



Consumer Mood Monitor

April 2023



With Irish consumers believing there is little end in sight yet for the cost of living crisis, a sizable majority remain downbeat about the prospects for the Irish economy.

Many consumers feel worse off than they were a year ago, with very few expecting things to get any better.

Majority remain concerned about the economic outlook



1

While we have seen a very modest improvement in those who believe the economy will fare better or the same in the coming six months, the vast majority still expect it to deteriorate further in 2023 with sentiment still firmly in negative territory.

2

This is driven by a range of factors with most consumers expecting the cost of living, the cost of borrowing, and the affordability of housing to worsen further.

3

The majority still expect their level of disposable income to worsen further in the coming six months.

And there are notably more that believe that the jobs market will contract in the next six months versus those that believe it will expand.

4

We also see more expecting their grocery spend to continue to increase (most likely due to rising food prices), while consumers still plan to cut back across key discretionary categories: entertainment; holidays; and consumer goods.

The majority also expect their energy bills to increase, while most drivers expect fuel prices to stay the same or increase.

5

Nearly half believe their quality of life has deteriorated over the past year – the majority of these are unsurprisingly unhappy with their quality of life and very of them expect things to improve over the next year.

There is evidence that some are dipping into their savings or using borrowings (credit cards / loans) to fund day-to-day spending.

6

Despite a relatively supportive budget last October with cuts in income tax and an increase in State payments (including the energy credits), we see a fall in the proportion of people that are happy with the government's handling of the cost-of-living crisis compared with six months ago.

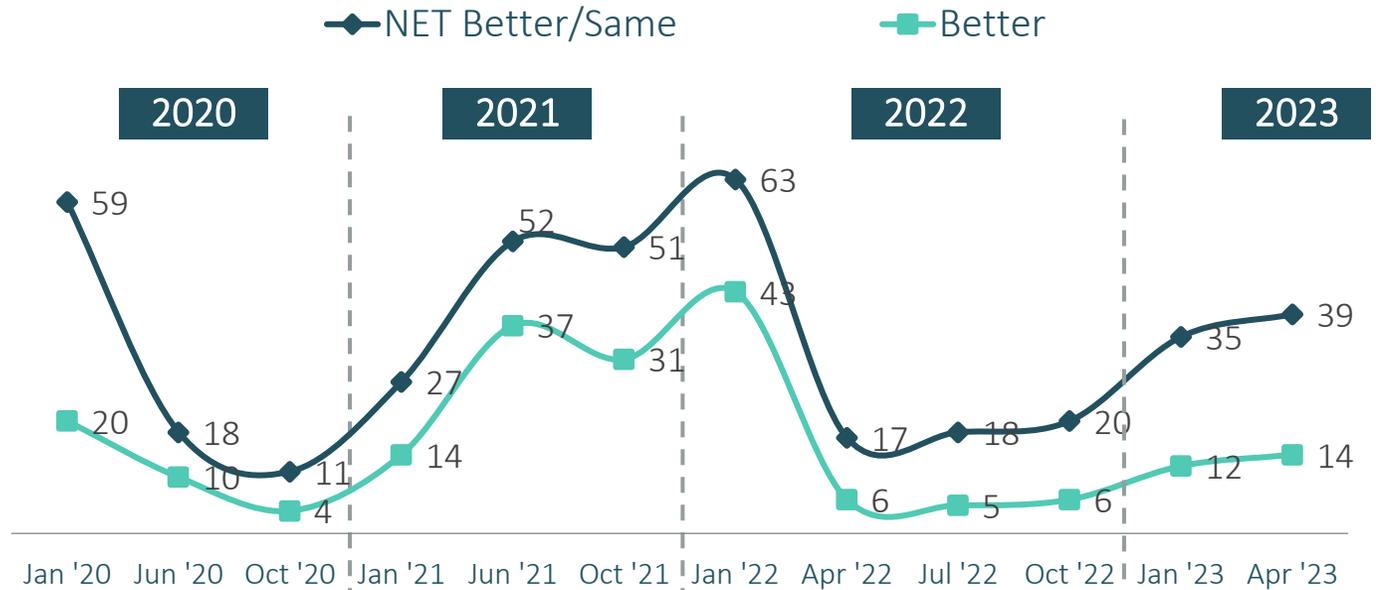
**A sizable majority
still expect the
economy to worsen
further in the coming
six months**



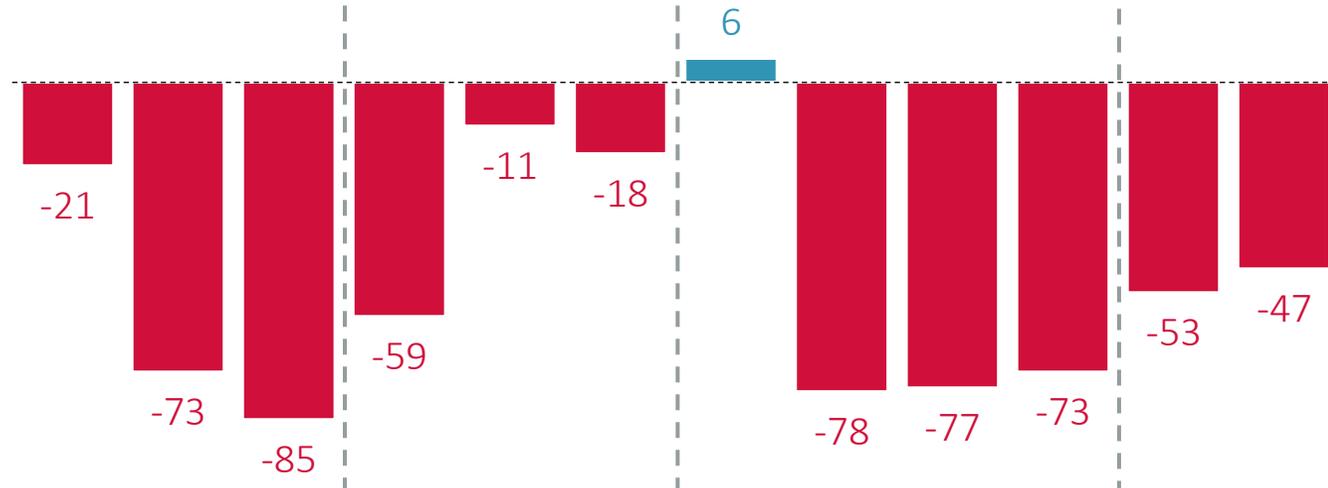
Consumer sentiment remains decidedly downbeat

Despite some modest improvement in sentiment over the last two quarters, the majority of consumers still expect the Irish economy to deteriorate over the next six months.

Expectations for the Irish economy over the next 6mths



NET Expectations = % Better minus % Worse

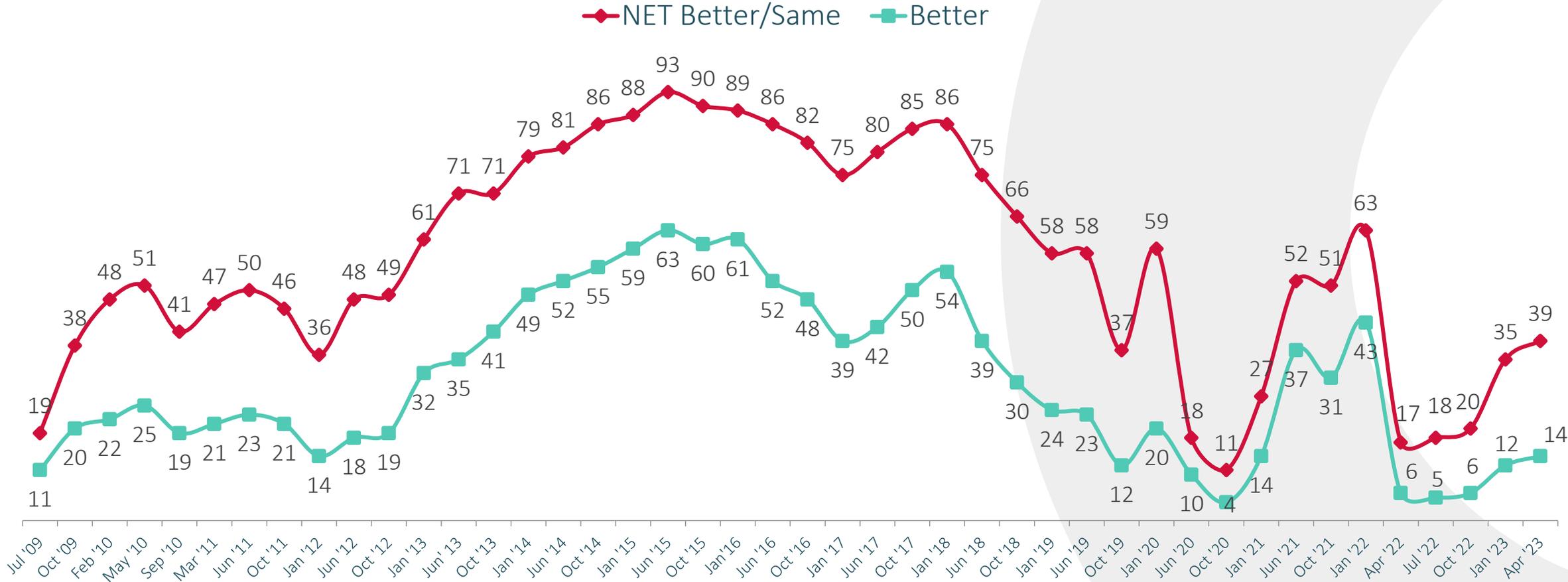


Current sentiment at similar level to 2010/11



Despite some recovery in sentiment over the last two quarters, it remains at a particularly low level and is in-line with when the economy was in crisis a little over ten years ago

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

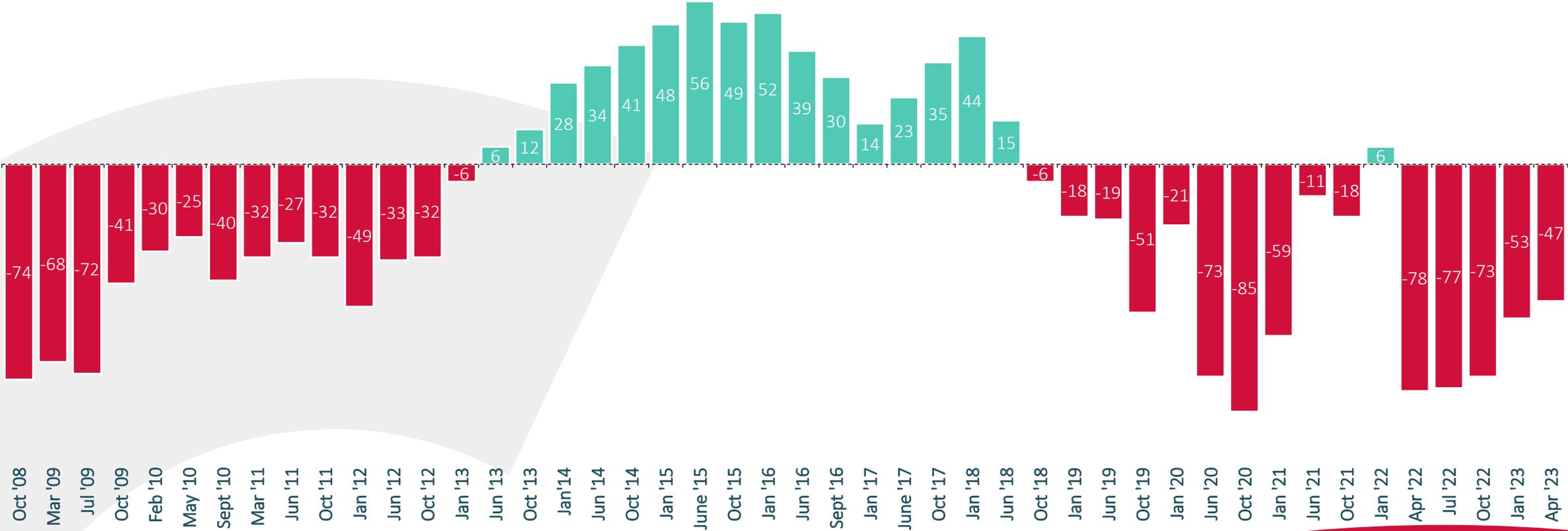


NET sentiment up slightly, but remains firmly in negative territory



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

NET Expectations = % Better minus % Worse



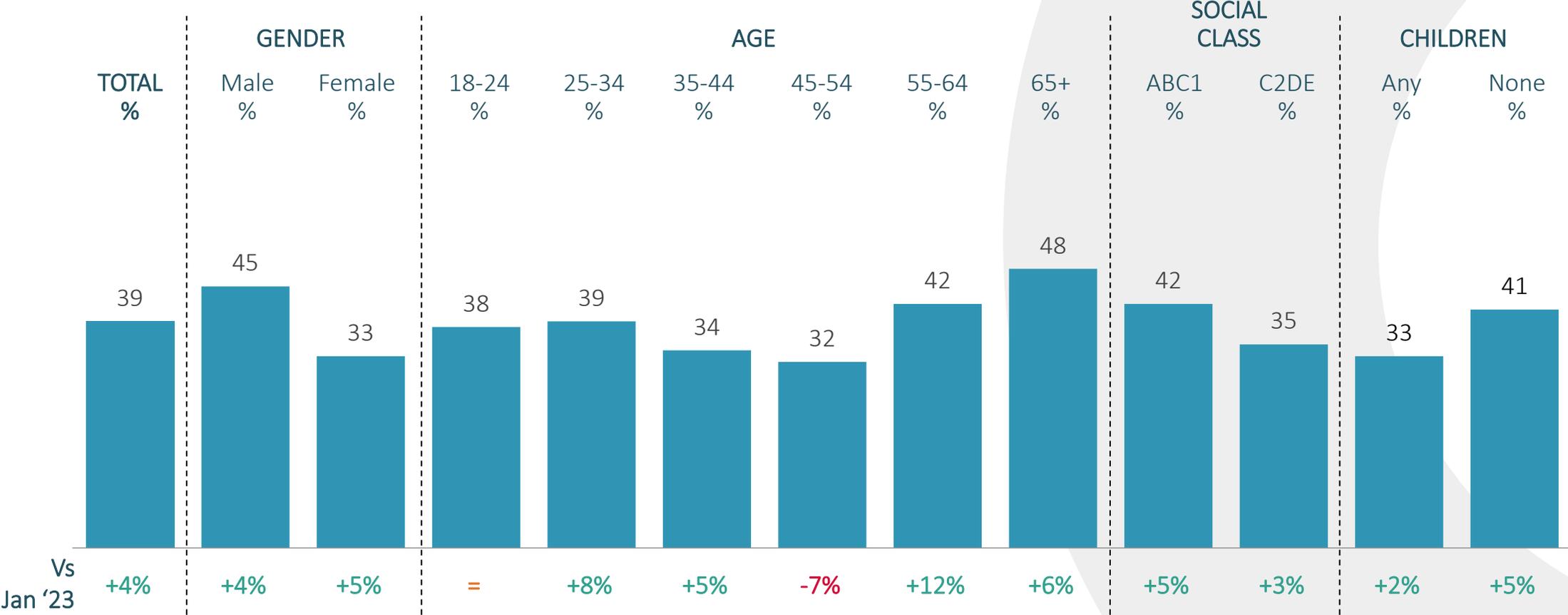
Confidence in the Irish economy is highest among over 65s



