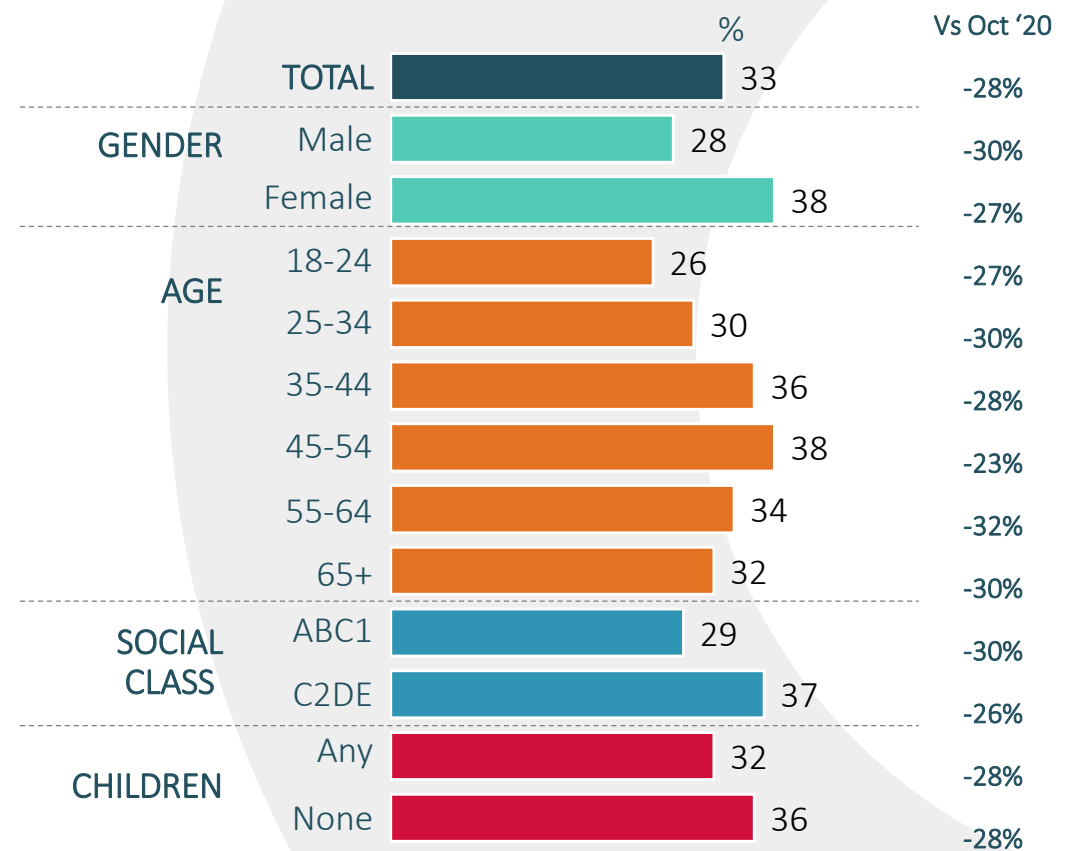
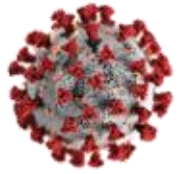
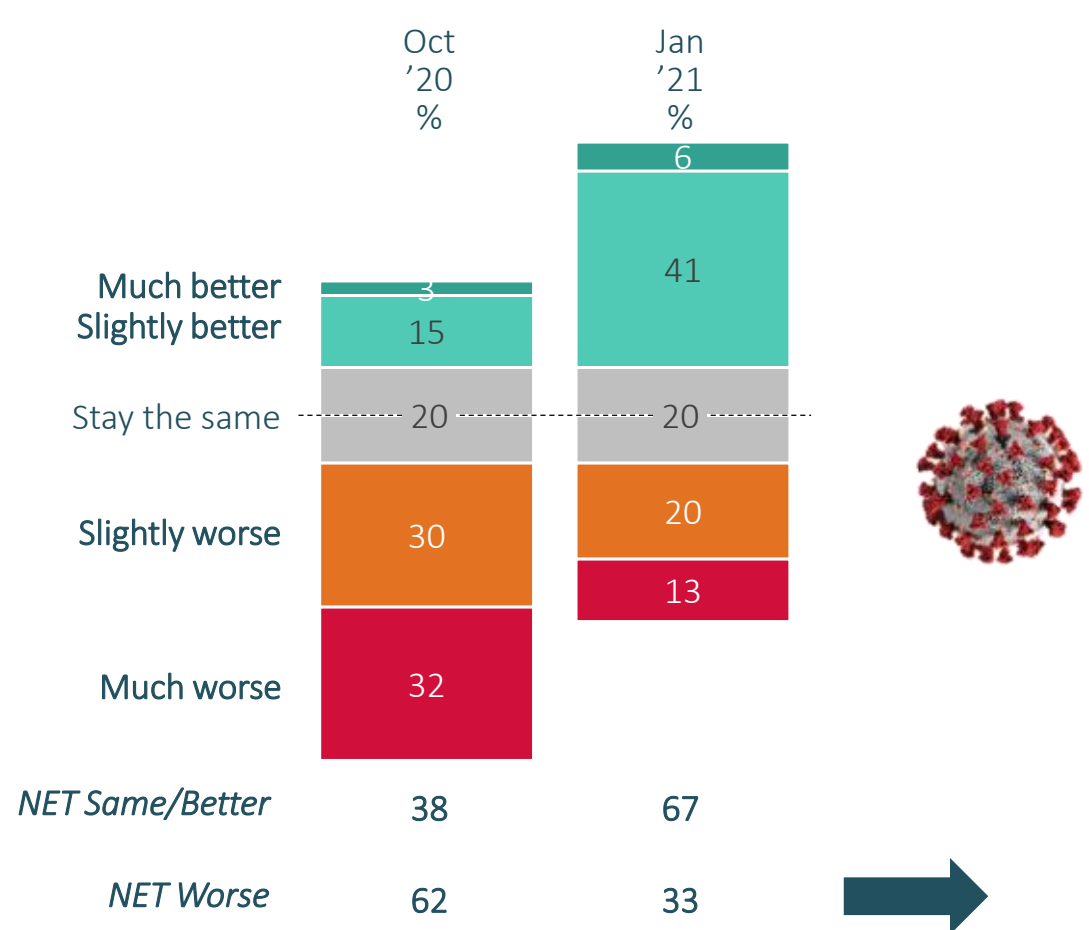


Almost a half expect the pandemic to improve



While a fifth expect it to stay the same and a third expect it to become worse, roughly half the figure recorded last October. In this regard, women and lower social grades are more optimistic than others.

How do you expect the pandemic/COVID-19 to fare in the next 6 months?



02

Consumers are
also worried
about the
impact of Brexit
on the economy



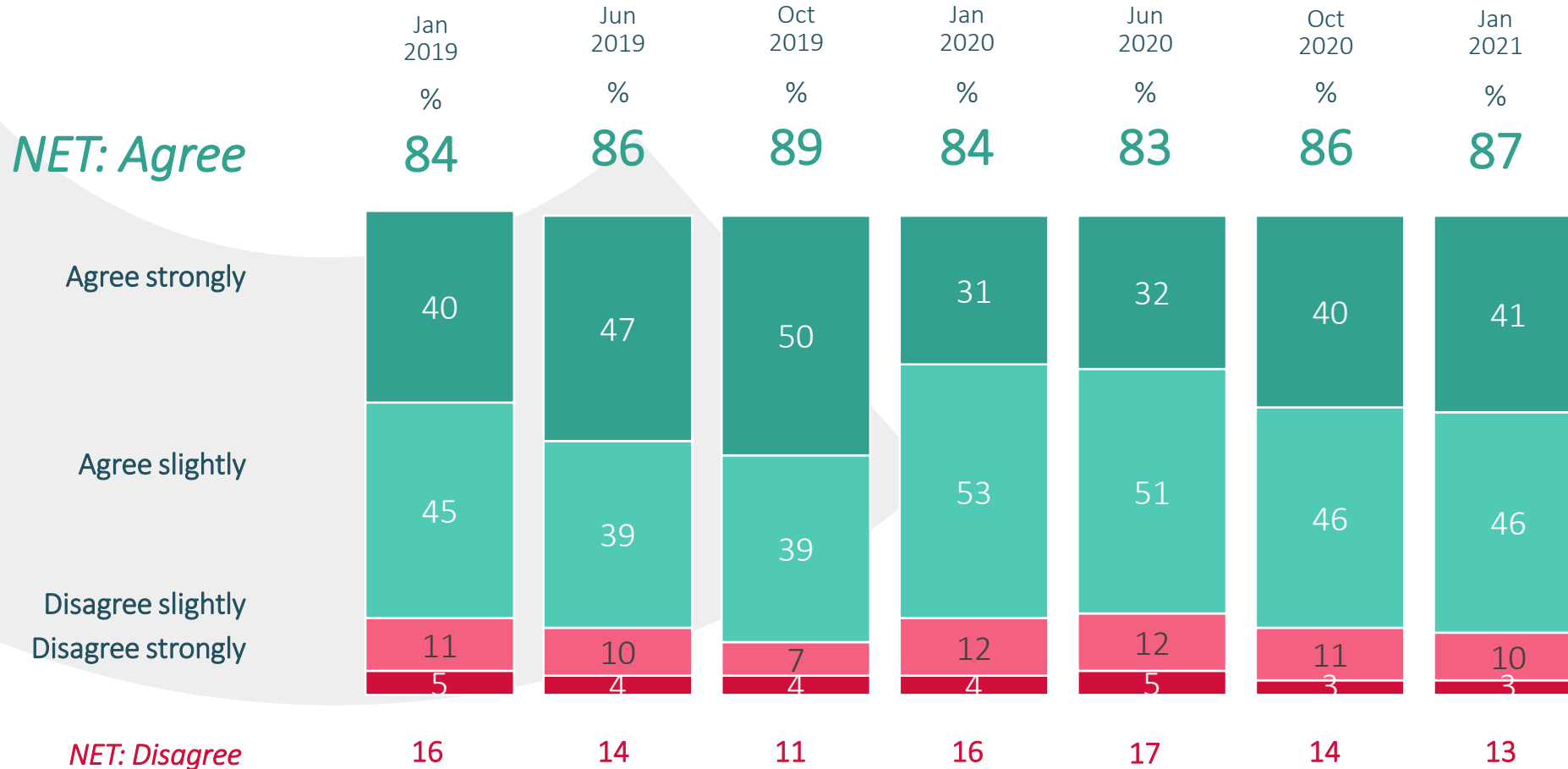
Almost all expect Brexit to harm the Irish economy



