



Consumer Mood Monitor Q3 2024

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With consumer confidence stuck in negative territory, cost of living pressures continue to shape spending habits and overshadow economic improvement.

An election budget while welcome, may have short-lived impact.

Confidence driven by big issue concerns not solvable by quick fix



01

While up slightly on recent waves, consumer confidence remains negative overall. Fewer are expecting the economy to worsen further than previously, mostly because more now expect it to fare the same, with only a handful expecting an improvement in the second half of 2024.

02

Confidence remains low in all areas of the economy including the affordability of housing; one's own financial wellbeing; the cost of borrowing; and the jobs market. Concerns around discretionary income and cost of living are playing a far more dominant role than job market anxiety in shaping the current consumer mood.

03

Although fewer consumers expect the economy to worsen, their outlook remains bleak, with the majority bracing for further increases in grocery, energy and fuel costs. There has been a steady improvement in disposable income over the past two years. However, many will prioritise daily living expenses over discretionary spending on items such as entertainment, holidays and consumer goods.

04

An election budget, particularly with the promise of a cost-of-living package, could lift consumer confidence. However, gains may be shortlived as some of the big issues such as the housing crisis and cost of living combined with outside global factors are unlikely to be resolved in the short term.

Consumer confidence recovers somewhat with fewer expecting the economy to fare worse. However, the outlook remains downbeat overall.





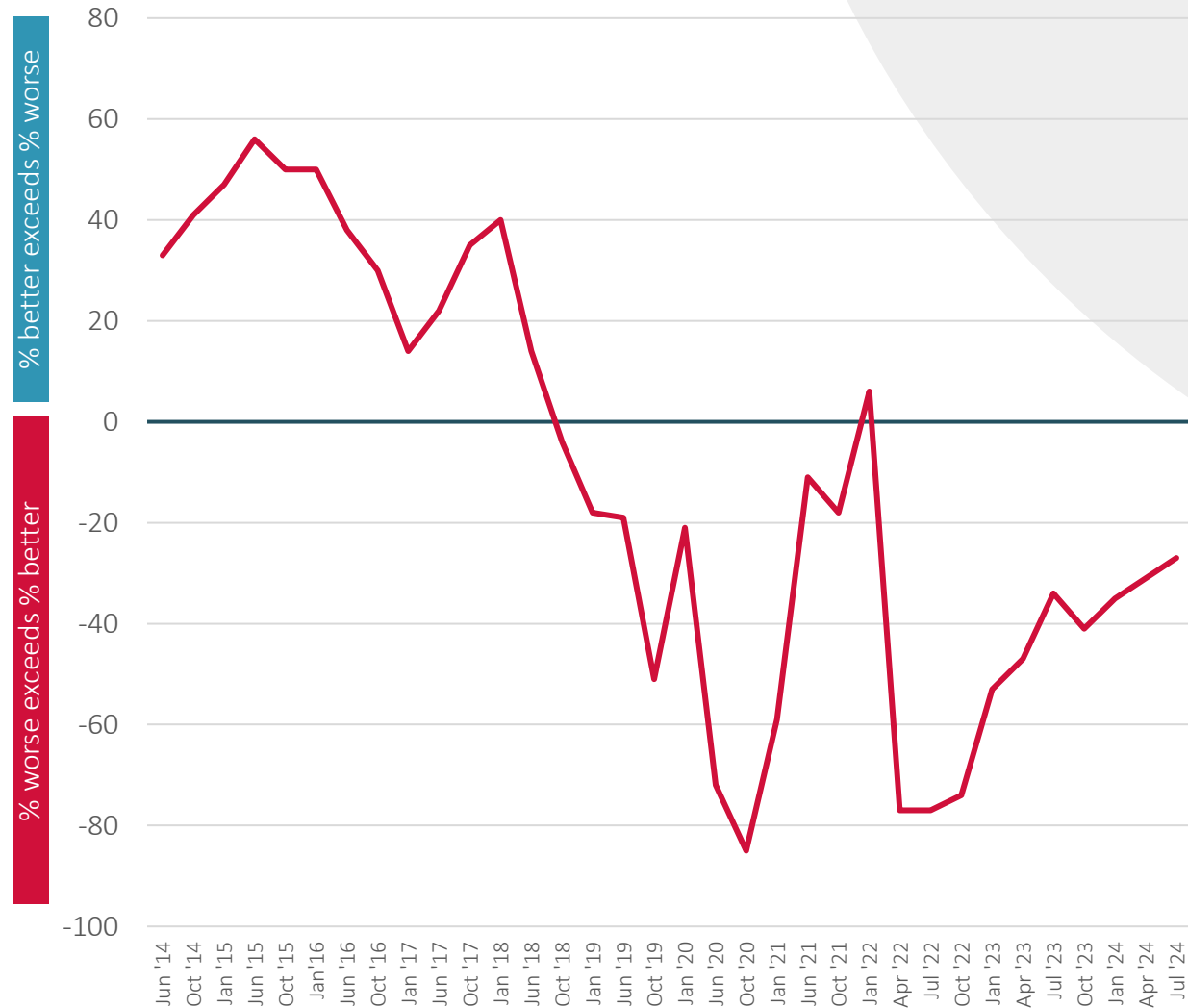
Consumer sentiment is slowly recovering while remaining downbeat on the whole

Confidence in the Irish economy has recovered slowly over the course of the past two years.

However, more continue to believe the economy is set to fare worse, than believe it will fare better.

