



# Ireland Consumer Mood Monitor Q4 2024

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October 2024



The consumer mood in Ireland continues to see a very gradual improvement, yet only a minority of consumers remain upbeat about the outlook for the economy and concerns over cost-of-living still prevail, despite what was a very generous budget package announced earlier in the month

# Consumer mood remains largely pessimistic albeit showing some signs of gradual improvement



01

Our latest reading of the RED C Consumer Mood (the % that believe the economy is going to get better less the % that believe it will get worse in the coming six months) is at -22, an increase of 5pts over the past 3mths and an increase of 19pts versus 12mths ago.

02

While there has been a decline in pessimism over the future of the Irish economy in the past 12mths, we have only seen a moderate improvement in optimism and therefore on balance there remains far more people that believe the Irish economy will get worse in the coming six months than believe it will get better.

03

Even in light of what was a very generous budget (the fieldwork for this wave was conducted only days after the budget was announced), consumers still have concerns over cost-of-living, which continues to weigh heavily on the overall consumer mood. However, there is an improvement in the outlook for disposable income, which the budget may have had some impact on.

04

Despite easing inflation and growing expectations of improvements in disposable income, consumers continue to remain conservative as to their plans around spending, although grocery spend remains the one area where increased expenditure is likely to occur.

**Underlying trend in consumer mood shows people continue to be less pessimistic about the future of the Irish economy, yet those optimistic remain in the minority**



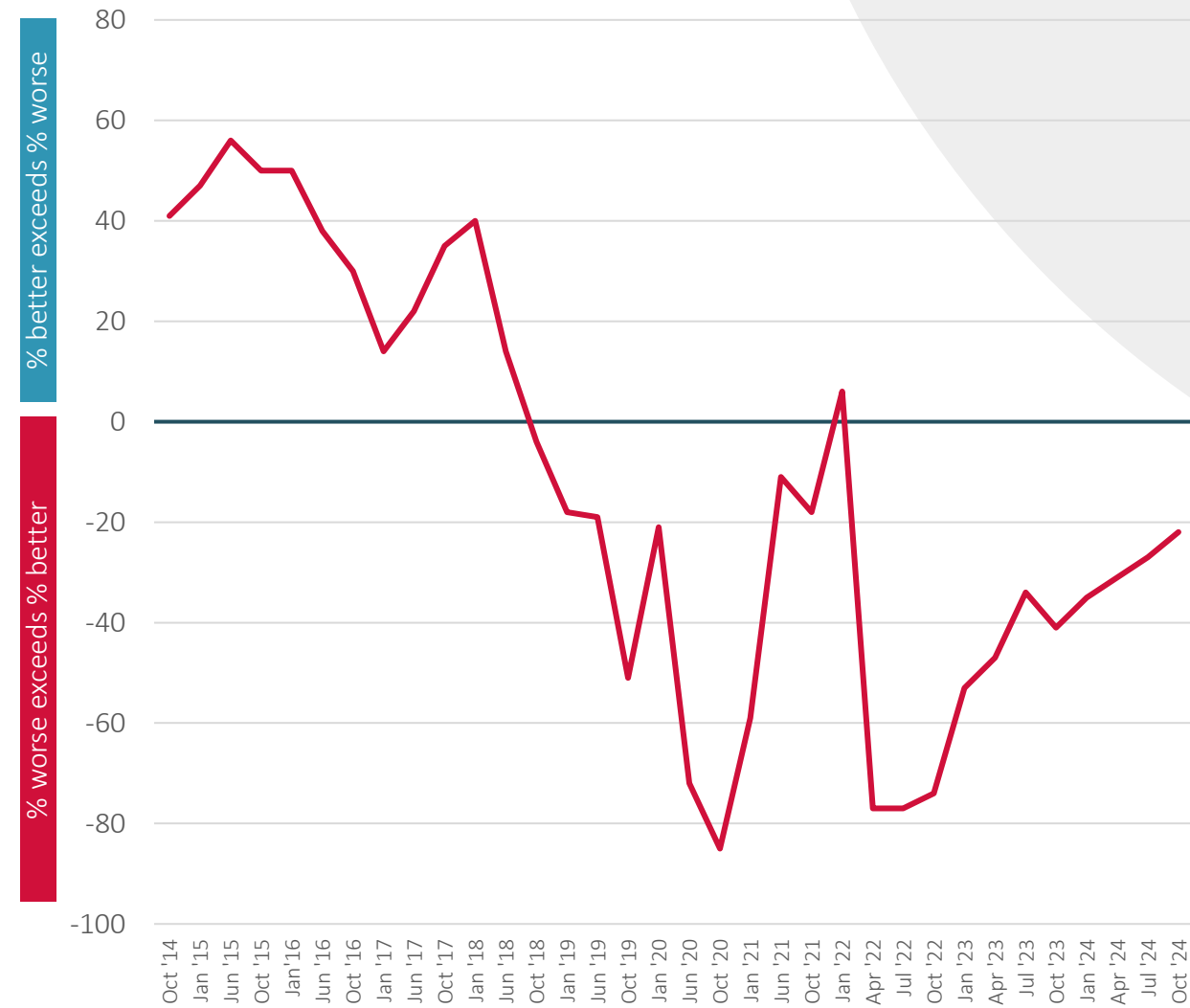


# The Irish consumer mood continues to improve, albeit still in negative territory

The consumer mood is at a two-year high and is up 19 points over the past twelve months and 5 points over the past three months. However, there are still more consumers that believe the Irish economy will get worse compared with those that believe it will get better and therefore the score remains negative.

