Consumer Confidence Tracker

November 2017

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Introduction

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- This report presents the findings of the November 2017 phase of the Behaviour & Attitudes' Consumer Confidence Tracker.
- Survey results are based on a sample of 1,006 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 CAPI omnibus service by trained members of the B&A field force working under ESOMAR guidelines.
- Fieldwork on the latest wave was carried out between 26th October – 7th November 2017.

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Key Highlights

Key Highlights: Steady as she goes
Consumer confidence remains stable – but beware of asset value perceptions

- Consumer confidence has remained **stable since July 2017**, despite a backdrop of positive macro trends.
- The gap in consumer confidence between Dubliners and those living outside Dublin has narrowed, with Dubliners being more cautious in Quarter 4. (Albeit still more positive compared to those outside.)
- Interestingly, the Dublin centred dip in consumer confidence is being driven by middle class (ABC1) Dubliners, while ABC1s living outside of the capital are showing improved confidence in the county's economic future. The blue collar sector is also showing a heightened sense of caution towards future consumer confidence (perhaps in part due to ongoing strike actions).
- The improving perception in **the value of personal assets is almost back to 2006 levels**, which could be quelling confidence as consumers experience a sense of Déjà vu. It is also a **warning sign**.
- Attitudes towards personal finances/income for the year ahead are showing a gradual improvement, while saving intentions have weakened, which can indicate a growth in spending (declining interest rates will also be impacting here).

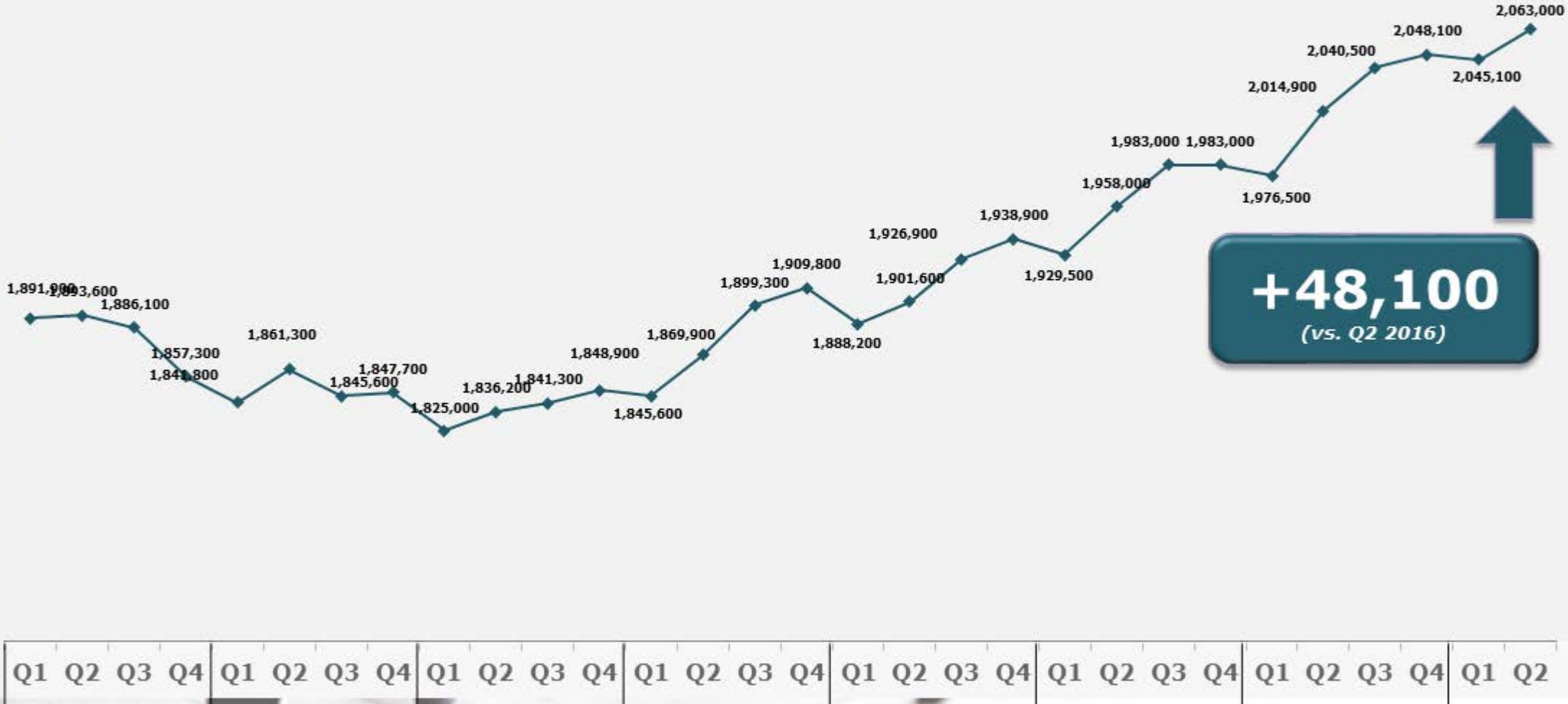
Macro Context

GDP has balanced out, while GNP has returned to end of 2016 levels.