55-64 year olds have seen the greatest improvement in confidence since January, while 45-54 year olds are the least positive

Expectations for the Irish economy 6 months from now

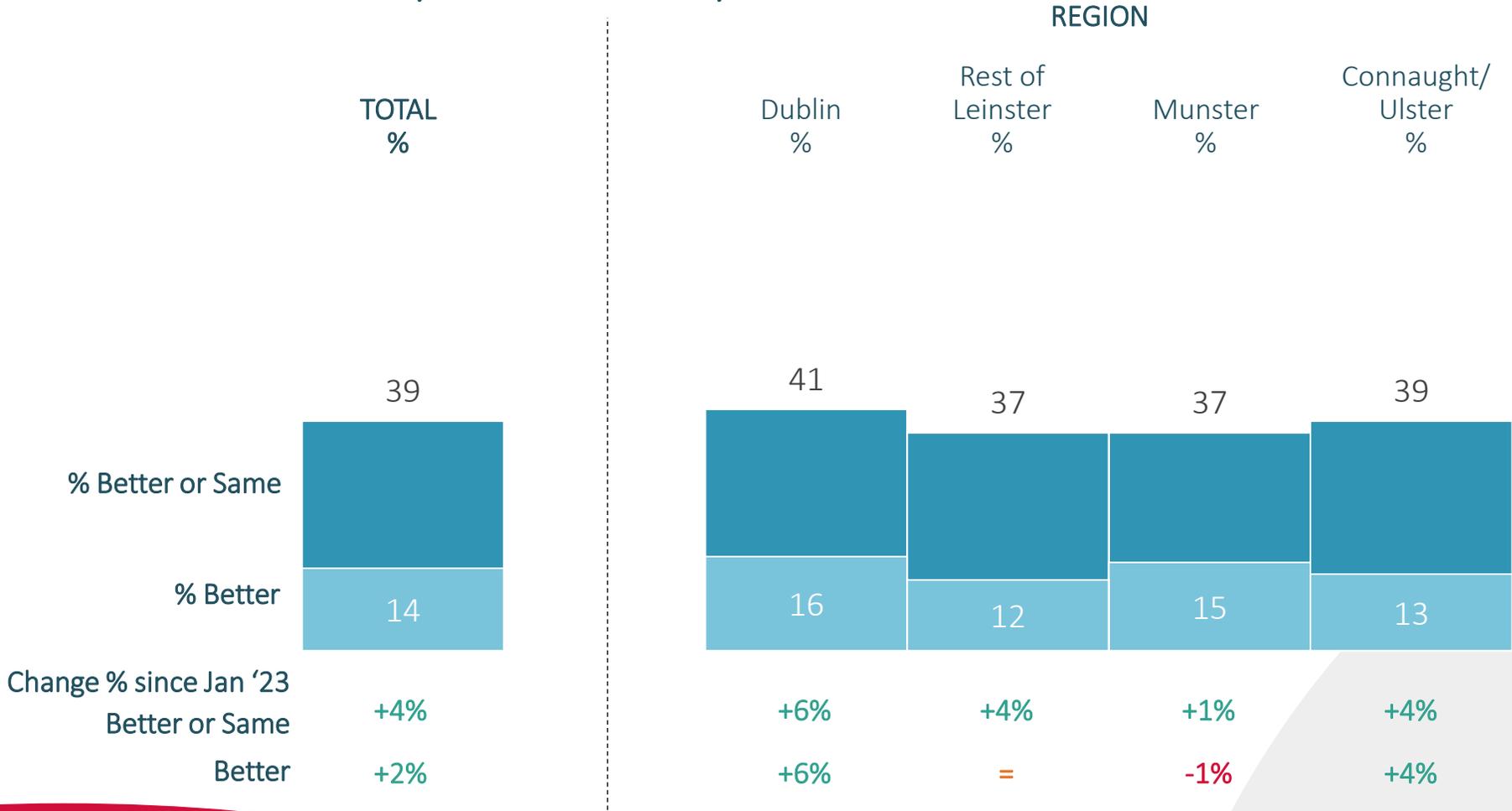
% Stating they believe it will be better/the same



Mood marginally higher in Dublin, but no major difference seen



Expectations for the Irish economy across the country...



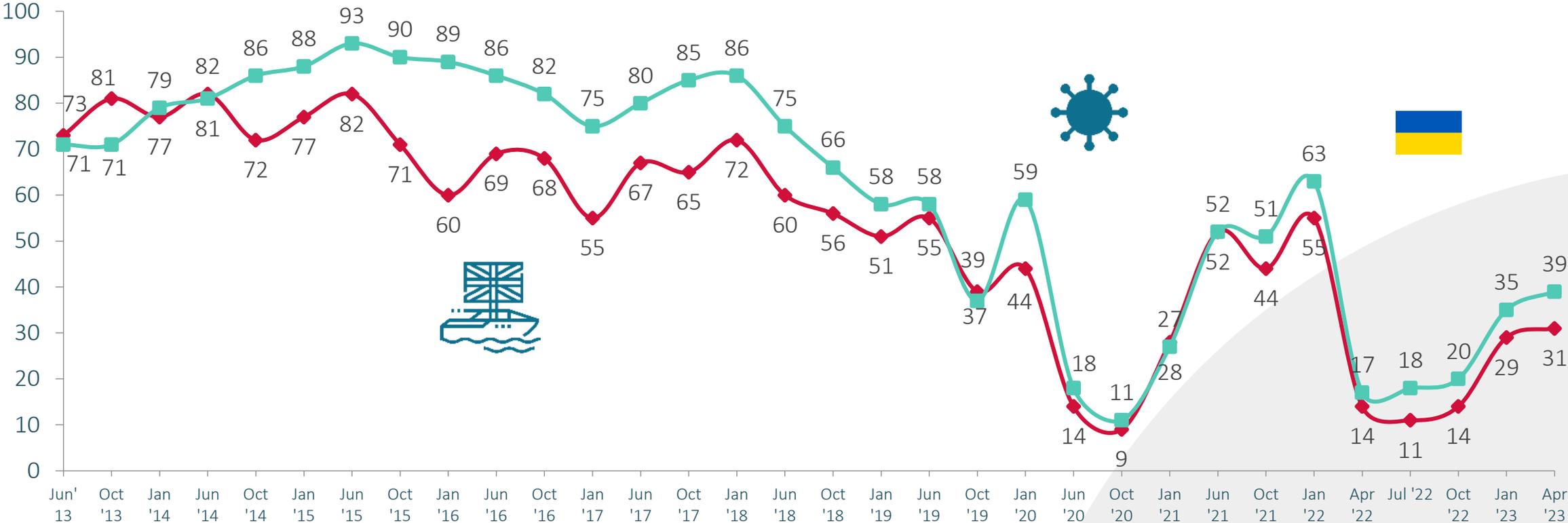
World economy expectations continue to closely shadow those of the Irish economy



Expectations for the Irish & World Economy

% NET Better/Same (next 6 months)

World Economy Irish Economy



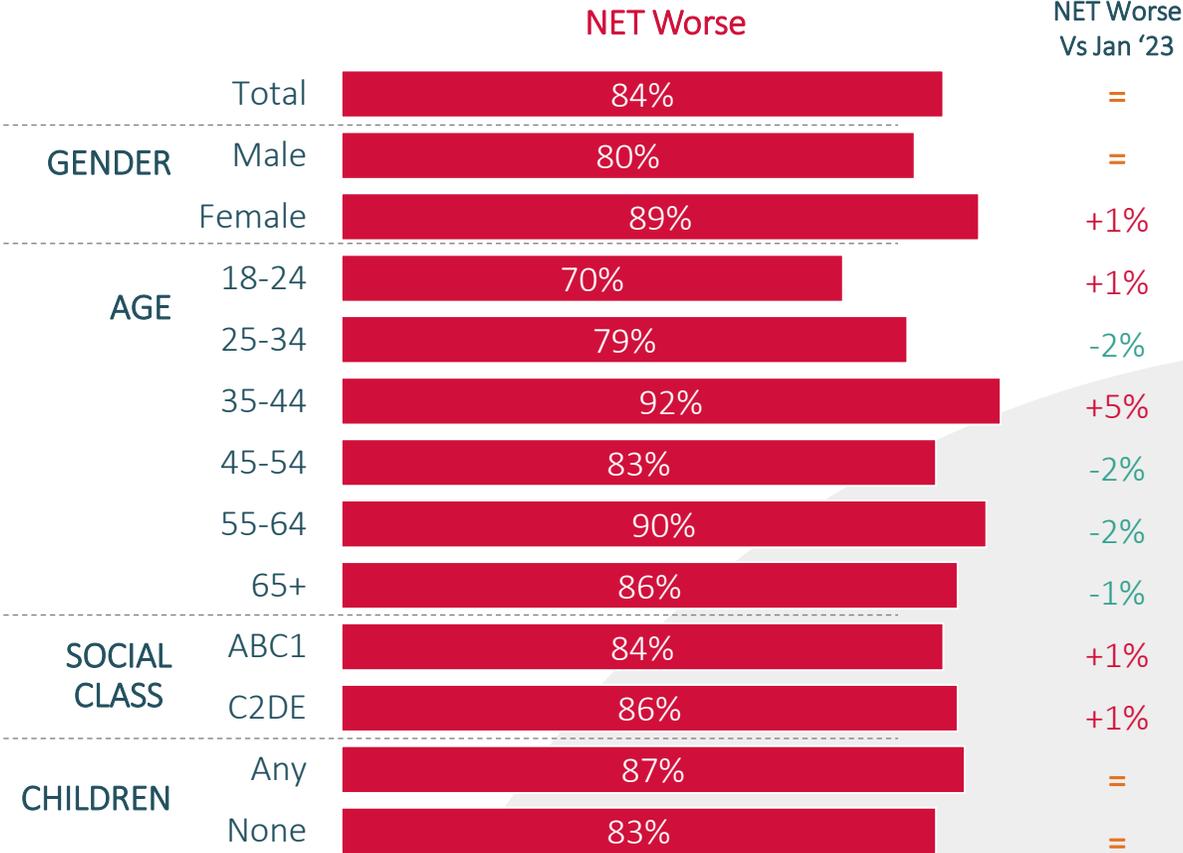
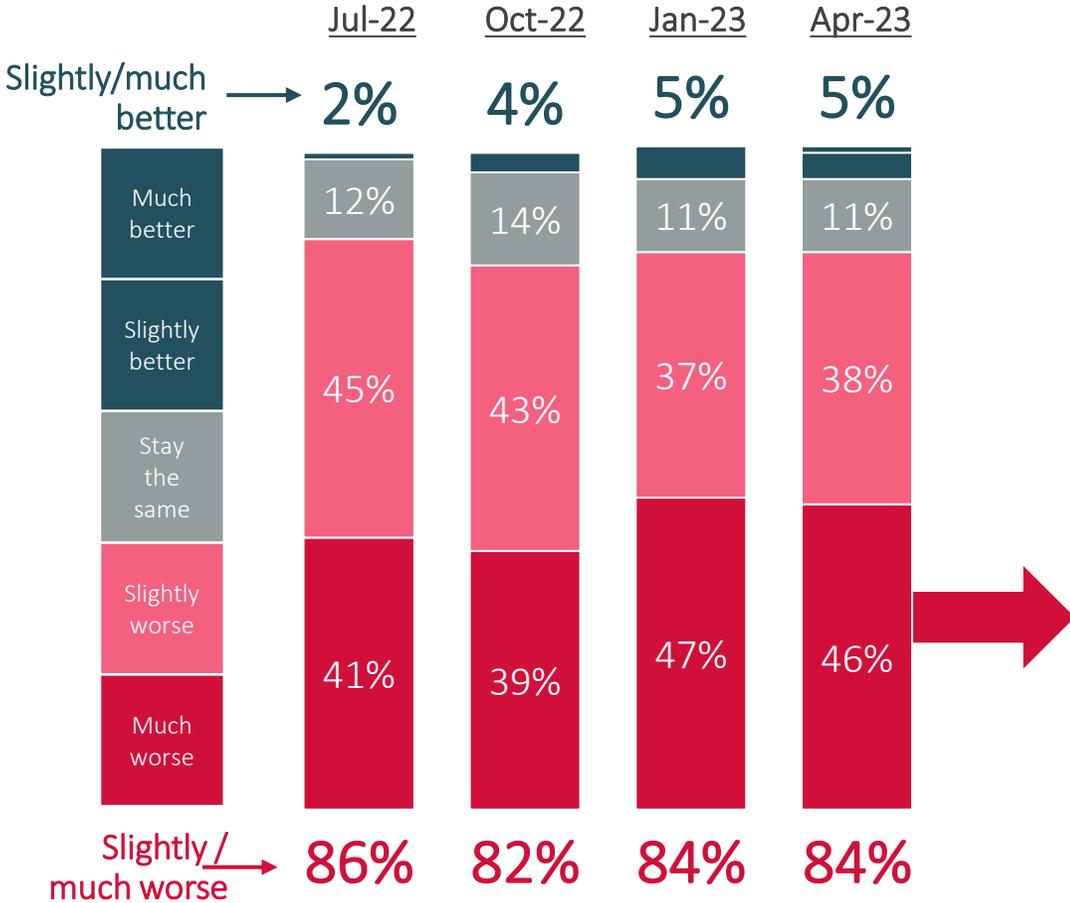
**Most consumers
still expect the cost
of living, cost of
borrowing and
affordability of
housing to
deteriorate further**