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

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



RED C Consumer Mood:

**-22**

+5 v Jul-24  
+19 v Oct-23

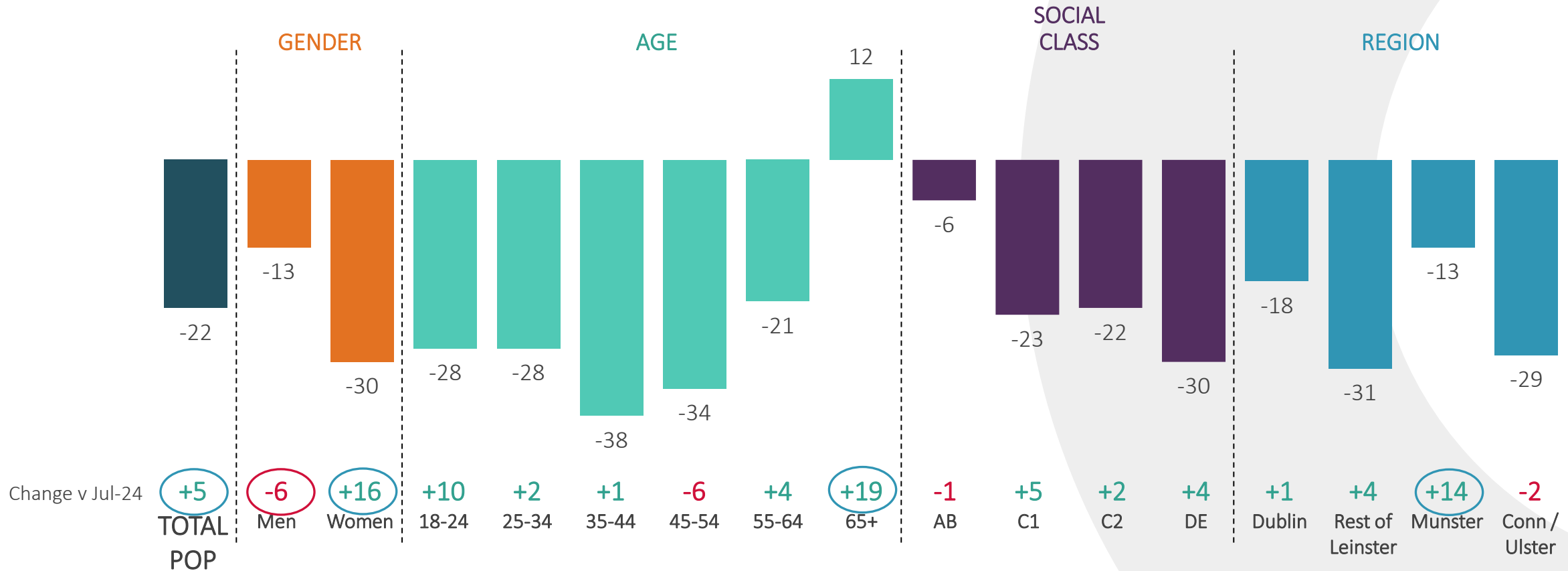
Above zero: % expect things to get better GREATER than % expect things to get worse  
Below zero: % expect things to get better LESS % than expect things to get worse

# Improvement in consumer mood versus last July driven by women and both younger (18-24s) and older (55+) people



## Expectations for the Irish economy six months from now

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



  = statistically significant changes vs July 2024 at 95% confidence interval

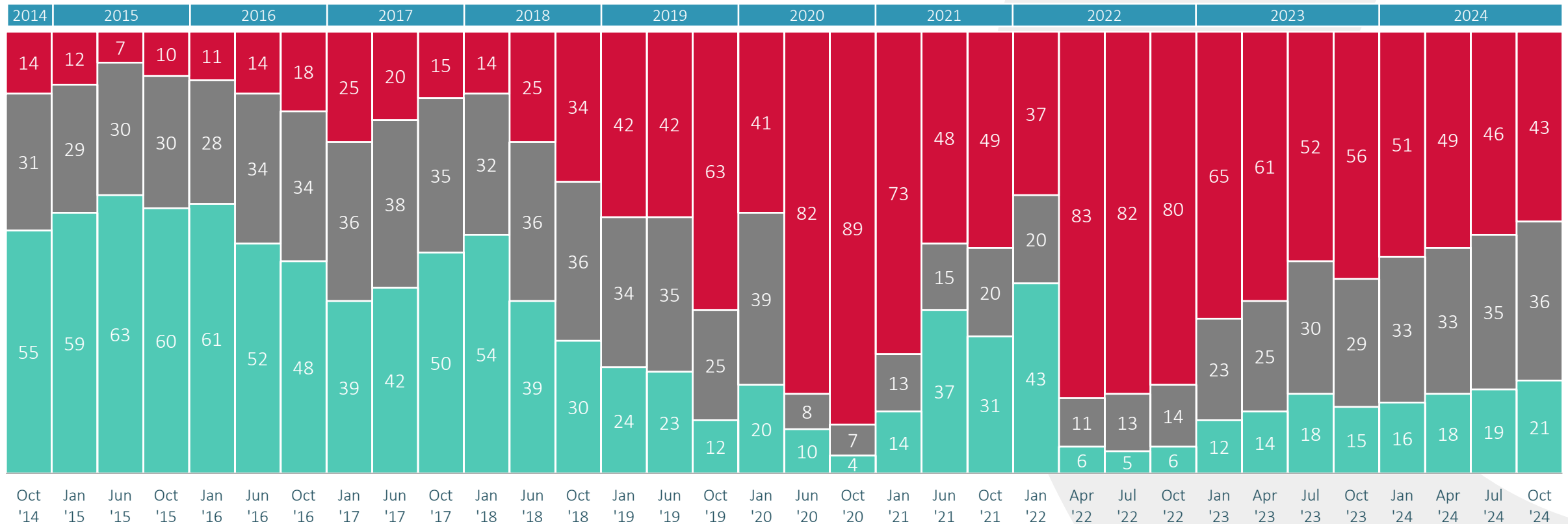
# The mood has very gradually improved over last 12mths, but those optimistic about the outlook still constitute a small minority



