



# Consumer Mood Monitor Q1 2024

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February 2024



**A slight improvement in the Consumer Mood in January, as concerns over the rising cost of living ease, especially with regard to energy costs. However, a majority of consumers still remain concerned about the outlook for the Irish economy.**

# Ease in concerns over cost of living leading to a modest improvement in consumer sentiment



01

The RED C Consumer Mood is at -35 in January 2024, up six points from the previous wave in October 2023. While this is a modest improvement overall, it does appear to reflect an easing of concerns over the rising cost of living in Ireland, especially when it comes to energy prices.

02

A deceleration in the rate of inflation over the last 12 months is no doubt tempering concerns about future increases in the cost of living. Recent announcements by most of the energy suppliers that they will cut prices is also likely to be a factor.

03

Easing inflationary pressures also seem to be leading to some improvement in expectations for discretionary disposable income. Aligned with this, there is a modest improvement in expected spend on entertainment, consumer goods and holidays.

04

While a majority of consumers still remain concerned about the outlook for the Irish economy, there are clearly signs that consumers are becoming that bit more optimistic. A consideration here, however, is how the global economy will perform and the potential for disruption from ongoing geopolitical uncertainty.

**Marginal  
improvement in  
consumer  
confidence, although  
more still expect it to  
fare worse than  
better**





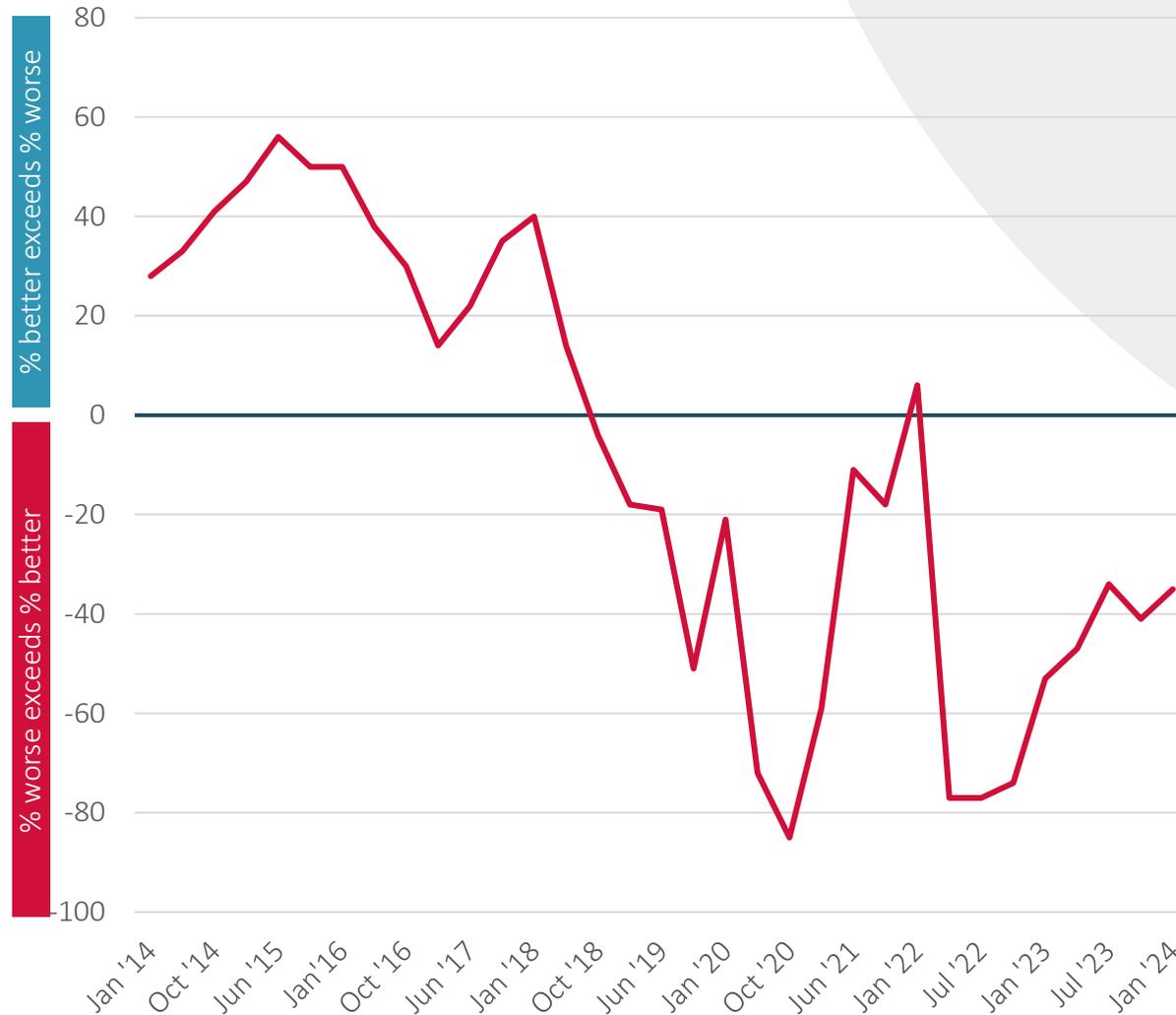
# A slight improvement in the RED C Consumer Mood in Jan-23

The RED C Consumer Mood sees an improvement of six points on last October, increasing to -35 in January 2024. This reflects a trend of improvement observed since the beginning of last year.

However, with the mood still in negative territory, there remains a sizable majority of Irish consumers that are concerned about the outlook for the Irish economy in the coming six months.

## The RED C Consumer Mood – outlook for the Irish economy

% get better LESS % get worse over the next six months



RED C Consumer Mood Jan 2024:

**-35**

+6 v Oct-23  
+18 v Jan-23

Above zero: % expect things to get better GREATER than % expect things to get worse  
Below zero: % expect things to get better LESS % than expect things to get worse

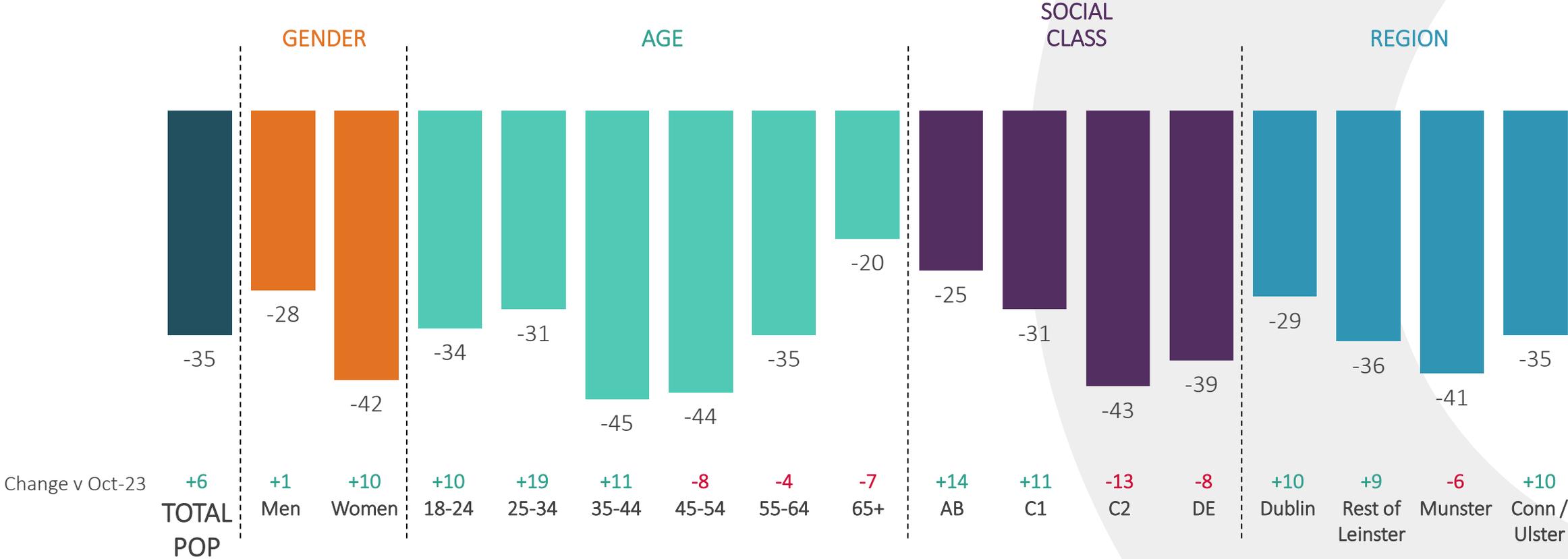
# Improved mood amongst women, younger age groups and ABC1s



