



Ireland Consumer Mood Monitor Q1 2025

January 2025



Heading into the new year, the consumer mood is relatively flat over the past quarter and still a sizable proportion are downbeat about the outlook for the Irish economy. That said, this latest wave of data suggests that spending on holidays and cars will increase in the coming year.

Many consumers continue to remain downbeat on the economic outlook and cost of living still appears to be an ongoing concern



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 -23, a decline of 1pt over the past 3mths and an increase of 12pts versus 12mths ago.

02

Despite a trend of a very gradual improvement in the consumer mood over the past two years, this appears to have come to a halt (for now) and we still have a situation where on balance there is still a notable proportion of consumers that are downbeat about the economic outlook.

03

Budget 2025 and the formation of a new government appears to have done little to lift consumers' spirits. While inflation has slowed considerably, the lingering impact of the cost of living crisis still appears to be an ongoing issue of concern for many consumers. That said, expectations for jobs and especially incomes are considerably better than what they were at the beginning of last year.

04

There are some silver linings here that point to grounds for optimism in 2025 – in particular, consumers see their financial wellbeing and standard of living improving, while there are indications that spend on holidays overseas will increase and more consumers plan to buy new cars in the year ahead.

As we head into the new year, the consumer mood is a good bit better than twelve months ago, but hasn't really changed much at all over the past quarter





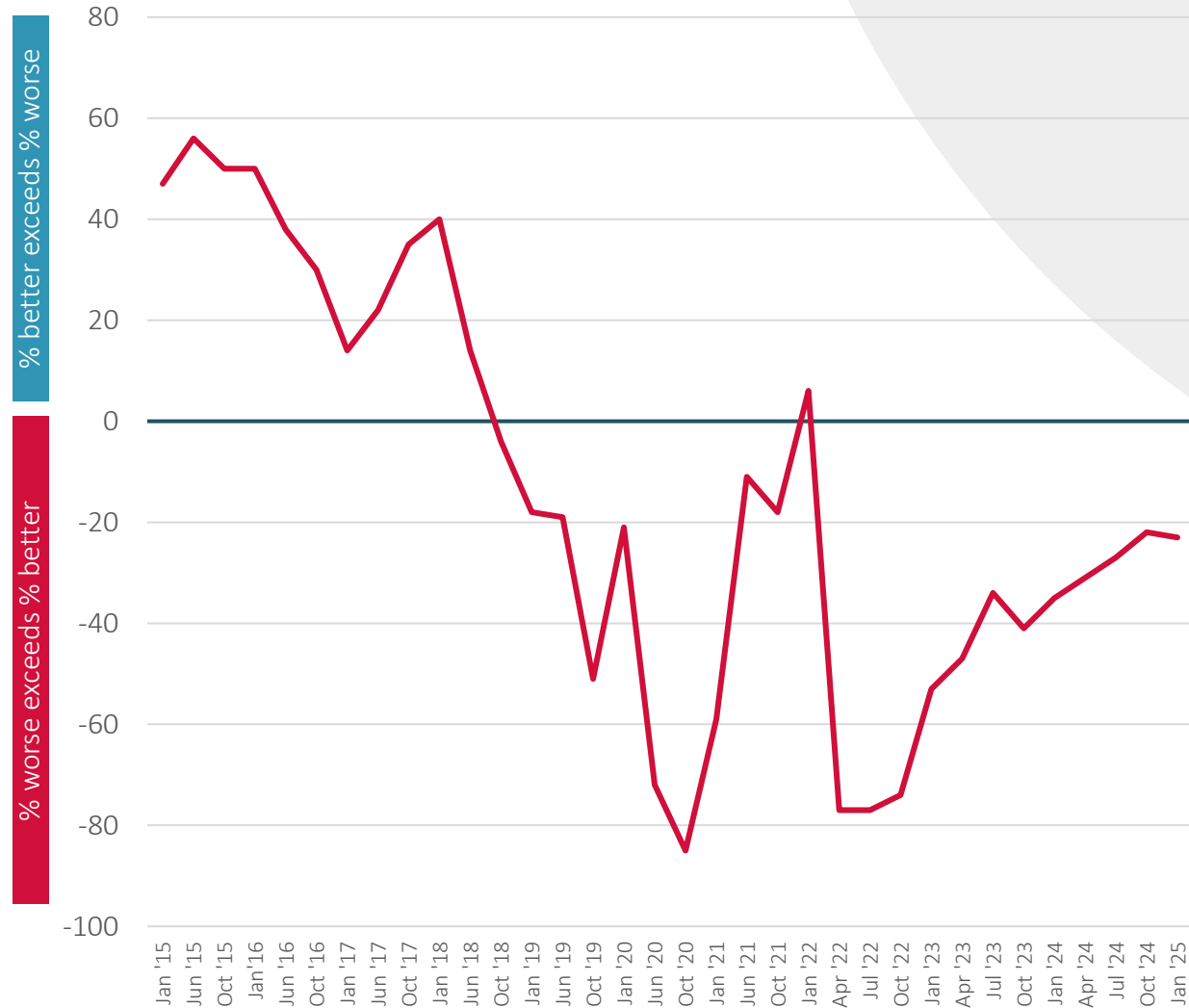
After a period of sustained improvement, the consumer mood is almost flat this wave, down one point on the previous wave

There continues to be considerably more consumers that expect the economy to get worse over the coming six than those that expect it to get better

Base: all adults living in ROI aged 18+

The RED C Consumer Mood – outlook for the Irish economy

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



RED C Consumer Mood:

-23

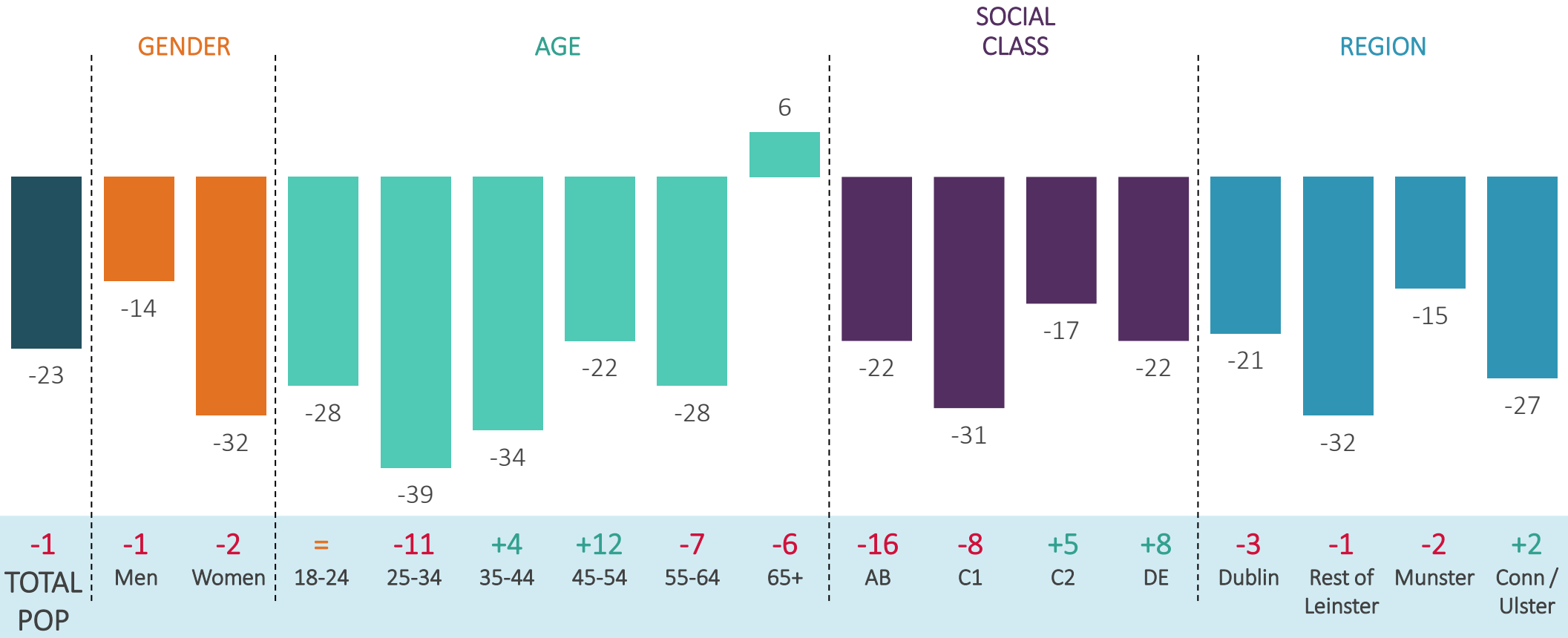
-1 v Oct-24
+12 v Jan-24

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

ABC1s, along with younger and older age groups, becoming less optimistic about the outlook for the Irish economy