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

*% worse / better / stay the same*

■ Worse ■ Same ■ Better



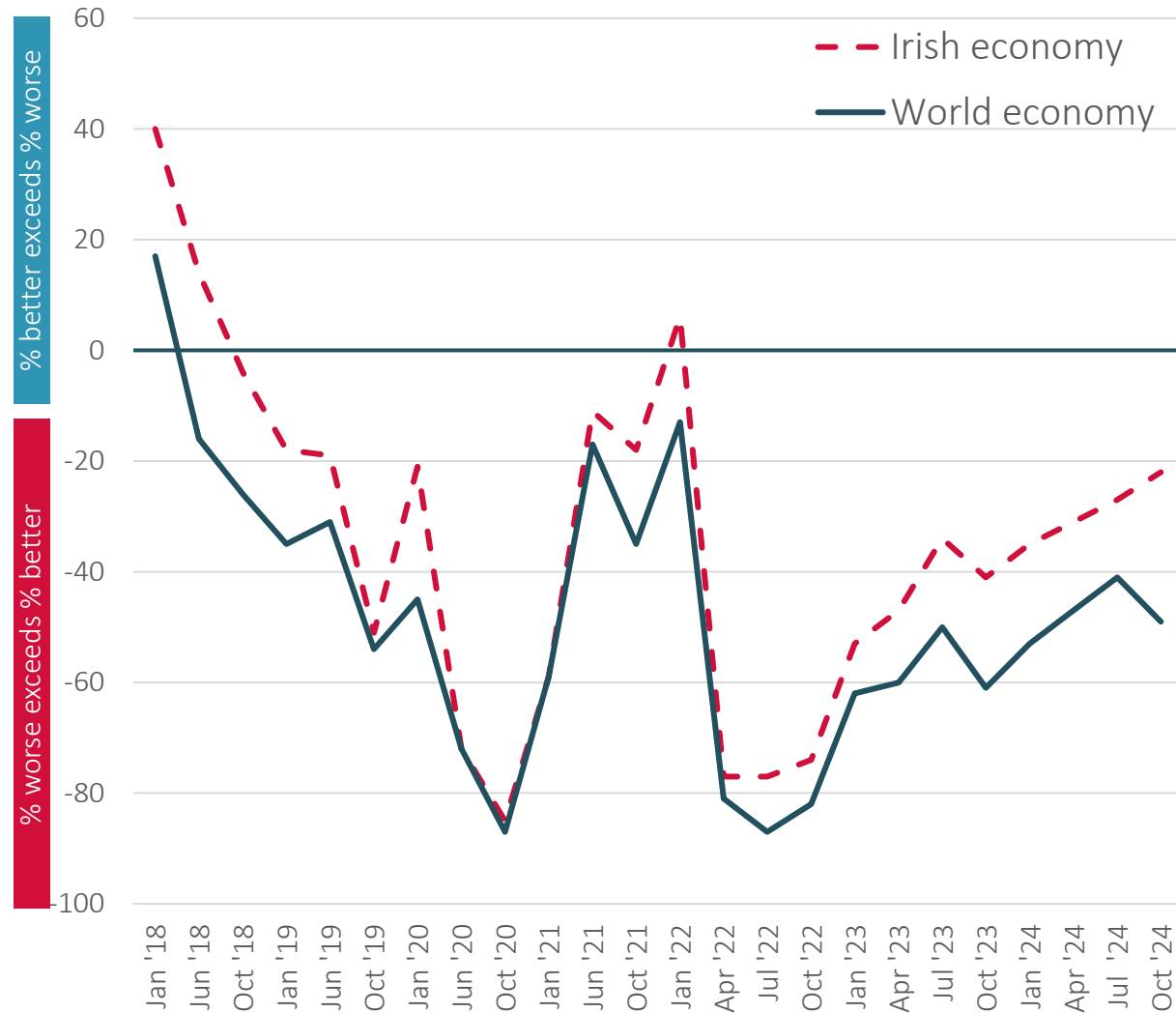


# Divergence in consumer outlook between Irish and global economy

Consumers are a lot less optimistic about the outlook for the global economy relative to the Irish economy, with a further deterioration in the perceived outlook in this wave, and with the two metrics parting for the first time in some years. Likely that concerns here are being influenced by continued geopolitical instability (especially in the Middle East) and uncertainty over the outcome of the upcoming US presidential election.

## Outlook for the World Economy

% get better LESS % get worse in next six months



Global economy Oct 2024:

# -49

-8 v Jul-24  
+12 v Oct-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

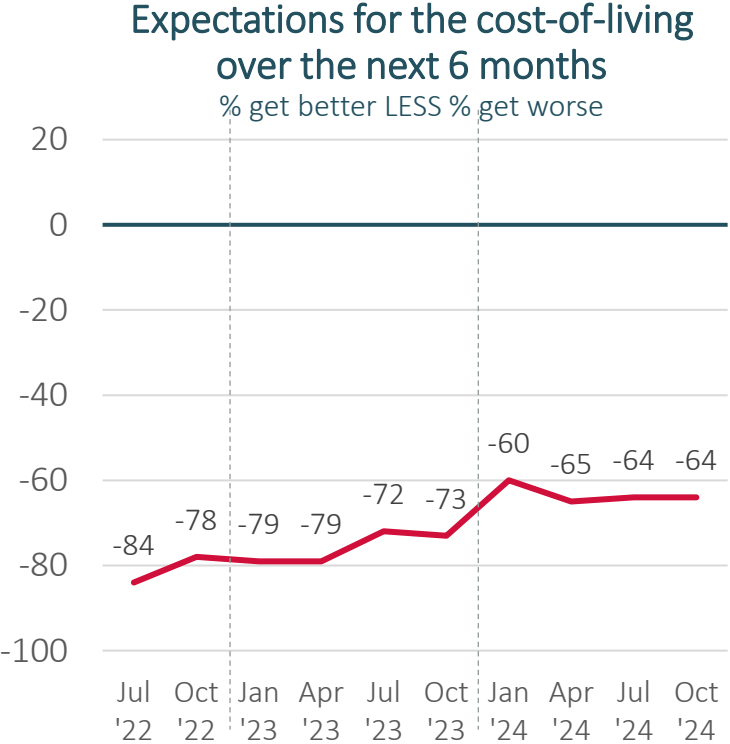


**Consumer views on cost-of-living and financial wellbeing remain largely unchanged since the summer, but they are more optimistic on these areas versus 12mths ago**



# No change in outlook for cost-of-living this wave

Concerns remain heightened over the outlook for the cost-of-living, despite the rate of inflation slowing considerably over the past 12mths. However, this metric has seen some improvement versus Oct-23.



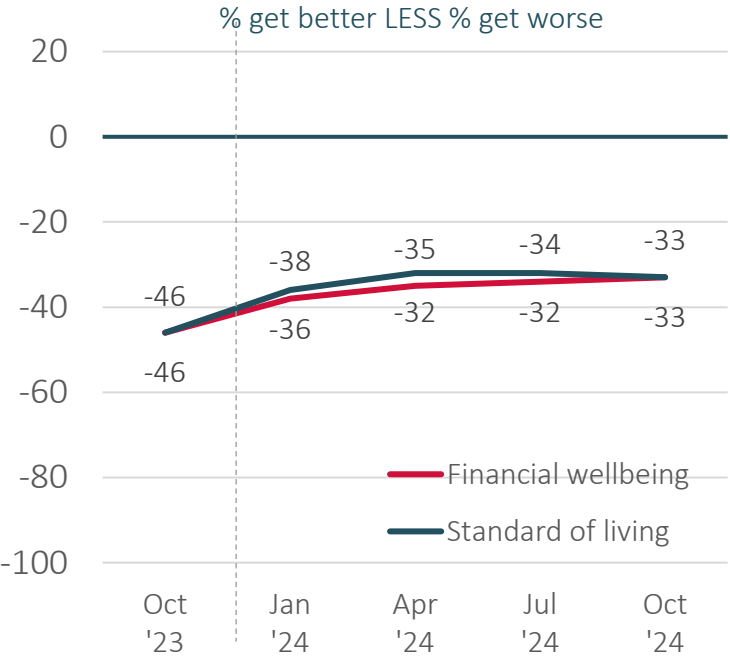
Above zero: % expect things to get better GREATER than % expect things to get worse  
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# Outlook for financial wellbeing and standard of living unchanged

Financial wellbeing and standard of living continue to track each other closely and remain unchanged on the summer wave, although both indicators have improved notably versus 12mths ago.