The RED C Consumer Mood – outlook for the Irish economy

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



RED C Consumer Mood:

-27

+4 v Apr-24
+7 v Jul-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

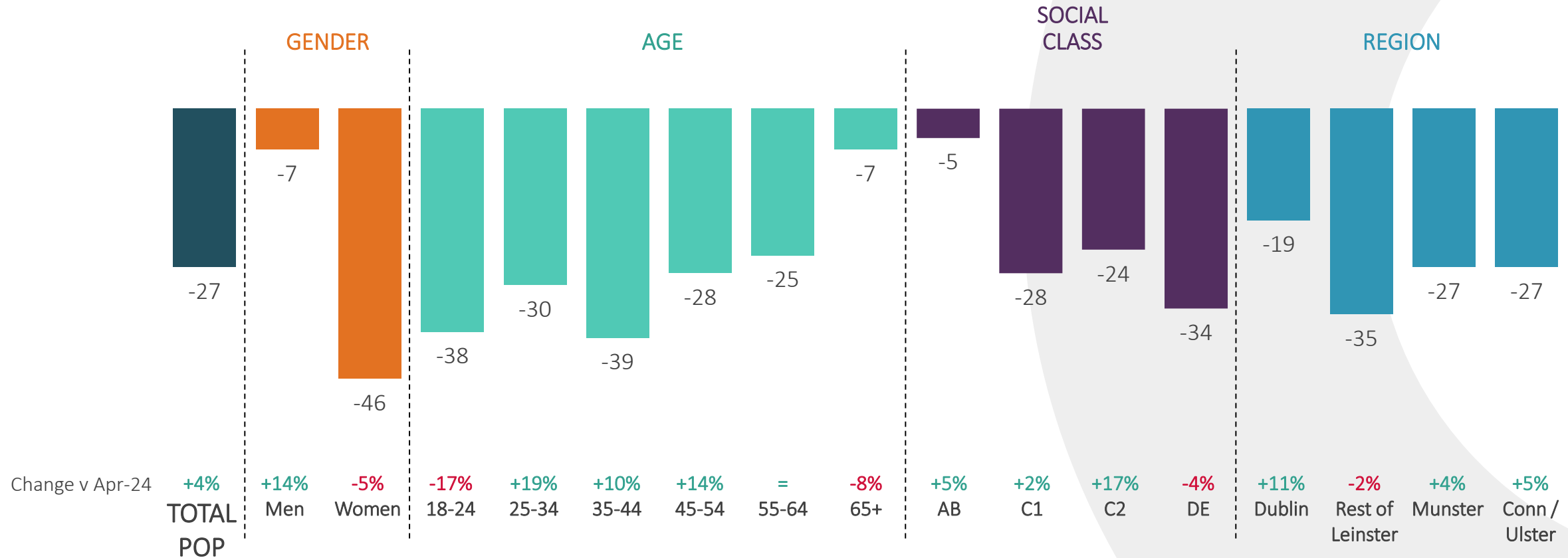
Widening demographic gaps in expectations are concerning



Women are markedly more pessimistic than men, with the gap widening further in the past three months. Confidence is also lower among younger cohorts, lower social grades, and outside Dublin.

Expectations for the Irish economy six months from now

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



More believing the economy will fare the same



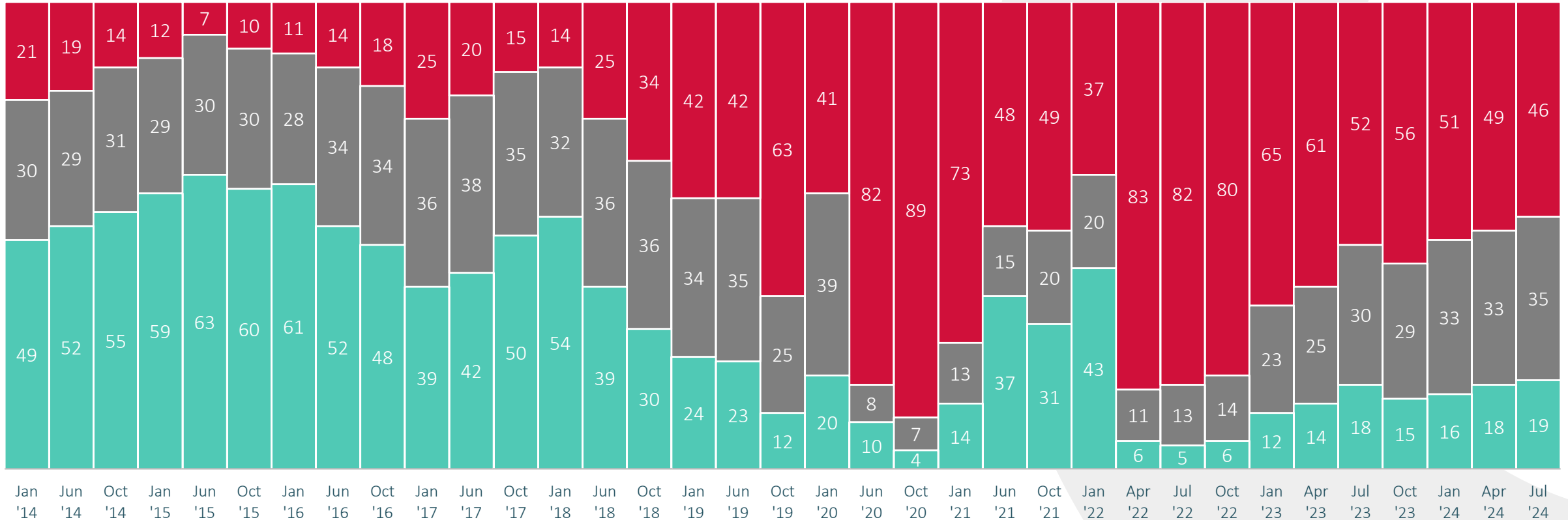
The main change we see this quarter is fewer believing the economy will fare worse, and correspondingly more believing it will fare the same. The number believing it will improve is up only marginally.