Expectations for the Irish economy six months from now
 % get better LESS % get worse over the next six months



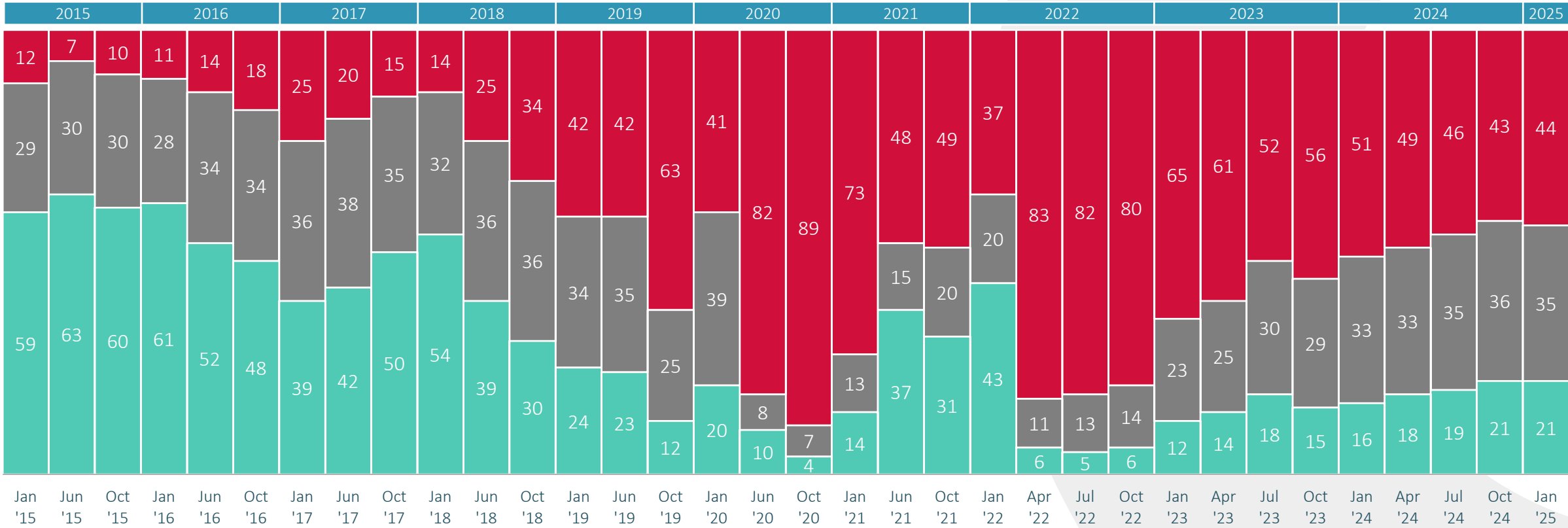
Longer term trend shows that the consumer mood is still quite depressed relative to the highs achieved in the mid-2010s



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

% worse / better / stay the same

■ Worse ■ Same ■ Better

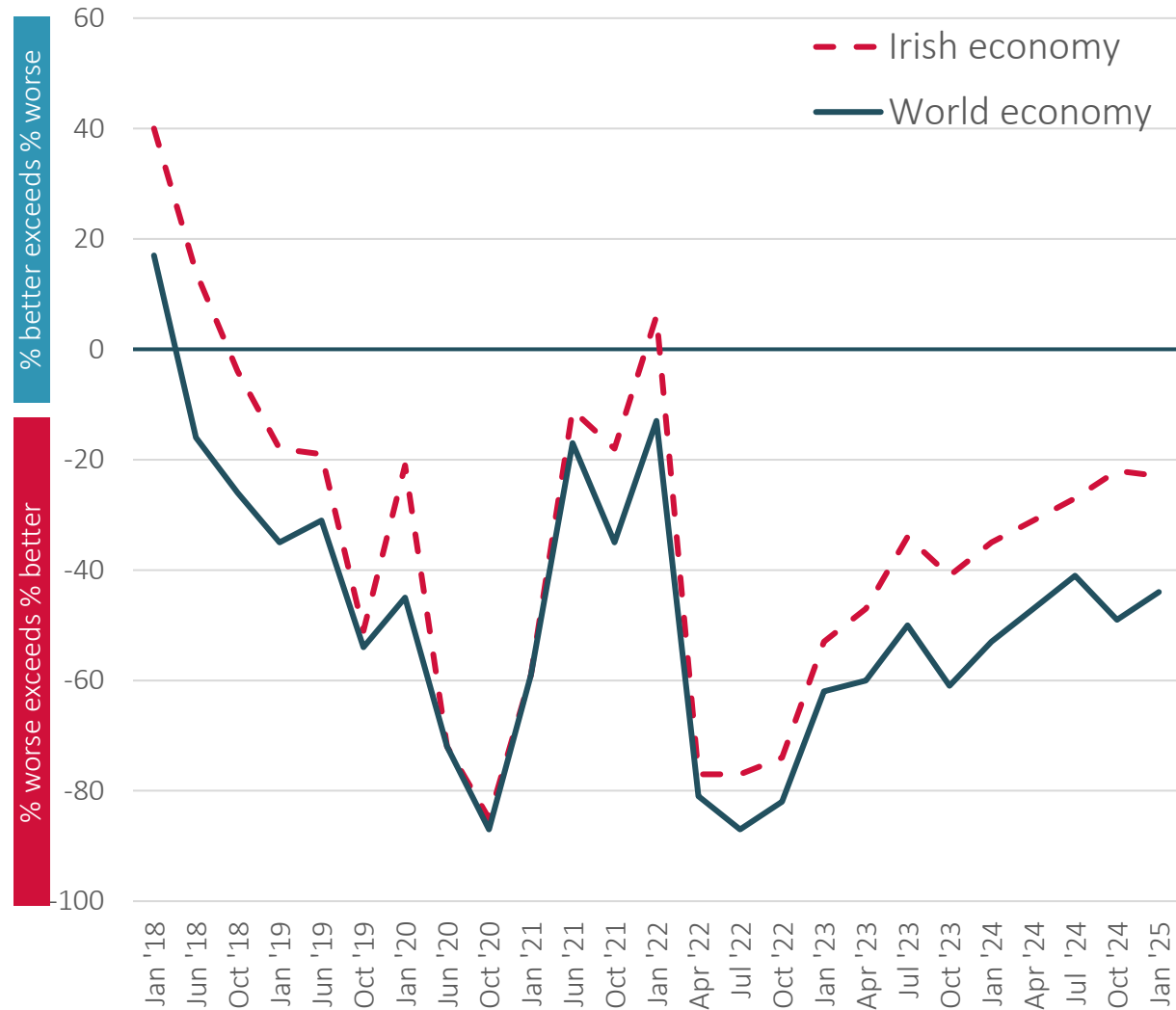




An improvement in expectations for the global economy, but it still tracks below that of the domestic economy

