



Consumer Mood Monitor

October 2022



October 2022

Confidence in the economy remains at an historic low point in the wake of sustained concerns around the cost-of-living, rising interest rates, the affordability of housing and uncertainty regarding the global economic outlook

Consumer confidence remains in the doldrums



1

Irish consumers remain concerned about the outlook for the economy heading in to 2023, with the number expecting it to improve at an historic low point. While the cost-of-living crisis continues to dominate consumer thinking, other factors such as rising interest rates and the outlook for the global economy are a concern.

2

In addition, political and economic instability in the UK, along with the impasse on the Northern Ireland protocol, is prolonging concerns about the ongoing impact of Brexit on the Irish economy.

3

Outlook on disposable income remains decidedly negative while confidence in the jobs market has dropped to the lowest level since the pandemic. This outlook combined with other concerns has led to consumers trying to reduce their spend across all categories.

4

Consumers are clearly planning on making changes to their spending. We see the highest number saying they will decrease their spend on entertainment, and on holidays, since the early days of the pandemic, while the majority also plan to cut their spend on consumer goods.

5

The majority expect their grocery spend to stay the same or increase, although we see fewer expecting to increase their spend than in July, reflecting intentions to cut back and save money. Most also expect their energy and fuel spend to increase, but with an increase in those who are planning on cutting their spend in these areas, reflected by the majority reporting using less heating and electricity.

6

With a majority of people reporting a lower quality of life than a year ago, this has or may change behaviours in different ways. Many are consuming less current affairs, while half of under 35s are considering emigrating.

Changes in behaviour may persist for some time with only one-in-five expecting that their quality of life will be better in a years' time.

Stagnation in consumer confidence persists

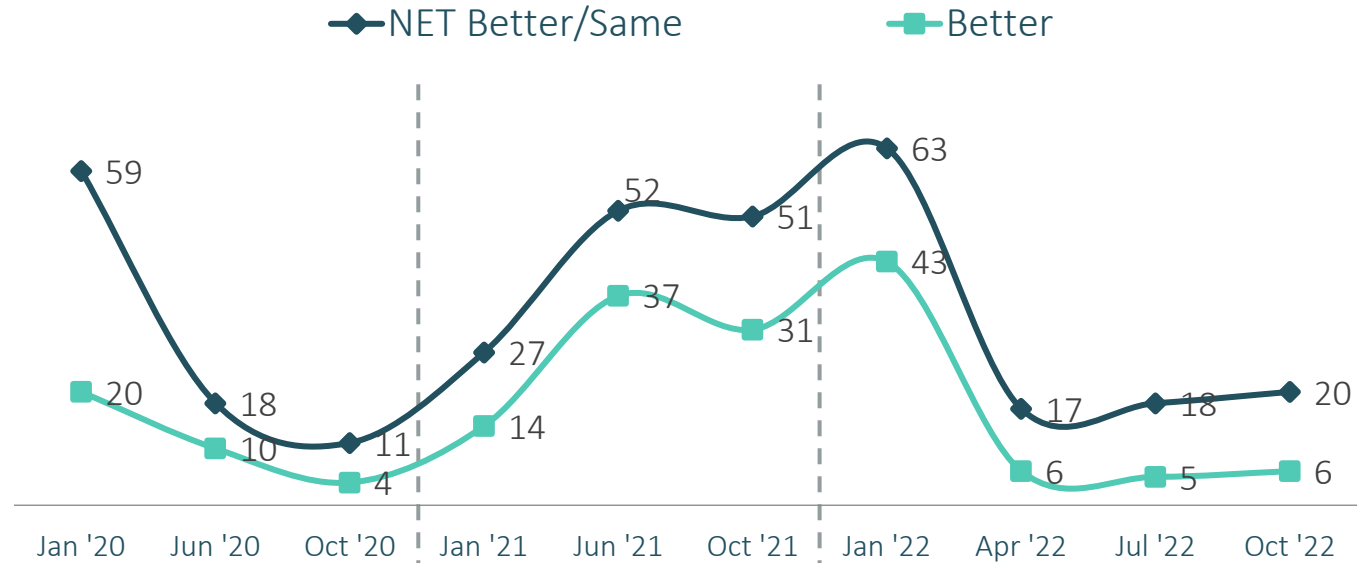




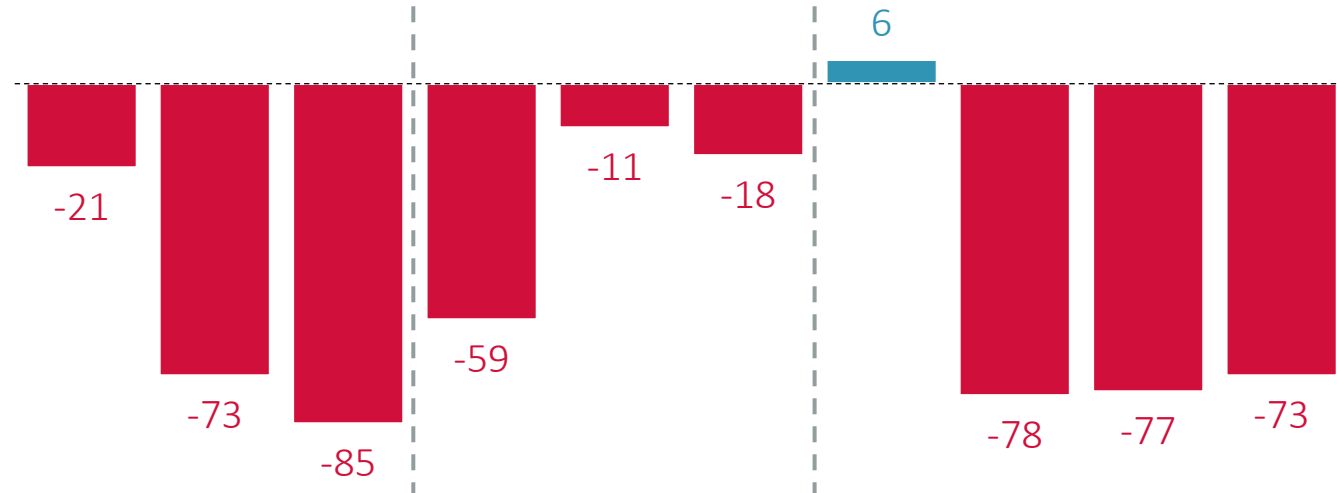
After collapsing in April, consumer confidence has remained stuck close to historic low point

This sustained depression in consumer outlook has only been matched in recent years in October 2020, during the second wave of the COVID-19 pandemic

Expectations for the Irish economy over the next 6mths



NET Expectations = % Better minus % Worse

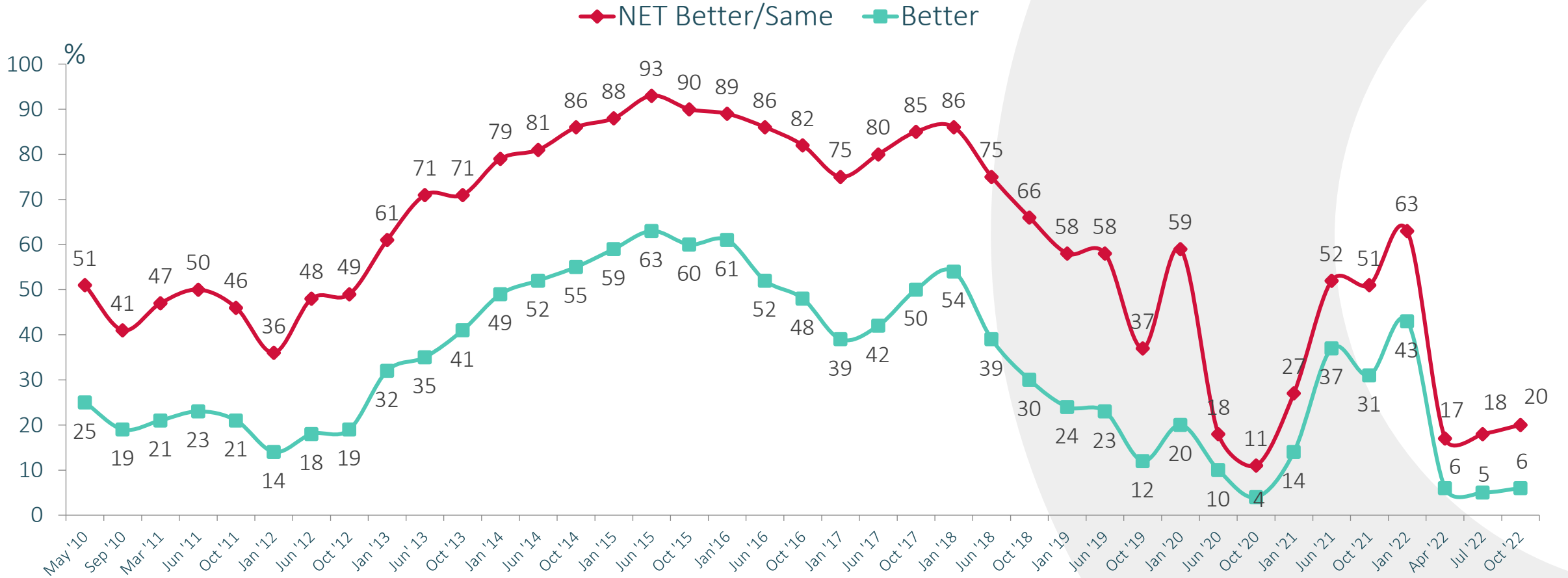


Mood remains below levels observed during financial crisis



Confidence in the Irish economy remains extremely low with only 1 in 5 expecting the economy to at least stay the same. Further, only 6% expect an improvement. This is unchanged in the past six months.

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



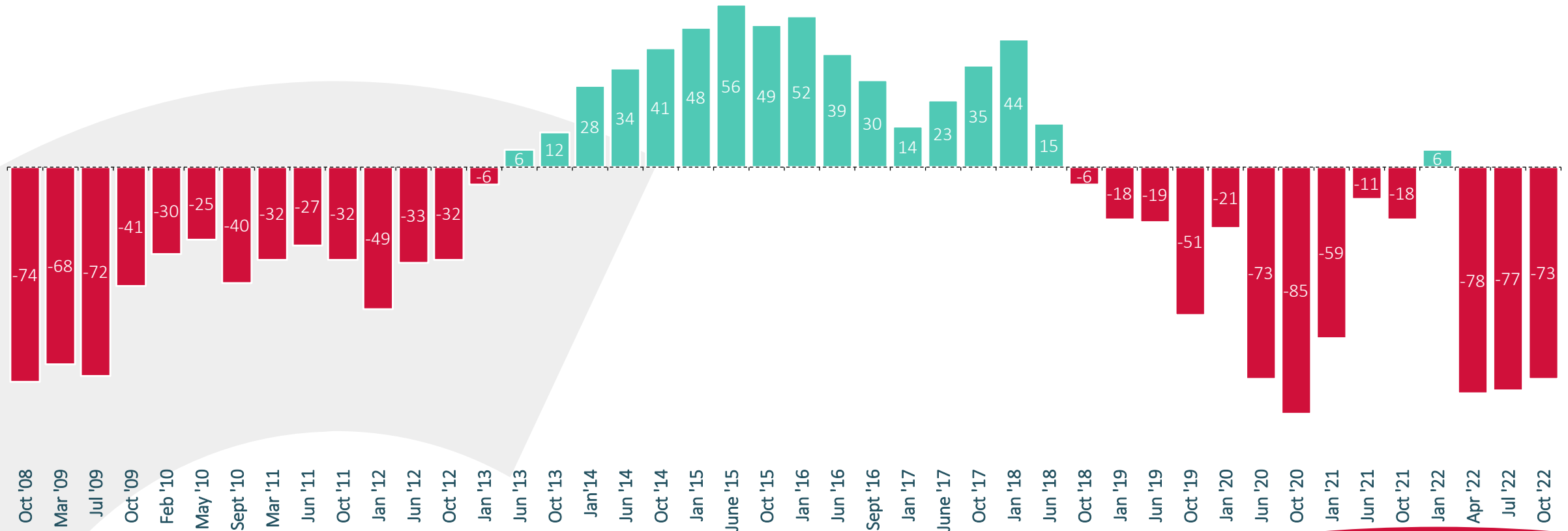
Negative sentiment continues to far outweigh the positive



There has been a marginal uptick in those expecting the economy to stay the same, since April of this year, but with outlook remaining in unequivocally negative territory.

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

NET Expectations = % Better minus % Worse



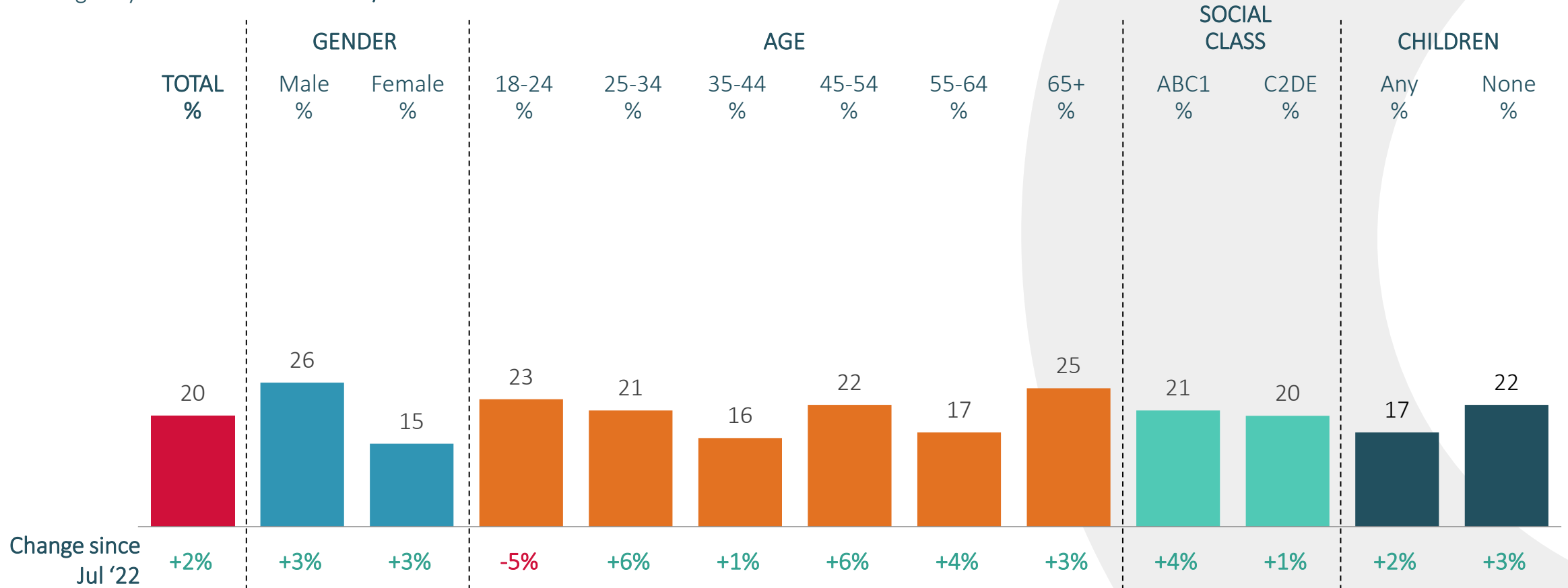
Women remain notably more downbeat on economic outlook



All groups except 18-24 years are marginally more likely to believe the Irish economy will fare the same or better in the coming six months, driven by slightly more believing the economy will stay at the current level.

