



Consumer Confidence Tracker

June 2015

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Behaviour & Attitudes
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Introduction



Introduction

- This report presents the findings of the May 2015 phase of the Behaviour & Attitudes' Consumer Confidence Tracker.
- Survey results for this phase 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 Barometer by trained members of the B&A field force working under ESOMAR guidelines.
- Fieldwork on the latest wave was carried out between the 1st – 11th of May, 2015.

Summary

- Macro-level indicators continue to shine light on Ireland's recovery: the number of Live Register claimants has fallen, employment figures have risen and confidence in the economy looking forward has hit an all-time high.
- Irish people are more confident in the current economy than anytime since 2006.
- Confidence in the Irish economy for the forthcoming year has stalled in Dublin, yet remains in positive territory.
- Dubliners continue to be significantly more positive about the macro economy vs. those outside the capital. However, there has been a steady growth in positivity outside the Pale for the third wave in a row. Note, outside Dublin urban centres are more positive vs. rural areas.
- Overall, the number of adults agreeing that the economy will improve during the oncoming year has risen by 3% points to 36% overall vs. the previous quarter. Just 1 in 5 (21%) feel that the economy will be worse off in one year's time (-5% points vs. February this year).
- However, the picture is one of caution at a micro consumer level.
- Overall perceptions of personal finances for the year ahead has *dipped* this wave compared to last and remains in negative territory: just 1 in 7 feel that they are better off now compared to last year.
- Similarly, propensity to save throughout the oncoming year has dropped this wave, particularly so for those living outside Dublin.

Summary

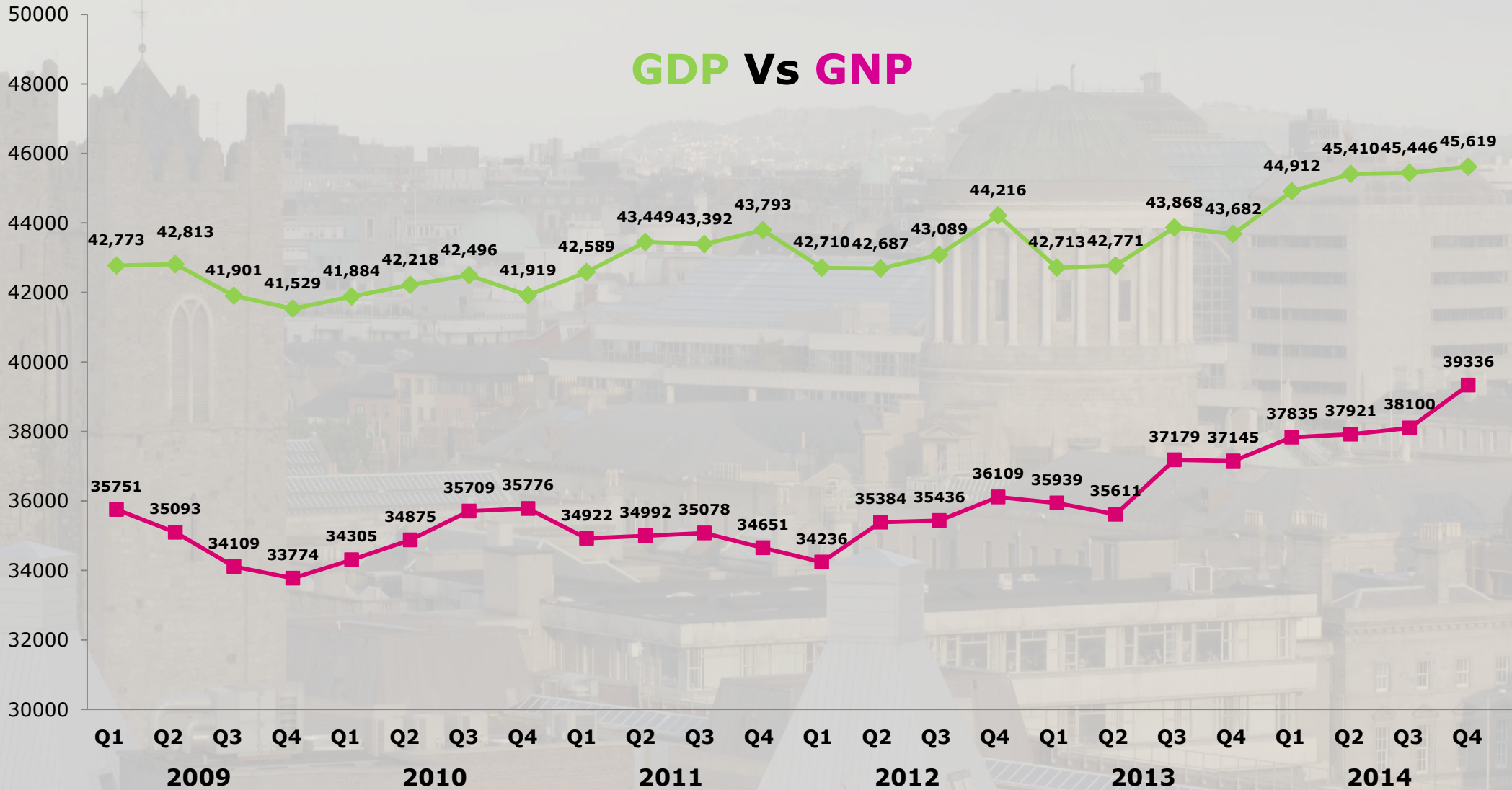
- Perceptions of personal asset value looking ahead, while still in positive territory, has also dipped somewhat this wave vs. last. The majority (71%) believe that their asset value will be the same next year as it is now.
- The low propensity to increase the purchase of goods in the oncoming year still illustrated the cautious nature of Irish consumers: just 1 in 10 (11%) expect to spend more in the next 12 months (-1% point vs. the last wave).
- In line with the latter, current weekly discretionary income has not really moved since February and only a slight year-on-year increase is evident.
- Thus, in order for the macro positivity to be translated into real activity, the Government must find a way to put some cash in consumer pockets.