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

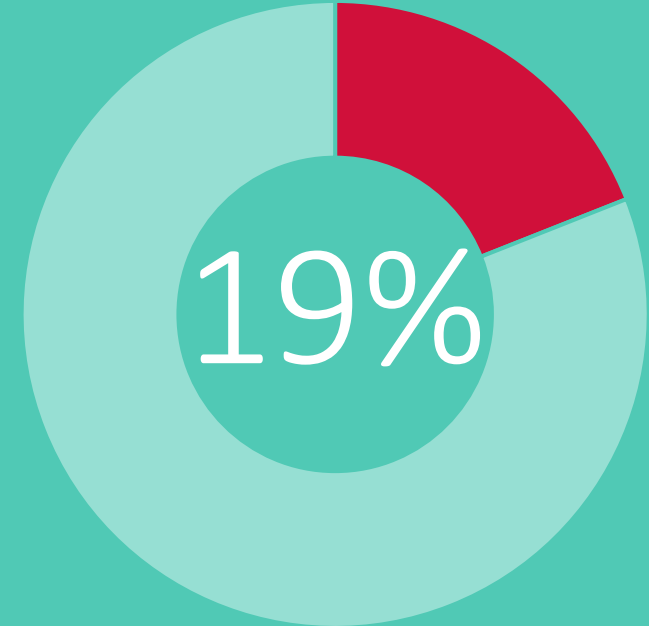
% worse / better / stay the same



■ Worse ■ Same ■ Better

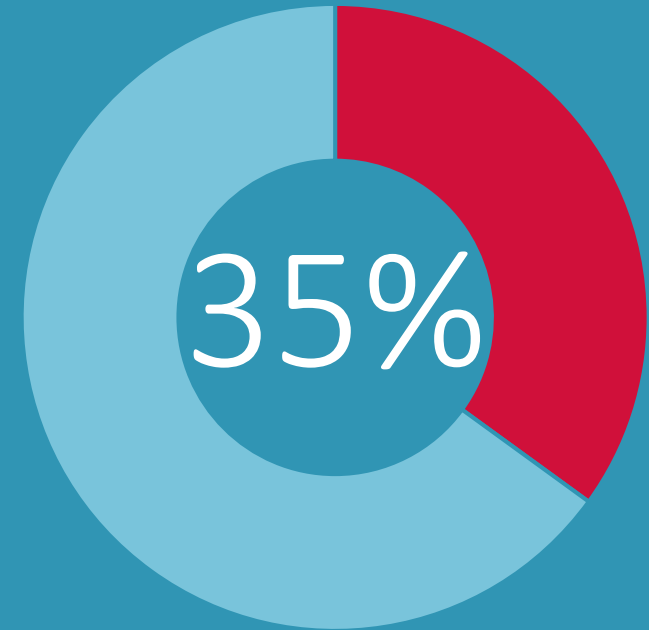


Those that believe the economy will get better over the next six months point to the strong jobs performance, inflation coming under control and healthy public finances



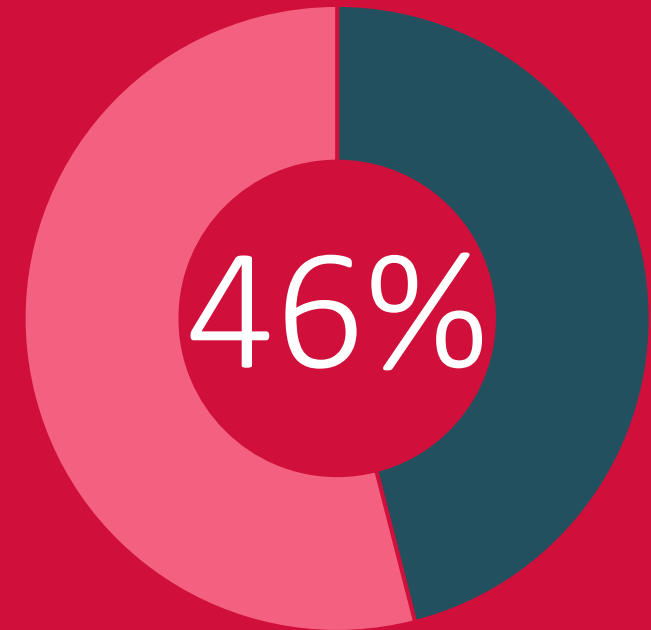
% that believe the outlook for the Irish economy will get better over the next six months

Those that believe the economy will stay the same over the next six months express a mix of cautious optimism and concern across a range of issues



% that believe the outlook for the Irish economy will stay the same over the next six months

The cost of living crisis is still fresh on the mind of those who feel the economy will get worse over the coming 6 months.