*GDP and GNP data correct as of October 2017

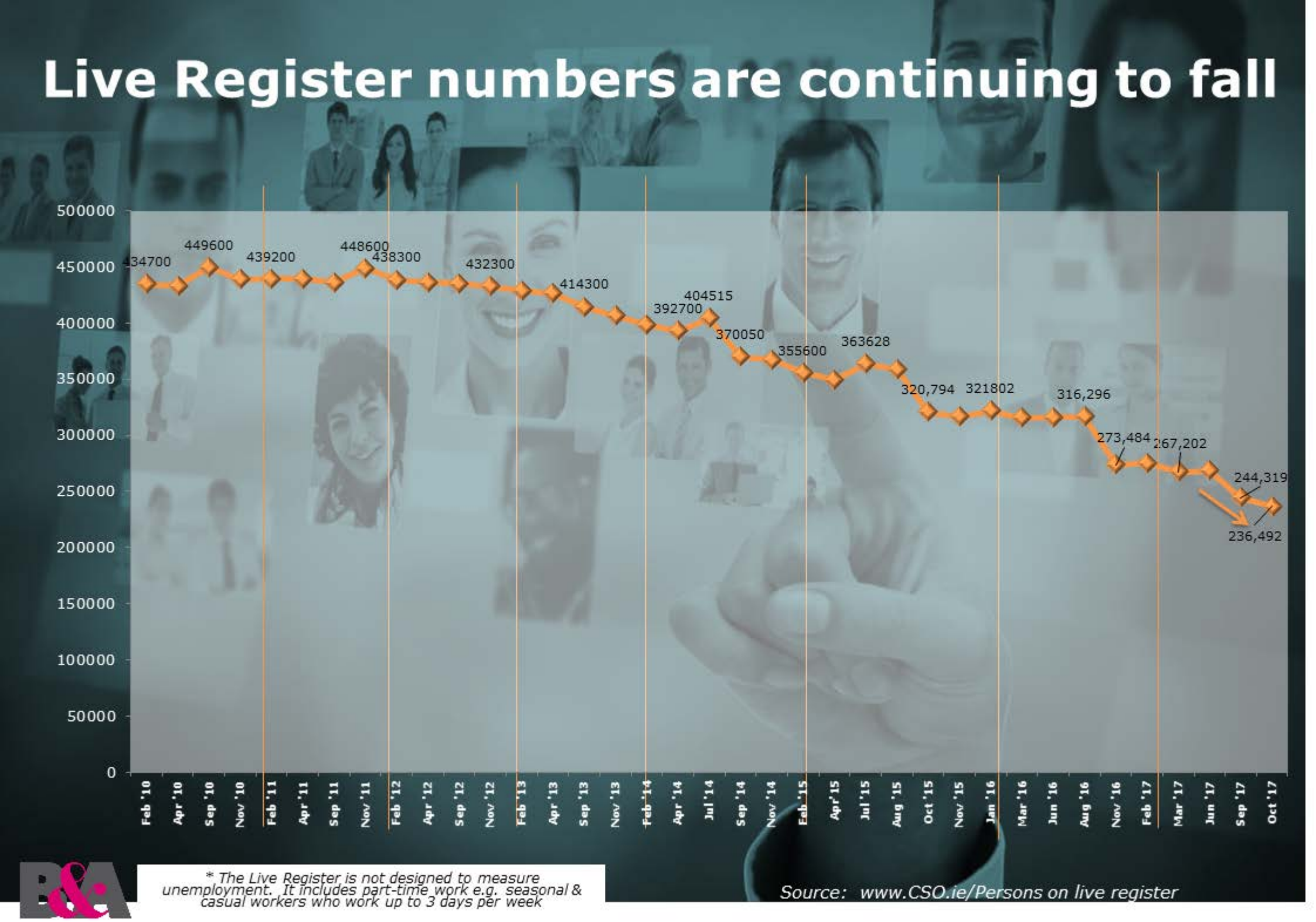
Source: www.CSO.ie
Ouarterlv National Accounts
* Q3 2017 results not yet available

The number in employment is continuing a positive trend.



*Source: www.CSO.ie/Quarterly National Household survey
Q3 2017 data not yet available

Live Register numbers are continuing to fall



** 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*

Source: www.CSO.ie/Persons on live register

Improvement continues

The Live Register

-14.6%

Overall Change
vs. Oct 2016

100,524

-15.7%

vs. Oct 2016

135,968

-13.0%

vs. Oct 2016

Unemployment in Ireland

Rate of unemployment

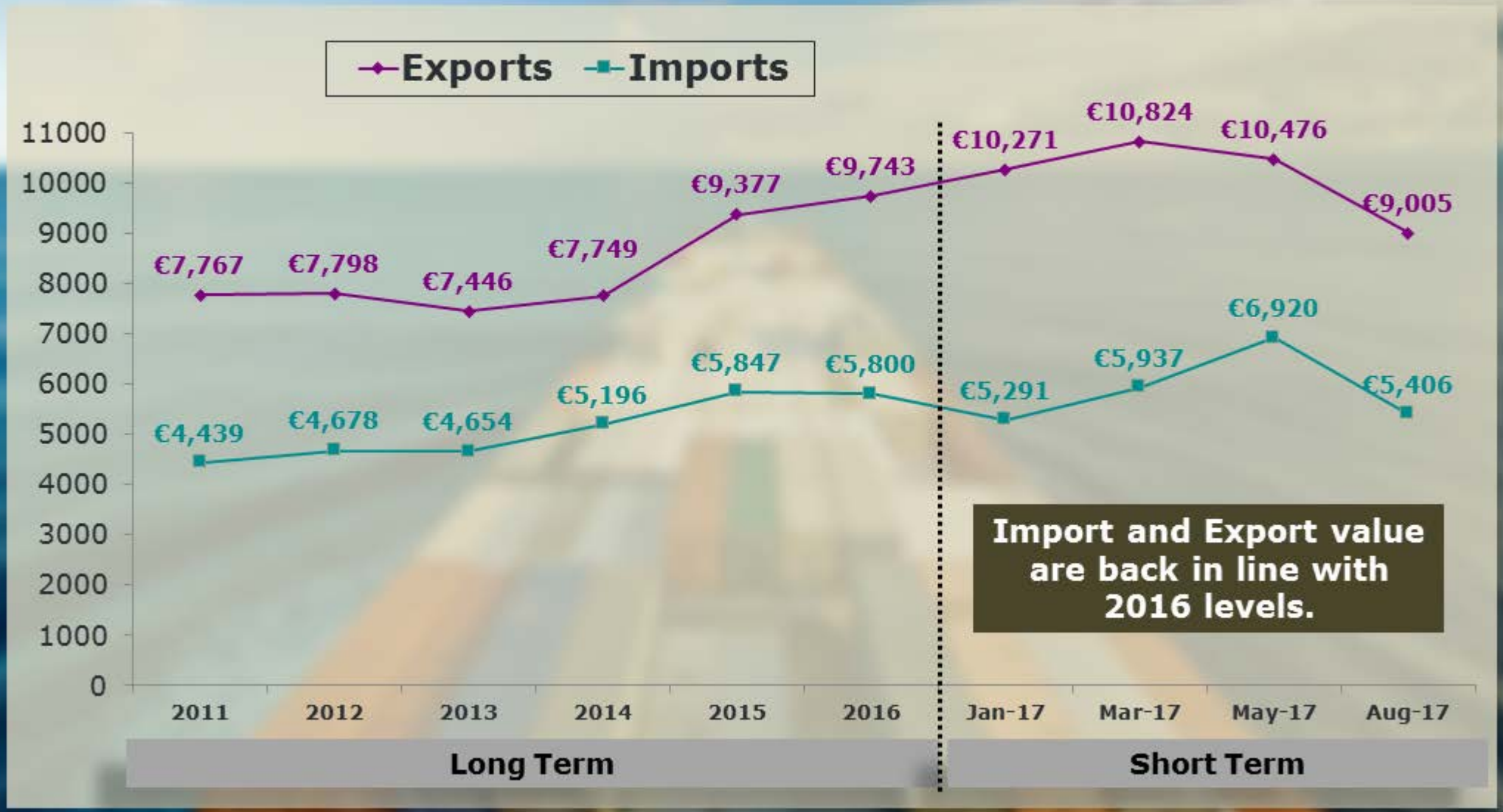
6%

Current Rate of unemployment
(vs. 7.7% in Oct 2016)