Expectations for the Irish economy 6 months from now

% Stating they believe it will be better/the same



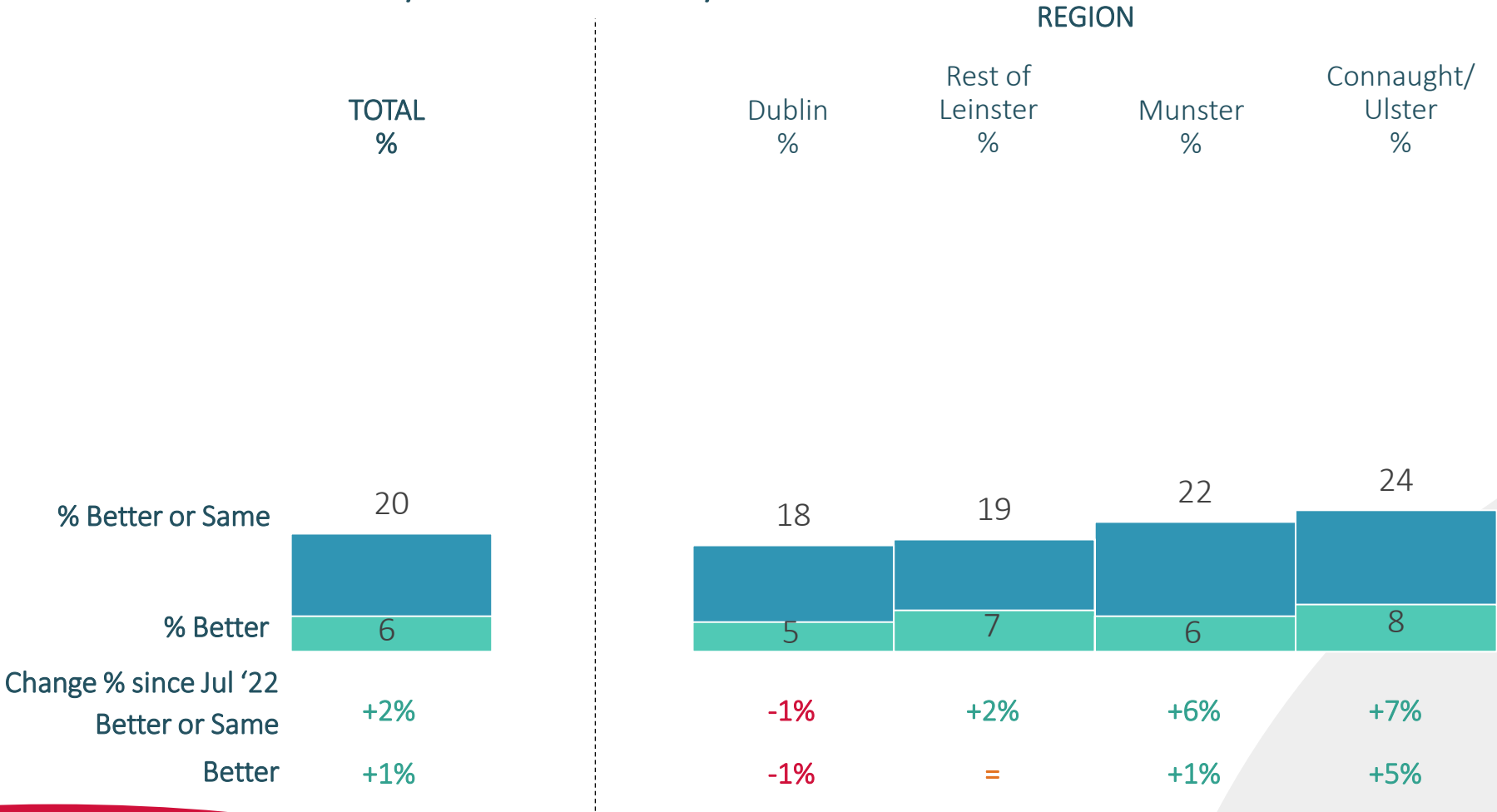
Confidence lowest in Dublin



Munster and Connaught/Ulster have seen the largest uplifts in confidence since September.



Expectations for the Irish economy across the country...



Confidence in world economy continues to shadow Irish economy



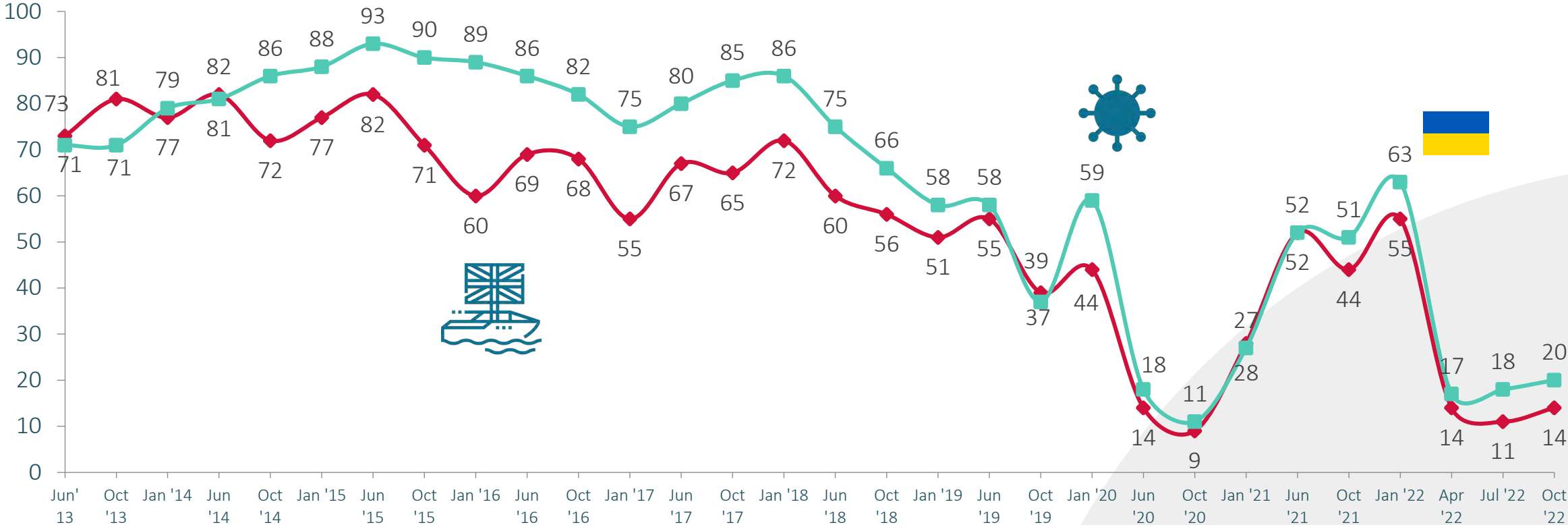
14% expect the world economy to improve or stay the same in the coming six months, unchanged since April and at the lowest level since October 2020.



Expectations for the Irish & World Economy

% NET Better/Same
(next 6 months)

◆ World Economy ■ Irish Economy



High levels of concern exist around the cost-of-living, interest rates, housing, and Brexit

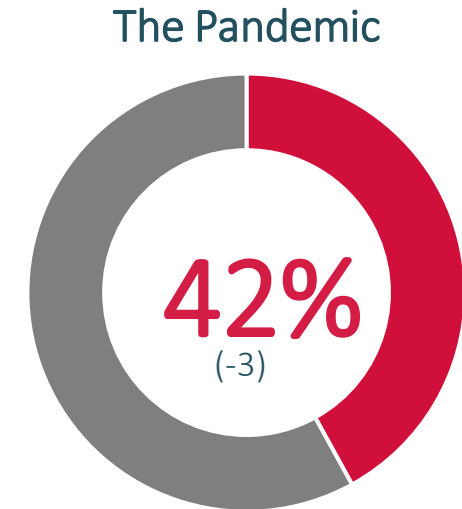
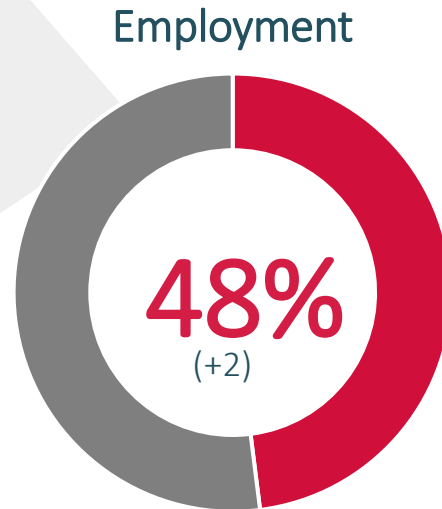
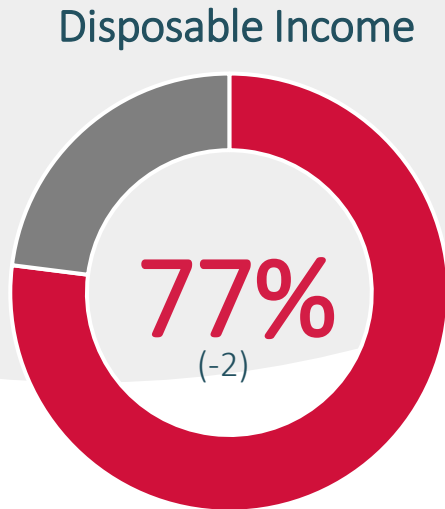
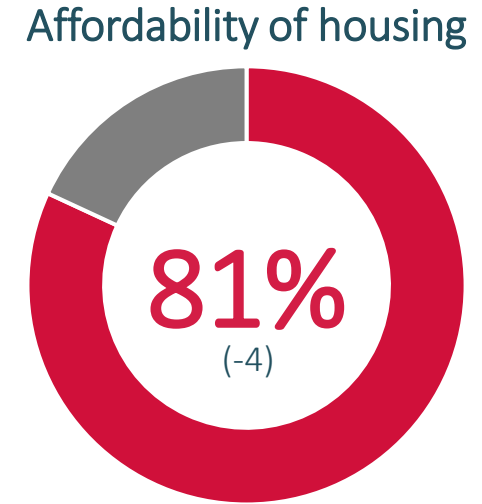
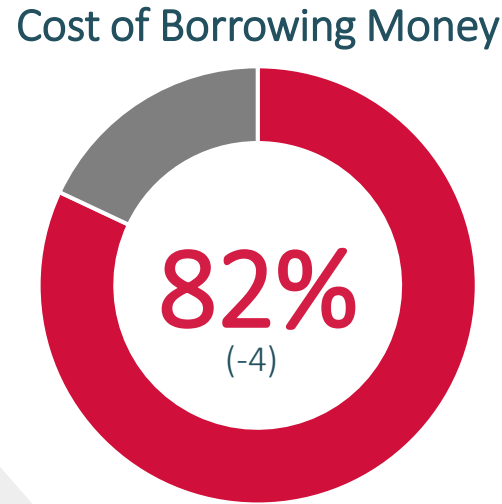
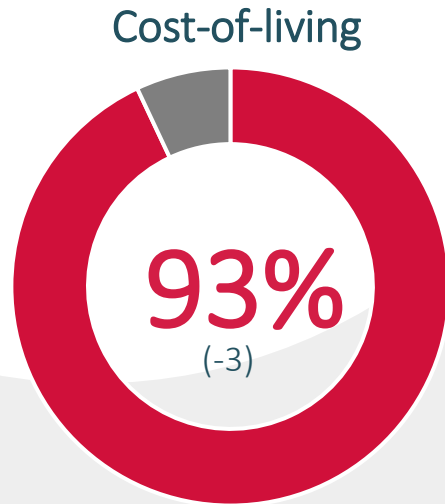


Cost-of-living remains key concern

The majority of Irish adults believe that the Irish and world economies; the affordability of housing; the cost of living; the cost of borrowing money; and their level of disposable income will worsen in the next 6 months.

Expectations for the next 6 months for...

**Slightly/
much worse**
() = Vs Jul '22

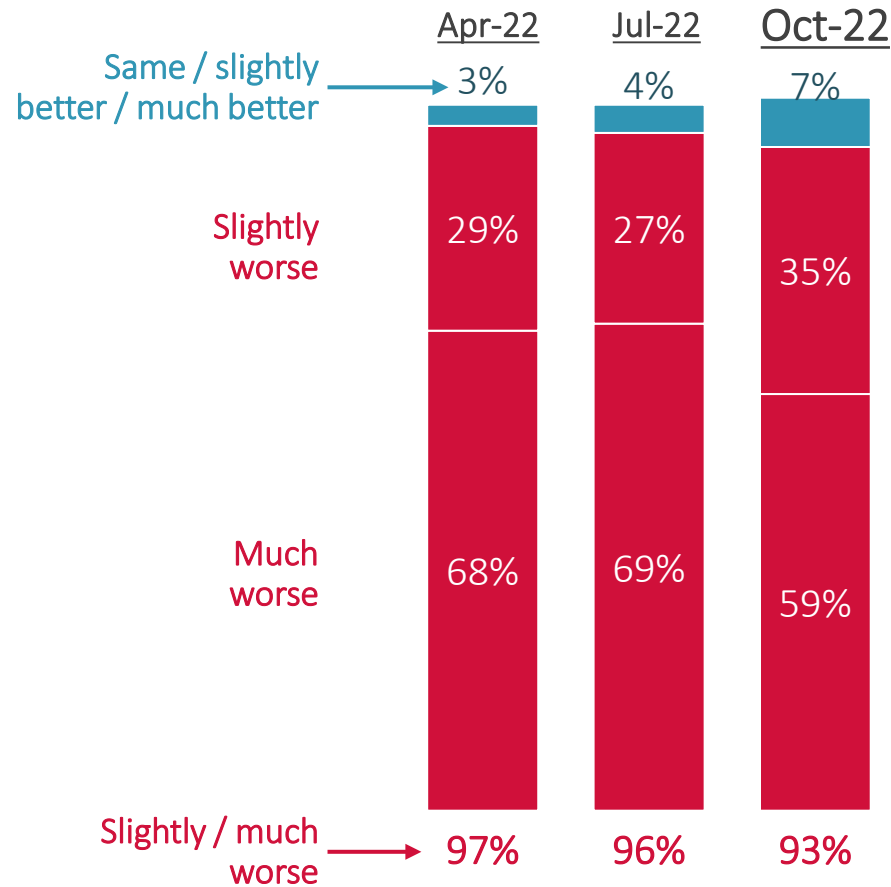


Vast majority expect cost-of-living to worsen in next 6mths

The overwhelming majority within all cohorts expect the cost-of-living to worsen in the coming six months. Concern is marginally lower among under 24s.



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



		NET Worse	NET Worse Vs Jul '22
	Total	93%	-3%
GENDER	Male	91%	-4%
	Female	95%	-2%
AGE	18-24	82%	-7%
	25-34	92%	-3%
	35-44	96%	+1%
	45-54	95%	-3%
	55-64	96%	-3%
	65+	95%	-3%
SOCIAL CLASS	ABC1	92%	-5%
	C2DE	94%	-1%
CHILDREN	Any	93%	-3%
	None	94%	-2%