No change in the outlook for the cost of living, with the majority expecting the cost-of-living crisis to worsen further



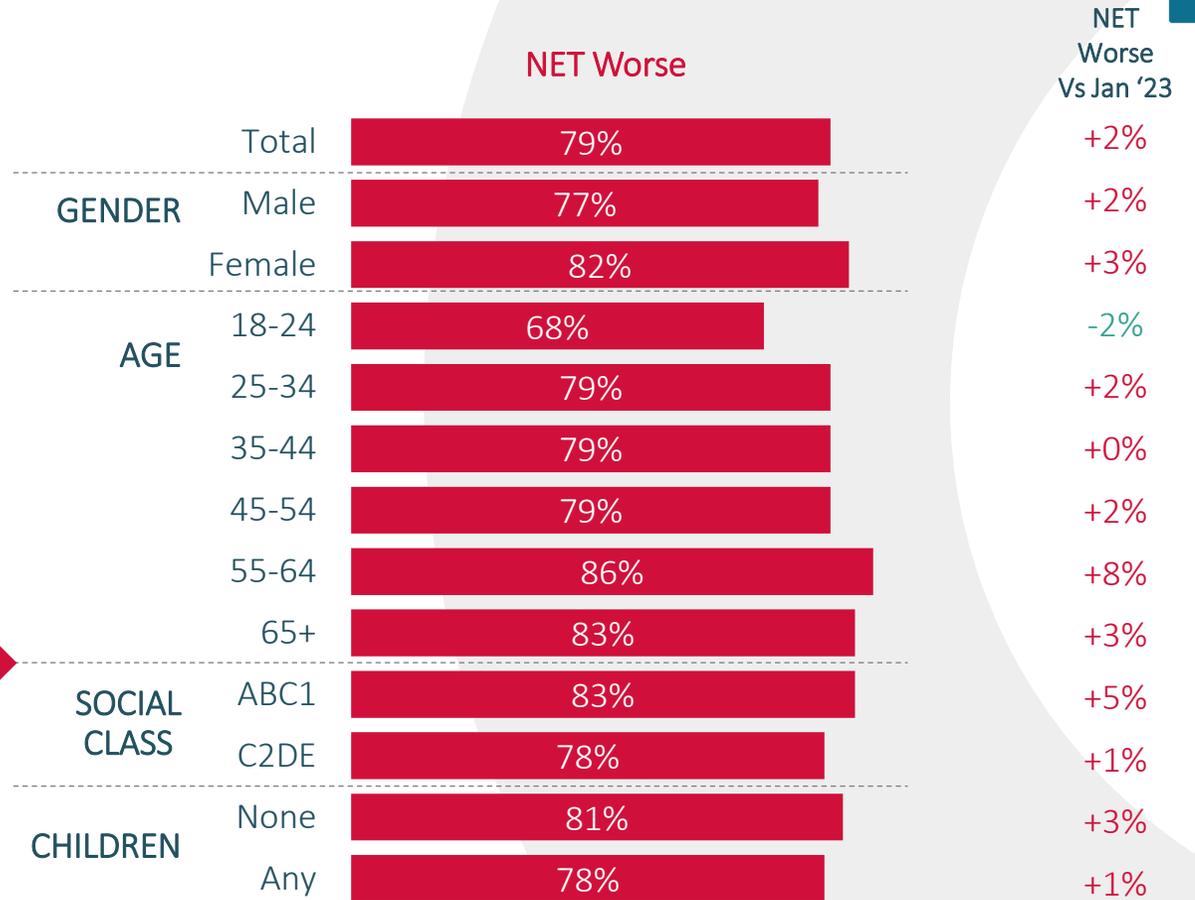
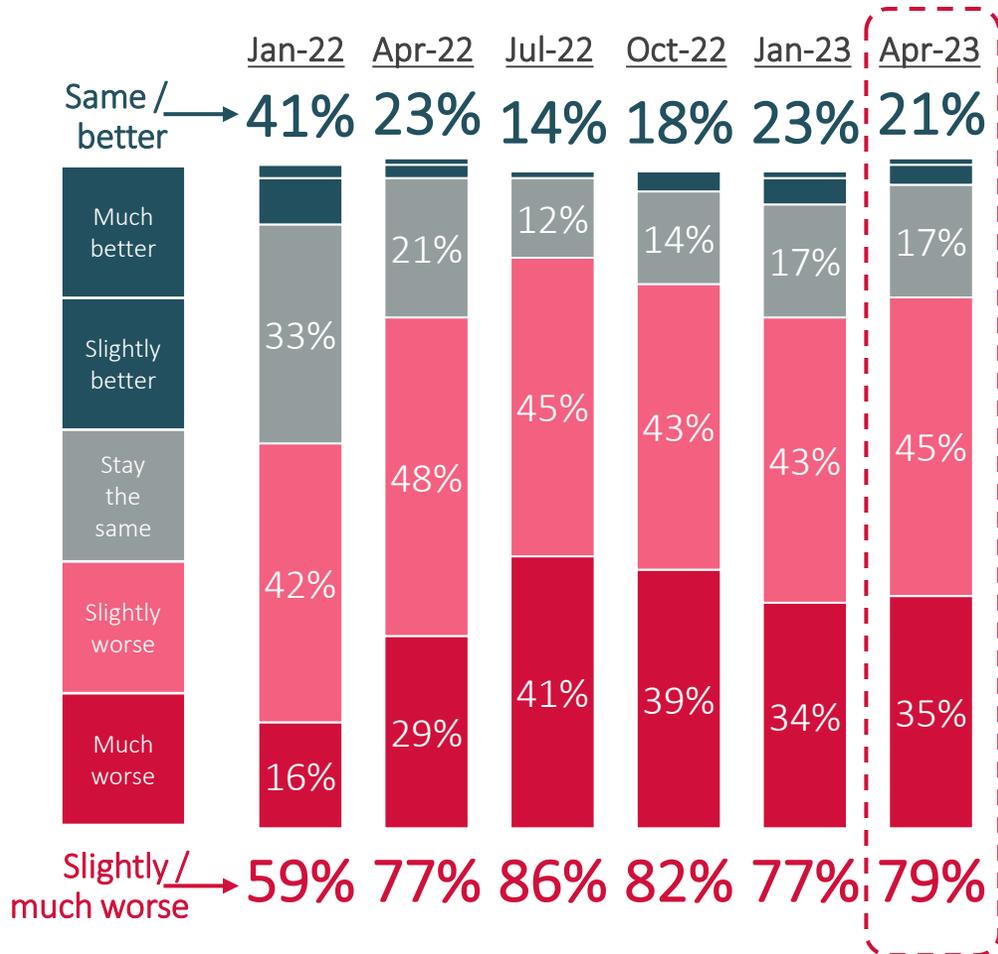
How do you expect the cost-of-living to fare in the next 6 months?



With further ECB rate rises on the horizon, most still expect the cost of borrowing to rise further



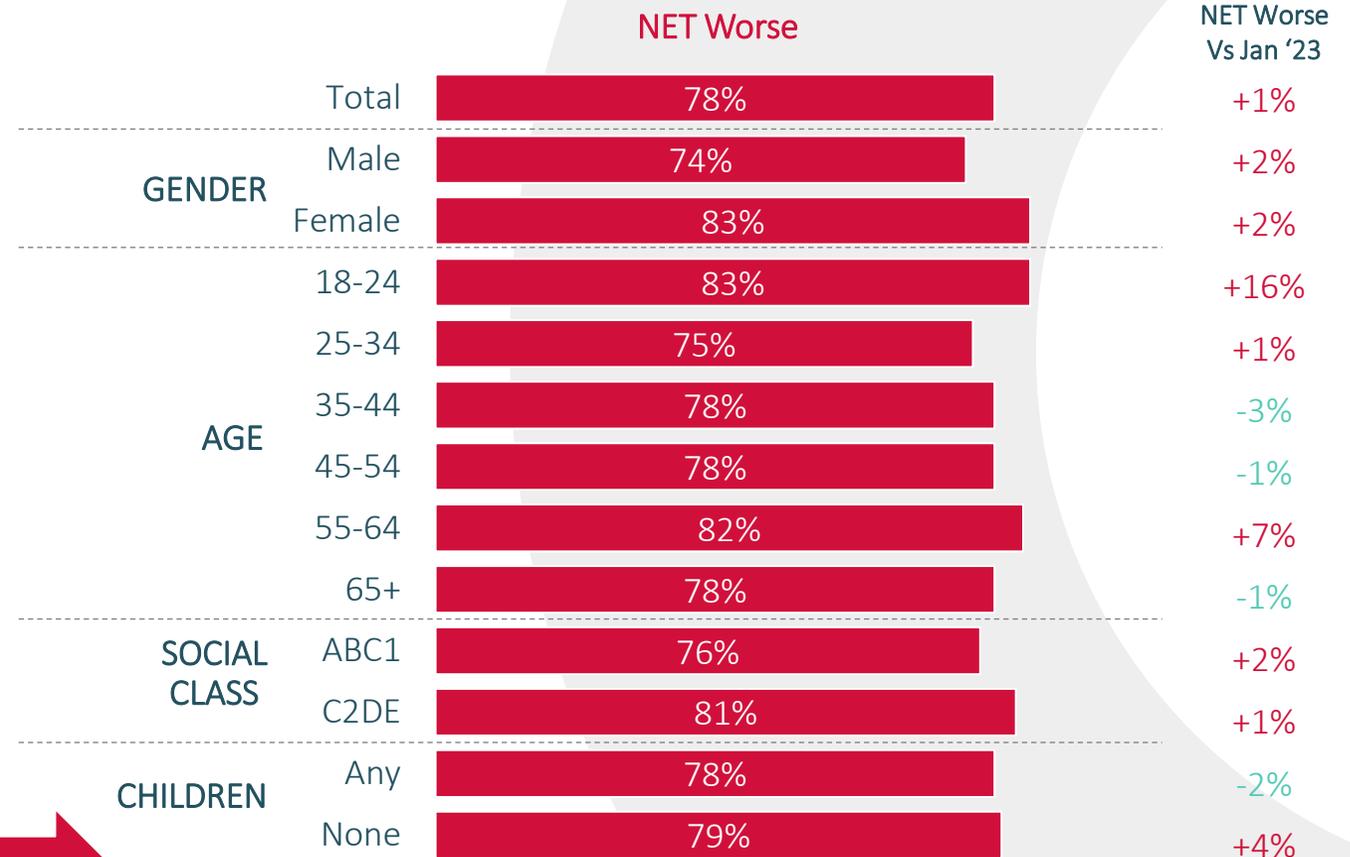
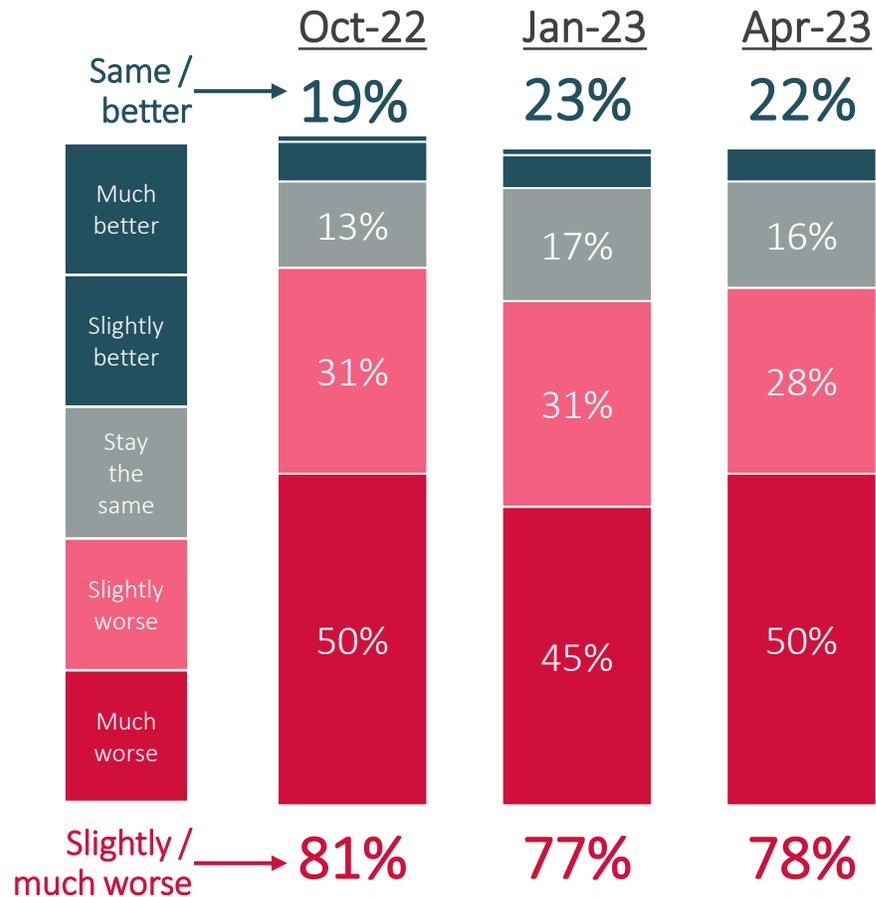
The cost of borrowing money



Despite some indications of house price growth stabilising, affordability of housing is still expected to worsen further