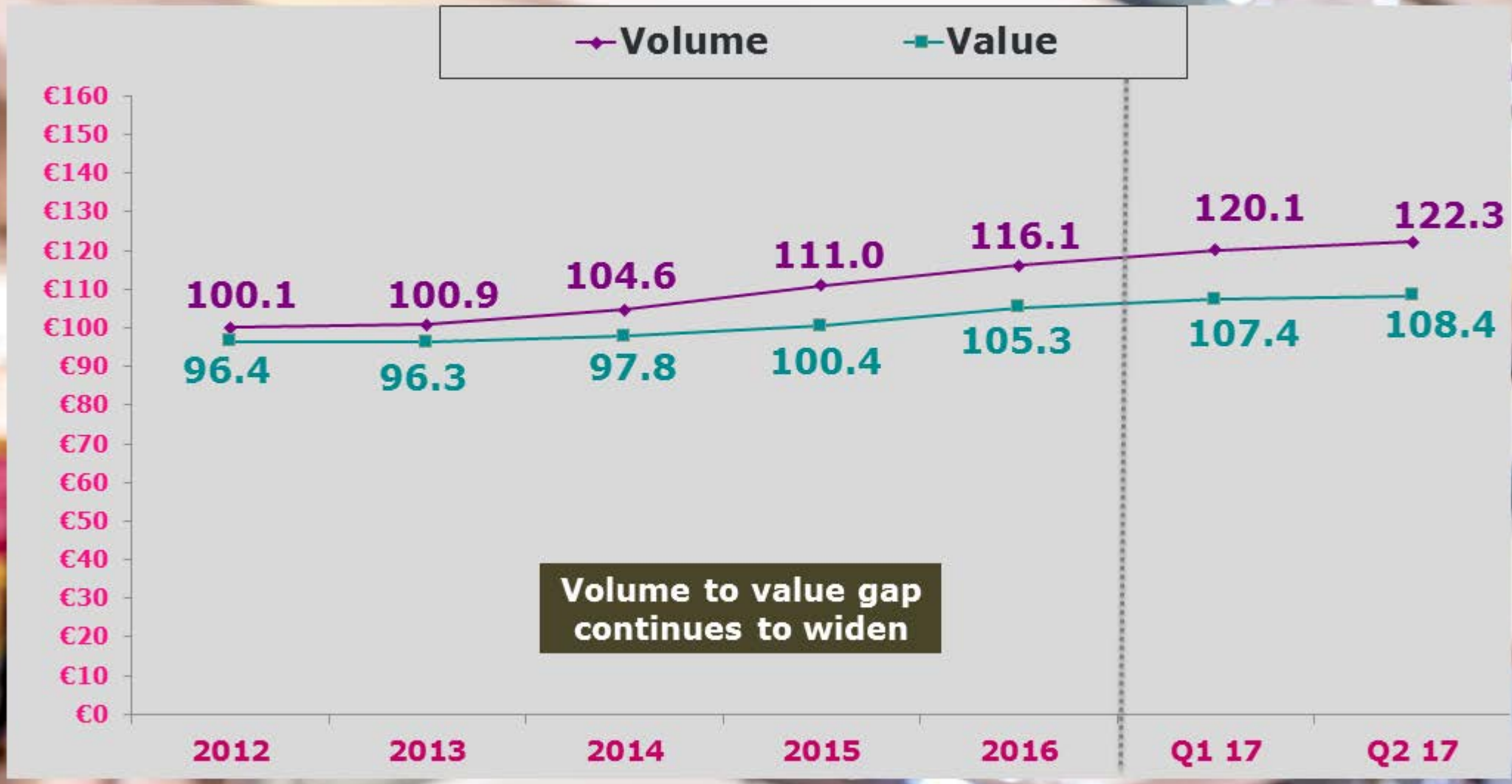
Source: www.CSO.ie/Persons on live register
** Live Register Total data*

Source: www.CSO.ie/Quarterly National Household survey

Imports vs Exports €m (seasonally adjusted)



Retail Sales Index (Excluding Motor)



Qtr 3 YOY trends are positive across the board

Fuel	Bar	Department Stores	Non-specialised stores (super-markets)	Pharma & cosmetics	Household equipment	Food sales	Clothing, footwear & textiles	Books, newspapers, stationary
Up 0.4%	Up 3.4%	Up 5.4%	Up 5.2%	**Up 9.1%**	Up 2.7%	Up 4.9%	**Up 7.1%**	Up 1.4%
Up 3.7%	Up 5.6%	Up 0.9%	Up 3.6%	**Up 5.8%**	Up 7.1%	Up 3.3%	**Up 2.2%**	Up 1.4%

volume
value

Source: CSO, Central Bank, European Commission

General government surplus/deficit is balancing out

	2011	2012	2013	2014	2015	2016	2017
Q1	-10.0	-11.1	-9.8	-6.3	-3.6	-3.0	-1.9
Q2	-7.9	-8.6	-4.2	-3.1	-0.8	0.2	-0.3
Q3	-24.9	-7.1	-5.9	-4.1	-2.0	-2.3	
Q4	-7.5	-5.4	-4.7	-1.4	-1.3	2.0	

Source: www.CSO.ie/Indicators/default

**Qtr 3 2017 results not yet available*

Consumer Confidence Findings

Steady as she goes: No change in consumer thinking as consumer confidence shows little movement since mid 2017

- The gap in Consumer Confidence between Dubliners and those living outside Dublin has narrowed, with Dubliners (especially ABC1 Dubliners) being more cautious in Quarter 4.

(Net Diff: Positive-Negative)	
Looking forward	
Dublin	+29
Outside Dublin	+22

Looking Back vs. Looking Forward

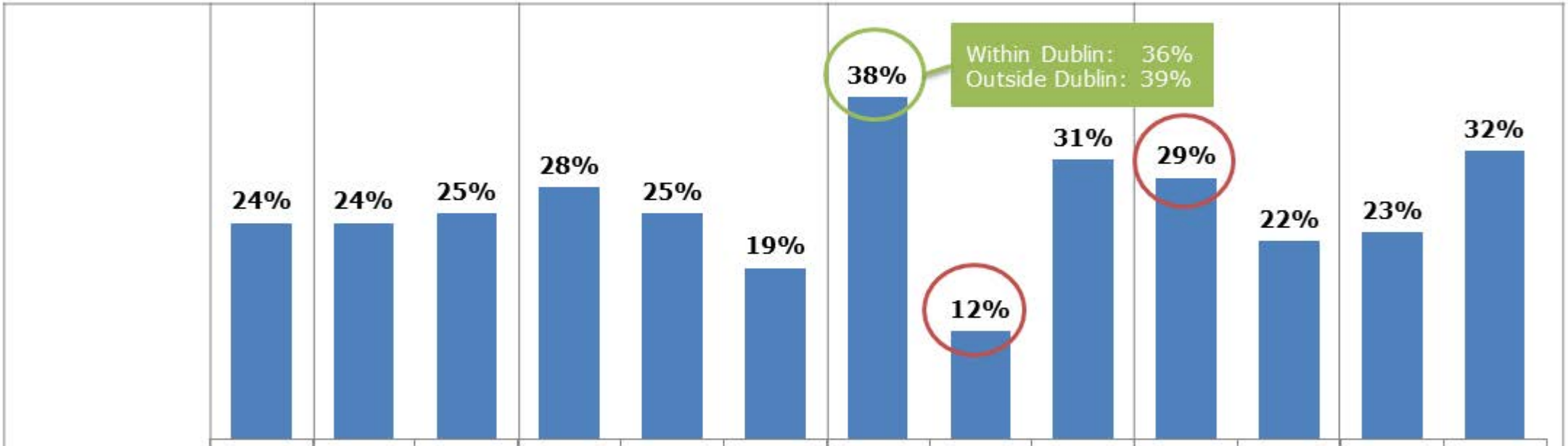
Source: B&A Consumer Confidence Report

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?