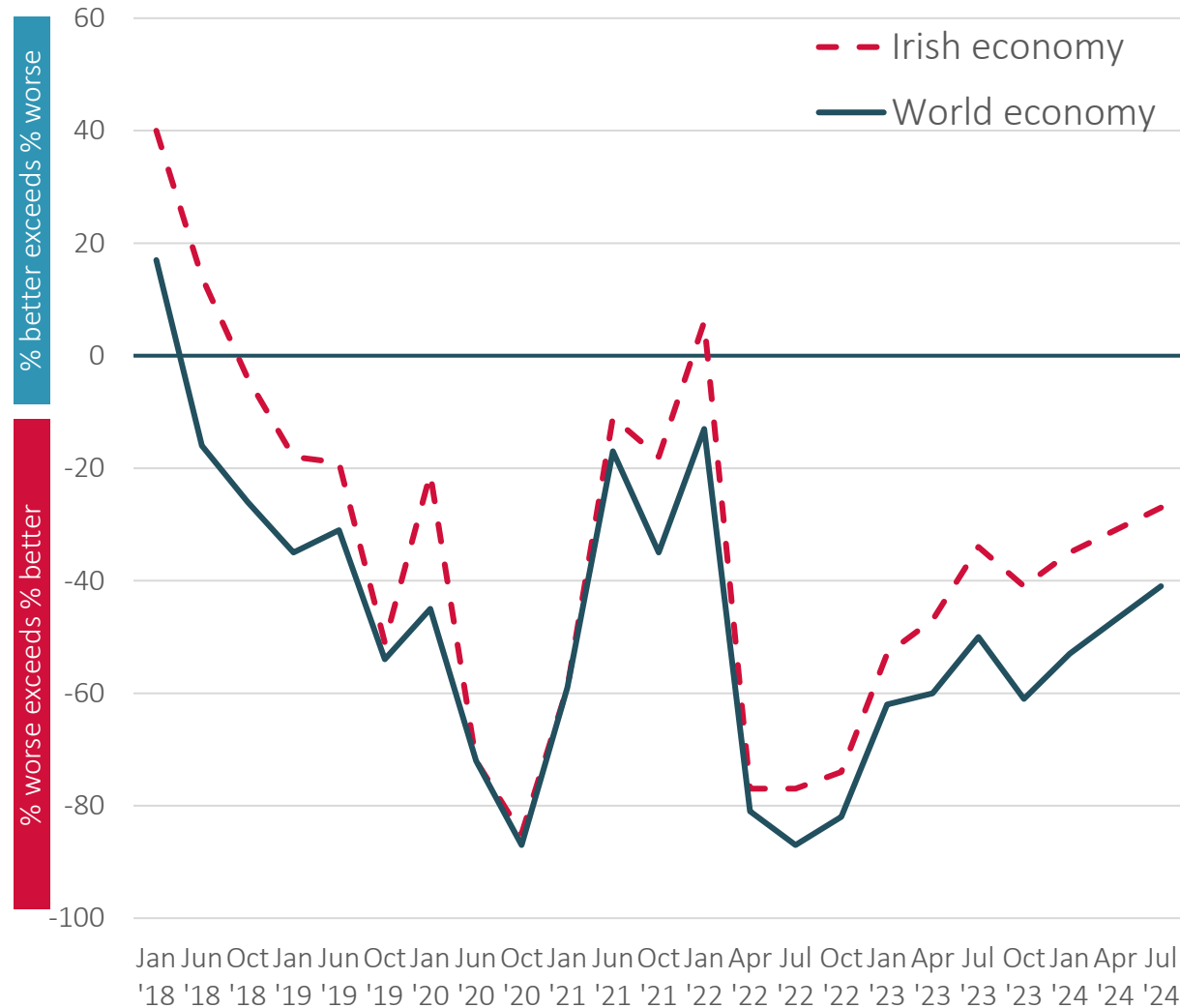


% that believe the outlook for the Irish economy will **get worse** over the next six months

Confidence in the world economy continues to closely shadow that of Irish economy

Confidence is even lower in the world economy than in the Irish economy, with more believing it will fare worse than better.

Outlook for the World Economy
% get better LESS % get worse in next six months



Global economy
Jul 2024:

-43

+4 v Apr-24
+7 v Jul-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

Overall, consumers expect the cost of living, affordability of housing and their own financial wellbeing to worsen

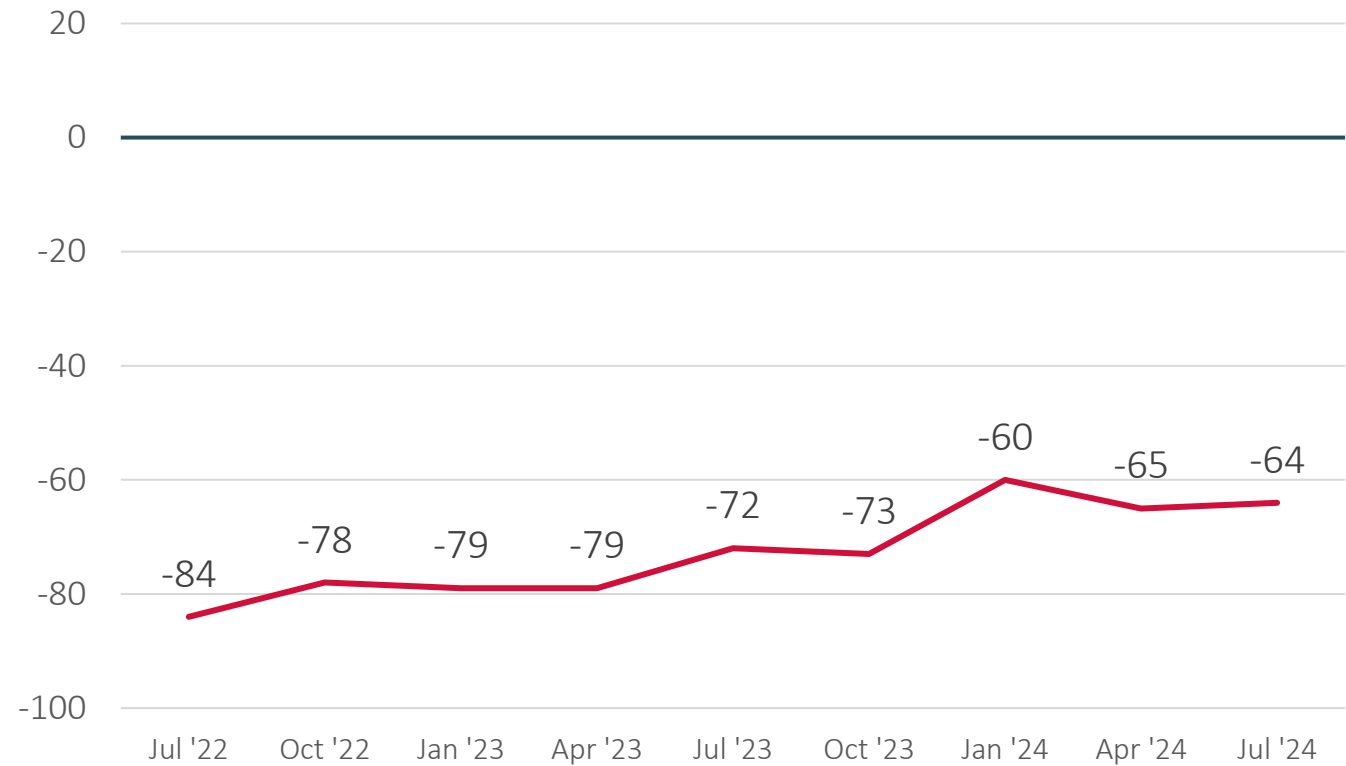




Expectations around cost of living remain negative

More expect the cost of living to get worse in the coming six months, than expect it to improve. This is broadly stable over the course of the first half of the year.