Consumers potentially seeing the announcement of a ceasefire in the Gaza-Israel conflict (announced during survey fieldwork) as having a positive impact on the economic outlook

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



Global economy
Jan 2025:

-44

+5 v Oct-24
+9 v Jan-24

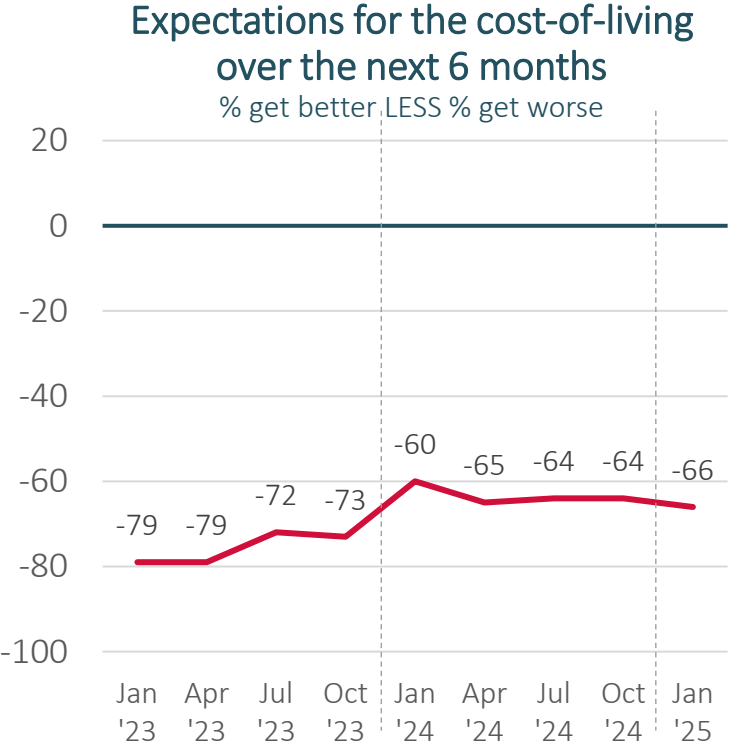
Above zero: % expect things to get better GREATER than % expect things to get worse
Below zero: % expect things to get better LESS % than expect things to get worse

Cost of living is still a big issue for consumers, yet there is some positive movement in expectations around financial wellbeing and standards of living



Concerns over the cost of living continue to prevail

Despite inflation running below 2% in Ireland since last August, consumers still remain concerned about the prospect of higher prices over the coming six months – at the very least, this is potentially due to the expectation that prices will, in the consumer mindset, remain high.



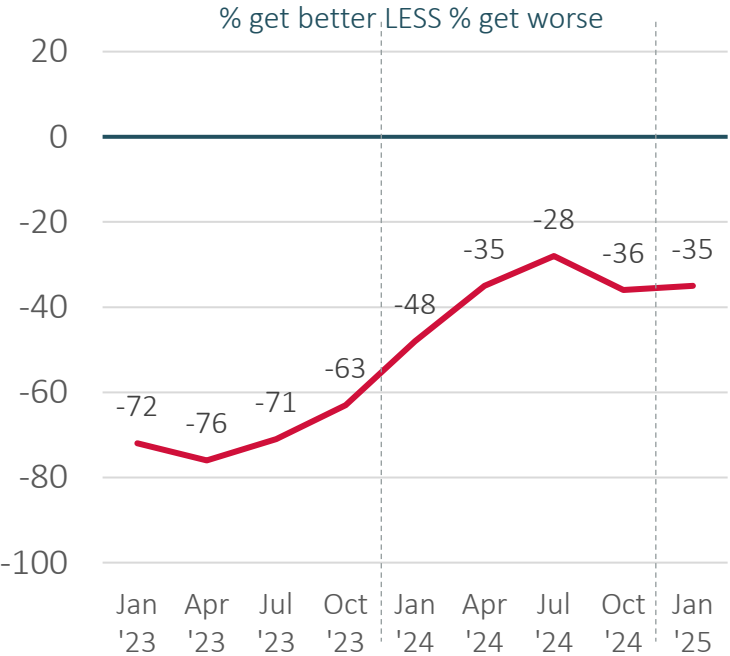
Above zero: % expect things to get better GREATER than % expect things to get worse
Below zero: % expect things to get better LESS % than expect things to get worse



Consumers unchanged in their outlook for the cost of borrowing

With the ECB cutting interest rates again at the end of January (the fifth cut since last July) and the prospects of further cuts in 2025, it seems many consumers are yet to be convinced that they will see the full benefit of this with banks passing on rate cuts to borrowers.

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



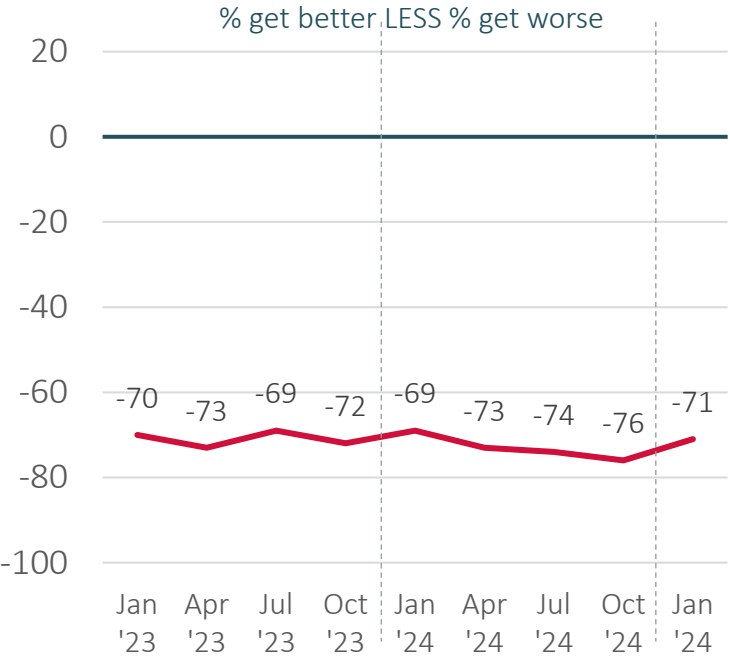
Above zero: % expect things to get better GREATER than % expect things to get worse
Below zero: % expect things to get better LESS % than expect things to get worse



Most consumers still not expecting housing affordability to improve

Even with interest rates in decline, incomes on the rise and housing completions looking set to rise further both this year and into next year, consumers are yet to be convinced that this will have any notable impact on housing affordability.