Dubliners are showing a greater sense of nervousness in Qtr 4 (especially ABC1 Dubliners). While ABC1s living outside the capital are showing improved confidence in the economy.

Base: All Adults 16+

The over 55s and working class continue to be the least optimistic about the country's economic future.

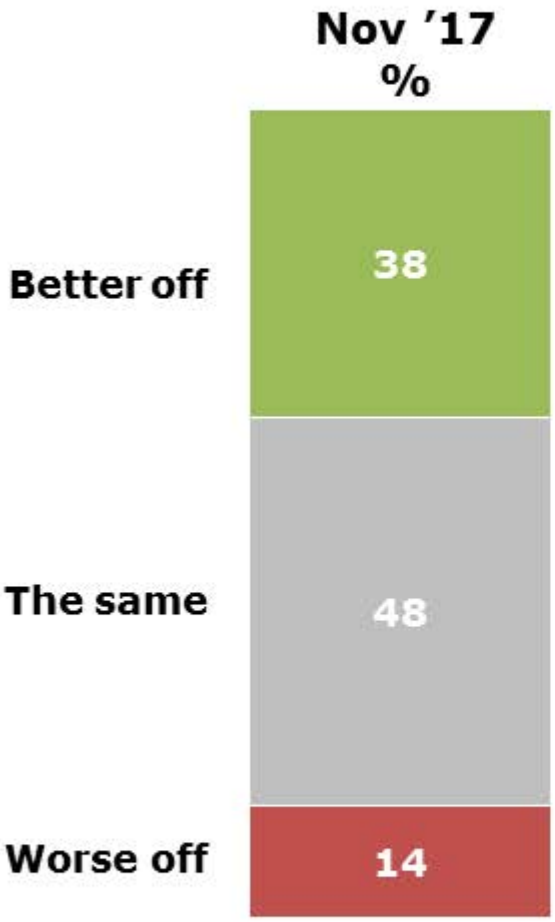


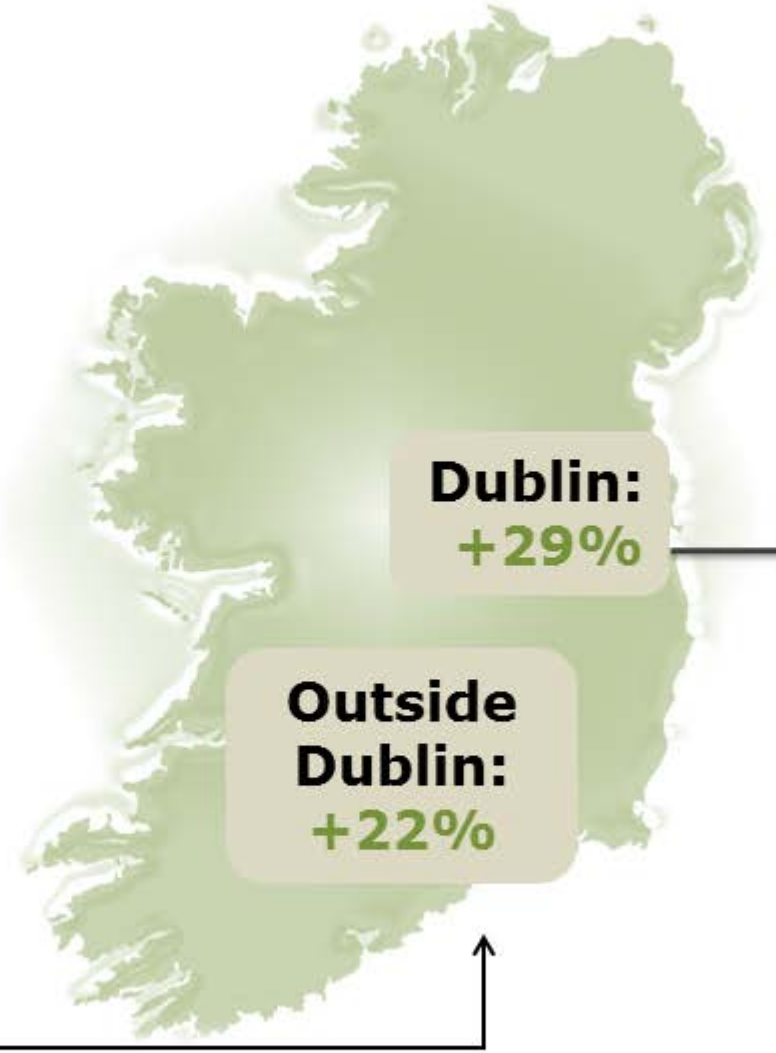
	Total	Male	Female	-34	35-54	55+	ABC1	C2DE	F	Dublin	Outside Dublin	Irish	Non Irish
NET Diff Sept '17	25%	27%	22%	29%	28%	16%	32%	18%	26%	36%	20%	25%	23%
NET Diff July '17	22%	26%	18%	27%	27%	11%	32%	12%	34%	24%	19%	21%	28%
NET Diff April '17	34%	39%	29%	43%	41%	13%	46%	25%	27%	50%	27%	33%	43%
NET Diff Nov '16	17%	15%	19%	28%	20%	-1%	29%	9%	7%	35%	10%	18%	7%
NET Diff Sept '16	15%	16%	14%	21%	16%	6%	30%	3%	23%	17%	14%	13%	27%

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?