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

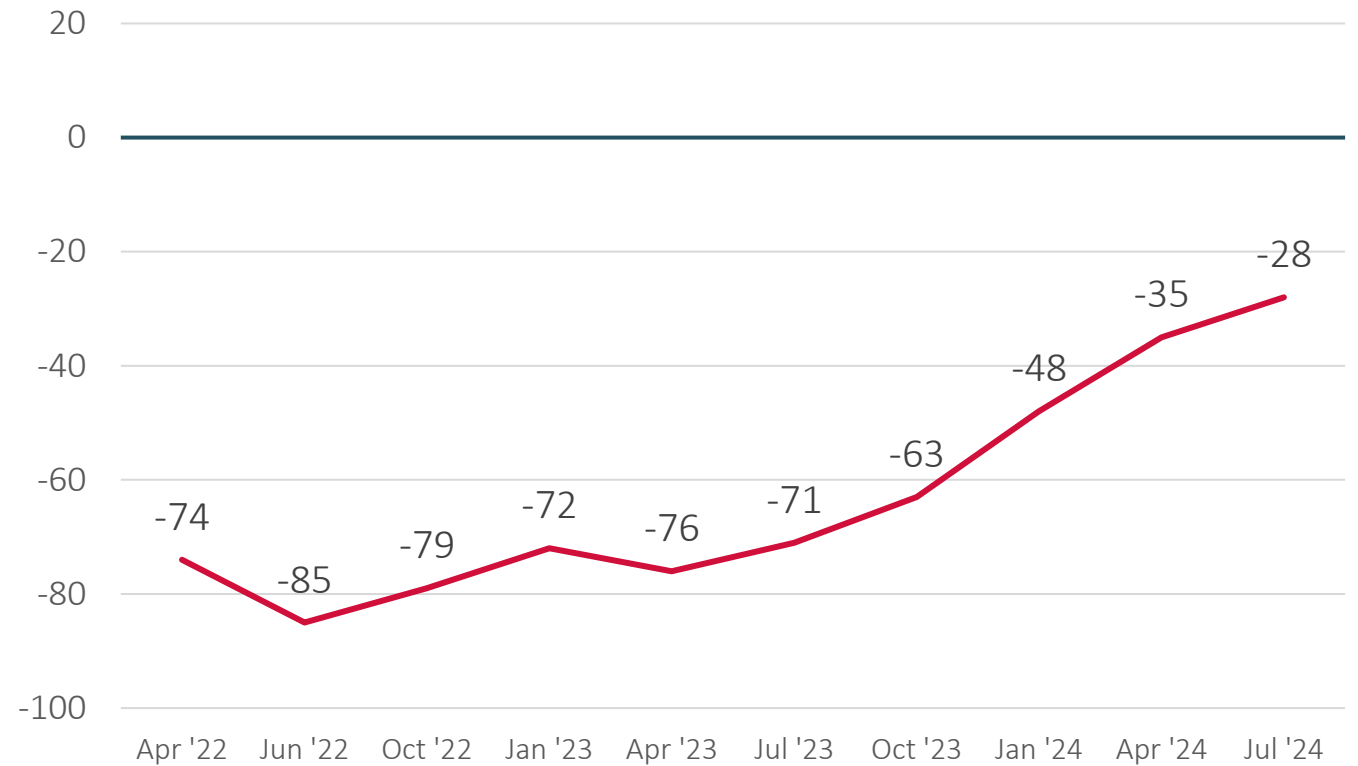


Expectations around the cost of borrowing continue to improve

While more expect the cost of borrowing to fare worse than better, sentiment here continues to improve, and is up notably year-on-year.

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

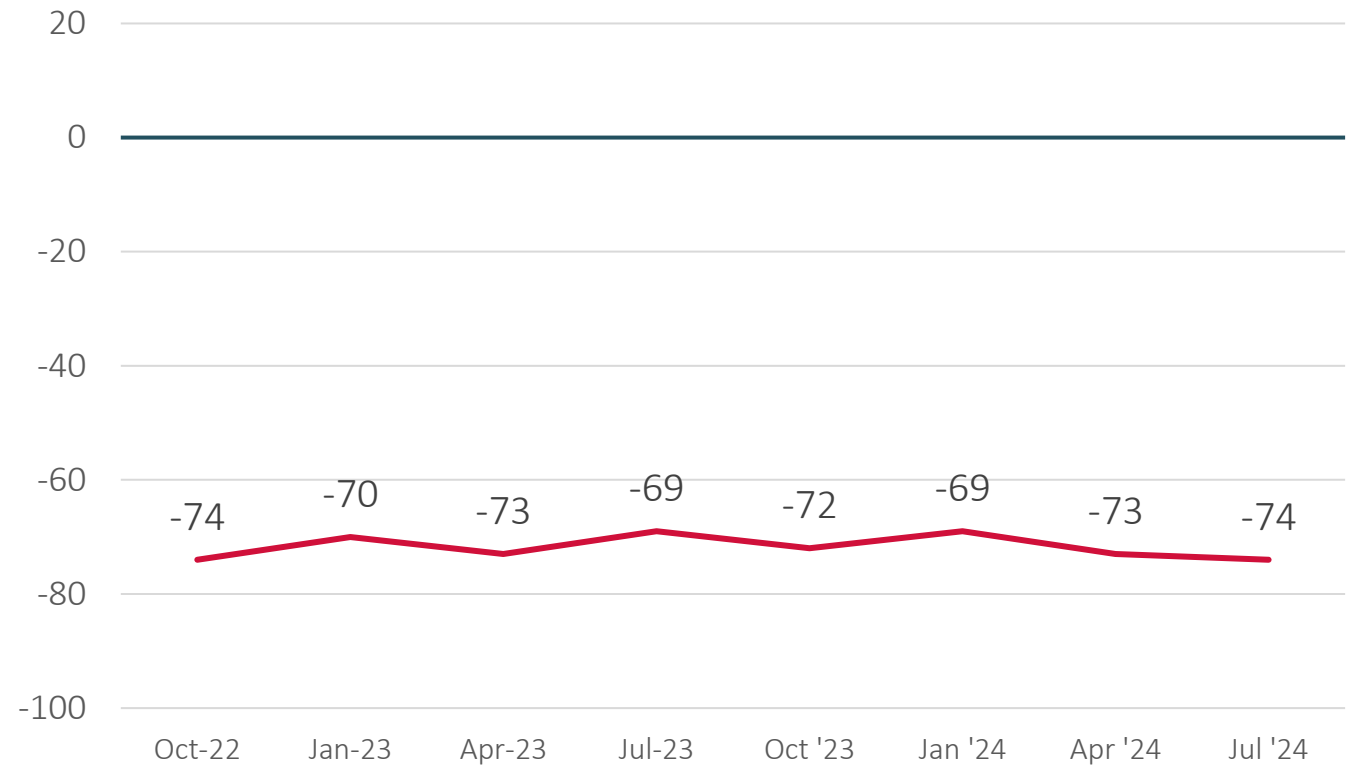


Confidence in affordability of housing remains at rock bottom

With little change over the past two years, consumers overwhelmingly expect the affordability of housing to worsen further in the six months ahead.