There is a high degree of consensus that Brexit will negatively impact Ireland's economy, with this figure relatively stable over the past two years. Confirmation of a Brexit deal hasn't eliminated concerns.

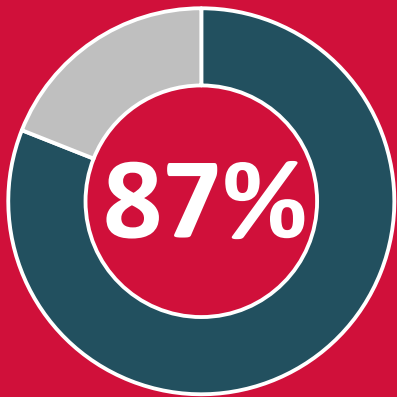
Impact of Brexit on Ireland's Economy

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



Concern around Brexit high among all demographics

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

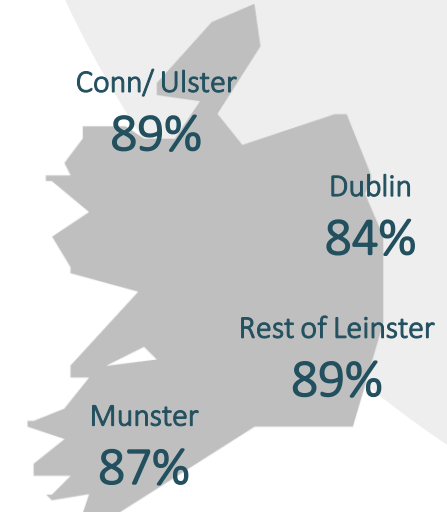


All Adults

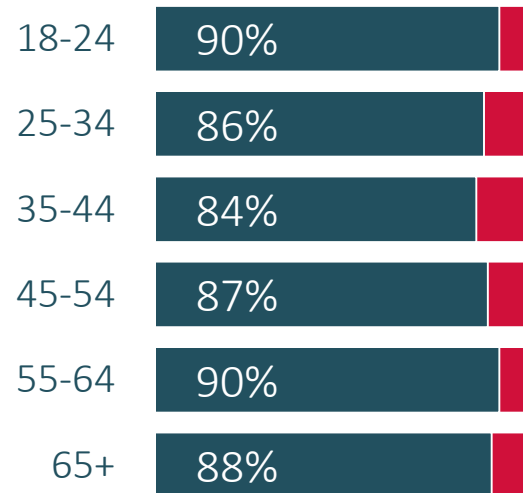
Gender



Region



Age



Social Class

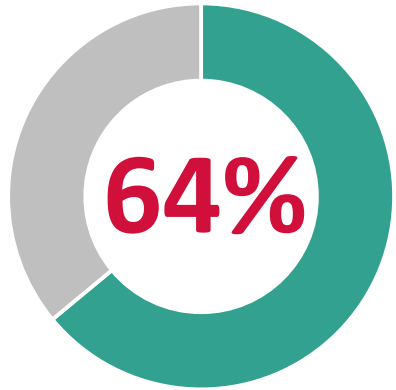


Two thirds have already noticed empty shelves in supermarkets

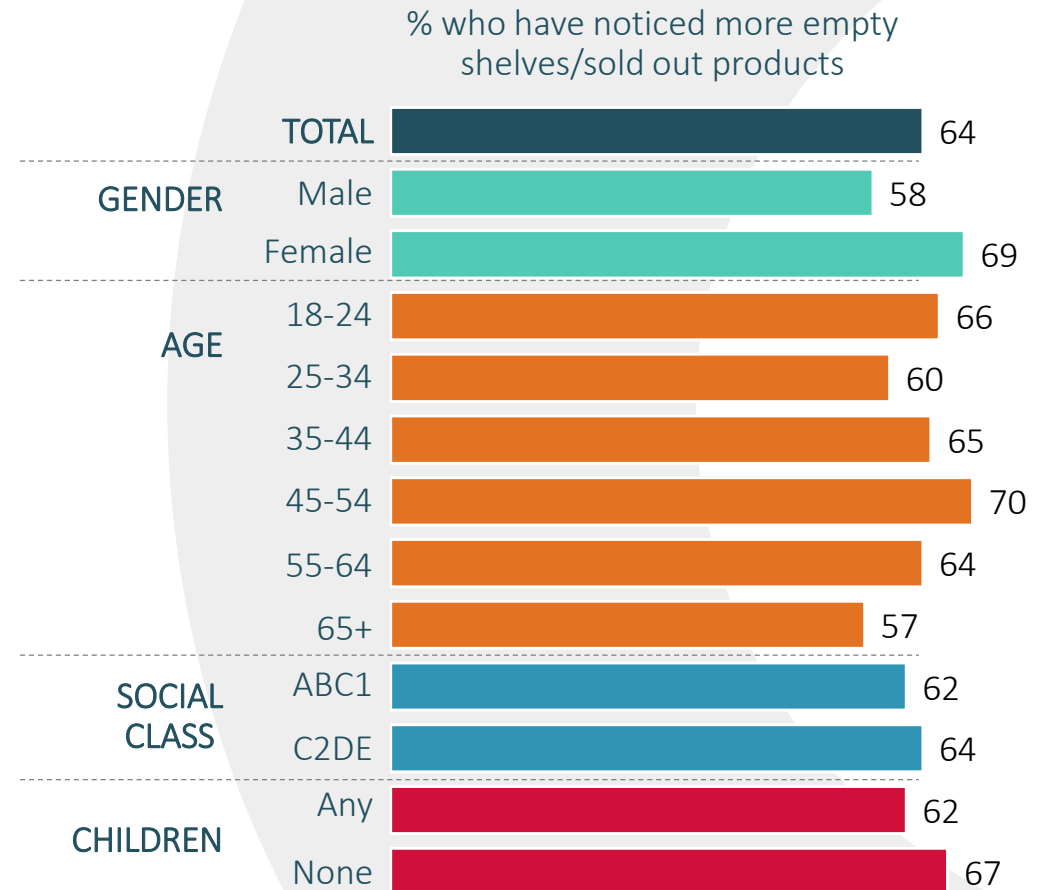
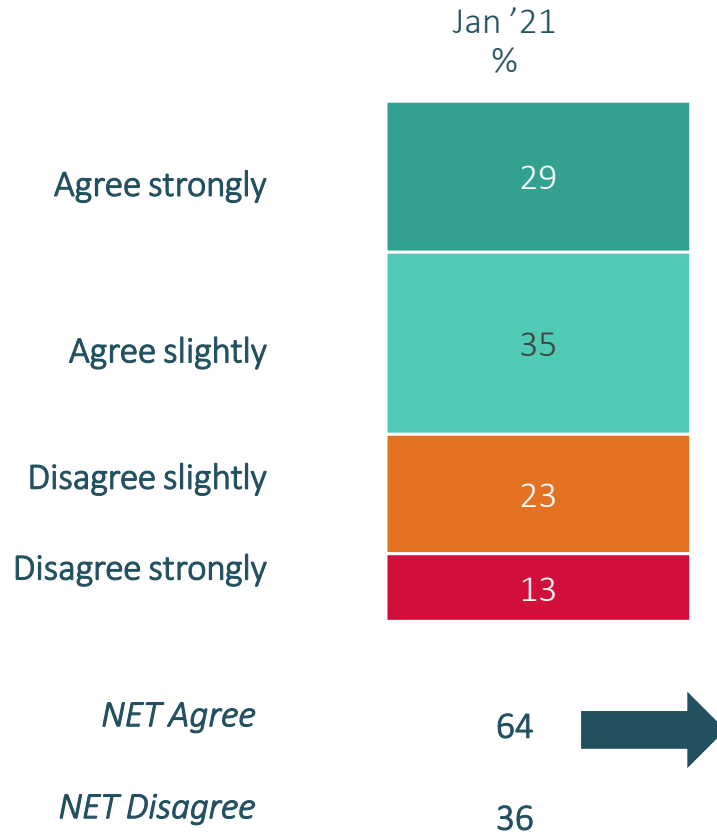


A majority of Irish consumers report having noticed more empty shelves and sold-out products in supermarkets in the wake of Brexit. Women are more likely to have noticed this than men.