Expectations for the affordability of housing over the next 6 months

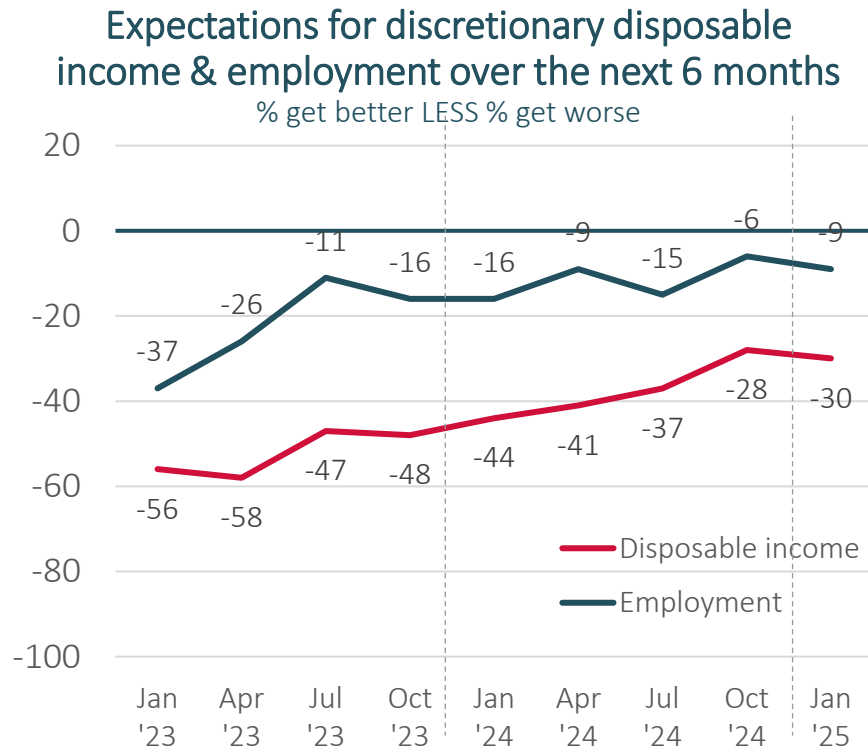


Above zero: % expect things to get better GREATER than % expect things to get worse
Below zero: % expect things to get better LESS % than expect things to get worse



Jobs and earnings outlook much improved on last year

Very little change on the quarter, but consumers have been gradually becoming more optimistic the job market and (in particular) incomes over the last month, with the unemployment rate (a key indicator of economic health) continuing to hover just above 4%.



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 outlook for financial wellbeing and standing of living

On the back of a particularly generous budget and along with earnings growth now outstripping inflation, consumers have become more optimistic about the outlook for financial wellbeing and standard of living.



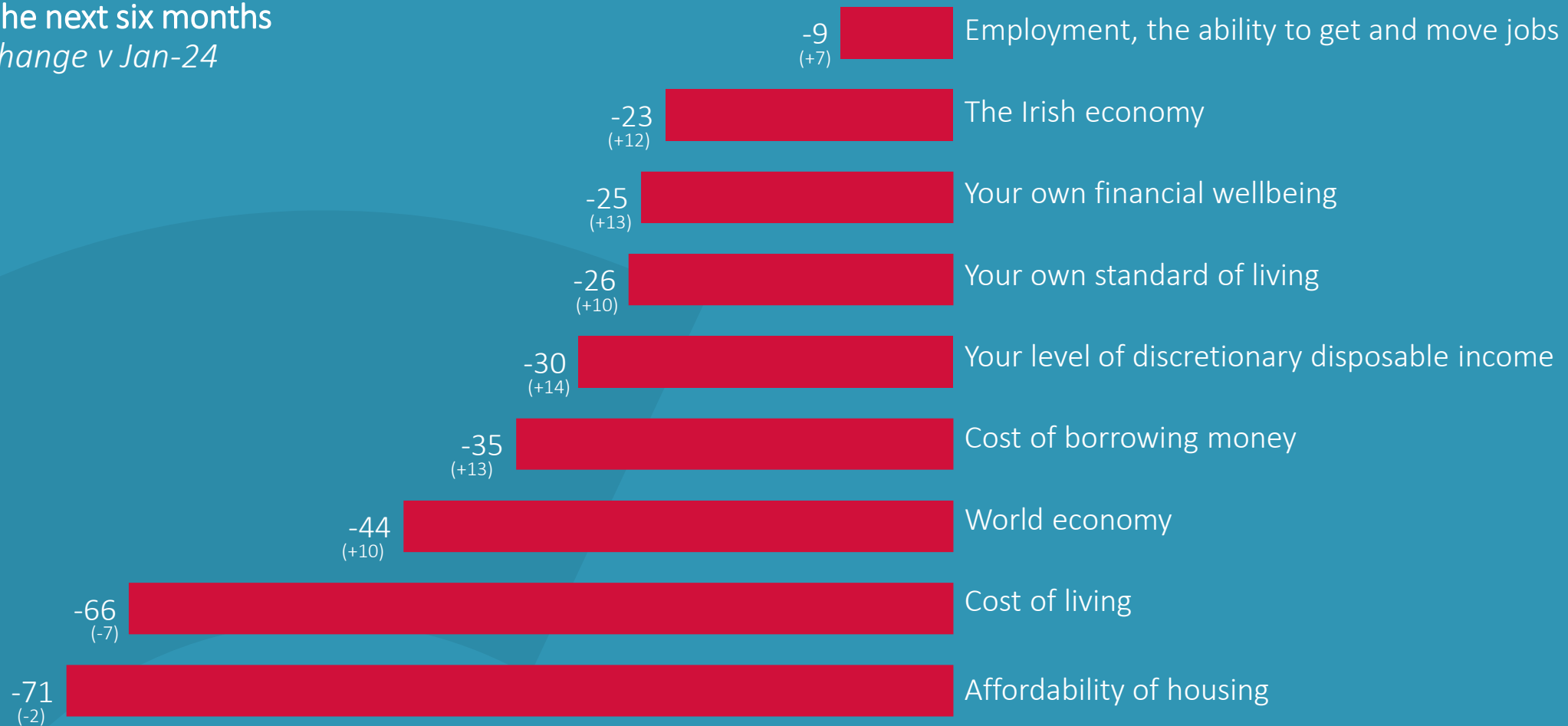
Above zero: % expect things to get better GREATER than % expect things to get worse
Below zero: % expect things to get better LESS % than expect things to get worse



Consumers a bit more optimistic about outlook for most things versus same time last year, except housing and cost of living



% get better less % get worse
over the next six months
() = change v Jan-24



Signs that consumers will spend more on holidays in 2025, while most other broad categories of spend remain relatively unchanged