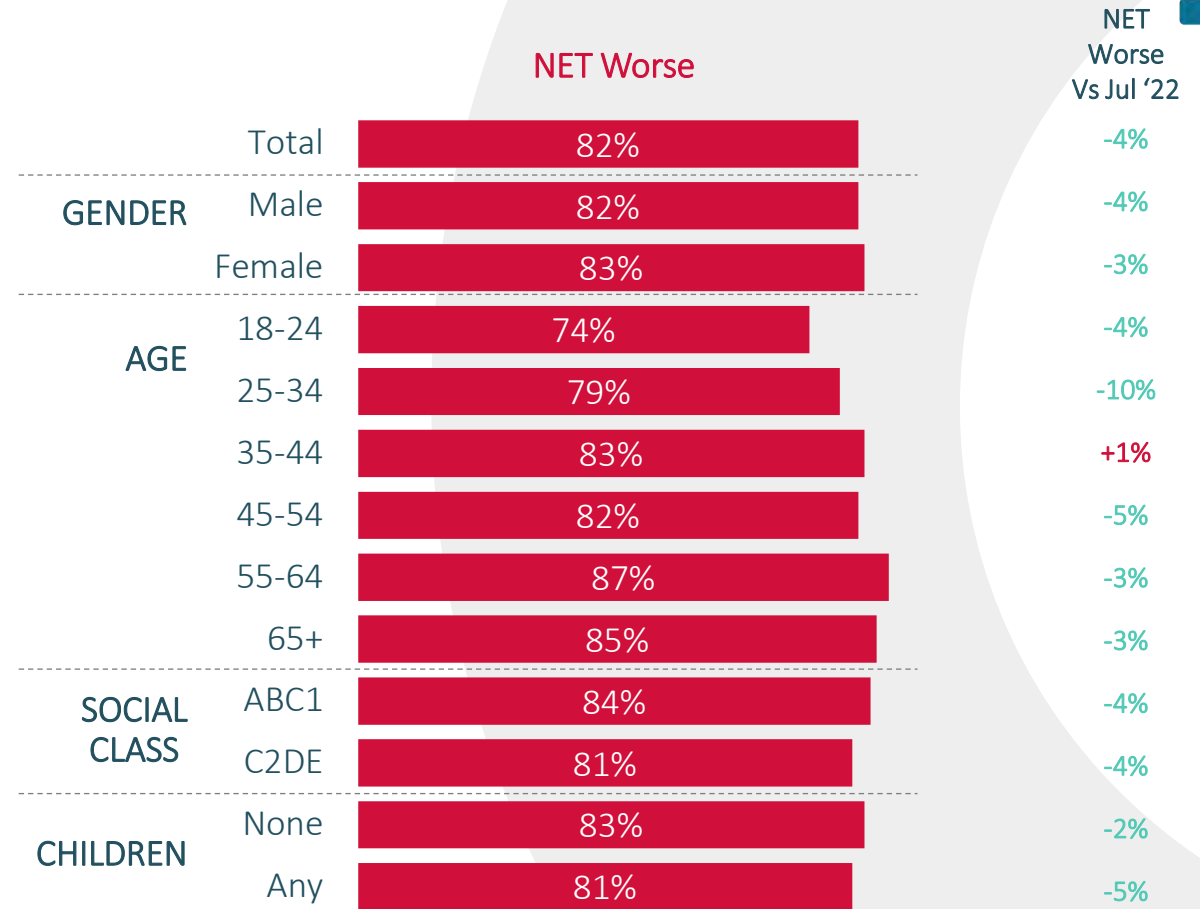
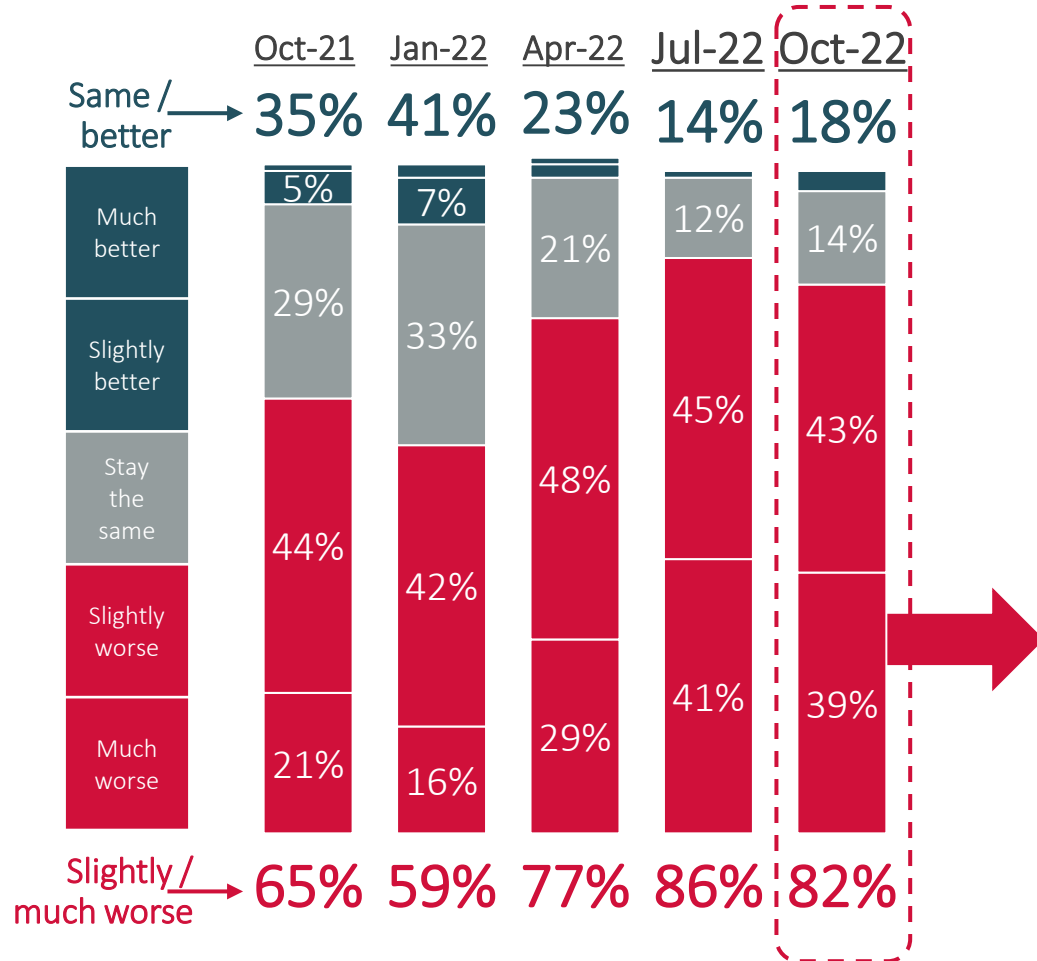
4 in 5 believe the cost of borrowing money will worsen



With interest rates on the rise, over 4 in 5 consumers expect the cost of borrowing money to worsen further in the coming six months.



The cost of borrowing money

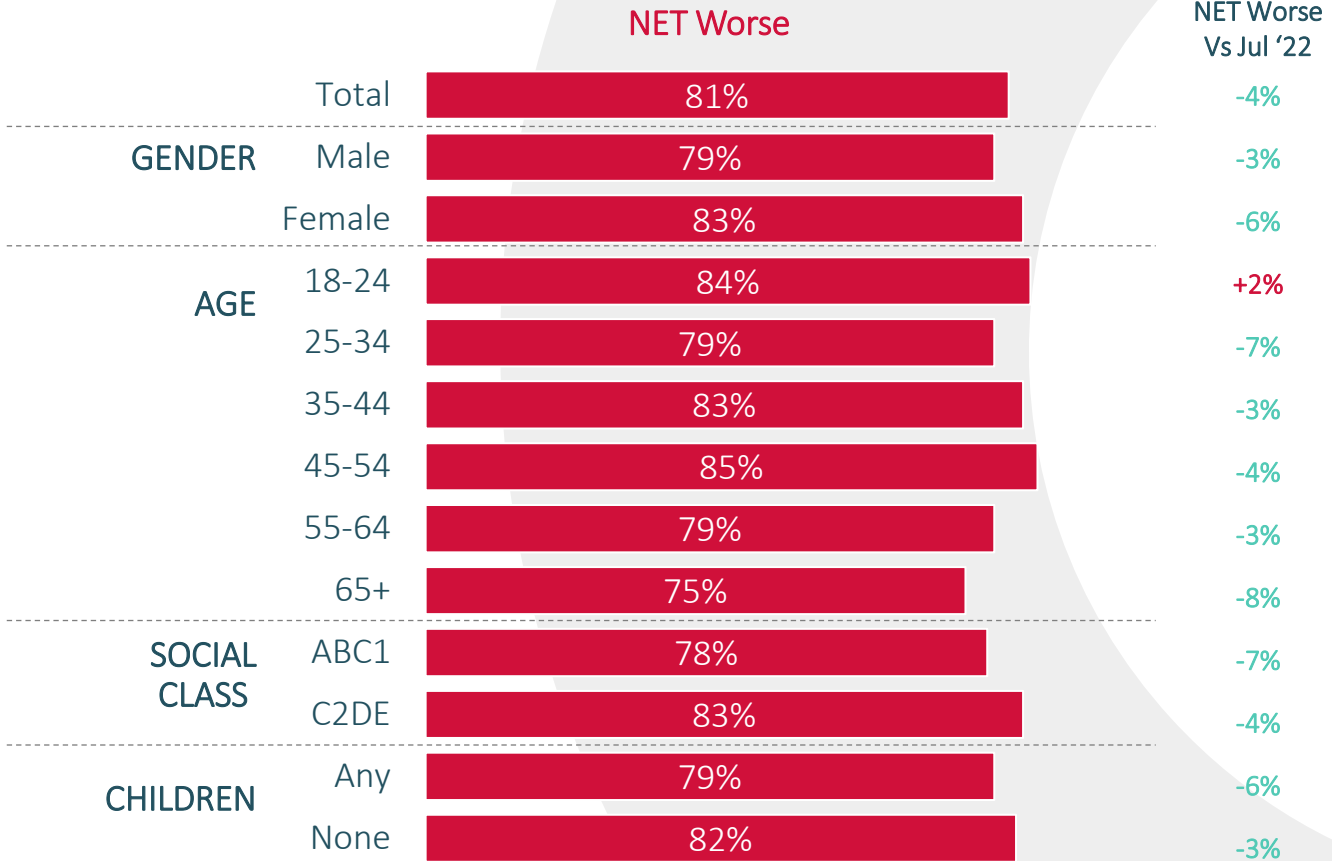
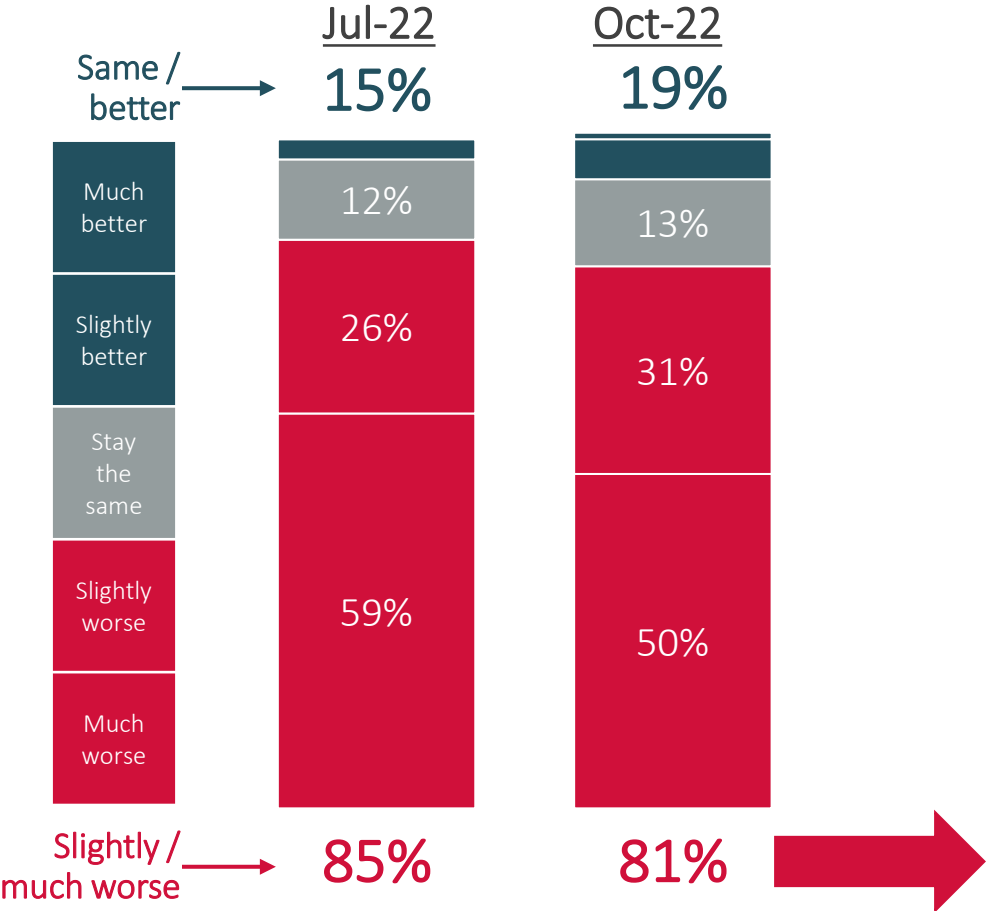


Great majority still expect housing affordability to deteriorate



We see a slight uptick in those expecting the affordability to improve or stay the same, but overall most still expect affordability to be an issue despite recent changes by the Central Bank to mortgage lending rules.

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

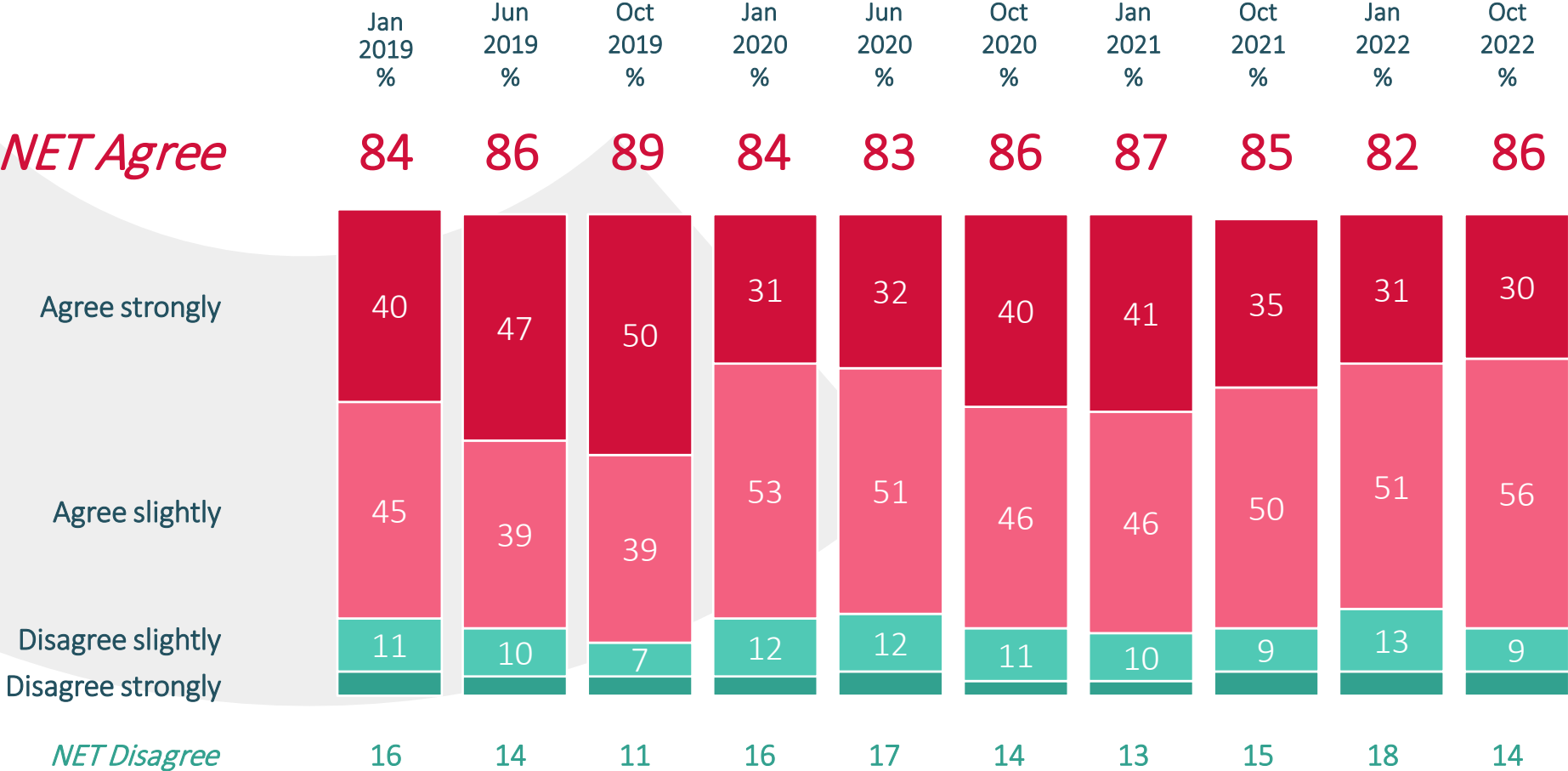
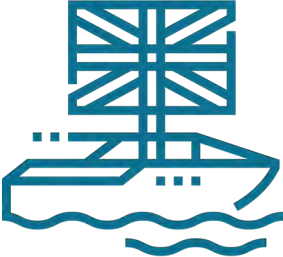


Concern over impact of Brexit on Irish economy has not gone away

The current situation regarding the Northern Ireland protocol and the domestic economic environment for the UK is no doubt contributing to concerns over how this will continue to impact the Irish economy.

Impact of Brexit on Ireland’s Economy

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



**Expectations for
disposable income
remain decidedly
negative**



Consumers still expect to have less discretionary income



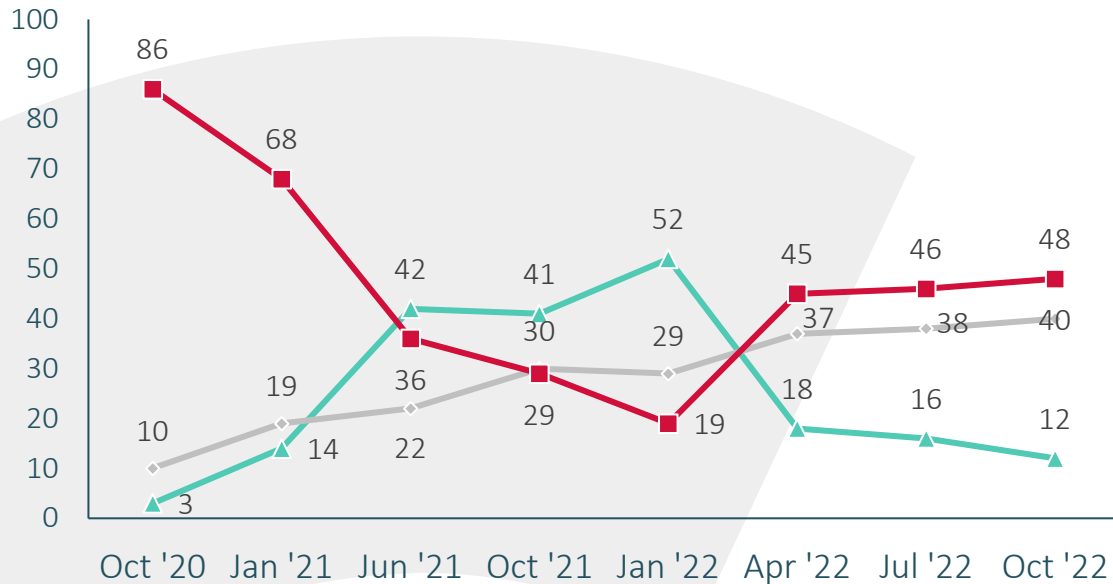
Almost half believe employment will worsen in the coming six months, the highest level since January 2021. The number who expect their disposable income to worsen is down slightly since April, but is still at 77%.

