

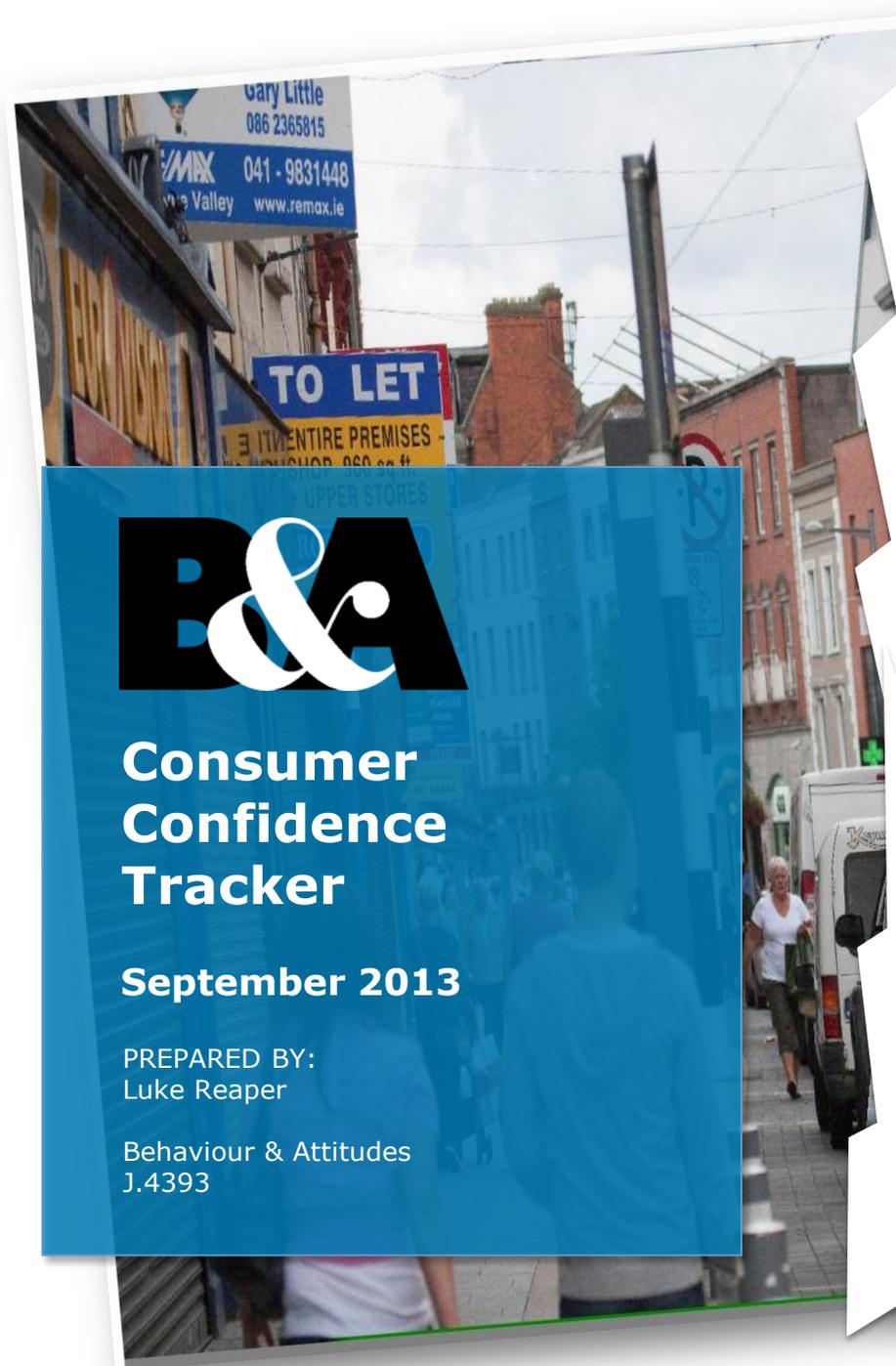


Consumer Confidence Tracker

September 2013

PREPARED BY:
Luke Reaper

Behaviour & Attitudes
J.4393



Introduction

- This report presents the findings of the latest phase of the Behaviour & Attitudes' Consumer Confidence Tracker.
- Survey results for this phase are based on a sample of 1,001 adults aged 16+, quota controlled in terms of age, gender, socio-economic class and region to reflect the profile of the adult population of the Republic of Ireland.
- All interviewing on the survey is conducted on our fortnightly face-to-face Barometer by trained members of the B&A field force working under ESOMAR guidelines.
- Fieldwork on the latest wave was carried out between 6th and 20th September, 2013.

About Behaviour & Attitudes

- Behaviour and Attitudes is Ireland's largest and most experienced independently owned research company.
- We pride ourselves on having the **most experienced director team in Ireland**. All projects have a director involved.
- Established over 25 years ago, Behaviour and Attitudes provides a full range of market research services, ranging from CAPI, CATI, online and of course qualitative.
- Specialist sectors include: Retail & Shopper, Technology & Telecoms, Media, Financial, Political & Social, Polling, Automotive, Healthcare and Public Sector & Utilities.
- For more information please visit our website at: www.banda.ie or contact us on +353 1 2057500.



Findings



Summary

- In line with other economic indicators such as the recent CSO Residential Property Price Index (year to August 2013) consumer confidence for the coming year has risen significantly. Although still negative, confidence is now at its highest point since we entered the IMF Bailout in 2010. Thus the momentum for recovery appears to be picking up pace. If we also factor in the recent ESRI 2014 growth forecasts the picture is one of increased positivity.
- However, a two-paced recovery in sentiment is evident. While both Dublin and outside Dublin are displaying more positive sentiment toward the economy, Dubliners are significantly more positive, and the gap regionally is widening.
- The divisions in our society are also evident with the middle-upper class (ABC1) and the farming sector (F) significantly more positive in outlook compared to the blue collar (C2DE) sector.
- Despite a budget looming, less negativity exists regarding personal finances for the year ahead. However we need to be cognisant of the sharp divide between the white and blue collar sectors. Also those over 35 years of age are more negative regarding their income next year. Note this cohort has more responsibility and are more conservative in outlook.

Summary

- Our discretionary income measure is also indicating a stabilisation after five years of decline. However, note we are still at 2001 levels.
- We are also witnessing a recovery or at least a levelling off in the perceived ability to save. Again the Dublin region is less negative compared to those outside Dublin across 2013.
- Overall any growth in personal financial perceptions is finely balanced. We must remember that the Irish consumer is sensitive, as is the Irish economy, to external reports and trends. However consumers, especially those in Dublin, have a more positive outlook towards 2014. It will be important to track and understand how the various cohorts of our society emerge from these 'dark times' as we are witnessing societal divisions.

Summary

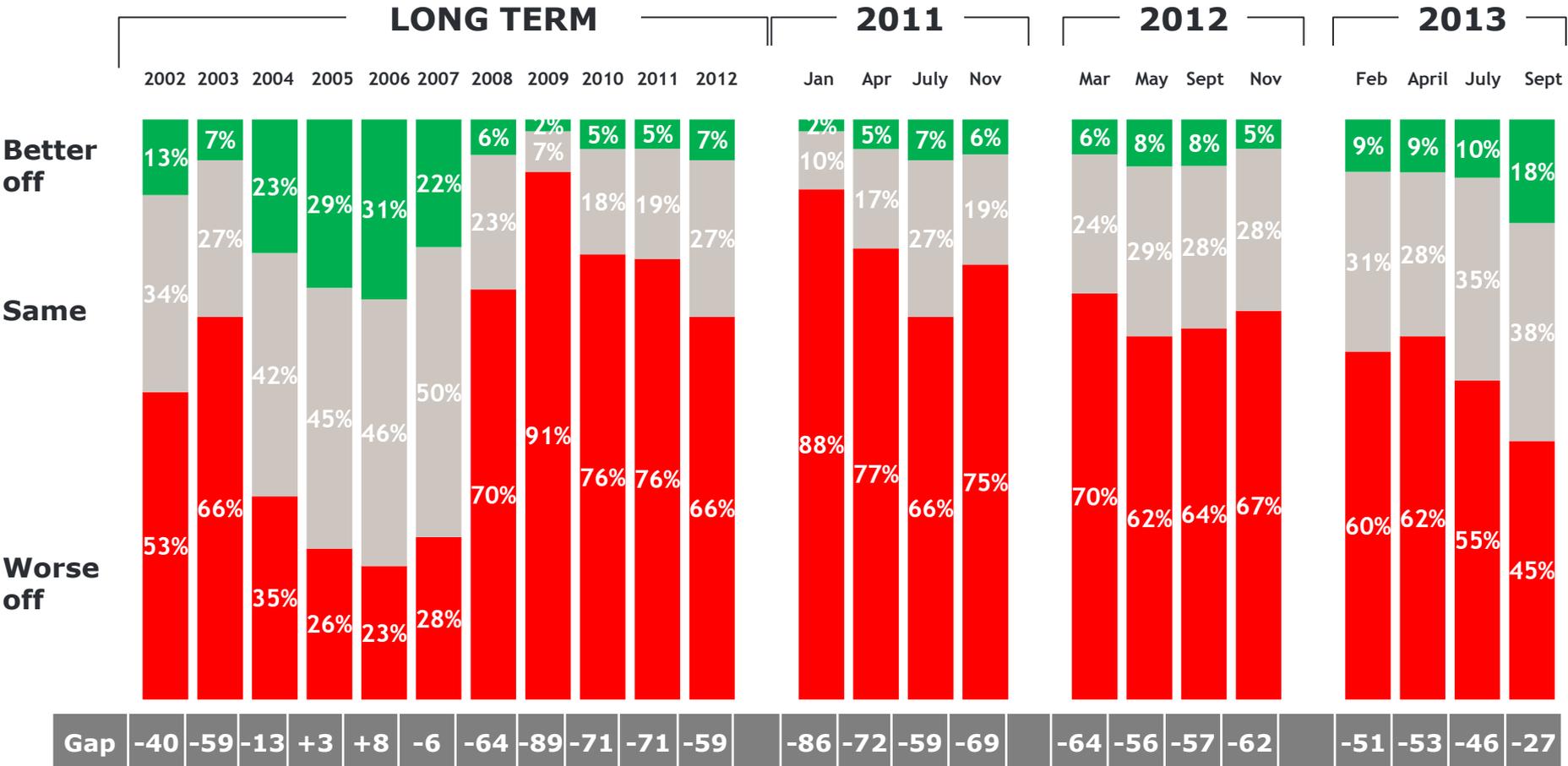
- The table below summarises the net scores for each element of the September survey, alongside those from previous waves since 2010.

	Pre 2008 Historic Low		2010			2011				2012				2013			
	Date	Net Score	Net Scores			Net Scores				Net Scores				Net Scores			
	Date	Score	Mar	July	Nov	Jan	April	July	Nov	Mar	May	Sept	Nov	Feb	Apr	July	Sept
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Economy - looking back a year	Nov '02	-62	-81	-50	-82	-86	-72	-59	-69	-64	-56	-57	-62	-51	-53	-46	-27
Economy - looking forward one year	Nov '02	-63	-54	-20	-74	-70	-58	-45	-64	-52	-44	-50	-60	-39	-44	-36	-18
Personal income - looking back a year	Nov '02	-40	-65	-43	-67	-72	-64	-50	-59	-61	-56	-52	-60	-52	-55	-47	-38
Personal income - looking forward a year	Nov '02	-20	-54	-33	-65	-69	-55	-43	-57	-50	-49	-52	-52	-48	-54	-47	-34
Personal assets - looking forward one year	Jan'02	-2	-49	-26	-55	-50	-44	-31	-41	-39	-28	-31	-33	-21	-29	-20	-10
Purchasing intentions - the year ahead	Nov '02	-24	-51	-36	-56	-67	-55	-37	-51	-46	-40	-44	-48	-43	-43	-40	-29
Savings - the year ahead	Nov '02	-35	-53	-37	-54	-60	-54	-39	-50	-51	-42	-45	-52	-44	-48	-44	-31

Although still negative, our confidence in the economy for the coming year is at its highest point since we entered the IMF Bailout in 2010. And for the first time over the last 4 years, more positive purchasing intentions have emerged. The value of personal assets and income are also showing positive movement for the year ahead.

Economy – Looking Back

COUNTRY IS NOW ...