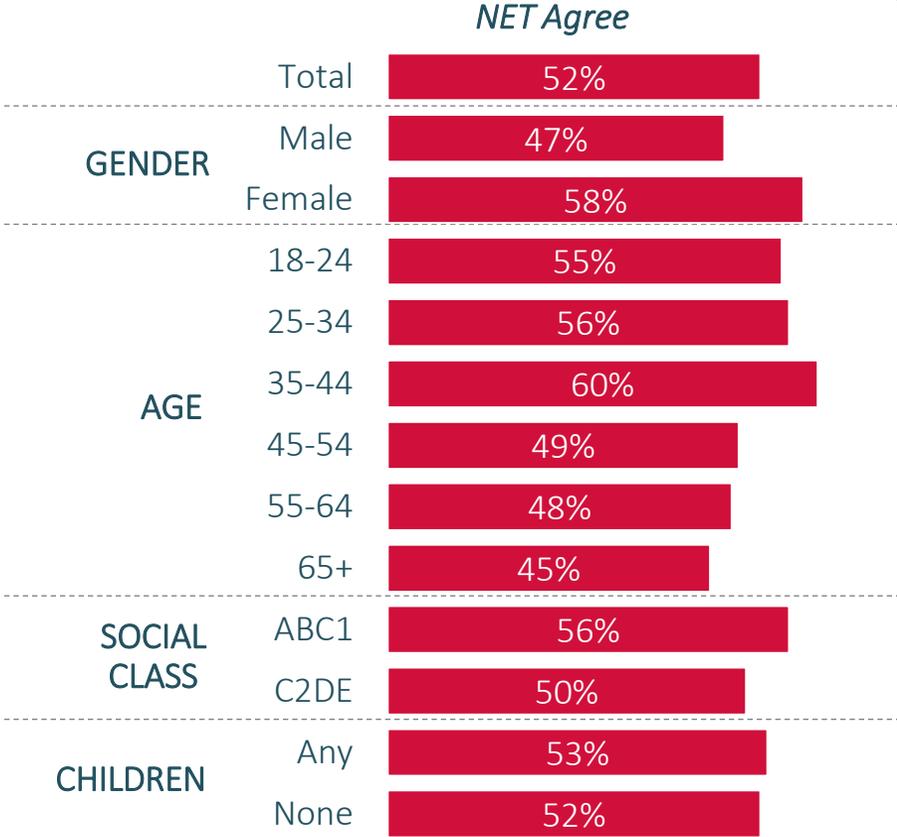
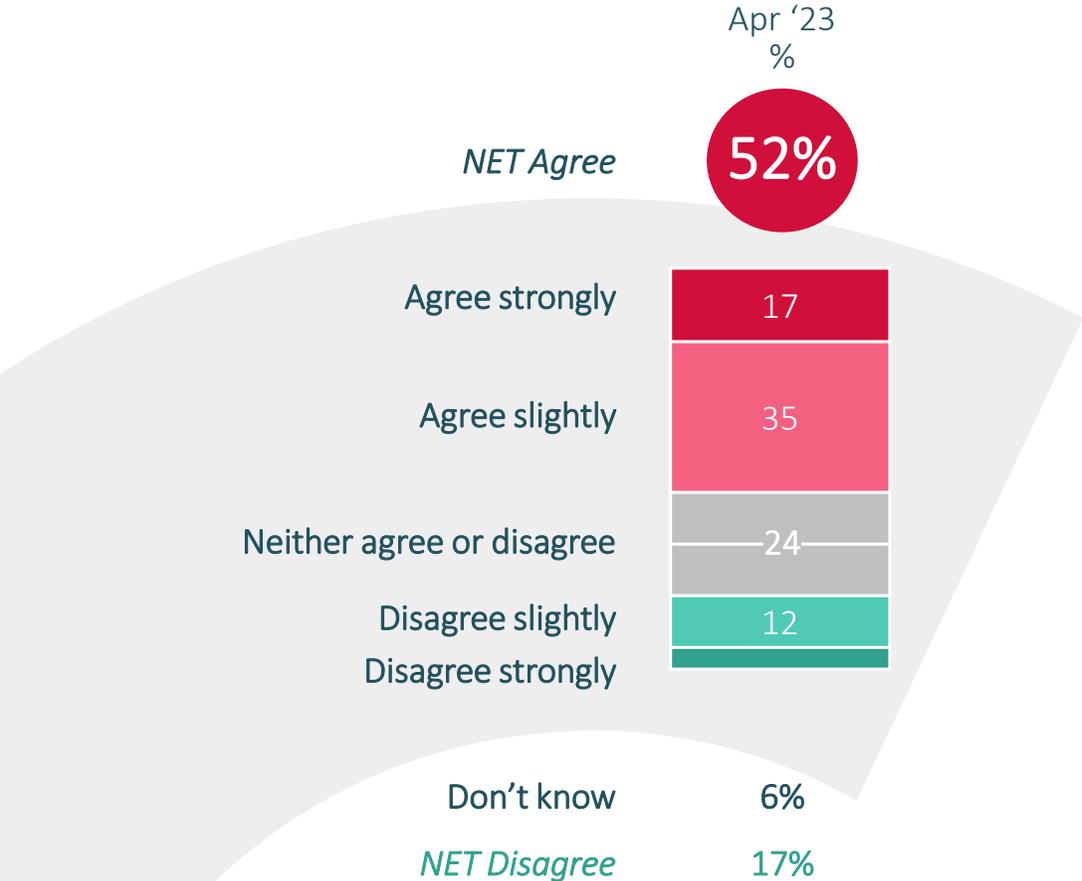
How do you expect the affordability of housing to fare in the next 6 months?



Over a decade on from the financial crisis, just over half are concerned about a potential crisis in the Irish banking system



I am concerned about a potential banking crisis in Ireland
New question



**Expectations around
discretionary
disposable income
remain decidedly
negative although
more believe that it
won't worsen any
further**



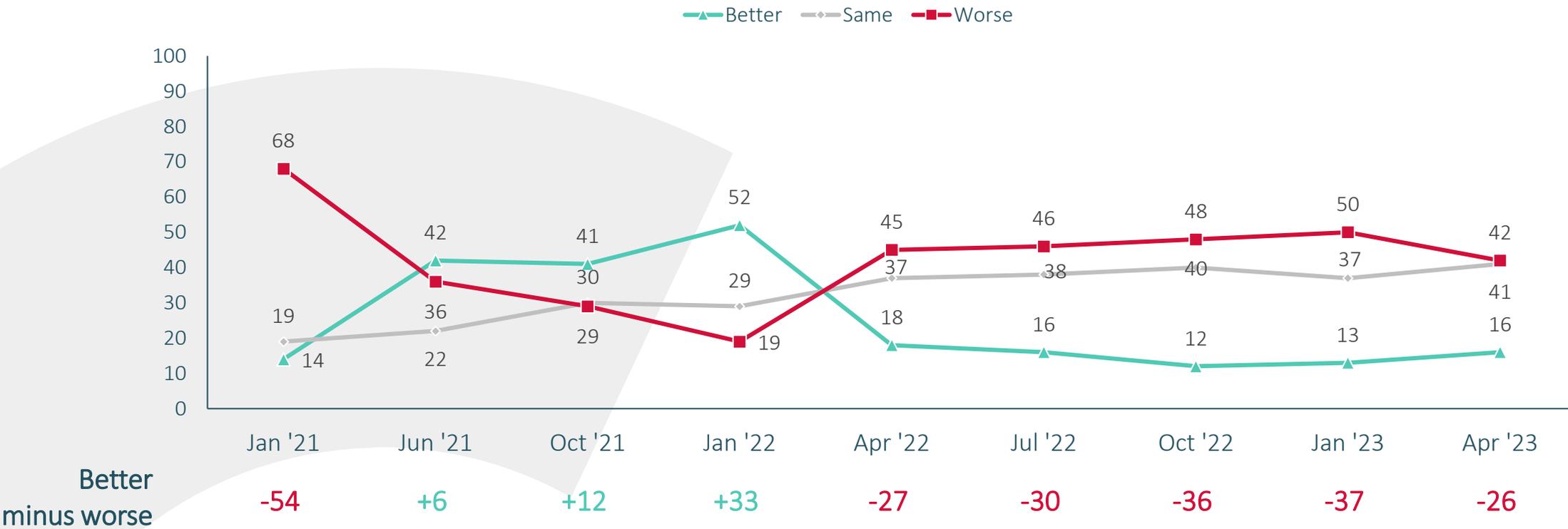
Still concerns about the outlook for jobs over next 6mths, despite some slight improvement in sentiment here



Expectations for the next 6 months for...



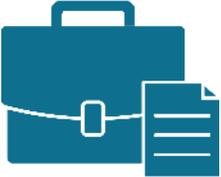
Employment; the ability to get & move jobs



Expectations for the jobs market are up for most cohorts

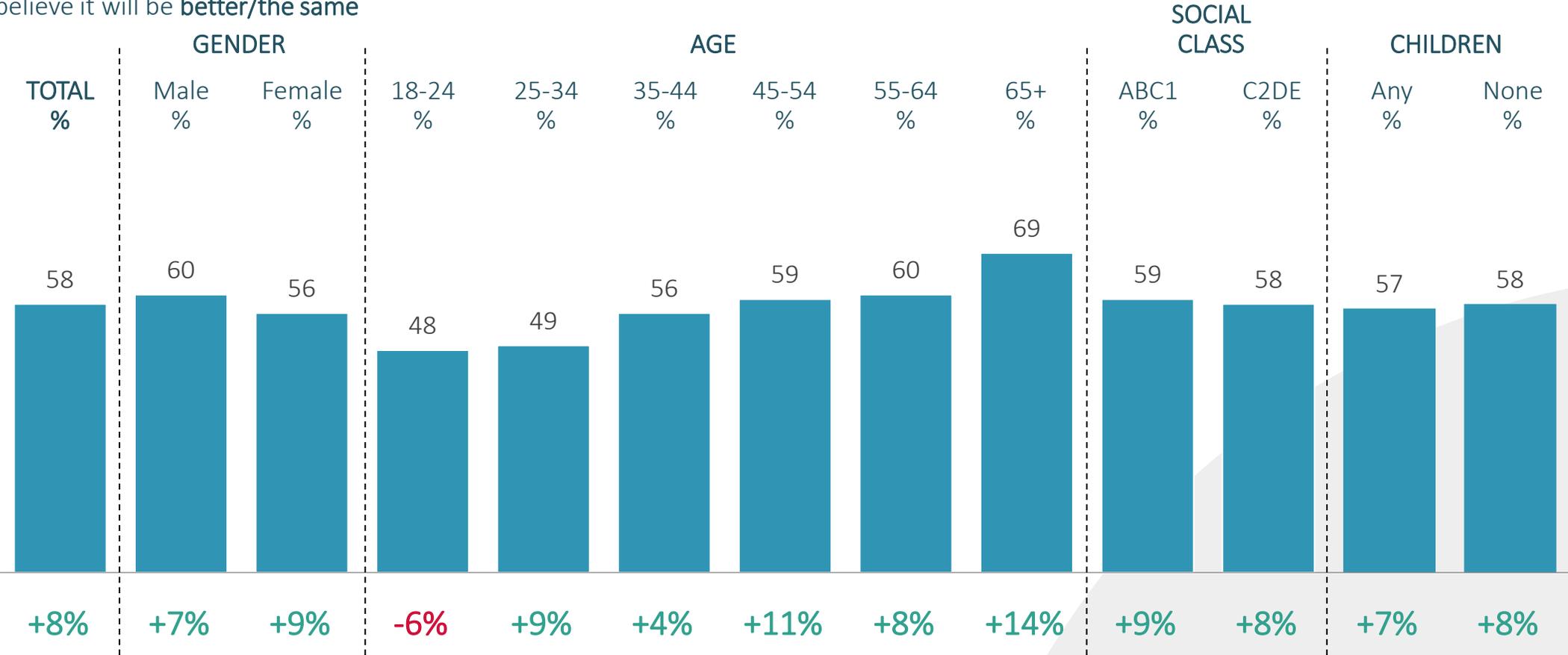


Over 65s are the most optimistic in regards to employment while under 34s are the least. 18-24 year olds are the only group to see less positive outlook than in January.



Expectations for employment in the next 6 months

% Stating they believe it will be better/the same



Vs Jan 2023

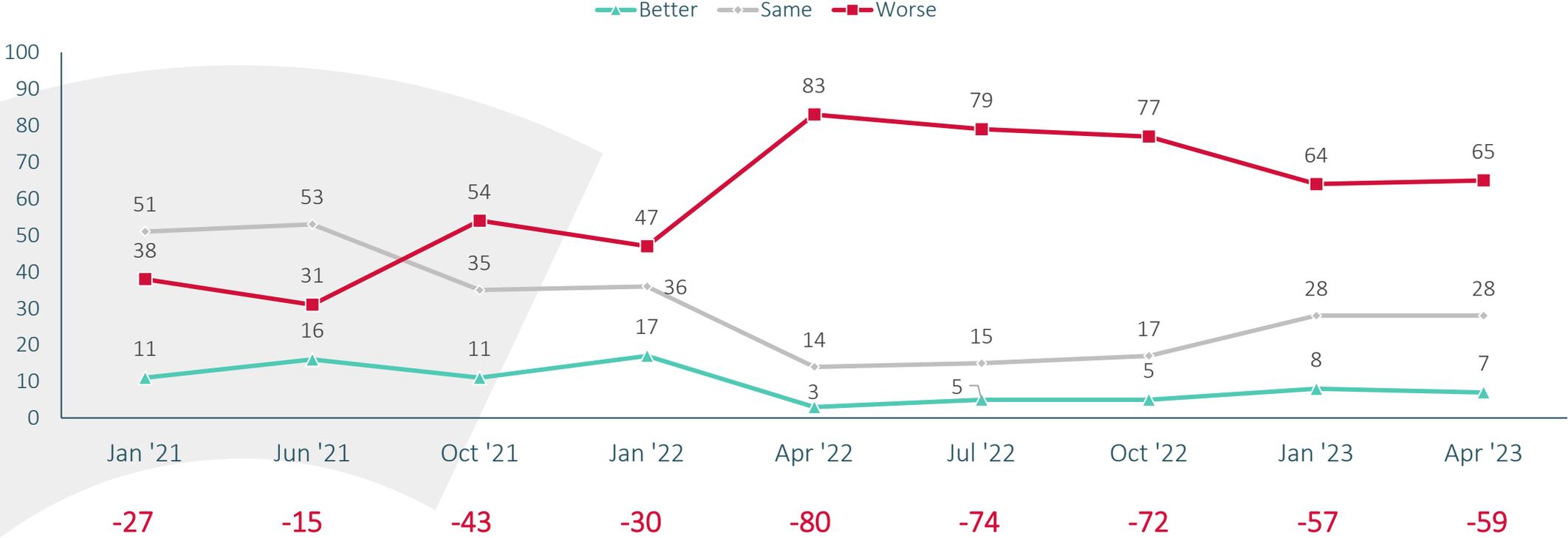
Expectations for discretionary disposable income remain decidedly negative



Expectations for the next 6 months for...