Expectations for the next 6 months for...



Employment; the ability to get & move jobs

▲ Better ◆ Same ■ Worse



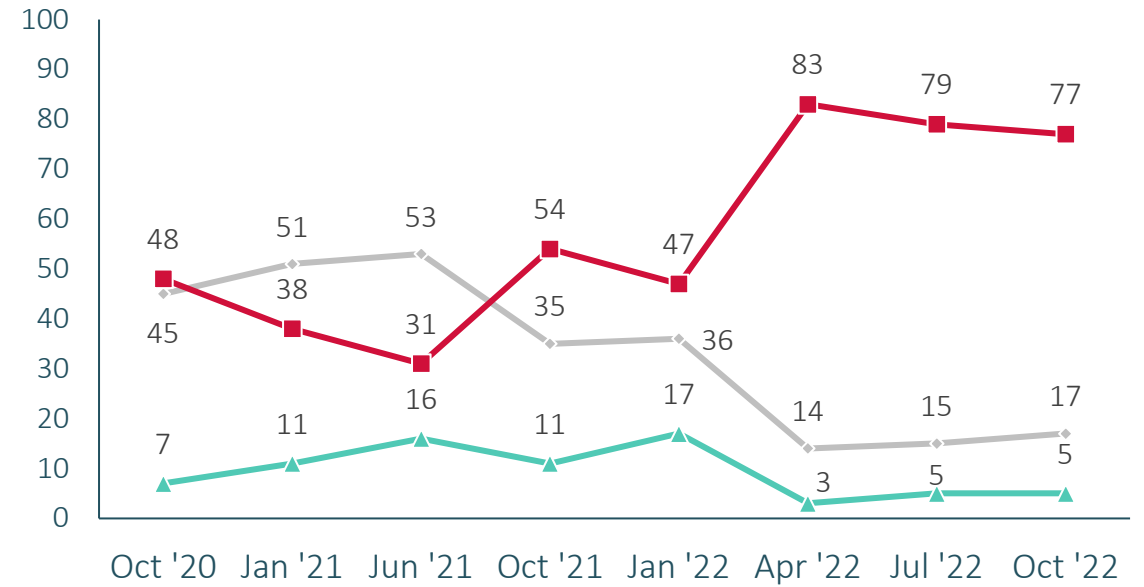
Better minus worse

-83 -54 +6 +12 +33 -27 -30 -36



Your level of discretionary disposable income*

▲ Better ◆ Same ■ Worse



-41 -27 -15 -43 -30 -80 -74 -72

*changed from 'Your Disposable Income' in Oct 2021

Confidence in the jobs market similar among key demographics

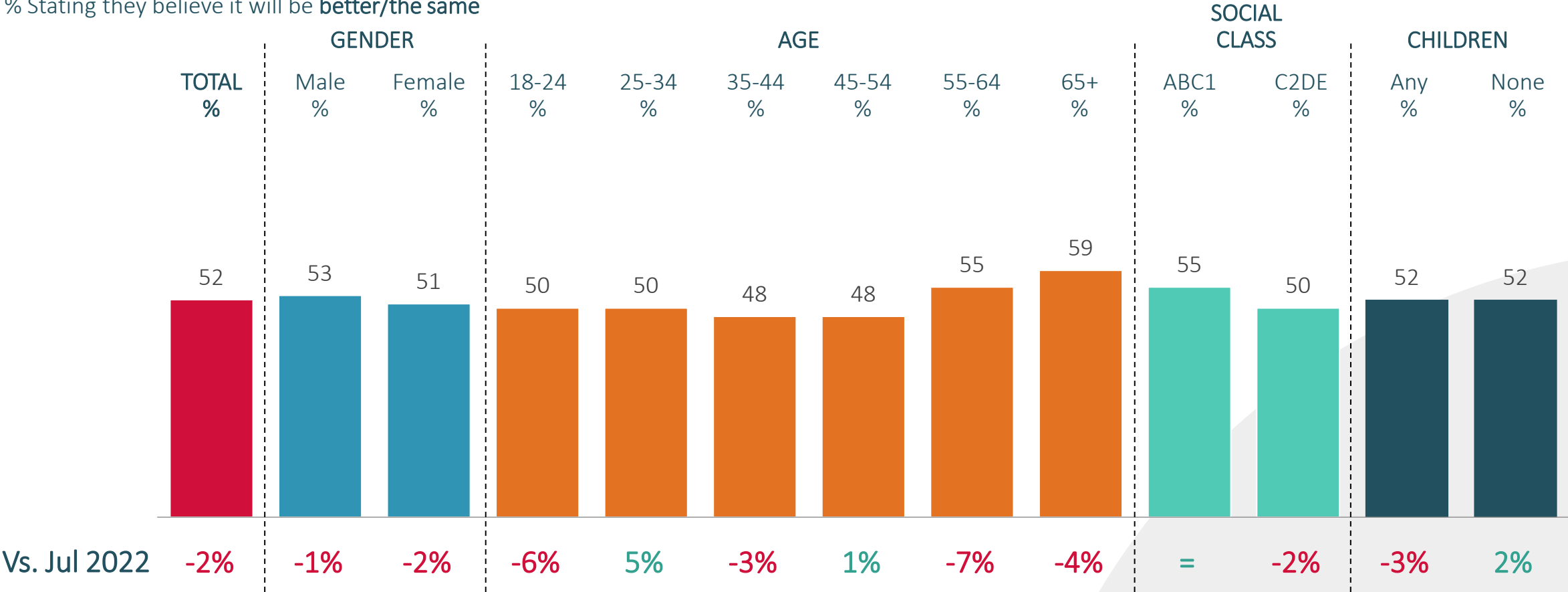


While over 55s see the highest confidence in employment, their outlook has become more negative since July. Only 25-34 year olds have become more confident in this time.



Expectations for employment in the next 6 months

% Stating they believe it will be better/the same



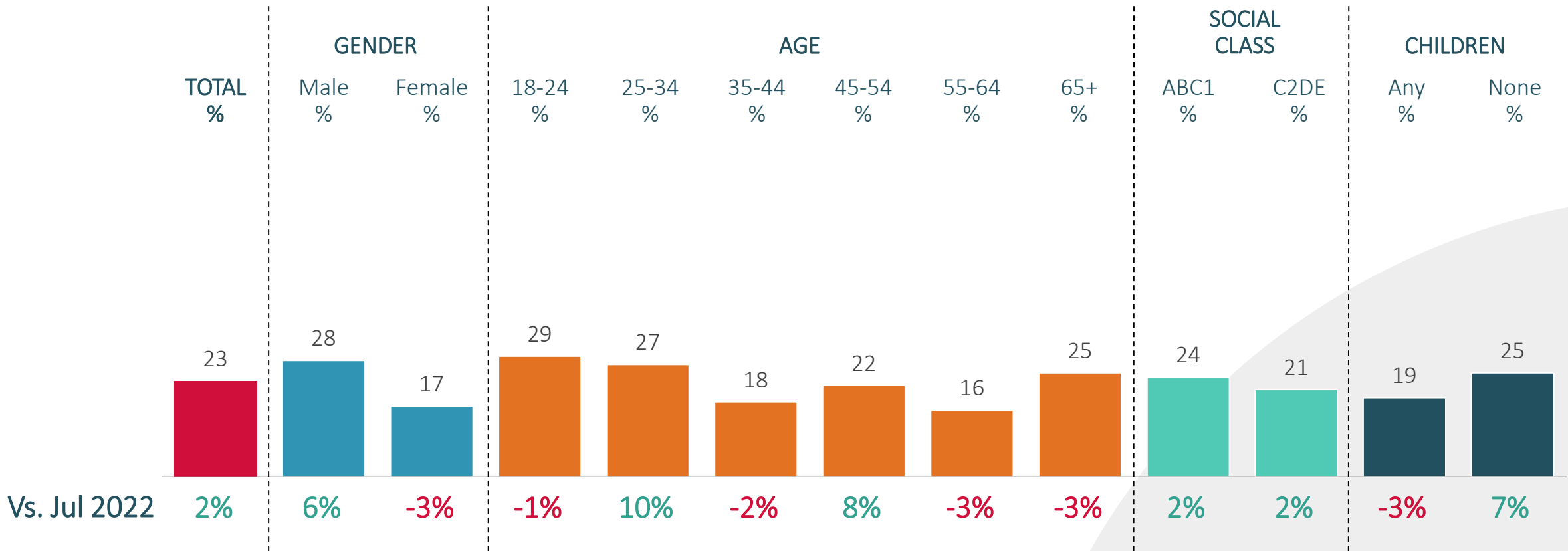
Women less optimistic in regards to disposable income



Men, 18-34 year olds, higher social grades and those without children are more likely to believe their level of disposable income will be the same or better.

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

% Stating they believe it will be better/the same

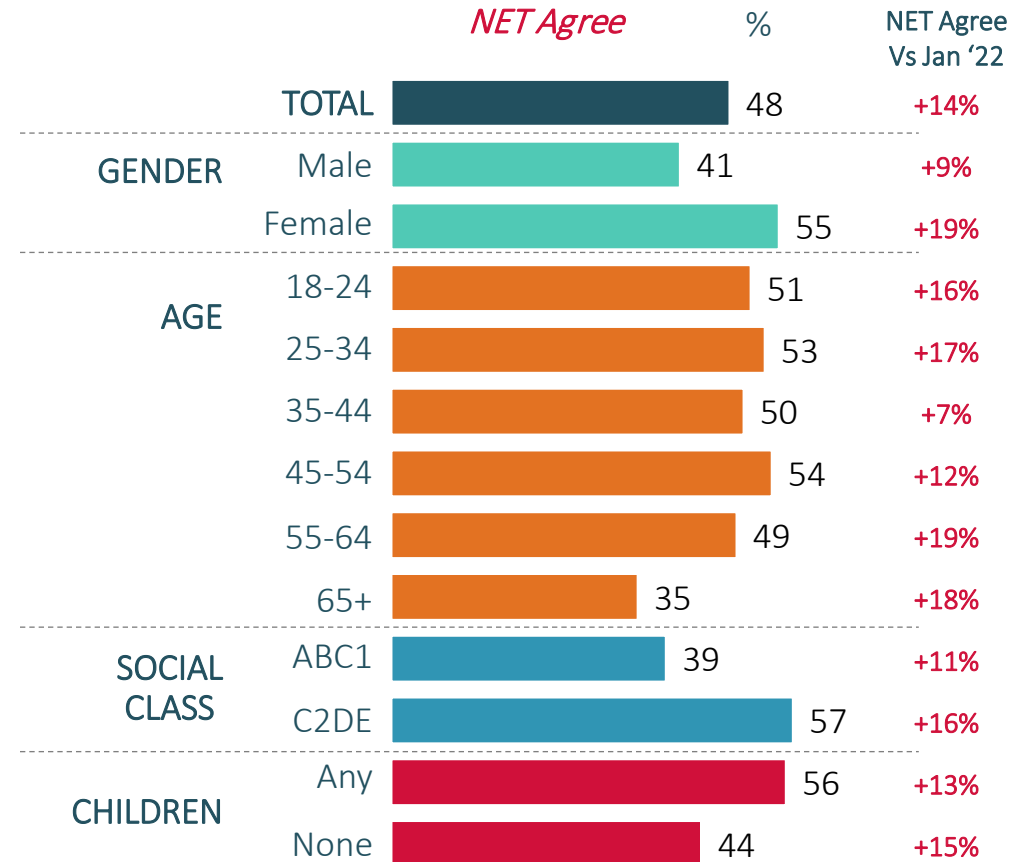
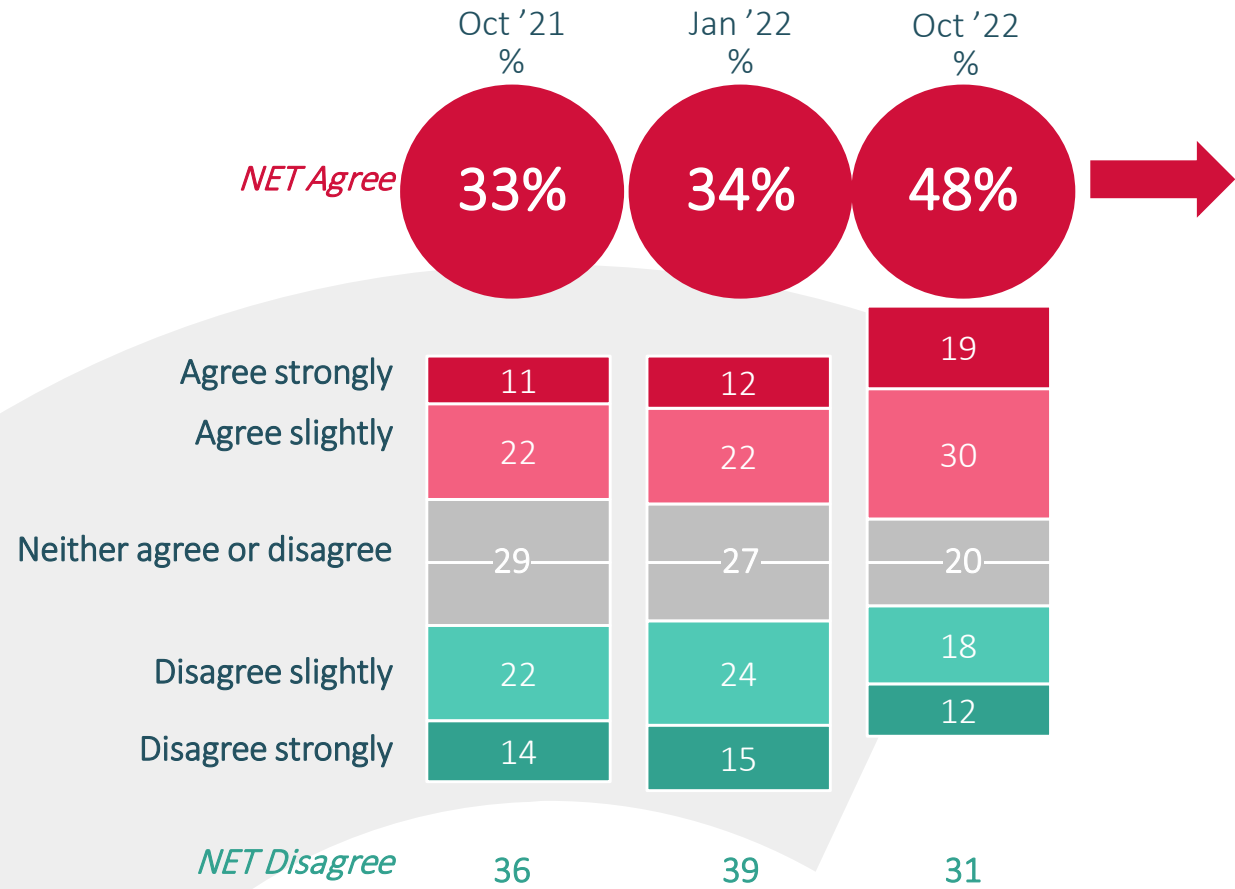


Almost half say they are struggling to make ends meet



Up notably on January, almost half say they are struggling. Men, over 65s, higher social grades and those without children are less likely to say they are struggling, but all cohorts are struggling more than in January.

