



Consumer Mood Monitor

July 2022



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The rising cost of living has kept consumer confidence at historically low levels. Concerns over the economy are stoked by rising energy and fuel costs, inflation and the prospect of further interest rates increases.

Confidence in the economy remains at historically low levels



1

Virtually unchanged since April, confidence in the Irish economy remains mired at a low point only seen previously during the second COVID-19 lockdown in 2020, and in the depths of the financial crisis in 2009.

2

Fears are manifold and driven by a lack of confidence in the world economy as a whole. Closer to home, the main concerns exist around energy, fuel, housing, financial lending and general economic uncertainty.

3

Irish consumers expect they will have to spend more money on groceries (most likely due to rising food prices), household energy bills and on petrol / diesel in the coming six months.

They are also planning on cutting back their spend on entertainment and holidays in the second half of 2022.

4

Moreover, concerns around the COVID-19 pandemic are once more on the rise as recent weeks have seen escalating case numbers and hospitalisations. This drives further economic uncertainty.

5

Outlook on employment and on discretionary, disposable income remain low. There is a slight uptick since April in those saying they think their disposable income will increase, however outlook remains decidedly negative in regards to both employment and income.

6

Most Irish adults have either made changes to their spending in order to cut costs or are actively planning on doing so. The main areas that consumers have looked at or plan to target are the weekly grocery shop, utility bills, streaming subscriptions and newspaper/magazine subscriptions.

**Sustained stagnation
in outlook as
confidence remains
at historic low**

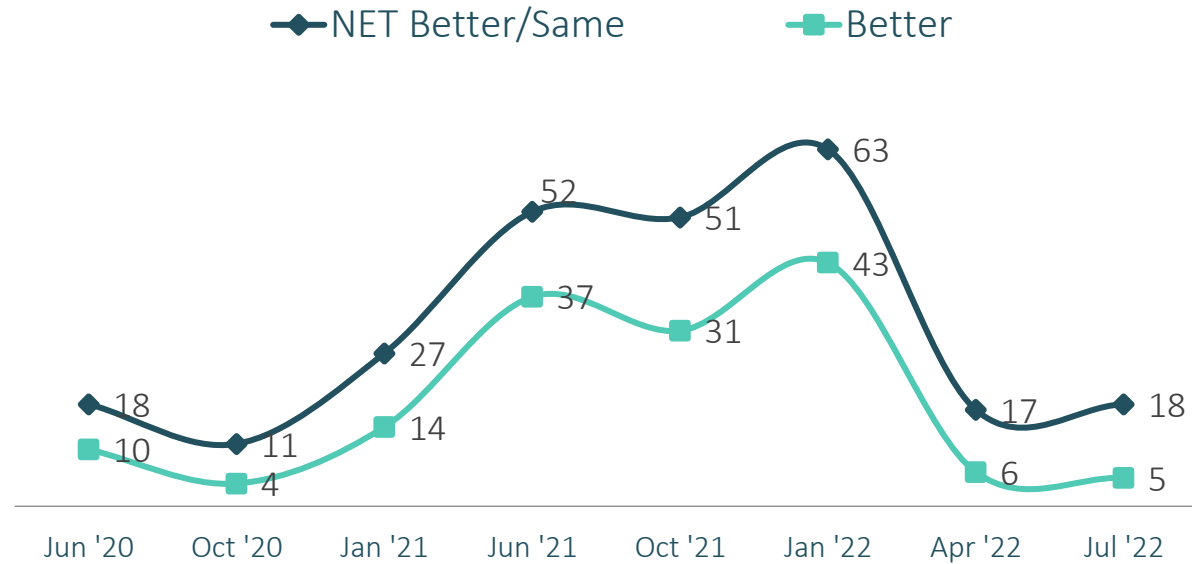


Expectations for the Irish economy have stabilised since April, but remain at historic low

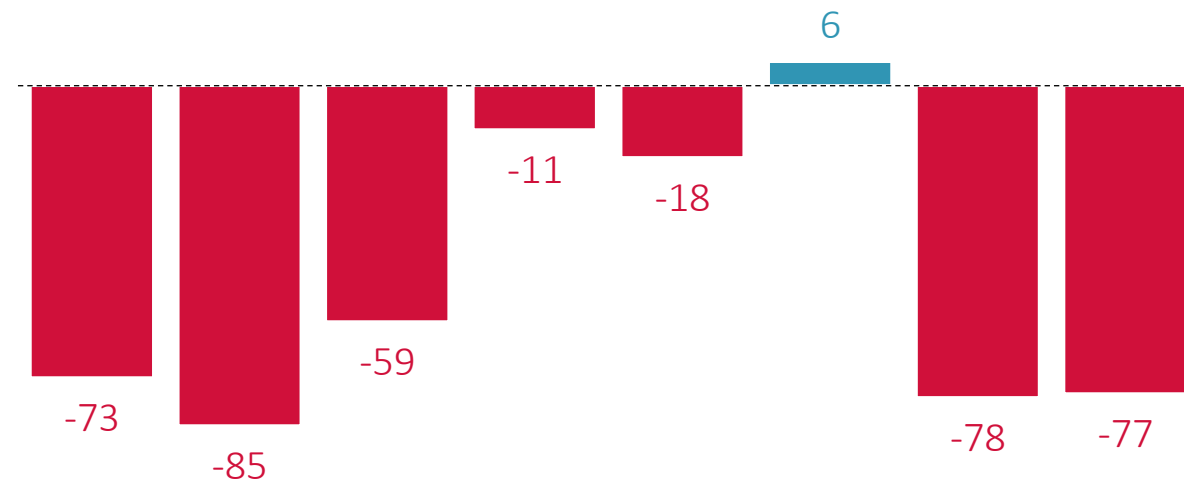
Consumer confidence remains in the doldrums, stuck at one of the lowest levels in recent years, matched only by the second COVID-19 lockdown

Base: all adults aged 18+

Expectations for the Irish economy over the next 6mths



NET Expectations = % Better minus % Worse

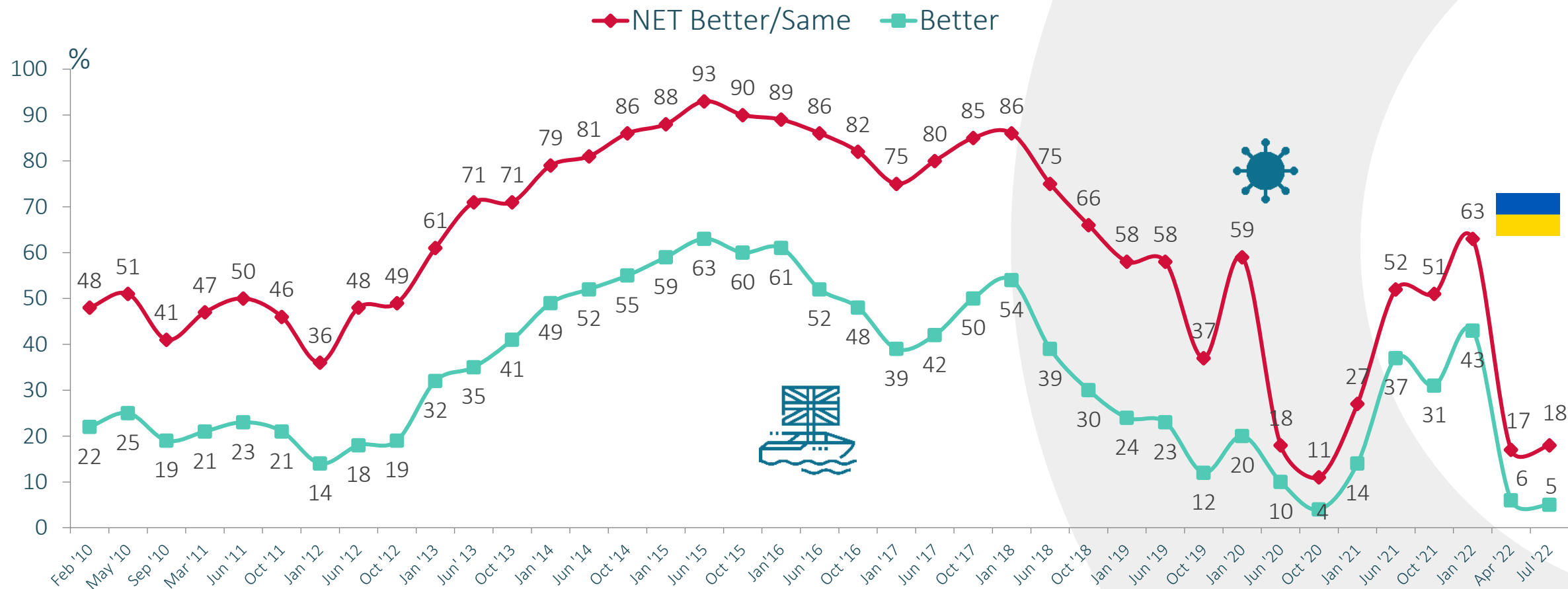


Confidence in the Irish economy remains extremely low



Confidence in the economy saw an uptick at the beginning of the year as most pandemic related restrictions were lifted, but subsequently declined in the wake of the invasion of Ukraine and has remained low since.

