



# Consumer Confidence Tracker

**July 2014**

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# Introduction



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- 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 1,009 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 16<sup>th</sup> – 26<sup>th</sup> July 2014.

# About Behaviour & Attitudes

- B&A 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](http://www.banda.ie) or contact us on +353 1 2057500.



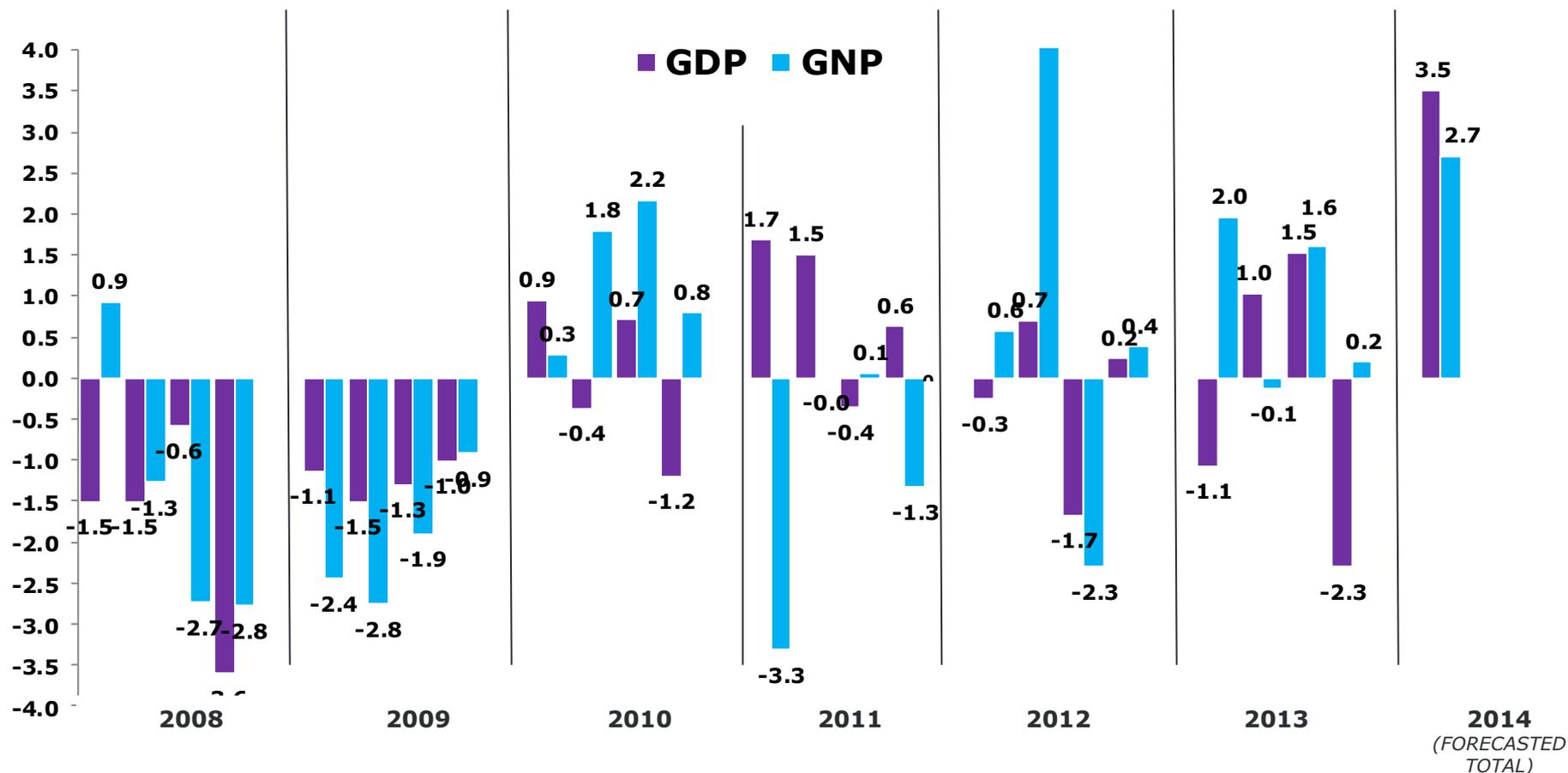
# The Macro Context



# Summary

- Forecasted GDP (Source: Davy August 2014) for the year is expected to reach 3.5% with GNP at 2.7%, exceeding all previous forecasts. Consumer spending is forecast to grow by 1.5% in 2014 (Source: Davy August 2014).
- Good news also evident on the employment front: unemployment figures are at the lowest they have ever been now vs. pre recessionary times in Ireland.
- Overall, there are 8.4% **less** people on the live register now versus July 2013.
- The unemployment rate is now 11.5% compared to 14.7% in 2012.

# At a Macro Level, Improvements to Irelands Domestic Economy are evident...



**Ireland's GDP experienced positive growth during Q2 and Q3 2013, GNP also improved in Q3 2013. In 2014, GDP is forecasted to increase by 3.5%.**

Source: CSO Estimates as of 14th May 2014/EY Economic Eye Summer Report (2013)/ESRI Quarterly Commentary (2013)/Davy Morning Equity Briefing (August 13th 2014)/Central Bank of Ireland Quarterly Bulletin Q2 2014



# *Consumer Spending*

is expected to grow by 1.5%  
in 2014 and 1.9% in 2015.



Source: Davy Morning Equity Briefing (August 13<sup>th</sup> 2014)

# The Live Register and Unemployment Figures

## The Live Register

# -8.4%

Overall Change vs. July 2013.

163,198



-0.5%

vs. July 2013

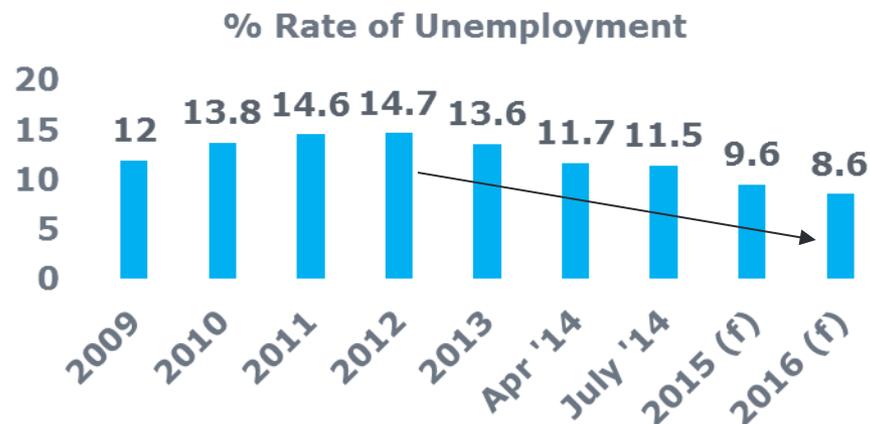
241,317



-6.1%

vs. July 2013

## Unemployment in Ireland



# 11.5%

Current Rate of unemployment.

-13.7% vs. July 2013.

Source: CSO Estimates as of 13<sup>th</sup> Aug 2014/Davy Morning Equity Briefing (August 13<sup>th</sup> 2014)

# ***Professional Job Vacancies***

**were up 2% this July 2014 vs. July 2013.**

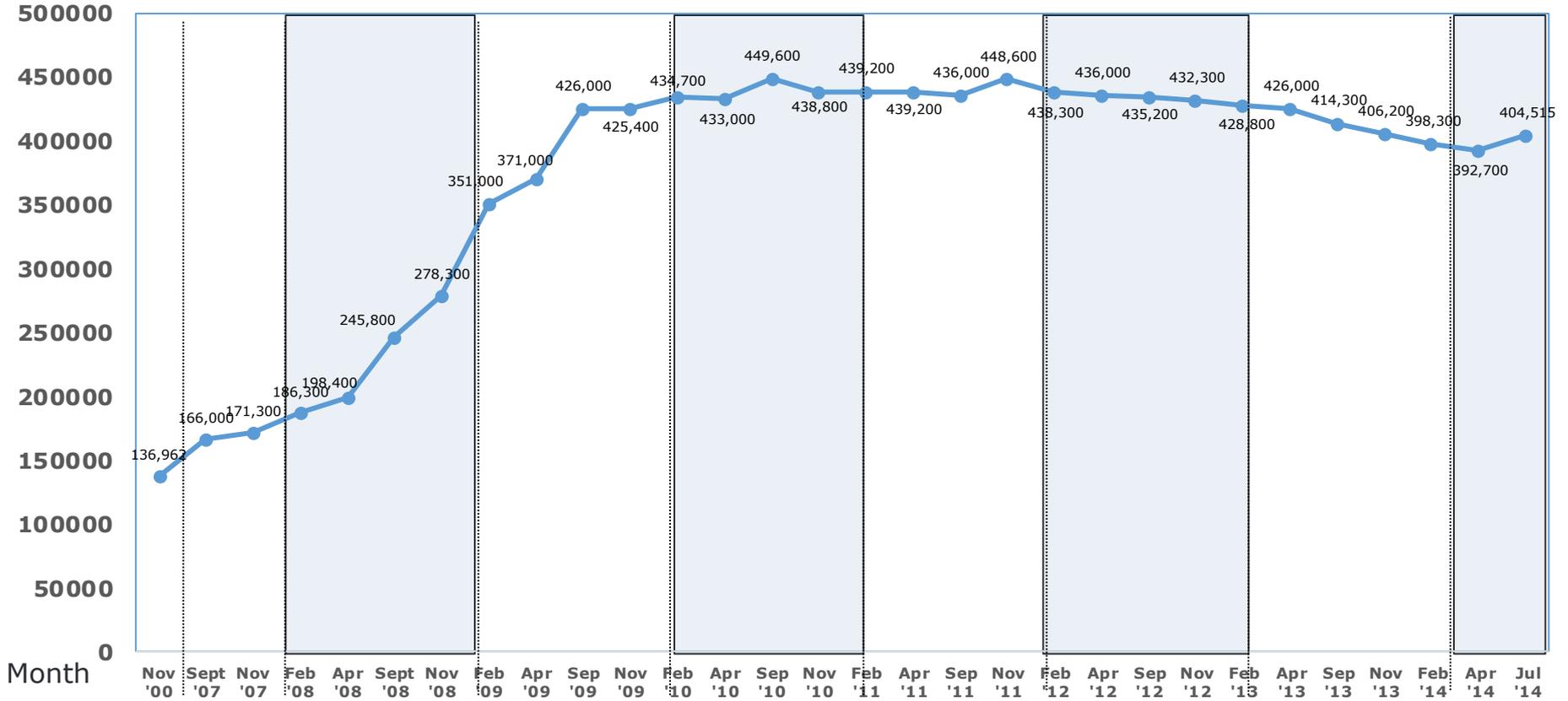


*Source: Morgan McKinley Irish Employment Monitor (2014).*

# The Live Register

## Seasonally Adjusted

Total Persons on Live Register



\*Source: CSO latest estimates as of Aug 13<sup>th</sup> 2014

\* The Live Register is not designed to measure unemployment. It includes part-time work e.g. seasonal & casual workers who work up to 3 days per week