I have noticed more empty shelves/sold out products in supermarkets, following Brexit



All Adults



Half of all adults have paid additional charges since Brexit

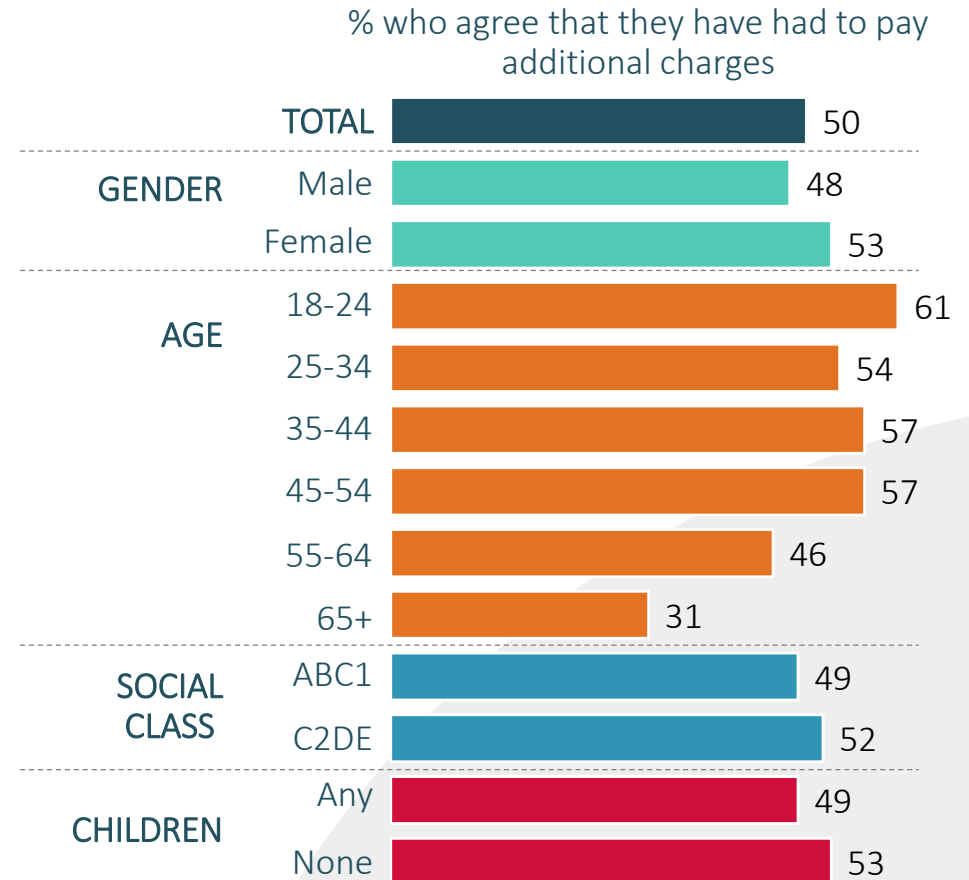
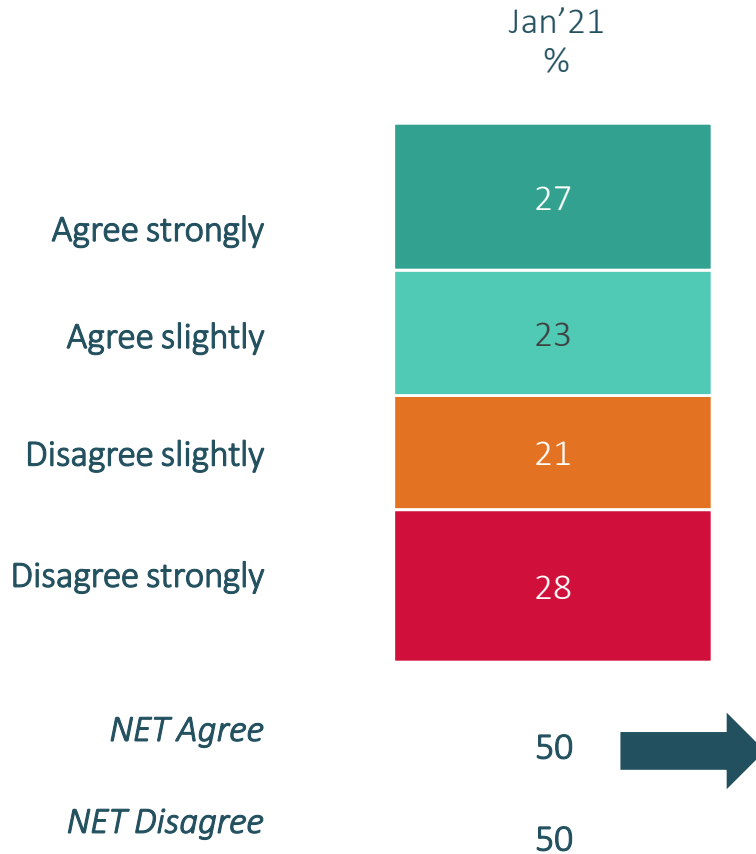


A half of Irish adults report having already paid more customs or VAT on products from the UK in the short time since Brexit. The youngest age cohorts were the most likely to report this.

I have had to pay additional charges (e.g. customs or VAT) on products that I have ordered online from the UK



All Adults

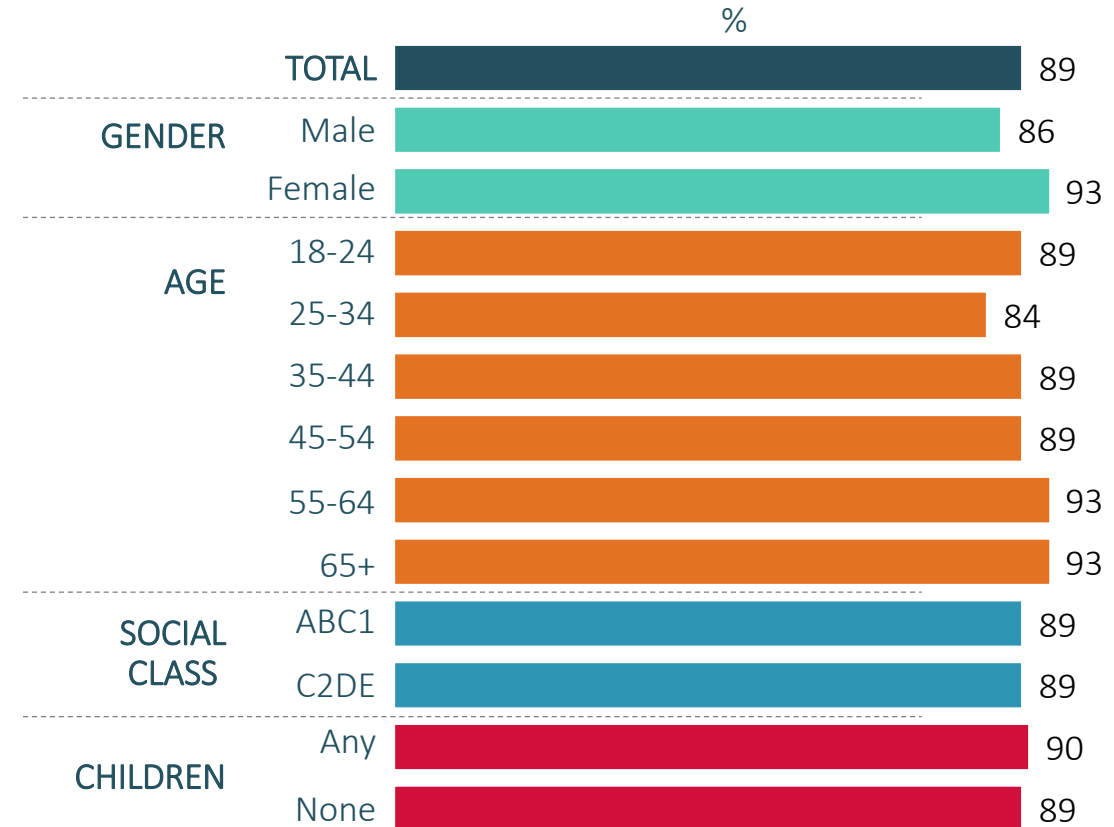
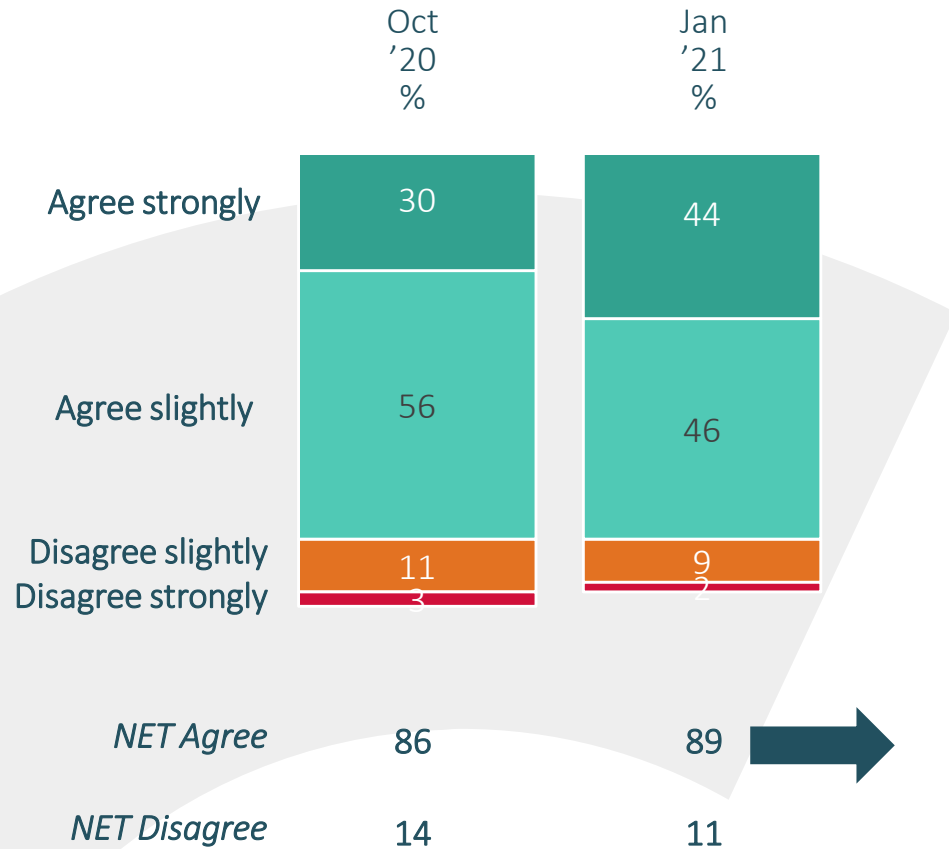