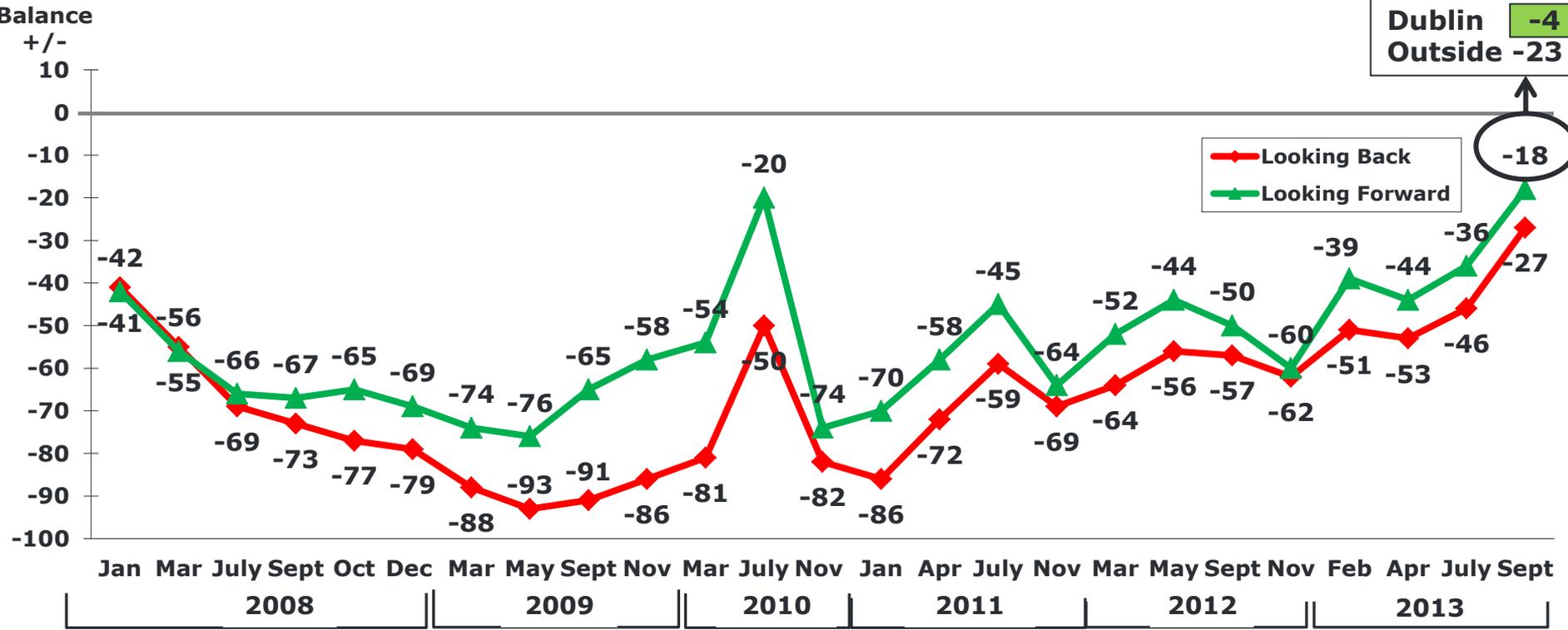
Negativity related to our current economic situation continues to reduce and is at its lowest point since the recession began. The momentum for recovery appears to be picking up pace.



Q.1 Thinking about the economy as a whole, do you think that the country is better off, worse off, or about the same as last year?

The Future: Psychologically, we may be ready to move on in 2014

Source: B&A Consumer Confidence Report



Initial shock!

- But widespread belief that:
 - This was a 'speedbump'
 - Things would return to 'normal'
 - Spending reined in – but not in any planned or strategic manner

Despair! (IMF Bailout)

- Spending habits and behaviour changing for good
- Value sought everywhere

Readjustment

- People adjusting to 'new reality'
- Less focus on (or interest in) doom and gloom

Movement towards positivity

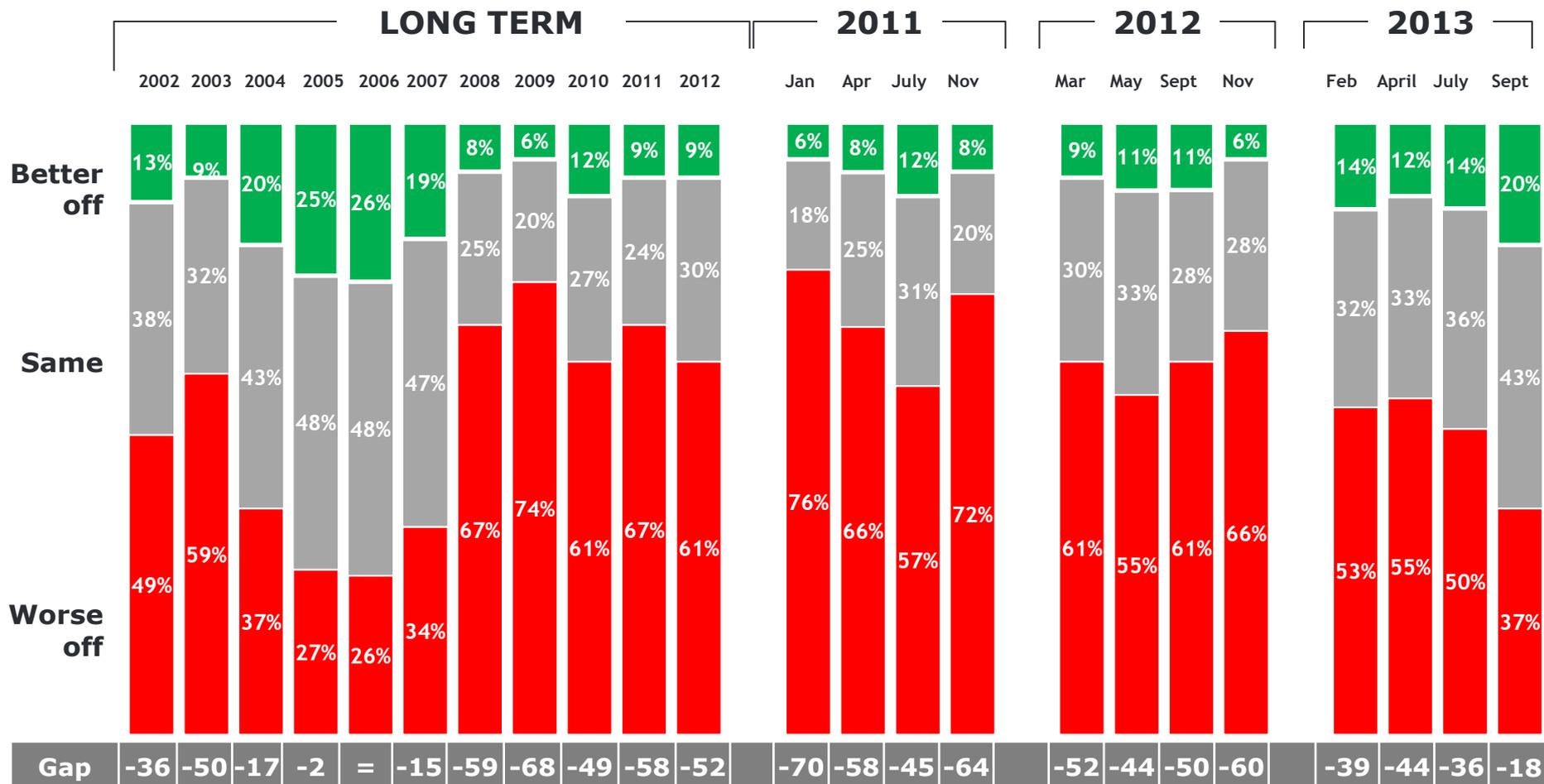
- A significant uplift in the consumer mood vs pre budget last year.
- However a Dublin vs outside Dublin recovery is evident.

- Q.1 Thinking about the economy as a whole, do you think that the country is better off, worse off, or about the same as last year?
- Q.2 And what about the coming year, do you think that the country will be better off, worse off or about the same as this year?



Economy – Looking Forward

Country will be ...

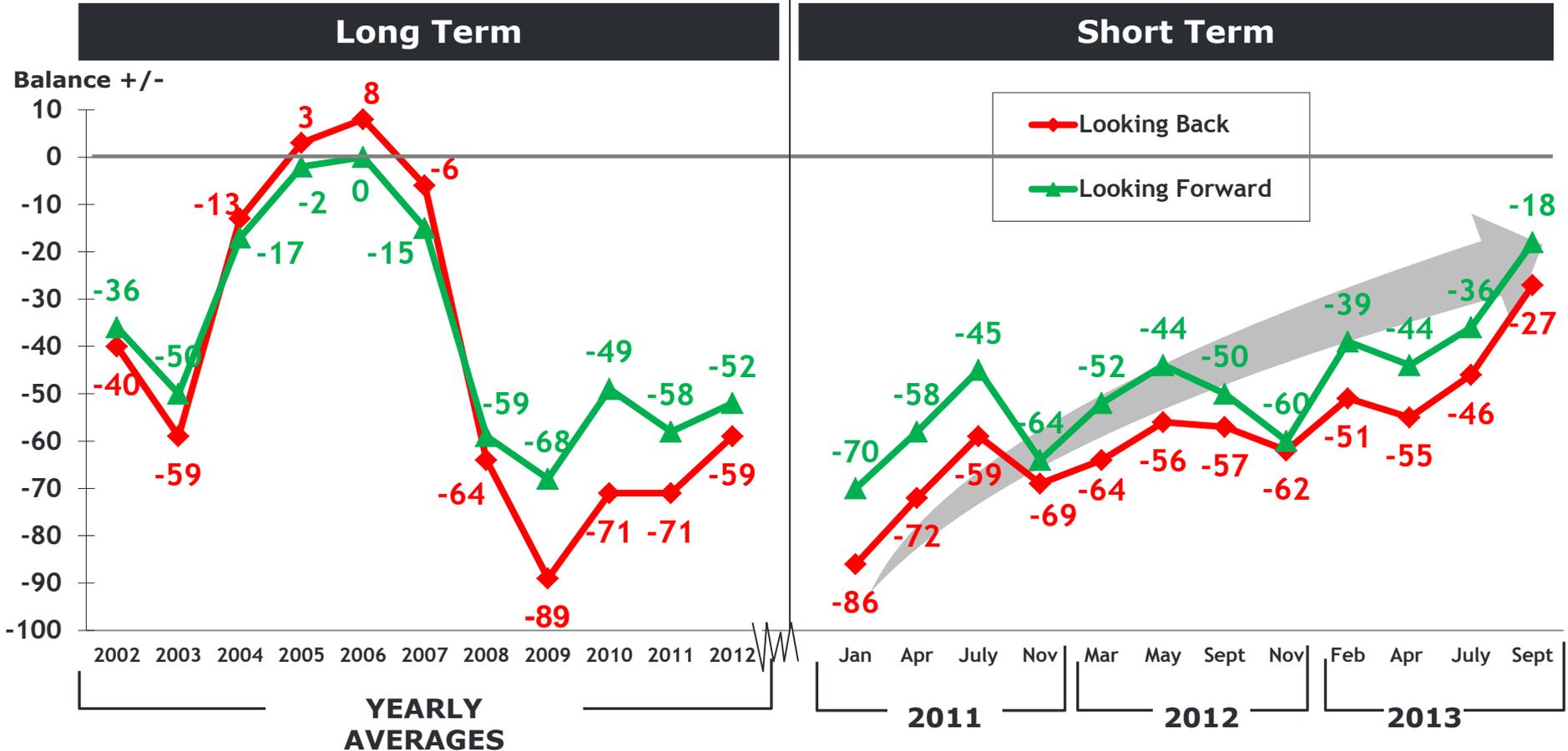


Perceptions related to the future of the Irish economy are at their highest level since 2007. While still in the negative, belief in the future of the Irish economy is improving.

Q.2 And what about the coming year, do you think that the country will be better off, worse off or about the same as this year?