Your level of discretionary disposable income*



Better minus worse

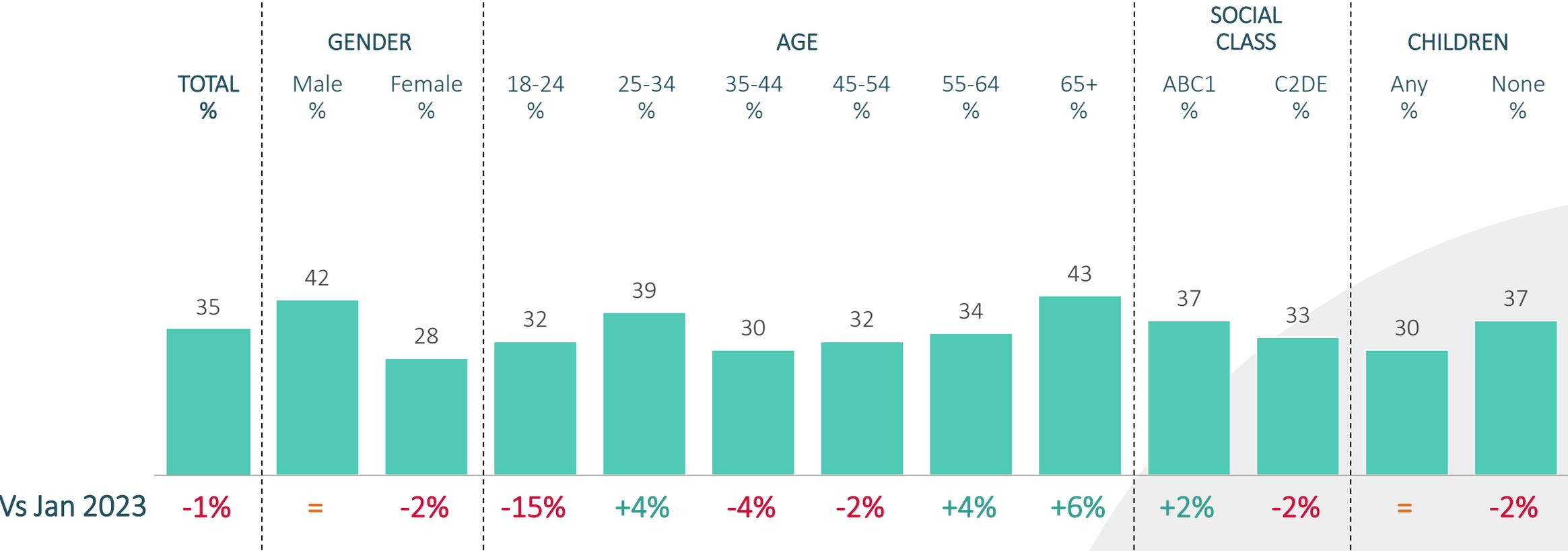
*changed from 'Your Disposable Income' in Oct 2021

Notable age differences in expectations around disposable income

While a majority in no demographic group expects an improvement, expectations are highest among over 65s. They are lowest among women, and have dropped the most since January among 18-24 year olds.

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

% Stating they believe it will be better/the same



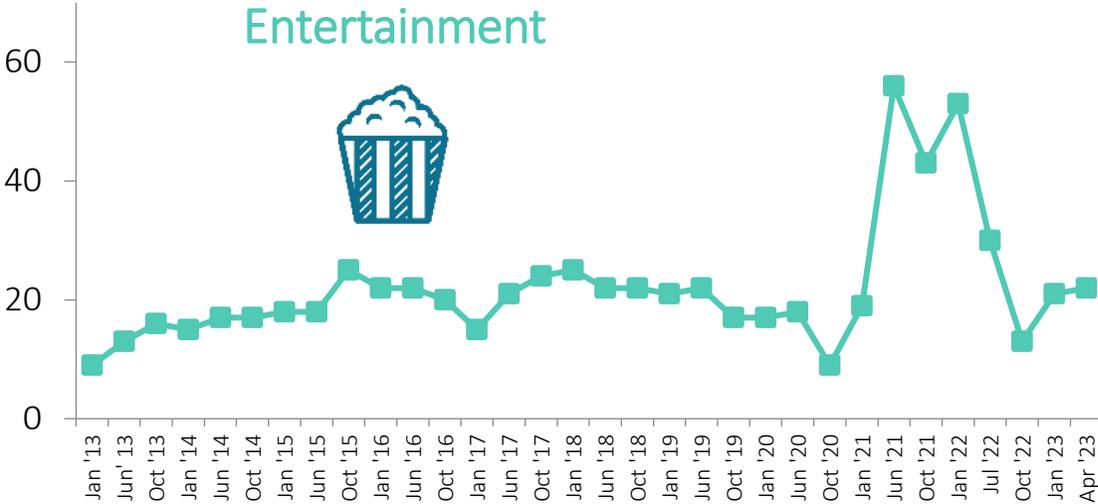
**Consumers expect
grocery, energy and
fuel spend to rise
further, while they
plan to spend less on
key discretionary
categories**



More consumers expect their grocery spend to increase further, most likely due to expectation of higher prices



Expected Increase in Spend In The Next 6 Months
% Likely to increase spend
(next 6 months)



Almost half expect their spend on groceries to rise further



More continue to expect to decrease their spend across entertainment, consumer goods, and holidays than to increase.

Expected Changes In Spend Over The Next 6 Months



Entertainment such as going out, eating, drinking or socialising



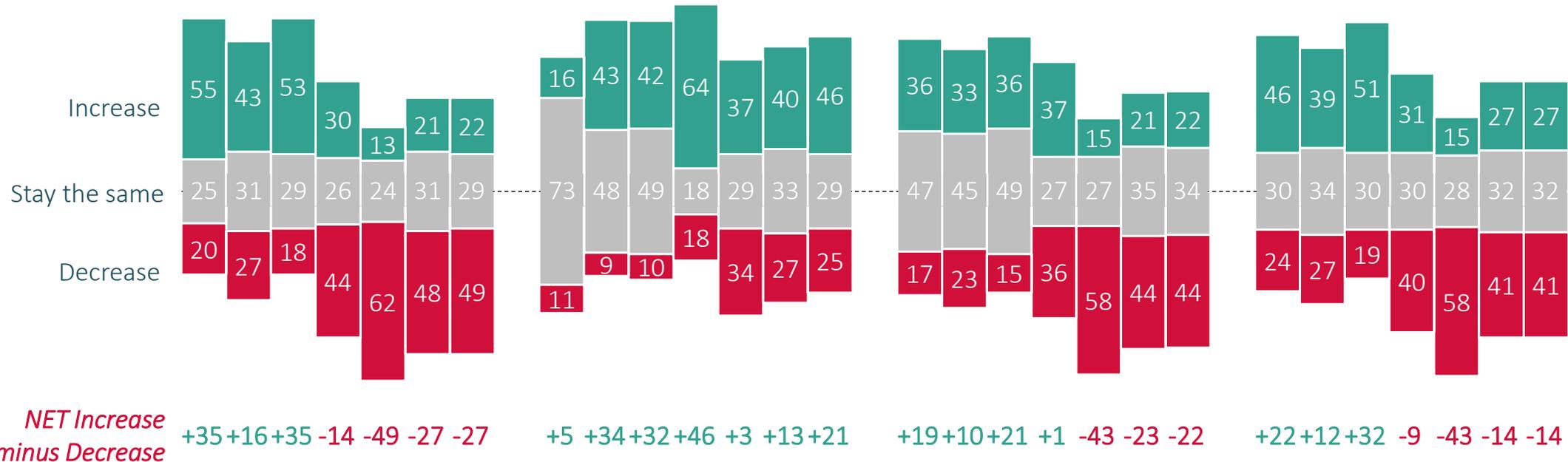
Grocery spend



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



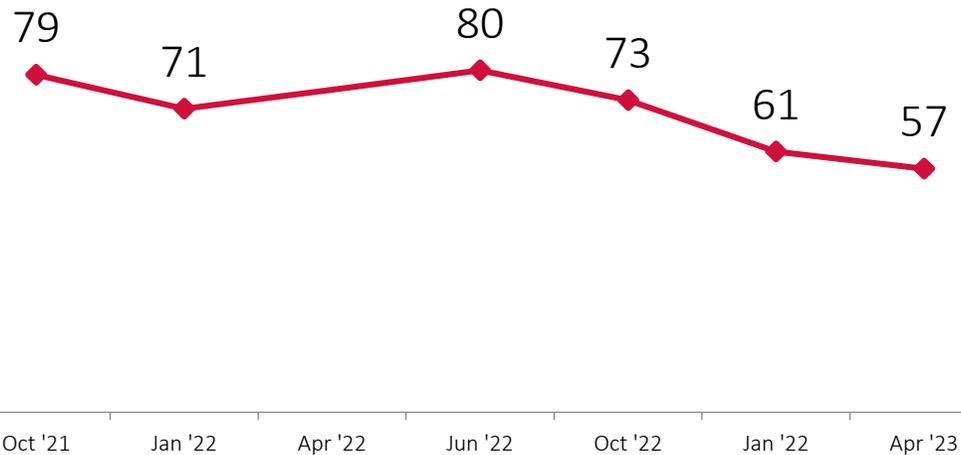
Holidays and short breaks



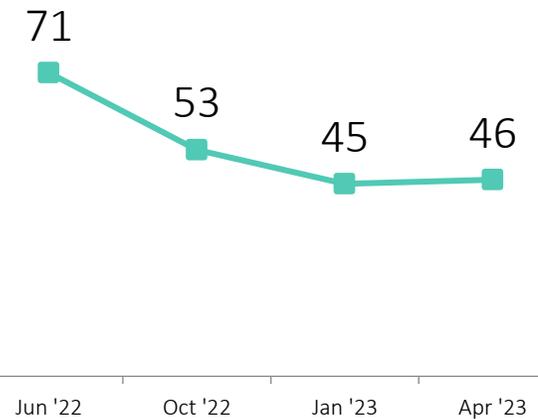
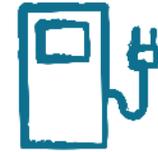
No notable change amongst consumers in their expectations for energy prices over the coming six months – most still expect higher household bills

Expected Increase in Spend In The Next 6 Months
% likely to increase spend (next 6 months)

Household energy bills
e.g. electricity, gas*



Fuel
(petrol/diesel)*



*excludes n/a responses

Majority still expect energy bills to increase



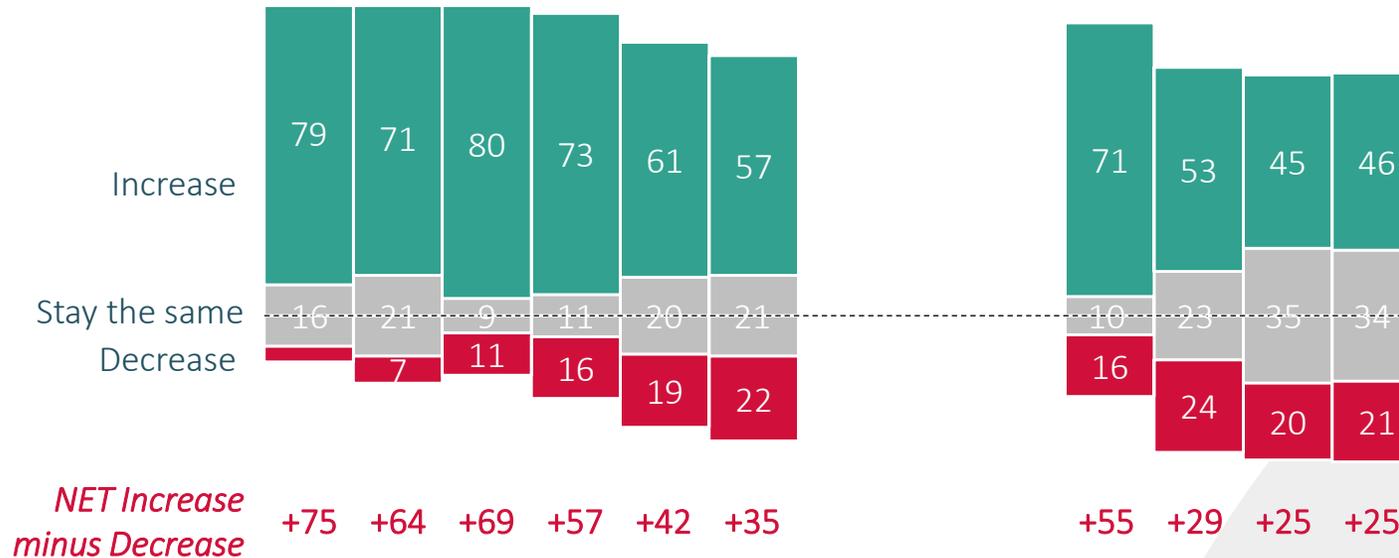
While fewer expect their energy bills to increase than in recent waves, the majority still expect them to rise further. More still expect fuel prices to increase than decrease.