Almost all believe Brexit will lead to higher prices in ROI



This consensus is shared across demographics, with women and those aged over 55 slightly more likely to agree. This figure is broadly steady from October, but with more strongly agreeing.

I think Brexit will lead to higher prices on food and consumer goods here in Ireland

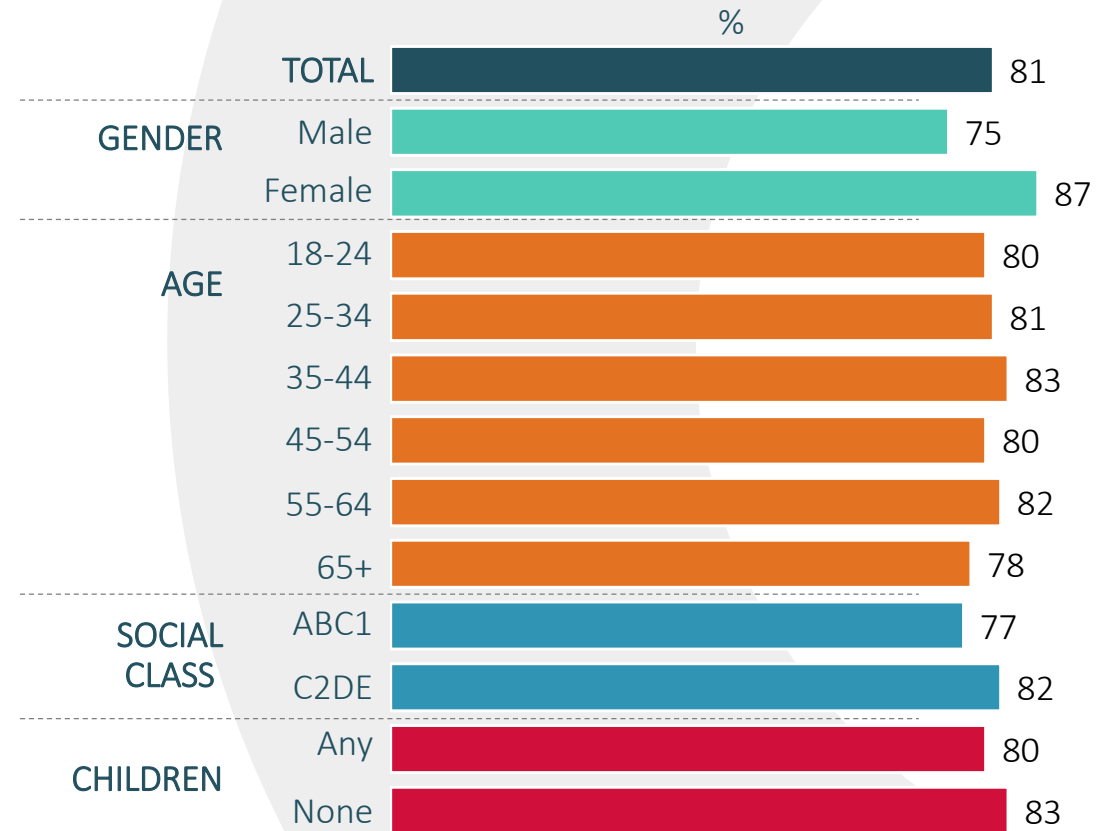
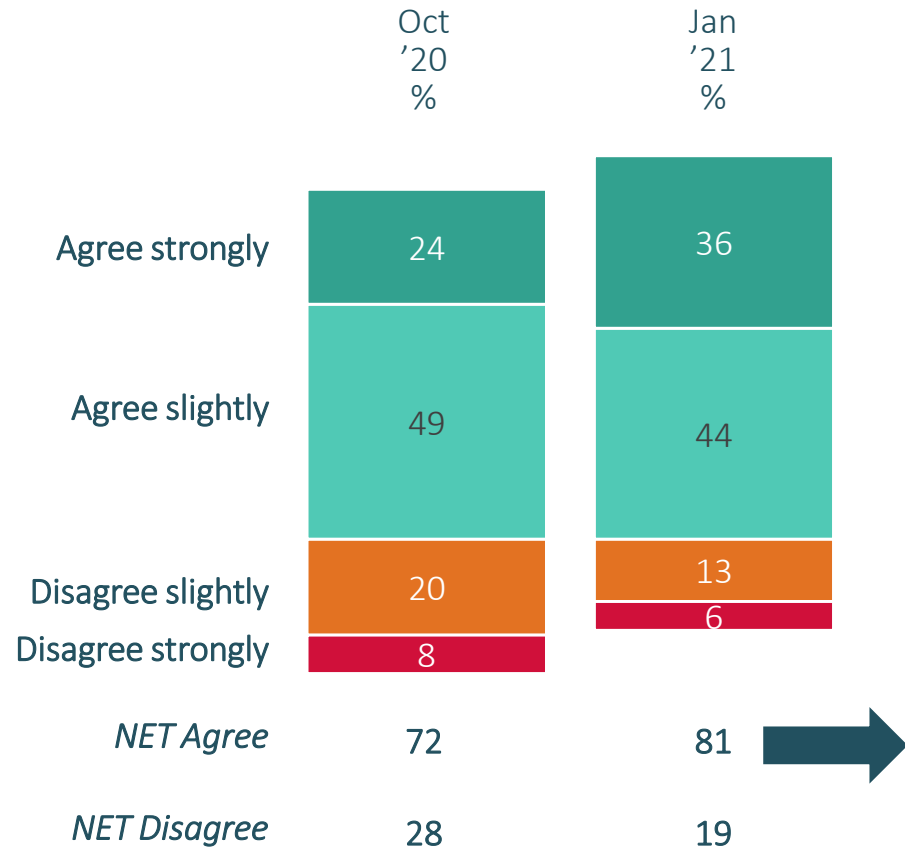


4 in 5 believe Brexit will make it harder to buy certain products



This figure is up almost 10 points on October, with more people strongly agreeing as well. Clearly the lived experience of the last period has driven an increase in expectations that products will be harder to buy.

I am worried that Brexit will make it harder to buy/get certain products here in Ireland, e.g. food products, medicine, etc.