Balance Of Opinion - Economy



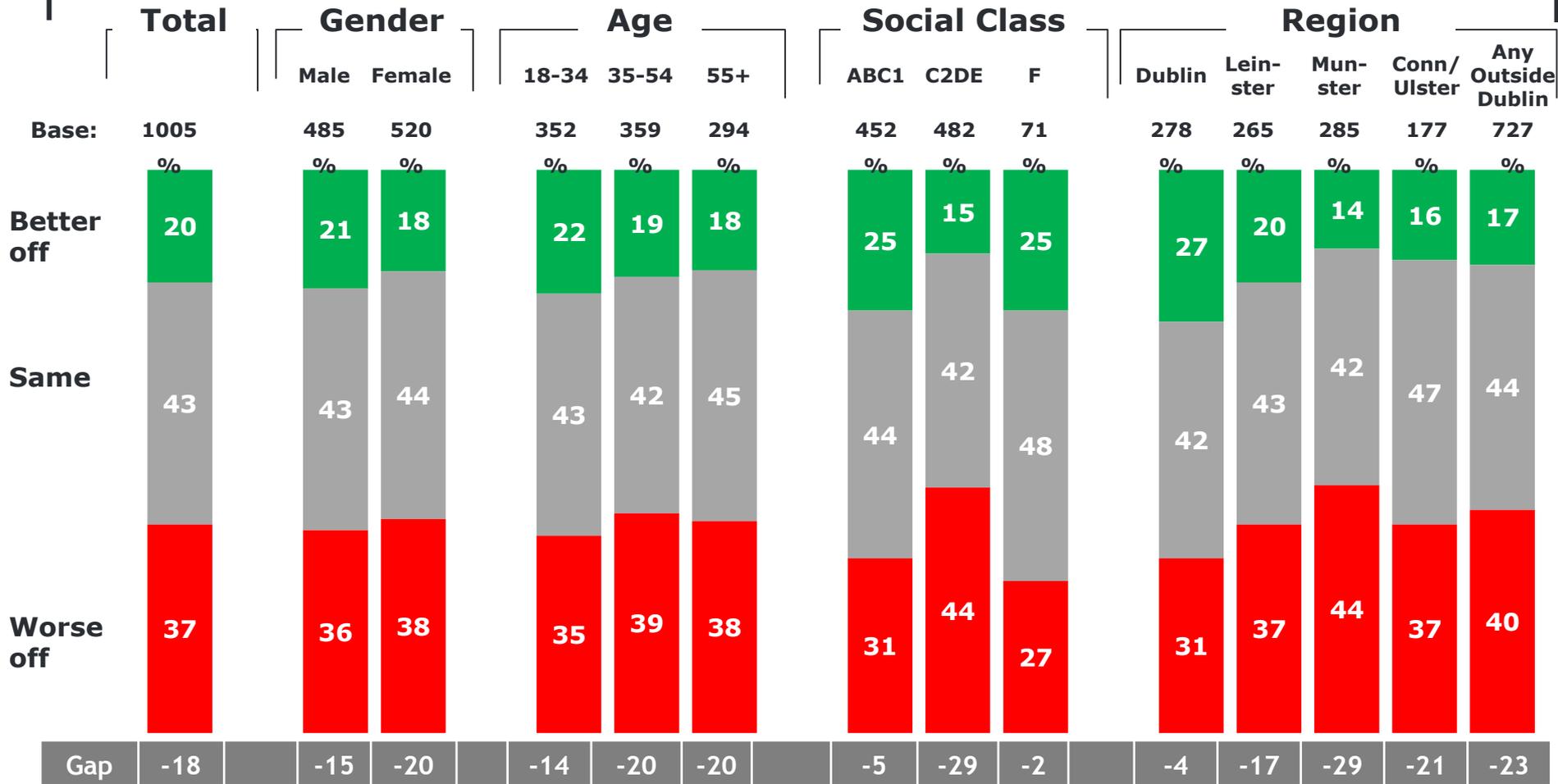
When viewed longitudinally a pattern of consistent improvement has been noted over the past two years.



Economy – Looking Forward x Demographics

Country will be ...

SEPTEMBER 2013



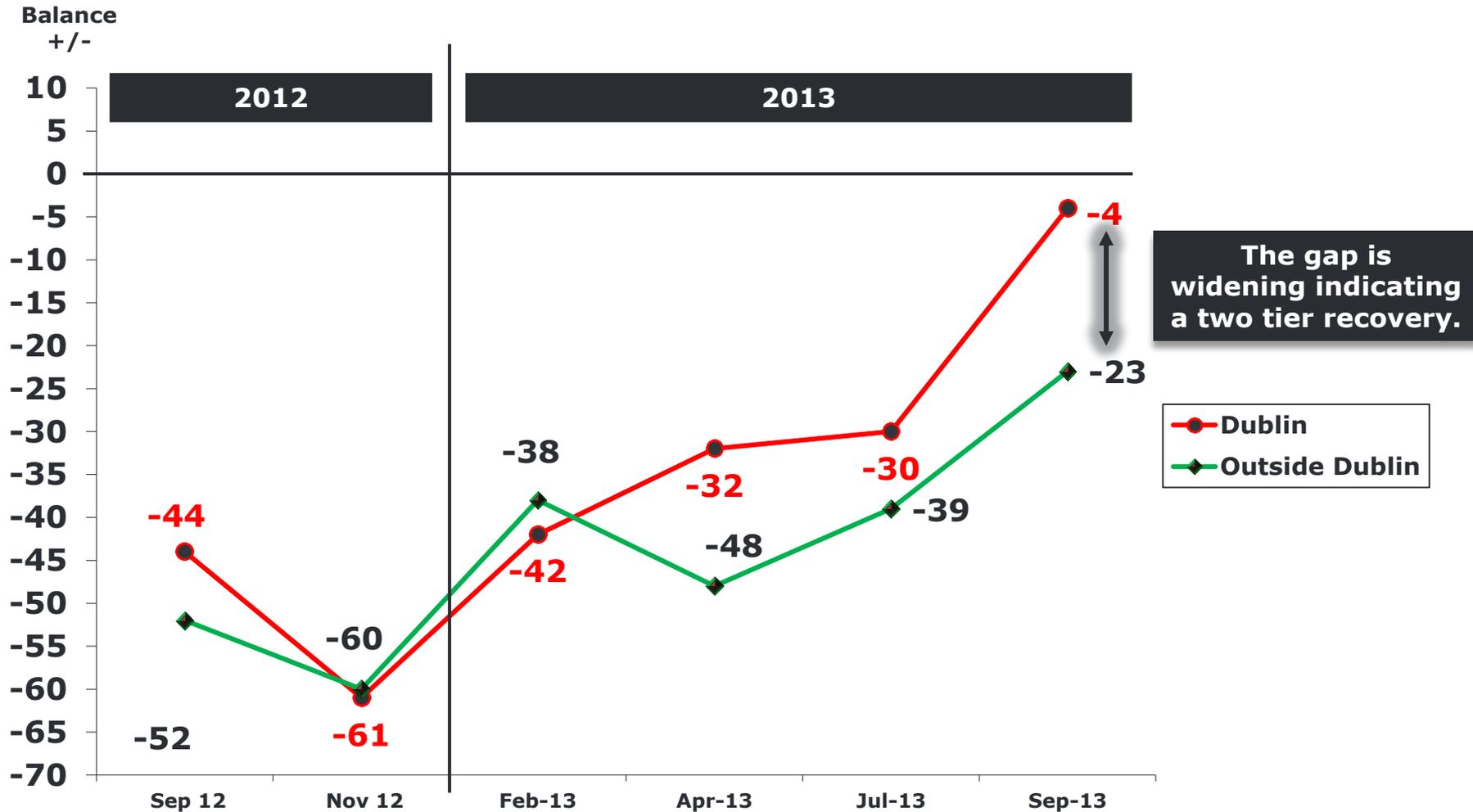
A socio-economic and regional divide in terms of recovery.

Q.2 And what about the coming year, do you think that the country will be better off, worse off or about the same as this year?



Economy – Looking Forward Trended x Region

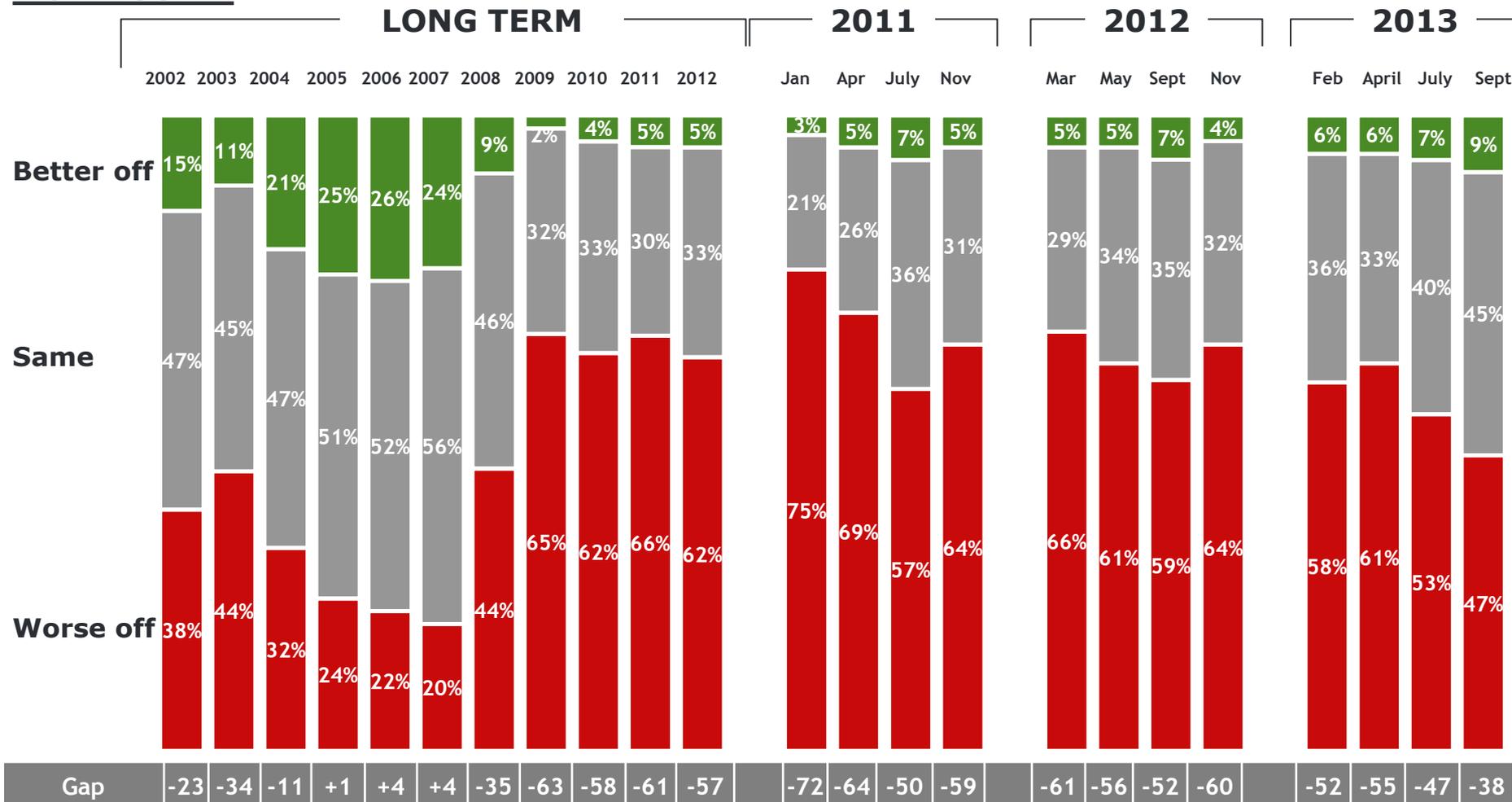
Base: All adults 18+



Q.1 Thinking about the economy as a whole, do you think that the country is better off, worse off, or about the same as last year?

Personal Finances – Looking Back

Now feel ...



Perceptions of personal finances are still negative. However, the degree of negativity is reducing with the scores now at 2008 level.