Overall, Consumer Confidence has remained steady since the start of Qtr 3 2017

Base: All Adults 16+





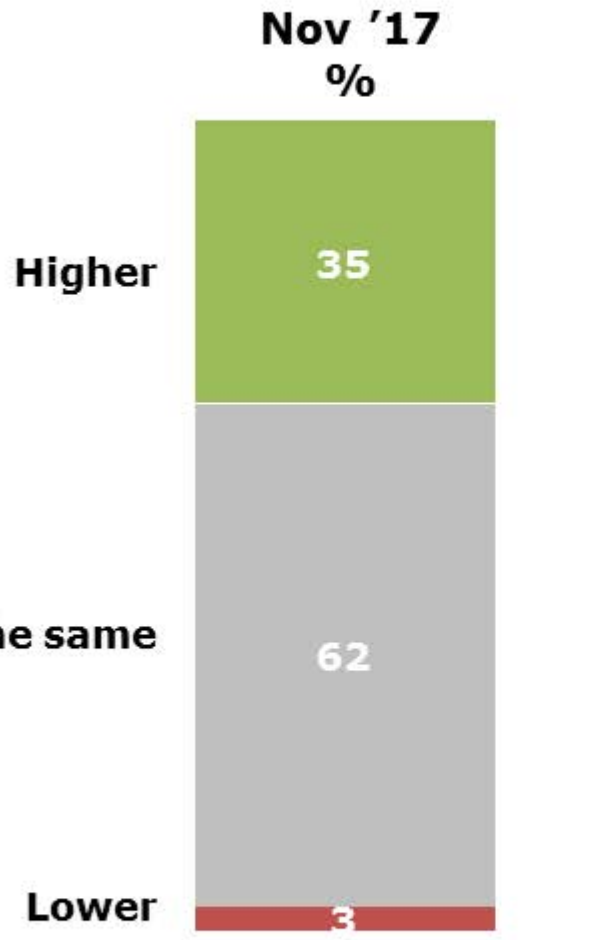
Consumer Confidence among Dubliners and those outside Dublin has narrowed - mainly driven by a decline in consumer confidence among Dublin based ABC1s.

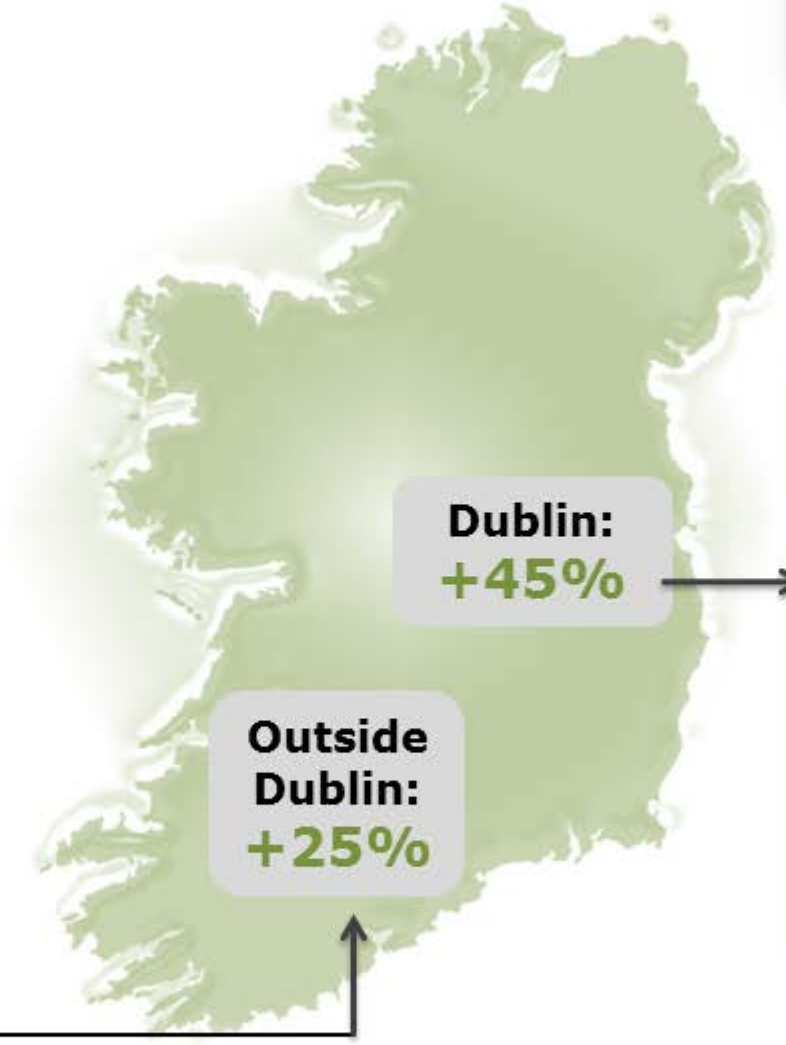
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Apr 17	Jul 17	Sept 17	Nov 17
Gap	=	-15%	-59%	-68%	-49%	-58%	-52%	-32%	+3%	+15%	+18%	+34%	+22%	+25%	+24%

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?

Personal Assets – Overall positivity towards the value of personal assets continues to improve and is almost back at 2006 levels

Base: All Adults 16+





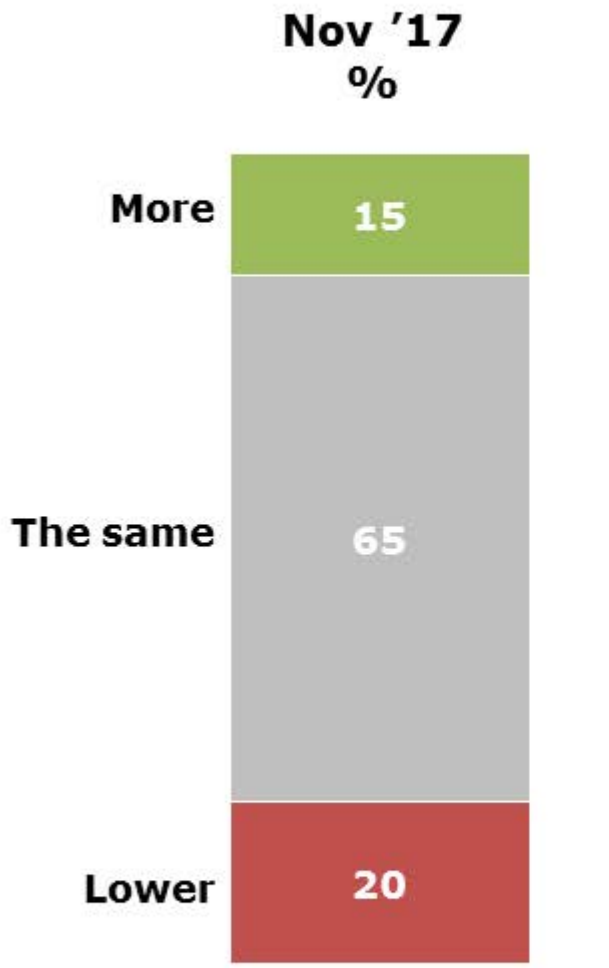
Positivity towards the value of personal assets is gradually trending upwards, with most significant increases being experienced in Dublin.