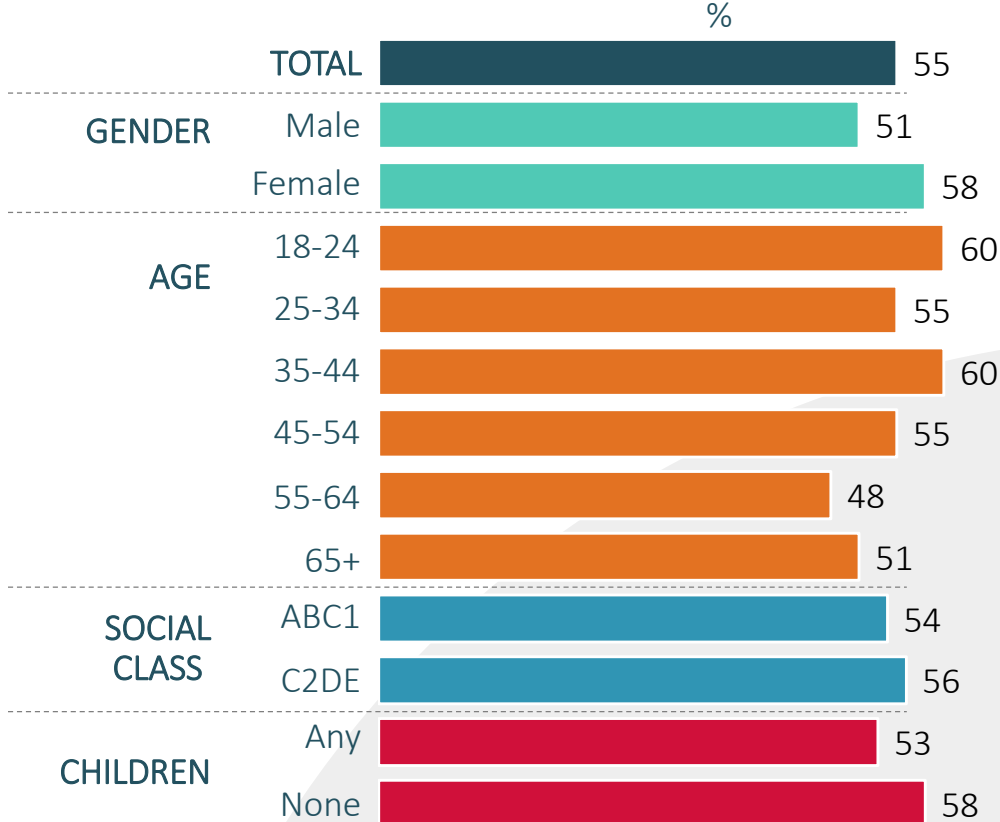
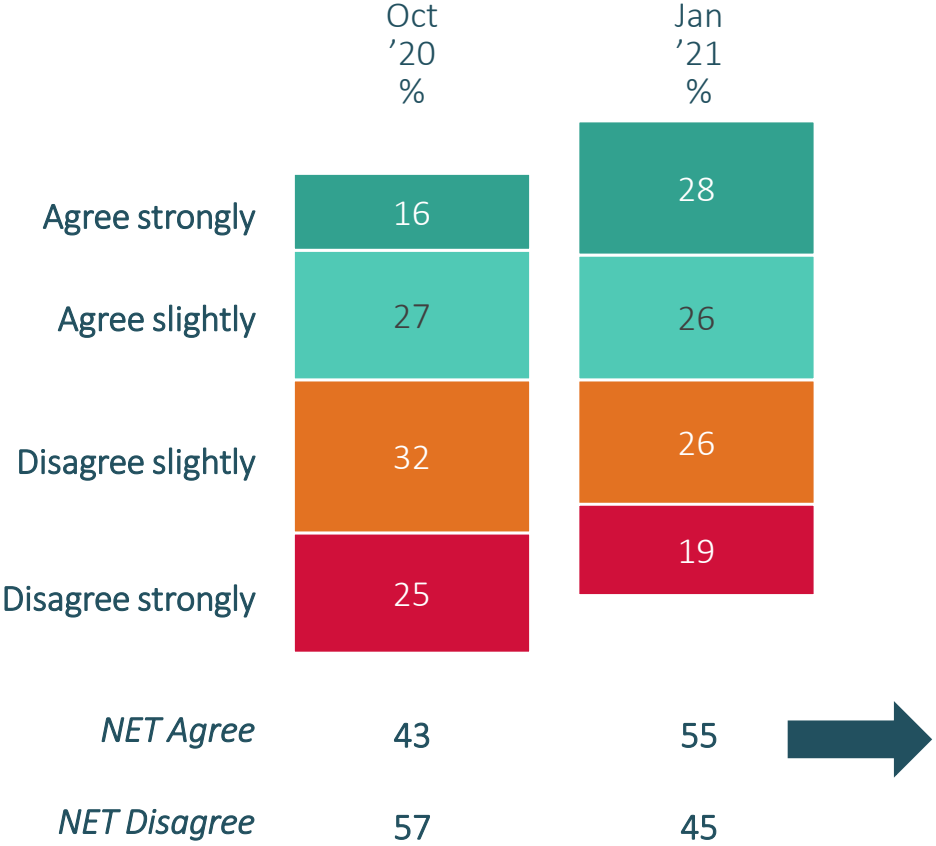


Over a half would be less likely to travel to the UK due to Brexit



This figure has also increased since October with more in particular strongly agreeing. This attitude is slightly more prevalent among women.

I would be less likely to travel to the UK because of Brexit



03

Support for a United Ireland strengthens

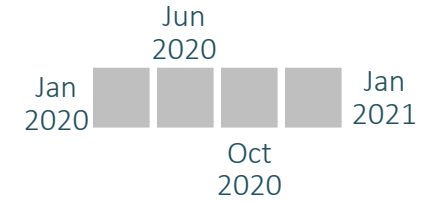


7 in 10 would support a United Ireland

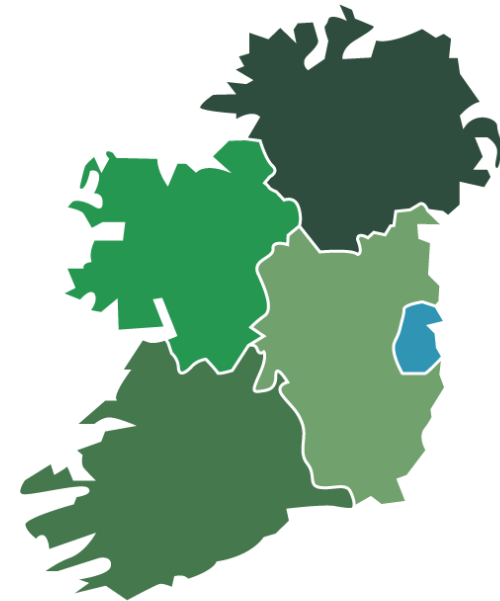
Support for a United Ireland as a result of Brexit remains high with 7 in 10 in favour, half of whom are strongly in favour.

A United Ireland as a result of Brexit

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



	%	%	%	%
NET: Agree	69	67	67	70
Agree strongly	27	28	29	34
Agree slightly	41	38	39	36
Disagree slightly	17	18	16	15
Disagree strongly	15	16	17	15
NET: Disagree	31	33	33	30



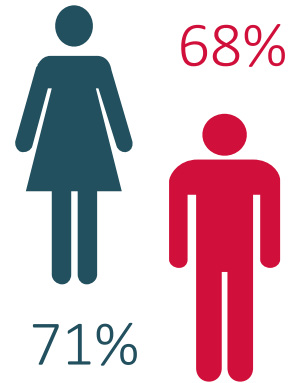
A majority support a United Ireland across all demographics