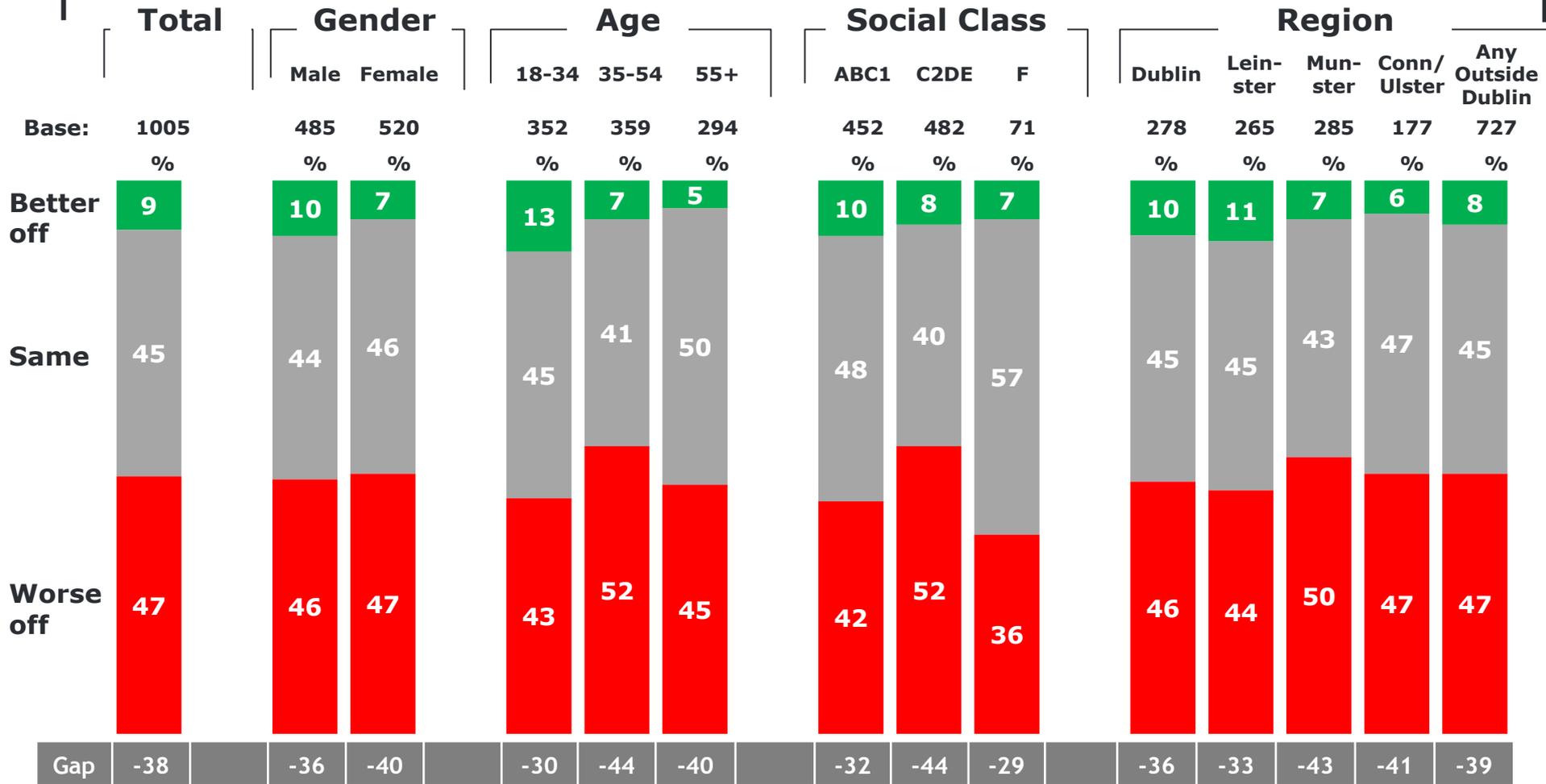
Q.3 Do you feel better off financially, worse off financially or about the same compared to last year?



Personal Finances – Looking Back x demographics

Now feel ...

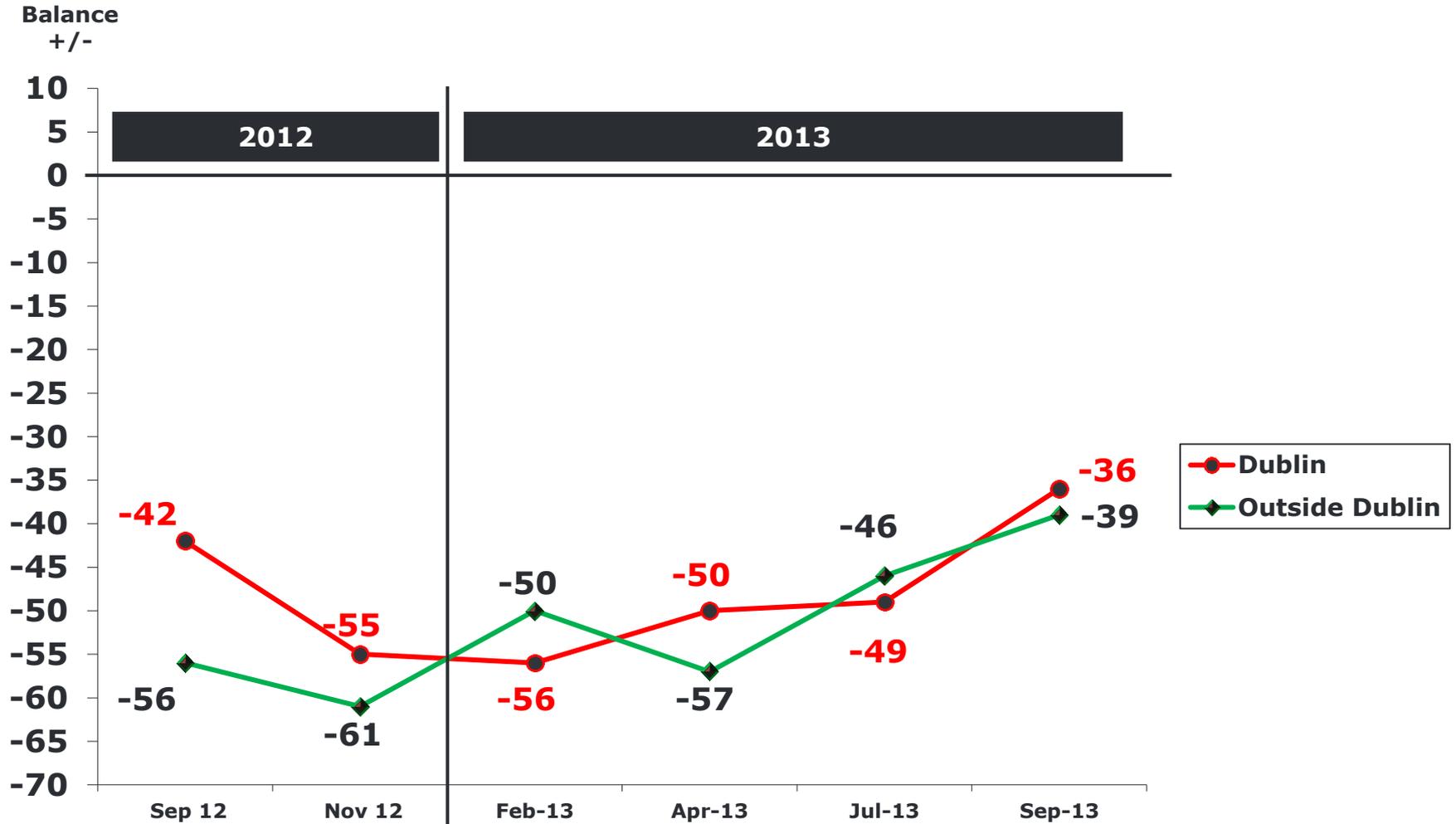
SEPTEMBER 2013



Q.3 Do you feel better off financially, worse off financially or about the same compared to last year?

Personal Finances - Looking Back x Region

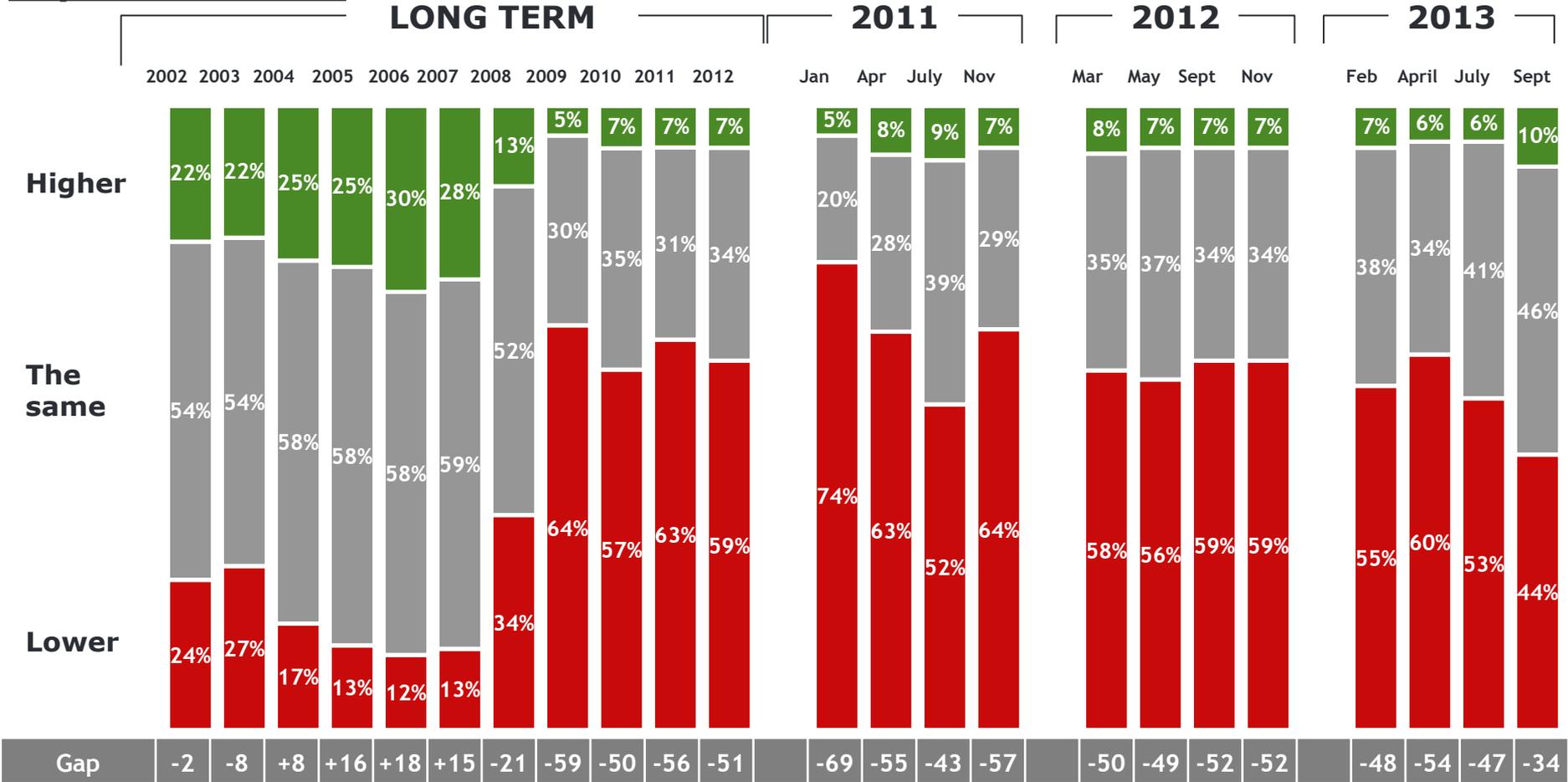
Base: All adults 18+



Q.3 Do you feel better off financially, worse off financially or about the same compared to last year?

Personal Finances – Looking Forward

Expect it to be ...



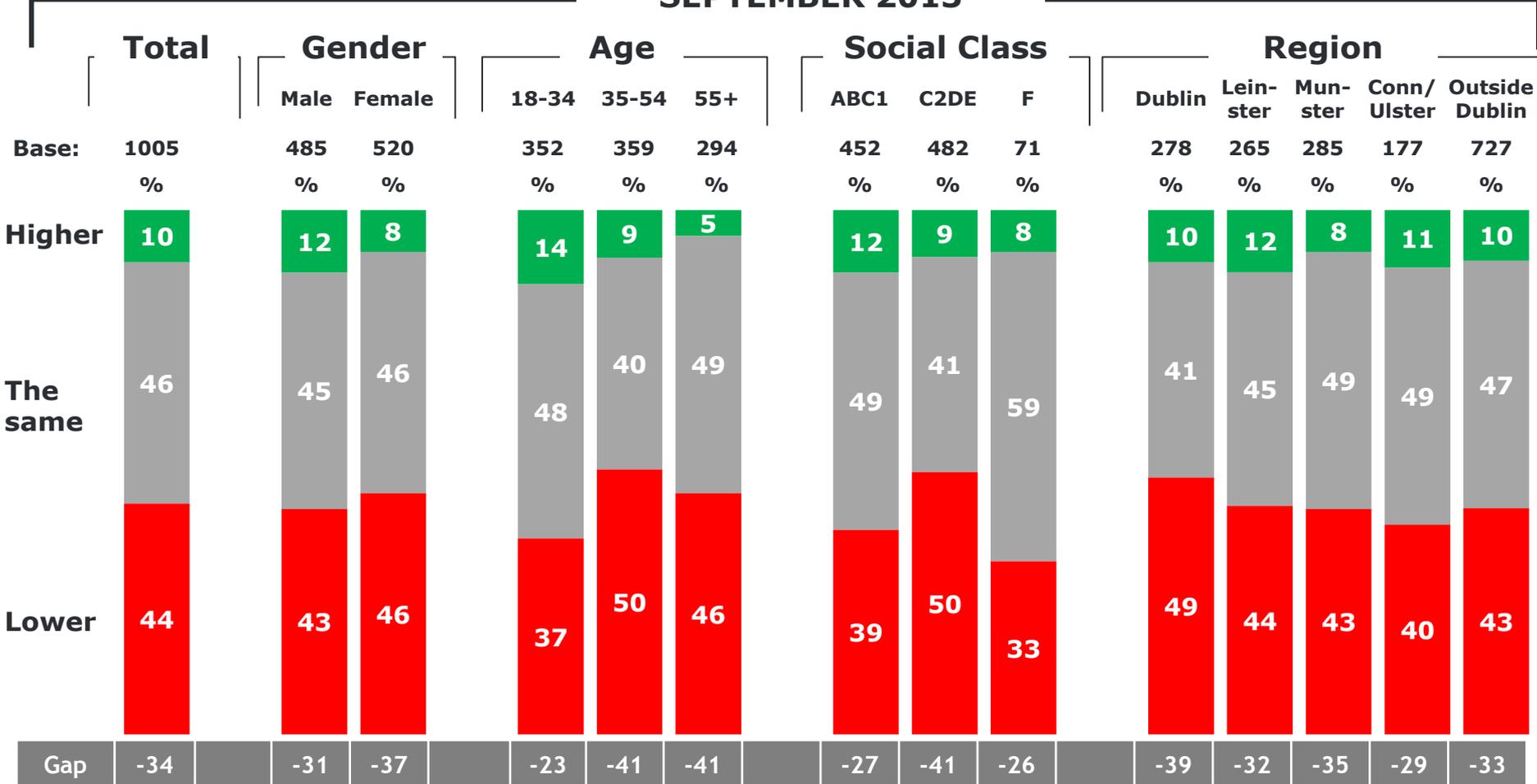
Despite a budget looming, less negativity exists regarding personal finances for the year ahead.