The improvement in mood is also seen in most parts of the country, except for the Munster region

## Expectations for the Irish economy six months from now

% get better LESS % get worse over the next six months



# Improved mood due to fewer expecting economy to fare worse



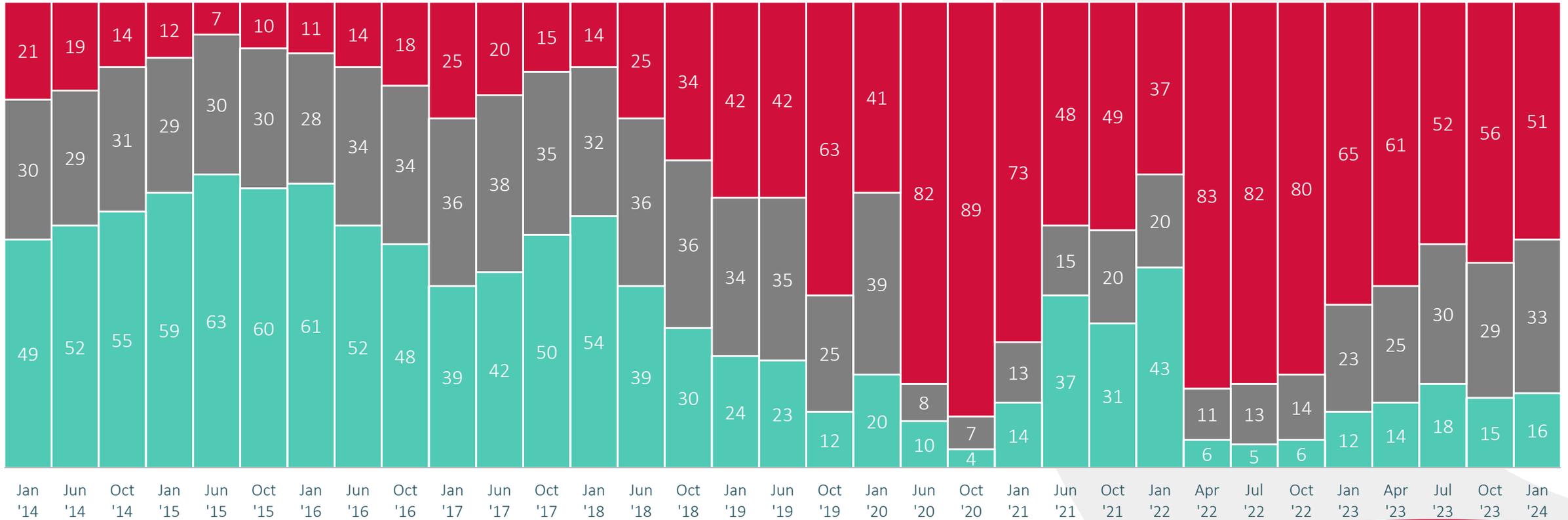
Half of Irish adults expect the Irish economy to fare worse in the coming six months while a third expect it to stay the same

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

*% worse / better / stay the same*



■ Worse ■ Same ■ Better



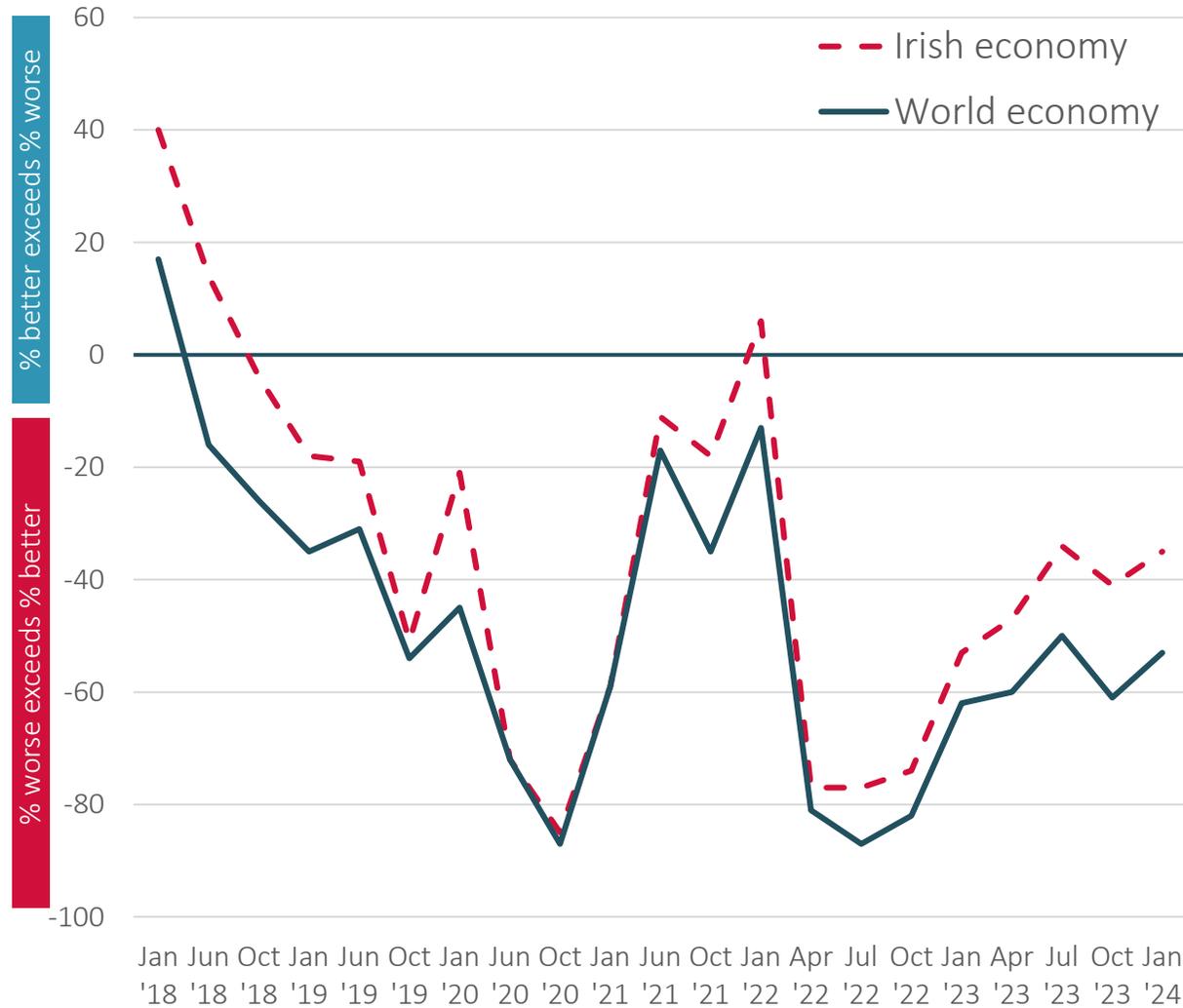


# Some improvement in expectations for the global economy

Irish people tend to be a bit more optimistic about the prospects for the domestic economy relative to the global economy. A notable majority remain concerned about the international economic environment, with signs already of slower growth in Europe and the US. Ongoing geopolitical instability is no doubt also a factor at play.