I am struggling to make ends meet





Consumers actively looking to cut spend on all areas including groceries, energy bills, and fuel



Consumers expecting to reign-in spending across the board

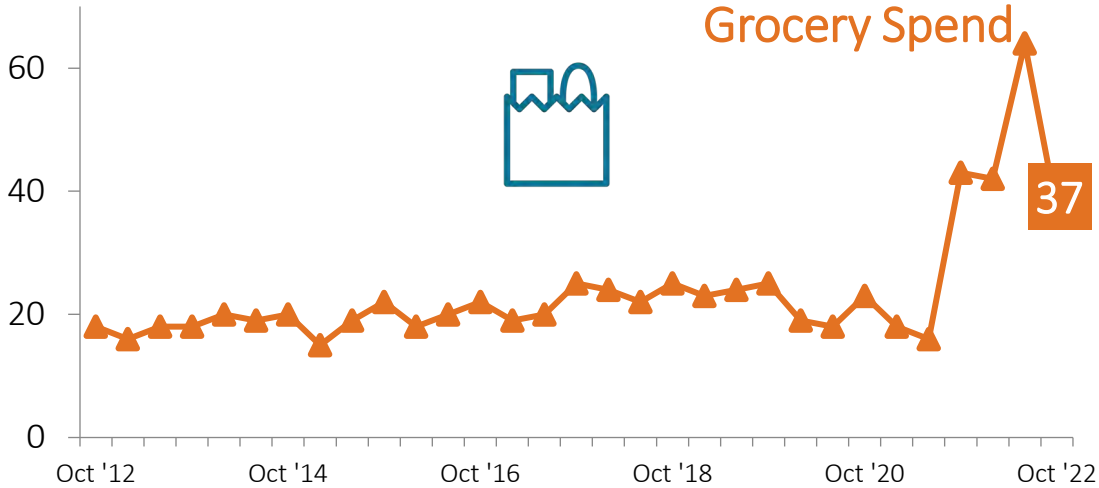


There is a downwards trajectory in those planning on spending more on entertainment, holidays and consumer goods, while fewer are expecting to increase their grocery spend than in July.

Vs Jul '22

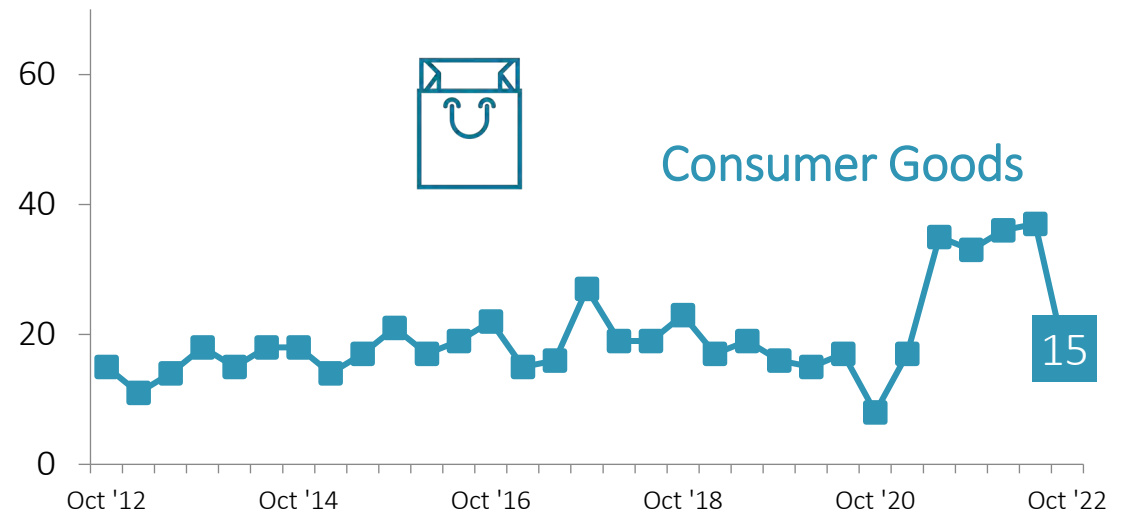
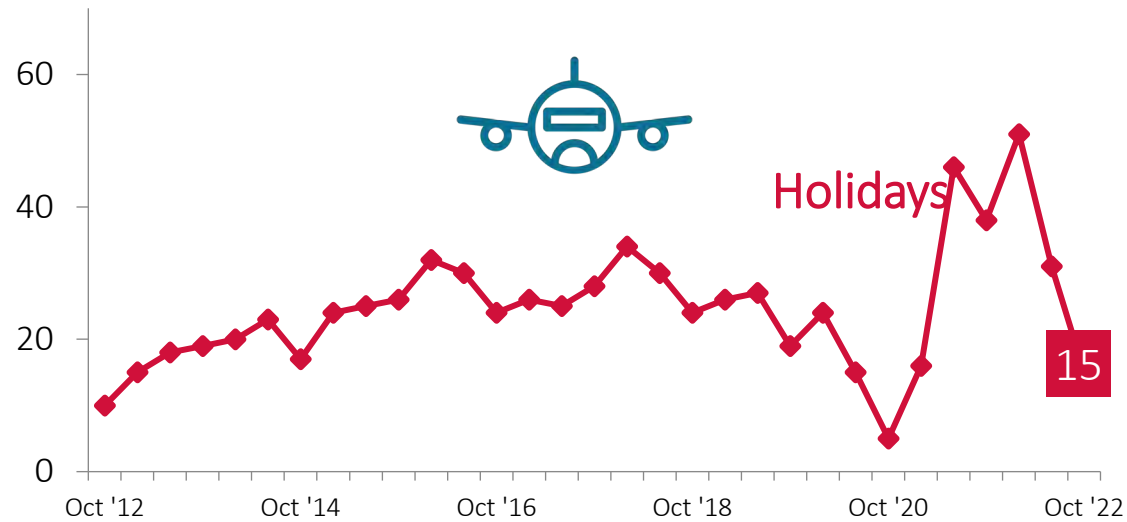
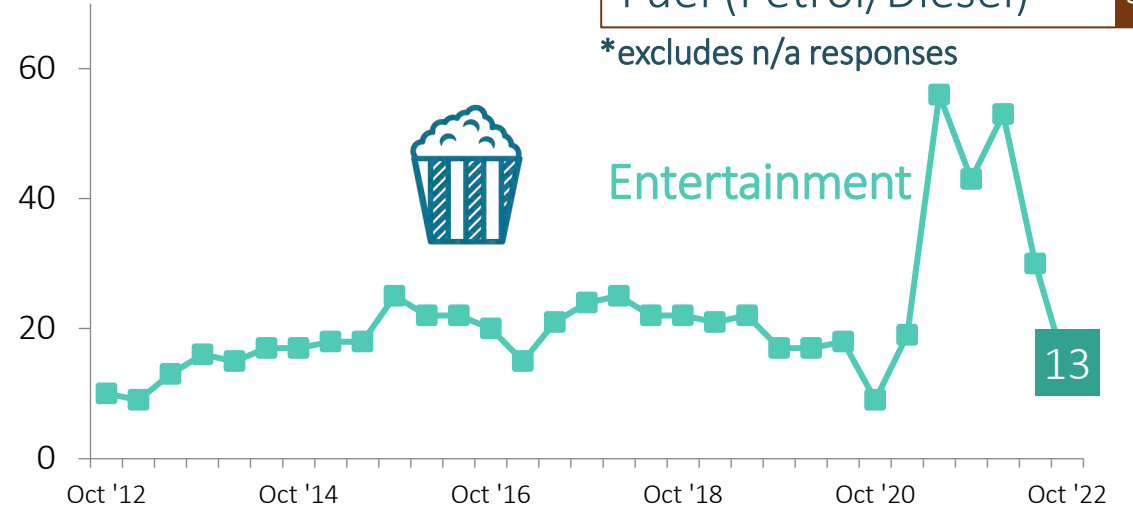
Expected Increase in Spend In The Next 6 Months

% Likely to increase spend
(next 6 months)



Household Energy Bills	73	(-7)
Fuel (Petrol/Diesel)*	53	(-18)

*excludes n/a responses

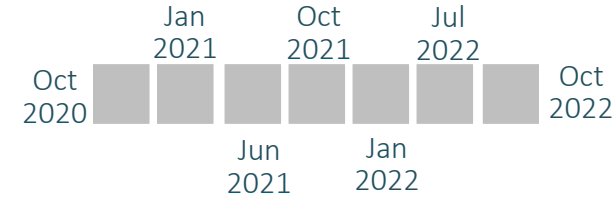


Consumers expect to spend less in all key categories



We see the highest level since the beginning of the pandemic who are planning on reducing their spend on entertainment, consumer goods and holidays.

Expected Changes In Spend Over The Next 6 Months



Entertainment such as going out, eating, drinking or socialising



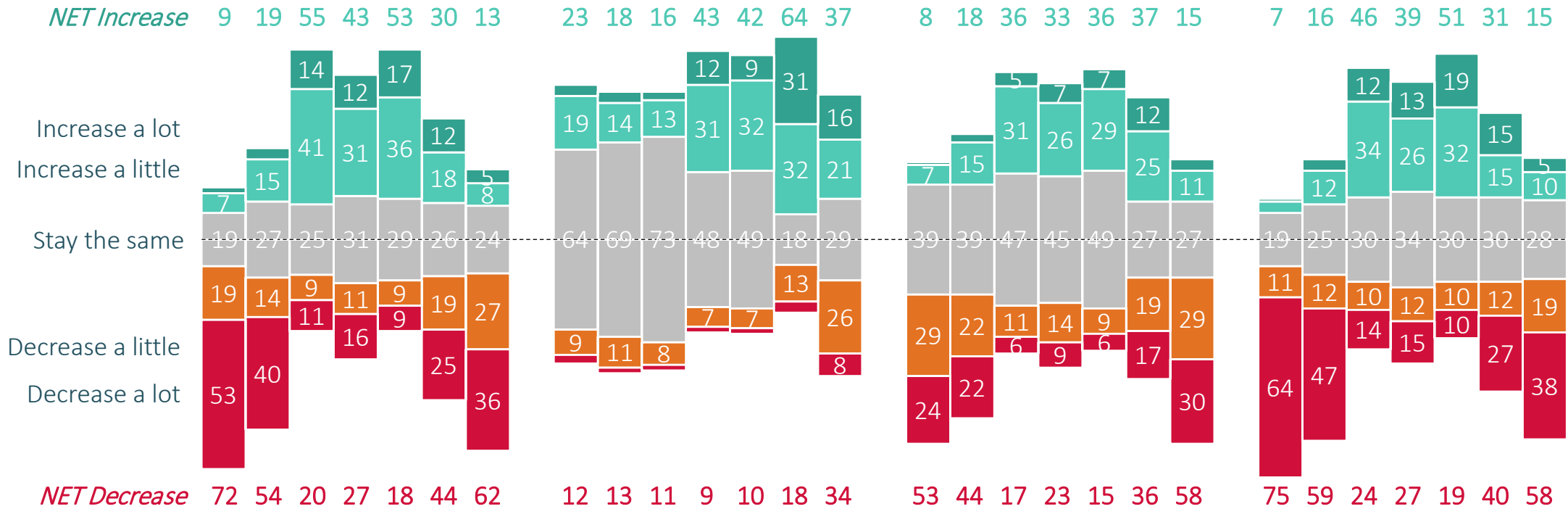
Grocery spend



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



Holidays and short breaks



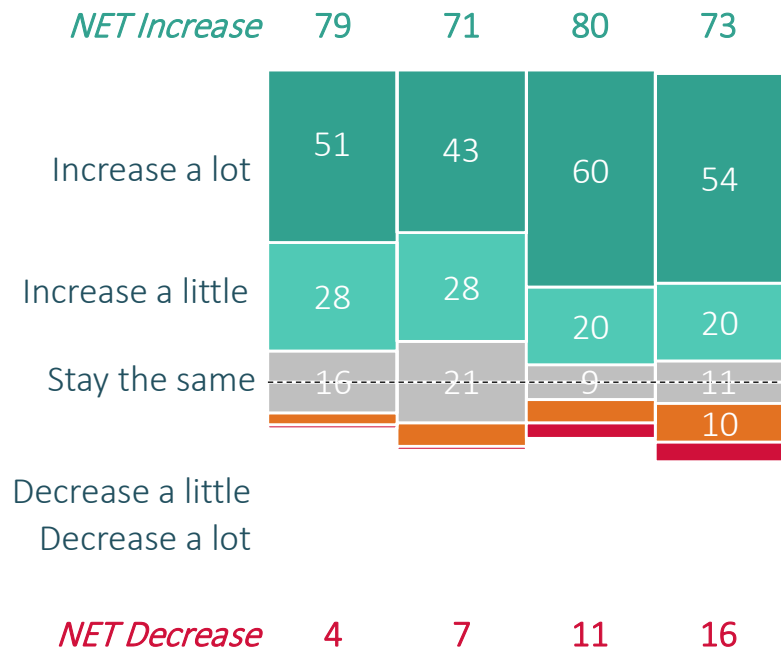
Majority expect energy bills to increase further



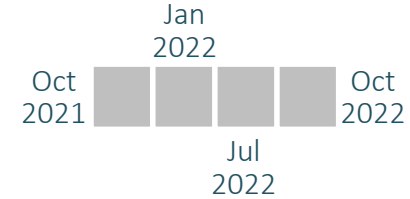
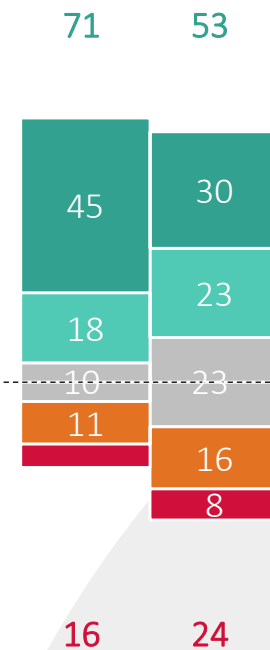
While 3 in 4 still expect their energy bills to increase, a growing number are actively planning to decrease their spend. We also see more who are planning on reducing their spend on petrol/diesel.

Expected Changes In Spend Over The Next 6 Months

Household energy bills e.g. electricity, gas*



Fuel (petrol/diesel)*



*excludes n/a responses

**Most think the
pandemic will fare
the same or better
this winter, but
concerns have not
yet dissipated**



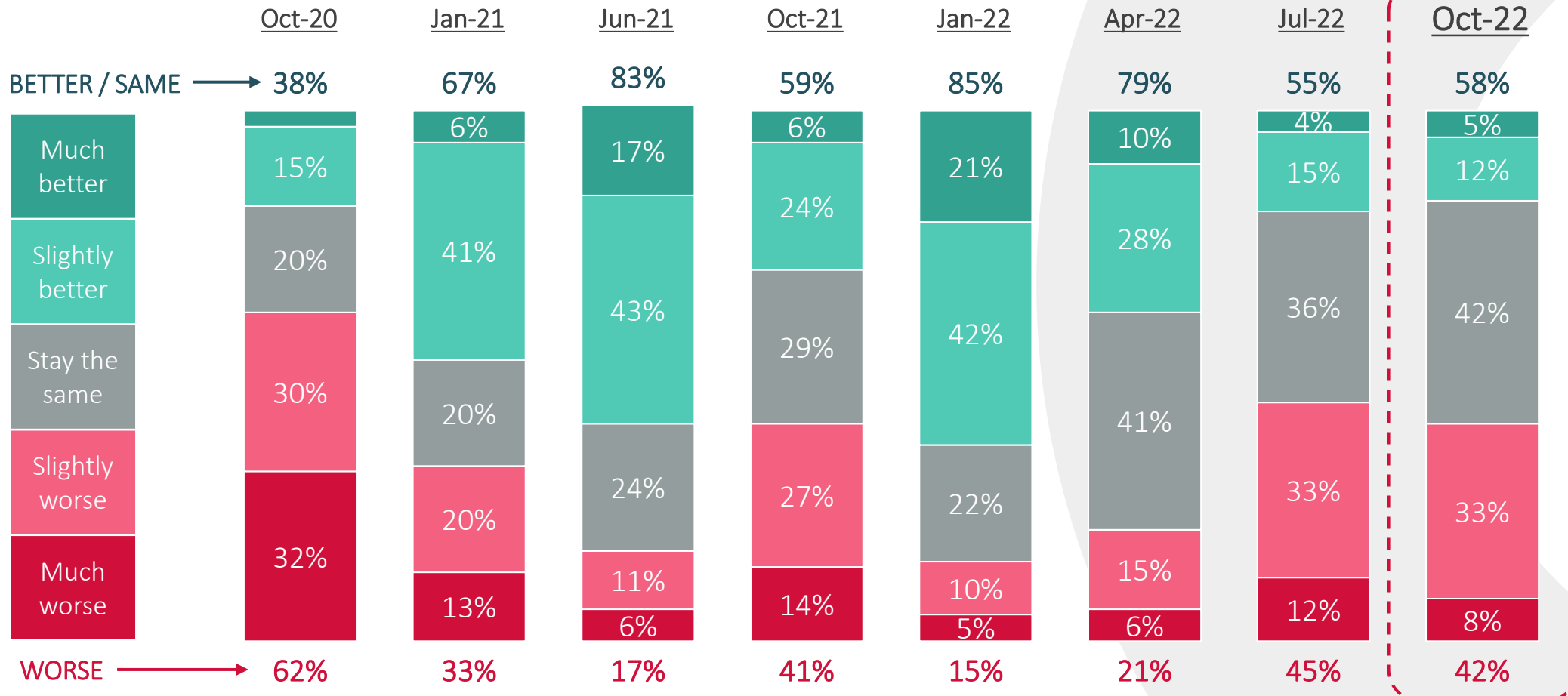
Some concern persists around the COVID-19 pandemic