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



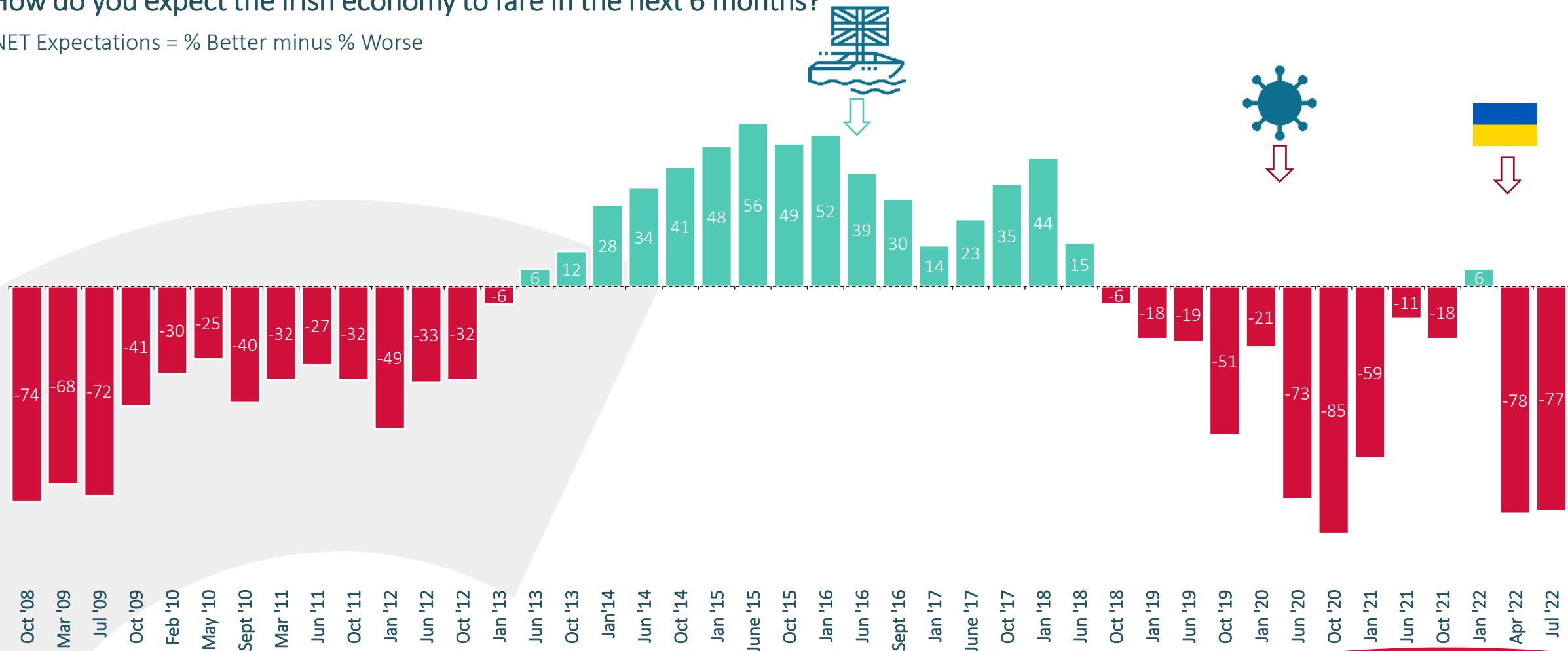
Majority expect Irish economy to fare worse



Broadly unchanged since April, far more expect the economy to fare worse in the coming 6 months, than expect it to fare better.

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

NET Expectations = % Better minus % Worse

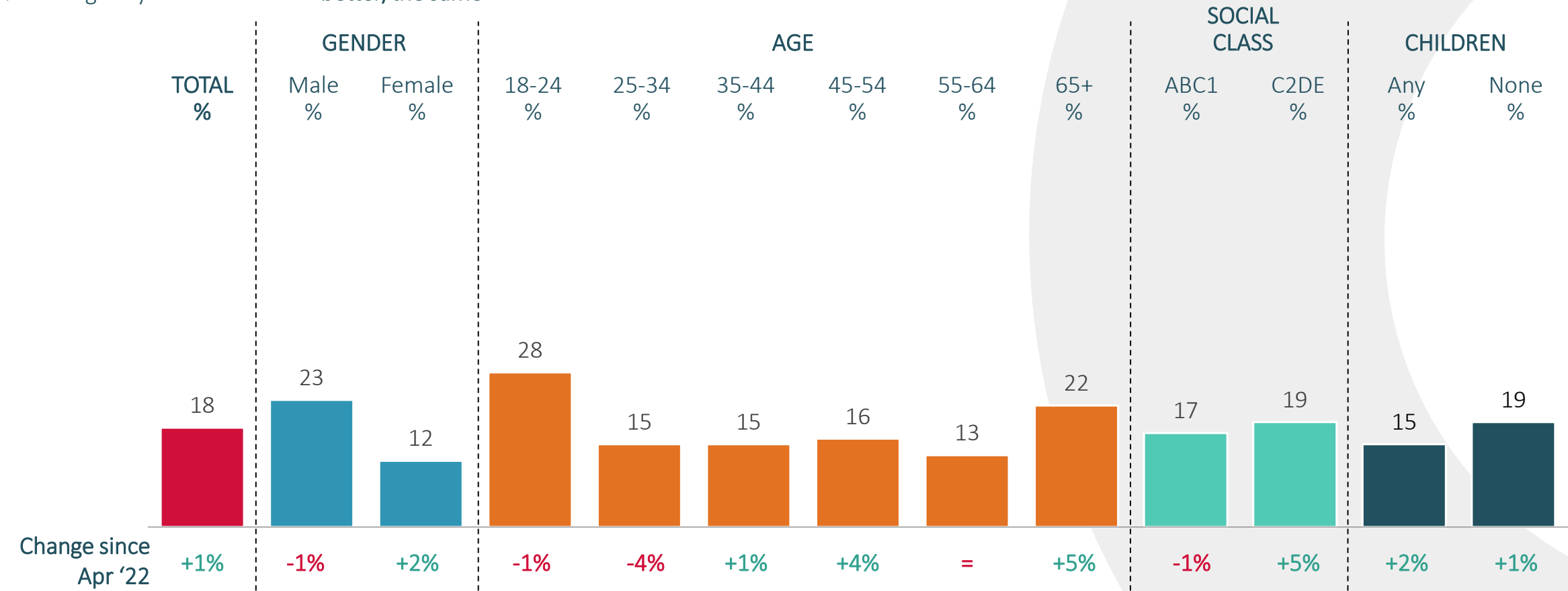


Confidence in the Irish economy highest among 18-24 year olds

It is also higher among men and those aged over 65. The biggest increase in confidence since April is among lower social grades.

Expectations for the Irish economy 6 months from now

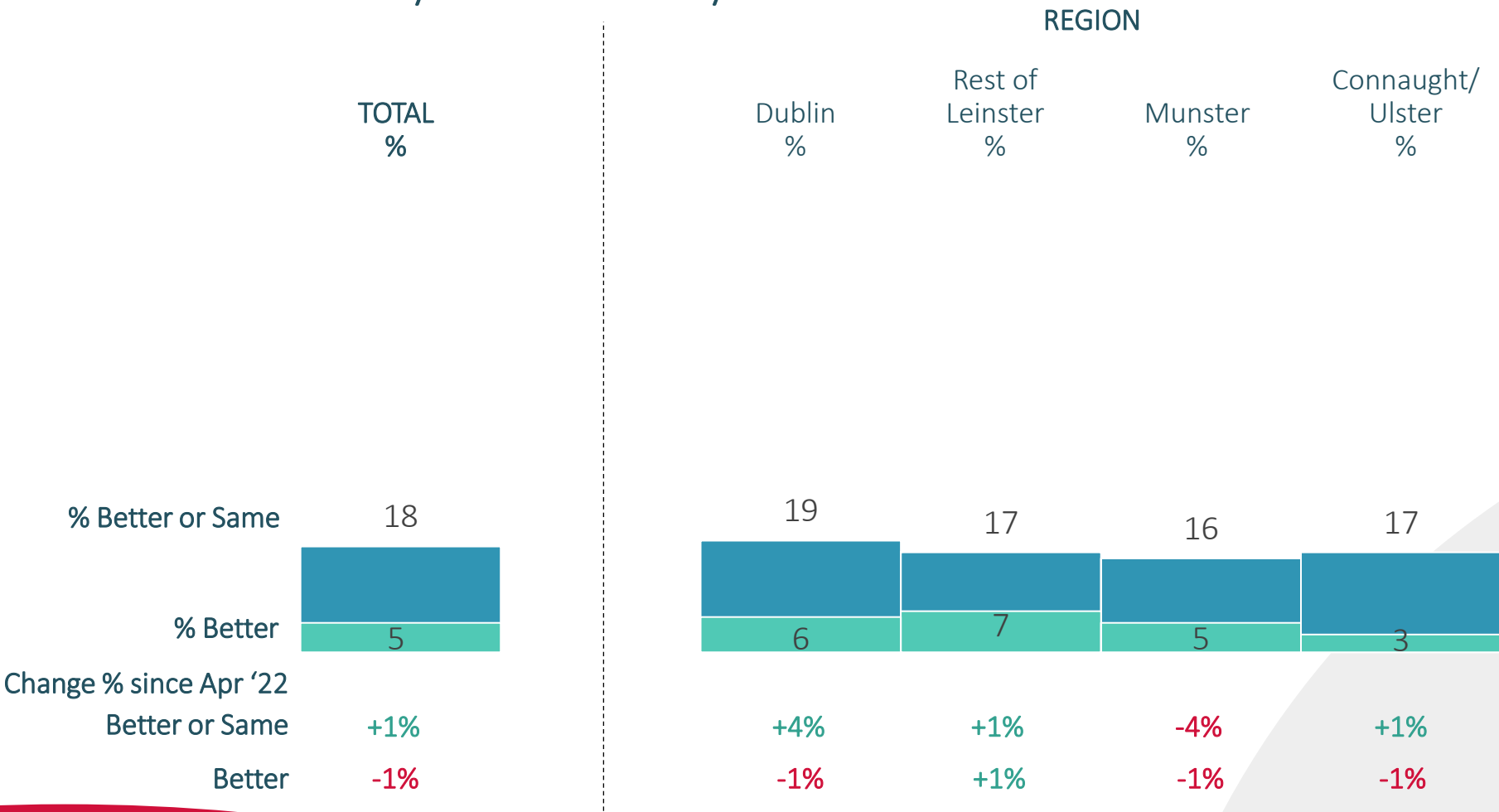
% Stating they believe it will be better/the same



Confidence in the Irish economy low in all regions



Expectations for the Irish economy across the country...