## Outlook for the World Economy

% get better LESS % get worse in next six months



Global economy  
Jan 2024:

# -53

+8 v Oct-61  
+9 v Jan-62

Above zero: % expect things to get better GREATER than % expect things to get worse  
Below zero: % expect things to get better LESS % than expect things to get worse

**Consumers expect cost of living and housing in particular to worsen, but some improvement in outlook on the cost of borrowing, and on own financial situation**

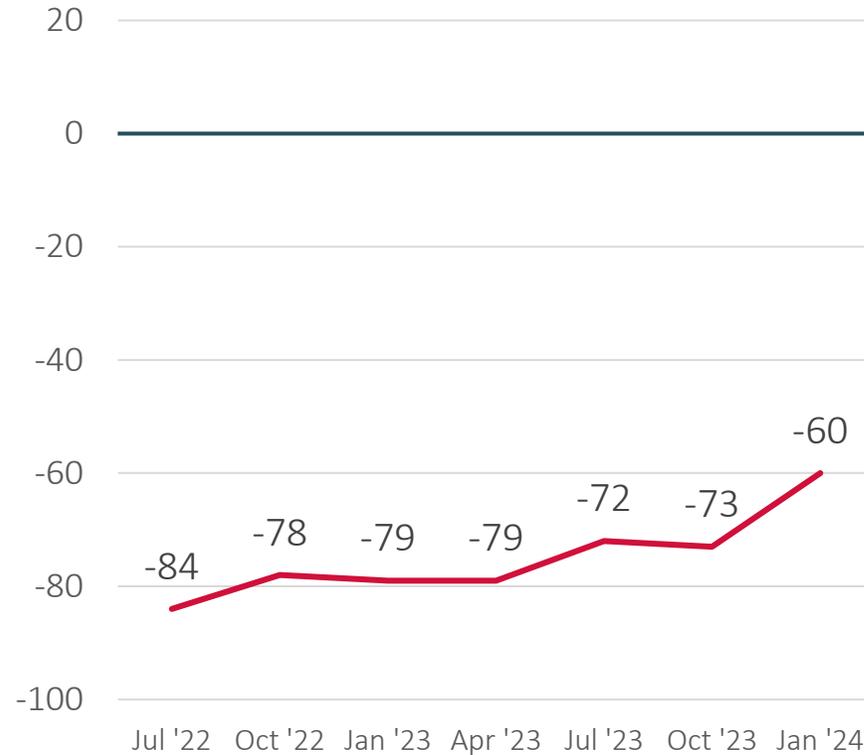




# Some easing in concerns over cost of living

As the rate of inflation has slowed considerably in the latter half of last year, consumer fears over further rises in the cost of living have eased to some extent. Yet, a majority are still concerned about further increases over the coming six months.

Expectations for the cost of living over the next 6 months  
% get better LESS % get worse



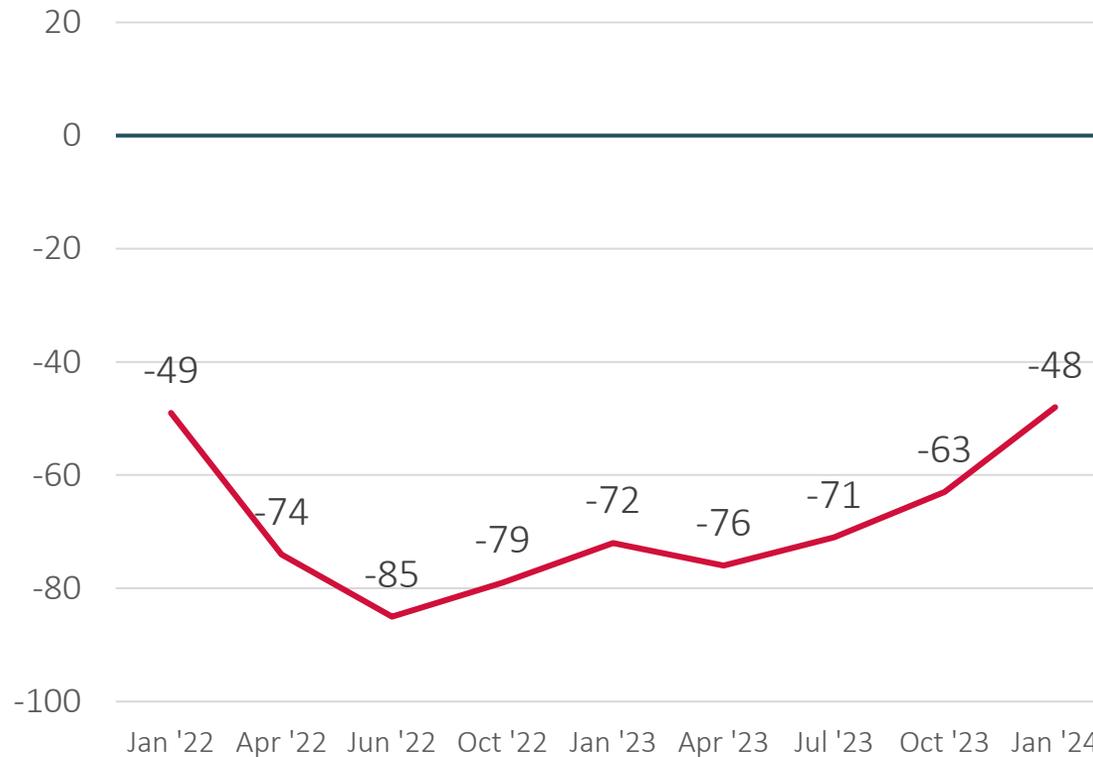
Above zero: % expect things to get better GREATER than % expect things to get worse  
Below zero: % expect things to get better LESS % than expect things to get worse

# Fewer concerned over rising cost of borrowing

With interest rates having increased sharply over the previous 18 months, it does seem that the rate cycle has now peaked and there is a growing expectation that the European Central Bank will begin to cut interest rates at some point in 2024. Irish consumers do seem to be taking this on board, although they may still be wary to what extent financial institutions pass on any future rate cuts to borrowers.

### Expectations for cost of borrowing money over the next 6 months

% get better LESS % get worse



Above zero: % expect things to get better GREATER than % expect things to get worse  
Below zero: % expect things to get better LESS % than expect things to get worse



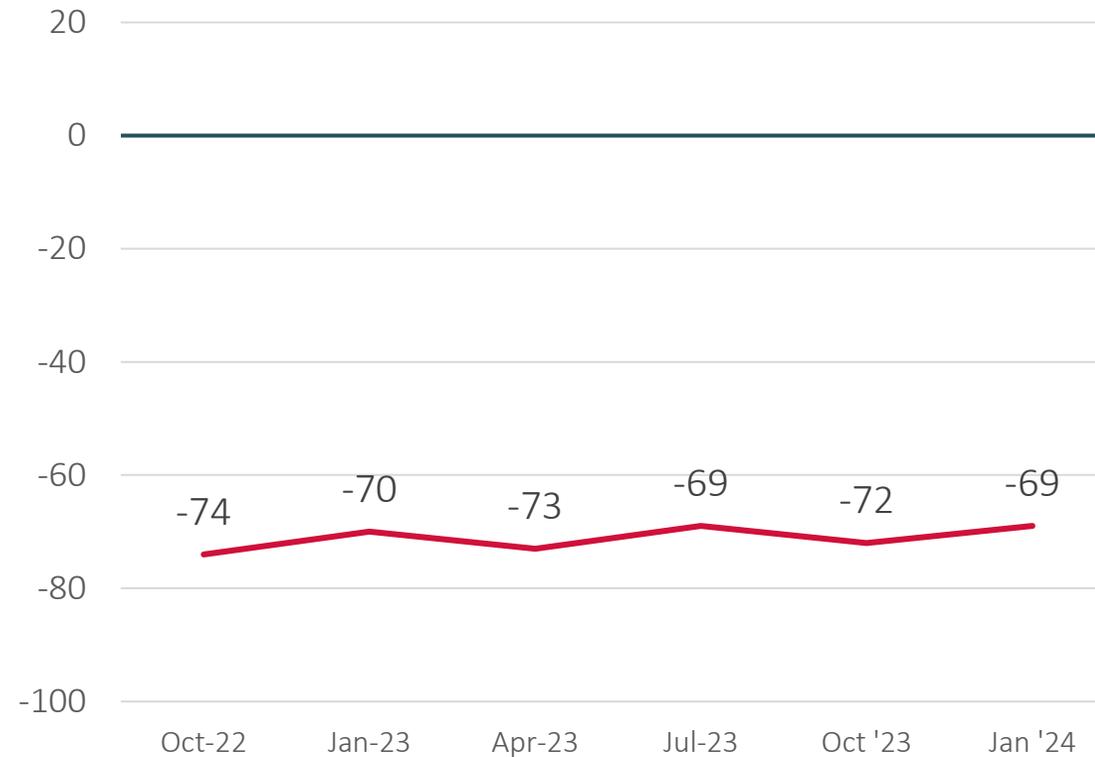
# Little change in expectations regarding cost of housing