Expectations for financial wellbeing and standard of living over the next 6 months



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

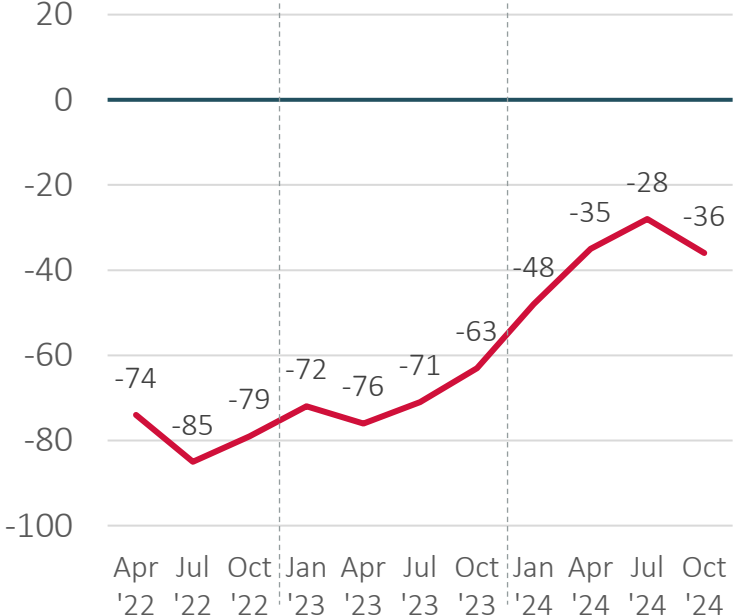


# Consumers less optimistic over outlook for borrowing money

Even with the ECB already cutting interest rates twice this year and a further cut looking likely before the end of the year, there was a deterioration in expectations for the cost of borrowing, possibly given that mortgage interest rates are generally unchanged over the past year

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

% get better LESS % get worse

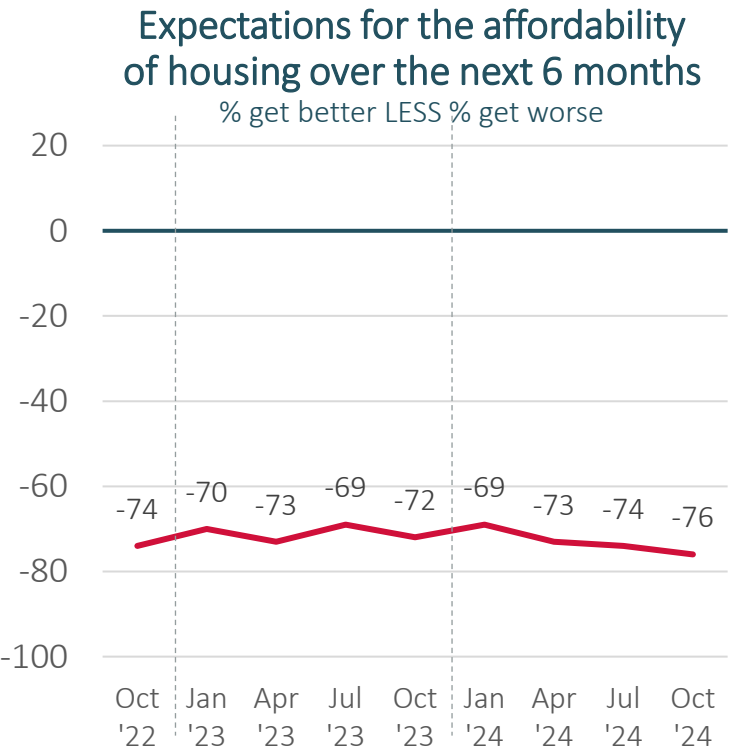


Above zero: % expect things to get better GREATER than % expect things to get worse  
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# No improvement in outlook for affordability in the housing market

Despite improvements in supply, an increase in the rate of house price inflation is not doing anything to improve affordability in the housing market. Cuts to interest rates by the ECB also don't appear to have affected interest rates on home loans.



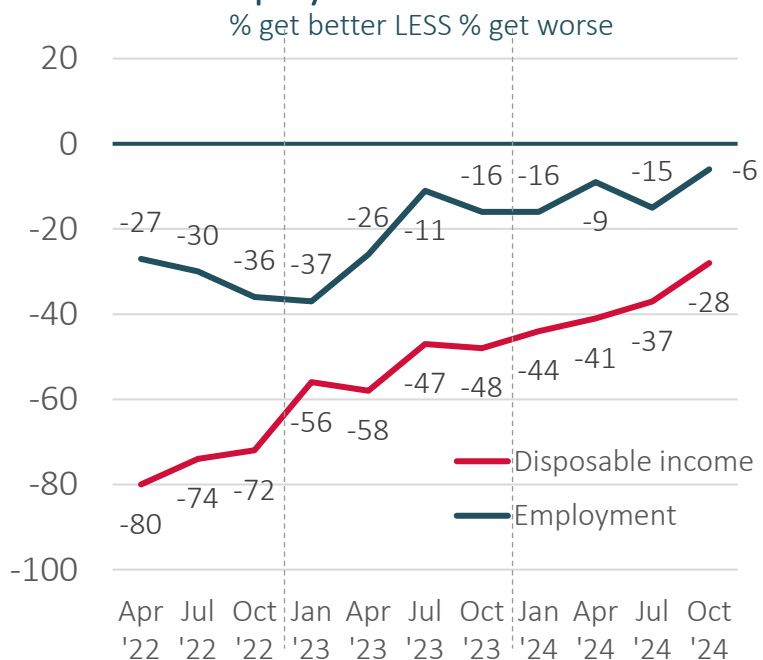
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Below zero: % expect things to get better LESS than % expect things to get worse



# Improvement in outlook for both jobs and disposable income

Sentiment towards the jobs market has improved in this wave, while there has been a sustained improvement in the outlook for disposable income over the past 12mths, with a significant bump this wave, potentially in part to the measures announced in the budget.