Q.5 Do you expect your income in the next year, after inflation and taxes, to be higher, lower or the same as in the last twelve months?

Personal Finances – Looking Forward x Demographics

Expect it to be ...

SEPTEMBER 2013



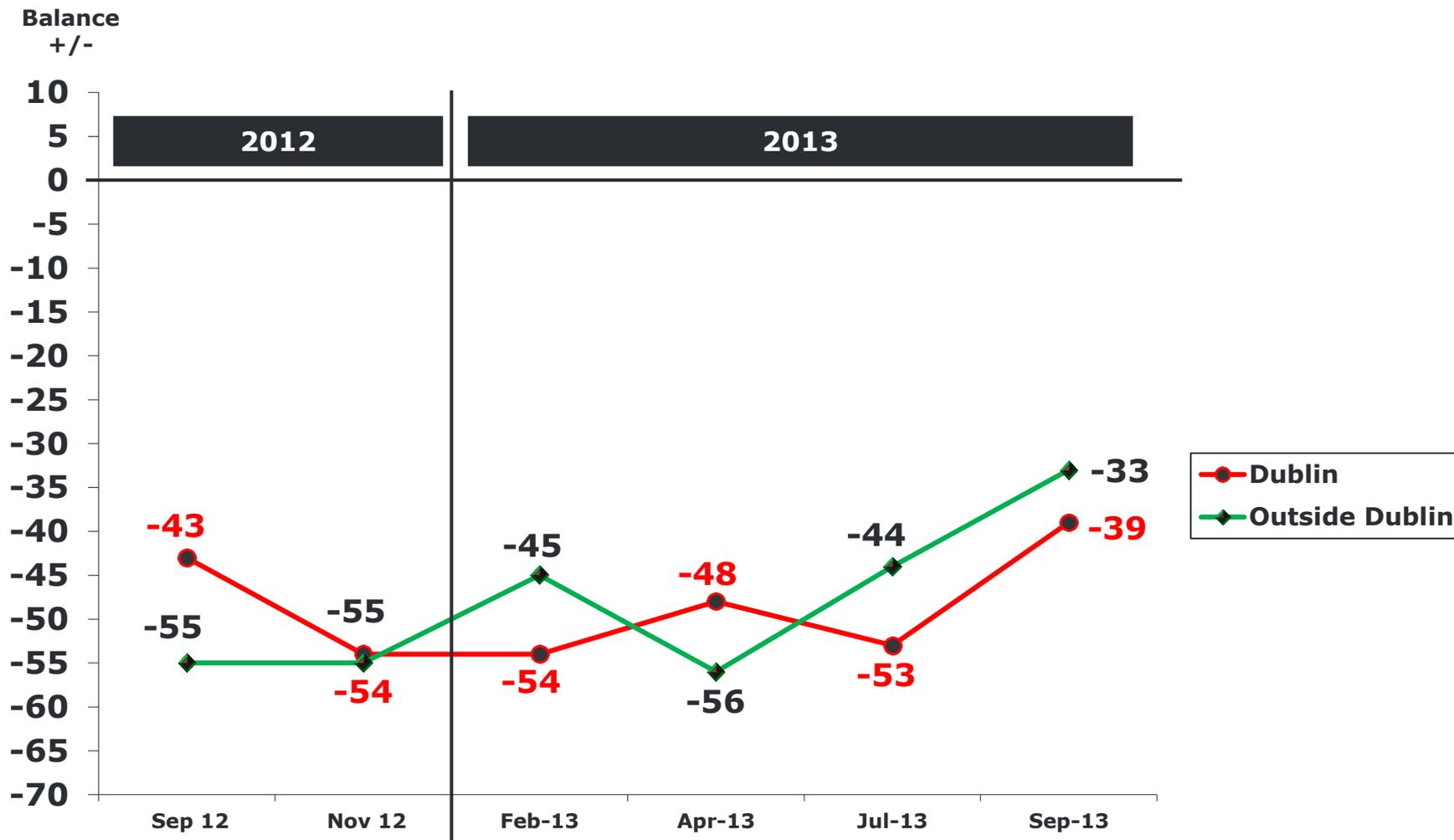
18-34s and the middle classes are more positive about their finances as they move forward. The blue collar sector are still most concerned.

Q.5 Do you expect your income in the next year, after inflation and taxes, to be higher, lower or the same as in the last twelve months?



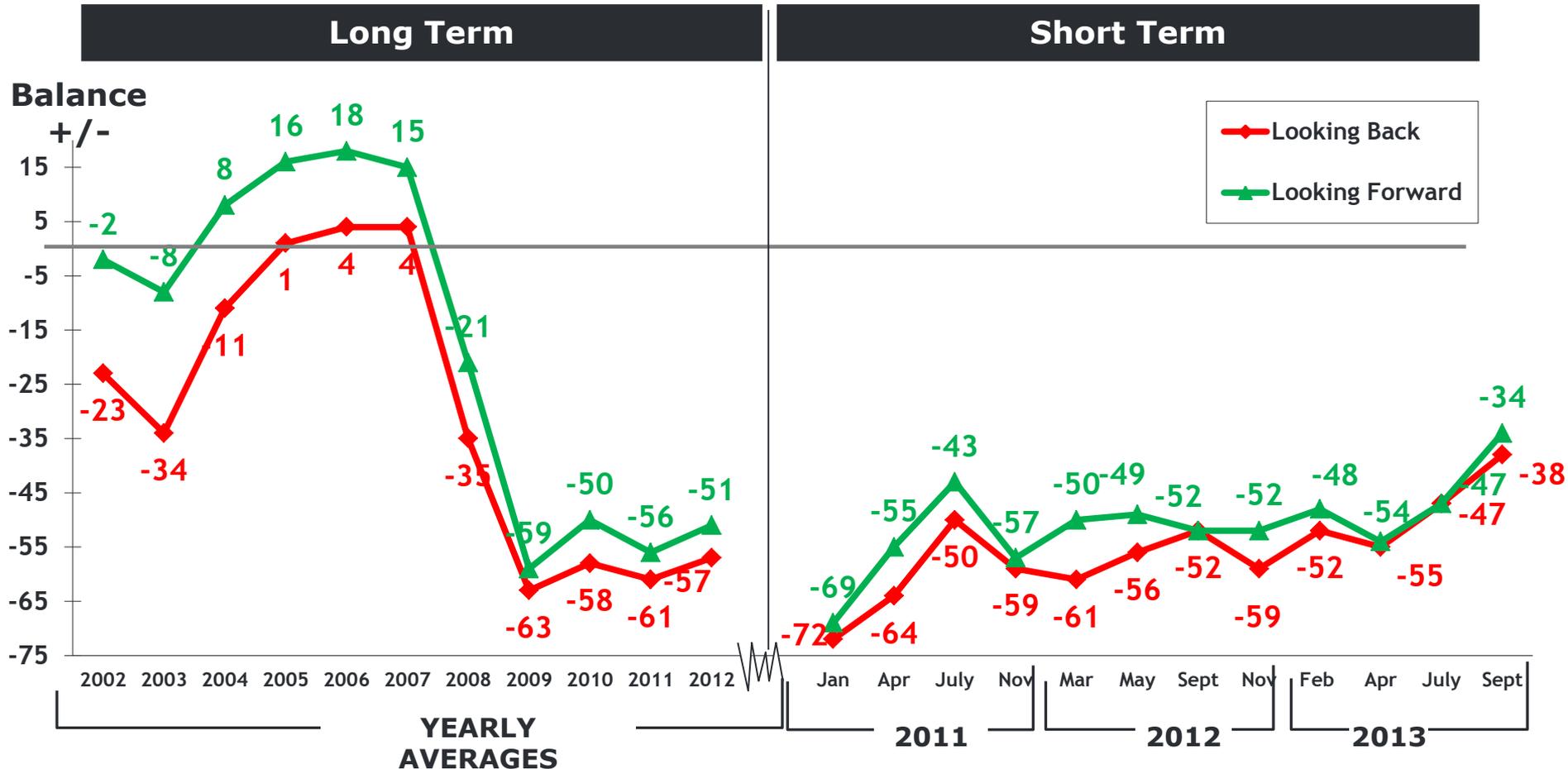
Personal Finances - Looking Forward x Region

Base: All adults 18+



Q.5 Do you expect your income in the next year, after inflation and taxes, to be higher, lower or the same as in the last twelve months?

Balance Of Opinion - Personal Finances



Gains being made over time. However we are still in negative territory.



Savings – Looking Forward

Expect to save

LONG TERM

2011

2012

2013

2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012

Jan Apr July Nov

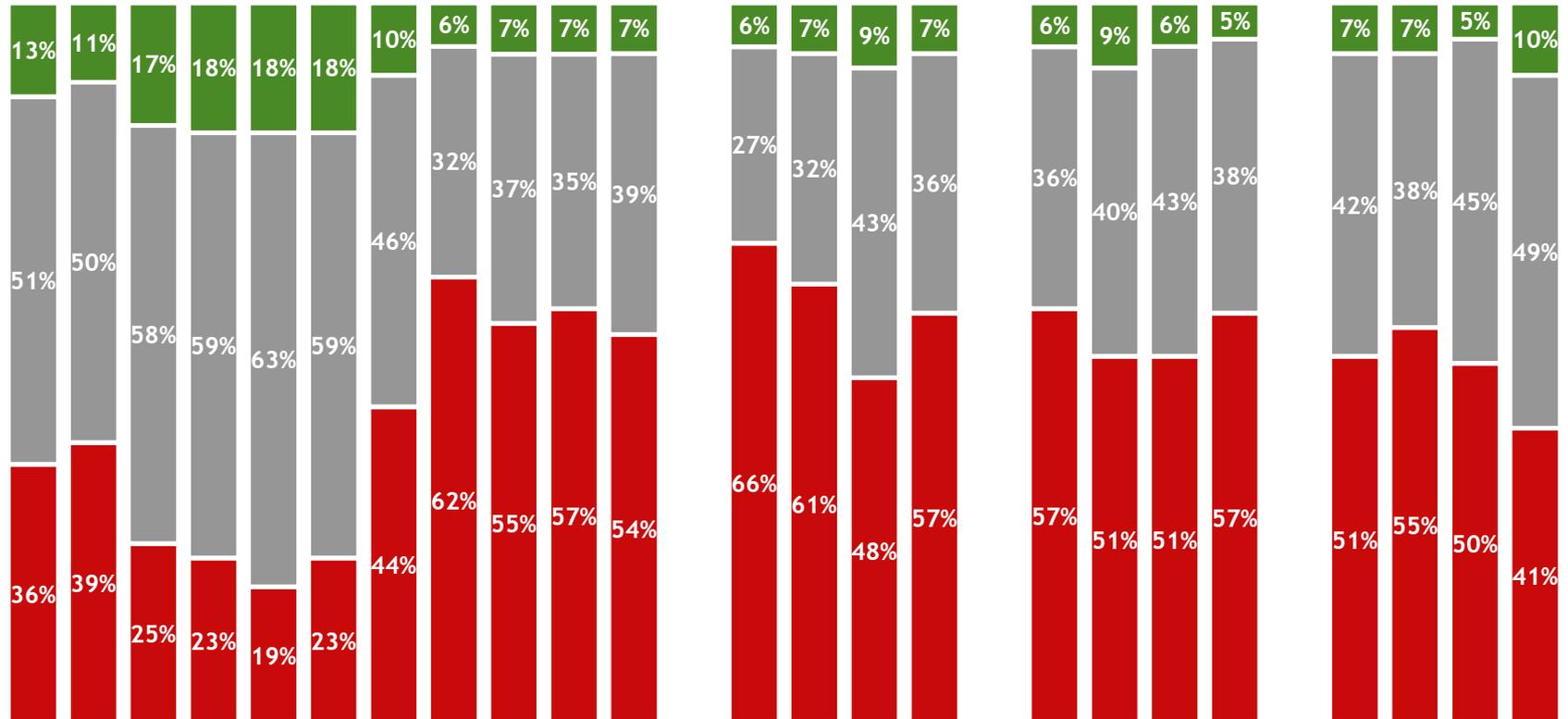
Mar May Sept Nov

Feb April July Sept

More

The same

Less



A stabilisation or at least a recovery in the ability to save (with the more positive economic sentiment) is evident.