Despite a significant moderation in the rate of house price inflation over the last year (prices increase by around just 3% in 2023), the vast majority of people still are not expecting this to result in any great improvement in the affordability of housing over the coming six months. Despite the volume of new homes being built increasing notably, the rise in interest rates will have pushed some at the margins of affordability back out of the market.

Base: all adults living in ROI aged 18+

## Expectations for affordability of housing over the next 6 months

% get better LESS % get worse



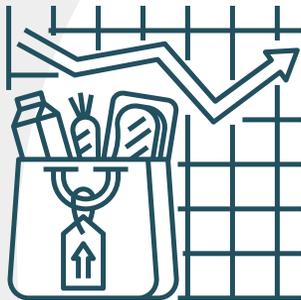
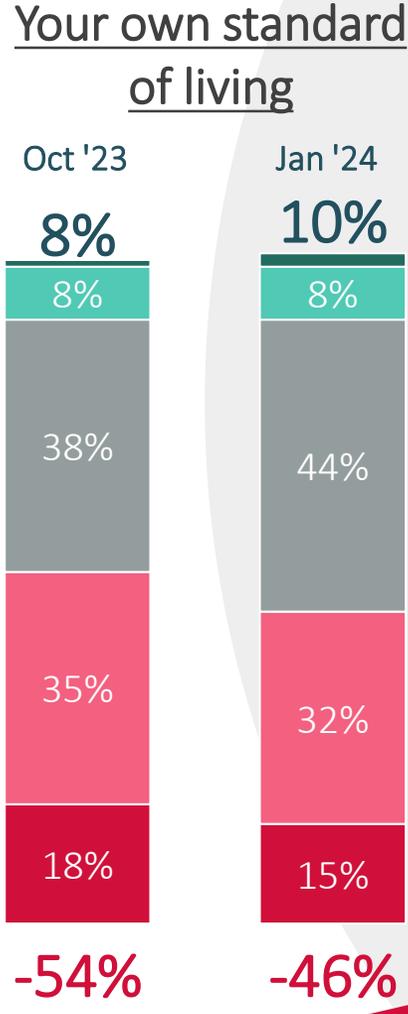
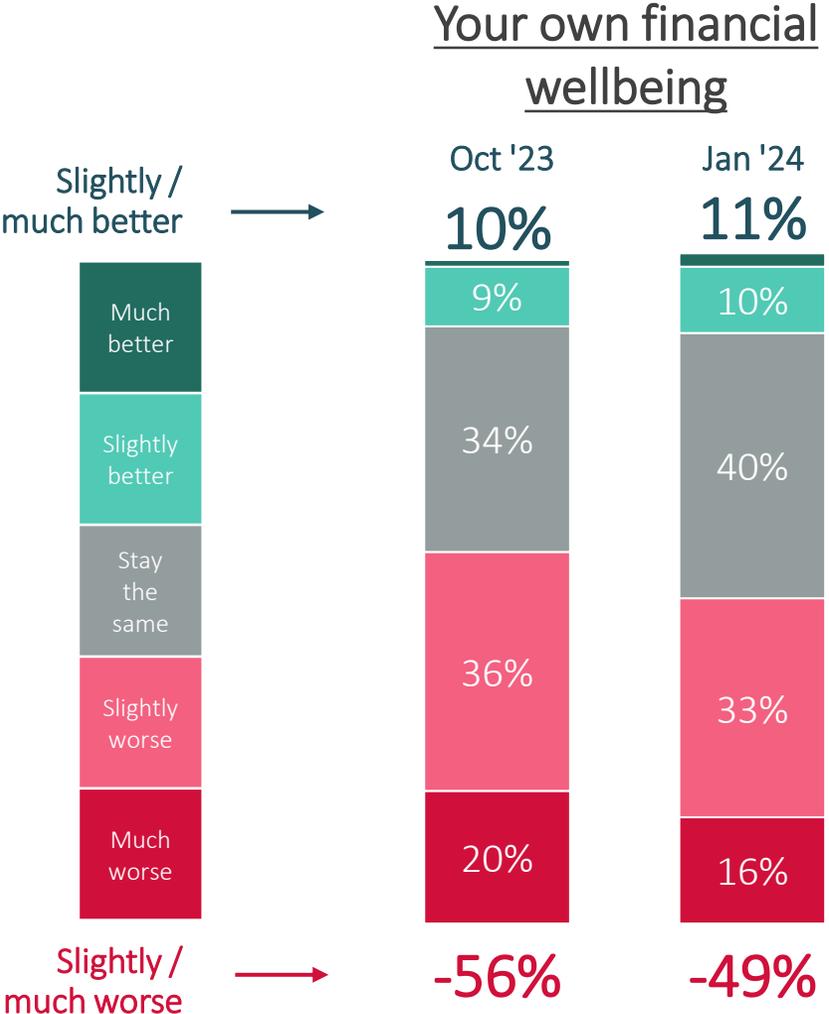
Above zero: % expect things to get better GREATER than % expect things to get worse  
Below zero: % expect things to get better LESS % than expect things to get worse

# Slight increase in outlook on personal wellbeing/standard of living



Just over half expect both their own financial wellbeing, and own standard of living to fare the same or better in the coming six months, improved on Q4 '23. However, roughly only 1 in 10 expect it to improve.

Expectations for own financial wellbeing and standard of living



**Levels of  
discretionary  
disposable income  
remains the  
predominant  
concern with fewer  
concerned about the  
jobs market**



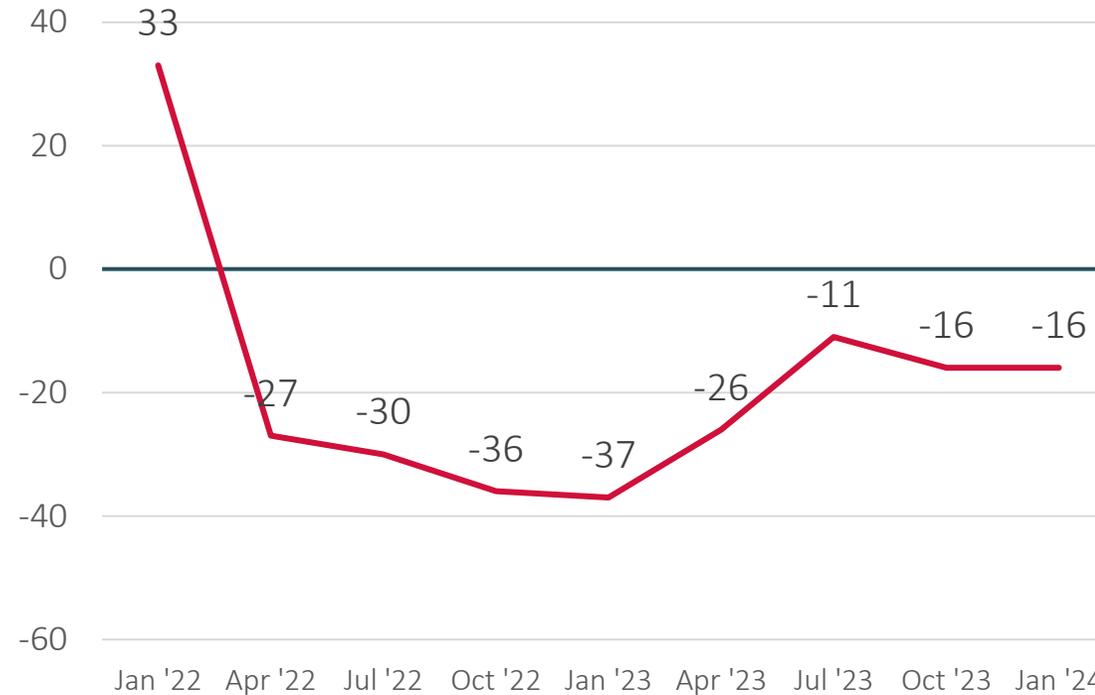
# No change in expectations for the labour market