Investment in the

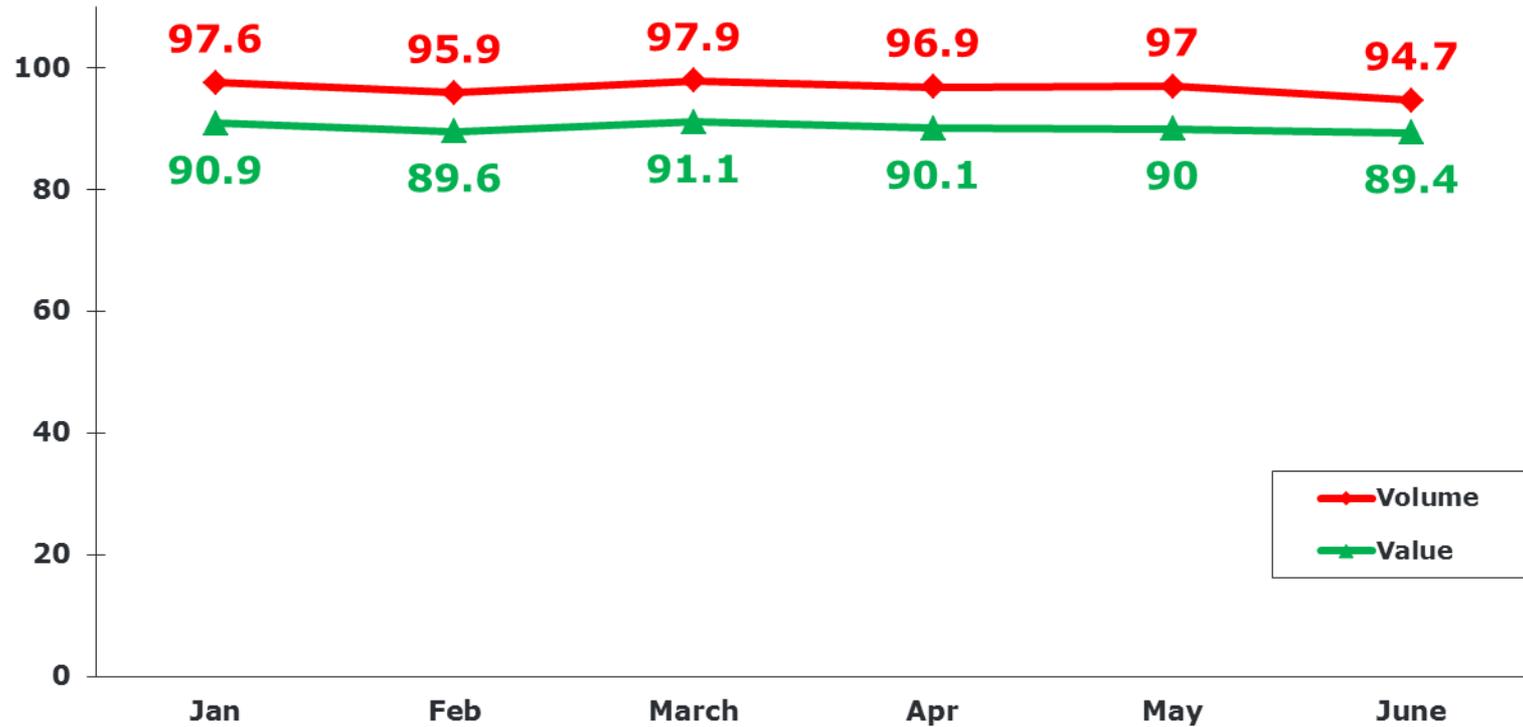
# *Construction Sector*

is expected to increase  
by 14.5% this year and  
8.6% next year.



Source: Davy Morning Equity Briefing (August 13<sup>th</sup> 2014)

# Retail Sales Index: 2014



Vs 2013	Vol.	89.6	91.4	90.0	90.7	91.4	90.3
	Val.	85.1	87.1	85.6	86.3	86.5	86.6

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# Overall, the Future Looks Brighter



**Recent indicators suggest that Ireland is currently the fastest growing economy in the euro-area.**

**Unemployment is expected to decrease to 9.6% and 8.6% in 2015 and 2016 respectively.**

**GDP expected to grow by 3.5% and 3.0% in 2014 and 2015 respectively.**

**Retail sales volume up 4.8% in year to June.**

**Just over 1 in 4 (28%) adults agree that the country is better off now than it was a year ago.**

**Government deficit will fall to 2.9% of GDP next year based on a €500 million adjustment in the budget.**



*Source: Davy Morning Equity Briefing (August 13<sup>th</sup> 2014)/B&A Consumer Confidence Report (July 2014)/Finfacts Ireland (July 2014).*

# Consumer Confidence Findings



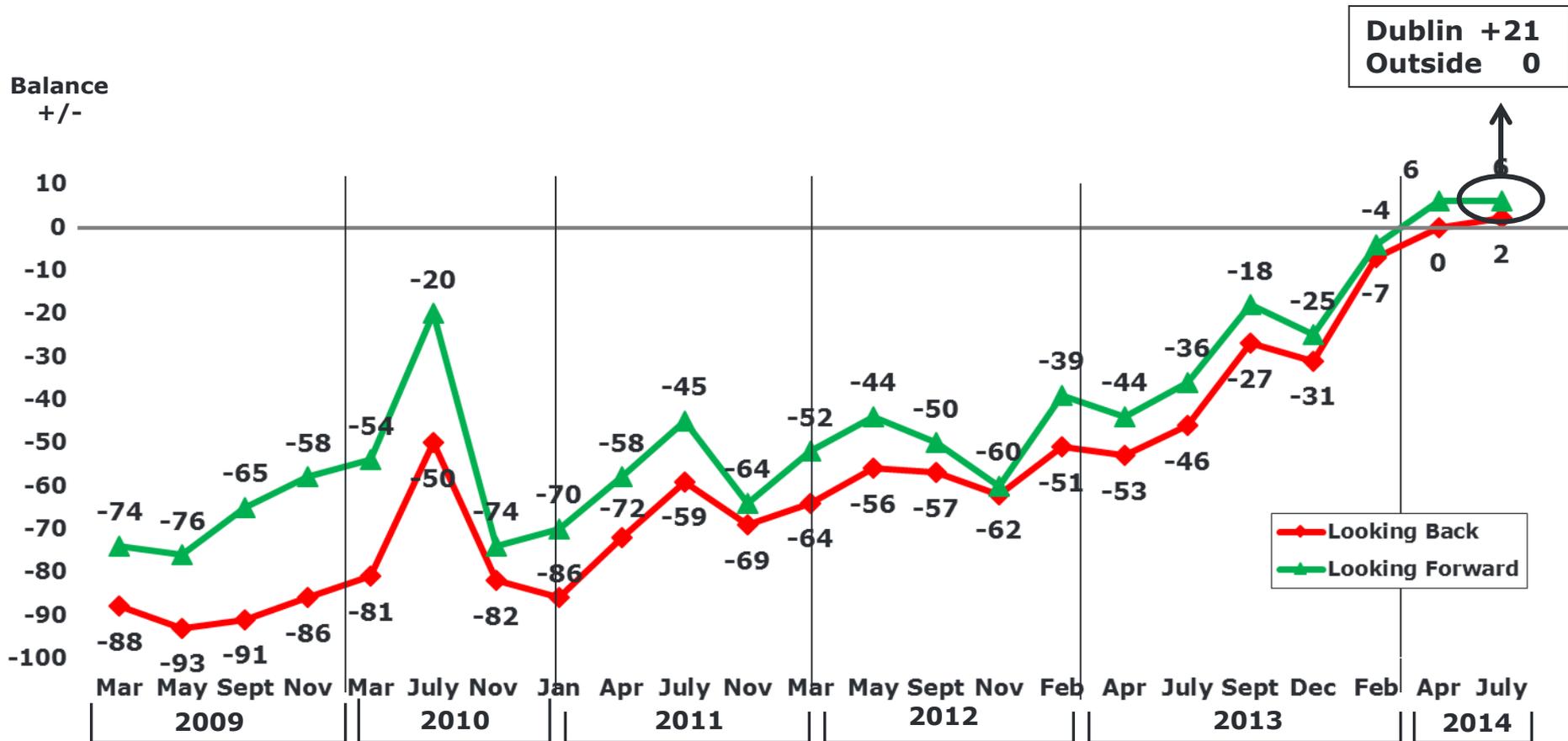
# Summary

- Those who live in Dublin are coping much better now (+19%) vs. those living outside Dublin (-5%).
- Current consumer sentiment has finally left negative territory for the first time since 2006.
- For the second consecutive wave, Irish consumers are positive about the economy looking forward: perhaps an indication of stabilisation. Dubliners' positivity continues its upwards trajectory, while positivity gains outside Dublin have halted, resulting in a greater gap vs the capital.
- No notable change in current consumers' perceptions of their personal finances: 1 in 5 (34%) still feel that they are worse off now vs. one year ago. The current gap in finances has widened with Dubliners illustrating an ease in negativity.
- Similarly, almost 1 in 3 (30%) feel that their personal finances will be lower in one years time. Those living in Dublin are marginally more positive about their financial situation for the year ahead.