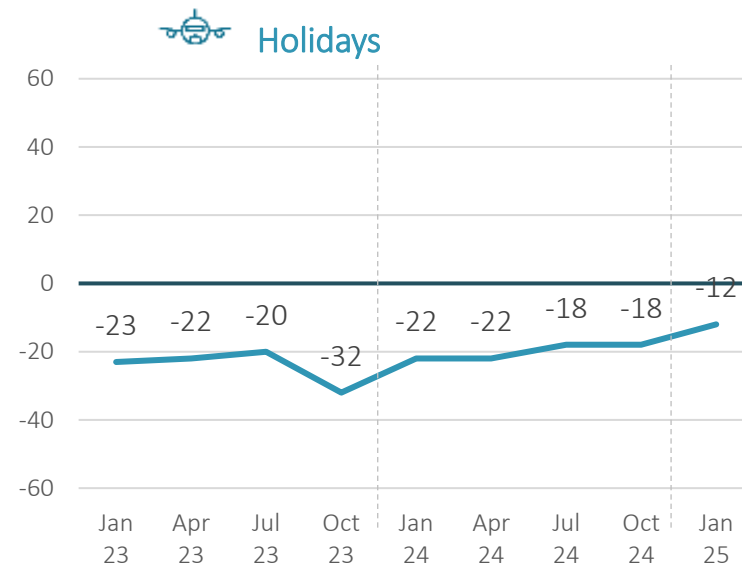
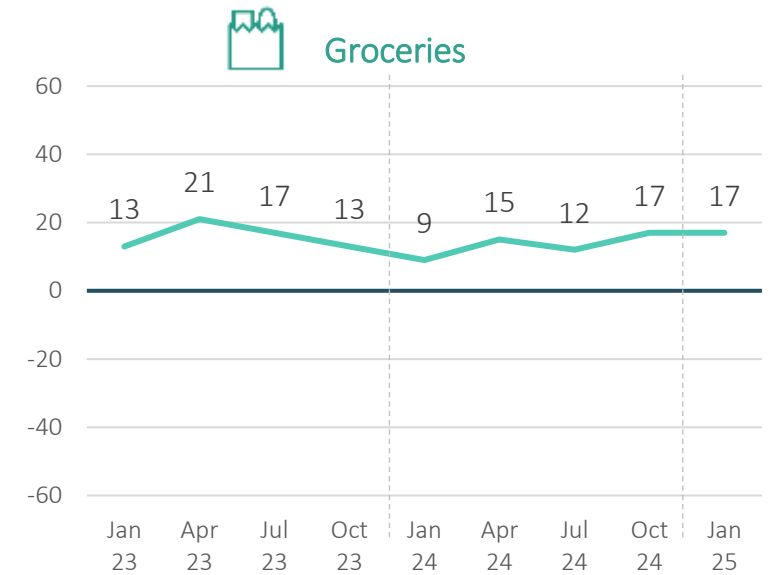
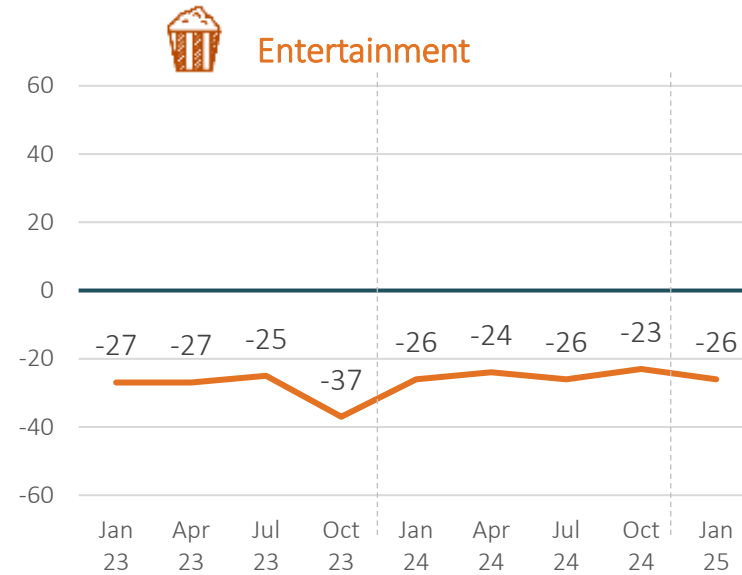
Some indication that consumer spending on holidays set to grow in 2025

For the most part consumers have been fairly consistent their spend for groceries, entertainment and consumer goods over the last two years.

However, the measure for expectations of spend on holidays has been gradually trending upwards and is now at a two-year high.

Expectations for expenditure over the next 6 months

% increase LESS % decrease



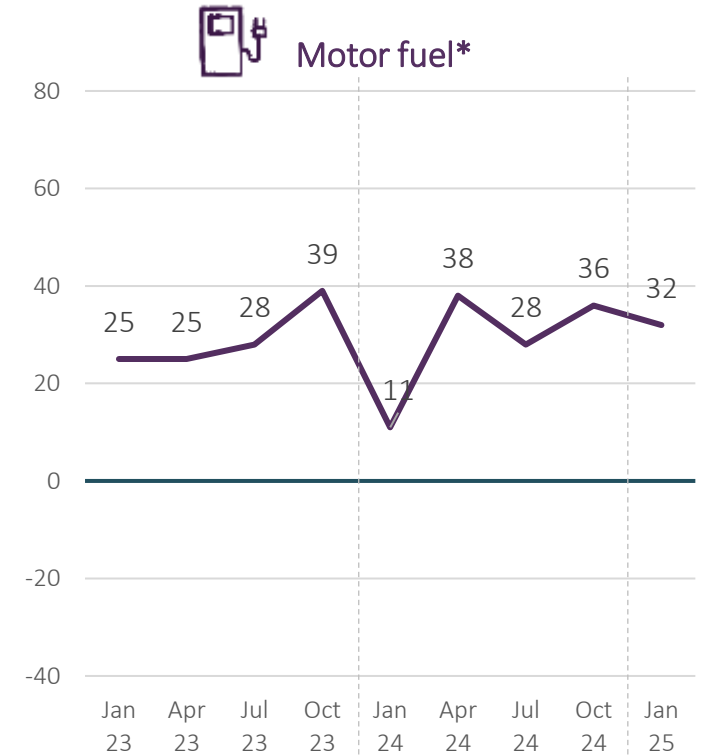
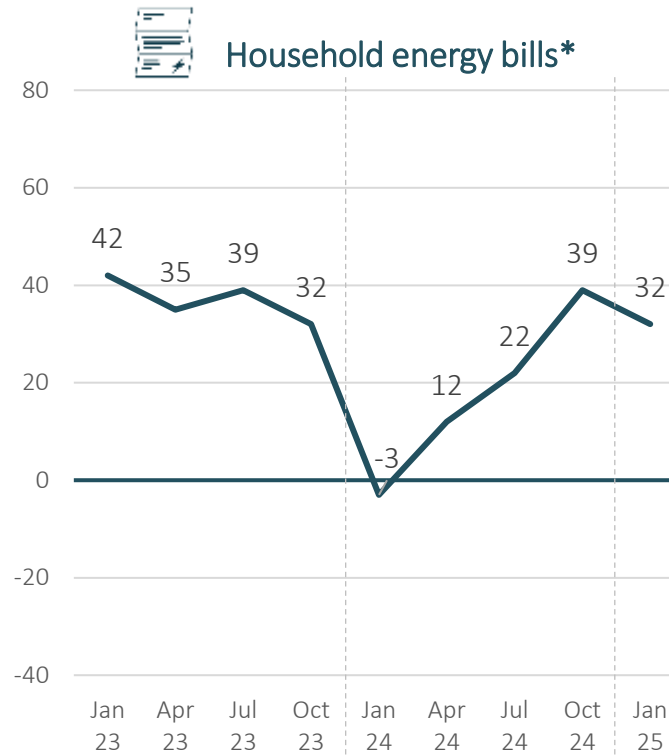
Above zero: % expect spend to increase GREATER than % expect spend to decrease
 Below zero: % expect spend to increase LESS than % expect spend to decrease

Households still expect to spend more on energy bills and motor fuel in coming months

There has been some improvement in the expectations for both these indicators and this may reflect some hope that a ceasefire in Gaza and a possible ending to the Ukraine conflict in 2025 may result in this having a positive impact on energy prices. In the meantime, there has been little movement in residential electricity / prices over the past year, while motor fuel prices have been edging upwards again since the start of the year.

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' spending intentions at the start of this year are quite similar to that of last year, with one exception – a notable increase in those planning to buy a new car / motorbike