One of the best indicators of the healthy position the Irish economy has been in recent years is the labour market, where it is currently operating pretty much at full employment and the level of unemployment remains around 4.5%. While there are more worried about the outlook for employment than those that believe it will improve, possibly due to an expectation of slower economic growth over the coming year, expectations for the jobs market have improved notably relative to a year ago.

Base: all adults living in ROI aged 18+

## Expectations for employment over the next 6 months

% get better LESS % get worse



Above zero: % expect things to get better GREATER than % expect things to get worse  
Below zero: % expect things to get better LESS % than expect things to get worse

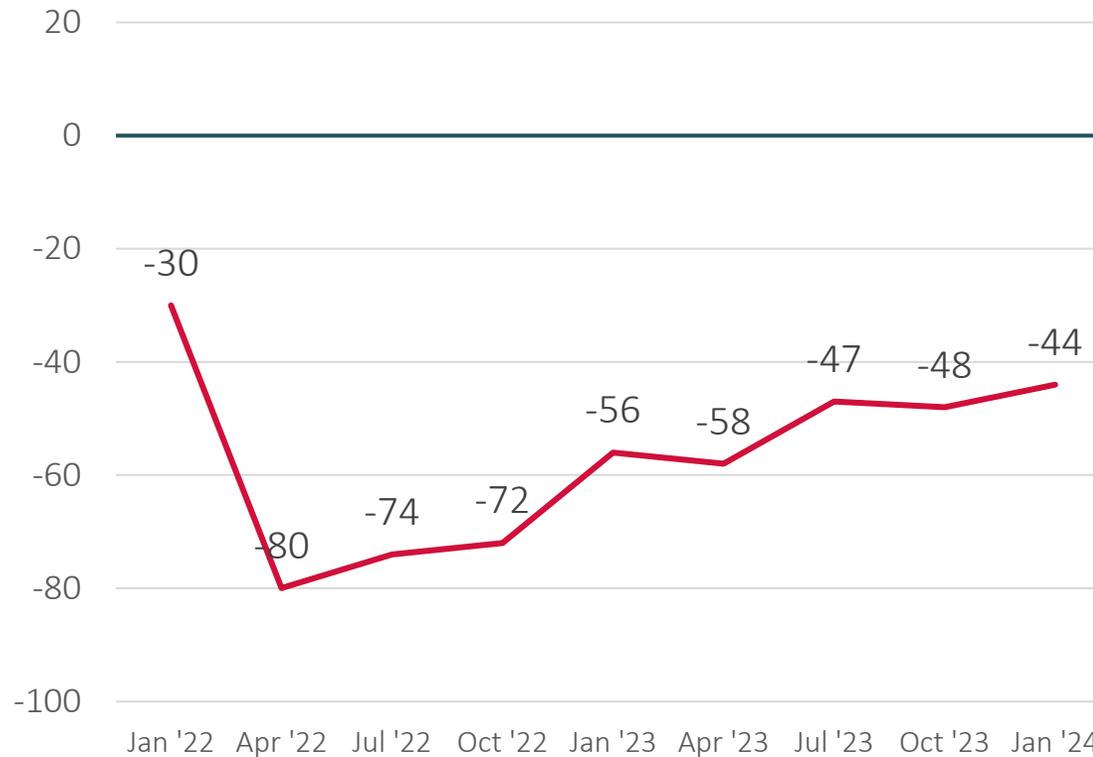


# Continued gradual improvement in expectations for discretionary disposable income

This has been steadily improving over the last 12 months and most likely reflects the deceleration in the rate of inflation. Still there is a notable majority that expect their discretionary disposable income to decline in the coming six months.

### Expectations for discretionary disposable income over the next 6 months

% get better LESS % get worse



Above zero: % expect things to get better GREATER than % expect things to get worse  
Below zero: % expect things to get better LESS % than expect things to get worse

**Projected spend on groceries begins to drop fuelling incremental increase in planned spend across discretionary categories**



# Expected increase in planned spend on entertainment, holidays and consumer goods

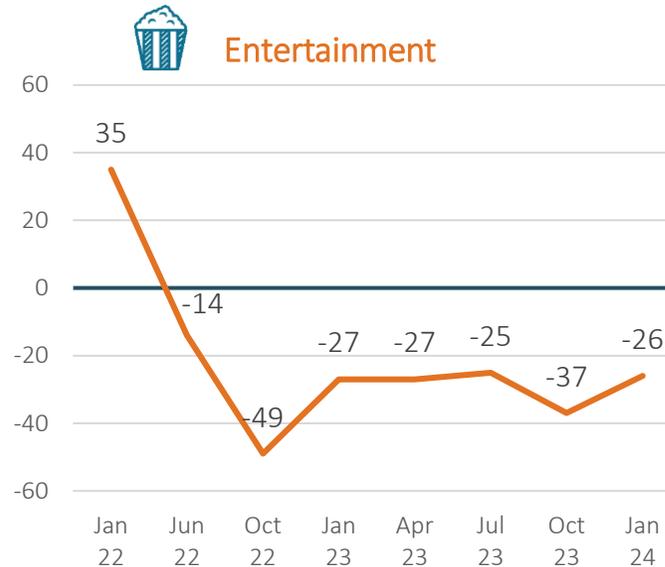
With price inflation slowing, expectation of increasing spend on groceries has fallen to some extent. However, those expecting to spend more on groceries still exceeds those expecting to spend less.

The ease in inflation and improvement in expectations for discretionary disposable income does signal some improved spend on non-essential items.