While the majority believe the pandemic will fare the same or better in the coming six months, over 2 in 5 expect it to worsen, broadly unchanged since April and as high as in October 2021



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



**The cost of living
crisis is impacting
on people's
behaviour and how
they view their
quality of life**

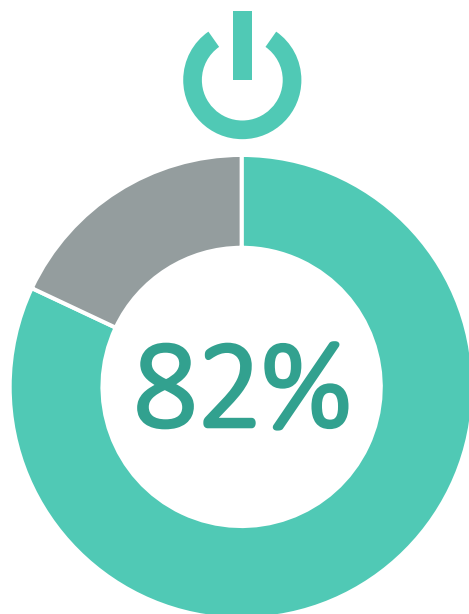


Adults using less heating/electricity while saving less money

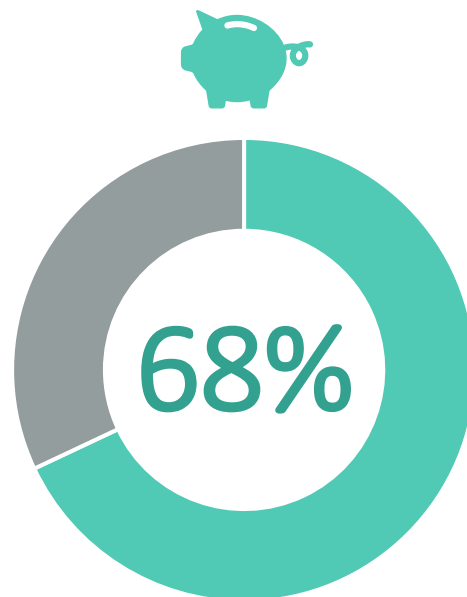


Over 4 in 5 Irish adults say they are actively using less heating and electricity, while almost 7 in 10 say they are saving less money than previously. Almost half are consuming less news and current affairs.

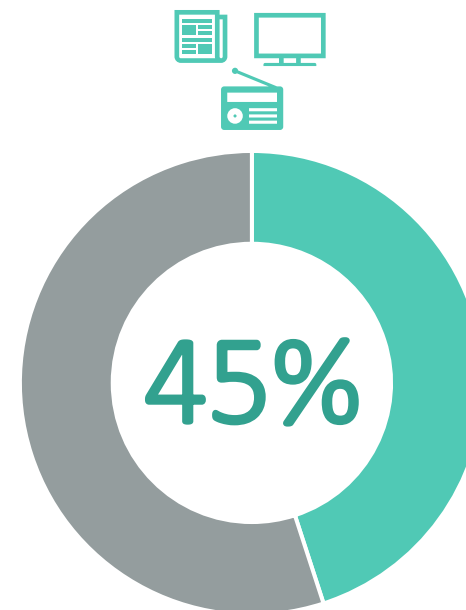
Actions taken in the context of the rising cost of living
% agree slightly / strongly



Actively using
less heating and
electricity in my
home



Saving less money
in the past six
months



Watching / listening
to fewer current
affairs / news
programmes

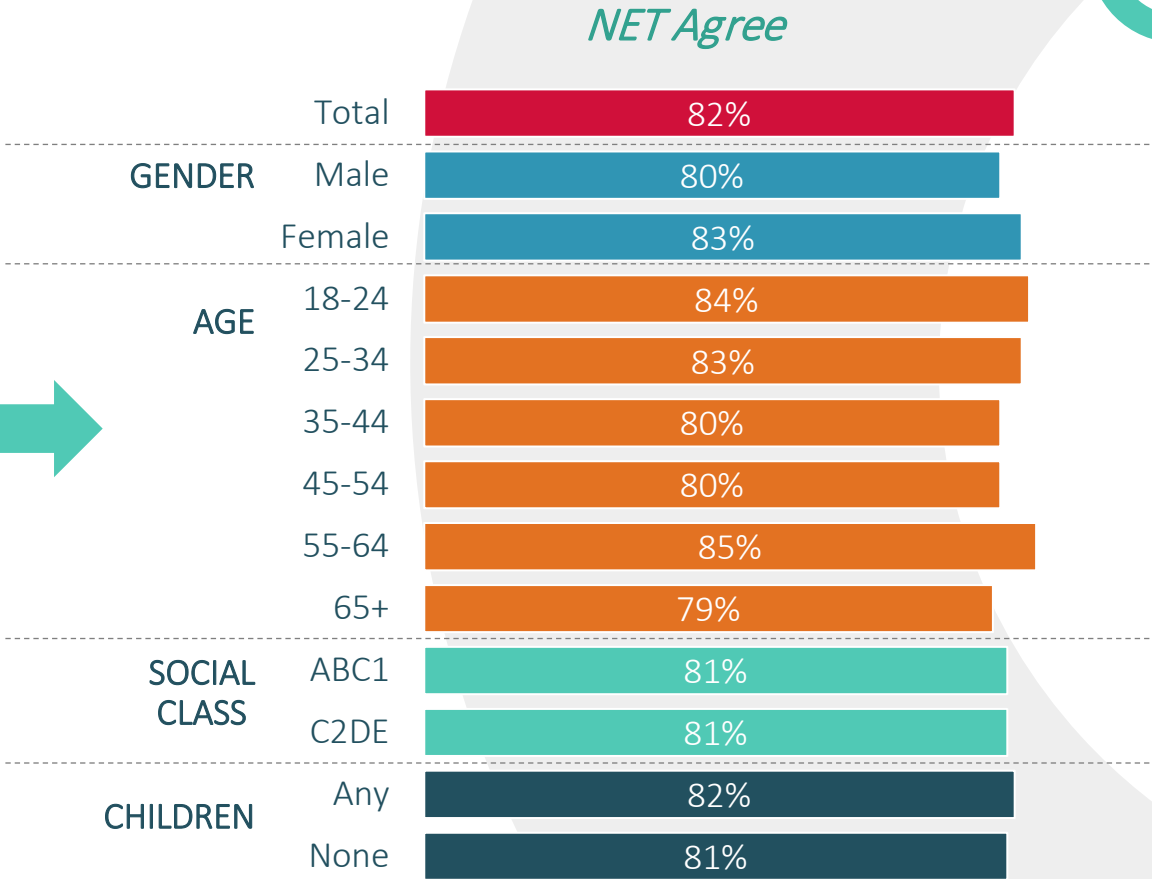
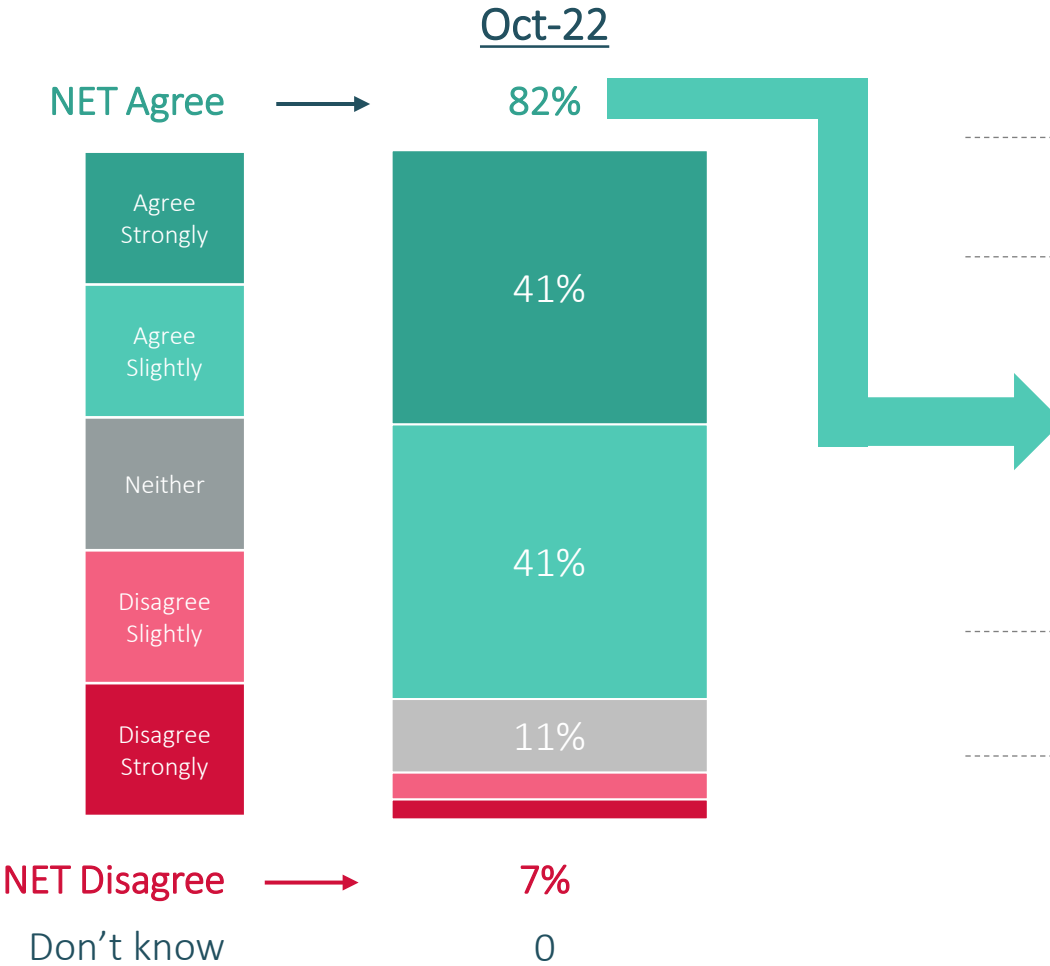
Q3 Looking at these statements which others have made in the context of the rising cost-of-living, please select to which extent you agree or disagree with each one
Base: all adults aged 18+; n=1,018

Over 4 in 5 report actively using less heating/electricity at home



All cohorts say they are using less heating and electricity

I am actively using less heating and electricity in my home

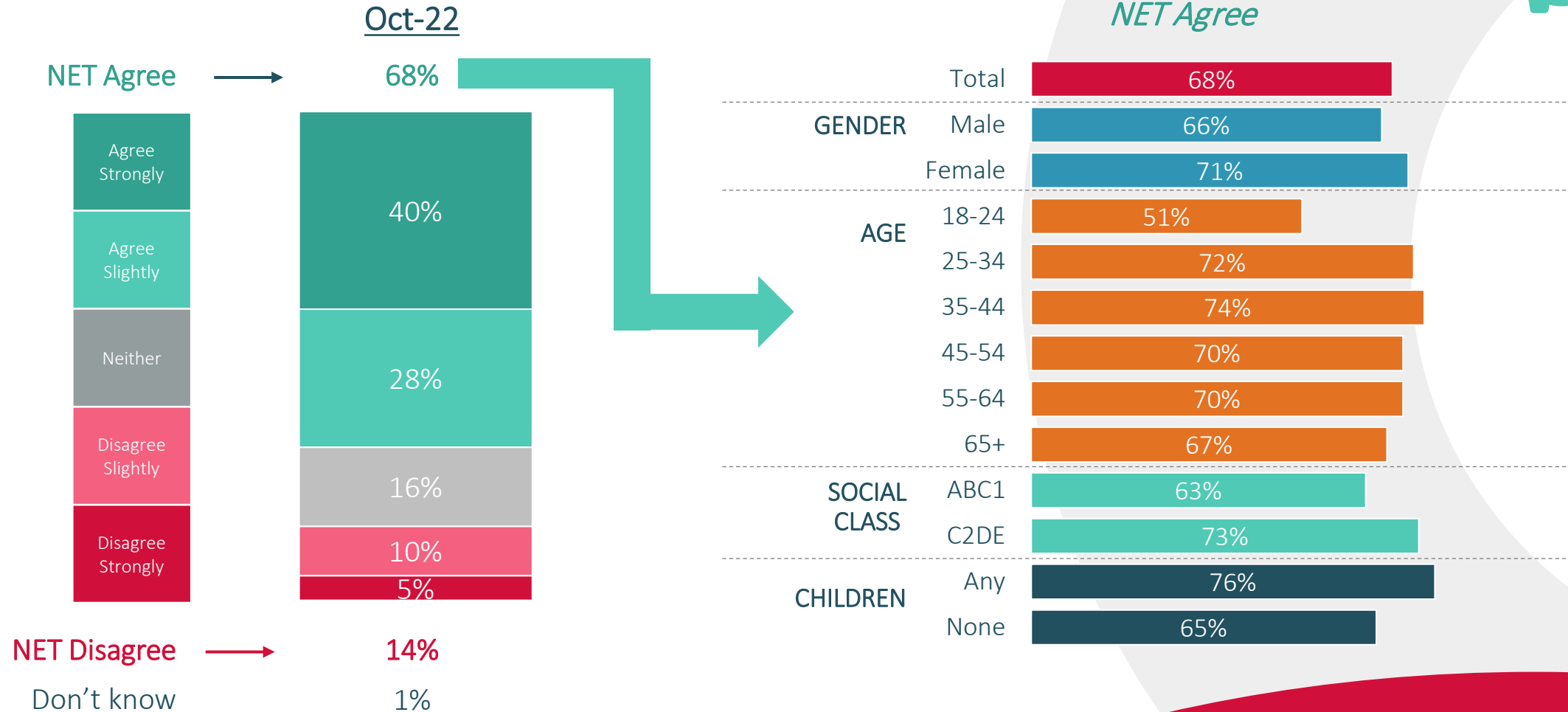


Almost 7 in 10 saving less money in the past six months



Young people, higher social grades and those without children are less likely to say that they have been saving less money of late

I have been saving less money in the past six months

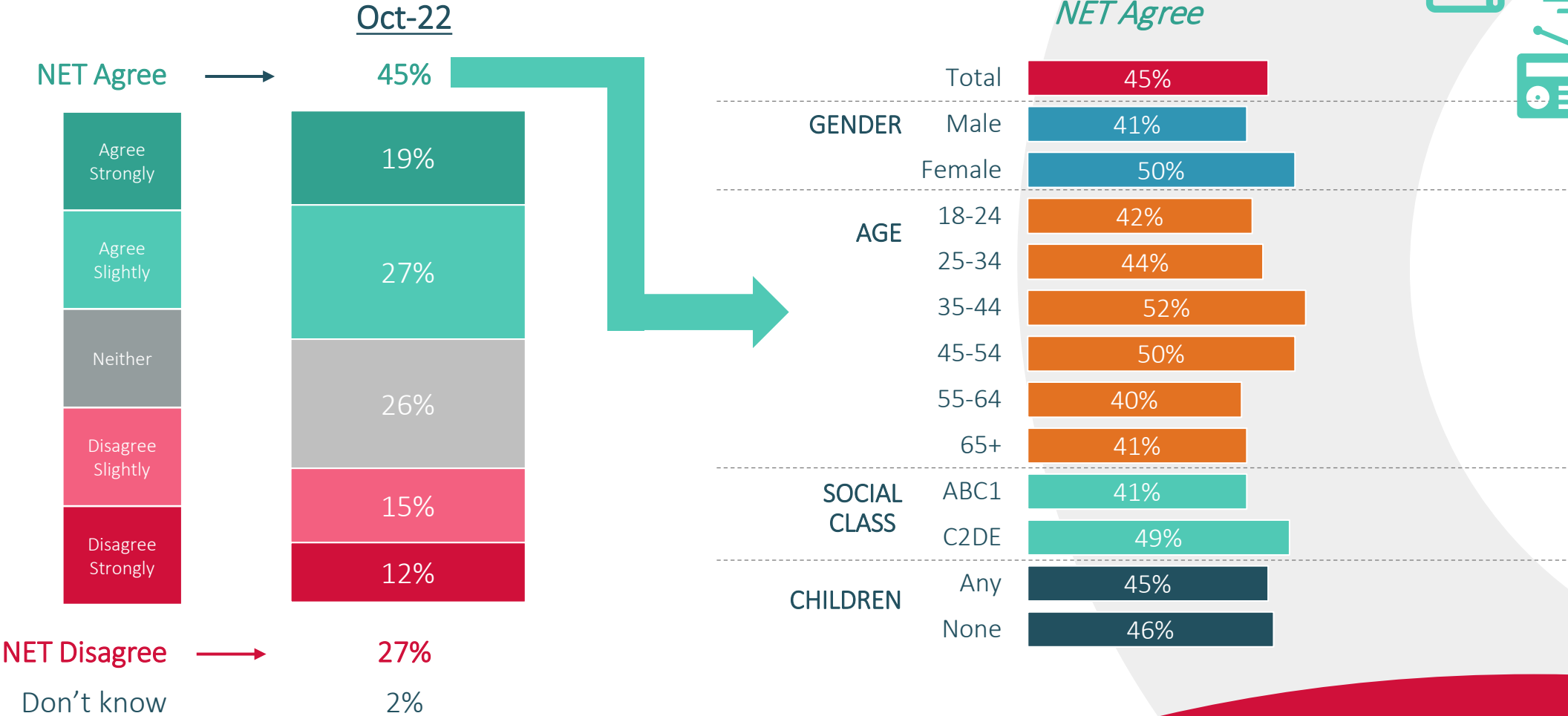
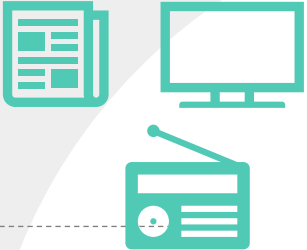


Over 2 in 5 report engaging with fewer news programmes



Women 35-54 year olds and lower social grades are the most likely to report listening to/watching fewer news and current affairs programmes.