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

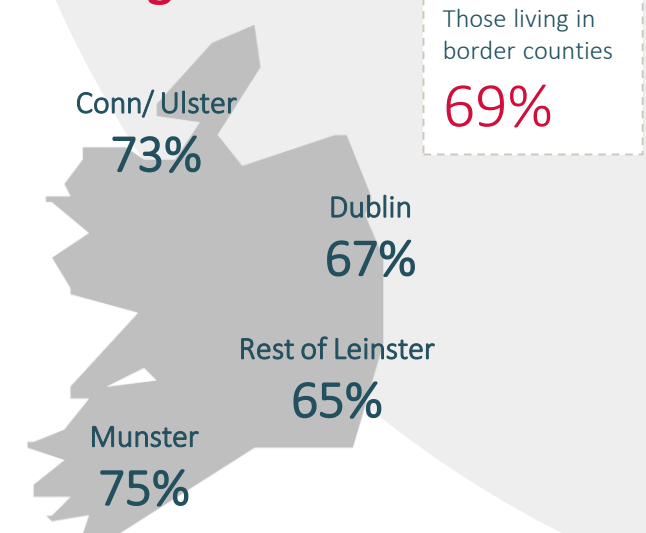


All Adults

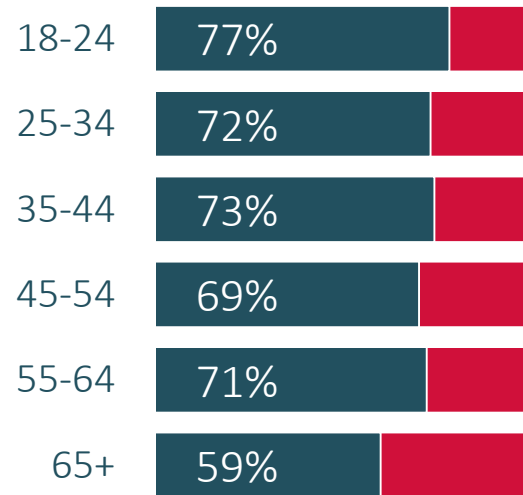
Gender



Region



Age



Social Class



04

Optimism on disposable income, but many still worried about employment market



Some improvement in outlook on income and employment

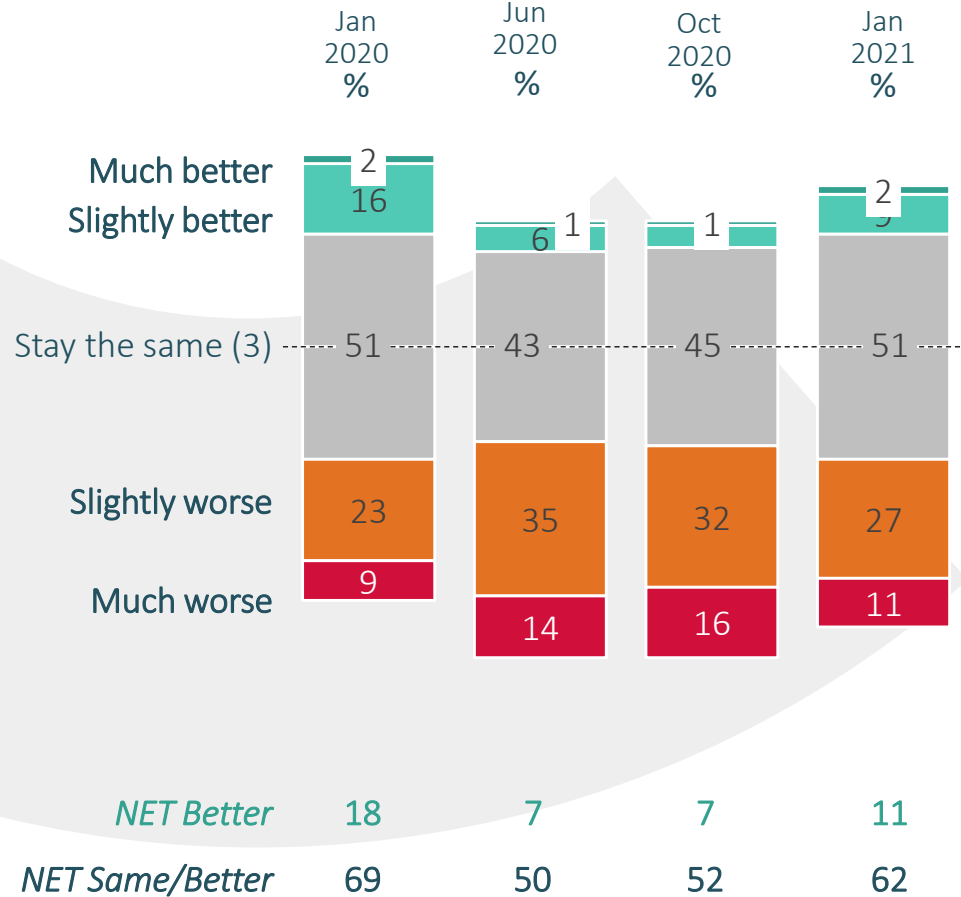


It is encouraging to see more optimism around income and employment. Additionally, 3 in 5 expect their income to hold steady or improve. However, two thirds expect employment opportunities to diminish.

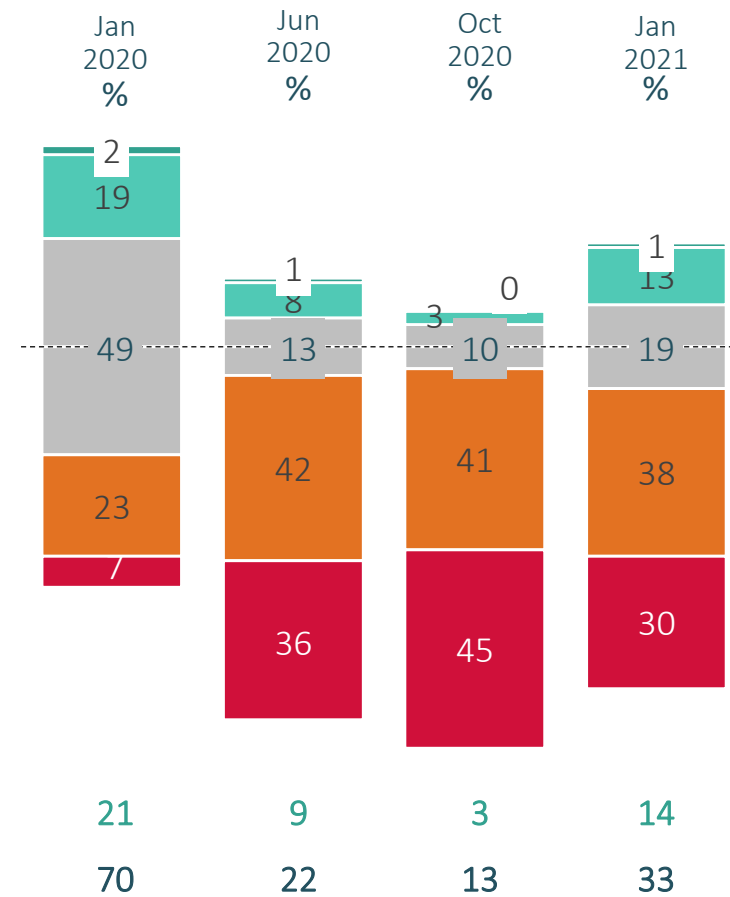
Expectations for the next 6 months for...



Your Disposable Income



Employment; the ability to get & move jobs



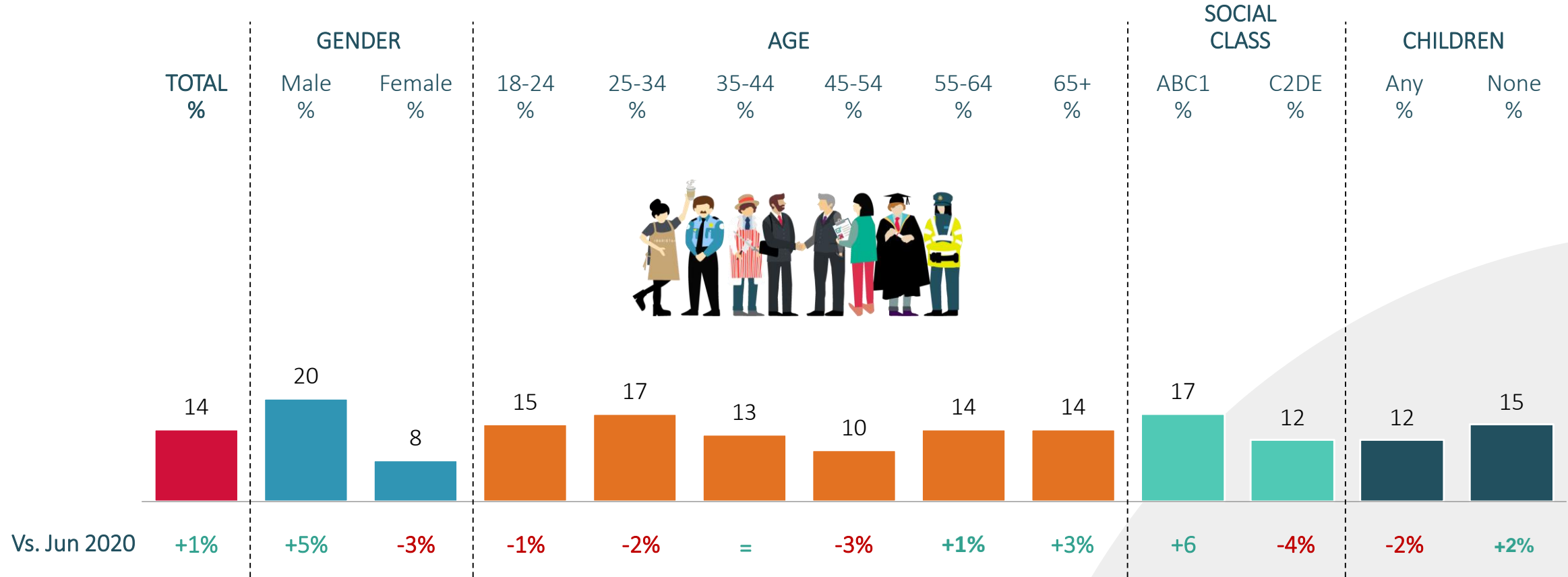
Again we see the highest optimism among men and ABC1s



Possibly because they are more likely to be working or return to work. We see particularly low-levels among 45-54s, perhaps a group worried about remaining unemployed permanently due to their age.

Expectations for employment in the next 6 months

% Stating they believe it will be better/the same



05

Signs that consumers are intending to increase discretionary spend

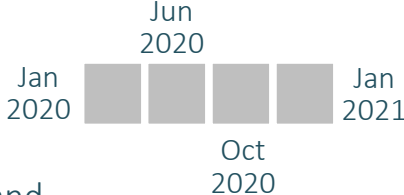


Expected spend up for entertainment, consumer goods and travel



Fewer are expecting to increase grocery spend suggesting that Brexit and the pandemic aren't currently driving hoarding of food items. Some optimism back, as more to increase discretionary spend.