Expectations for discretionary disposable income & employment over the next 6 months



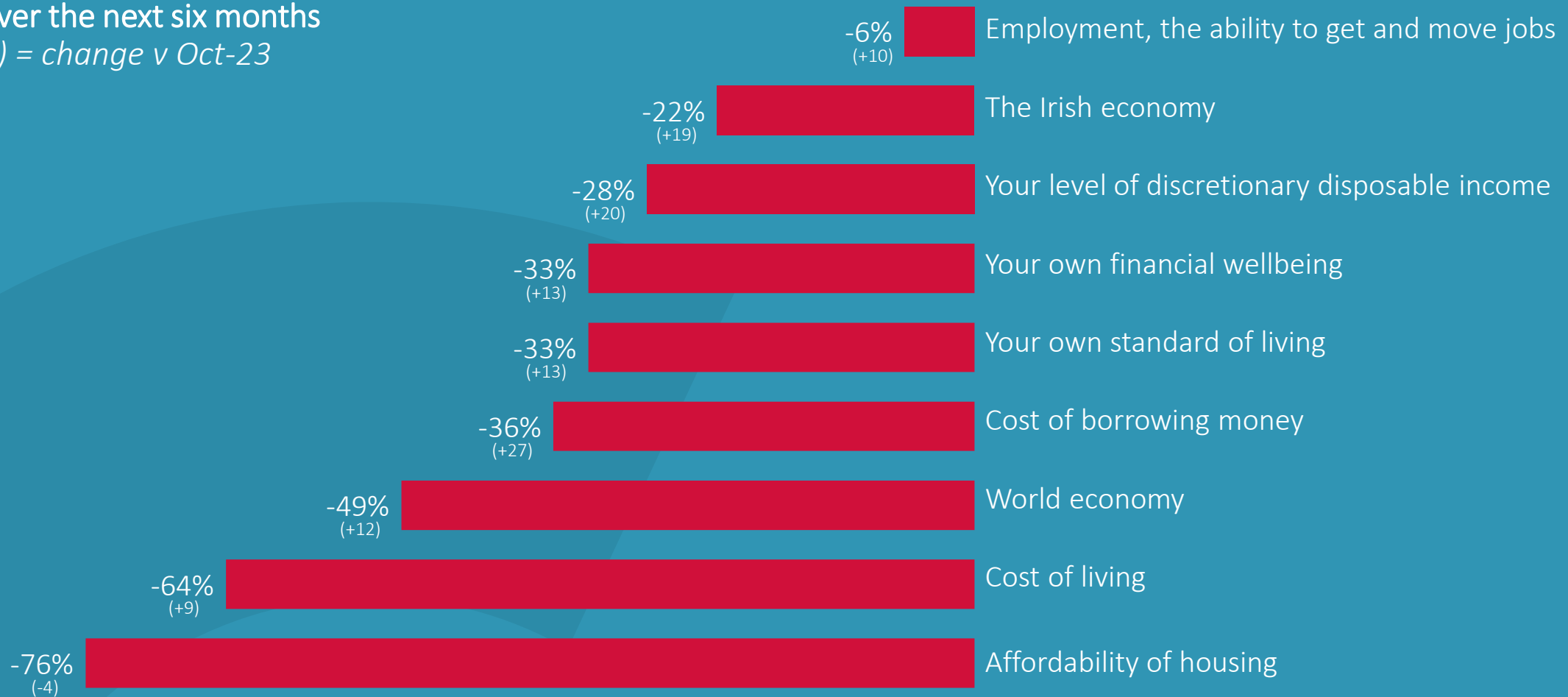
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# Irish consumers are most optimistic about the outlook for the jobs market and least optimistic about the housing market



% get better less % get worse  
over the next six months  
( ) = change v Oct-23



**Increased concern over higher energy bills heading into the winter months, despite recent price declines and the extension of energy credits in the budget**





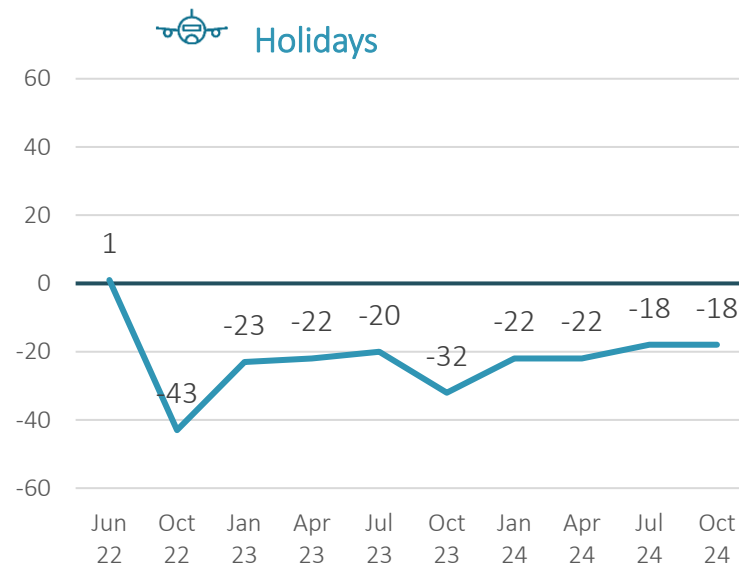
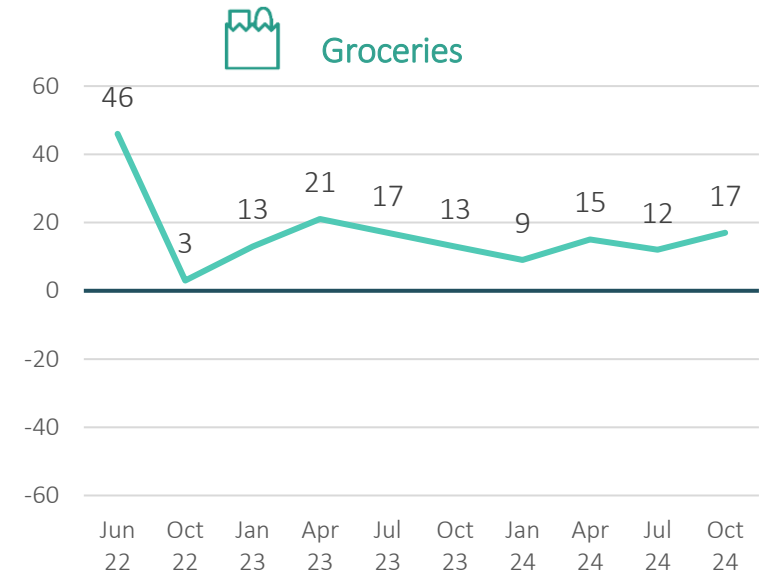
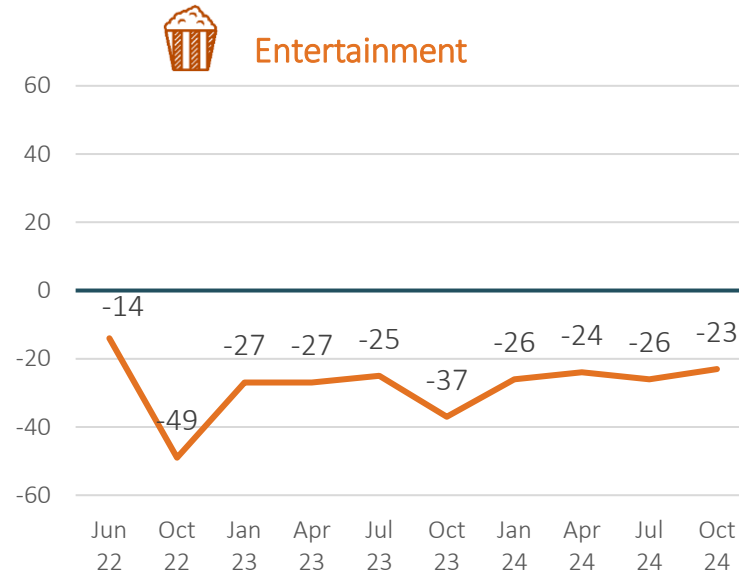
# Consumers still expect to spend more on groceries, but less in other key areas