Confidence in the world economy closely shadows Irish economy

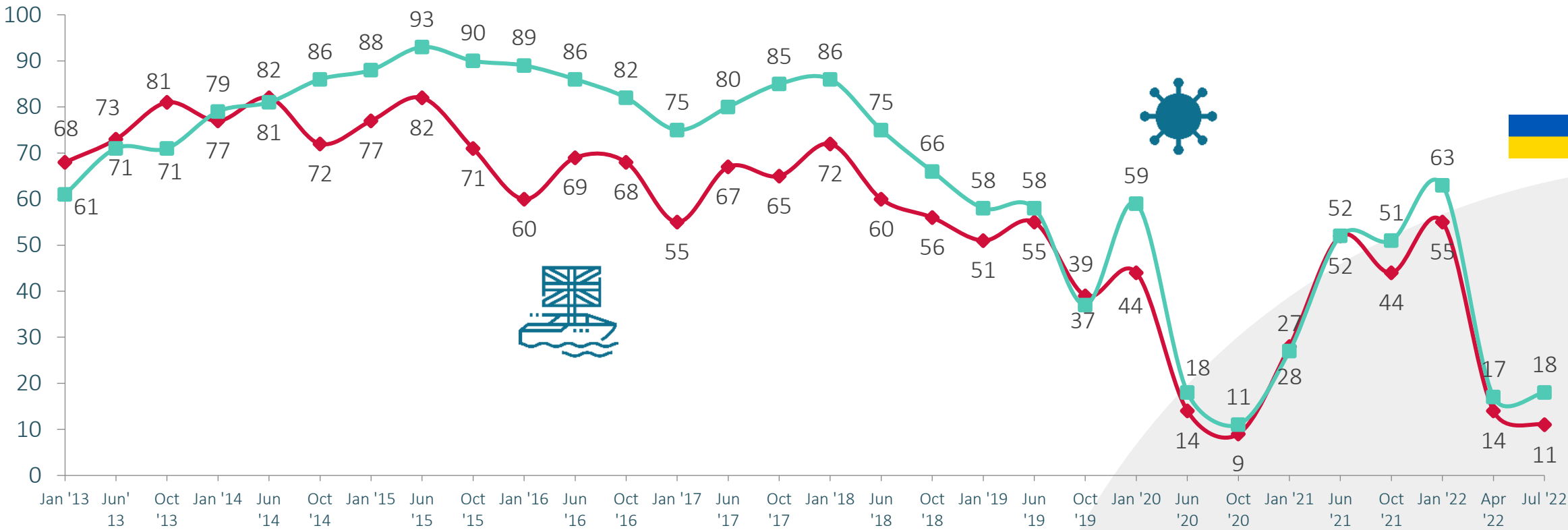
Concerns about the world economy are clearly driving low confidence in the Irish economy.



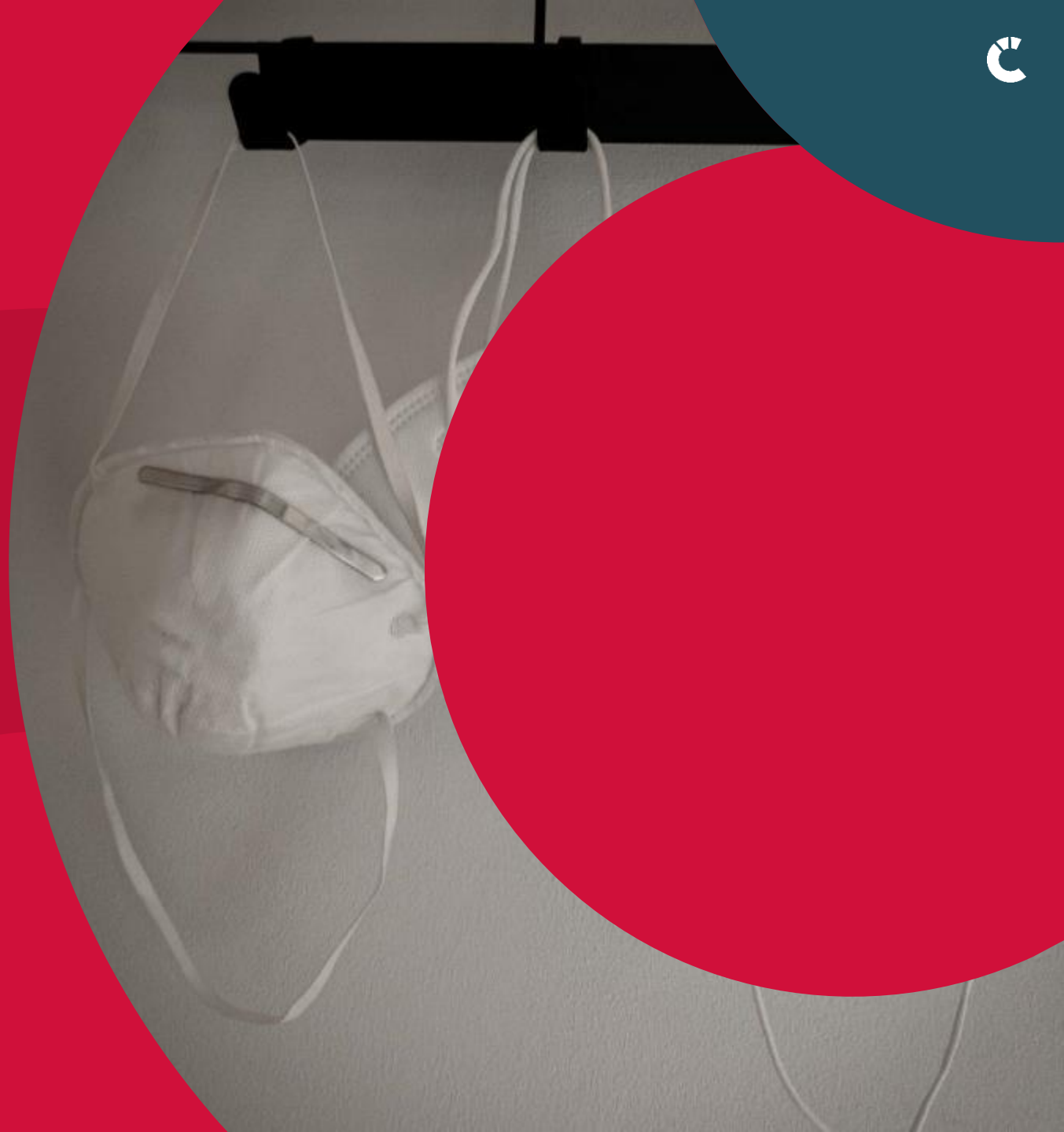
Expectations for the Irish & World Economy

% NET Better/Same
(next 6 months)

World Economy Irish Economy



**Pandemic
concerns are
once more on
the rise**

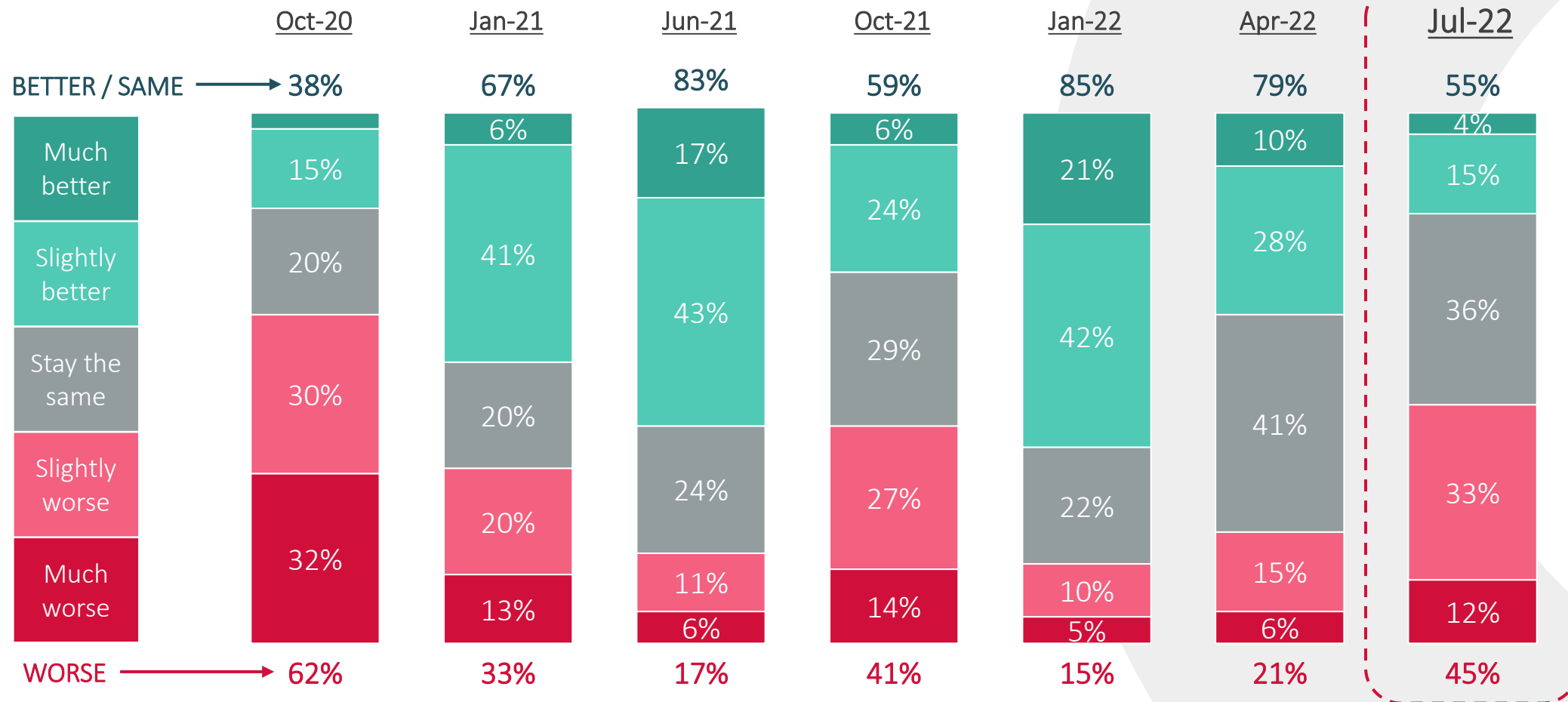


Concerns around the pandemic are on the rise again



With cases and hospitalisations rising, we see the highest number, almost a half, who expect the pandemic to fare worse in the next six months, since October 2020.