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

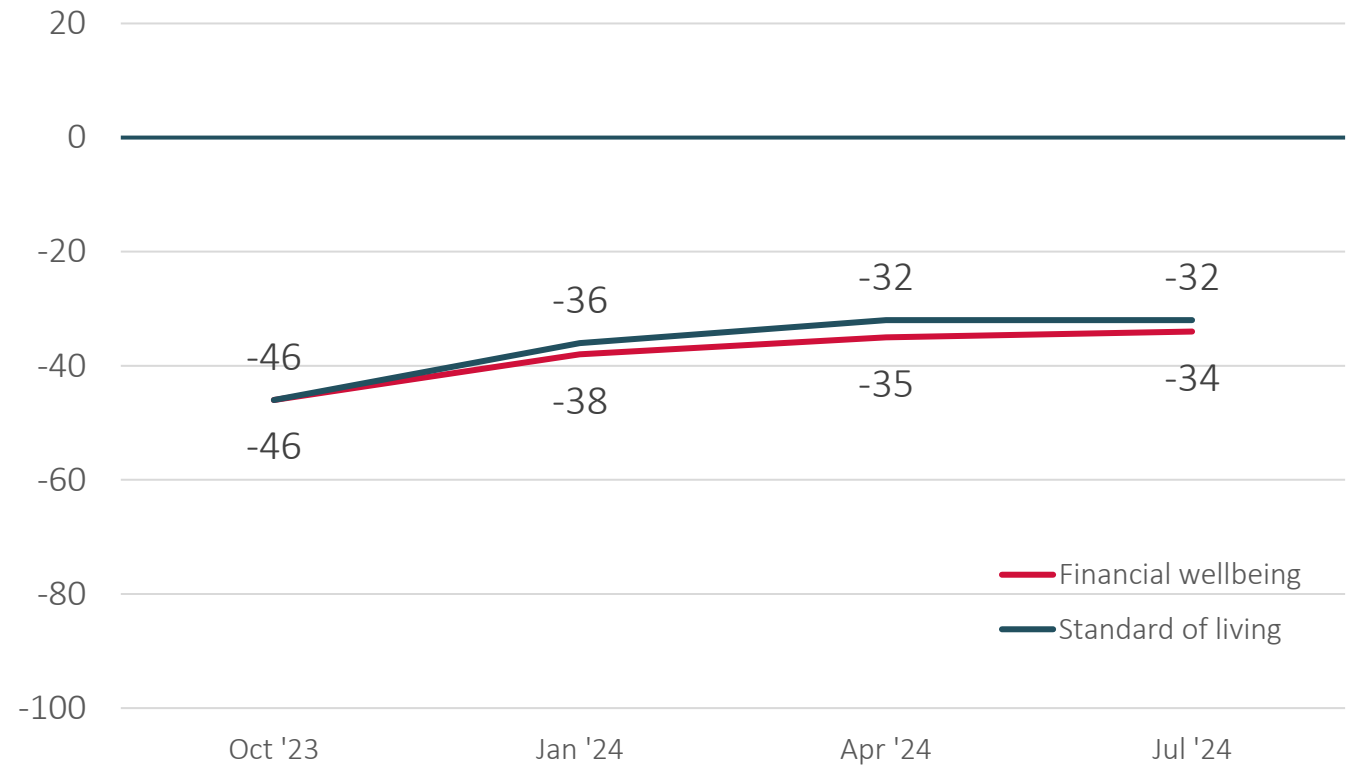
Confidence in own wellbeing and standard of living broadly steady

More expect their own financial wellbeing, and own standard of living to worsen, than expect them to improve, with little change since April.

Negativity here is lower than for cost of living in general, and more in line with outlook on the Irish economy.

Expectations for financial wellbeing and standard 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

Confidence remains higher in the jobs market than in levels of disposable income, but with the latter continuing to show signs of improvement



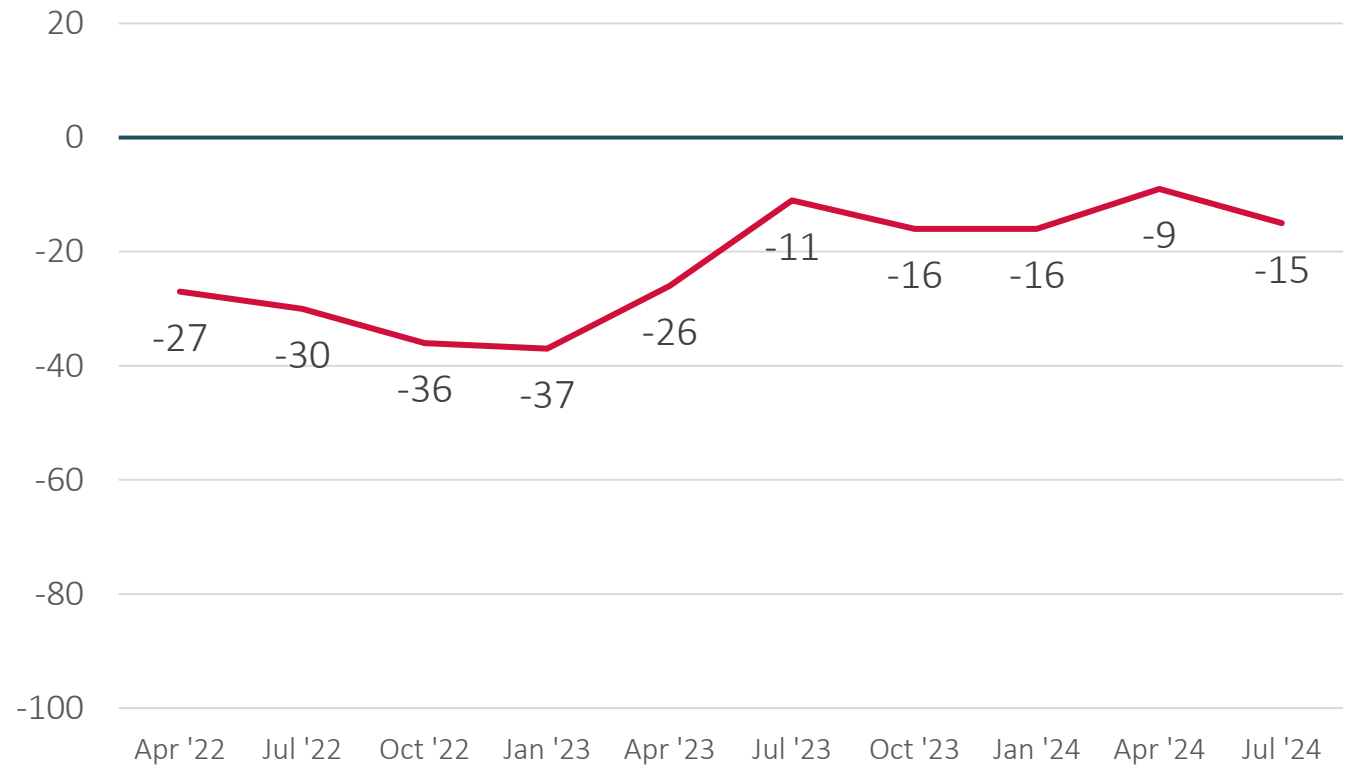


Outlook on employment dips slightly

Confidence in the jobs market is still in negative territory and has slipped back somewhat since April. However, negativity here is markedly lower than for other areas including the cost of living, and levels of discretionary income.