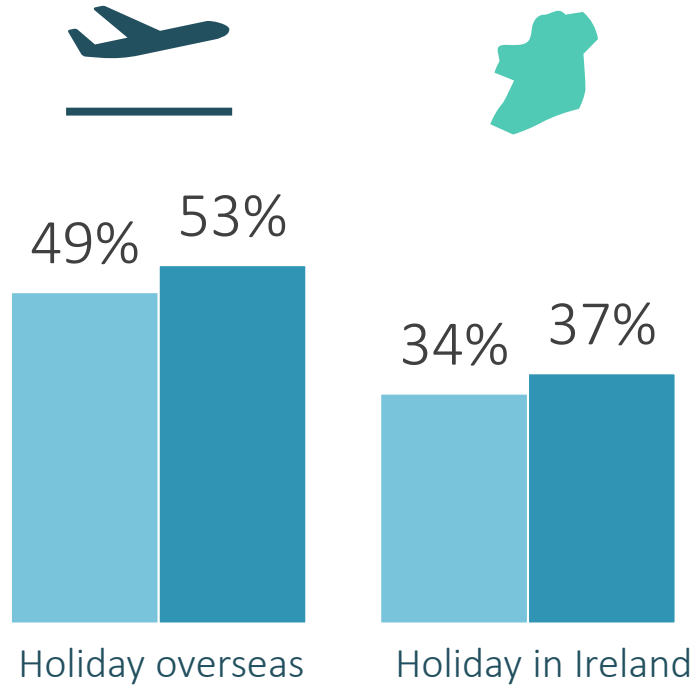
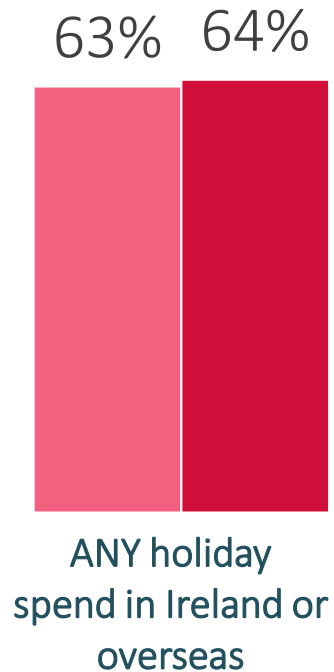


Just over half of Irish consumers plan to holiday abroad in 2025



In which of the following areas if any do you plan to spend money in 2025?

Holidays: all persons aged 18+



Jan '24 Jan '25

More likely to plan to spend on holidays:

- Men aged over 55
- Higher social grades
- Workers (full-time and part-time)
- Married couples

All cohorts more likely to spend on overseas holidays than holidays in Ireland

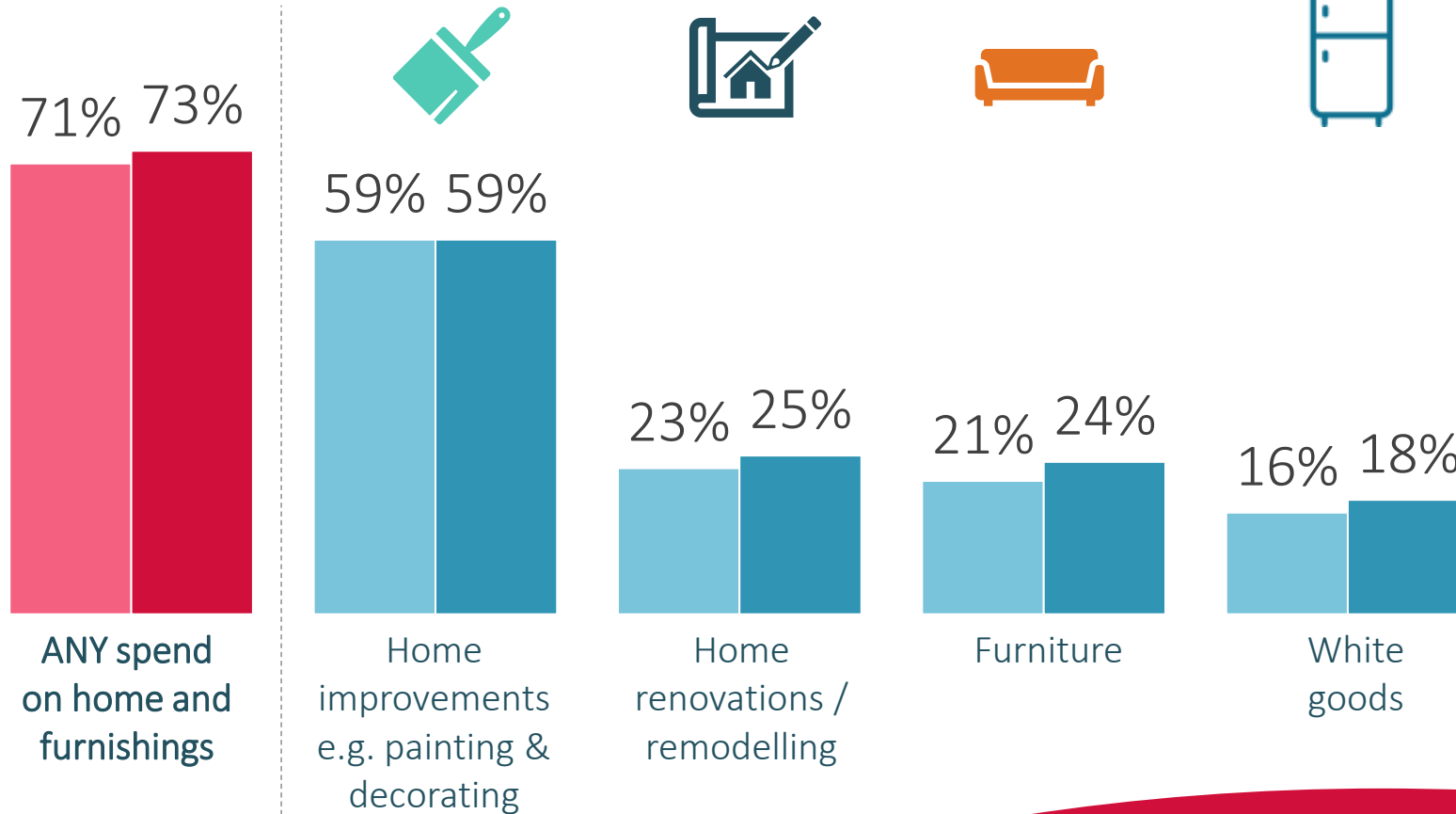
▲ ▼ Significant increase/decrease vs. previous quarter
 Holidays include weekends away and longer stays
 Base: all adults aged 18+ living in ROI; n=1,003

Nearly three-quarters of existing homeowners plan to spend on home and furnishings in 2025

In which of the following areas if any do you plan to spend money in 2025?

Home and furnishings: **existing home owners**

Jan '24 Jan '25



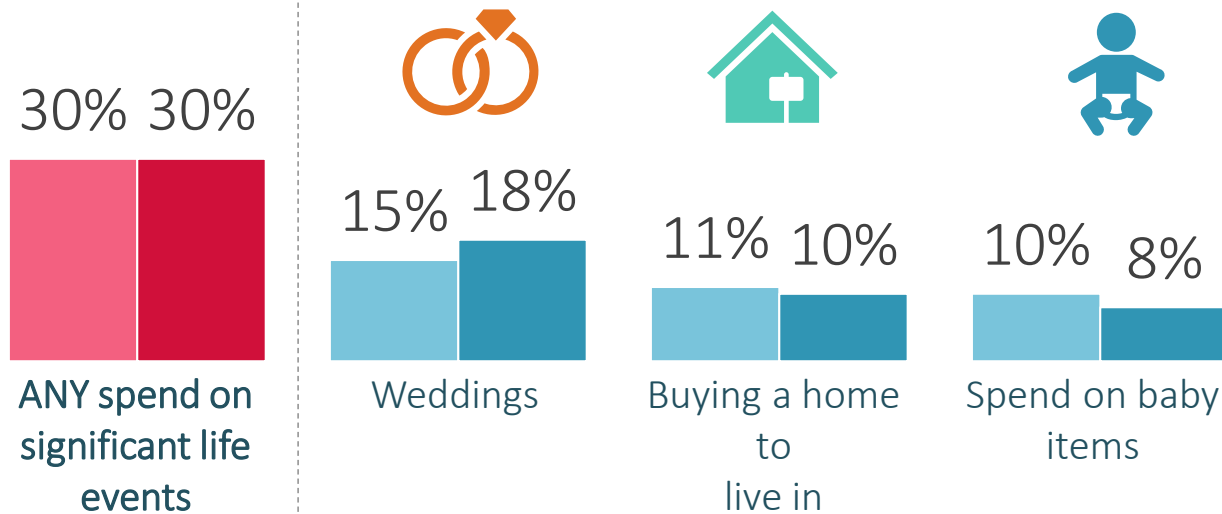
▲ ▼ Significant increase/decrease vs. previous quarter
Base: living in own home with / without mortgage in ROI; n=609

One-in-three of those aged 25-44 set to spend on significant life events in 2025, most notably weddings

In which of the following areas if any do you plan to spend money in 2025?