Expected Changes In Spend Over The Next 6 Months

Household energy bills e.g. electricity, gas*



Fuel (petrol/diesel)*



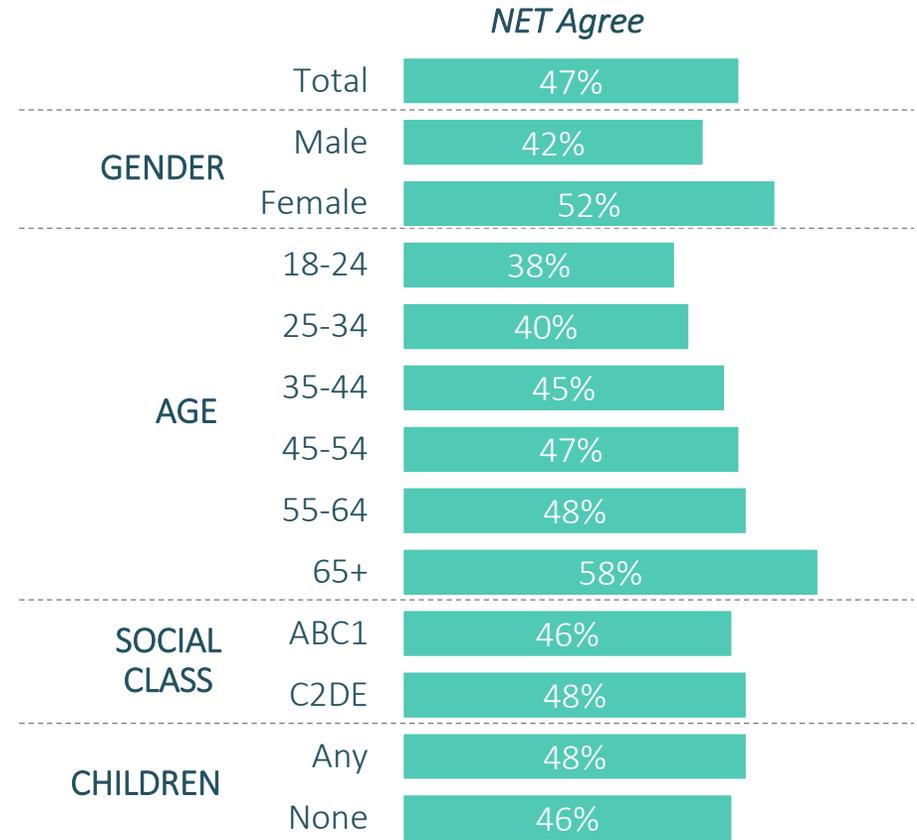
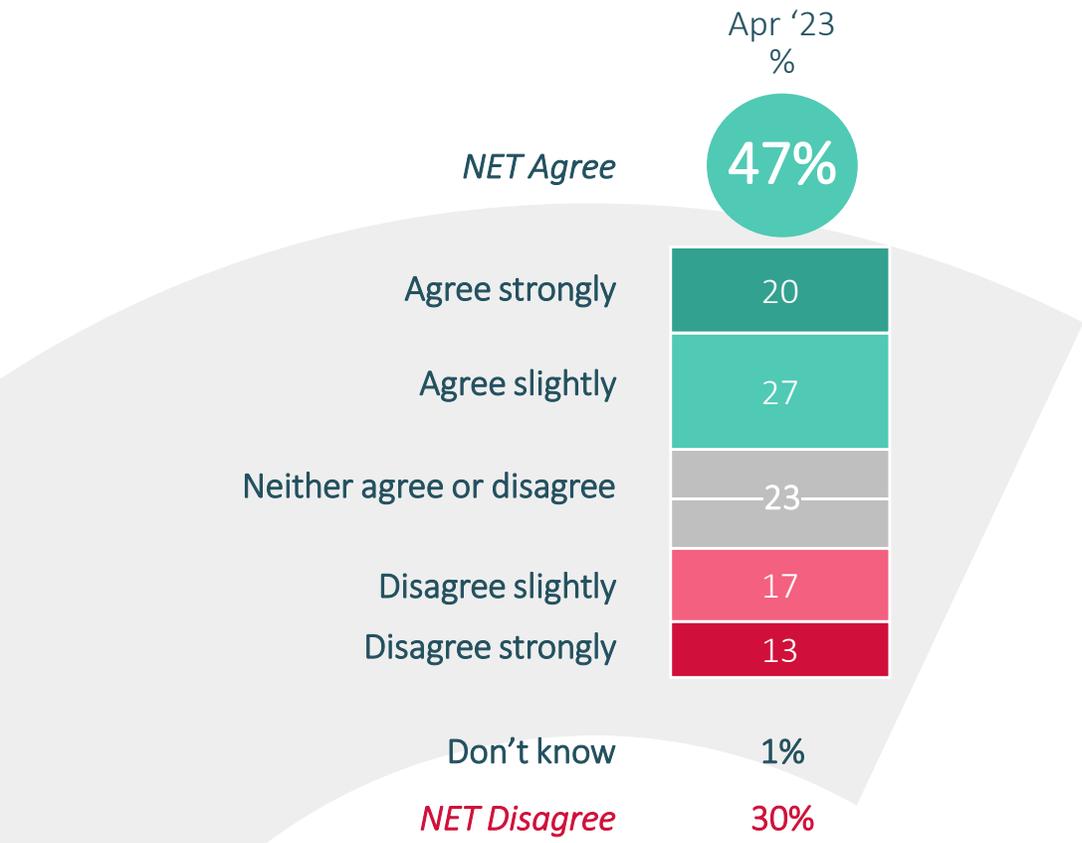
*excludes n/a responses

Almost half of drivers say they have been driving less



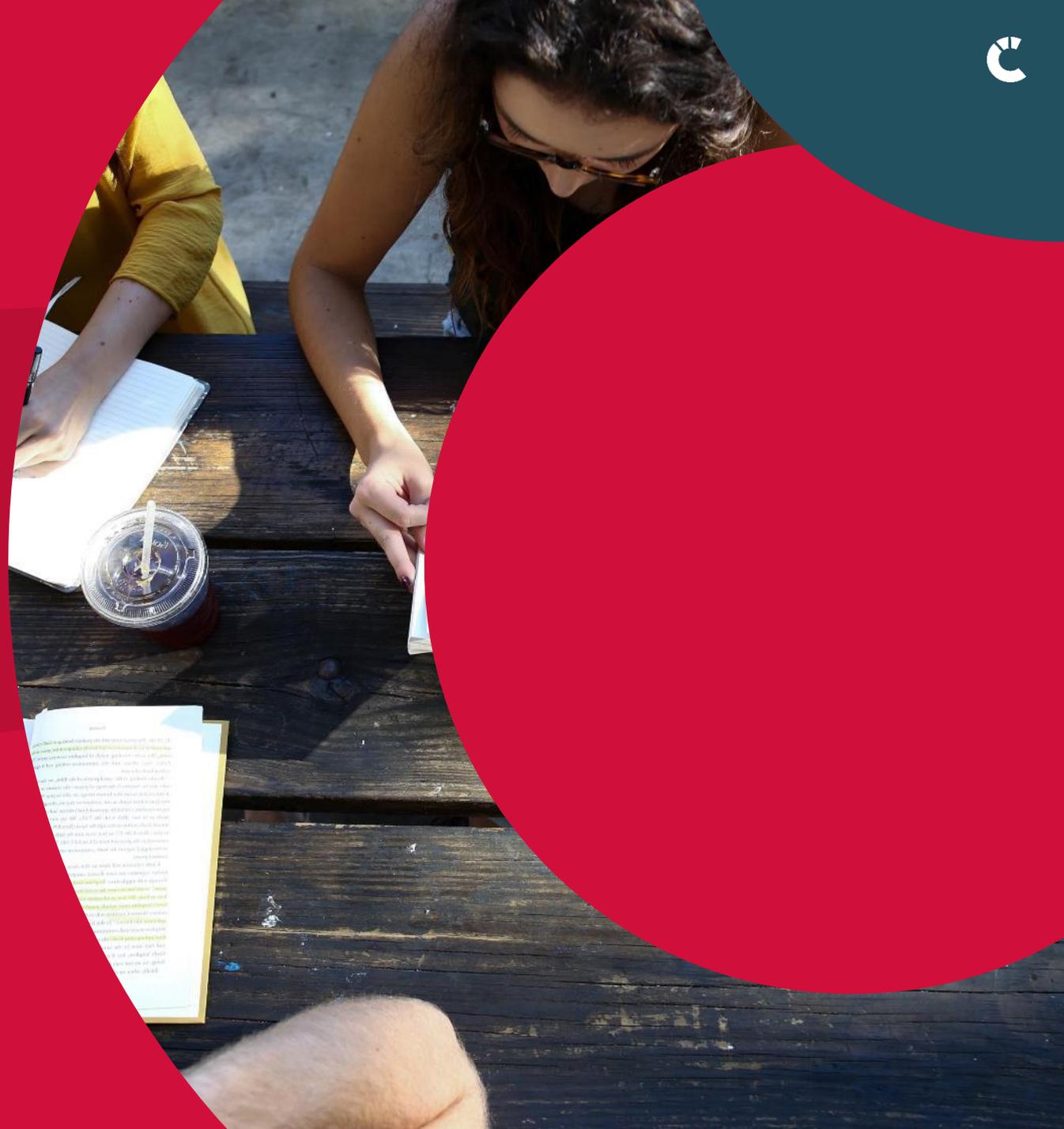
Over 65s are particularly likely to report driving less often than they did a year ago

I have been driving less than I did a year ago*
New question



*Excludes not applicable

Almost half of Irish consumers believe their quality of life has deteriorated versus this time last year



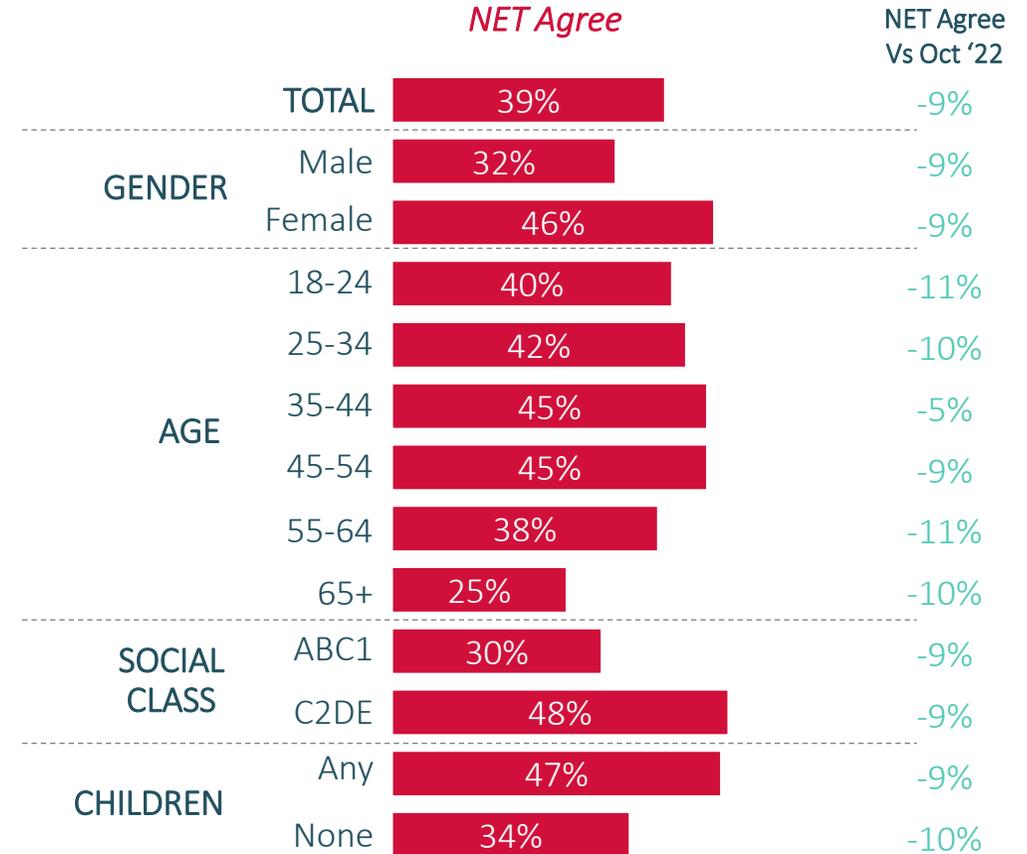
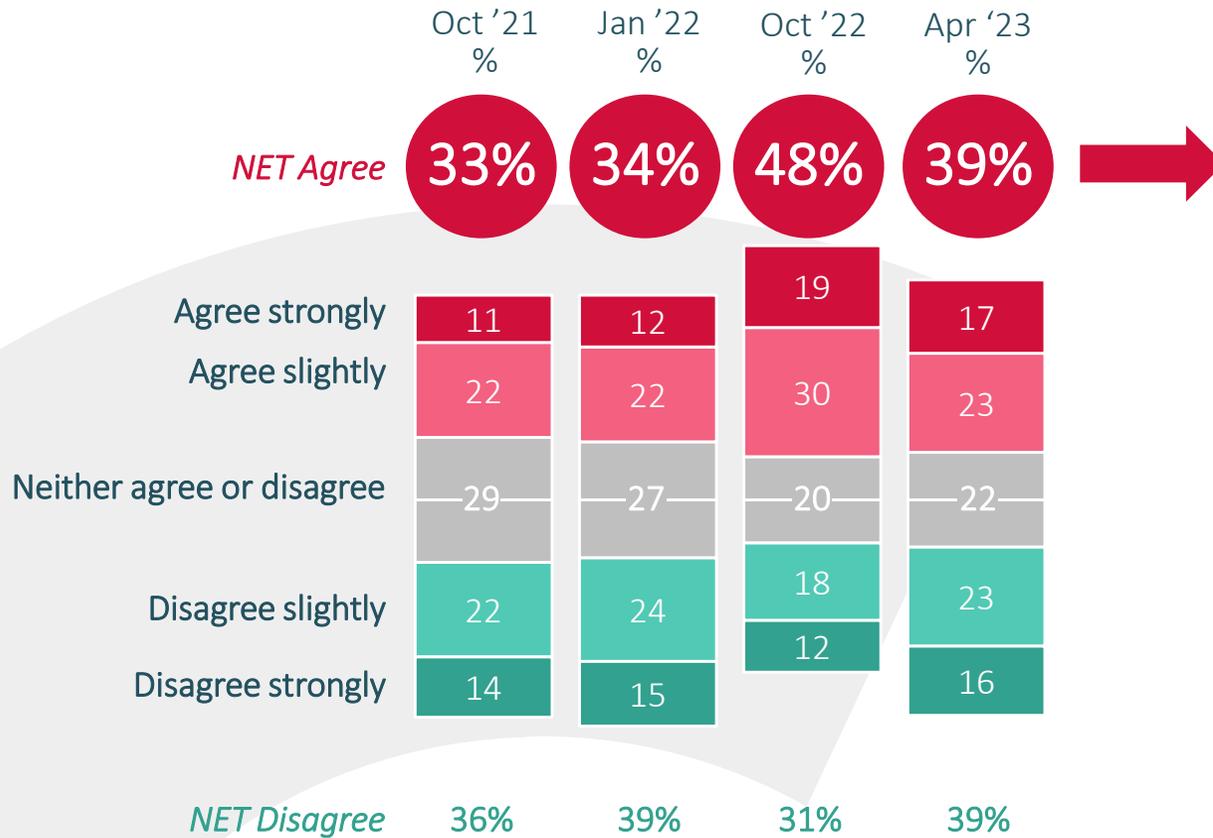
Fewer now saying they are struggling to make ends meet



This has improved among all demographics while over 65s are the least likely to say they are struggling. There is a stark divide with as many saying they are struggling, as those who say they are not.