The higher spend on groceries is less likely due to planned volume increases, but rather due to an expectation of higher prices on food and other household goods.

In the meantime, there is some improvement in expected spend for consumer goods and a very modest increase for entertainment, while holidays holds steady.

## Expectations for expenditure over the next 6 months

% increase LESS % decrease



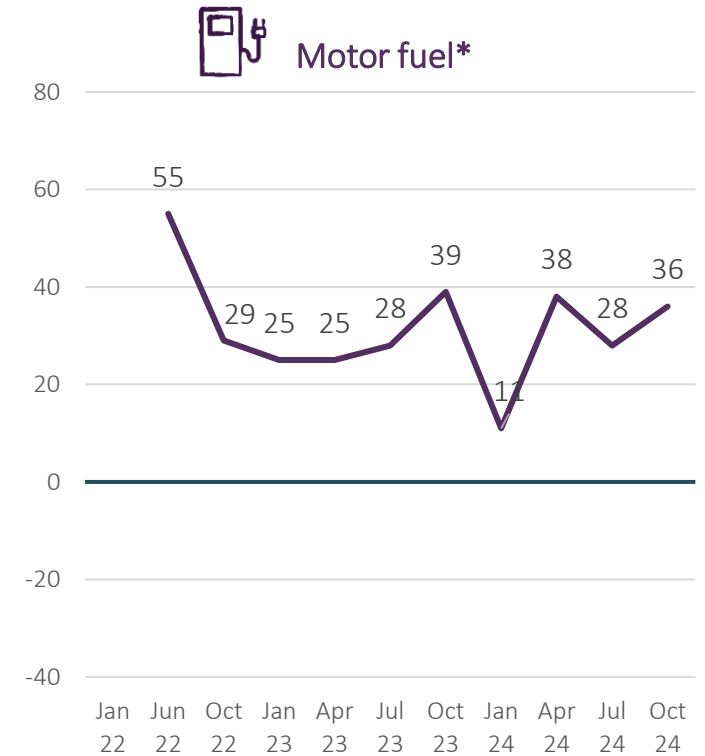
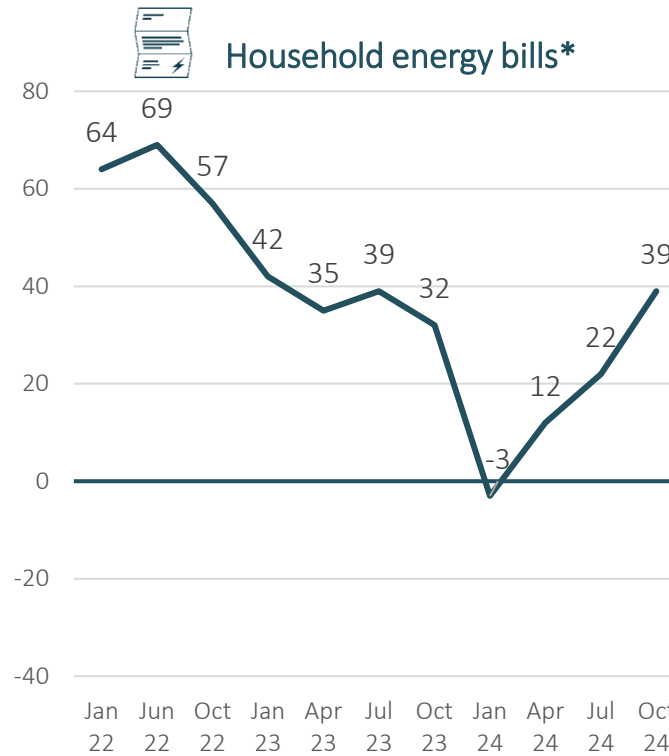
Above zero: % expect spend to increase GREATER than % expect spend to decrease  
 Below zero: % expect spend to increase LESS than % expect spend to decrease

# Household spend on energy and fuel expected to increase this winter

Even despite the announcement of energy credits in the budget and the implementation of price cuts by retail energy suppliers (mainly in the first half of the year), there is a growing expectation of higher energy bills over the coming six months. Concerns that international energy prices might increase due to ongoing instability in the Middle East could be contributing to this.