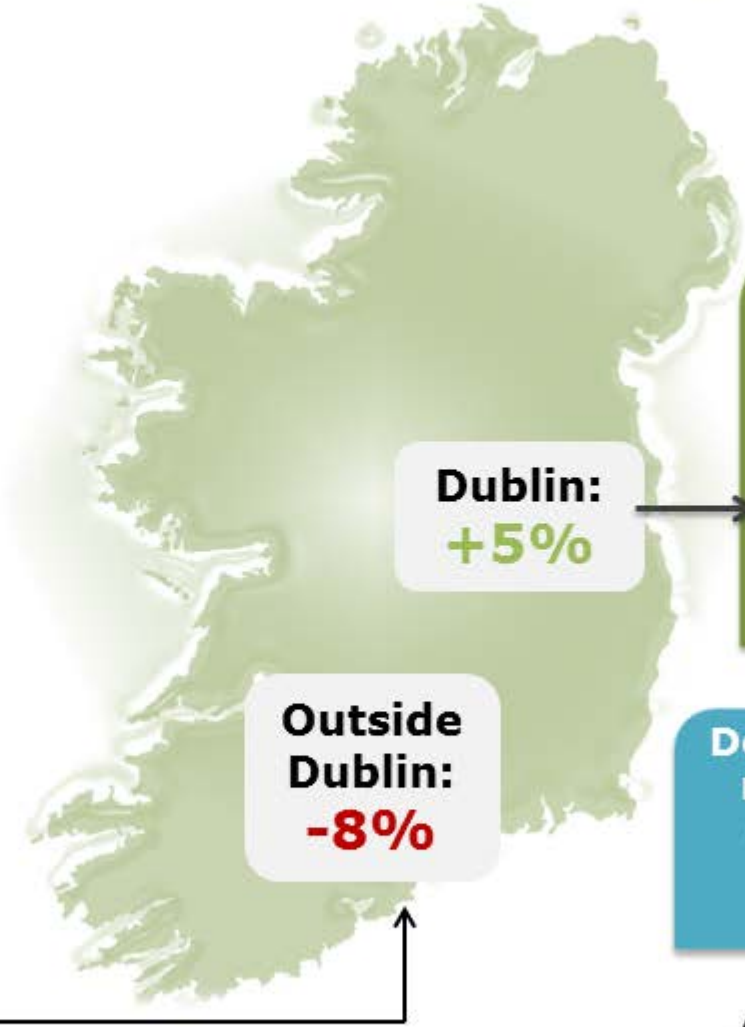
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Apr '17	Jul '17	Sept '17	Nov '17
Gap	+33%	+20%	-25%	-53%	-43%	-41%	-31%	-18%	-1%	+14%	+15%	+22%	+23%	+26%	+31%

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?

Savings – Attitudes towards future savings are showing a decline

Base: All Adults 16+





Attitudes towards future savings have declined both in and outside Dublin.

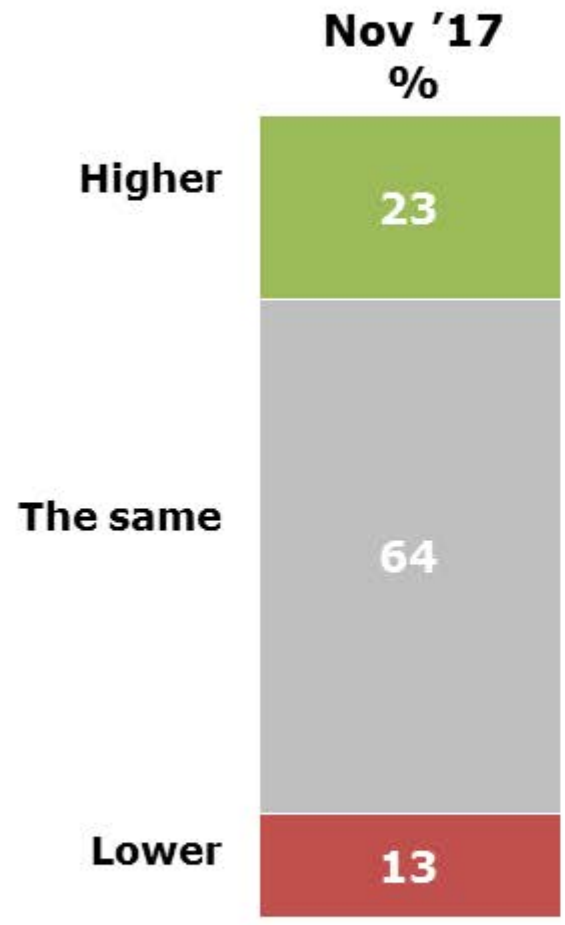
Decline can indicate a return to spending (also low interest rates will have an influence)

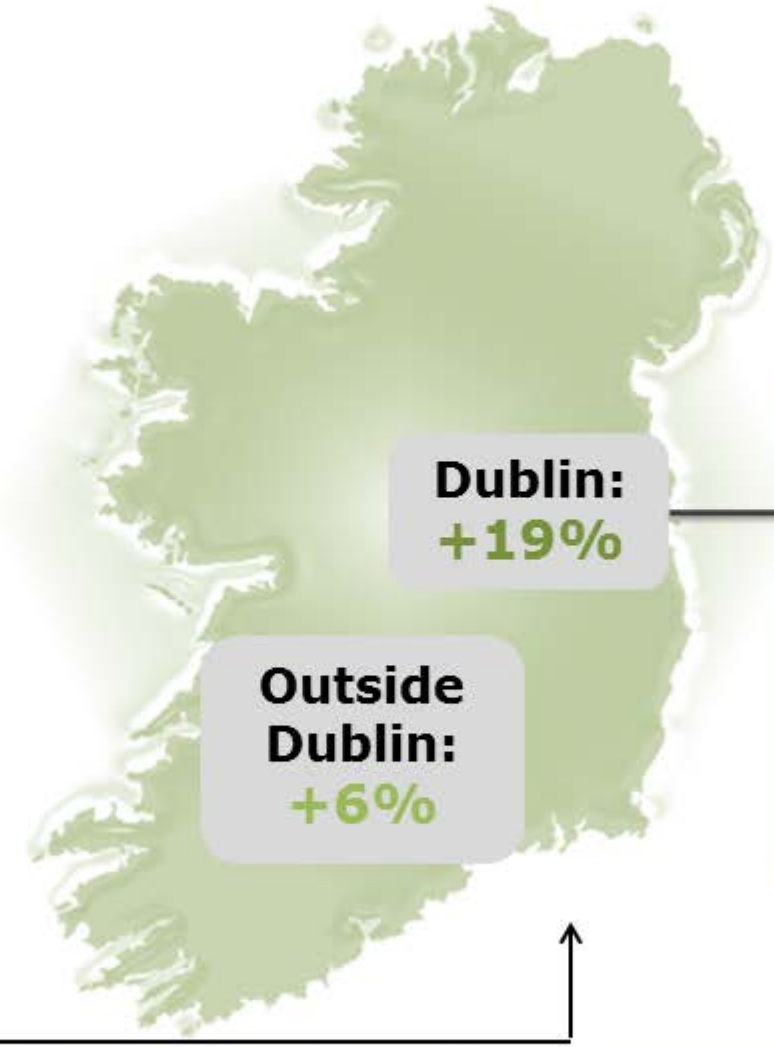
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Apr '17	Jul '17	Sept '17	Nov '17
Gap	-1%	-5%	-34%	-56%	-48%	-50%	-48%	-40%	-24%	-13%	-5%	+2%	-2%	0%	-4%

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

Personal Finances – Attitudes towards personal finances over the coming year indicate a gradual improvement

Base: All Adults 16+





Dubliners continue to be most positive towards their personal finances.