Base: all adults living in ROI aged 18+

## Expectations for expenditure over the next 6 months

% increase LESS % decrease



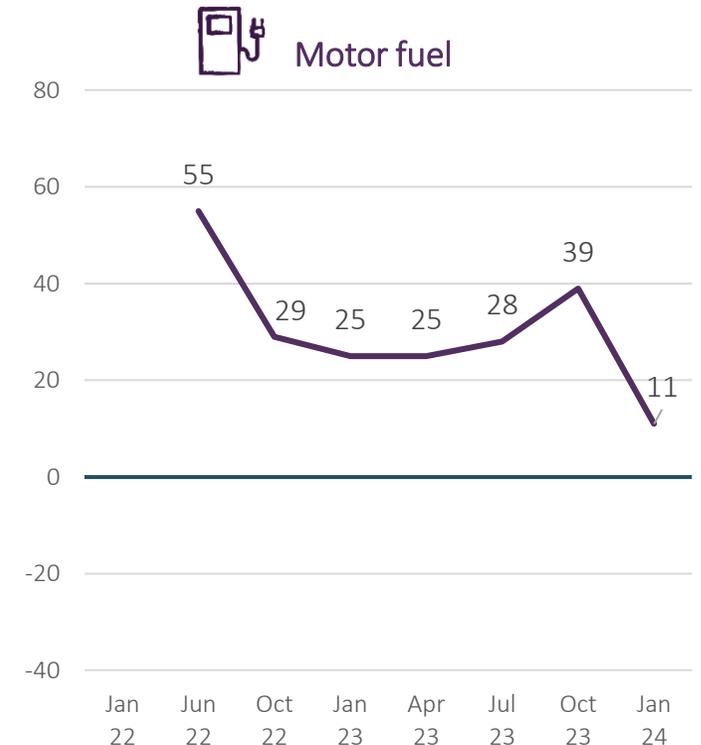
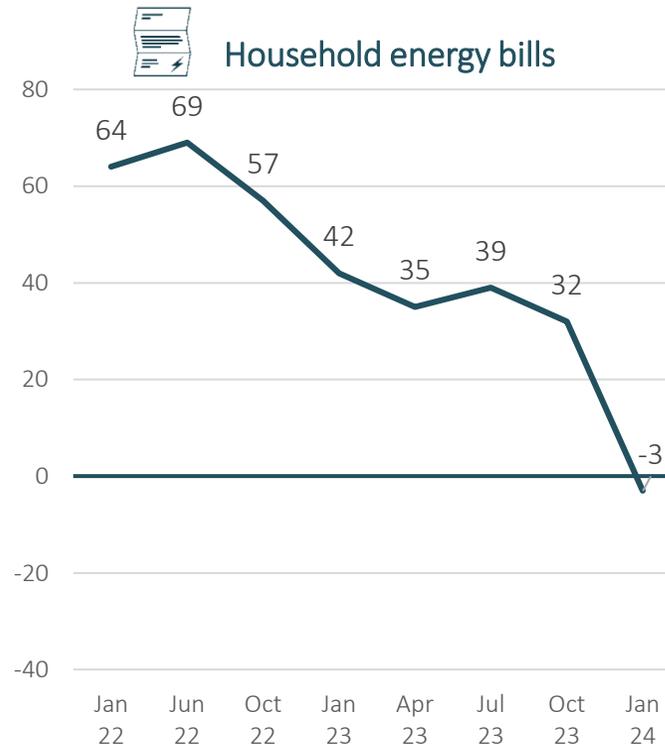
Above zero: % expect spend to increase GREATER than % expect spend to decrease  
 Below zero: % expect spend to increase LESS than % expect spend to decrease

# Sharp drop in expected spend on household energy bills and fuel over next six months

With motor fuel prices falling and many energy providers announcing price cuts in the past few months, consumers are becoming more optimistic about the outlook for what they will be paying at the pump and on heating / powering their homes.

### Expectations for expenditure over the next 6 months

% increase LESS % decrease



Above zero: % expect spend to increase GREATER than % expect spend to decrease  
Below zero: % expect spend to increase LESS than % expect spend to decrease

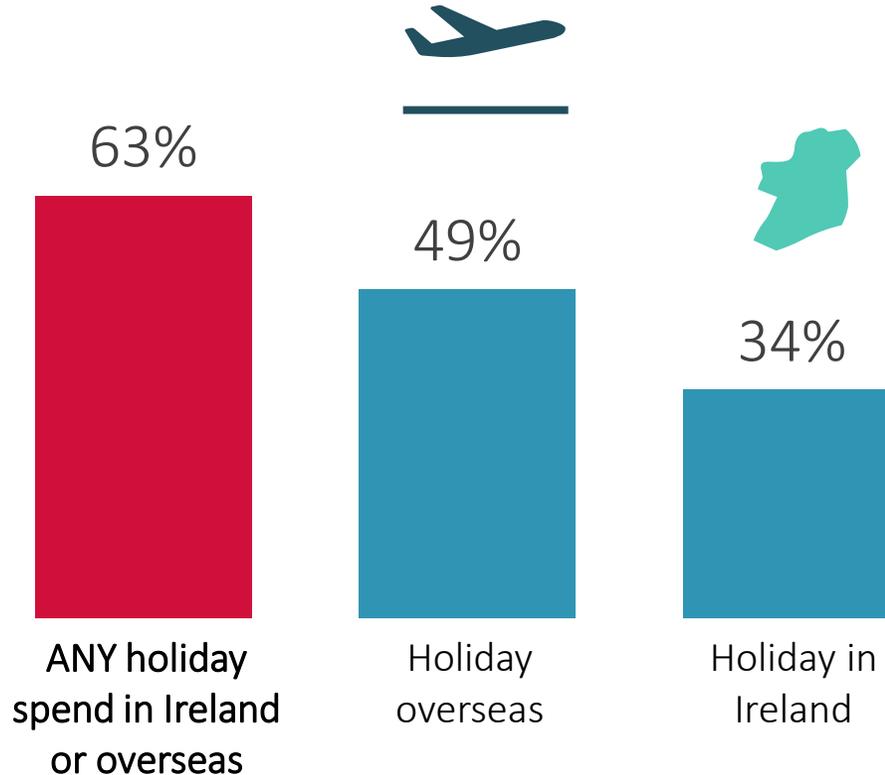
**Home improvements and holidays top the list of things Irish consumers are planning to spend money on in 2024**



# Many people will be taking a holiday at some point in 2024 – almost half plan to holiday overseas and one-third in Ireland

In which of the following areas if any do you plan to spend money in 2024?