I am struggling to make ends meet



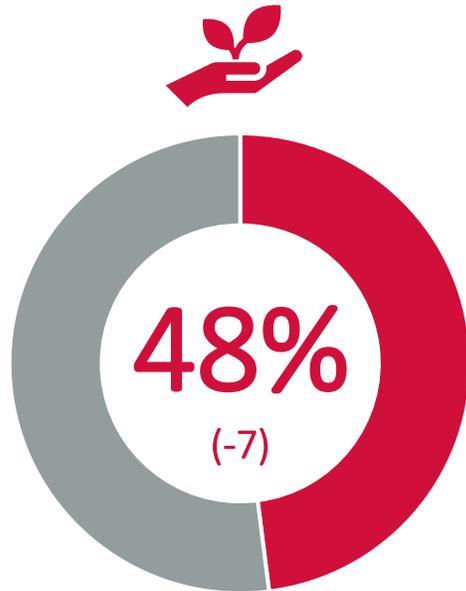
Roughly half say their quality of life is lower than a year ago



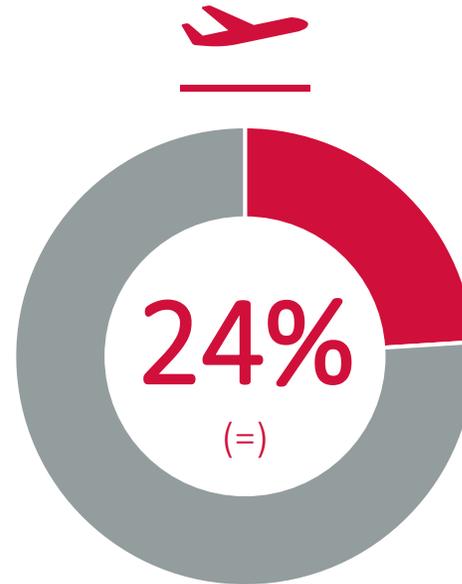
There is little end in sight for many as little over 1 in 5 expect their quality of life to improve in the coming year. As much as a quarter of the population is still considering emigrating for quality of life reasons.

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

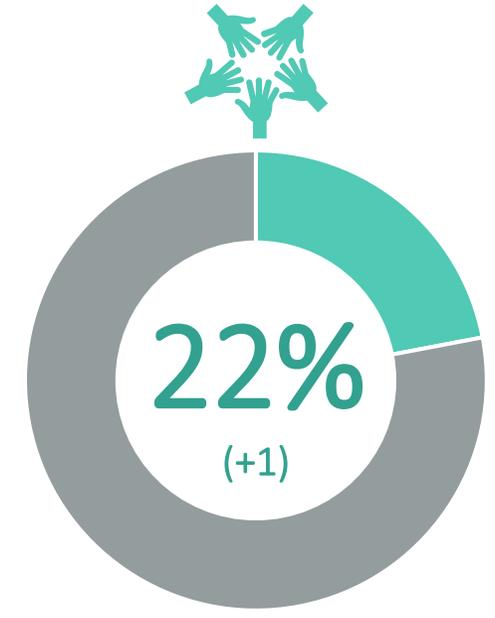
() = change v Oct '22 data



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



Considering moving abroad to enjoy a better quality of life elsewhere



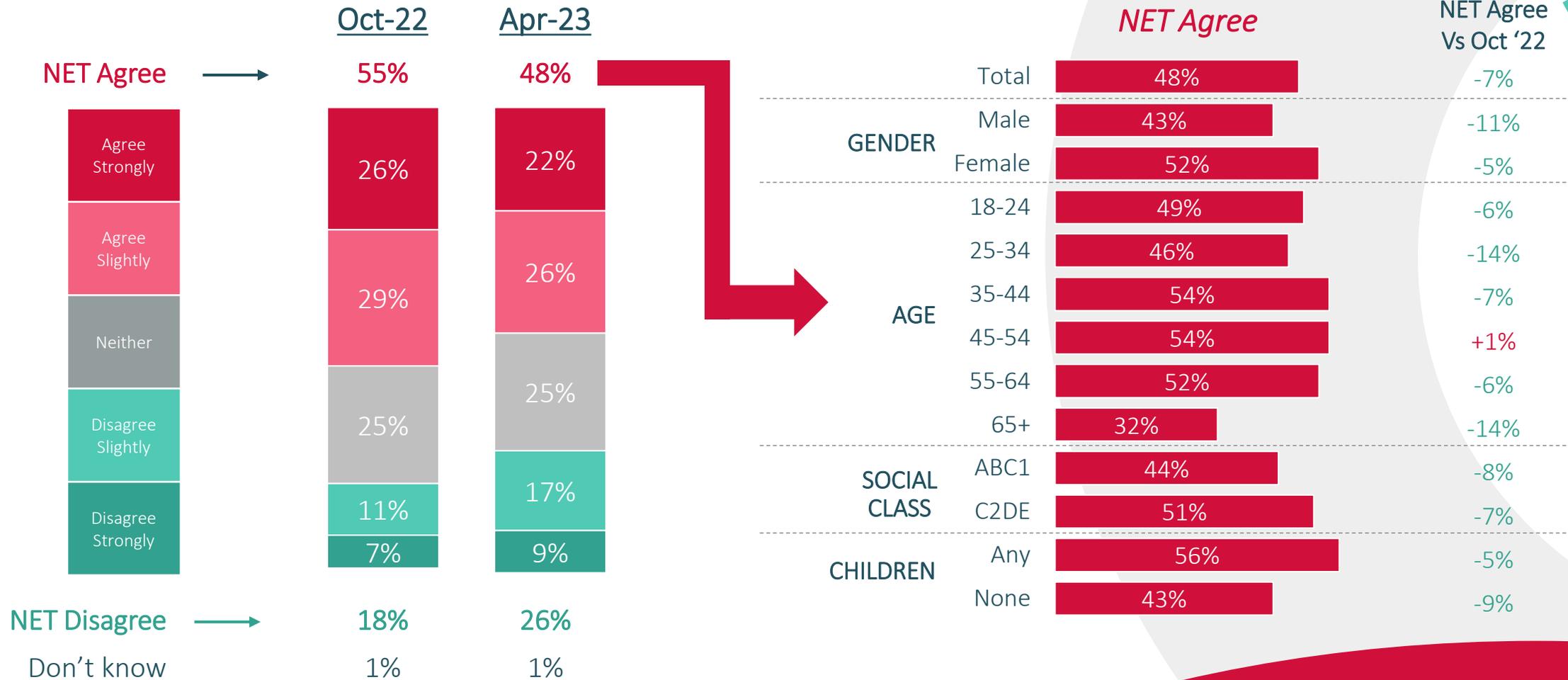
Believe their quality of life will be better in 12 months' time

Just below half still say they are worse off than a year ago



While down slightly on October, roughly half say their quality of life has worsened. A quarter say their quality of life is not lower while a quarter say it hasn't changed. Over 65s are the least likely to say they're worse off.

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

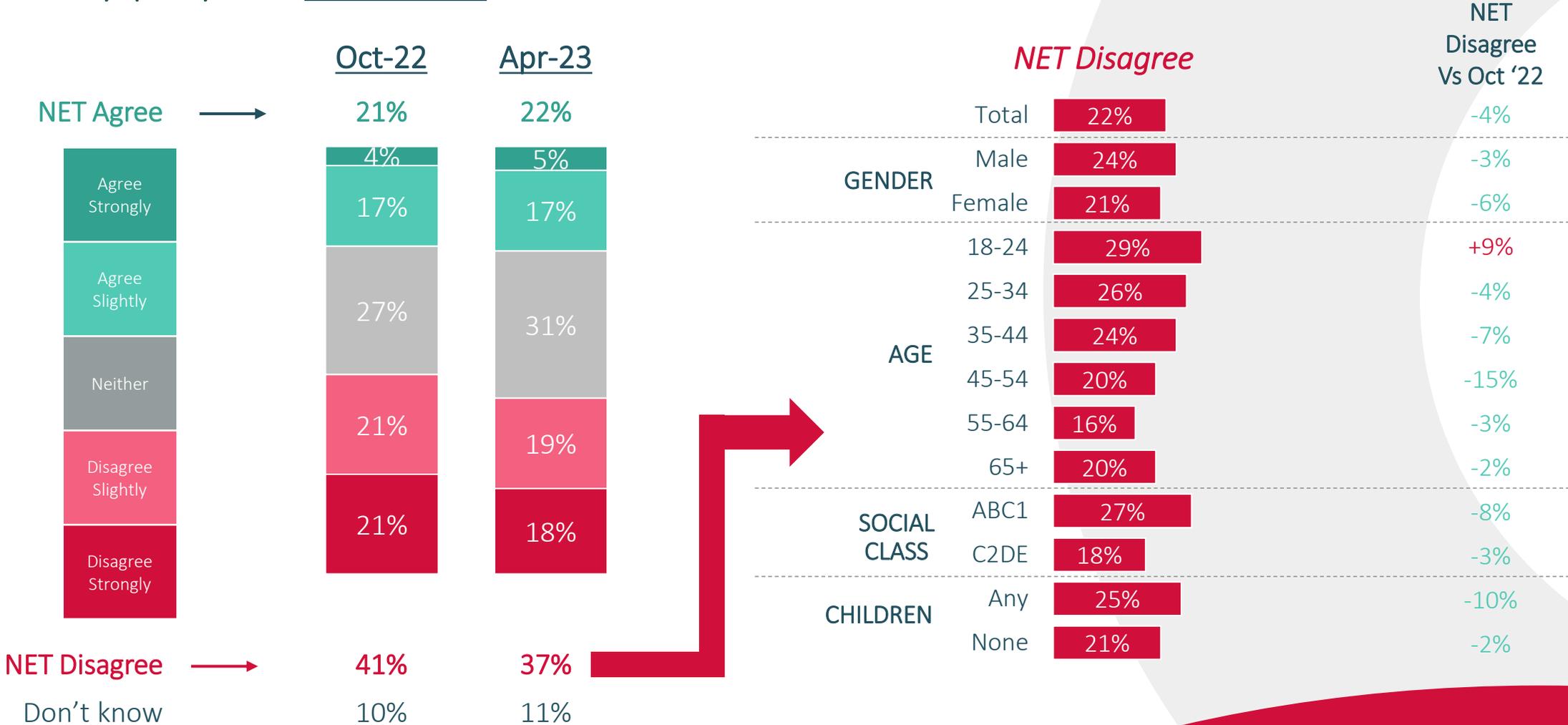


Only 1 in 5 expect their quality of life to improve in coming year

Younger age cohorts are least likely to believe their quality of life will improve in the coming year.



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



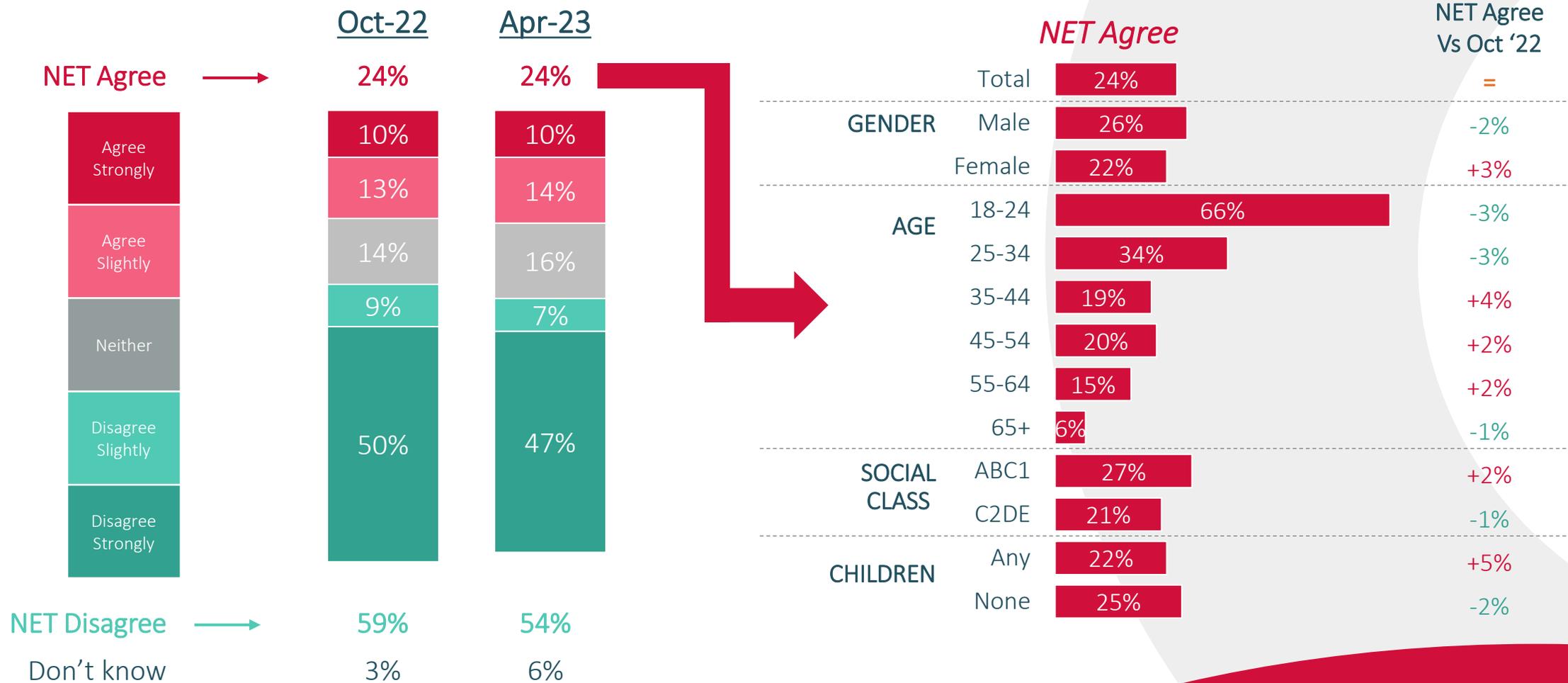
A quarter continue to say they are considering emigration



Two thirds of 18-24 year olds are considering emigrating for quality of life reasons, possibly partly due to a lack of belief that things will improve in the coming 12 months.