Significant life events: persons aged 25-44

Jan '24 Jan '25

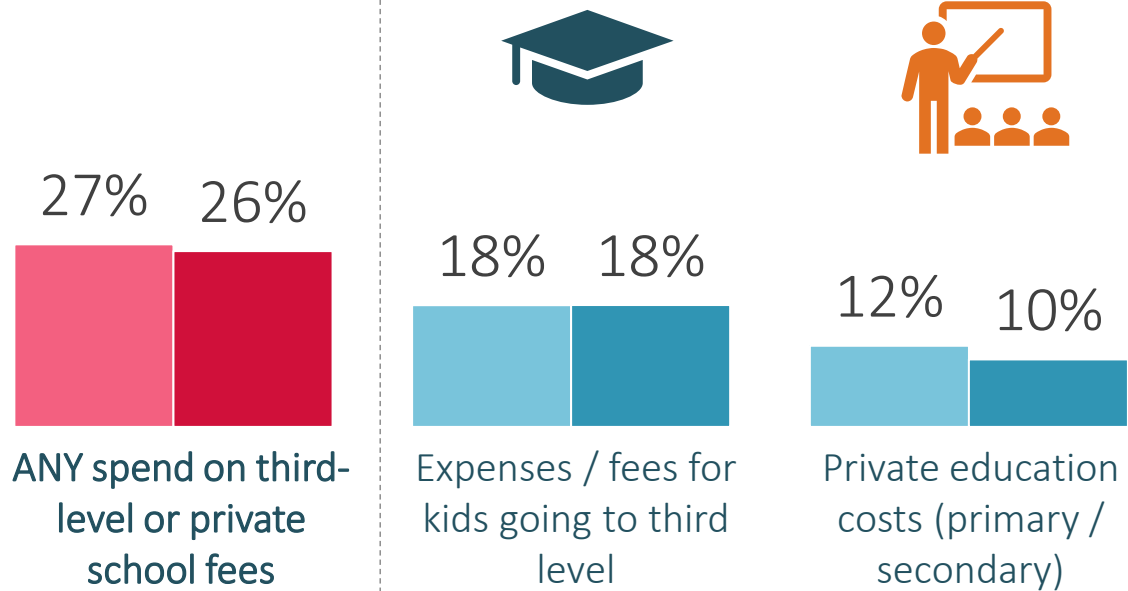


Just over one quarter of parents to spend on third-level or private school fees in 2025

In which of the following areas if any do you plan to spend money in 2025?

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

Jan '24 Jan '25



▲ ▼ Significant increase/decrease vs. previous quarter
Base: people with dependent children living in ROI; n=356

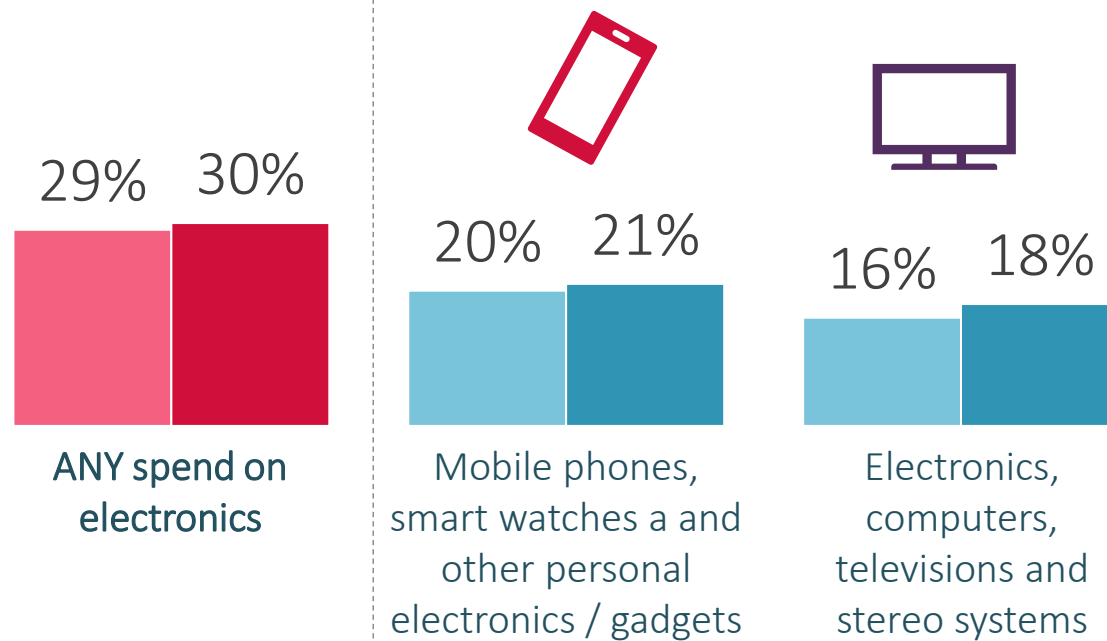
Three-in-ten plan to spend on electronic goods in 2025



In which of the following areas if any do you plan to spend money in 2025?

Electronics: all persons aged 18+

Jan '24 Jan '25



More likely to spend on electronics:

- 18-24 year olds
- Single people
- Renting or living with parents

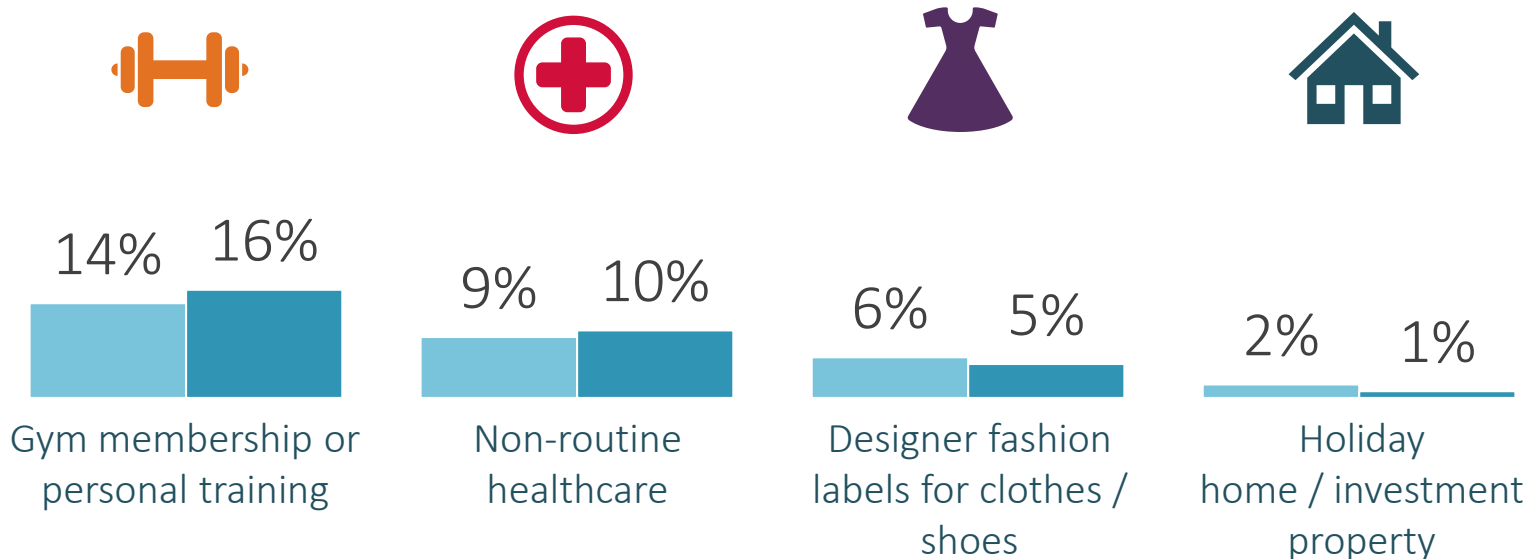
Slight uplift in those planning to spend on a gym membership or personal training



In which of the following areas if any do you plan to spend money in 2025?