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

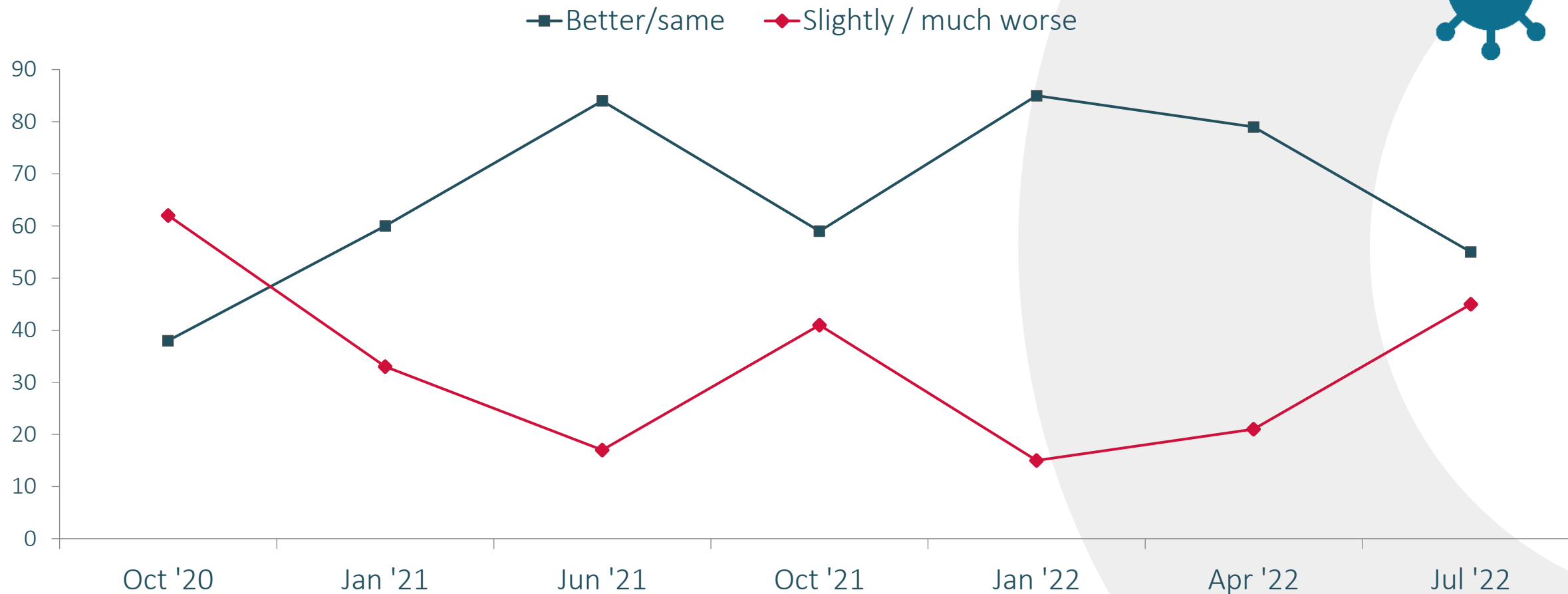


Upswing in those expecting the pandemic to fare worse



More currently expect the pandemic to get worse in the coming 6 months than expect it to get better.

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



**Cost of living, cost of
borrowing money,
and affordability of
housing all expected
to worsen**



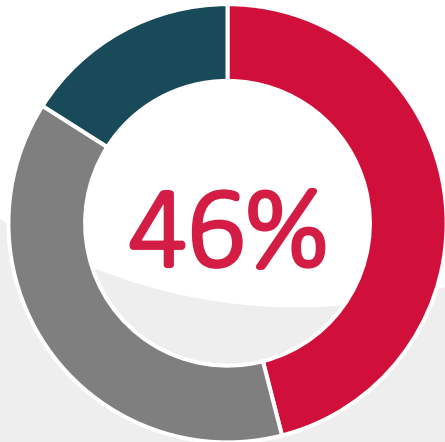
Stark outlook on the rising cost of living



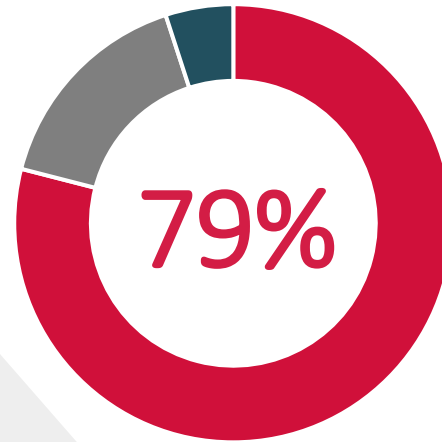
An overwhelming number of consumers expect disposable income, the cost of borrowing, the cost living, and the affordability of housing to worsen in the second half of 2022.

Expectations for the next 6 months for...

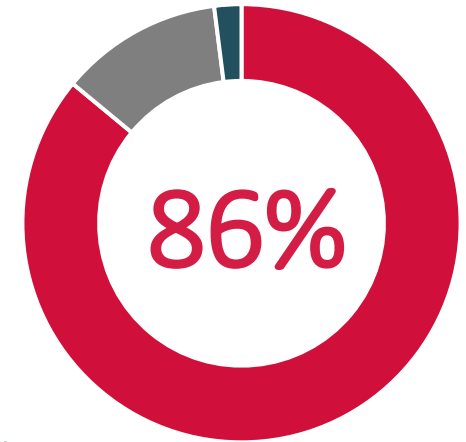
Employment



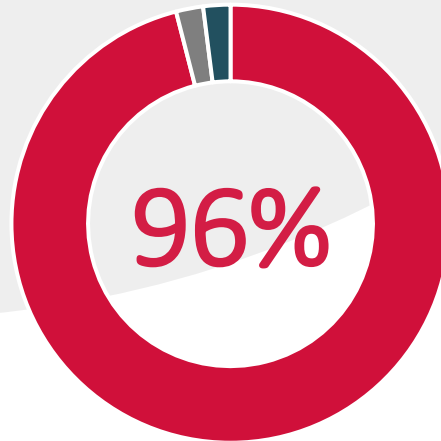
Disposable Income



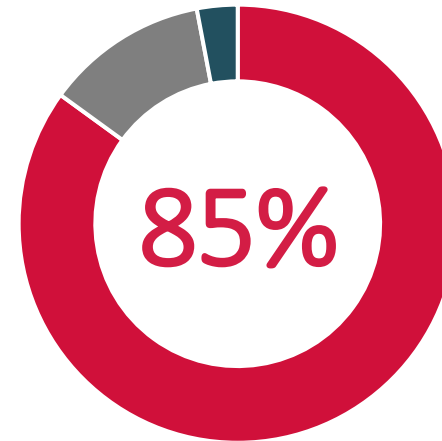
Cost of borrowing money



Cost of Living



Affordability of Housing



Slightly /
much worse

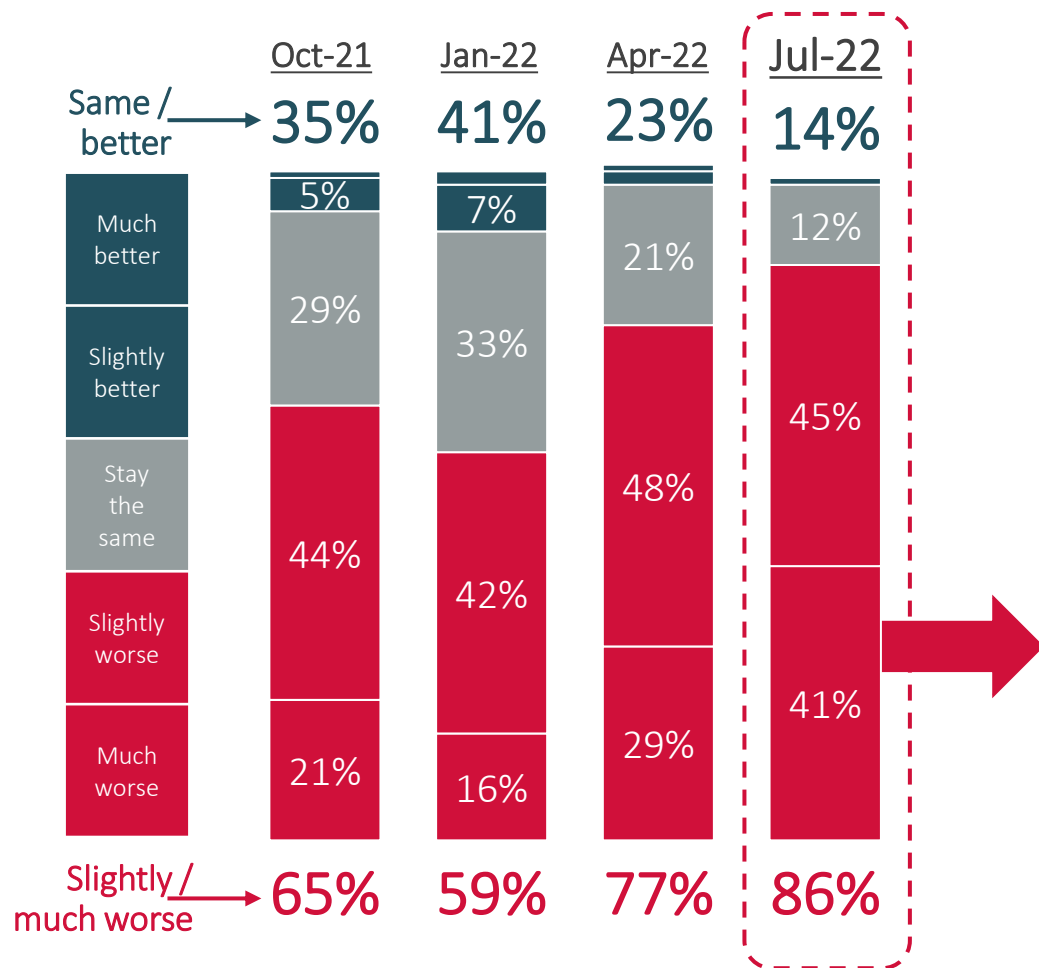
Vast majority expect lending money to become more expensive



We have seen a steady increase throughout the first half of 2022 in those expecting the cost of borrowing to rise with all cohorts now believing it will increase.