# Summary

- In terms of saving, just 1 in 10 (10%) feel that they expect to save more in the year ahead vs. now.
- Overall, personal asset value has improved (largely fuelled by Dubliners) and has left negative territory for the first time since 2007.
- Dubliners are more positive about their personal asset value increasing in the year ahead, whereas those outside Dublin remain in negative territory.
- Purchasing power: just 1 in 10 (11%) expect that they will be spending more in the year ahead. These were mainly younger adults (U35 years), Dubliners, and those from a white collar background.
- The average disposable income levels has halved in 5 years, but decline appears to have abated. Again, a further indication of stabilisation.

# The Future Looks Brighter – especially in Dublin



Source: B&A Consumer Confidence Report

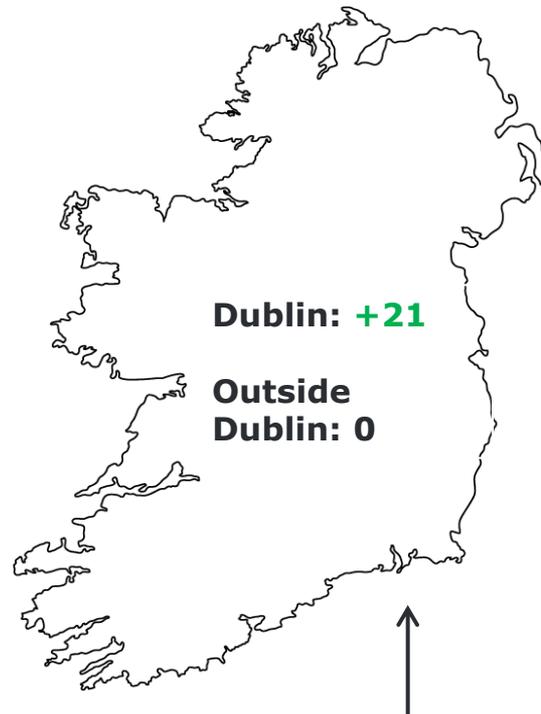
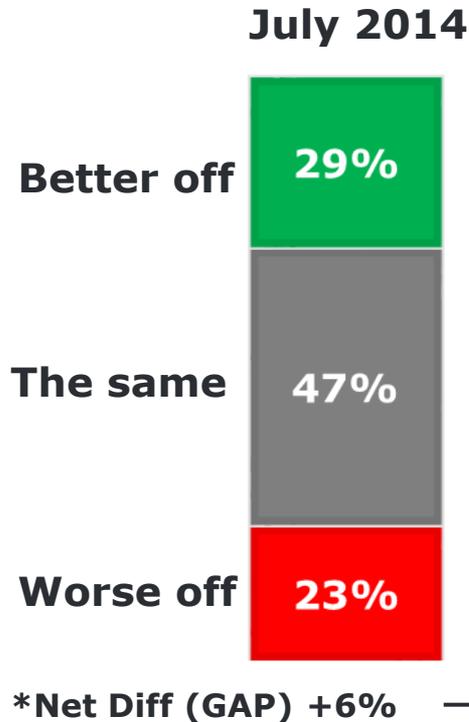
- Q.1 Thinking about the economy as a whole, do you think that the country is better off, worse off, or about the same as last year?
- Q.2 And what about the coming year, do you think that the country will be better off, worse off or about the same as this year?

# The Economy: Looking Forward



# The Economy: Looking Forward – We have finally entered positive territory, at least at a Macro Level

Base: All Adults 18+



For the second consecutive wave, consumers feel that the economy will be better off next year vs. this year. This is far more evident in Dublin vs. outside Dublin.

	2006	2007	2008	2009	2010	2011	2012	2013	Feb '14	Apr '14	Jul '14
<b>Gap</b>	=	<b>-15</b>	<b>-59</b>	<b>-68</b>	<b>-49</b>	<b>-58</b>	<b>-52</b>	<b>-32</b>	<b>-5</b>	<b>+6</b>	<b>+6</b>

\*Net difference (GAP) is the difference between Better off and worse off



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?

# The Economy: Looking Forward – We remain positive territory, for the second wave in a row

Base: All Adults 18+

Consumers are more positive about the future of the Irish Economy now than they have been in the history of this study. (Note we have come from a very dark place).