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Mar 17	Jul 17	Sept 17	Nov 17
Gap	=	-15%	-59%	-68%	-49%	-58%	-52%	-32%	-22%	-6%	+3%	+9%	+5%	+8%	+10%

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 YOY

Base: All Adults 16+

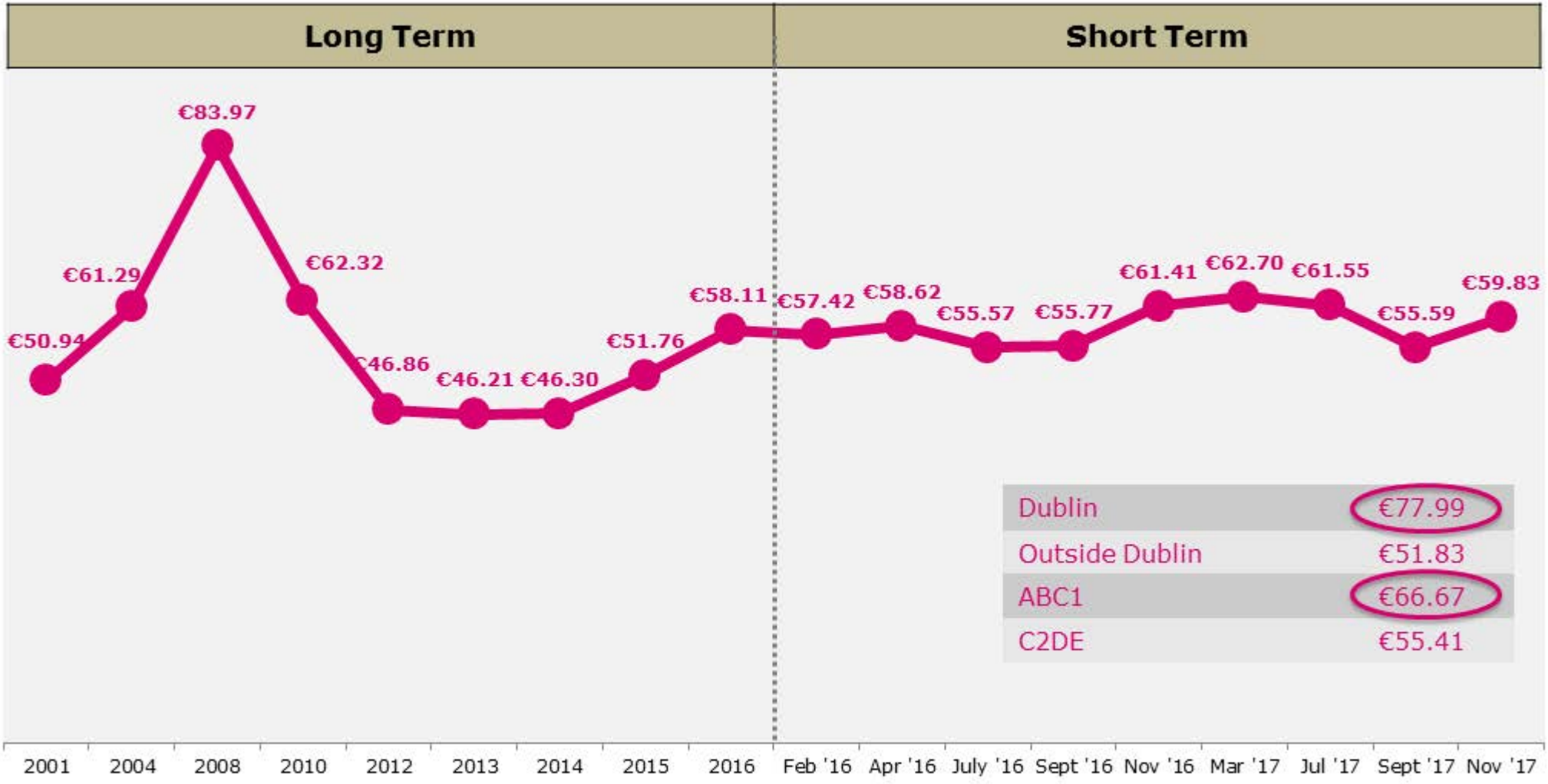
Expect it to be...

	Long Term											2016					2017			
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Feb	Apr	July	Sept	Nov	Mar	Jul	Sept	Nov
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Higher	25	30	28	13	5	7	7	7	8	13	17	22	18	16	15	20	21	21	20	23
The same	58	58	59	52	30	35	31	34	41	49	61	60	67	71	70	65	68	63	68	64
Lower	13	12	13	34	64	57	63	59	51	38	22	18	15	13	15	15	11	16	12	13
Gap	+12	+18	+15	-21	-59	-50	-56	-52	-43	-25	-6	+4	+3	+2	=	+5	+9	+5	+8	+10

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?