I have been watching/listening to fewer current affairs/news programmes

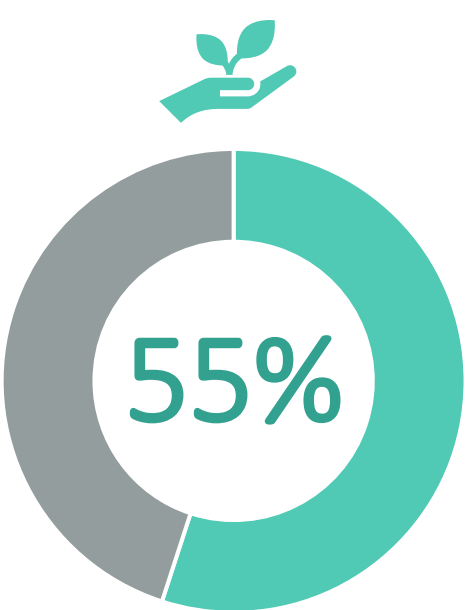


Many feel the cost of living crisis is impacting their quality of life

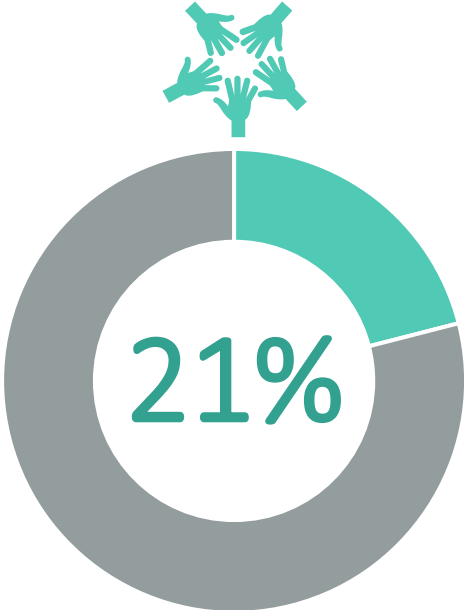


Given the poor outlook for consumer confidence, it's not surprising to see that just one-in-five expect their quality of life to improve in the coming year, while one-in-four are considering emigrating.

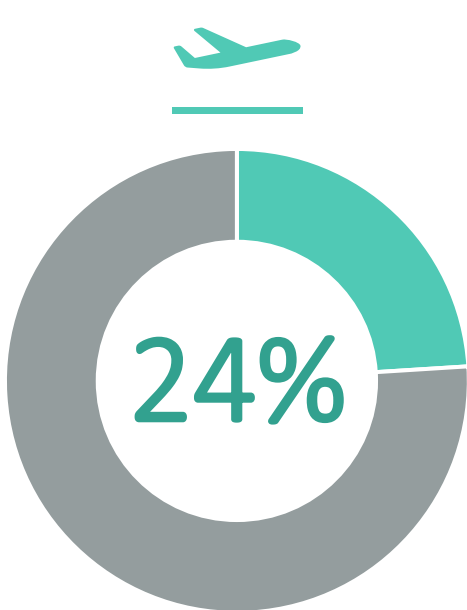
Views on quality of life in the context of the rising cost of living
% agree slightly / strongly



Feel their quality of life is lower than it was a year ago



Believe their quality of life will be better in 12 months' time



Considering moving abroad to enjoy a better quality of life elsewhere

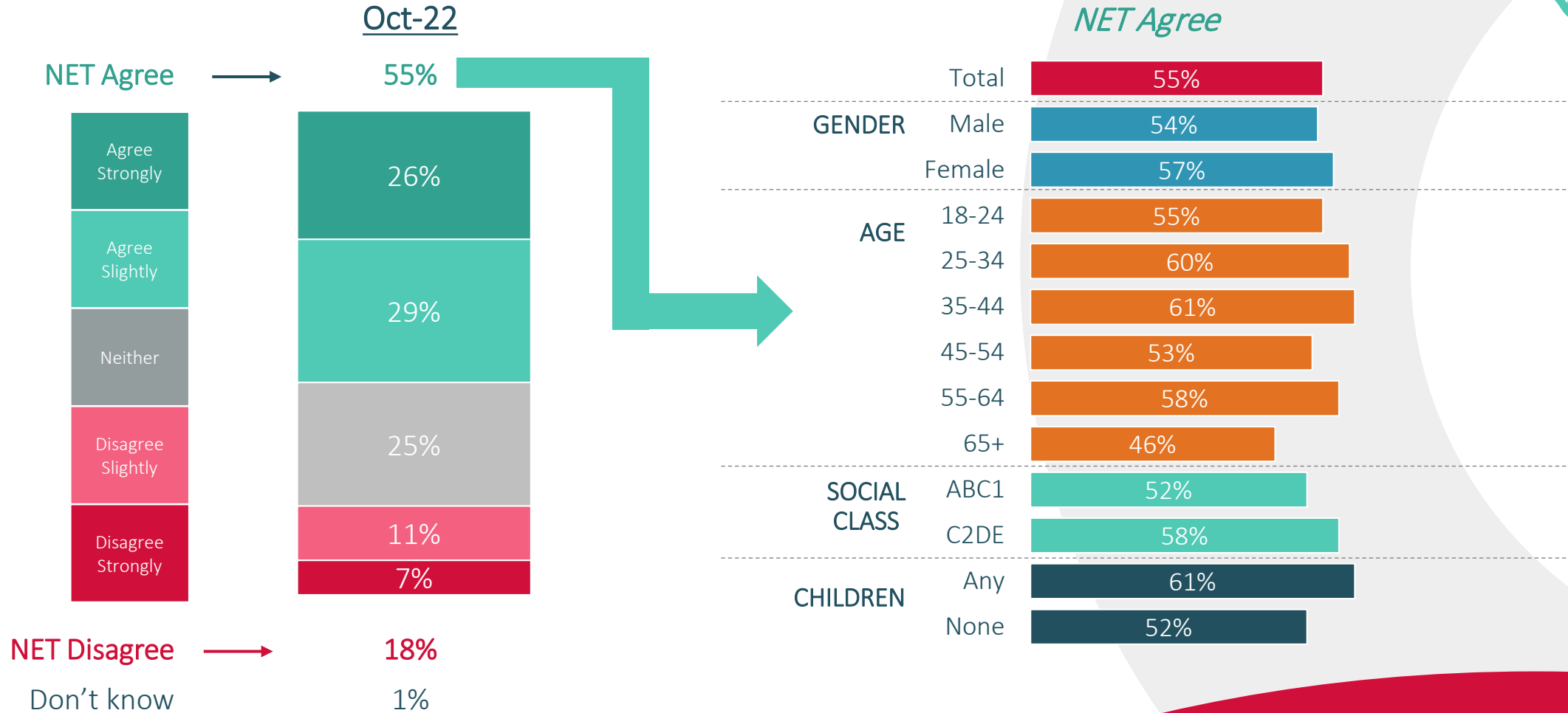
Q3 Looking at these statements which others have made in the context of the rising cost-of-living, please select to which extent you agree or disagree with each one
Base: all adults aged 18+; n=1,018

Over half say their quality of life is lower than a year ago



The most likely to say their quality of life is lower are 25-44 year olds and parents of dependent children.

My quality of life is lower than it was a year ago

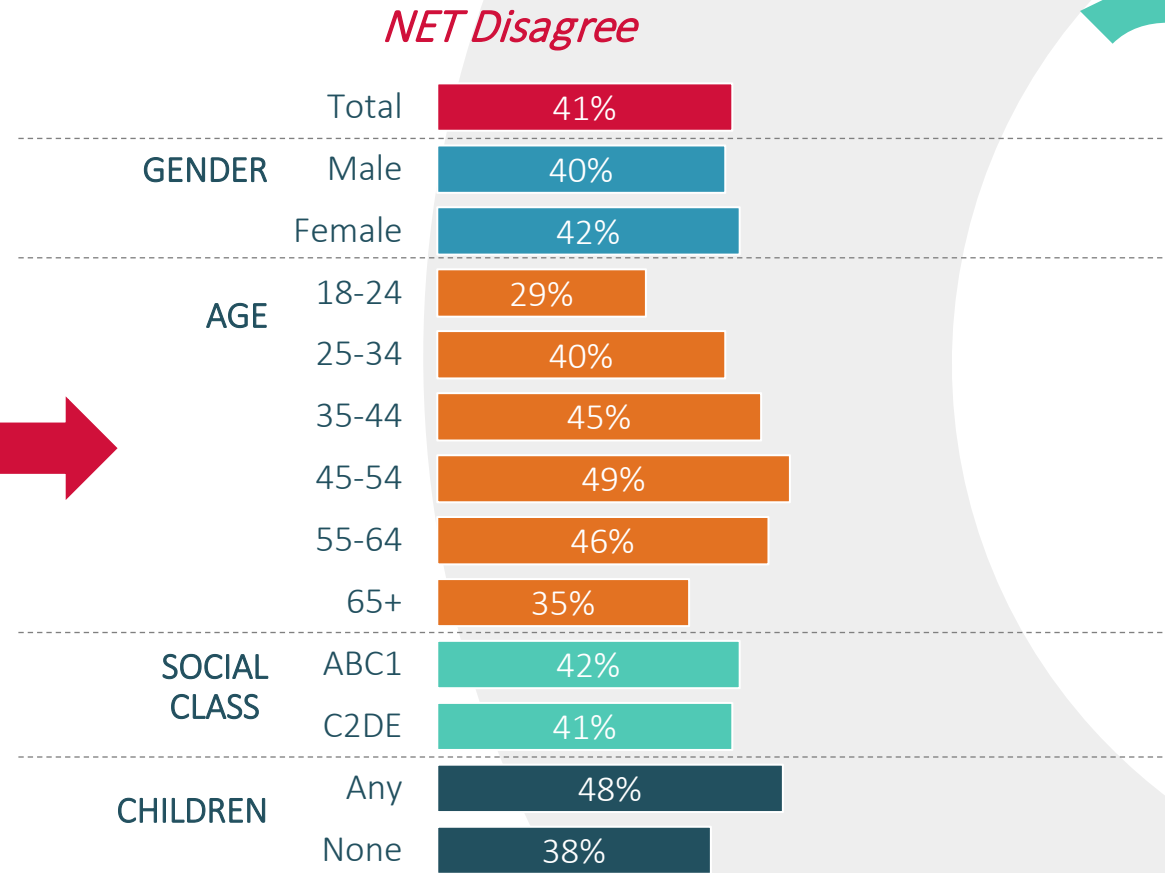
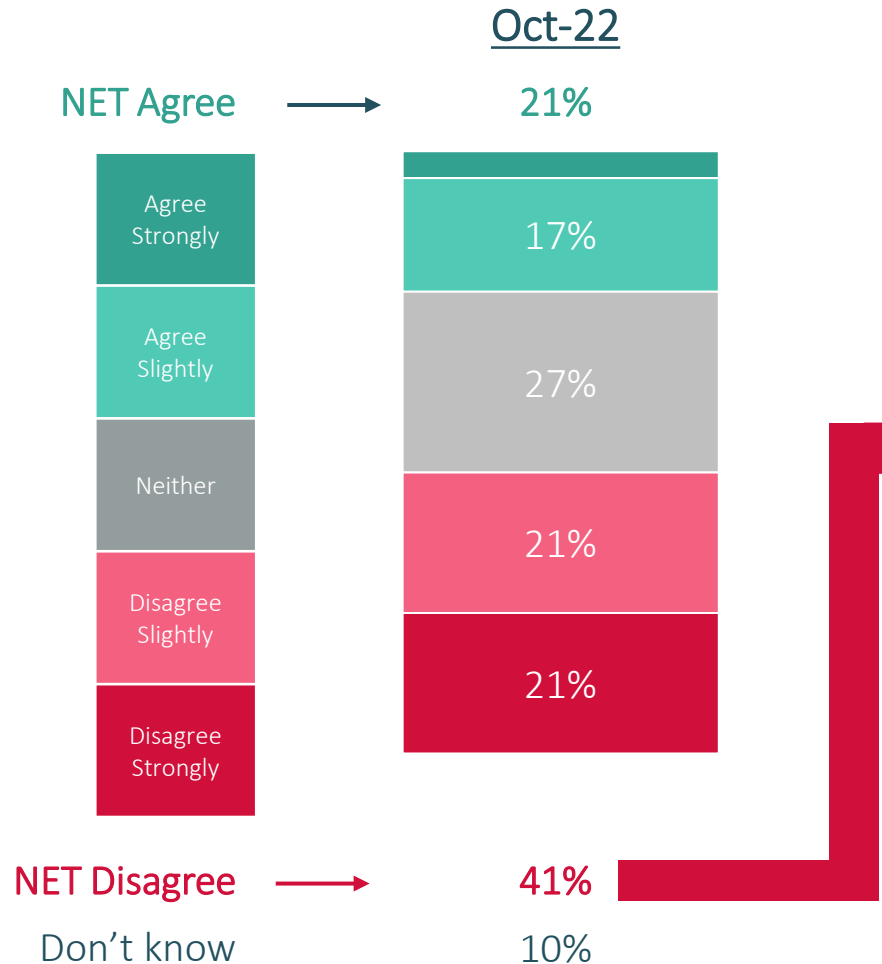


Twice as many expect quality of life to fare worse than better



Middle-age people and those with children are the most likely to think that their quality of life won't be better in 12 months time