Q.8 Do you expect to save more, less or the same amount in the year ahead compared with the last twelve months?



Savings – Looking Forward

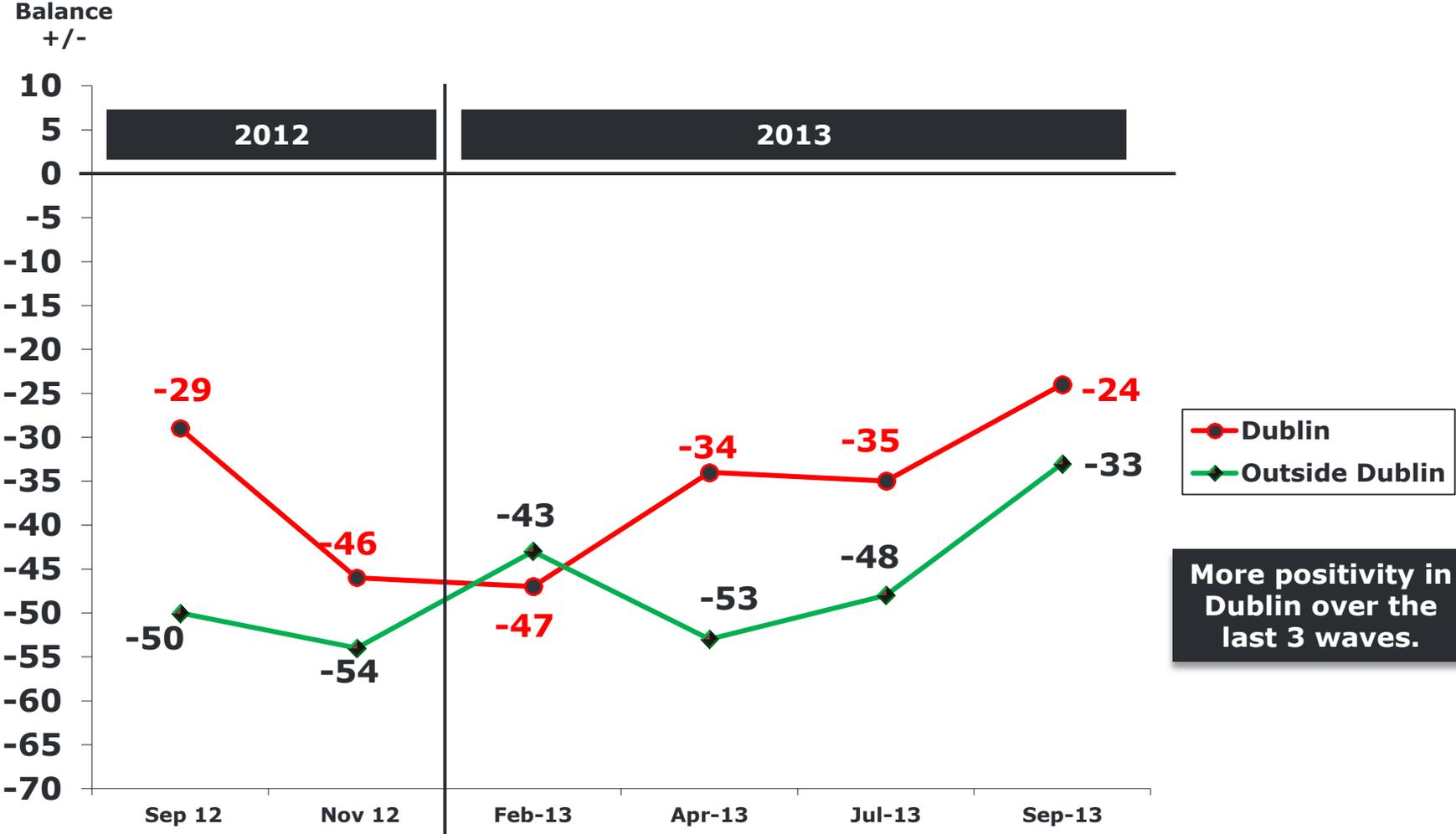
Expect to save ...

SEPTEMBER 2013



Q.8 Do you expect to save more, less or the same amount in the year ahead compared with the last twelve months?

Savings – Looking Forward x Region

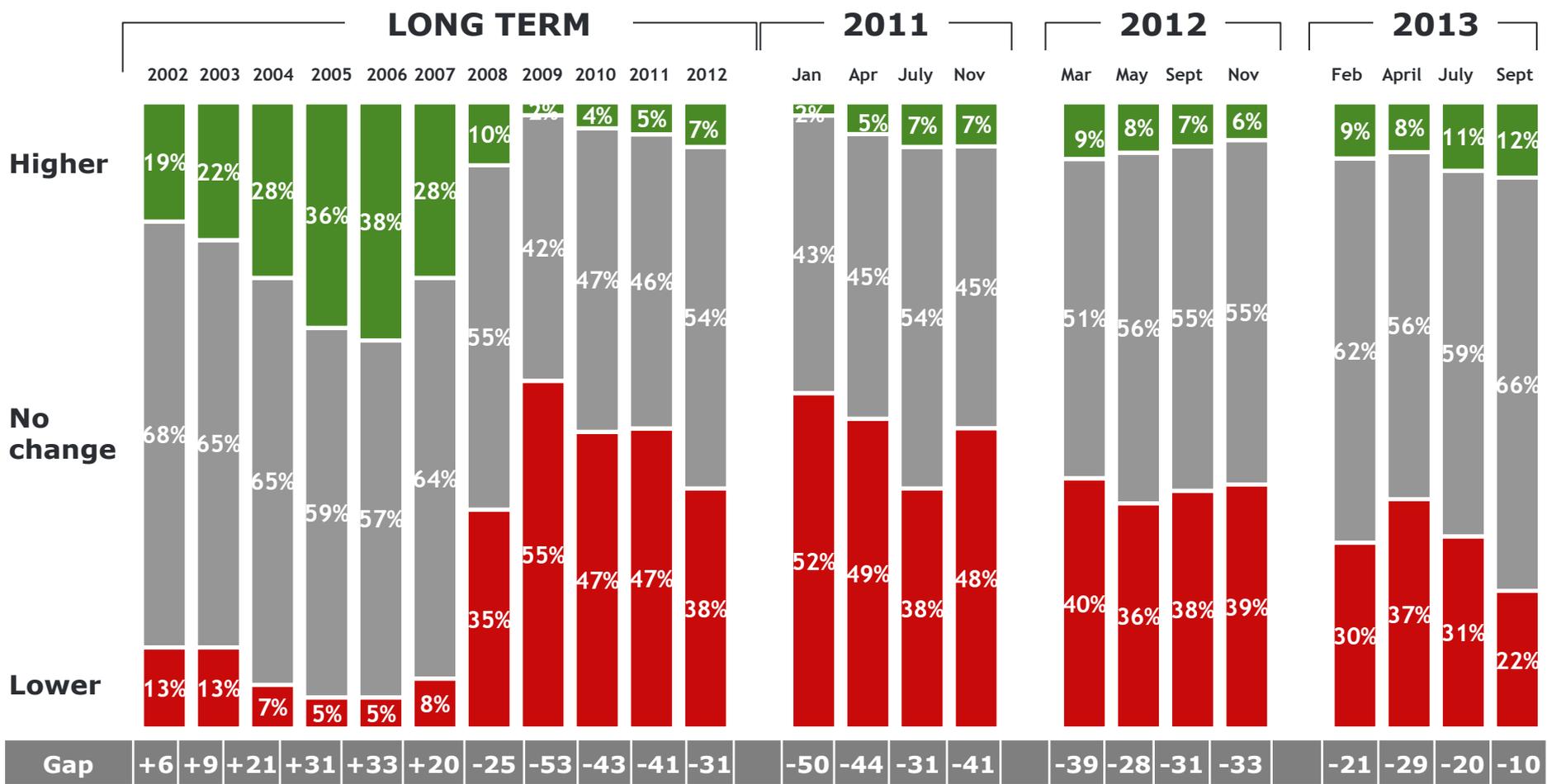


Q.8 Do you expect to save more, less or the same amount in the year ahead compared with the last twelve months?



Personal Assets – Looking Forward

Expect them to be ...



The fieldwork was conducted prior to recent publicity surrounding increased housing prices in Dublin. The figures at this point in time indicate belief in some asset value recovery.

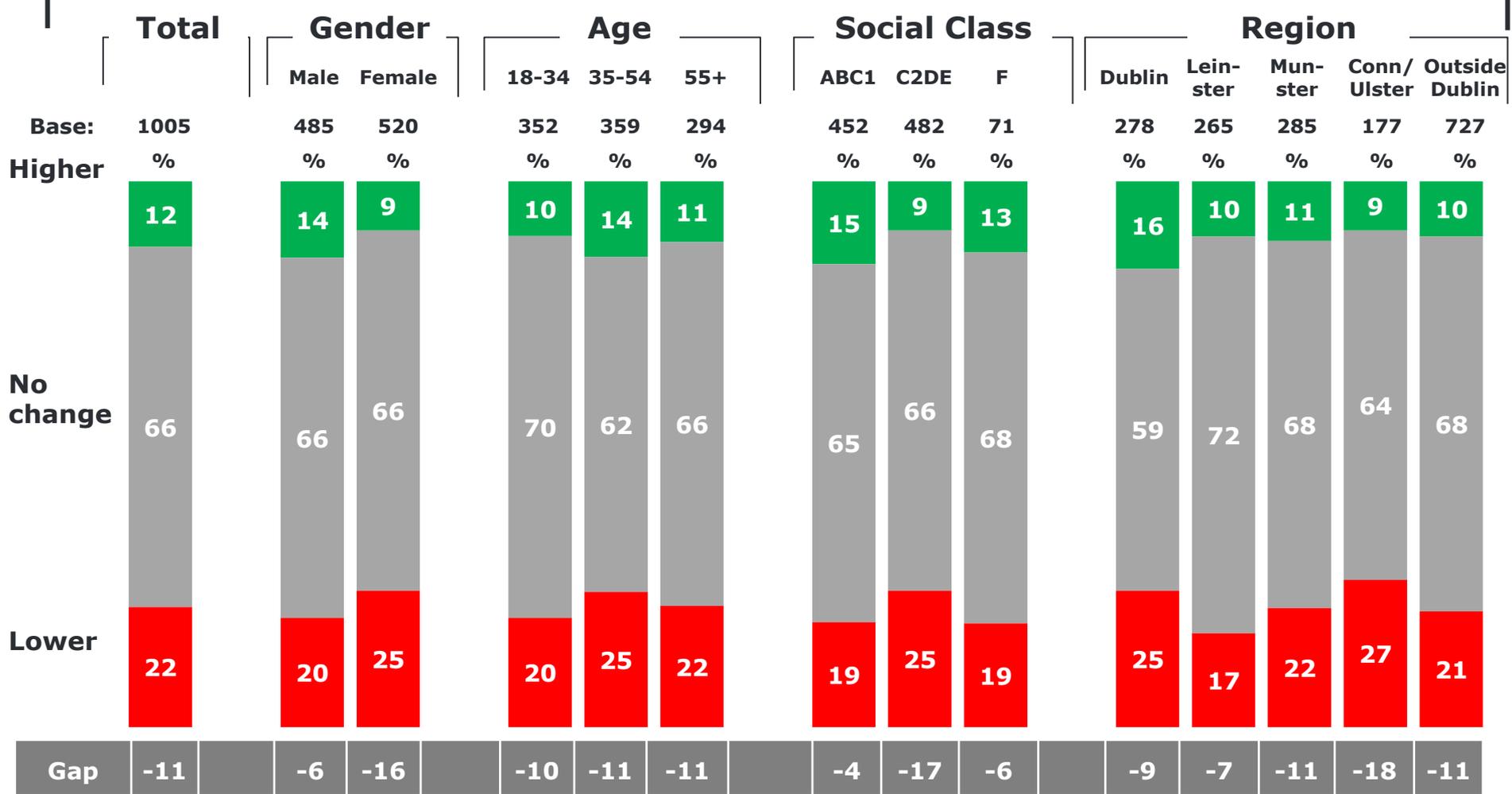
Q.6 Do you expect your assets (your house, shares, pension entitlements, savings) In the next year to be higher, lower or the same as in the past year?