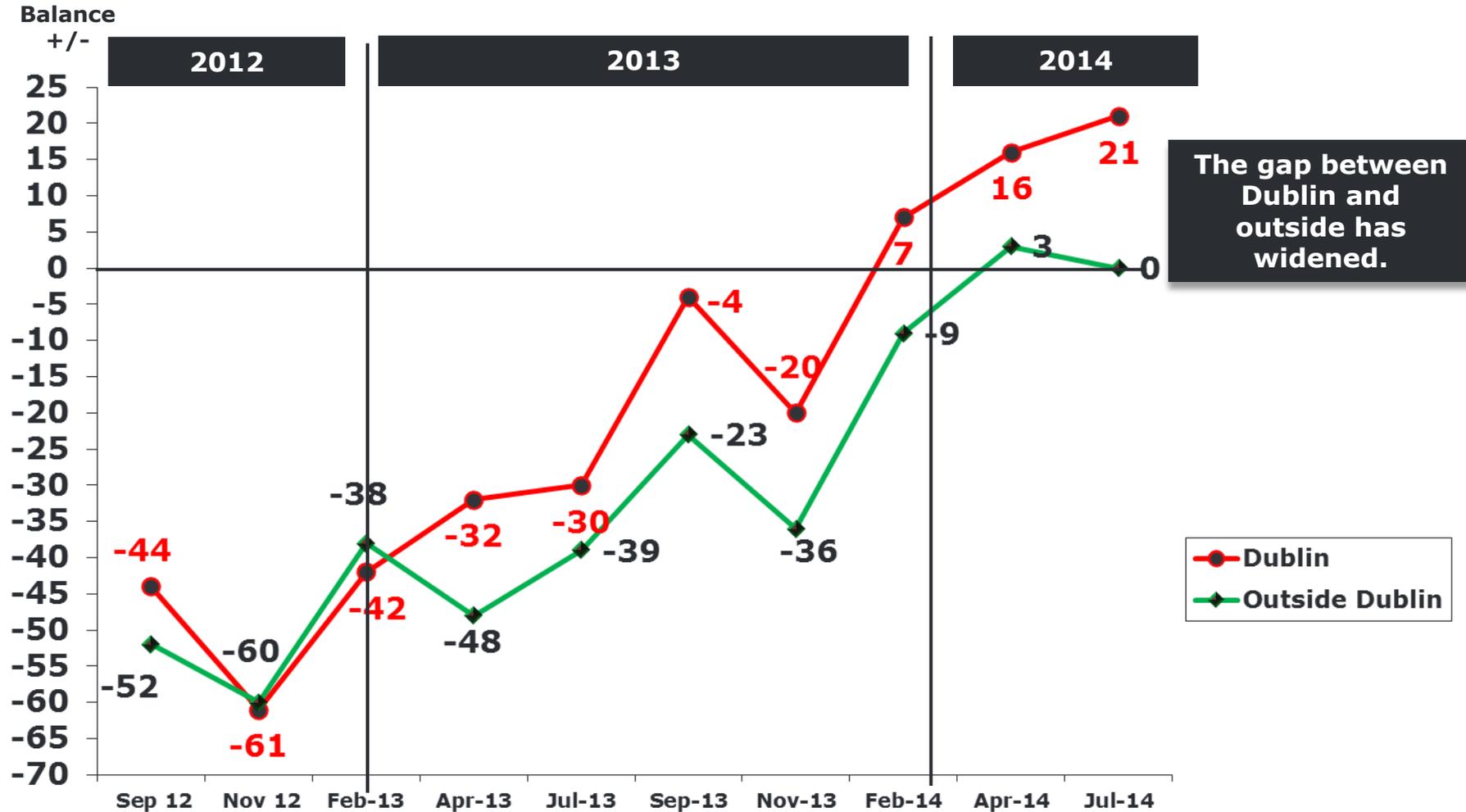


Q.2

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+

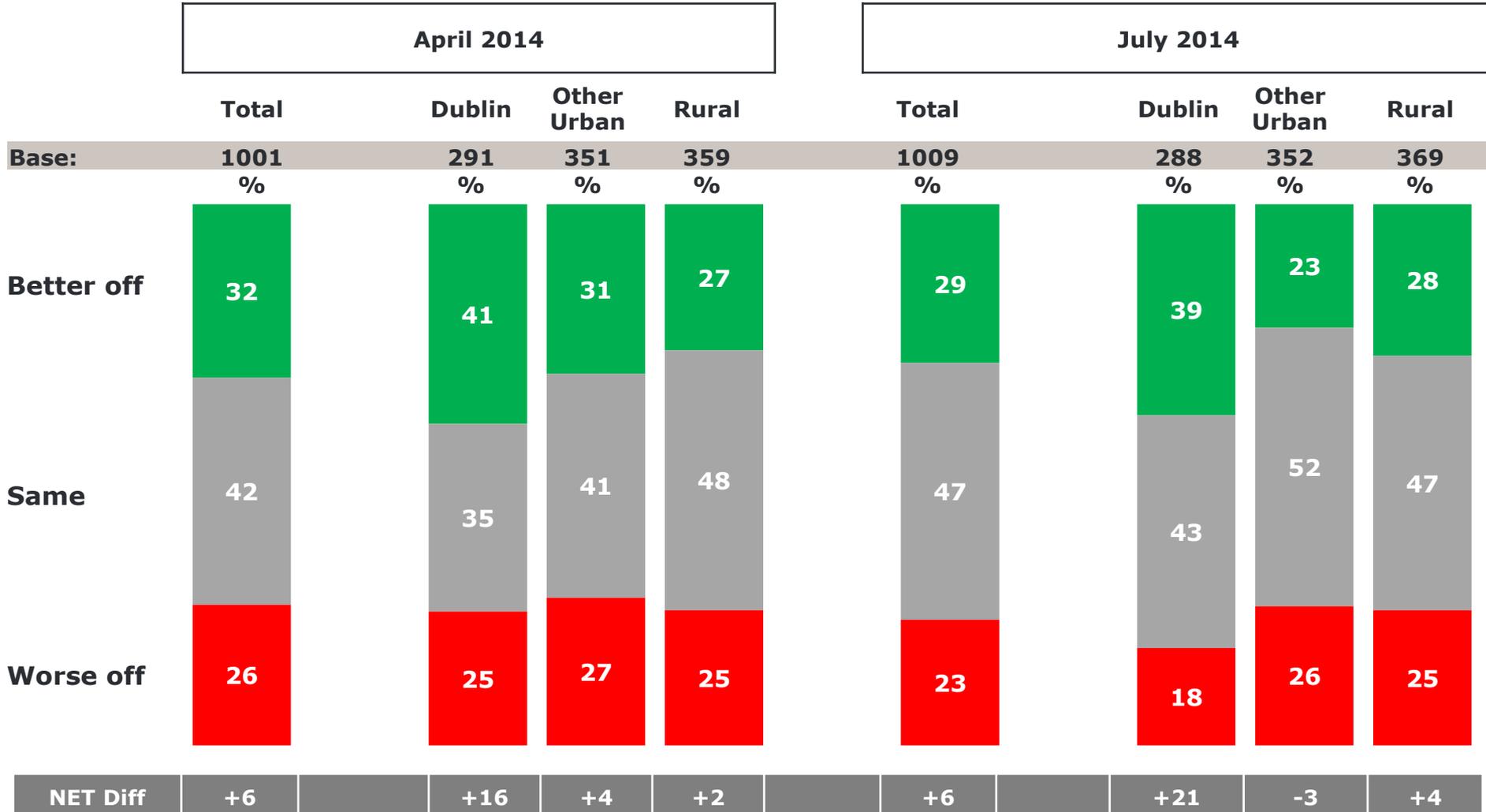


Q.1 Thinking about the economy as a whole, do you think that the country is better off, worse off, or about the same as last year?



# Economy going forward: Dublin powers ahead while urban areas remain under pressure

Country will be ...

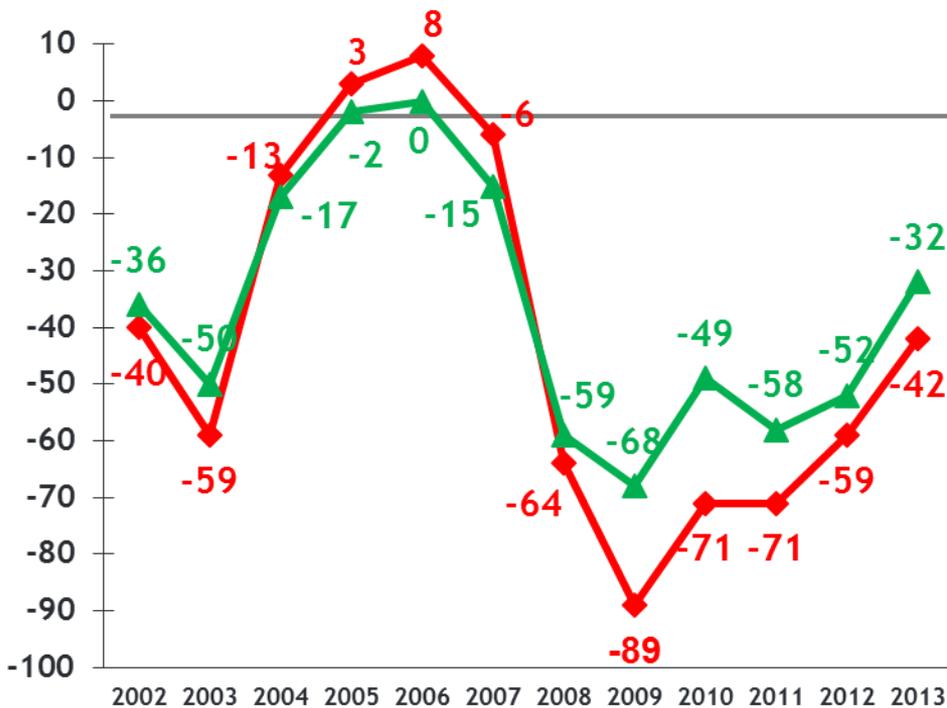


Q.2 And what about the coming year, do you think that the country will be better off, worse off or about the same as this year?

# Balance Of Opinion - Economy

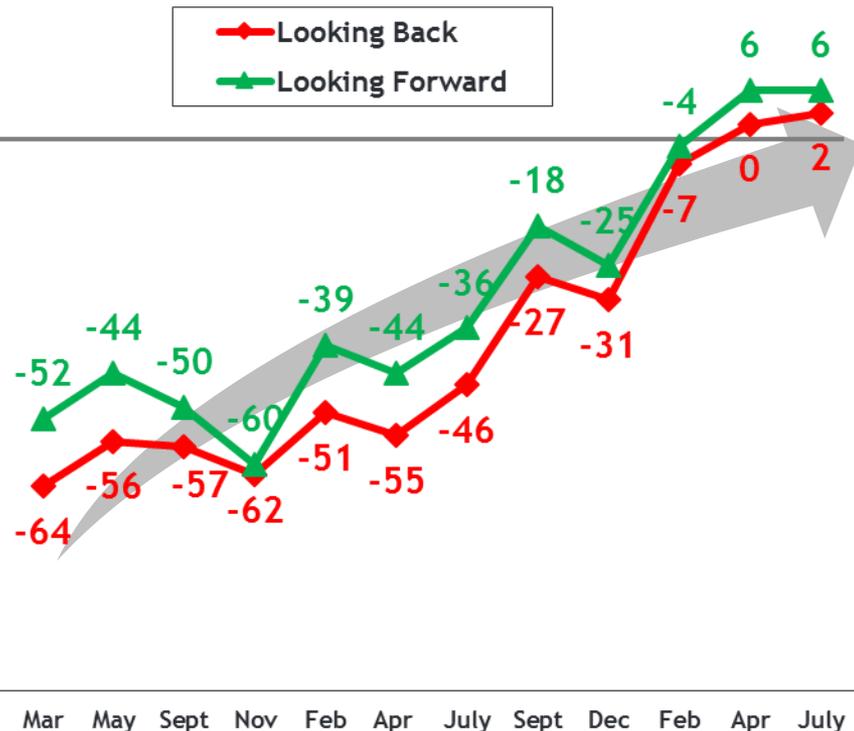
## Long Term

Balance +/-



YEARLY AVERAGES

## Short Term



2012

2013

2014

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



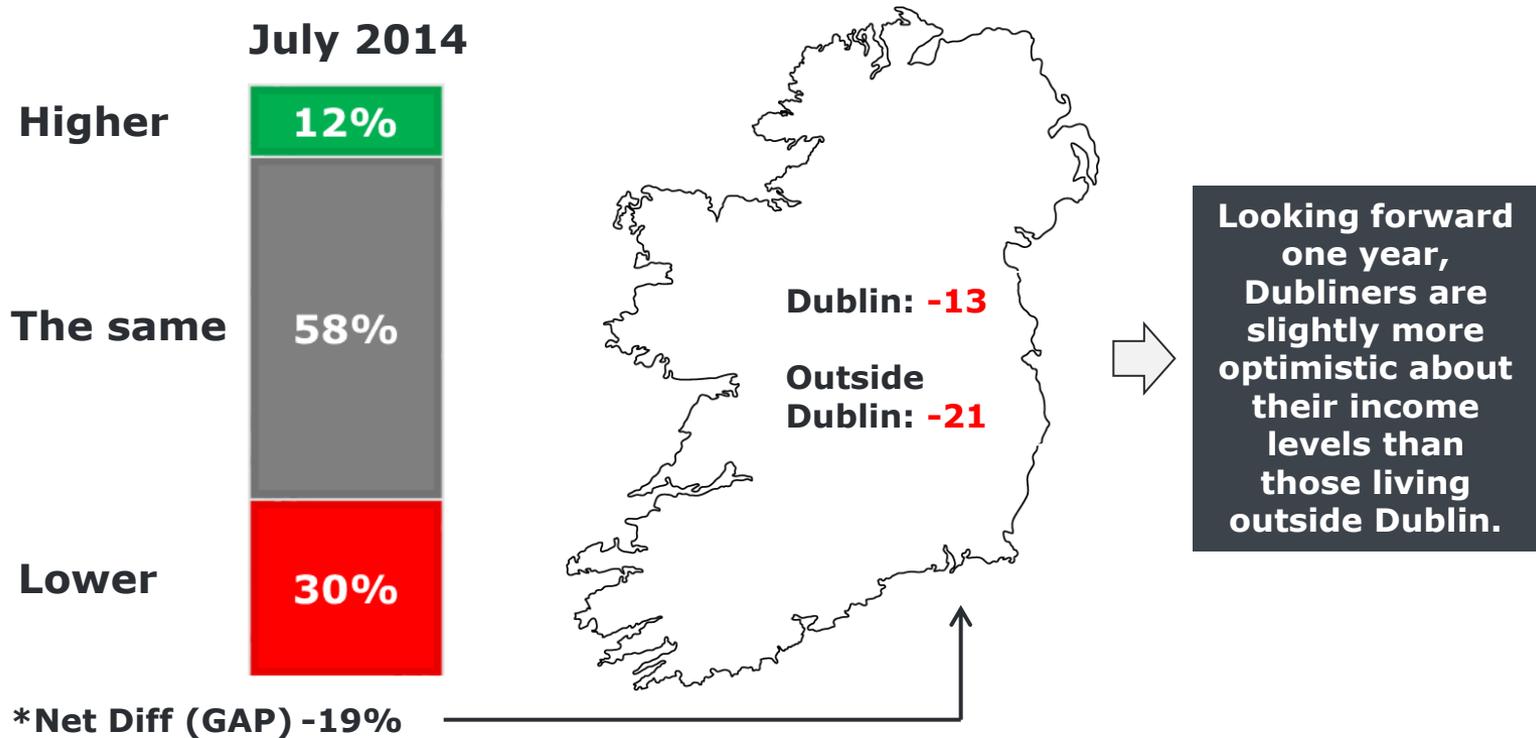


# Personal Finances



# Personal Finances – Looking Forward: Caution is still Evident (Albeit Improving Gradually)

Base: All Adults 18+



	2006	2007	2008	2009	2010	2011	2012	2013	Feb '14	Apr '14	Jul '14
<b>Gap</b>	<b>+18</b>	<b>+15</b>	<b>-21</b>	<b>-59</b>	<b>-50</b>	<b>-56</b>	<b>-51</b>	<b>-44</b>	<b>-37</b>	<b>-20</b>	<b>-19</b>