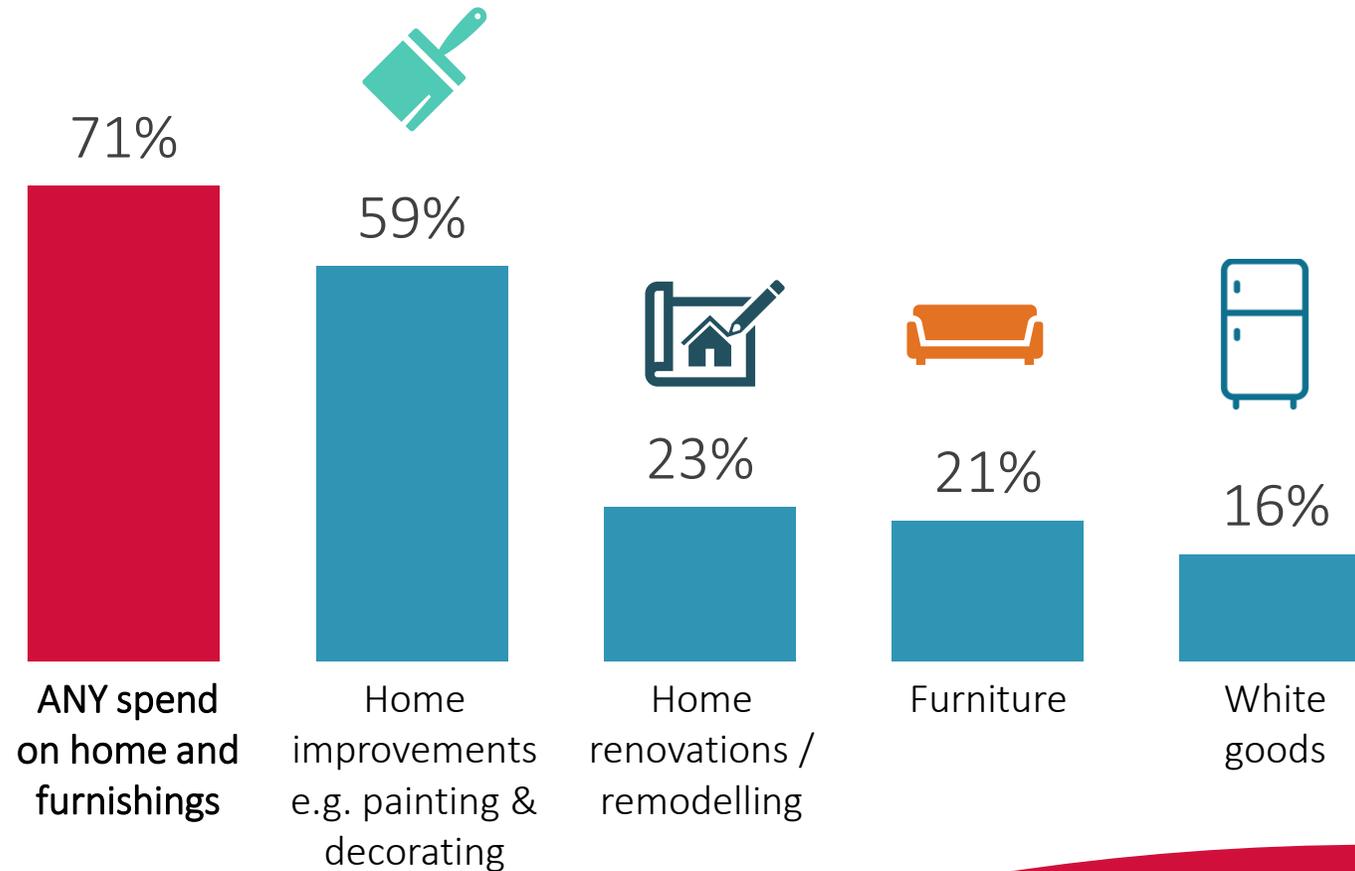
Holidays: all persons aged 18+



# Most homeowners will be spending on their home in 2024 – over half plan on painting and decorating

In which of the following areas if any do you plan to spend money in 2024?

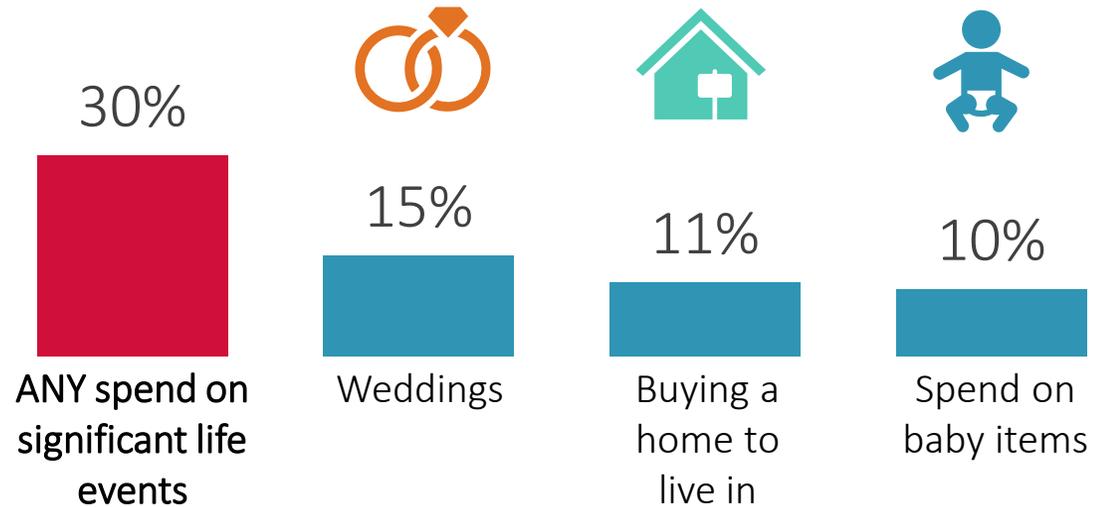
Home and furnishings: **existing home owners**



# Three-in-ten aged 25-44 will spend on major life events in 2024 – just over one-in-ten plan to buy a home

In which of the following areas if any do you plan to spend money in 2024?

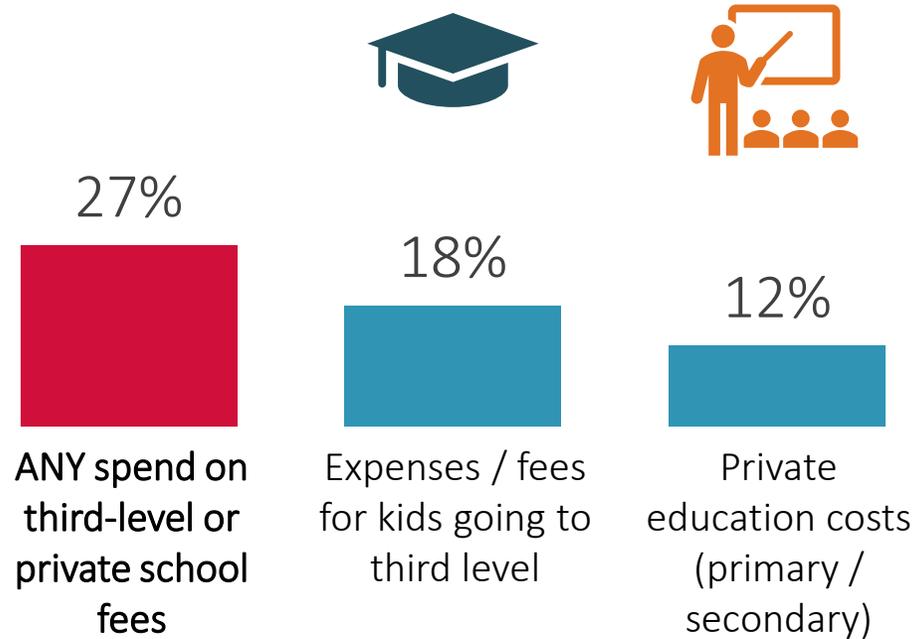
Significant life events: **persons aged 25-44**



# Over one-in-four parents/guardians will be spending on costs for third-level education or private school fees

In which of the following areas if any do you plan to spend money in 2024?

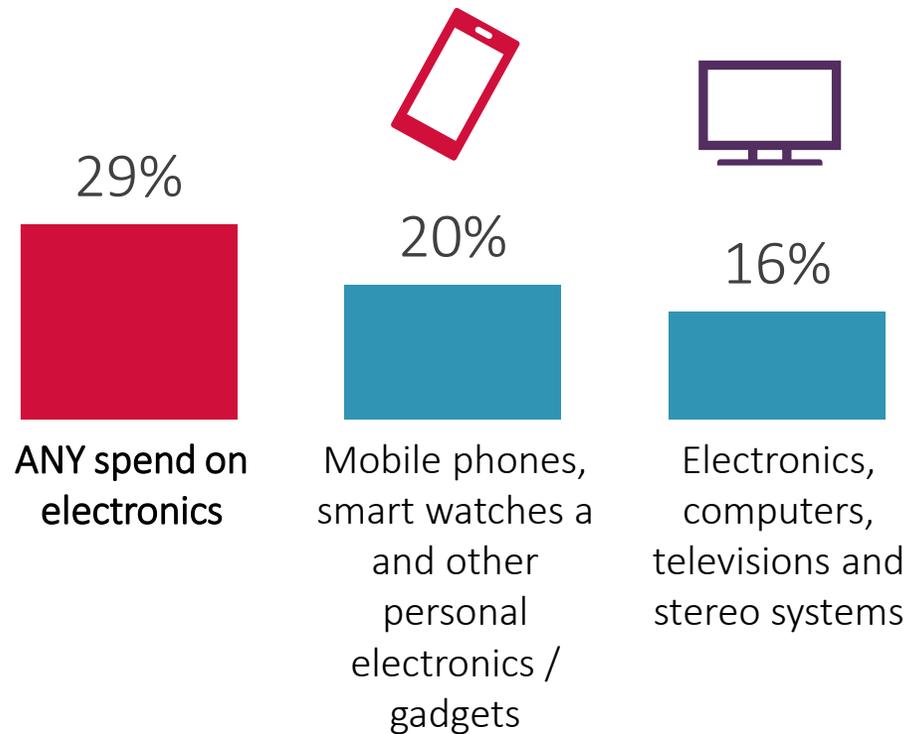
Third level or private school fees: **parents with dependent children**



# One-in-five consumers expect to spend money on mobile phones, smart watches and other personal electronics/gadgets in 2024

In which of the following areas if any do you plan to spend money in 2024?