The cost of borrowing money



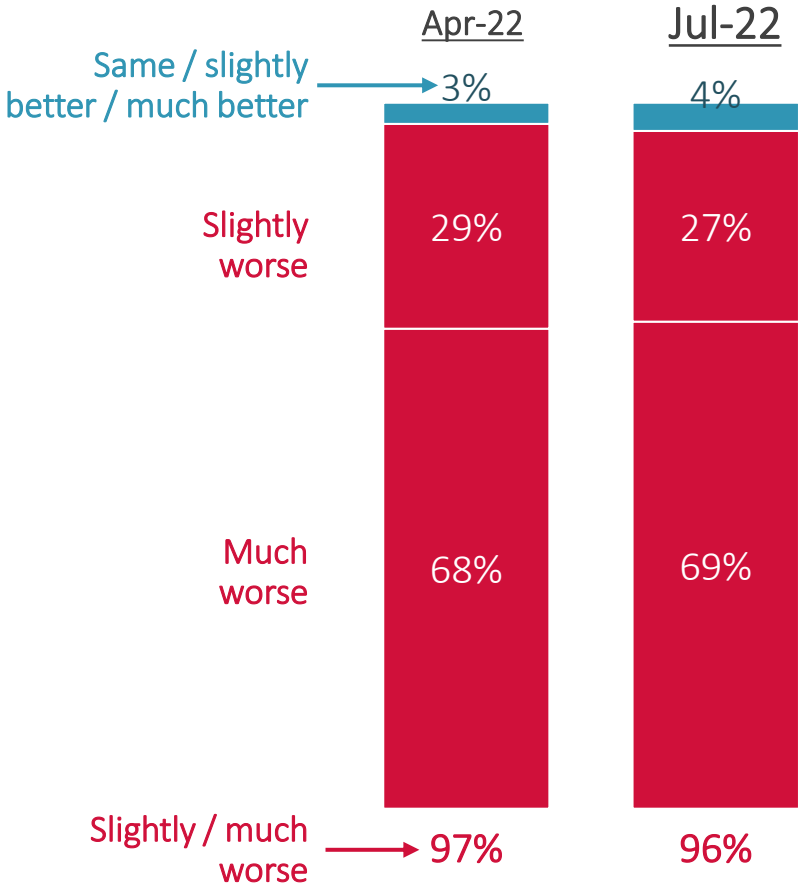
		Slightly Worse	Much Worse	NET Worse	NET Worse Vs Apr '22
GENDER	Total	45%	41%	86%	+9
	Male	47%	39%	86%	+11
	Female	43%	43%	86%	+7
AGE	18-24	48%	30%	78%	+16
	25-34	43%	46%	89%	+11
	35-44	41%	41%	82%	+4
	45-54	44%	43%	87%	+7
	55-64	38%	52%	90%	+8
	65+	54%	34%	88%	+10
SOCIAL CLASS	ABC1	49%	39%	88%	+12
	C2DE	41%	44%	85%	+6
CHILDREN	Any	39%	45%	85%	+5
	None	48%	39%	86%	+10

Near unanimous agreement that cost of living is to worsen

The vast majority still expect the cost of living in Ireland to worsen in the second half of 2022.



How do you expect the cost of living to fare in the next 6 months?



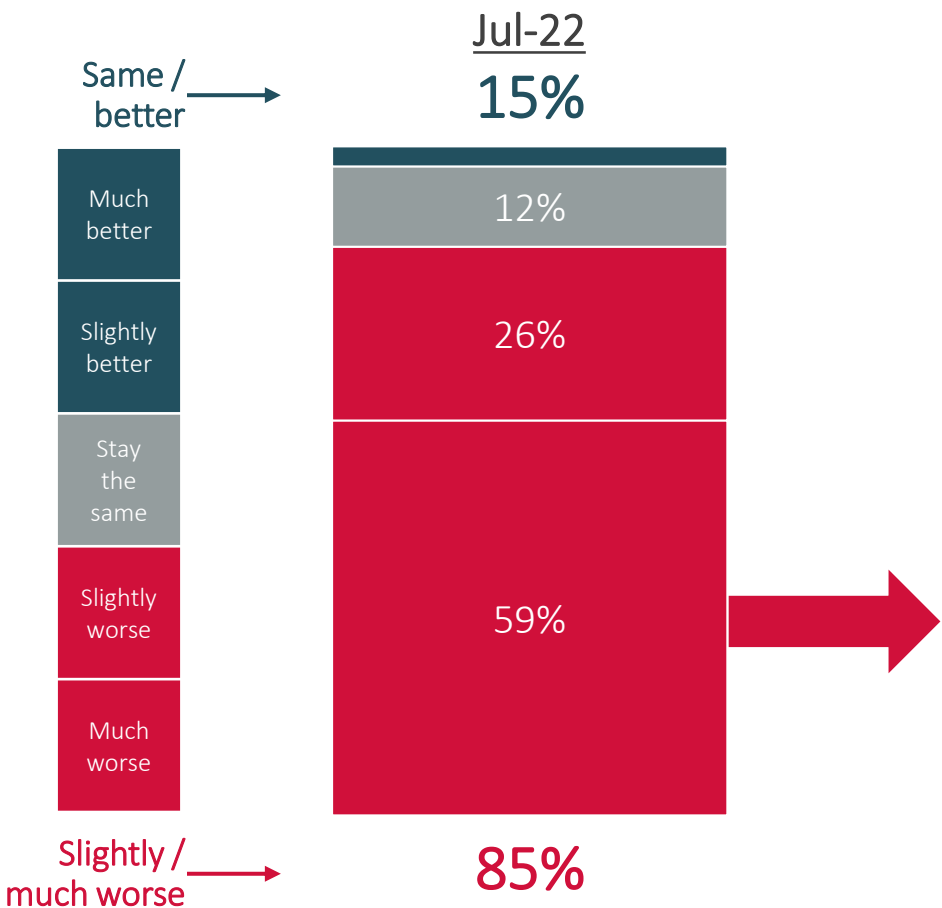
		Slightly Worse		Much Worse		NET Worse Vs Apr '22
GENDER	Total	27%	69%		96%	-1
	Male	30%	65%		95%	-1
	Female	24%	73%		97%	-1
AGE	18-24	26%	63%		89%	-5
	25-34	24%	70%		95%	=
	35-44	24%	71%		95%	-1
	45-54	25%	73%		98%	-1
	55-64	28%	71%		99%	+2
	65+	33%	65%		98%	-1
SOCIAL CLASS	ABC1	29%	68%		97%	=
	C2DE	24%	71%		95%	-2
CHILDREN	Any	25%	71%		96%	-1
	None	28%	68%		96%	-1

Over 4 in 5 Irish adults expect affordability of housing to worsen

Over 4 in 5 adults, across all cohorts, expect housing to become less affordable in the second half of 2022.



How do you expect the affordability of housing to fare in the next 6 months?



GENDER	Total	85%
	Male	82%
AGE	Female	89%
	18-24	82%
	25-34	86%
	35-44	86%
	45-54	89%
	55-64	82%
SOCIAL CLASS	65+	83%
	ABC1	85%
	C2DE	87%
CHILDREN	Any	85%
	None	85%

Consumers expect to spend more on fuel, energy and groceries and plan to cut down on entertainment and holidays