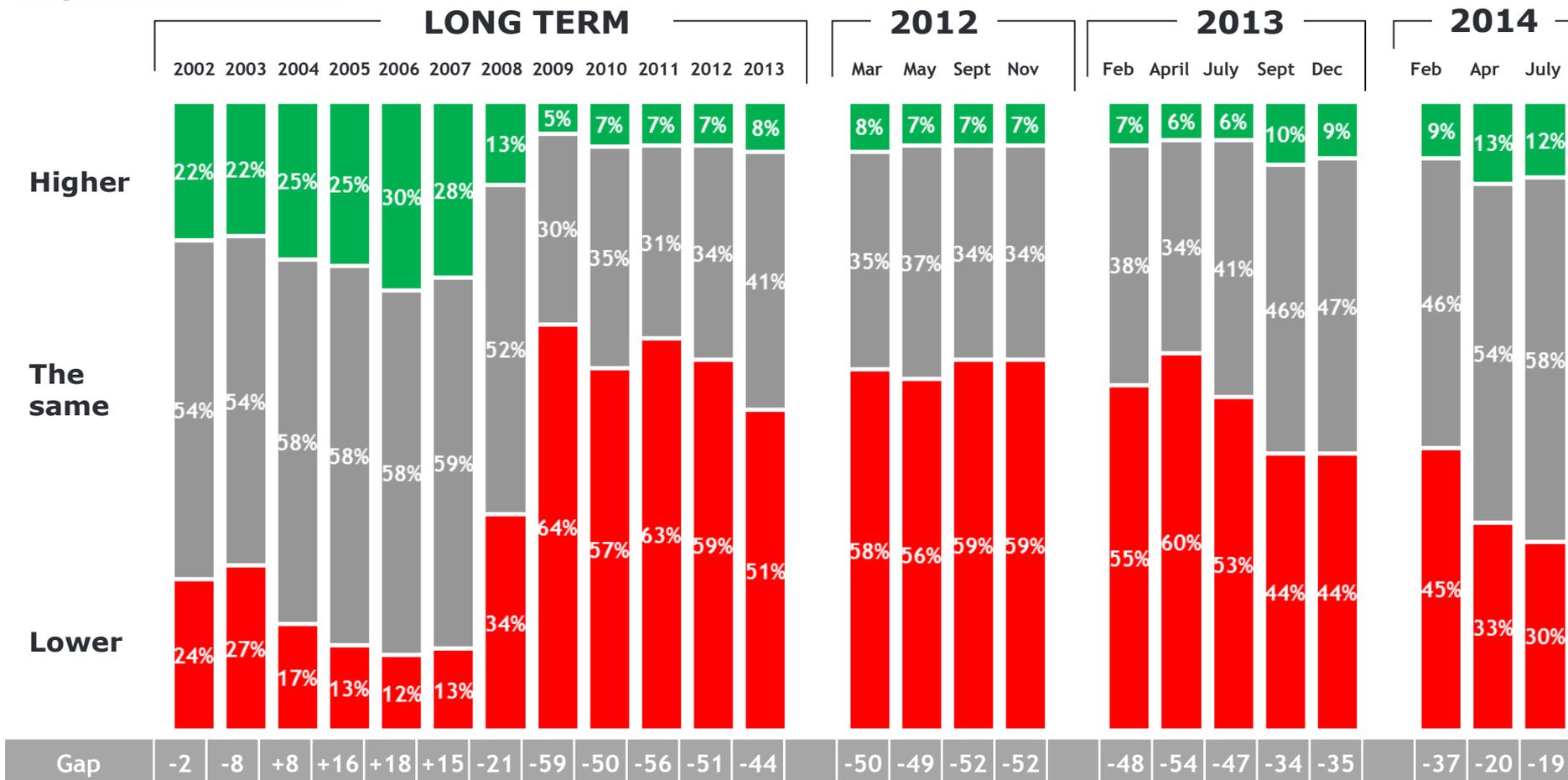
\*Net difference (GAP) is the difference between Better off and worse off

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 12 months?

# Personal Finances – Looking Forward

Expect it to be ...



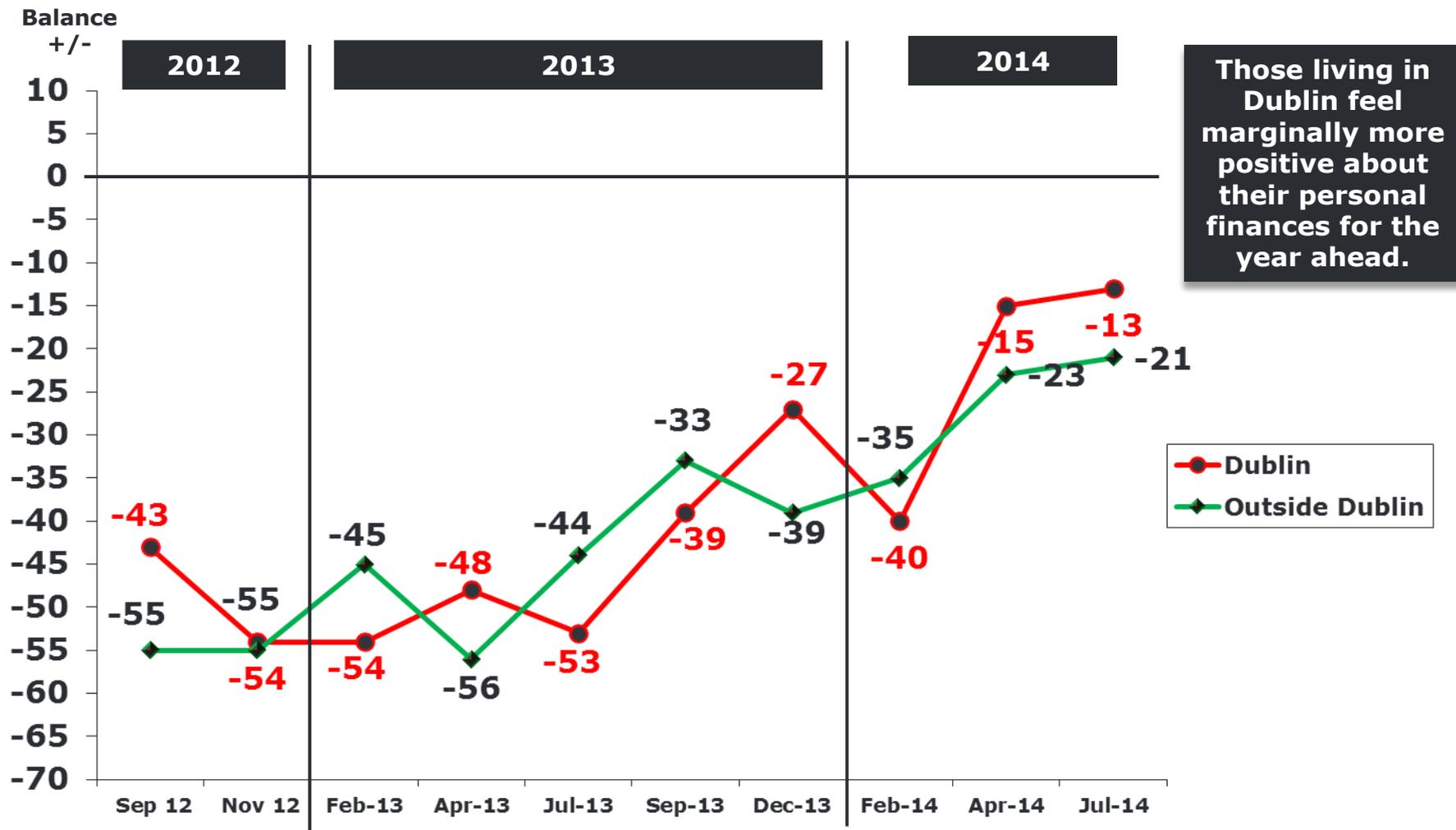
**The gap is decreasing each year.**

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?