Other items: all persons aged 18+

Jan '24 Jan '25



For young people aged 18-34 ...

- 31% (32%) plan to spend on gym membership or personal training
- 8% (12%) plan to spend on designer fashion labels for clothes / shoes

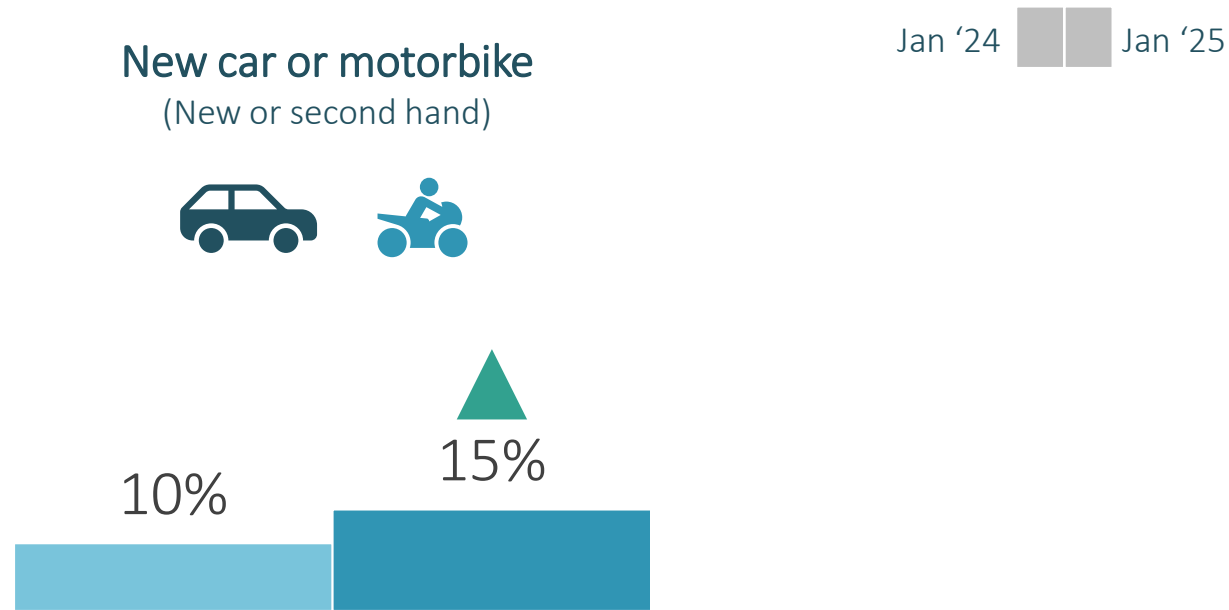
() = Oct-24 Data

Notable uplift in those planning to buy a new car or motorbike



In which of the following areas if any do you plan to spend money in 2025?

New car or motorbike: all persons aged 18+



More like to spend on a car or motorbike:

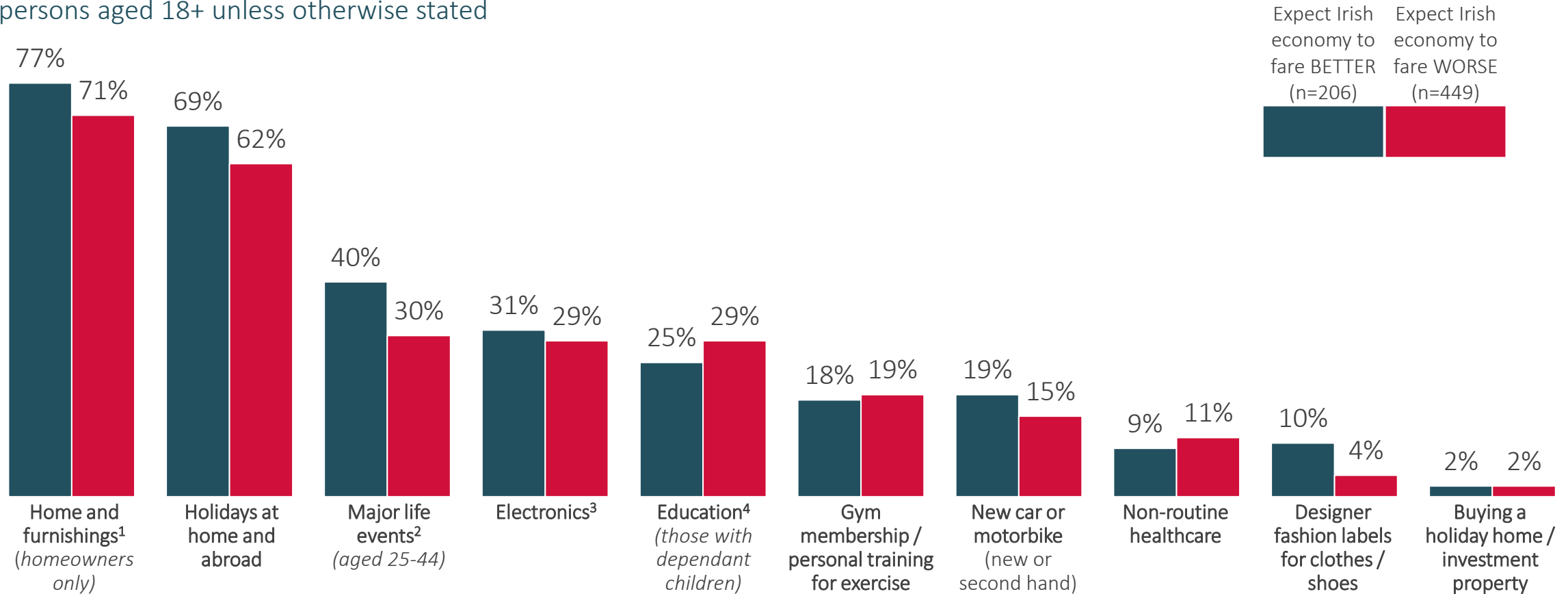
- Those expecting their discretionary income to improve over next six months
- Those aged 18-44 with children

Still a significant proportion of those concerned about economic outlook planning to spend on home and holidays



In which of the following areas if any do you plan to spend money in 2025?

All persons aged 18+ unless otherwise stated



Expect Irish economy to fare BETTER (n=206)

Expect Irish economy to fare WORSE (n=449)



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. Mobile phones, smart watches and other personal electronics / gadgets; electronics, computers, televisions and stereo systems
 4. Expenses / fees for kids going to third level; private education costs (primary / secondary)

Appendix

- Methodology
- About RED C

Methodology

- n=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 54th wave of the RED C Consumer Mood Monitor and fieldwork was conducted from the 17th – 23rd January 2025



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



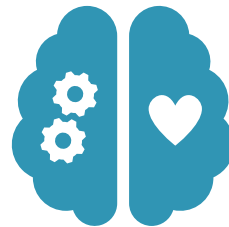
Mapping and delivering easy and enjoyable customer journey's and experiences to maximize purchase and retention.

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