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

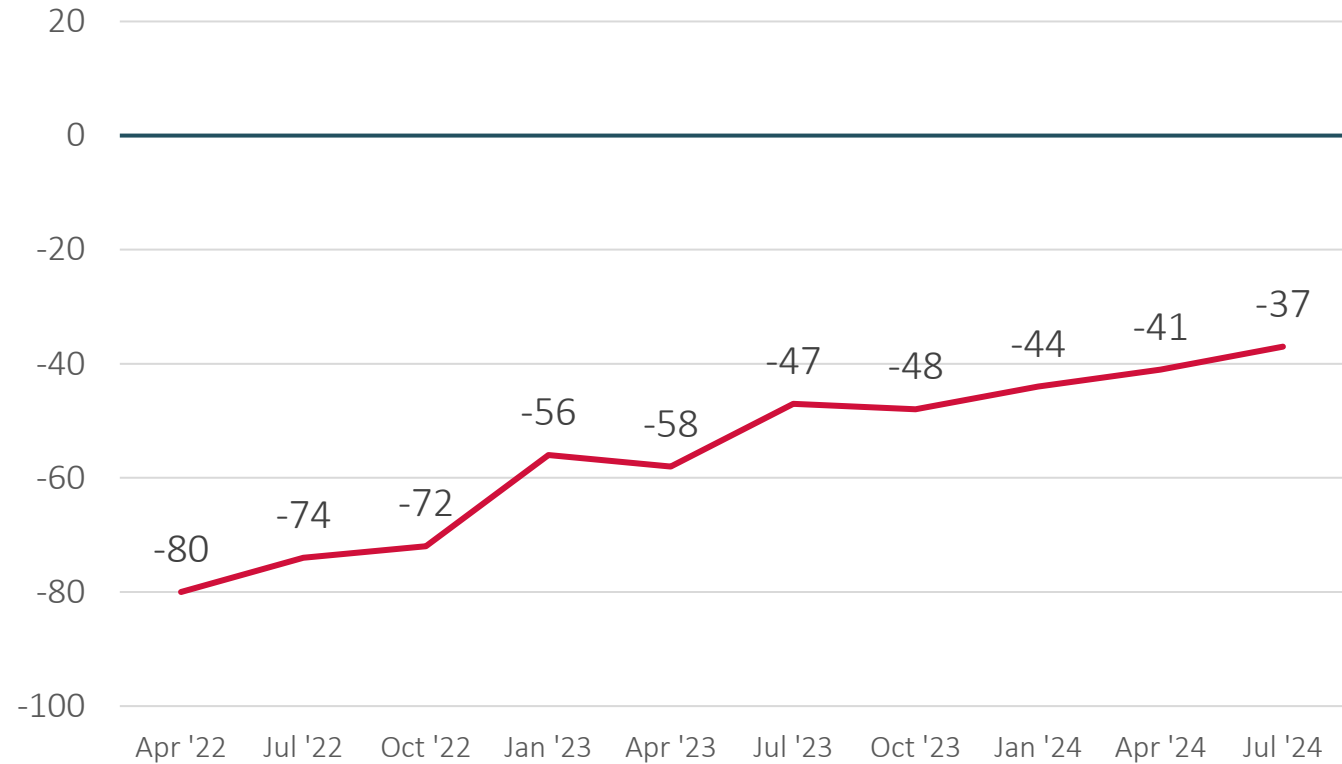


Confidence in disposable income continues to recover

While remaining decidedly in negative territory, confidence in disposable income has more or less continually improved over the course of the past two years

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

Expected further rises in cost of energy, fuel and groceries to be offset by lower spending on discretionary categories

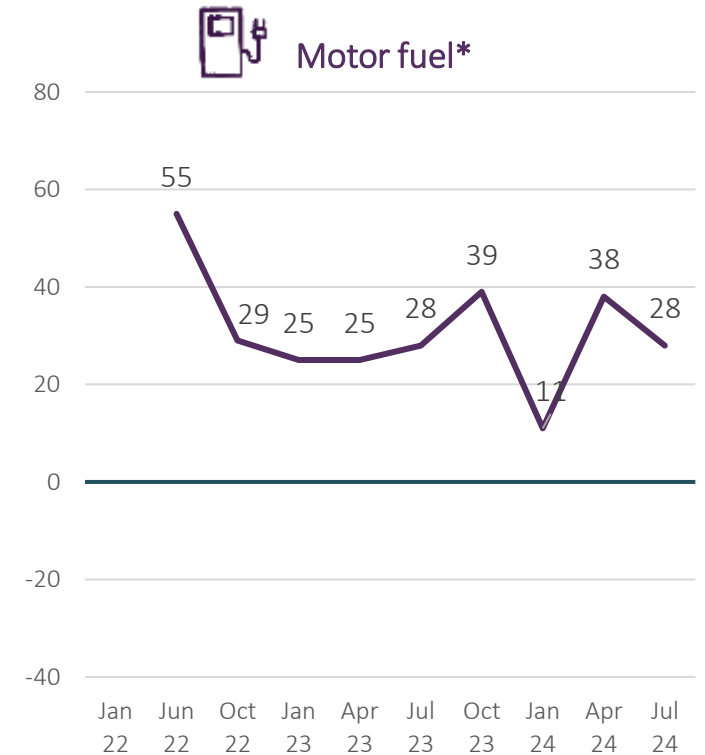
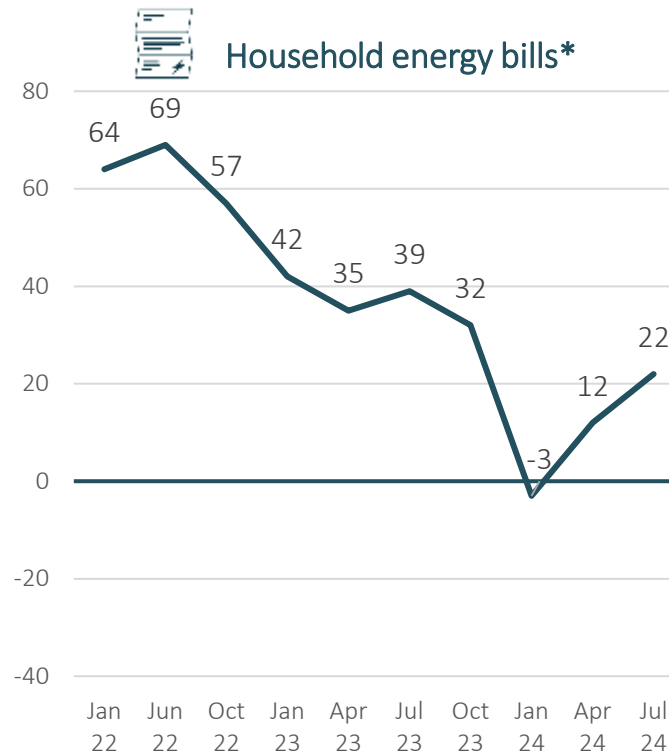