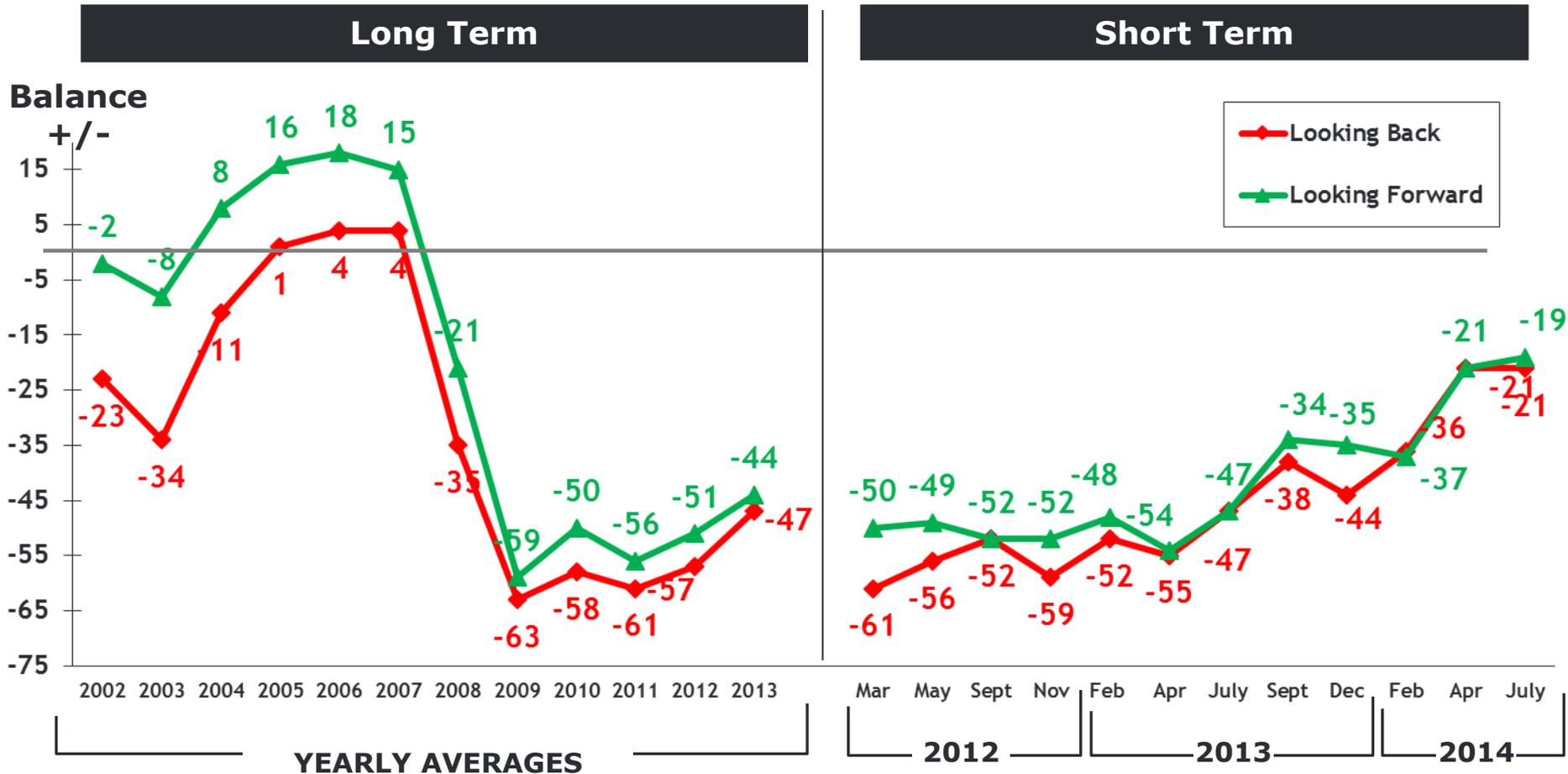
# Personal Finances - Looking Forward x Region

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.

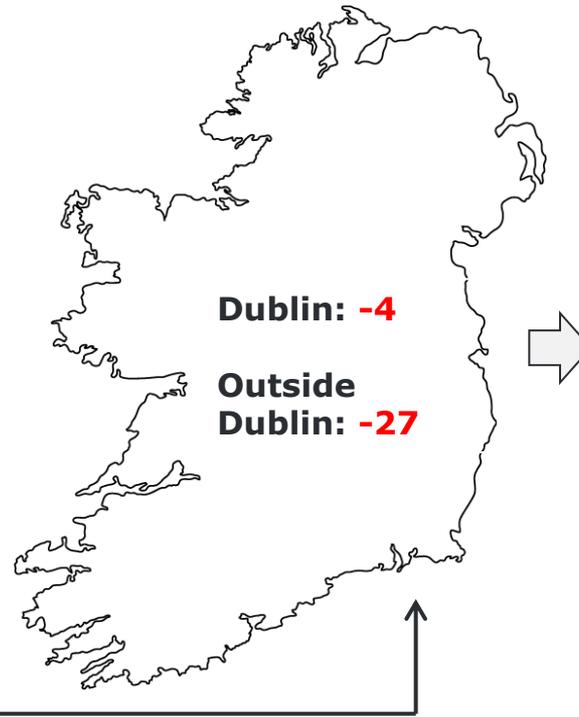
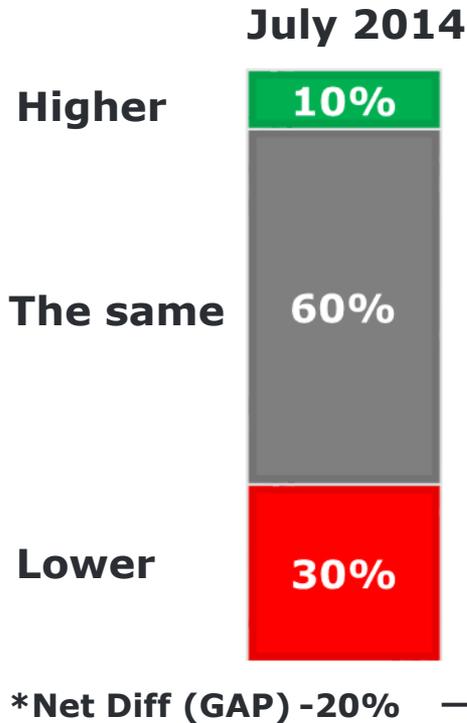


**Savings**



# Saving Levels– Looking Forward

Base: All Adults 18+



Dubliners are a lot more likely to save in the year ahead vs. those living outside Dublin. Both, however, remain in negative territory.

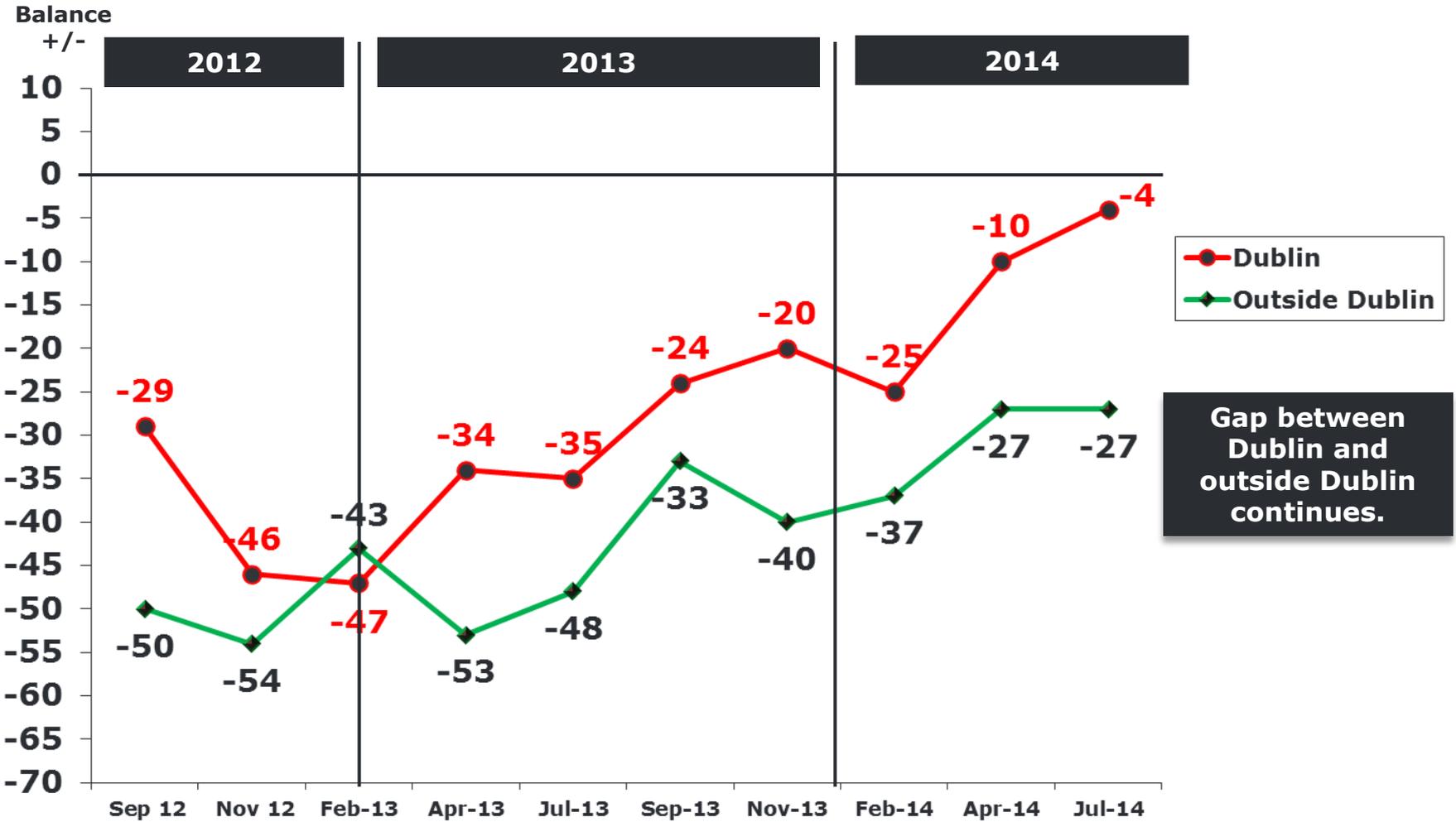
	2006	2007	2008	2009	2010	2011	2012	2013	Feb '14	Apr '14	Jul '14
<b>Gap</b>	<b>-1</b>	<b>-5</b>	<b>-34</b>	<b>-56</b>	<b>-48</b>	<b>-50</b>	<b>-48</b>	<b>-40</b>	<b>-33</b>	<b>-23</b>	<b>-20</b>

\*Net difference (GAP) is the difference between Better off and worse off

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?