Almost two thirds expect their grocery spend to increase



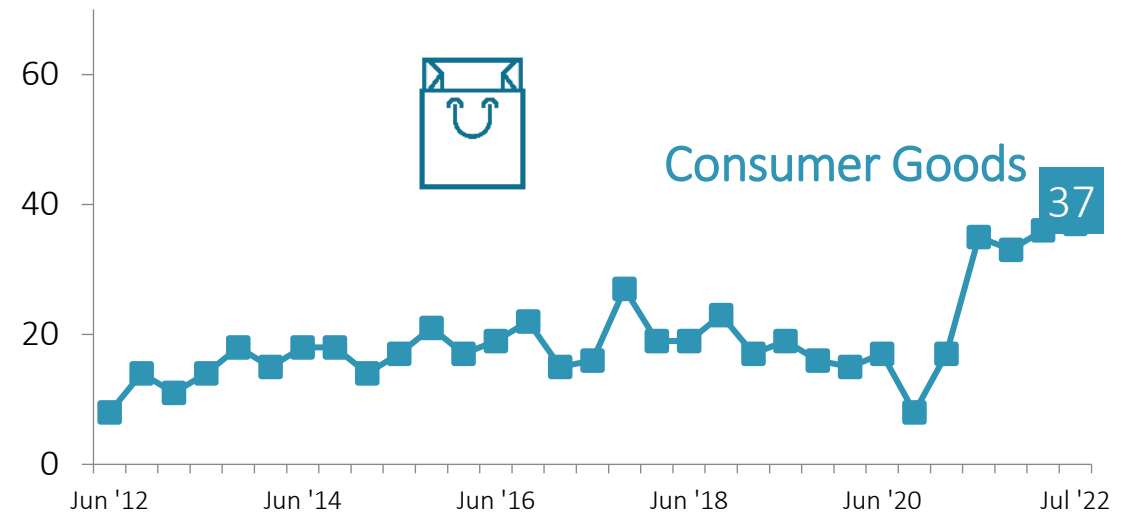
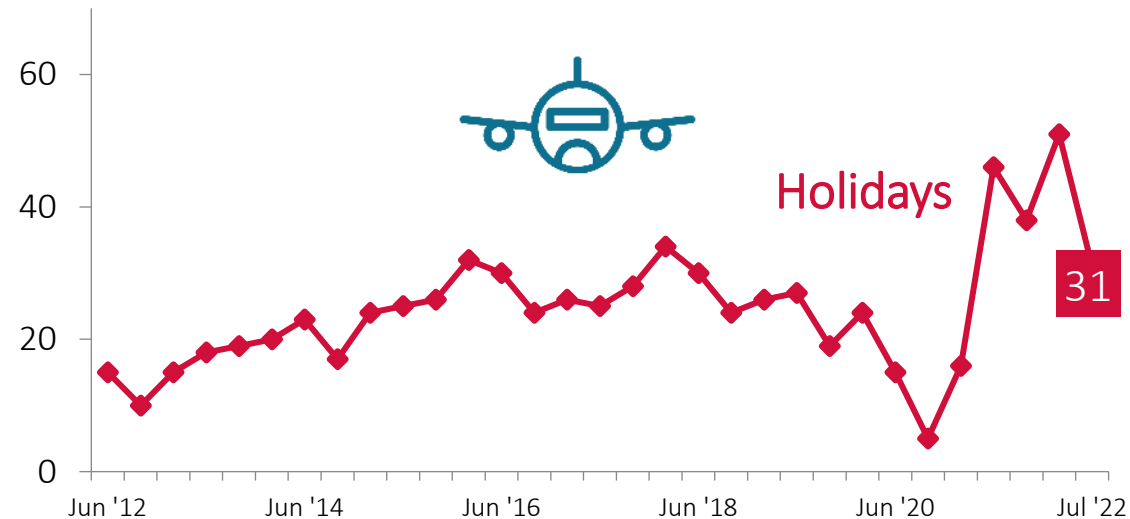
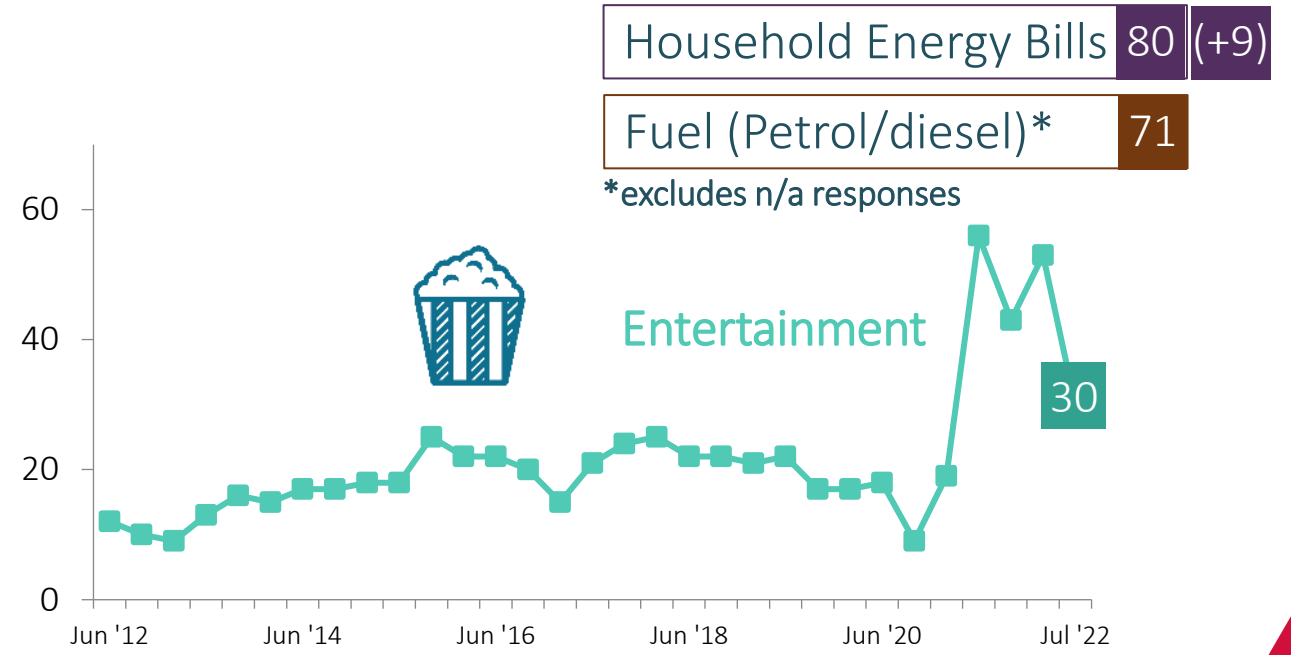
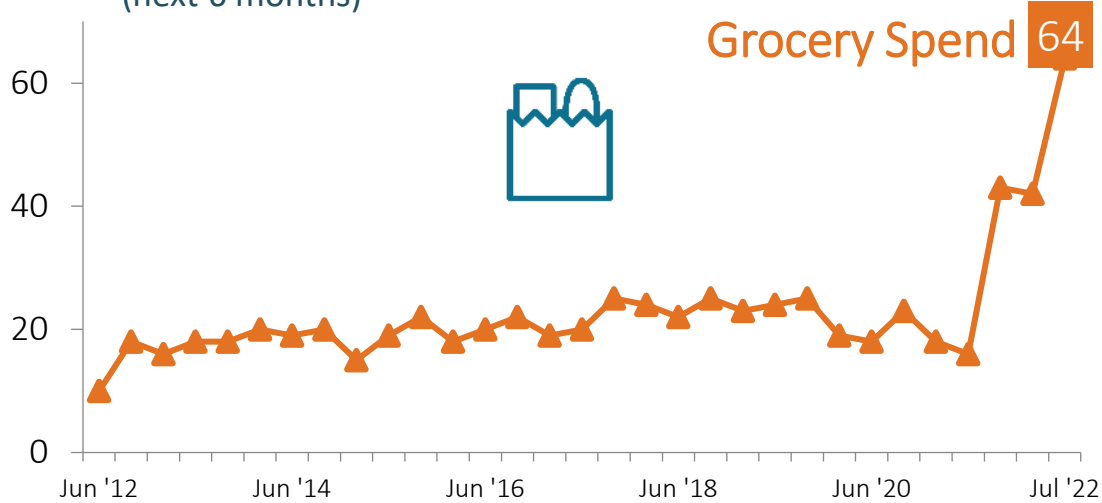
A clear majority also expect their energy bills and spend on fuel to increase. Consumers are planning on spending less on holidays and entertainment.

Vs Jan '22

Expected Increase in Spend In The Next 6 Months

% Likely to increase spend

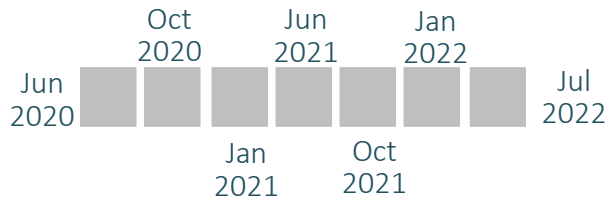
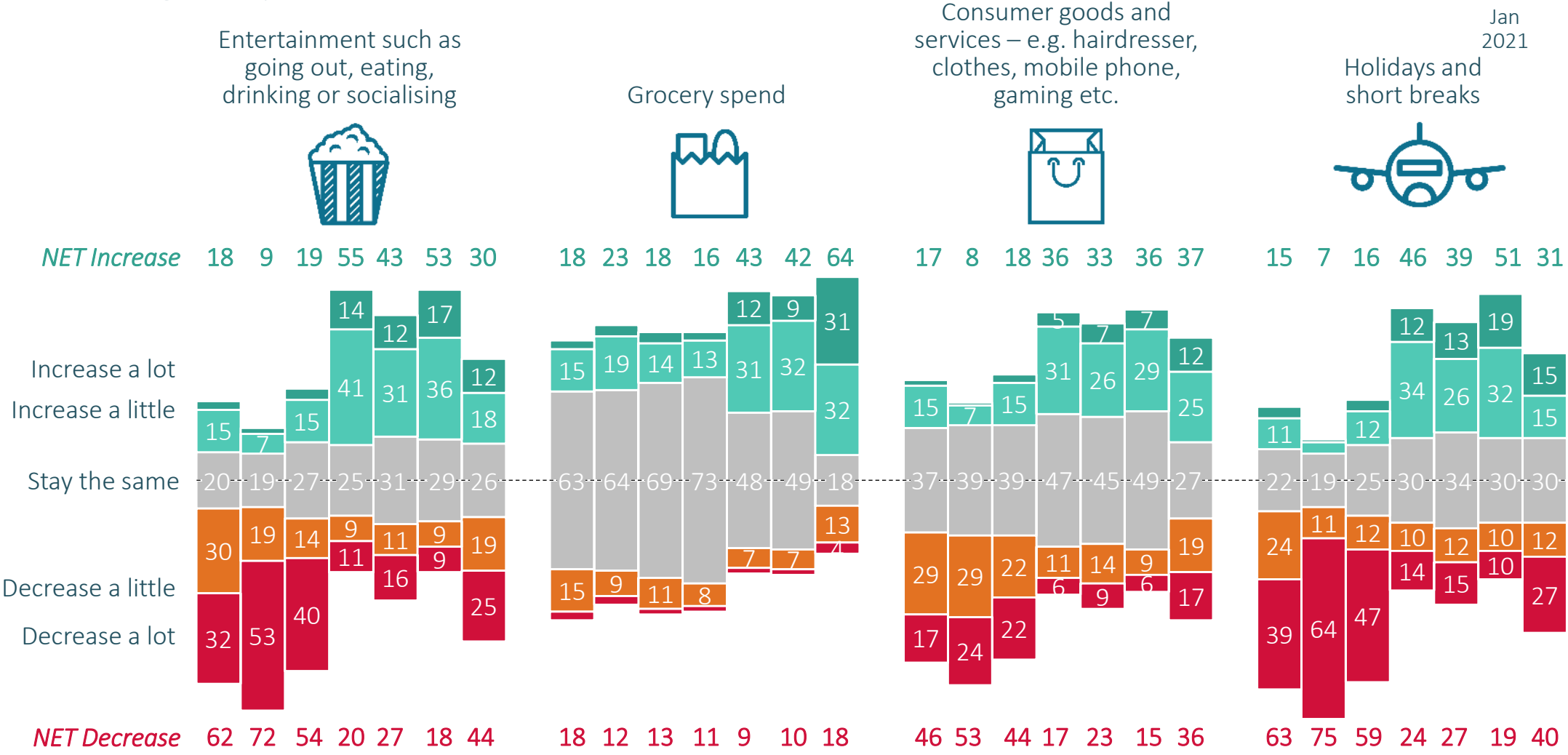
(next 6 months)



Lower spend ahead for entertainment, holidays & consumer goods

More are expecting their grocery bill to increase than any time in the past decade.