Expected Changes In Spend Over The Next 6 Months



Entertainment such as going out, eating, drinking or socialising



Grocery spend



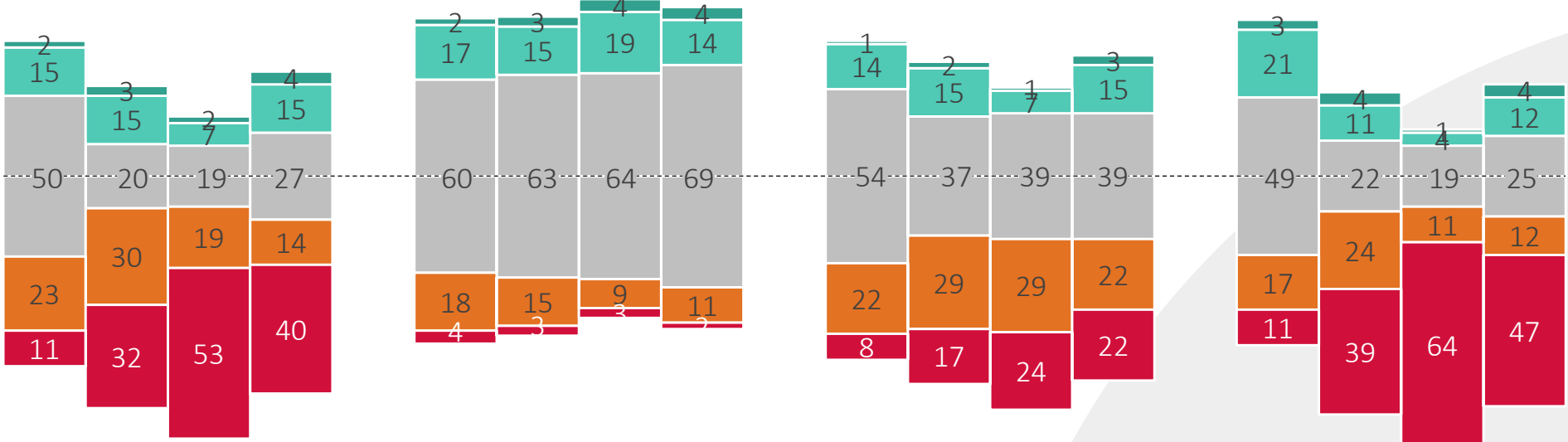
Consumer goods and services – e.g. hairdresser, clothes, mobile phone, gaming etc.



Holidays and short breaks



Increase a lot
Increase a little
Stay the same
Decrease a little
Decrease a lot



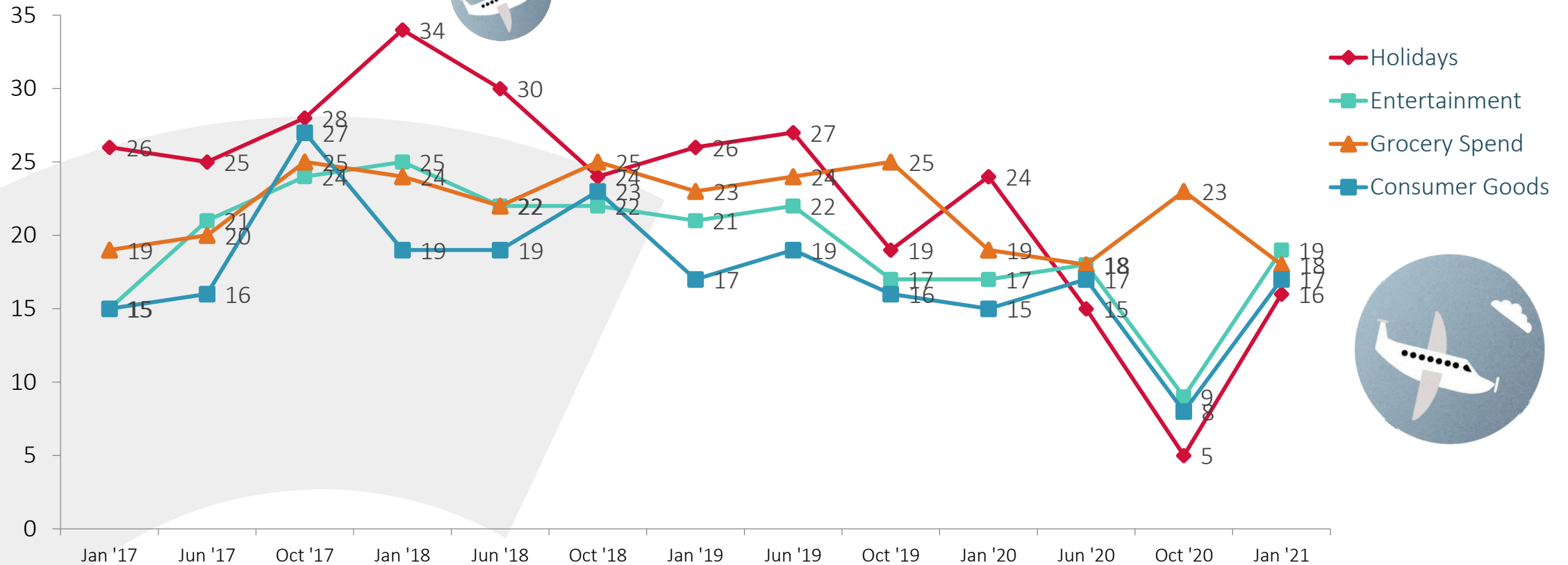
Expected spend increase roughly back to June '20 levels



Consumers are beginning to look forward to going on holidays again and to making other discretionary purchases.

Expected Increase in Spend In The Next 6 Months

% Likely to increase spend
(next 6 months)



Young adults most likely to increase spend

Those in Dublin and those aged 18-24 and to a lesser extent those aged 25-34 are most likely to intend increasing their spend on entertainment, consumer goods and holidays in the next months.