Electronics: all persons aged 18+



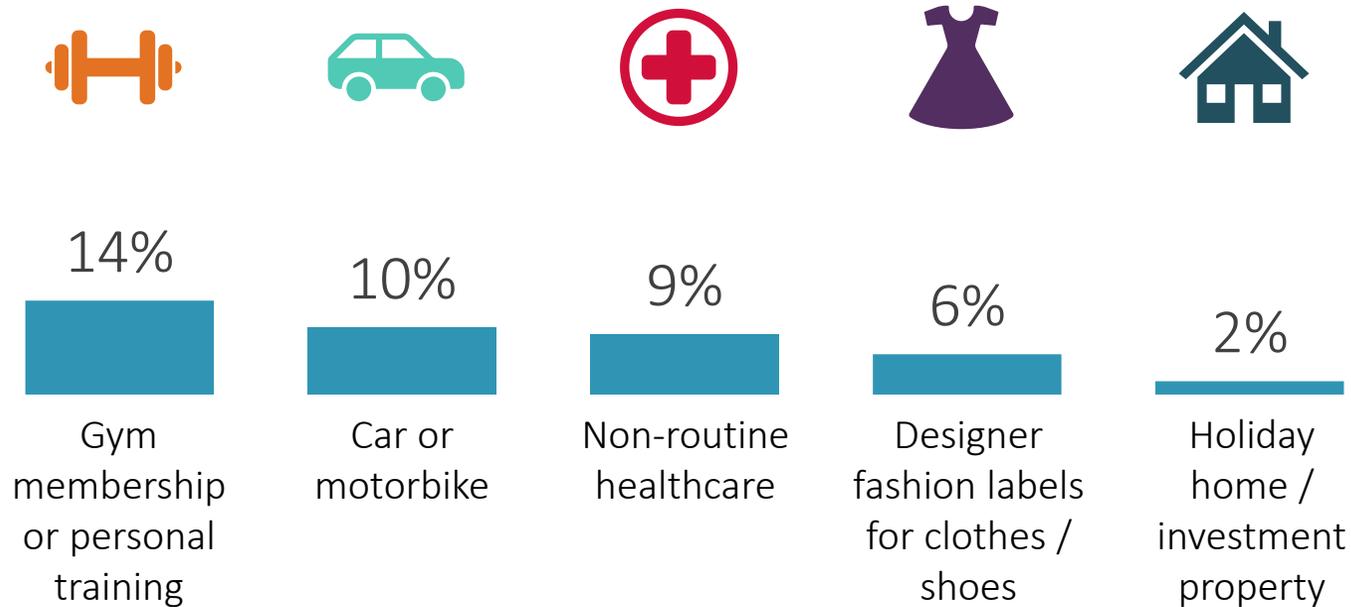
For young people aged 18-24 ...

- 36% plan to spend on mobile phones, smart watches and other personal electronics and gadgets
- 29% plan to spend on electronics, computers, TVs and stereos

# Roughly 1 in 7 Irish adults to spend on gym memberships or personal training in 2024

In which of the following areas if any do you plan to spend money in 2024?

Other items: all persons aged 18+



For young people aged 18-34 ...

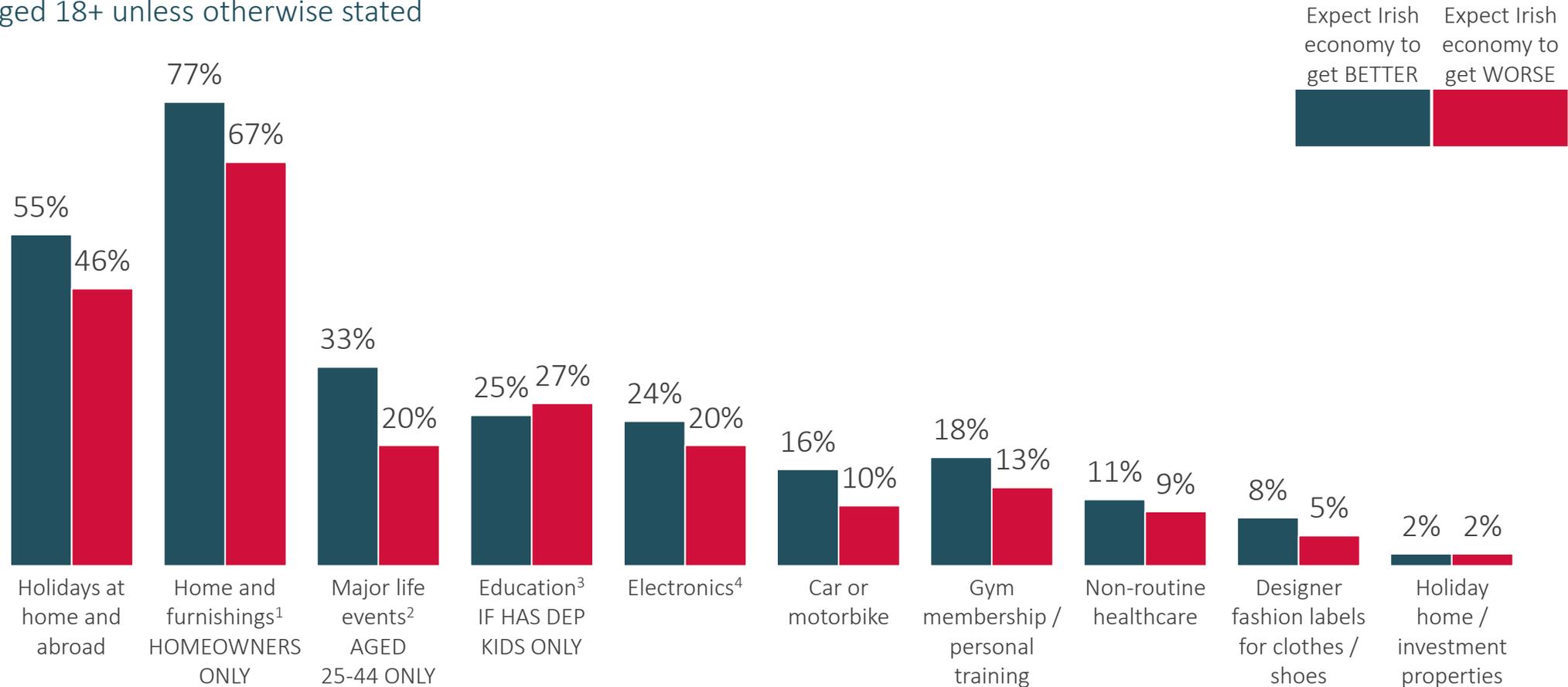
- 32% plan to spend on gym membership or personal training
- 13% plan to spend on a car or motorbike
- 12% plan to spend on designer fashion labels for clothes / shoes

# Many that are concerned about the outlook for the Irish economy still plan to go on holidays and spend on home improvements



In which of the following areas if any do you plan to spend money in 2024?

All persons aged 18+ unless otherwise stated



1. Home improvements (painting and decorating); home renovations / remodelling; furniture; white goods

2. Weddings; buying a home to live in; spending on baby items

3. Expenses / fees for kids going to third level; private education costs (primary / secondary)

4. Mobile phones, smart watches and other personal electronics / gadgets; electronics, computers, televisions and stereo systems



Appendix  
- Methodology  
- About RED C

# Methodology

- 1,003 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 50<sup>th</sup> Wave of the RED C Consumer Mood Monitor and fieldwork was conducted from the 19<sup>th</sup> – 25<sup>th</sup> January 2025



# REDC **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**.





# Using a variety of techniques to uncover & understand





RESEARCH  
EVALUATION  
DIRECTION  
**CLARITY**

*See More, Clearly*

**REDC**