Higher energy and fuel spend anticipated

Consumers are expecting to spend more on energy bills, with the level expecting higher spend up for the second quarter in a row.

Consumers are also expecting to spend more on motor fuel, although fewer compared to April.

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

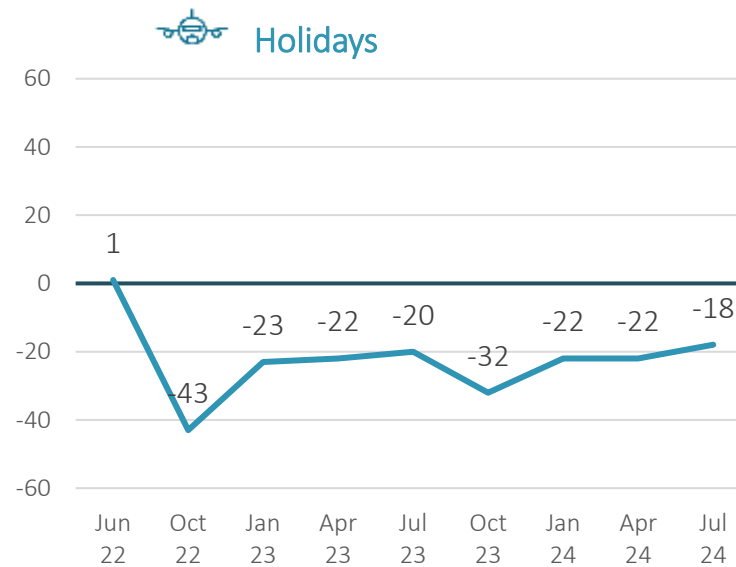
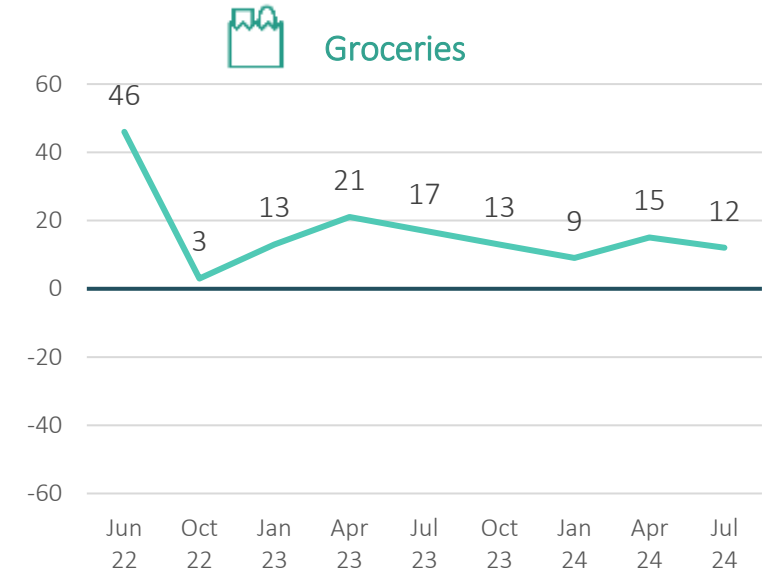
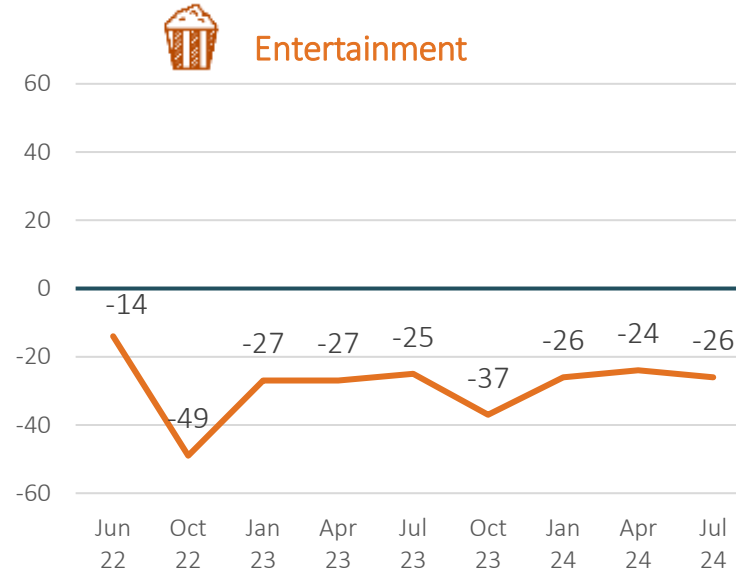
*excludes not applicable

Consumers still planning to cut back discretionary spend

Overall consumers are expecting grocery prices to rise further to some extent and are correspondingly planning to cut back across entertainment; holidays; and consumer goods.

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

Appendix

- Methodology
- About RED C

Methodology

- N=1,000 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 52nd Wave of the RED C Consumer Mood Monitor and fieldwork was conducted from the 4th – 9th July 2024



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



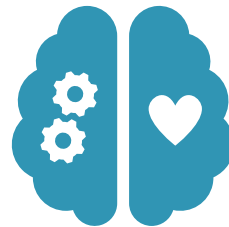
Mapping and delivering easy and enjoyable customer journey's and experiences to maximize purchase and retention.

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