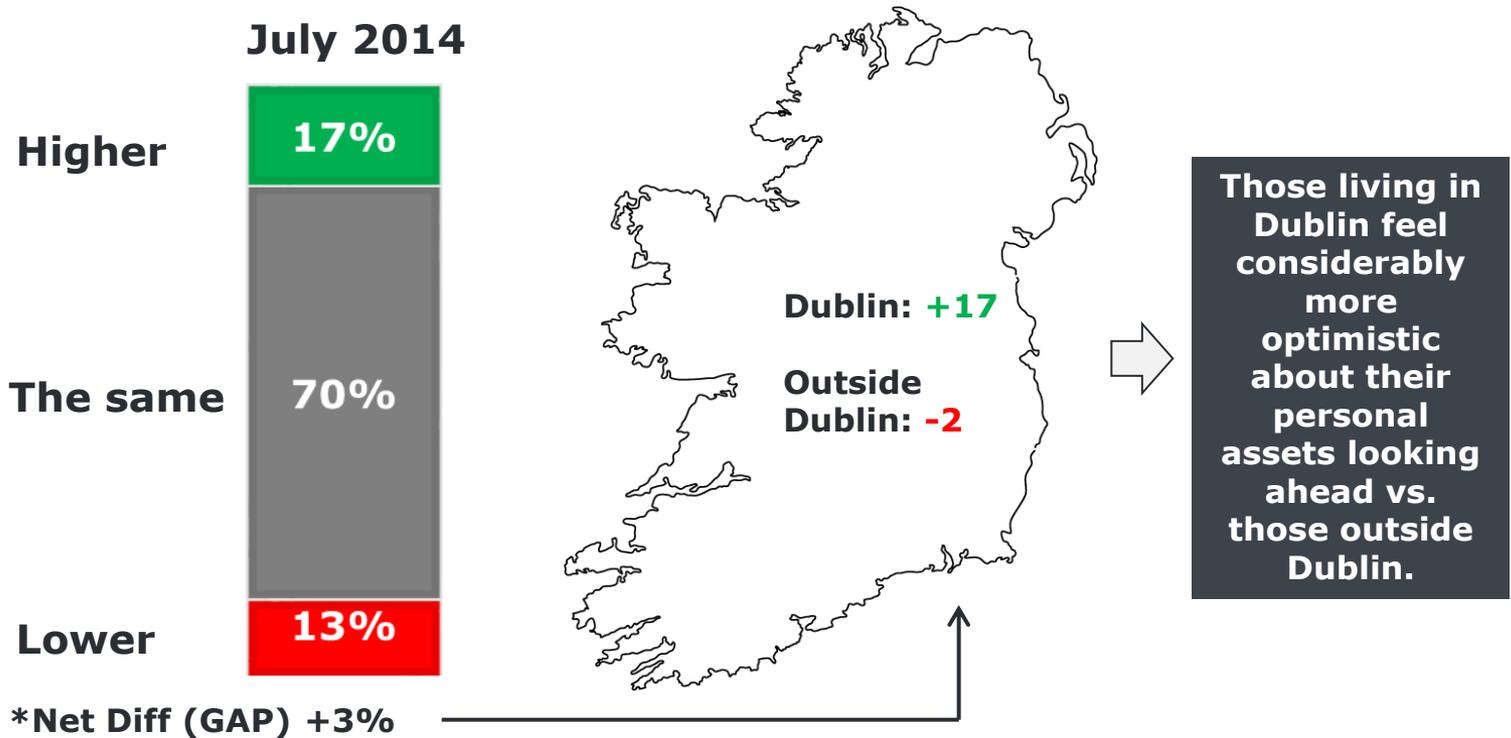


# Personal Assets



# Personal Assets: Looking Forward

Base: All Adults 18+



	2006	2007	2008	2009	2010	2011	2012	2013	Feb '14	Apr '14	Jul '14
<b>Gap</b>	<b>+33</b>	<b>+20</b>	<b>-25</b>	<b>-53</b>	<b>-43</b>	<b>-41</b>	<b>-31</b>	<b>-18</b>	<b>-8</b>	<b>-1</b>	<b>+3</b>

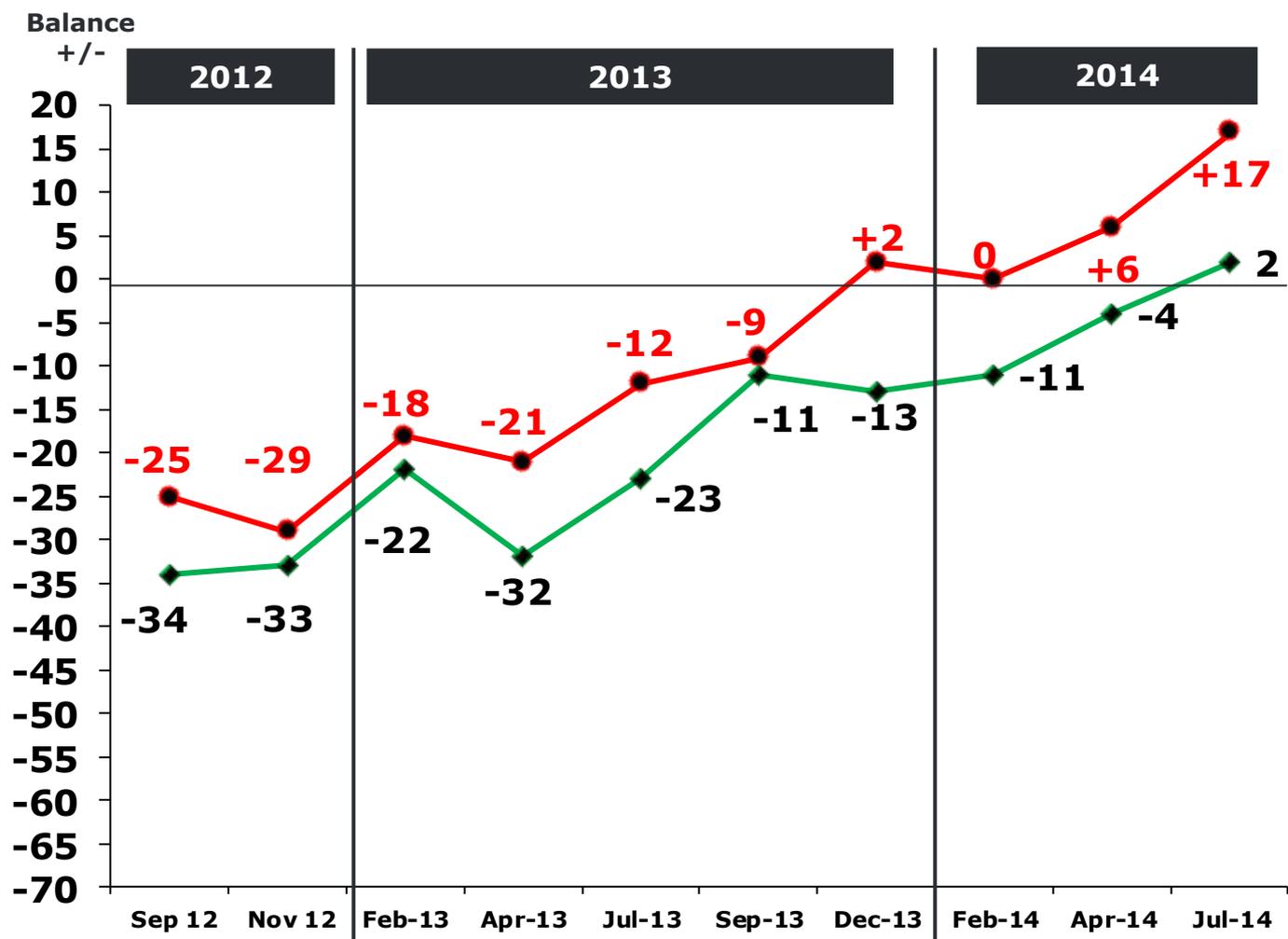
\*Net difference (GAP) is the difference between Better off and worse off

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 ...



**Dublin continues its positive trajectory. Outside Dublin has finally left negative territory.**



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?

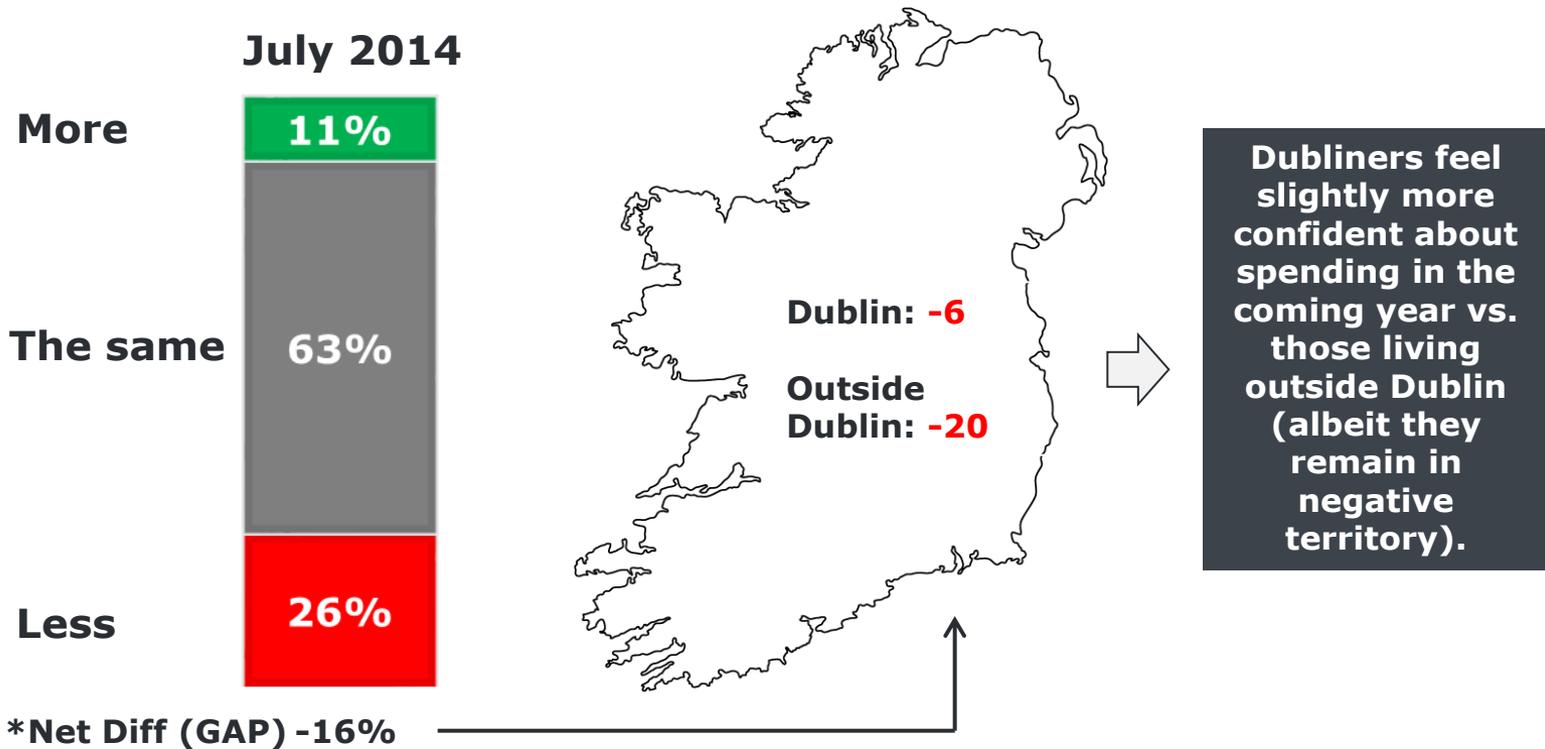


# Purchasing Goods and Services



# Purchasing Goods and Services – Looking Forward: Improvements are Evident

Base: All Adults 18+



	2006	2007	2008	2009	2010	2011	2012	2013	Feb '14	Apr '14	Jul '14
<b>Gap</b>	<b>+7</b>	<b>+5</b>	<b>-29</b>	<b>-63</b>	<b>-47</b>	<b>-52</b>	<b>-45</b>	<b>-37</b>	<b>-30</b>	<b>-16</b>	<b>-16</b>