I believe my quality of life will be better in 12 months' time

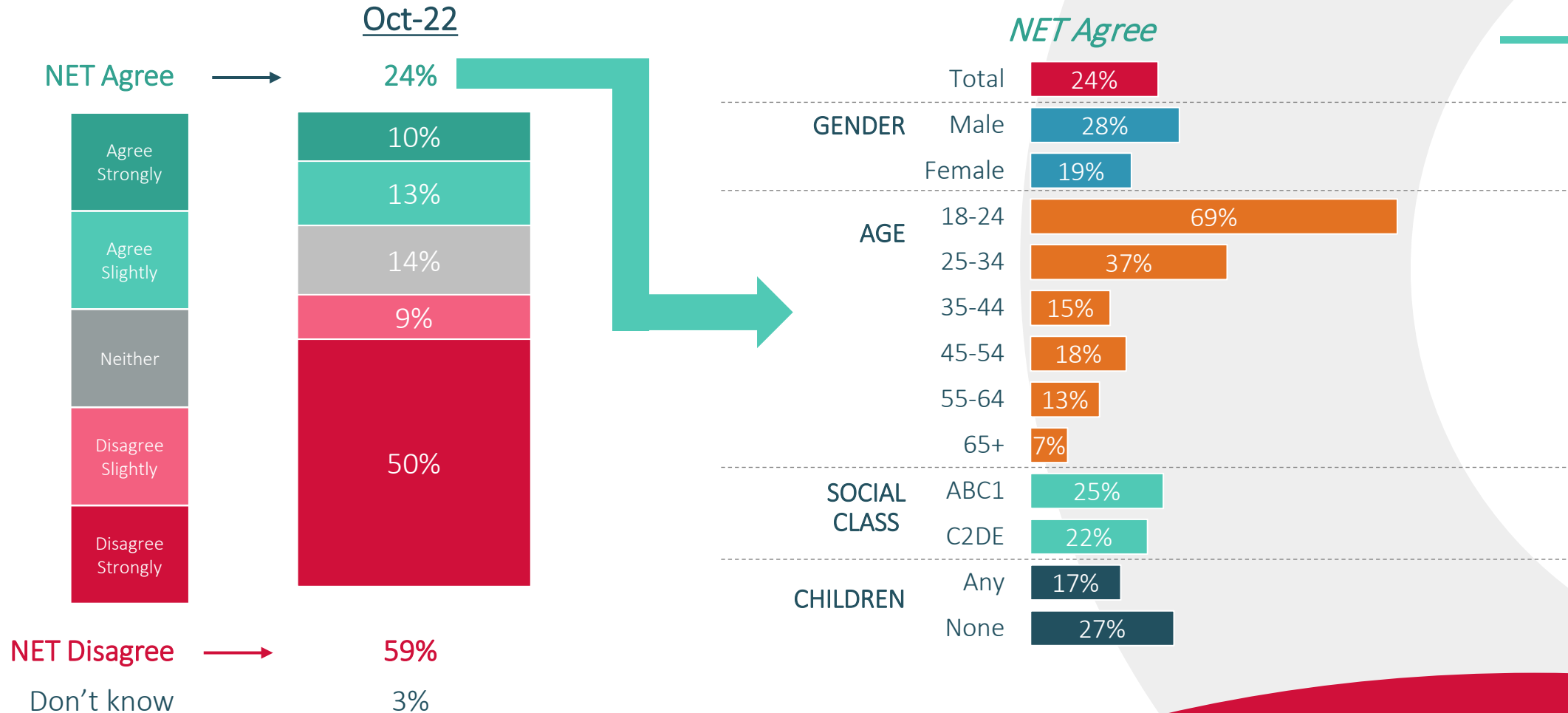


Significant proportion of 18-24s are considering emigrating



Over two-thirds of 18-24s more than one-third of 25-34s are currently considering emigrating to enjoy a better quality of life elsewhere

I am considering moving abroad to enjoy a better quality of life elsewhere

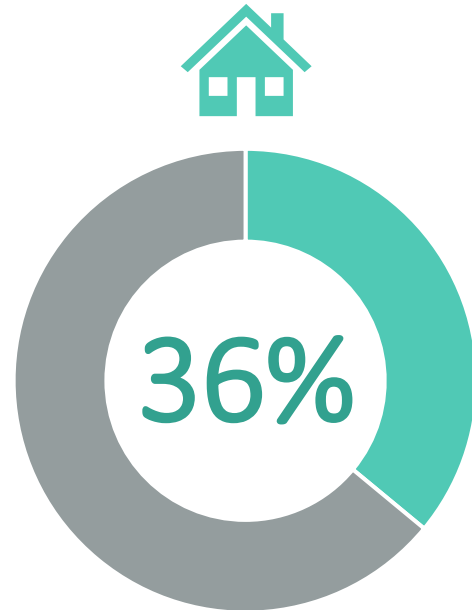


Only one-third believe the government is doing all it can

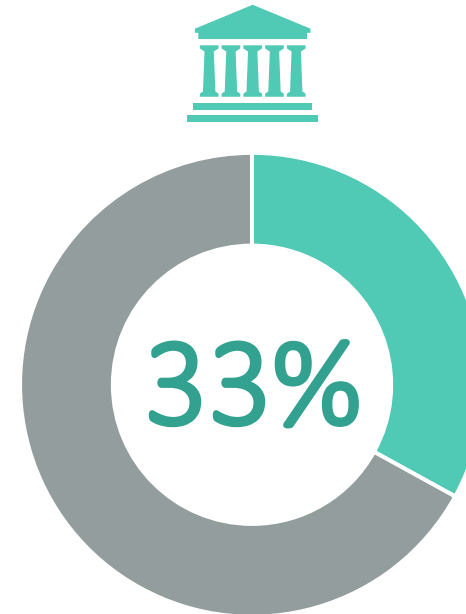


Half disagree that the government is going all it can to help. There is general uncertainty as to the impact of recent changes to the Central Bank mortgage measures

Views on public policy in the context of the rising cost of living
% agree slightly / strongly



The recent changes to the Central Bank mortgage measures are a good thing for first-time buyers



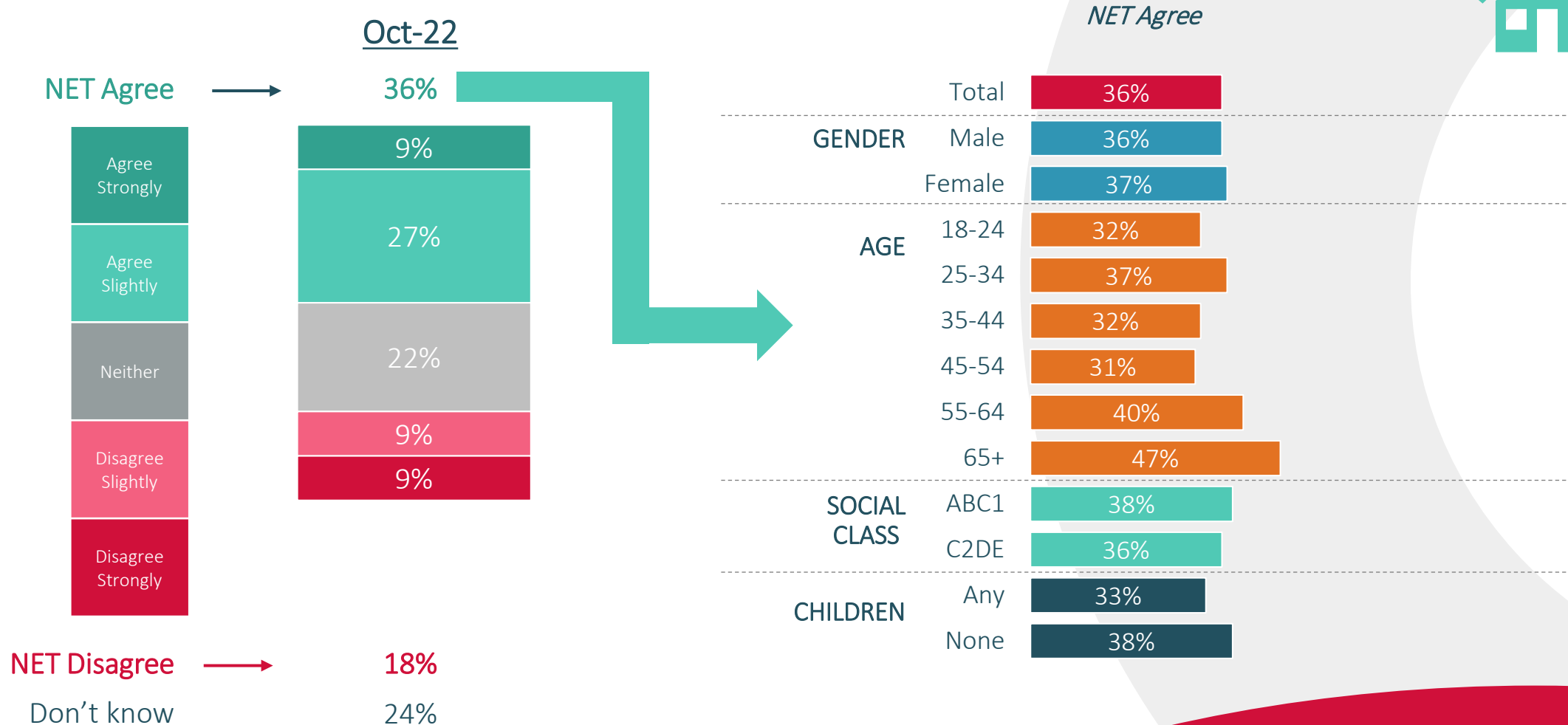
The government is doing all it can to help people with the rising cost-of-living

Uncertainty around new Central Bank mortgage measures



Almost one-in-four don't know what impact the change in the rules will have, while just over one-in-five would neither agree nor disagree that the changes are a good thing

The recent changes to the Central Bank mortgage measures are a good thing for first-time buyers

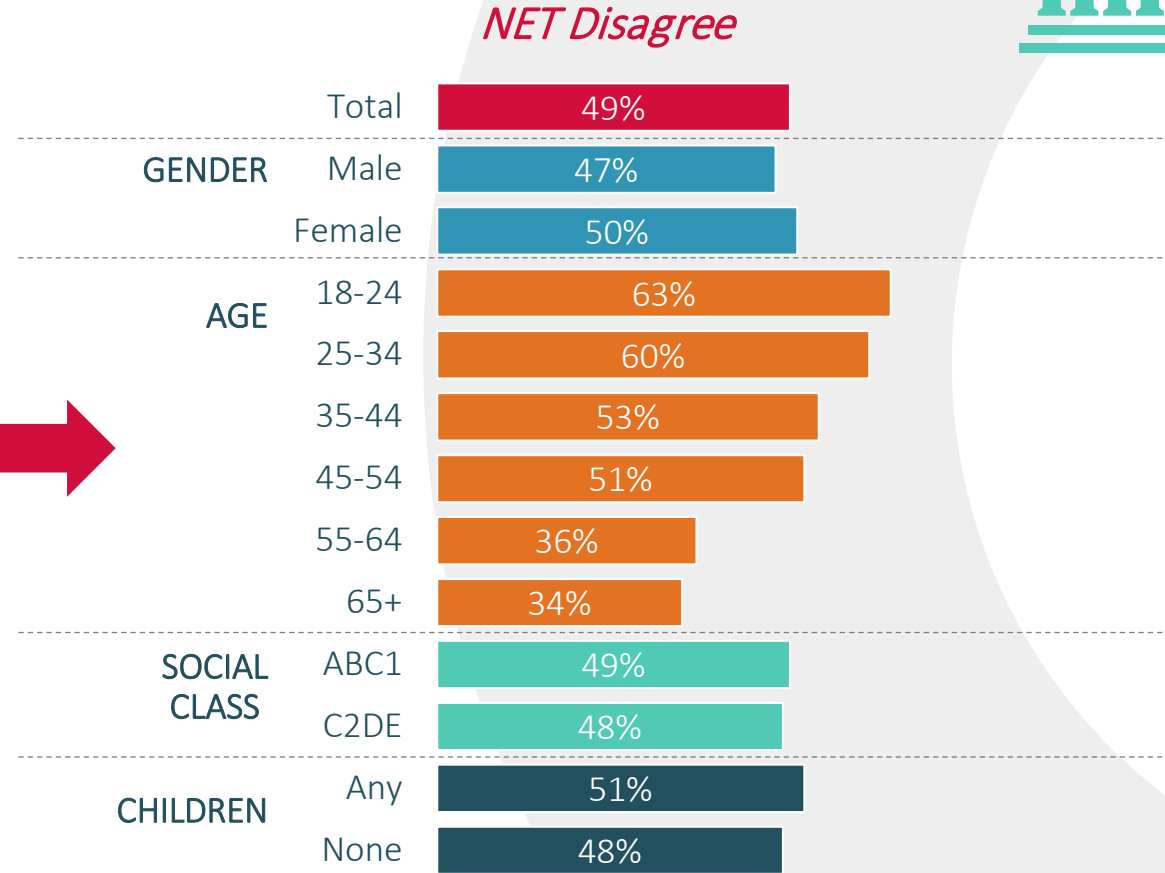
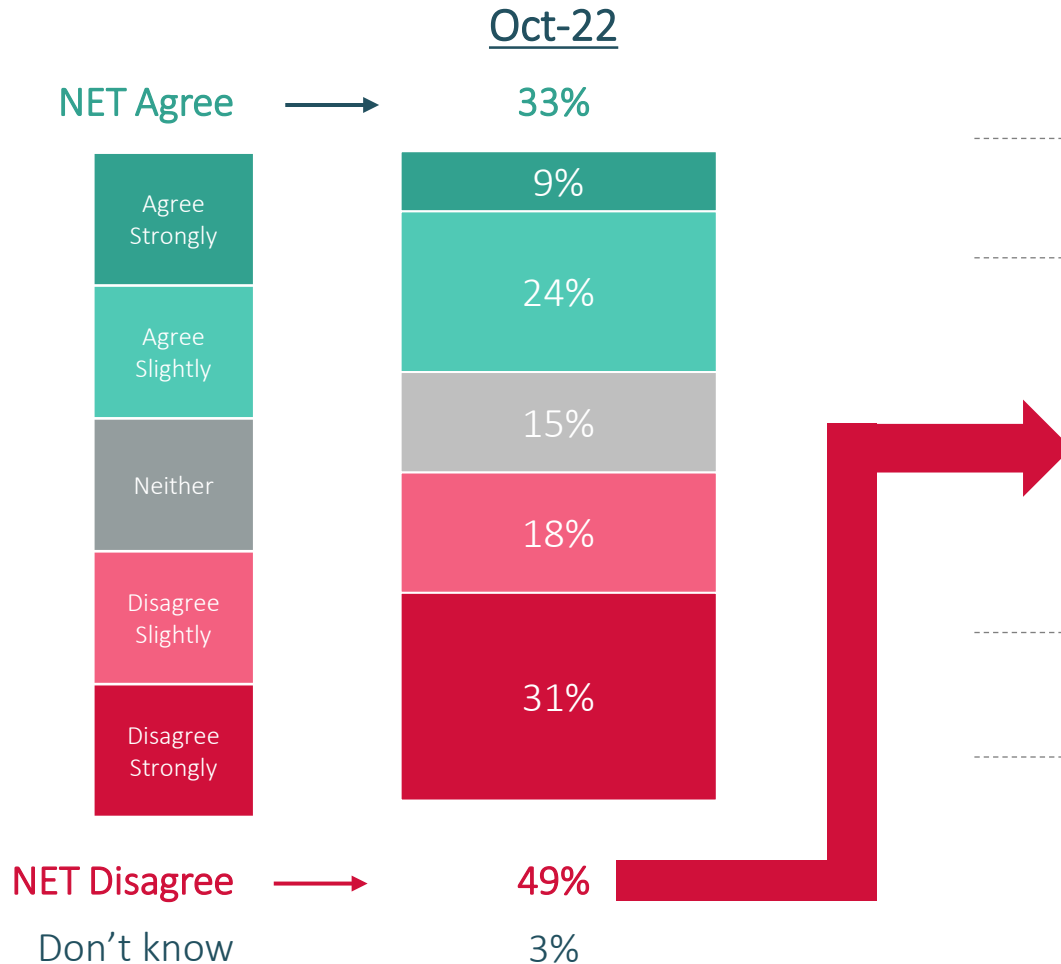


Half say the government is not doing all it can to help people



Younger people are much more likely to think the government is not doing all it can to help people with the rising cost-of-living

The government is doing all it can to help people with the rising cost-of-living





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 45th Wave of the RED C Consumer Mood Monitor and fieldwork was conducted from the 21st – 27th October 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**.





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



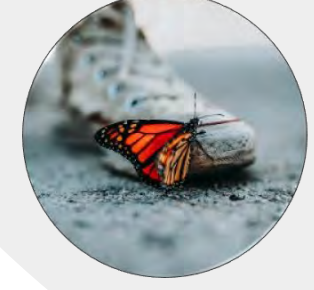
Uncovering choices, preferences and decisions that enable business to design brands, products and services that beat the competition.

Retention



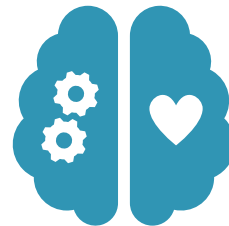
Mapping and delivering easy and enjoyable customer journey's and experiences to maximize purchase and retention.

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

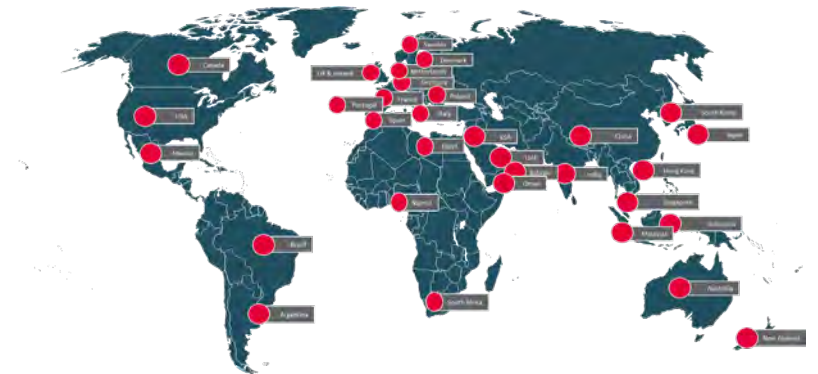


System 1



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