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



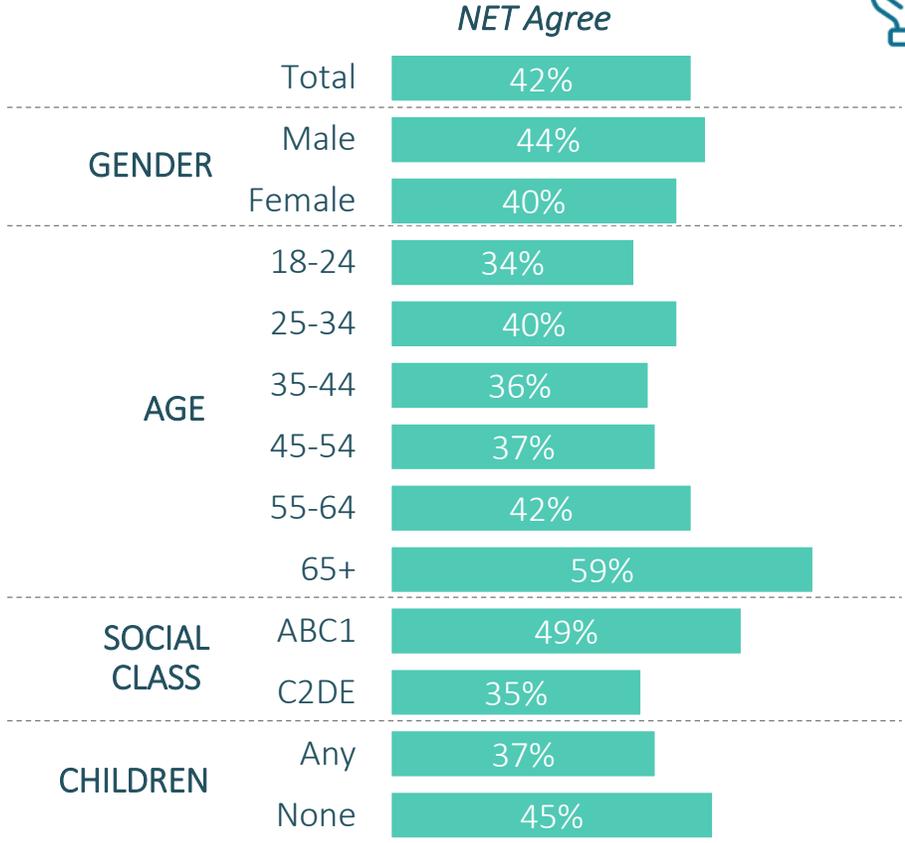
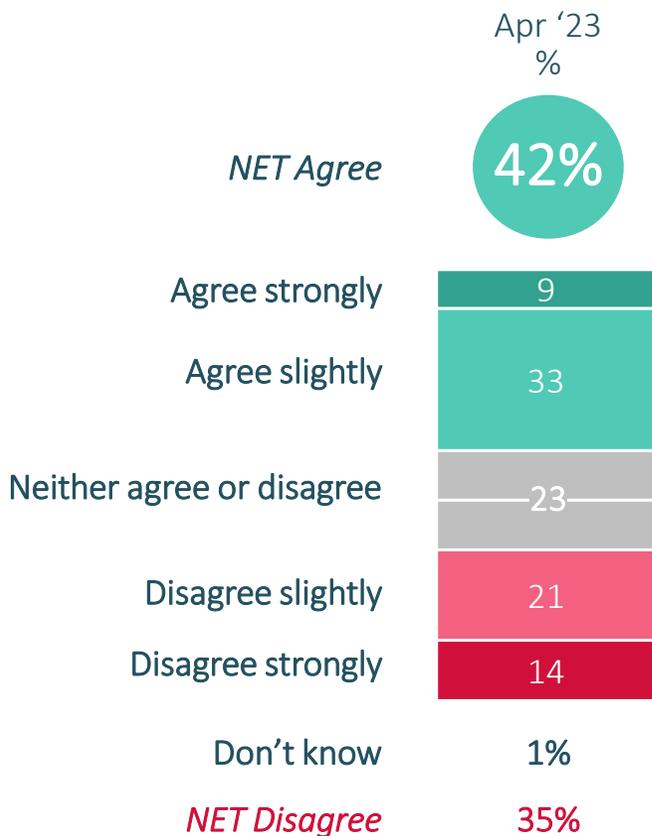
Overall, roughly 2 in 5 are satisfied with their quality of life



One third say they are not satisfied with their quality of life. Those whose quality of life has not worsened in the past year are three times more likely to be satisfied overall. Older age cohorts are also more satisfied.



I am satisfied with my quality of life

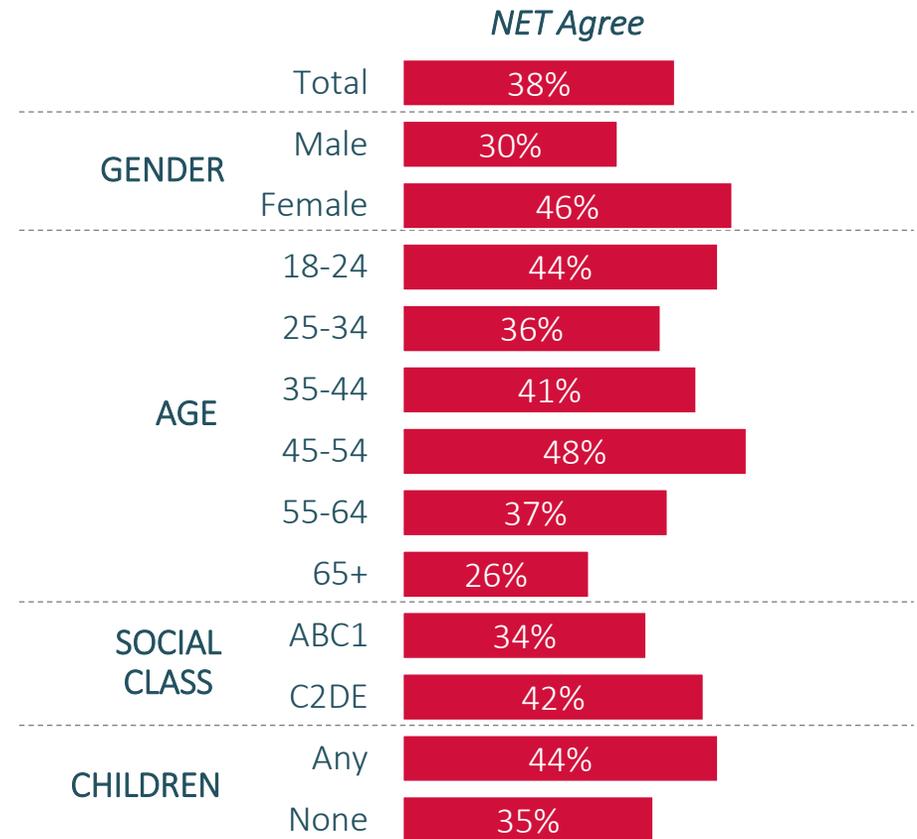
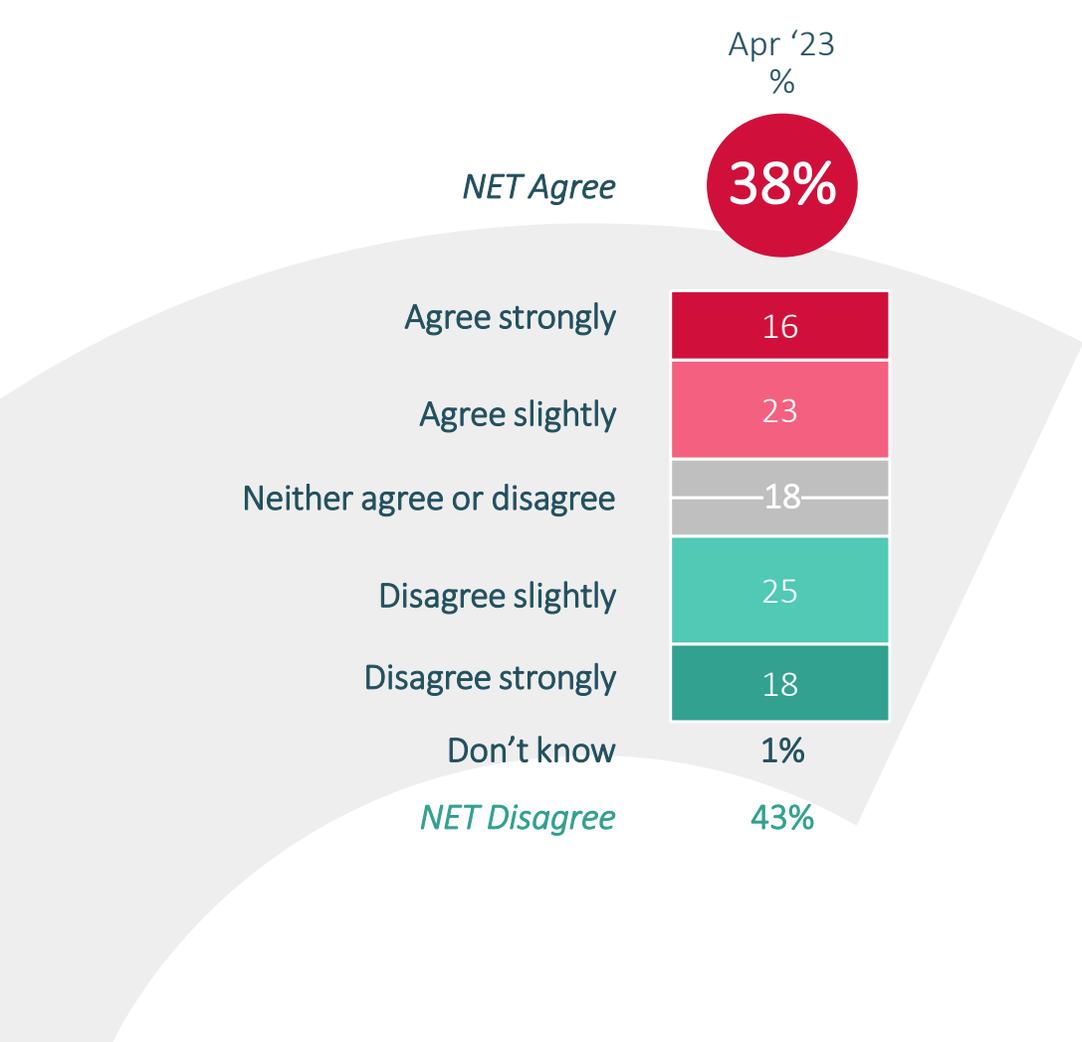


	AGREE my quality of life is lower than it was a year ago	DISAGREE My quality of life is lower than it was a year ago
% Satisfied	23%	76%

Almost 2 in 5 using credit / savings to cover monthly costs



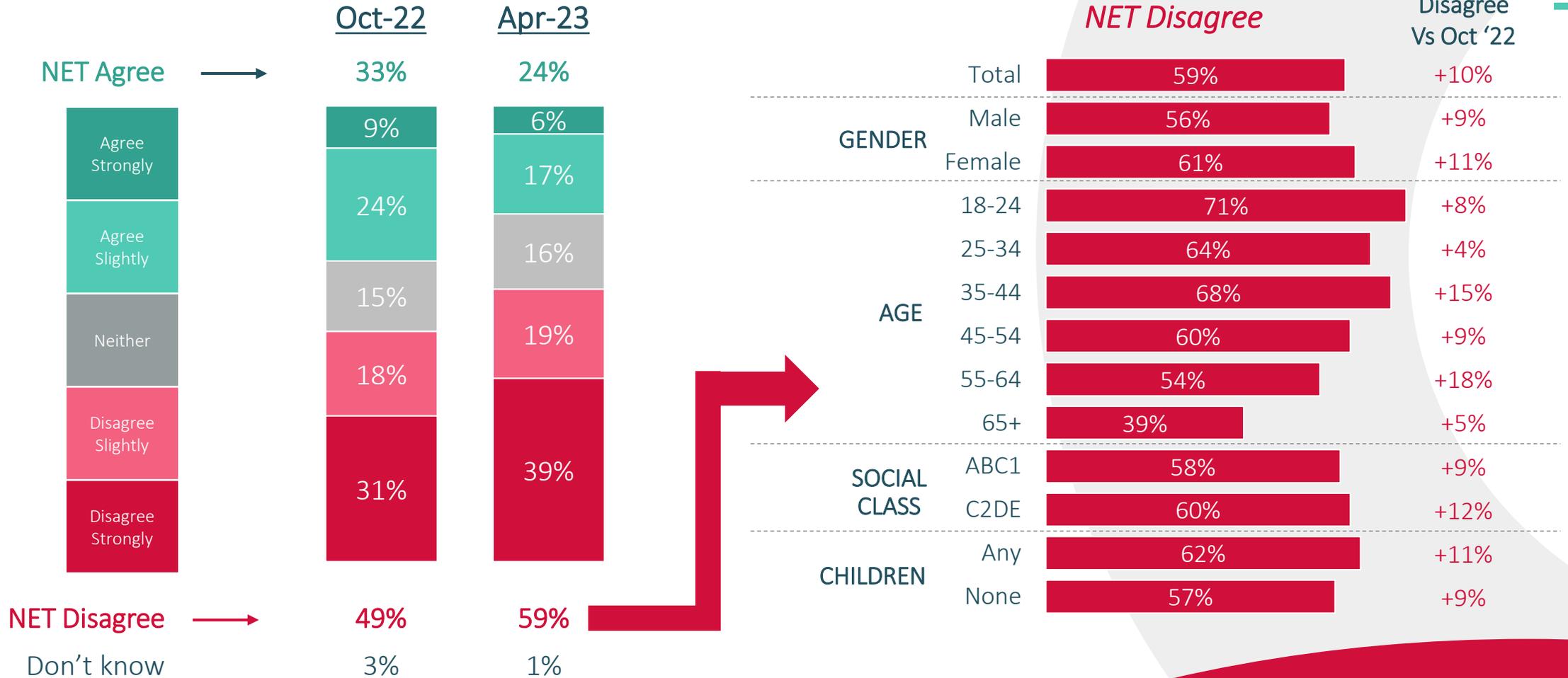
I don't have enough money to cover monthly costs without dipping into savings or credit



Only one-in-four feel the government is doing all it can to help, which is lower versus last October



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



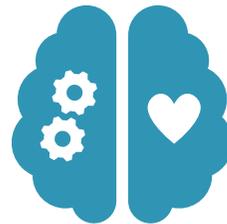
Mapping and delivering easy and enjoyable customer journey's and experiences to maximize purchase and retention.

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