## Expectations for expenditure over the next 6 months

% increase LESS % decrease



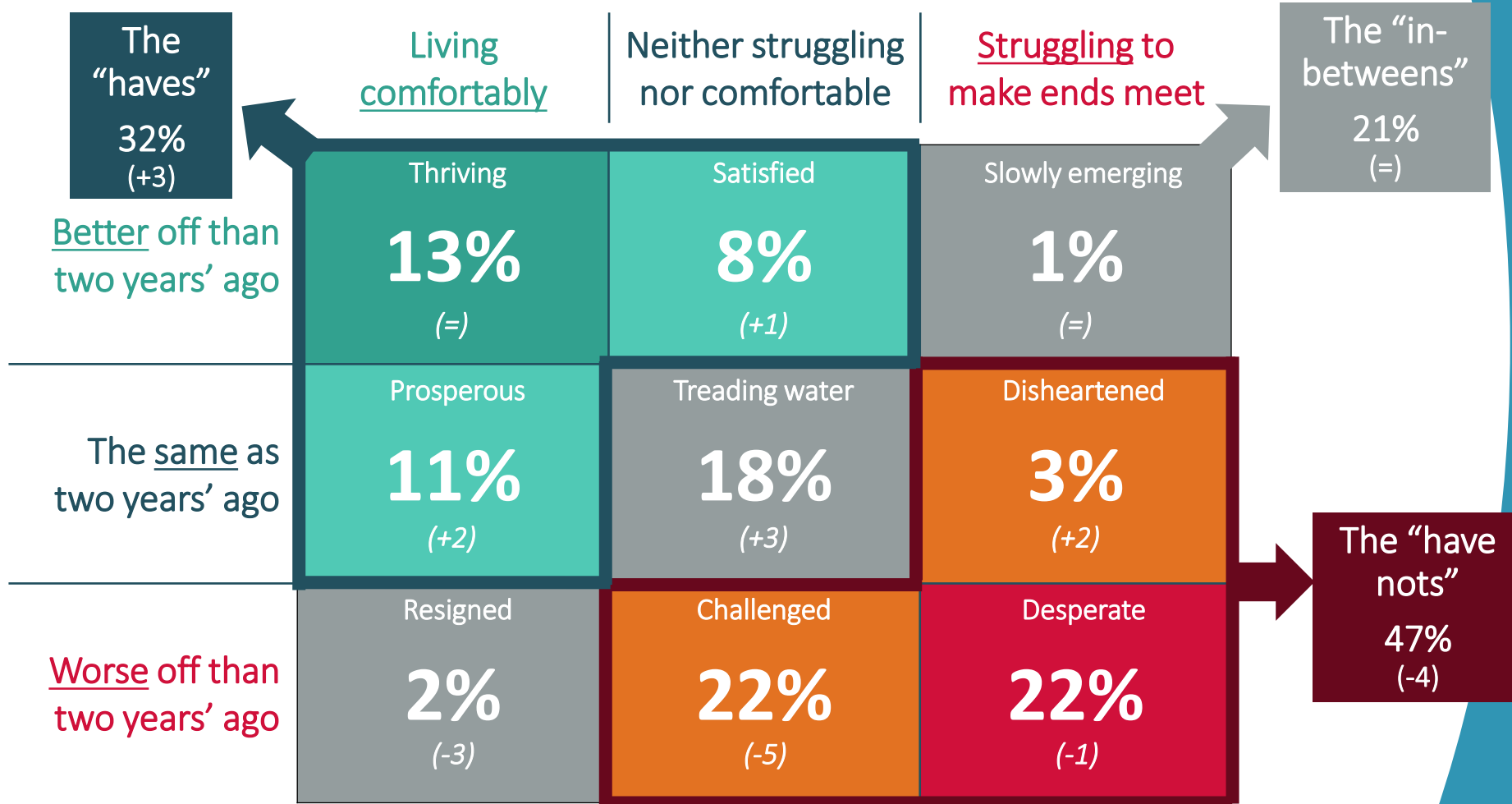
Above zero: % expect spend to increase GREATER than % expect spend to decrease  
 Below zero: % expect spend to increase LESS than % expect spend to decrease

\*excludes not applicable

**Consumer sentiment varies considerably depending on economic circumstances, with the “haves” much more optimistic about the economic outlook than the “have nots”**



# Little change over last 12mths in those that believe they are better off than they were two years ago

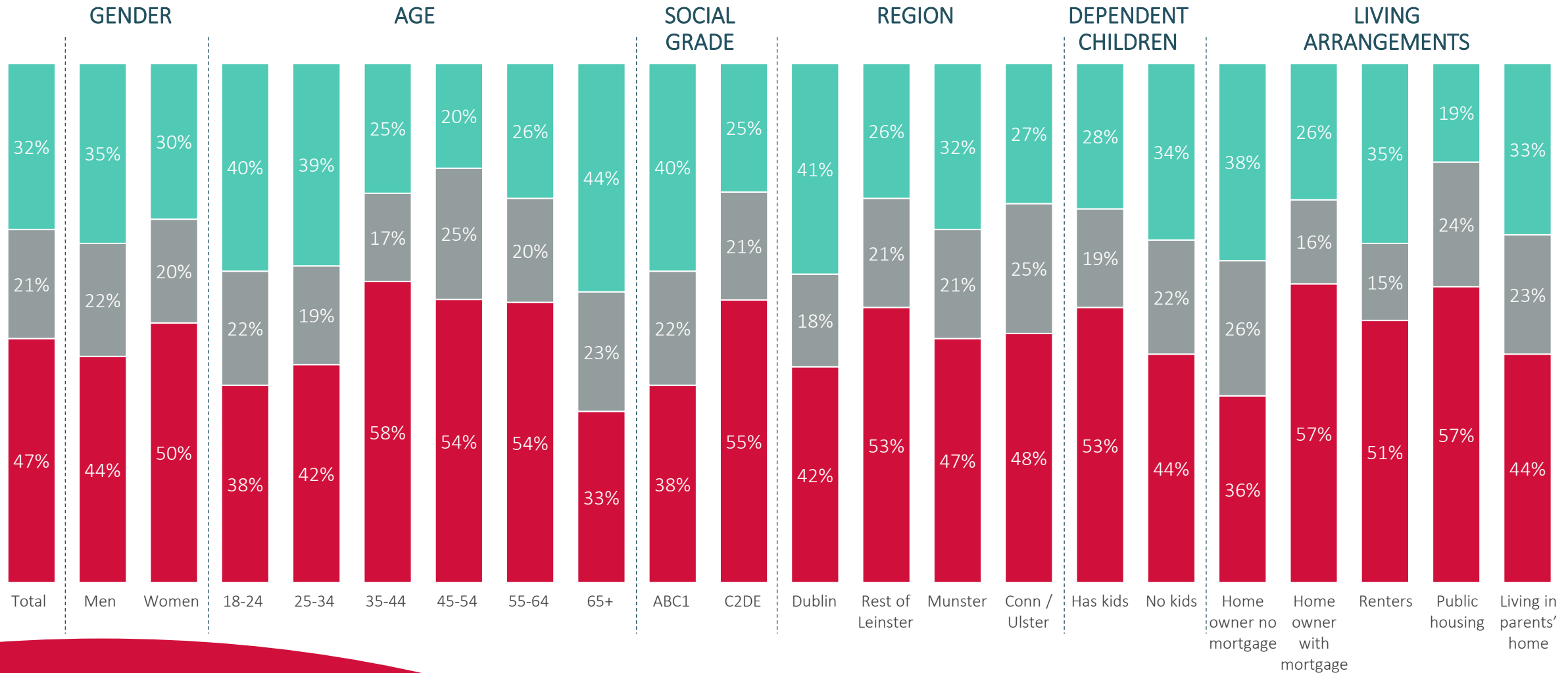
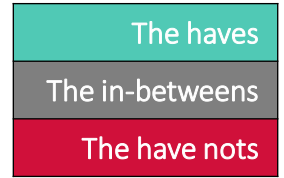