Personal Assets– Looking Forward

Expect them to be ...

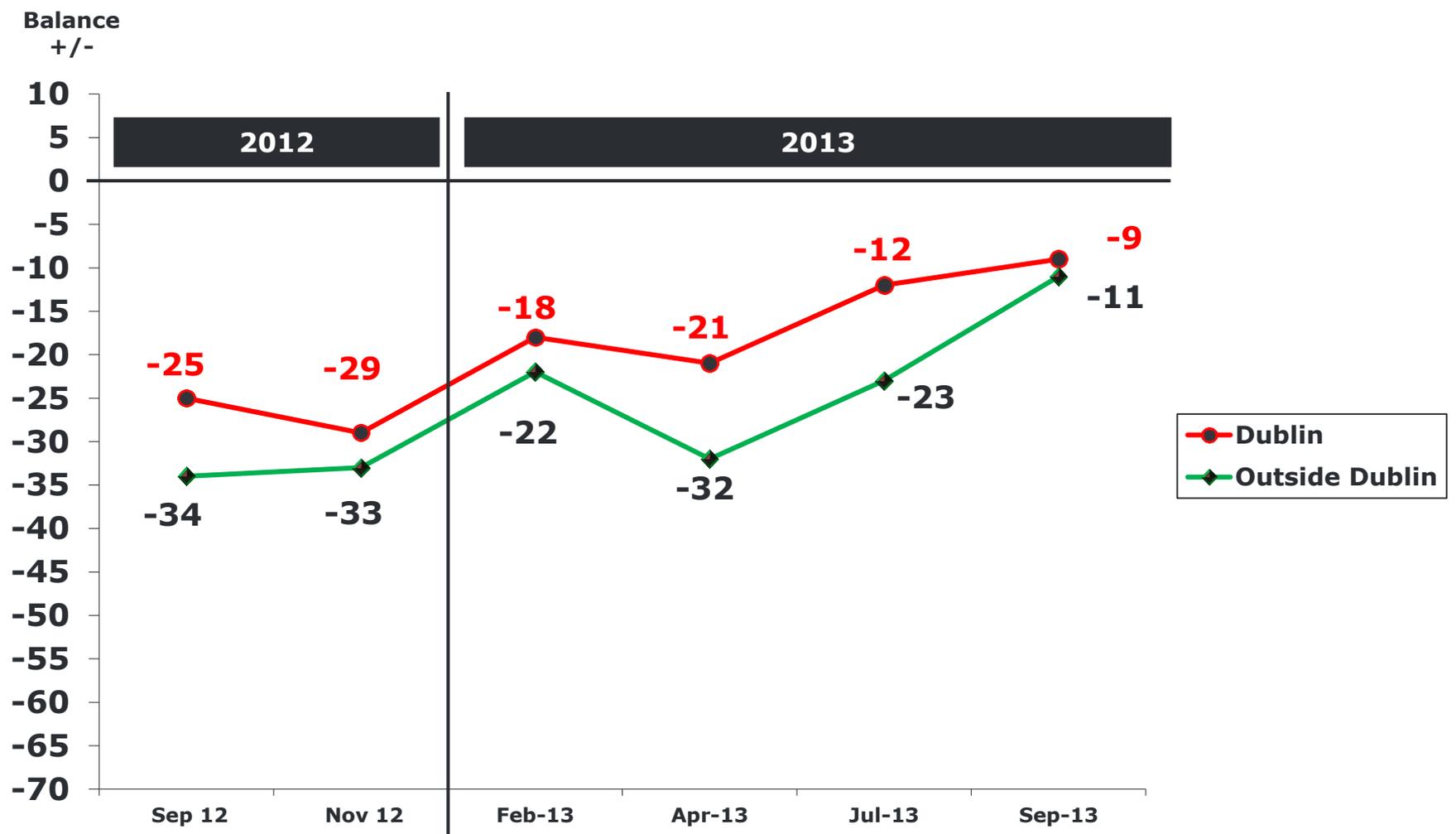
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Q.6 Do you expect your assets (your house, shares, pension entitlements, savings) In the next year to be higher, lower or the same as in the past year?

Personal Assets– Looking Forward x Region

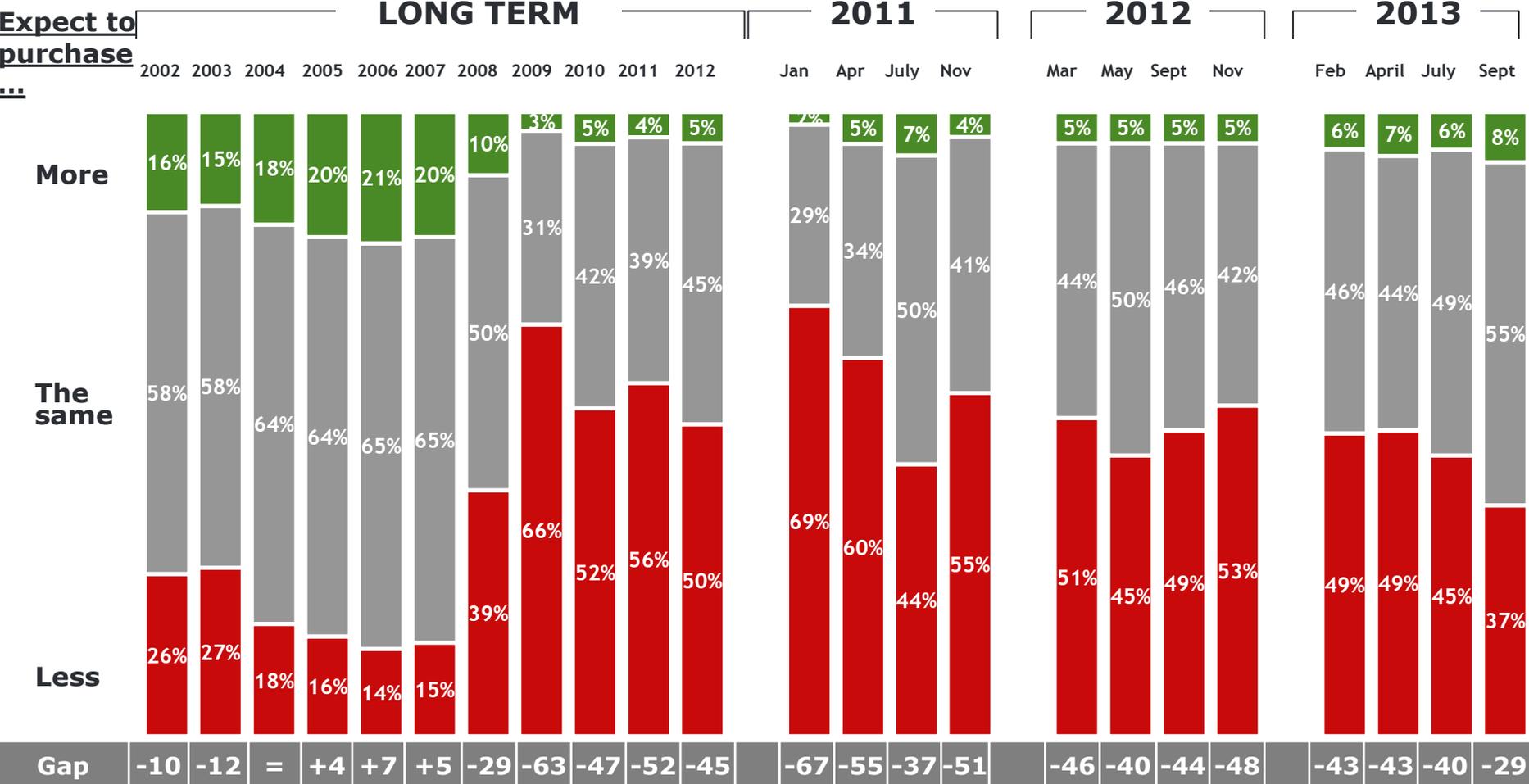
Expect them to be ...



Q.6 Do you expect your assets (your house, shares, pension entitlements, savings) In the next year to be higher, lower or the same as in the past year?



Purchasing Goods And Services – Looking Forward



A breakthrough in perceptions of purchasing next year (2008 levels). Note we are still in negative territory, but a significant drop in negativity has occurred.

Q.7 In the year ahead, do you expect to purchase more, less or the same amount of goods and services as in the past year?