Expected Increase in Spend In The Next 6 Months

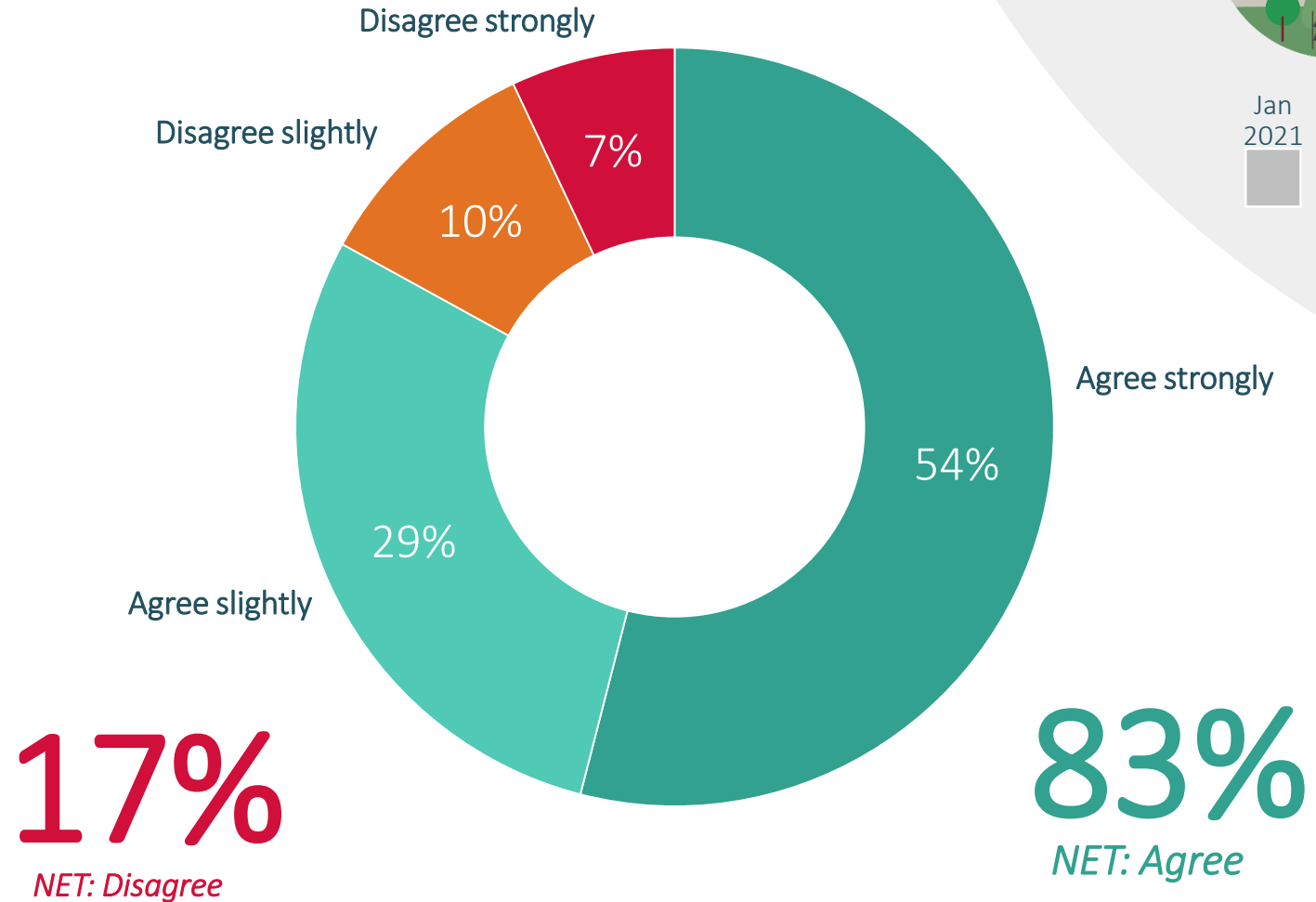


	% Likely to increase spend in next 6 months	Entertainment	Grocery Spend	Consumer Goods/ Services	Holidays/ Shorter Breaks
	Total	19	18	17	16
Gender	Male	20	19	18	17
	Female	18	18	16	16
Age	18-24	30	19	24	20
	25-34	22	22	21	18
	35-44	15	19	20	13
	45-54	18	18	11	16
	55-64	19	20	18	16
	65+	15	12	14	15
Social Class	ABC1	21	19	18	19
	C2DE	18	17	17	14
Region	Dublin	23	17	22	19
	Rest of Leinster	17	17	16	16
	Munster	16	19	15	15
	Connaught/Ulster	19	21	15	14

Over 4 in 5 Irish adults currently buying fewer goods from the UK

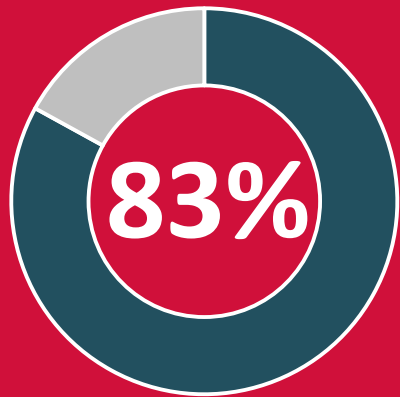
Brexit noticeably altering consumer behaviour with substantial majority of Irish adults now reporting buying less from the UK since Brexit.

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



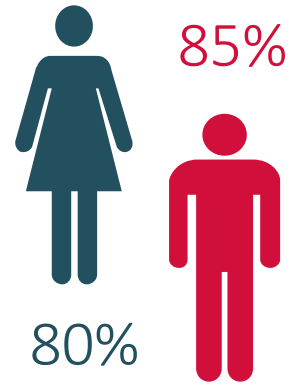
All demographics have been buying less from the UK

% who have been purchasing less goods online directly from the UK since Brexit?

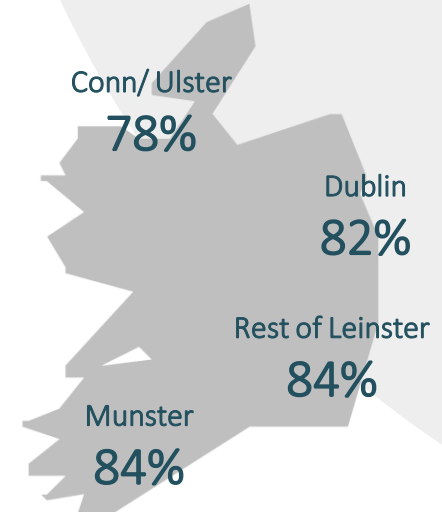


All Adults

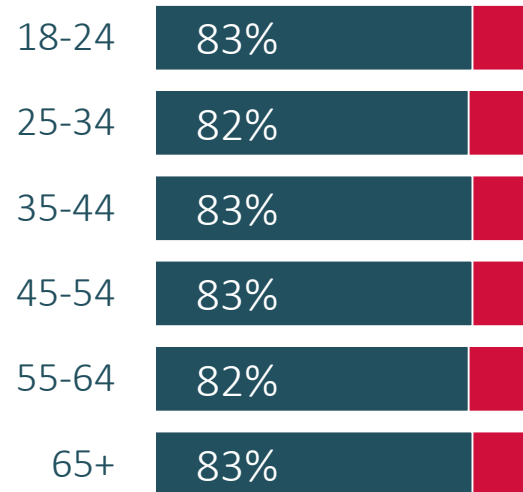
Gender



Region



Age



Social Class



06

Appendix

- Methodology
- About RED C

Methodology

- 1,026 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.
- This is the 40th Wave of the RED C Consumer Mood Monitor and fieldwork was conducted from the 22nd–28th January 2021.



RED C Who are we?

With offices in **Dublin, Dundalk and London** RED C are one of Ireland and the UK's premier providers of research-based consultancy services.

Founded in Dublin in 2003, we have been providing **high quality** research based consultancy services to both blue chip and up and coming businesses both **nationally and internationally** for many years.

Now **50 highly experienced and skilled** staff, look after the insight needs of companies **worldwide**.





Helping you **See More Clearly**, by better understanding business opportunities, plus growth, retention and change strategies

We deliver

CLARITY

to business by truly understanding how humans behave, feel and act

Opportunity



Understanding people, behaviour, markets, society and technology in order to uncover opportunities.

Growth



Uncovering choices, preferences and decisions that enable business to design brands, products and services that beat the competition.

Retention



Mapping and delivering easy and enjoyable customer journey's and experiences to maximize purchase and retention.

Change



Accelerating how products and services are adopted and marketed.

Underpinned by understanding of real human behaviour, and using a set of specially designed products



System 1

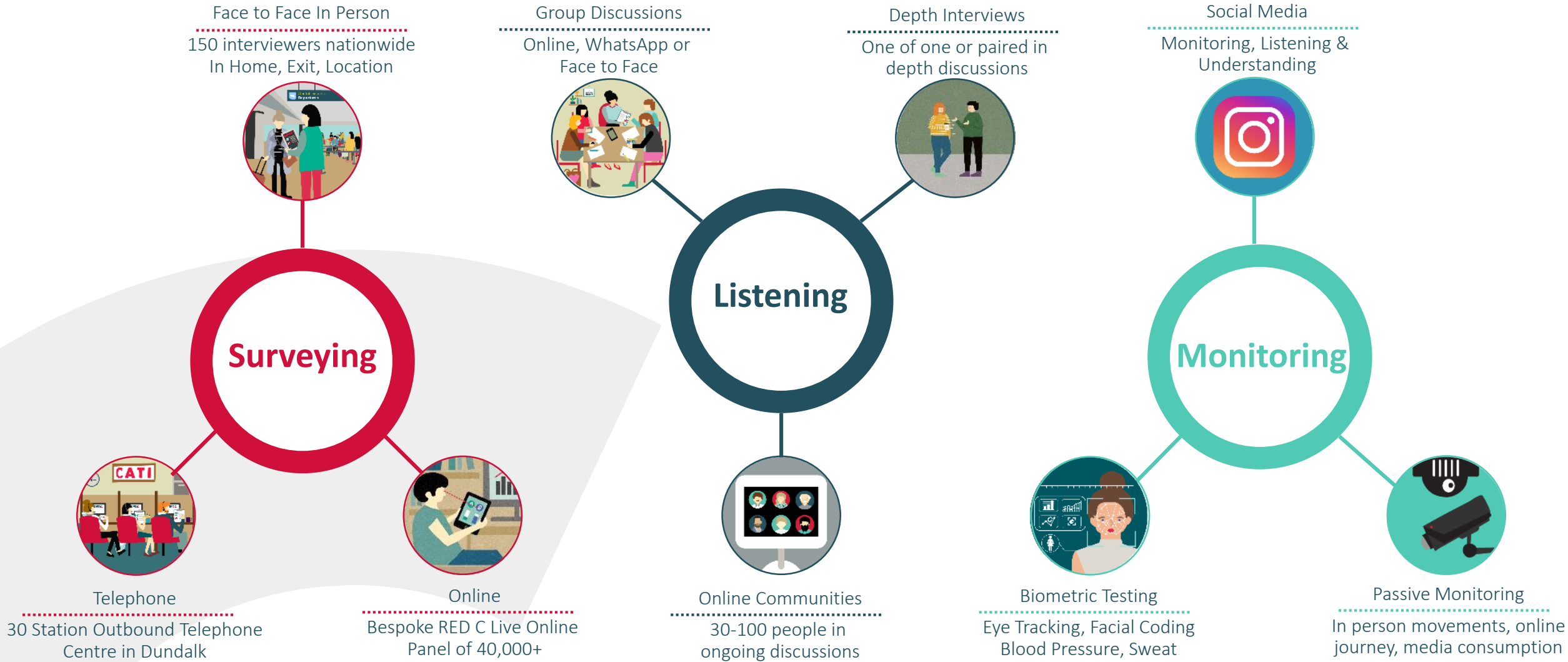


RED Star

Conducted in over 30 markets across the world in the past year



Using a variety of techniques to uncover & understand





RESEARCH
EVALUATION
DIRECTION
CLARITY

See More, Clearly

REDC