Expected Changes In Spend Over The Next 6 Months

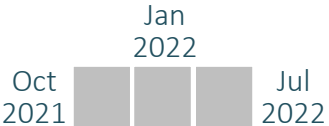
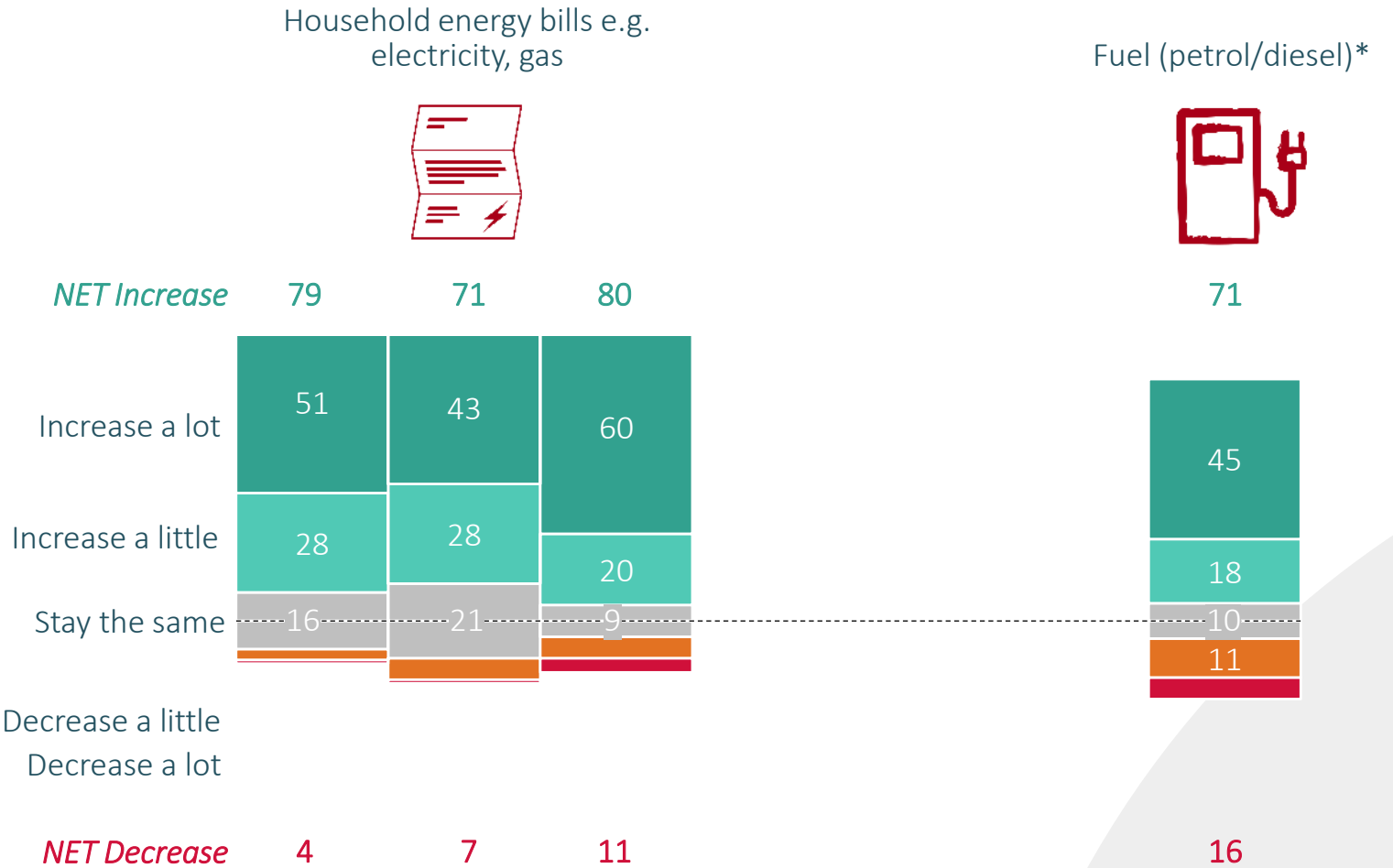


Clear majority expect to spend more on energy and fuel bills



4 in 5 bill payers expect their electricity and gas bills to rise in the coming 6 months. 7 in 10 drivers expect to spend more on petrol or diesel.

Expected Changes In Spend Over The Next 6 Months



*excludes n/a responses

**Expectations for jobs
market and
disposable income
remain low**



Expectations remain low in jobs market and in disposable income



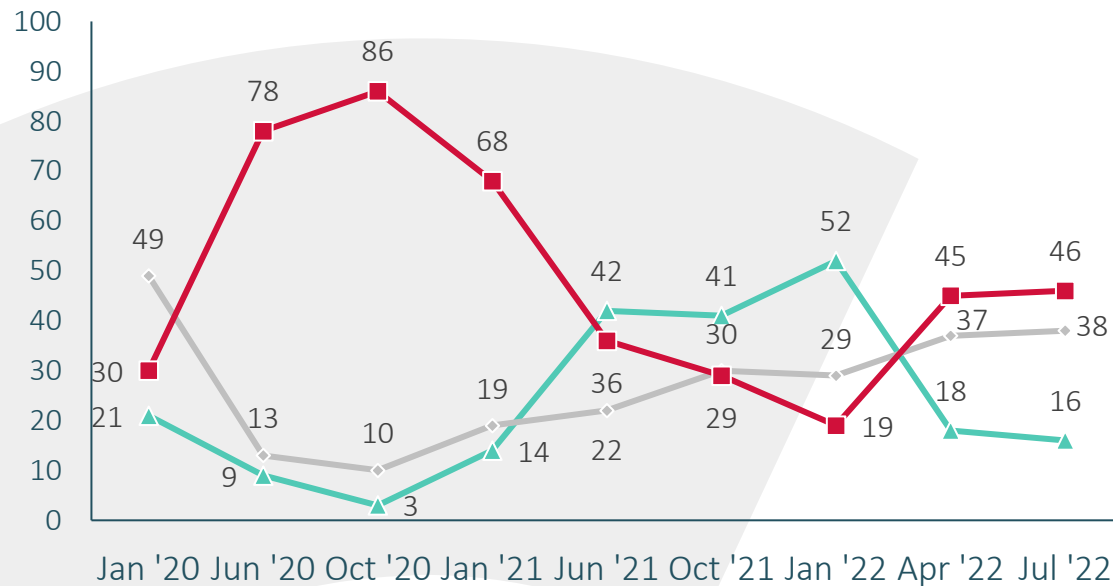
Almost half expect the employment situation to worsen in the coming six months. 4 in 5 expect their level of discretionary, disposable income to decrease in the second half of 2022, slightly improved from April.

Expectations for the next 6 months for...



Employment; the ability to get & move jobs

— Better — Same — Worse



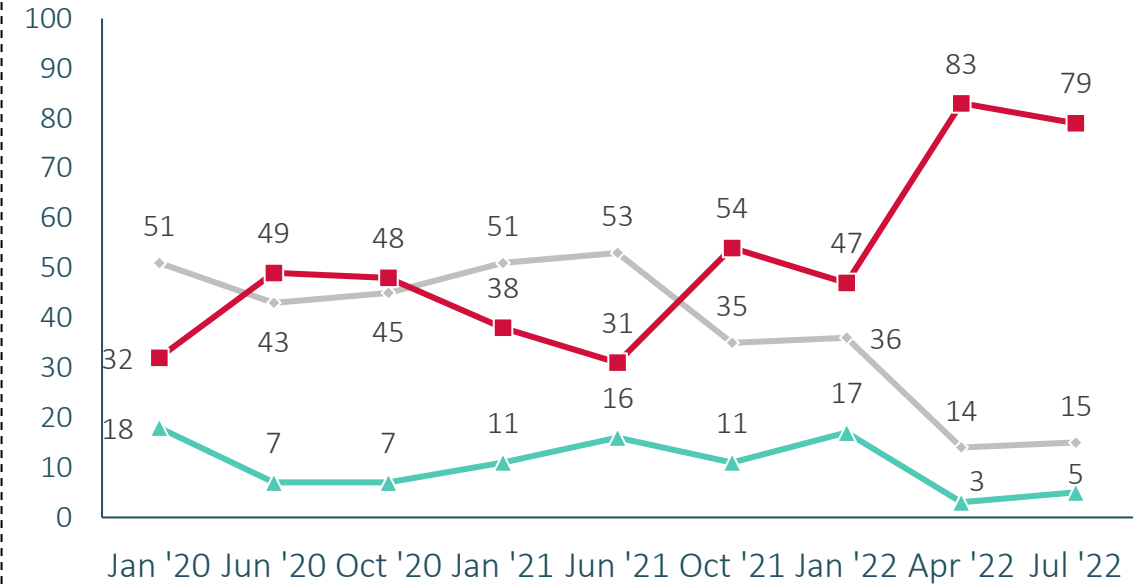
Better
minus worse

-9 -69 -83 -54 6 12 33 -27 -31



Your level of discretionary disposable income*

— Better — Same — Worse



-14 -42 -41 -27 -15 -43 -30 -80 -74

*changed from 'Your Disposable Income' in Oct 2021

Those aged over 55 are most optimistic in regards to employment

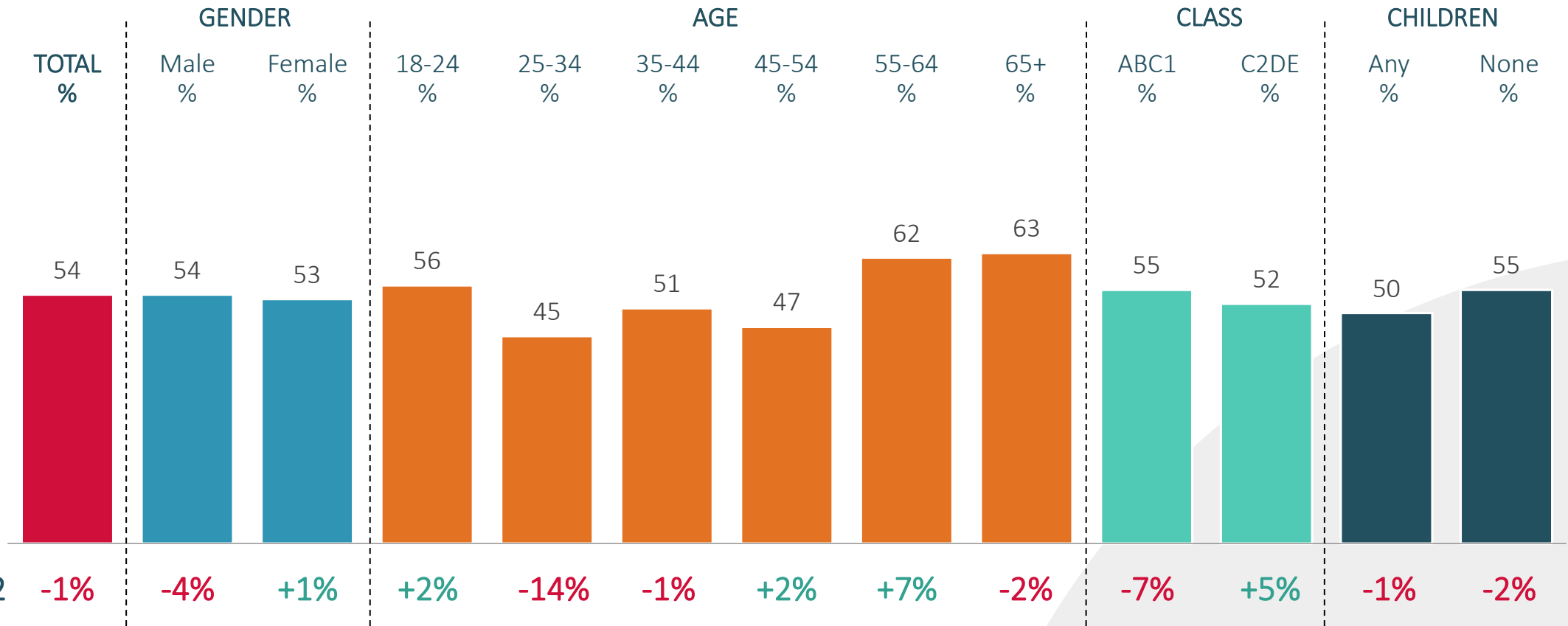


25-34 year olds sees the lowest confidence as well as the biggest drop in confidence since April. 45-54 year olds and parents of dependent children are also less confident.