Perceived disposable income has improved

Base: All Adults 18+

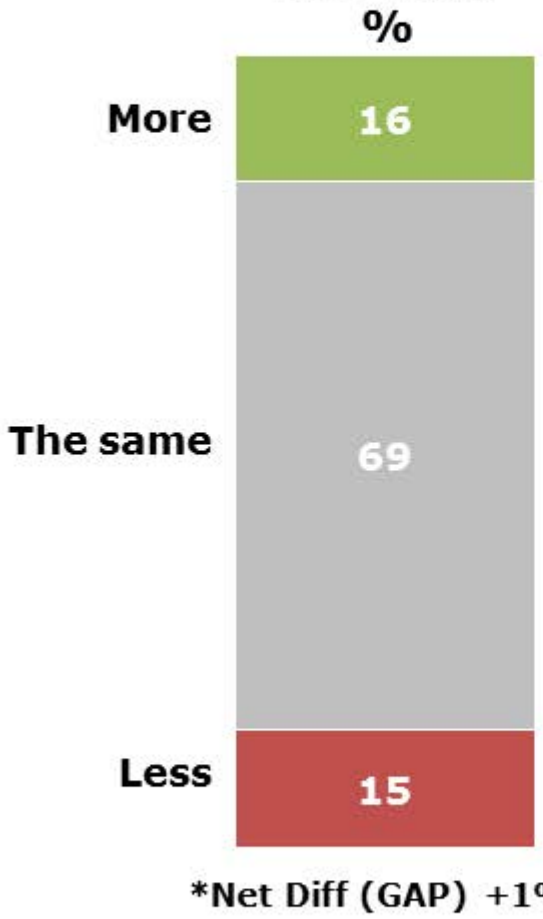


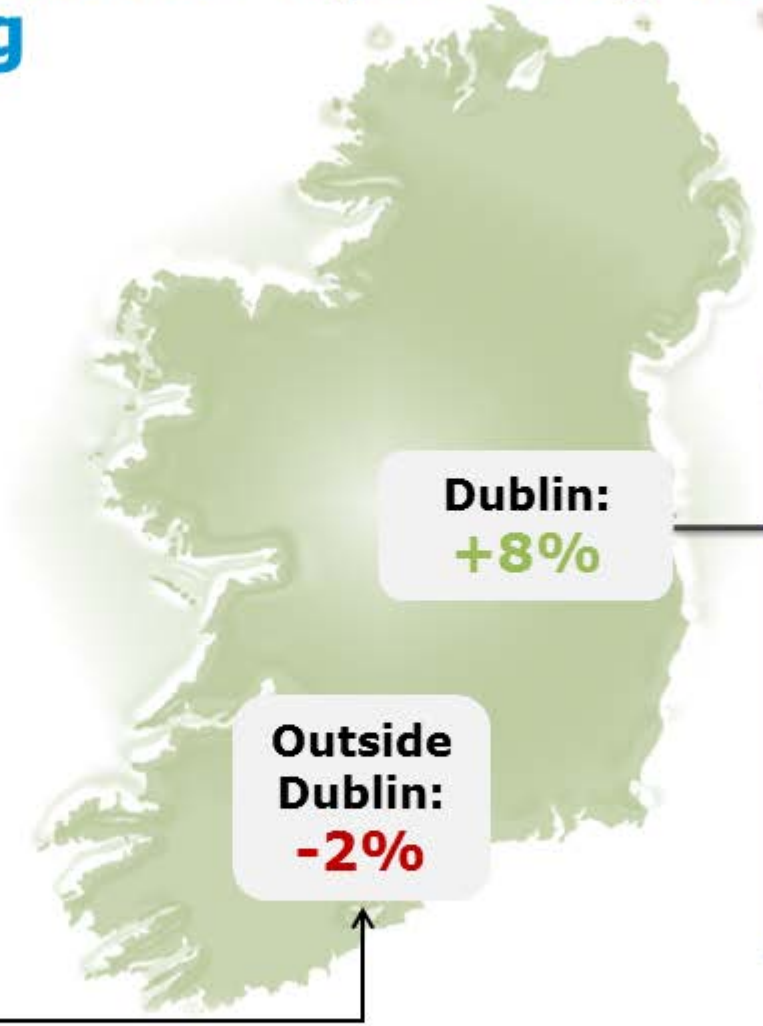
Dublin	€77.99
Outside Dublin	€51.83
ABC1	€66.67
C2DE	€55.41

Q.10 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?

Purchasing Goods and Services – Consumer attitudes towards spending remains cautious but improving

Base: All Adults 16+ **Nov 2017**





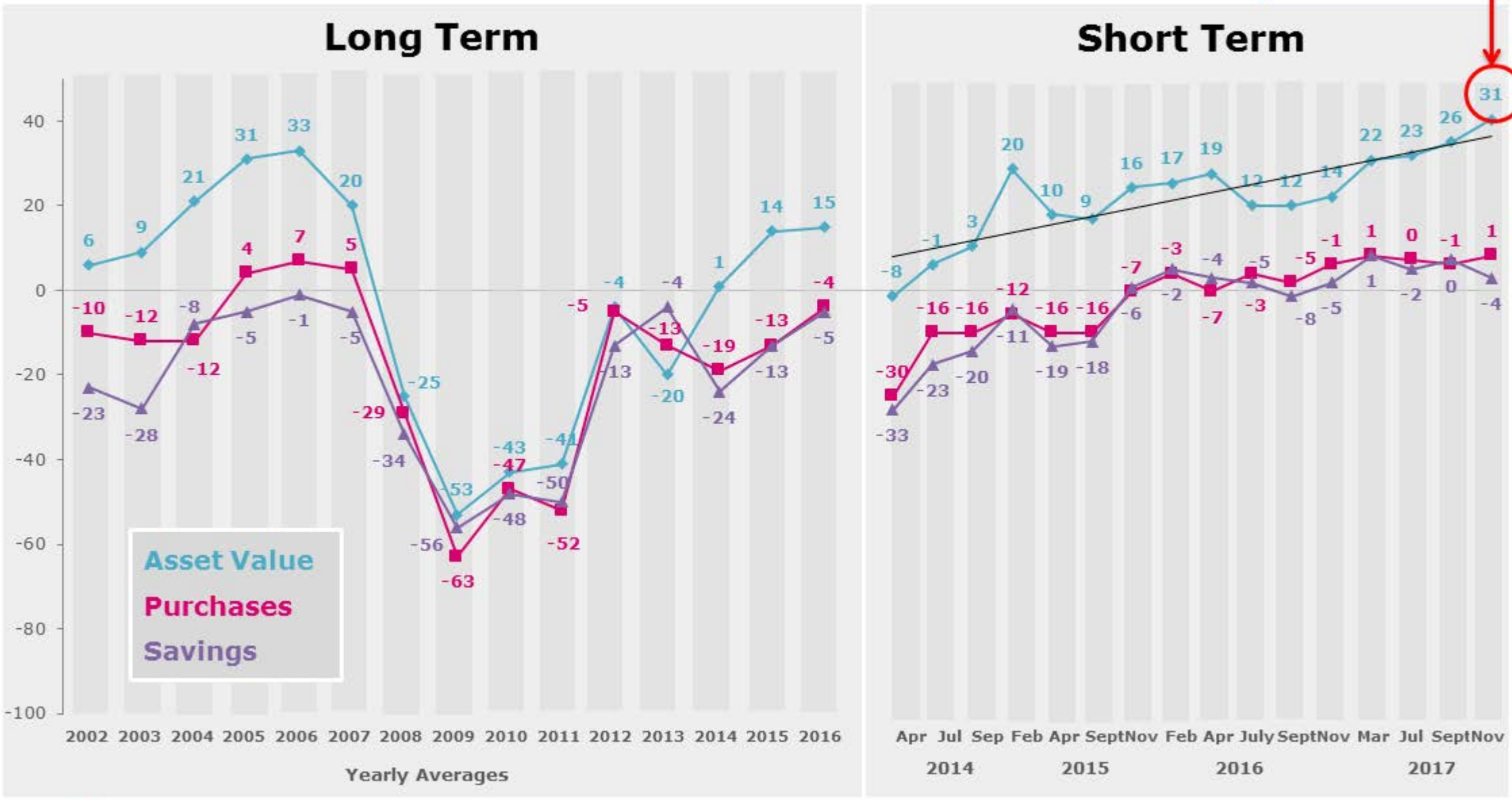
Attitudes towards future spending remains steady across the country.

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Mar '17	Jul '17	Sept '17	Nov '17
Gap	+7%	+5%	-29%	-63%	-47%	-52%	-45%	-37%	-19%	-13%	-4%	+1%	=	-1%	+1%

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 asset value, purchases, and savings.



THANK YOU

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