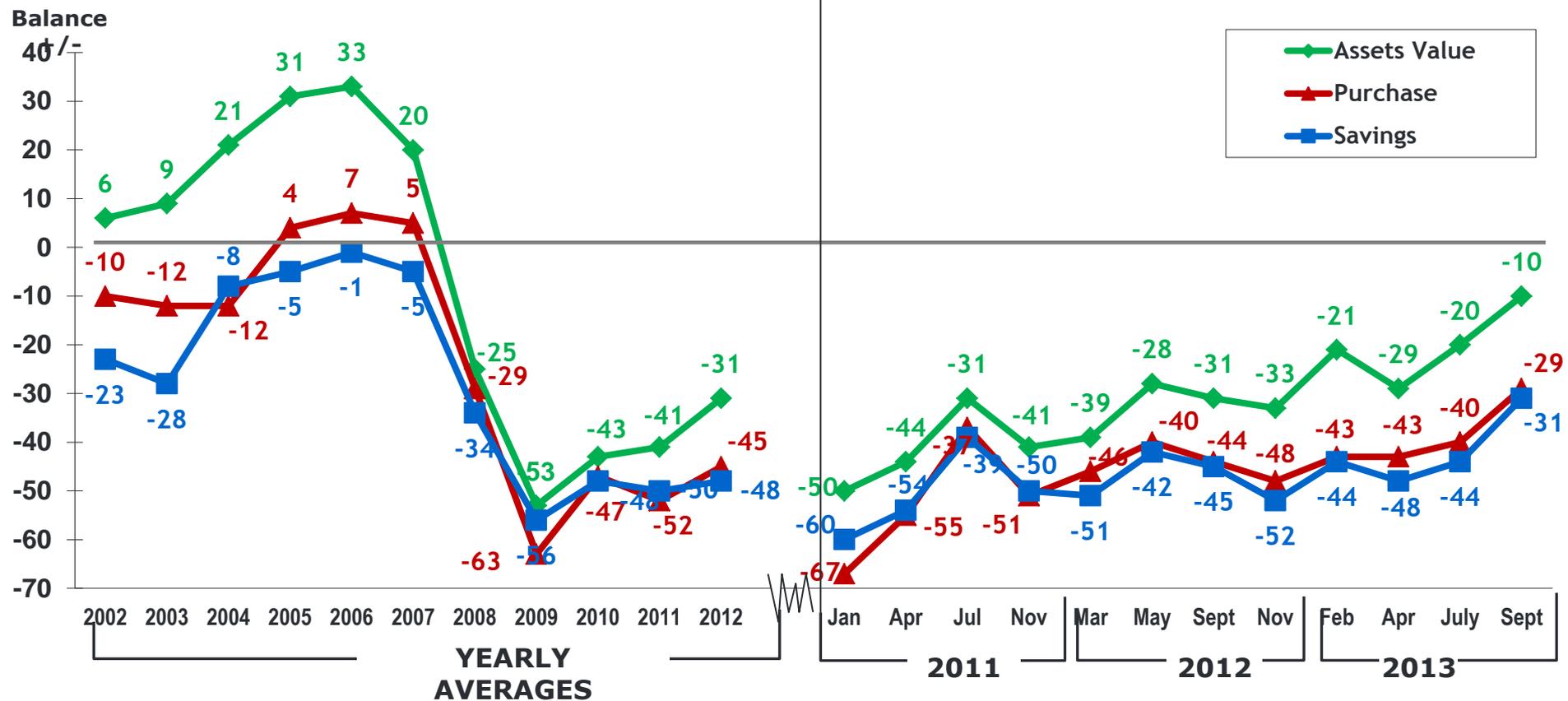


Balance Of Opinion – The Year Ahead

Expectations in regard to assets value, purchases, and savings

Long Term

Short Term

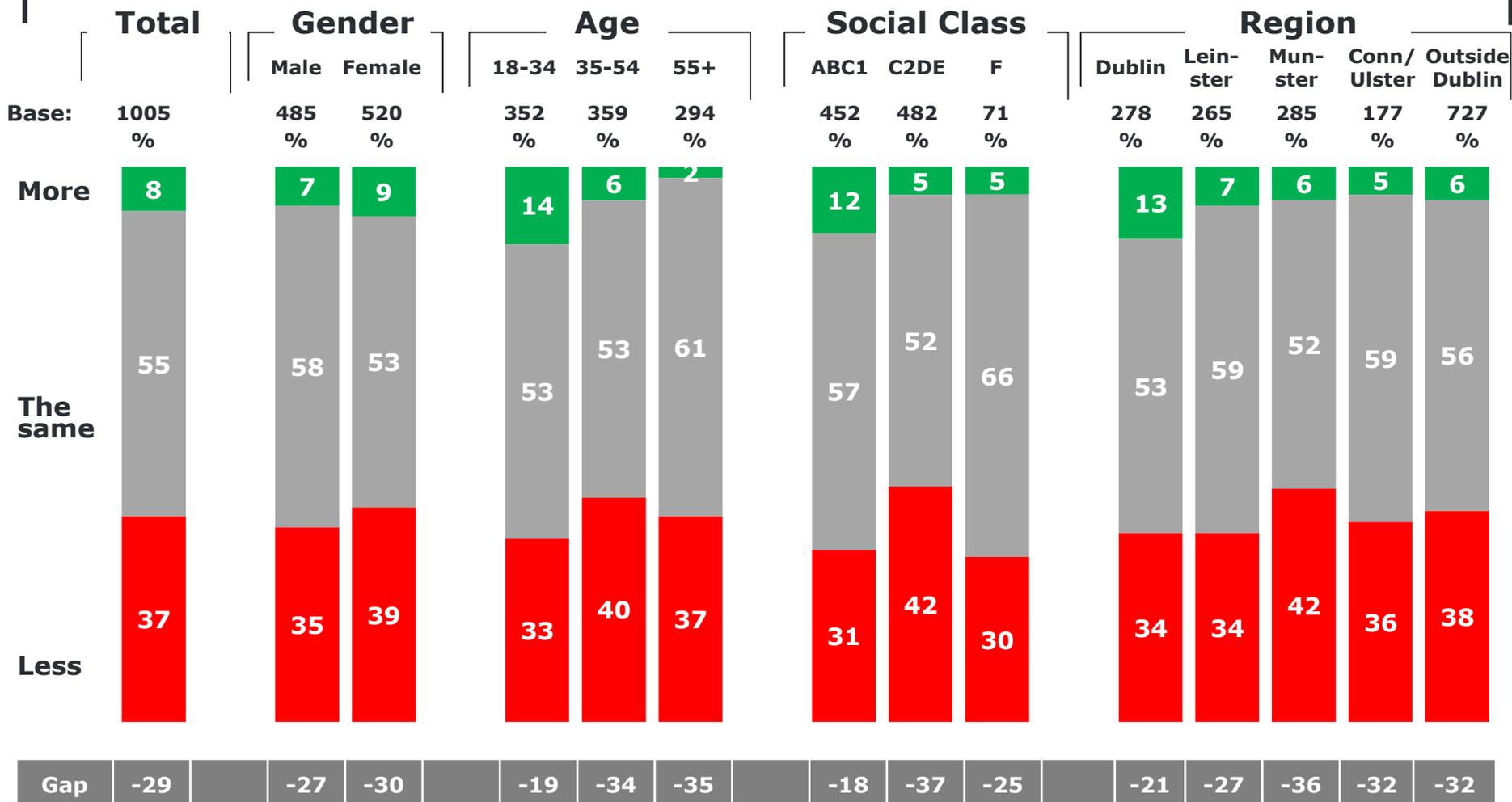


Improvements are noted and momentum is slowly improving. However, any further imposition that directly affects real incomes of consumers will impact this area negatively (ie the Budget!). Growth in personal financial situations is now finely balanced.

Purchasing Goods And Services – Looking Forward

Expect to purchase ...

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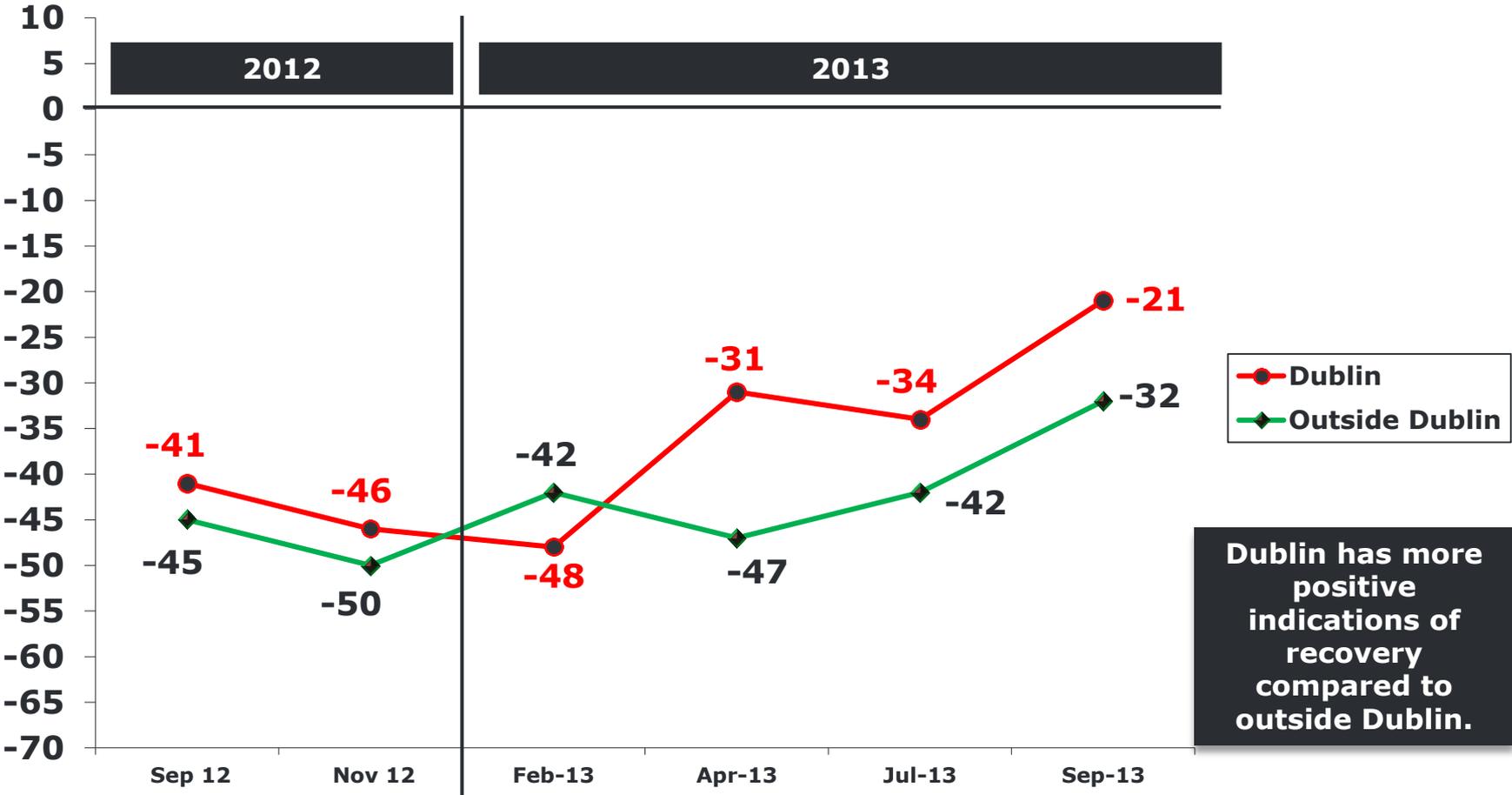


Q.7 In the year ahead, do you expect to purchase more, less or the same amount of goods and services as in the past year?

Purchasing Goods And Services – Looking Forward x Region

Expect to purchase ...

Balance +/-



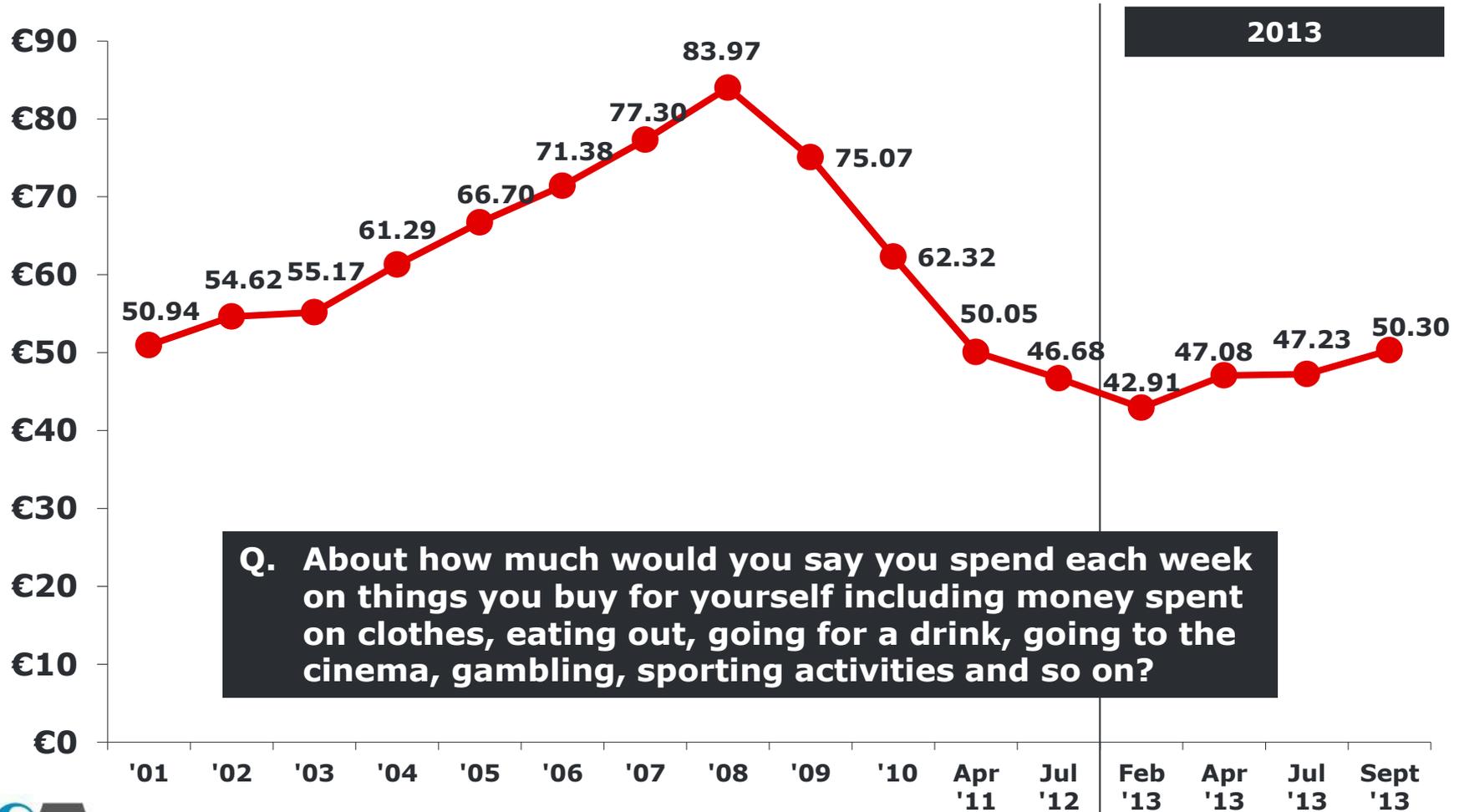
Dublin has more positive indications of recovery compared to outside Dublin.

Q.7 In the year ahead, do you expect to purchase more, less or the same amount of goods and services as in the past year?



The New Reality of Recession: Discretionary Income Has Halved in Five Years but decline appears to have abated

Base: All adults 18+



Thank You



BEHAVIOUR ATTITUDES

MILLTOWN HOUSE
MOUNT SAINT ANNES
MILLTOWN
DUBLIN 6

+353 1 205 7500
info@banda.ie

www.banda.ie