(xx) = Change vs October 2023

# 'Squeezed middle' of women, 35-64 year olds, lower social grades and parents most likely to fall into the 'have nots'

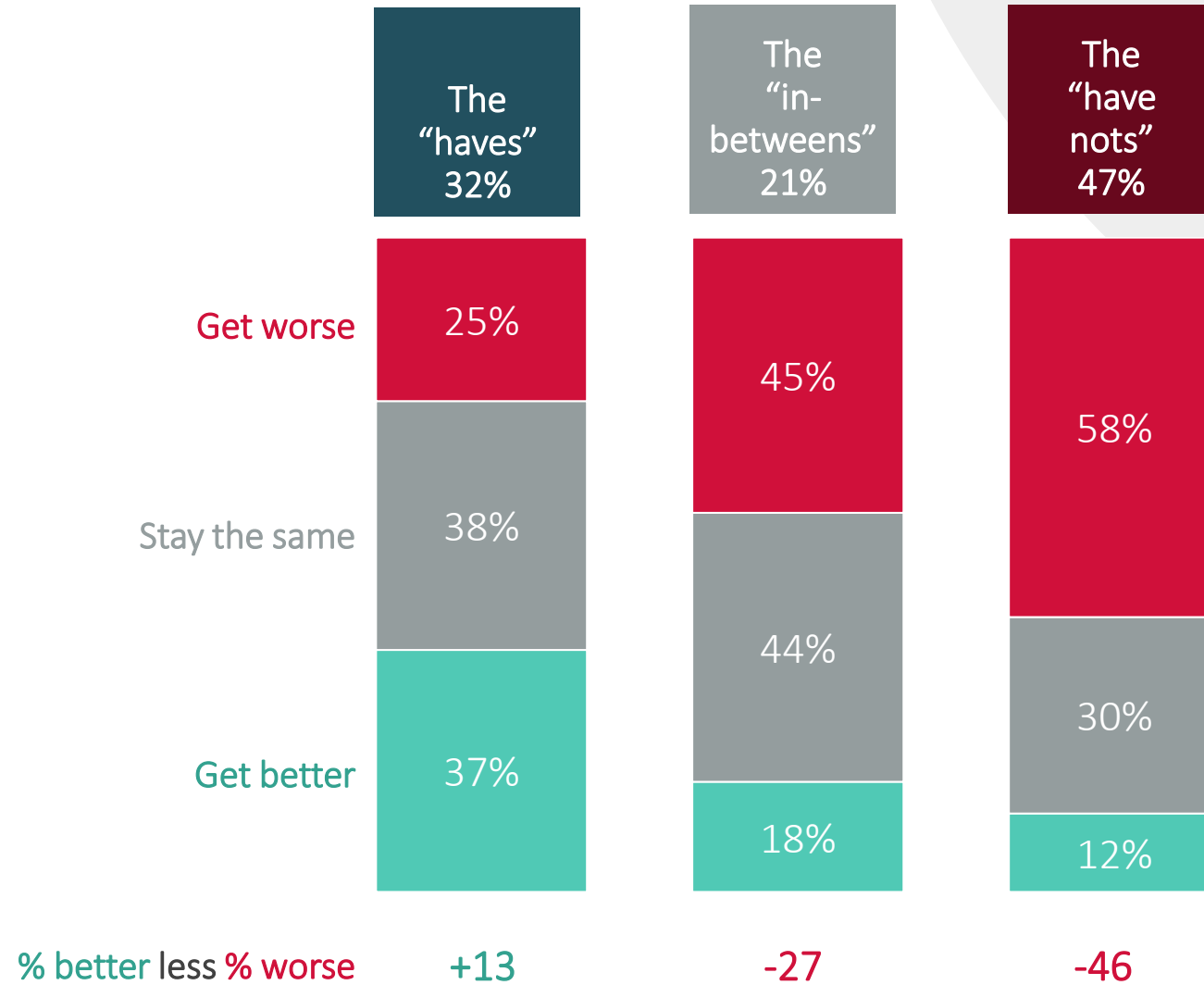


Incidence of being a 'have', 'in-between' or 'have not' across key demographic groups



# Stark difference in outlook for the Irish economy for the “haves” versus the “in-betweens” and the “have nots”

## Outlook for the Irish economy over next 6mths





Differences exist in outlook for cost-of-living too, but common for all three groups to have a majority expecting this to deteriorate in coming six months

Outlook for the cost-of-living over next 6mths





Appendix  
- Methodology  
- About RED C



# Methodology

- n=1,006 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 53<sup>rd</sup> Wave of the RED C Consumer Mood Monitor and fieldwork was conducted from the 3<sup>rd</sup> – 9<sup>th</sup> October 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



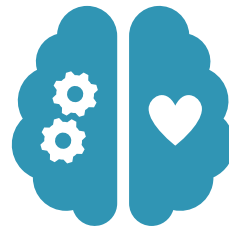
Mapping and delivering easy and enjoyable customer journey's and experiences to maximize purchase and retention.

### 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**