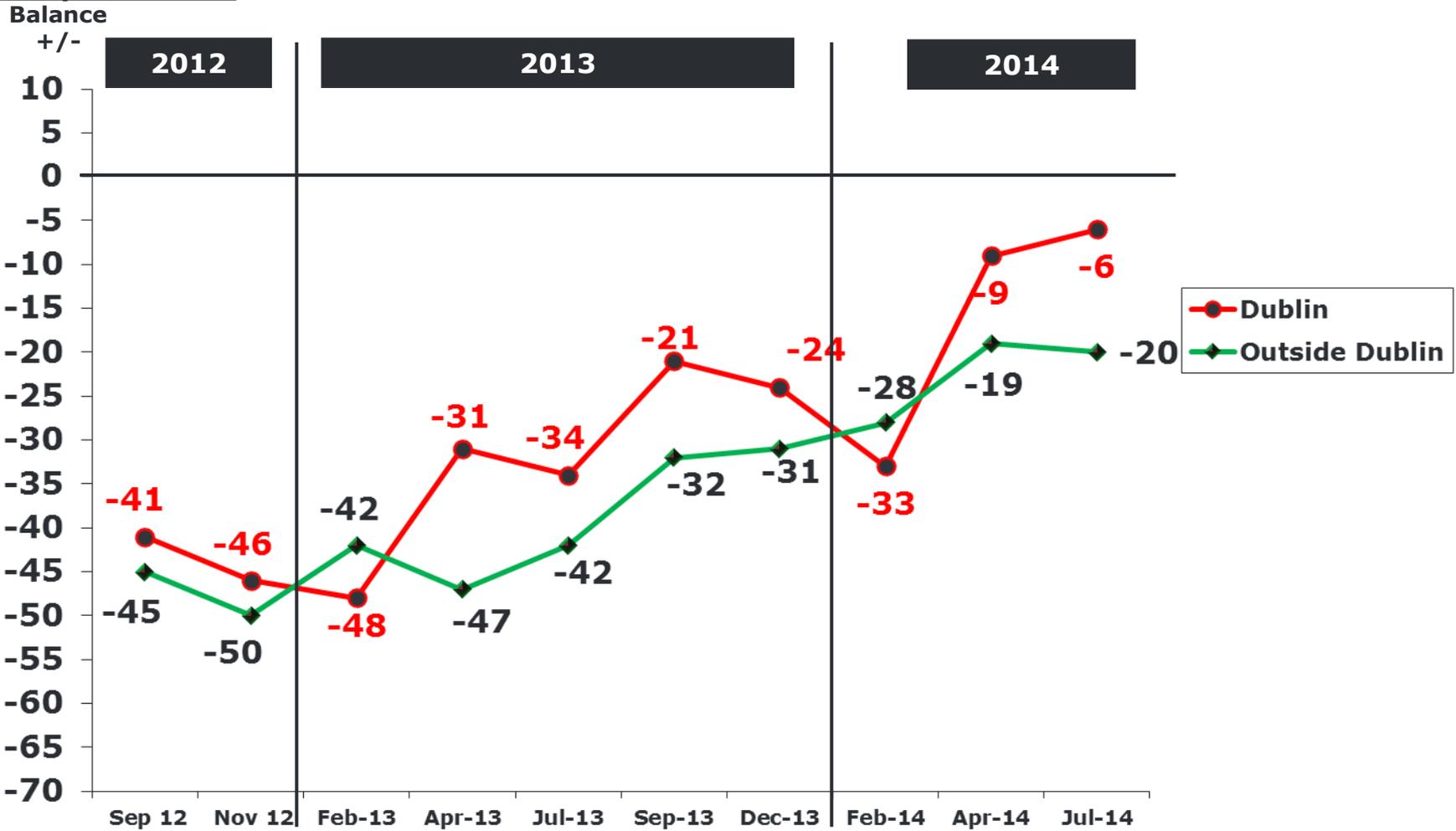
\*Net difference (GAP) is the difference between Better off and worse off

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 ...



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?

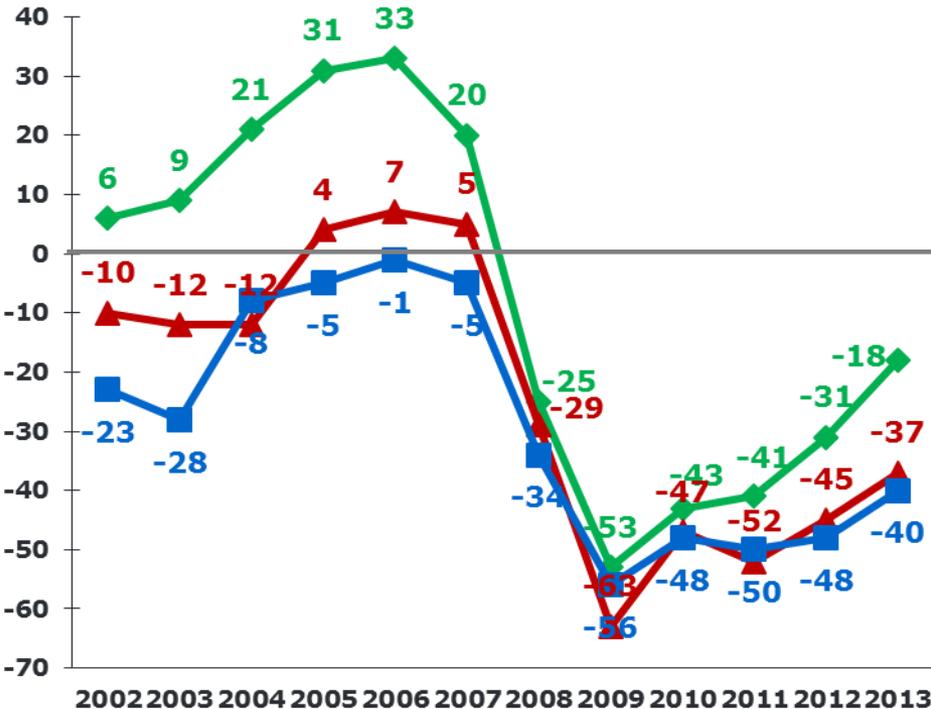


# Balance Of Opinion in Summary – The Year Ahead

Expectations in regard to assets value, purchases, and savings

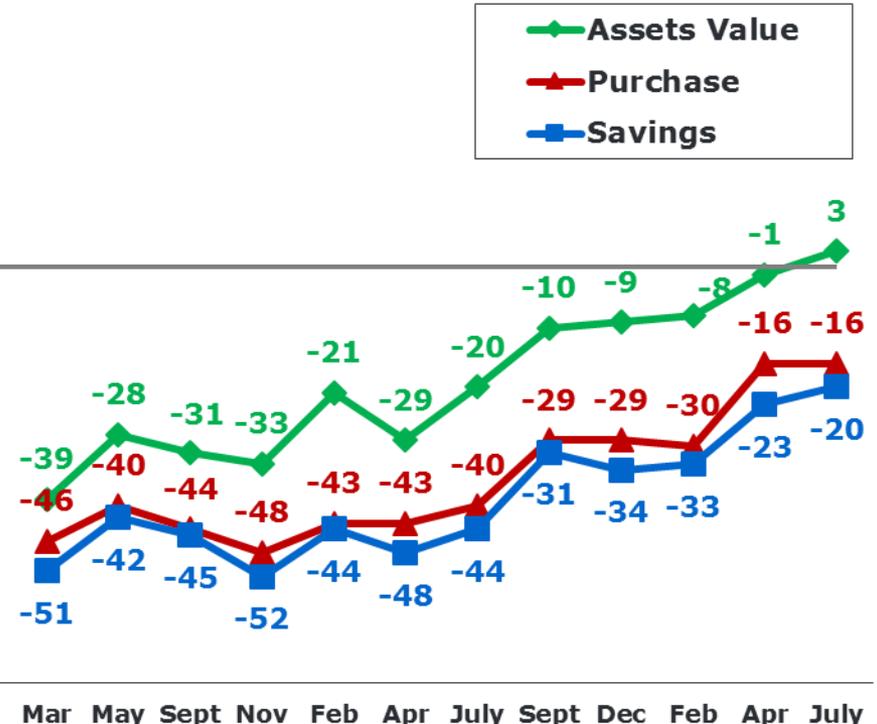
## Long Term

Balance +/-



YEARLY AVERAGES

## Short Term



2012

2013

2014

Improvements are noted and momentum is slowly improving. However, any further imposition that directly affects real incomes of consumers will impact this area negatively. Growth in personal financial situations continues to be finely balanced.



# Disposable Income



# Discretionary Income Has Halved in 5 Years but decline appears to have abated

Base: All adults 18+



**Q. About how much would you say you spend each week on things you buy for yourself including money spent on clothes, eating out, going for a drink, going to the cinema, gambling, sporting activities and so on?**

# Thank You



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