Expectations for employment in the next 6 months



% Stating they believe it will be better/the same



Vs. Apr 2022

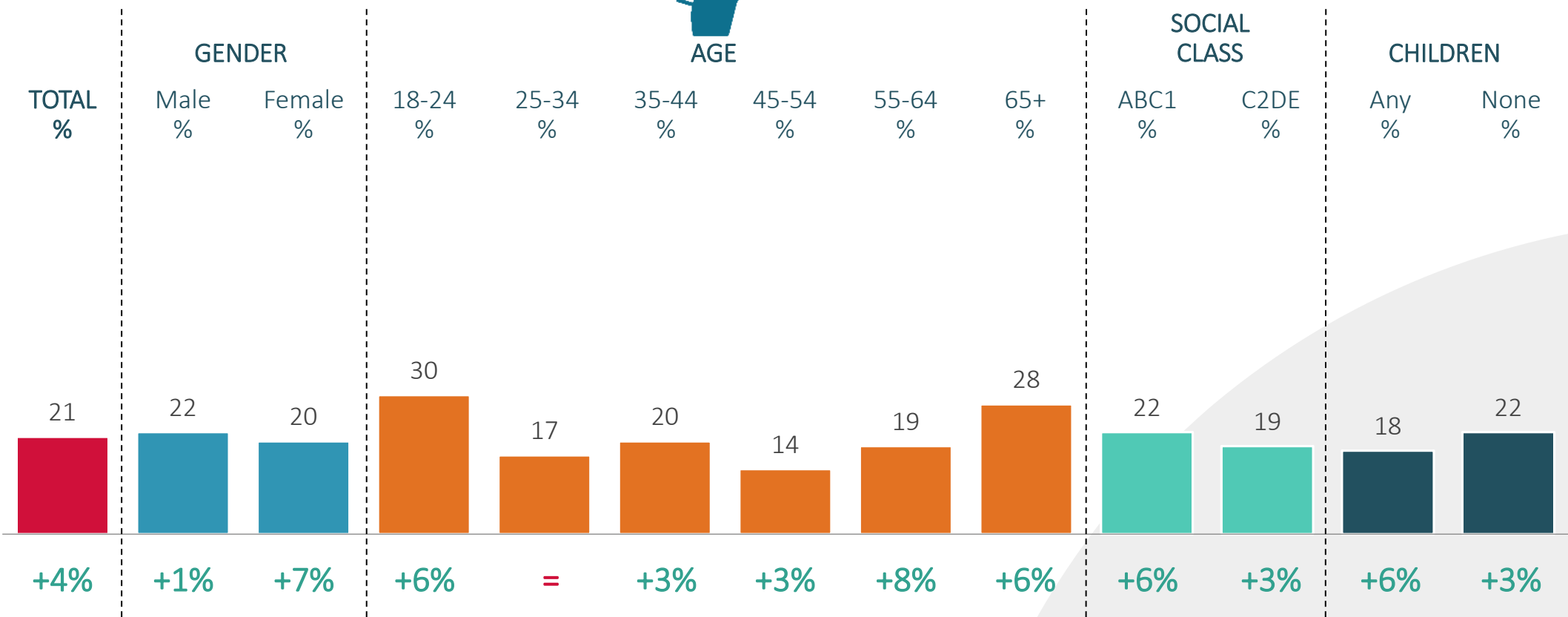
Expectations for income highest among 18-24s and over 65s



All demographics see a slight increase in confidence for their level of disposable income with the exception of 25-34 year olds. They, and 45-54 year olds are the least confident.

Expectations for level of discretionary disposable income in the next 6 months

% Stating they believe it will be better/the same



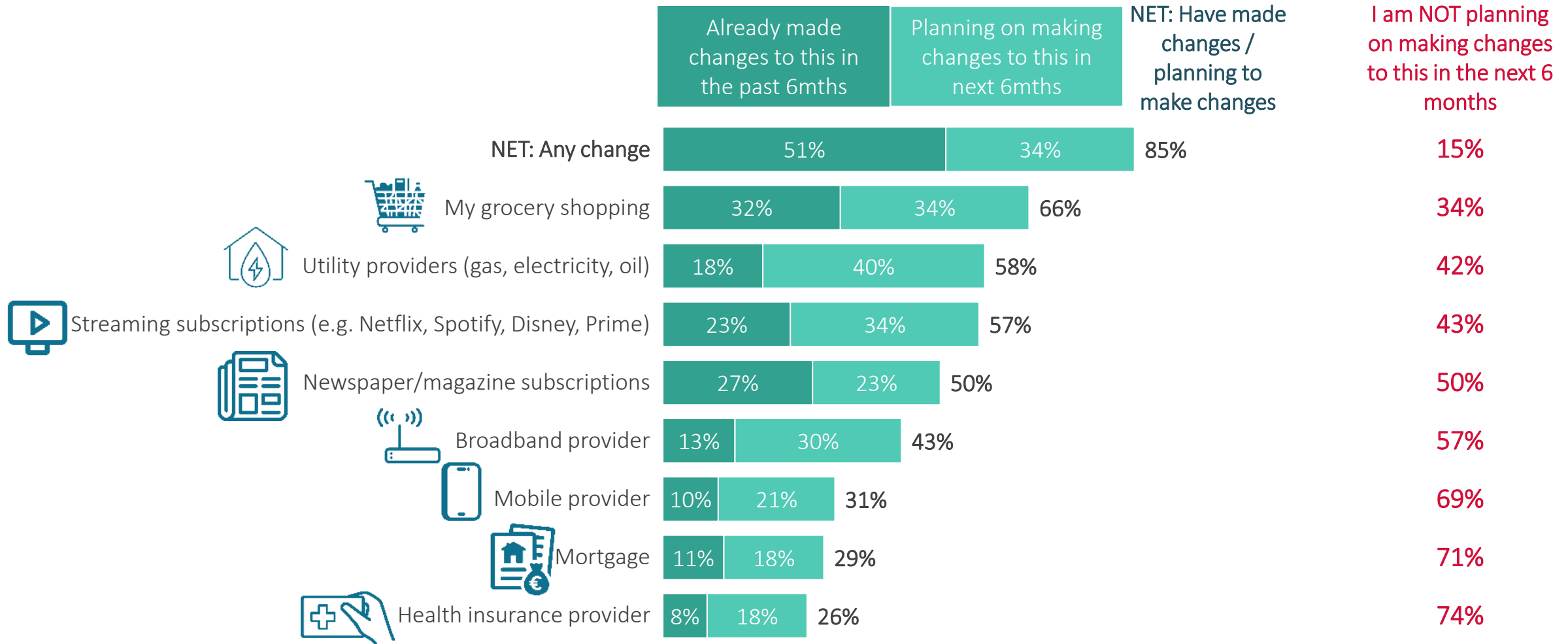
**Consumers
planning to cut
costs by changing
their grocery shop,
utility providers
and subscriptions**



Vast majority planning to tighten belts, but only half have done so

Half say they have made changes to their life so far this year in order to cut costs, while a further third plan to. The main areas people have or plan to target are groceries, utilities, and streaming/media subscriptions.

Which of the following have you made changes to in order to cut costs?



Note: excluding n/a responses

Women more likely than men to be trying to cut back costs

Women, as well as parents, are more likely to review their grocery shop or cut back on news/magazine subscriptions. 35-54 year olds are more likely to review subscriptions, broadband or health insurance.



Which of the following have you made changes to in order to cut costs?

		Gender		Age			Social Grade		Dependent Children		Region			
NET: Have made changes/ planning to make changes	Total	Male	Female	18-34	35-54	55+	ABC1	C2DE	Any	None	Dublin	ROL	Munster	Conn/ Ulster
NET: Any change	85%	81%	88%	83%	86%	84%	85%	85%	89%	82%	83%	85%	85%	86%
My grocery shopping	66%	58%	74%	67%	69%	63%	65%	68%	73%	63%	62%	65%	68%	74%
Utility providers (gas, electricity, oil)	58%	57%	59%	54%	61%	57%	58%	59%	62%	56%	54%	54%	62%	65%
Streaming subscriptions (e.g. Netflix, Spotify, Disney, Prime)	57%	56%	57%	56%	59%	52%	52%	59%	63%	52%	56%	53%	57%	62%
Newspaper/magazine subscriptions	50%	45%	57%	41%	64%	43%	47%	52%	63%	45%	44%	57%	47%	54%
Broadband provider	43%	39%	46%	42%	50%	35%	42%	46%	55%	36%	41%	38%	45%	50%
Mobile provider	31%	30%	31%	32%	34%	26%	29%	33%	36%	28%	30%	33%	30%	30%
Mortgage	29%	30%	28%	29%	31%	18%	35%	23%	32%	26%	31%	32%	32%	15%
Health insurance provider	26%	26%	26%	27%	33%	17%	23%	32%	37%	19%	22%	25%	27%	34%



Significantly higher than total population at 95% confidence interval



Significantly lower than total population at 95% confidence interval

Note: excluding n/a responses

Appendix

- Methodology
- About RED C

Methodology

- 1,018 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 44th Wave of the RED C Consumer Mood Monitor and fieldwork was conducted from the 7th – 12th July 2022.



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**.



We deliver

CLARITY

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

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

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



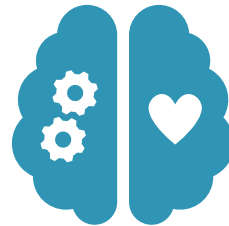
Mapping and delivering easy and enjoyable customer journey's and experiences to maximize purchase and retention.

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