The Macro Context



Fastest growth in 7 years

GDP Vs GNP



Source: CSO as of May 15th 2015



More job security

The Live Register

-15.5% ↓

Annual Decrease
of Live Register Signers in April 2015

135,247



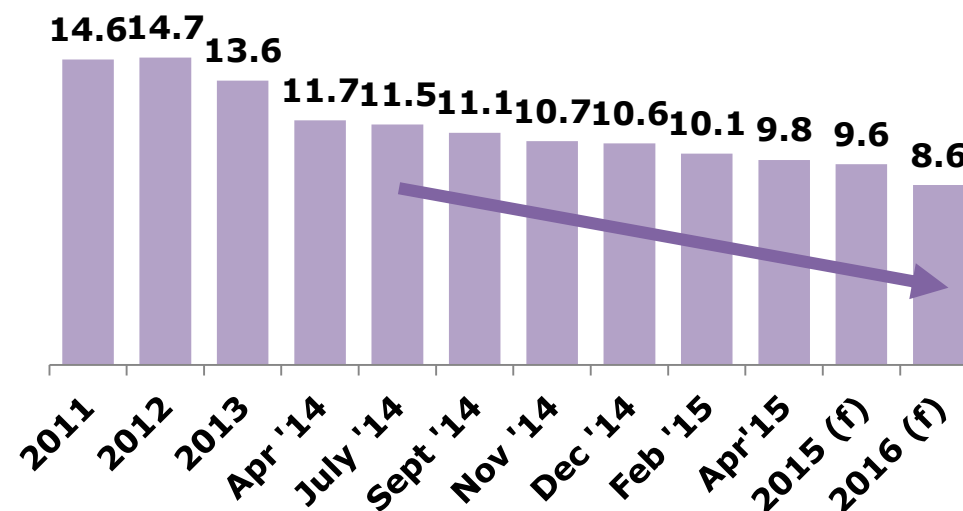
-9.2%
vs. April 2014

208,304



-13.0%
vs. April 2014

Unemployment in Ireland



9.8%

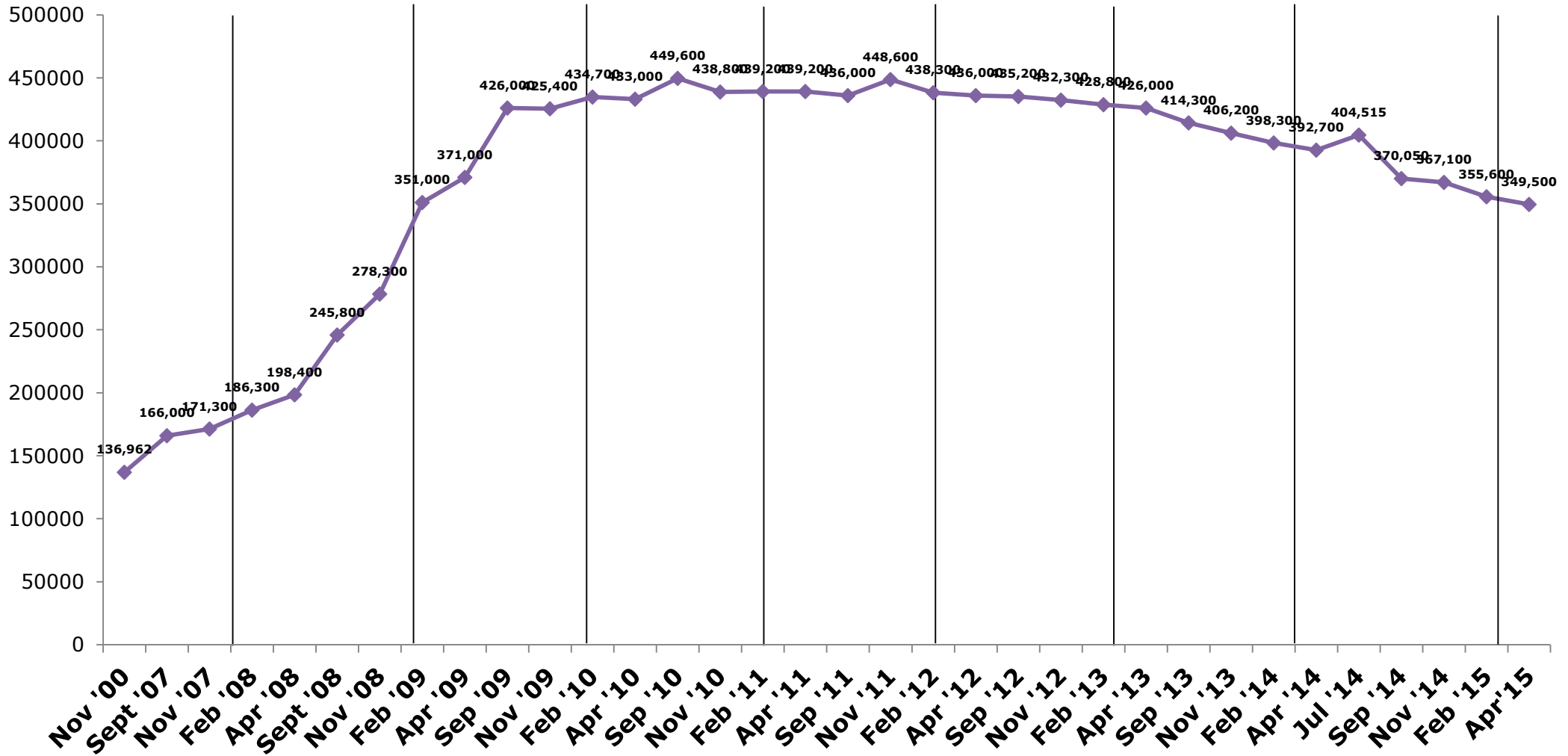
**Current rate of
unemployment**

Number in employment increasing



*Source: CSO latest estimates as of May 13th 2015

Numbers on Live Register



* 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: CSO latest estimates as of May 13th 2015 10

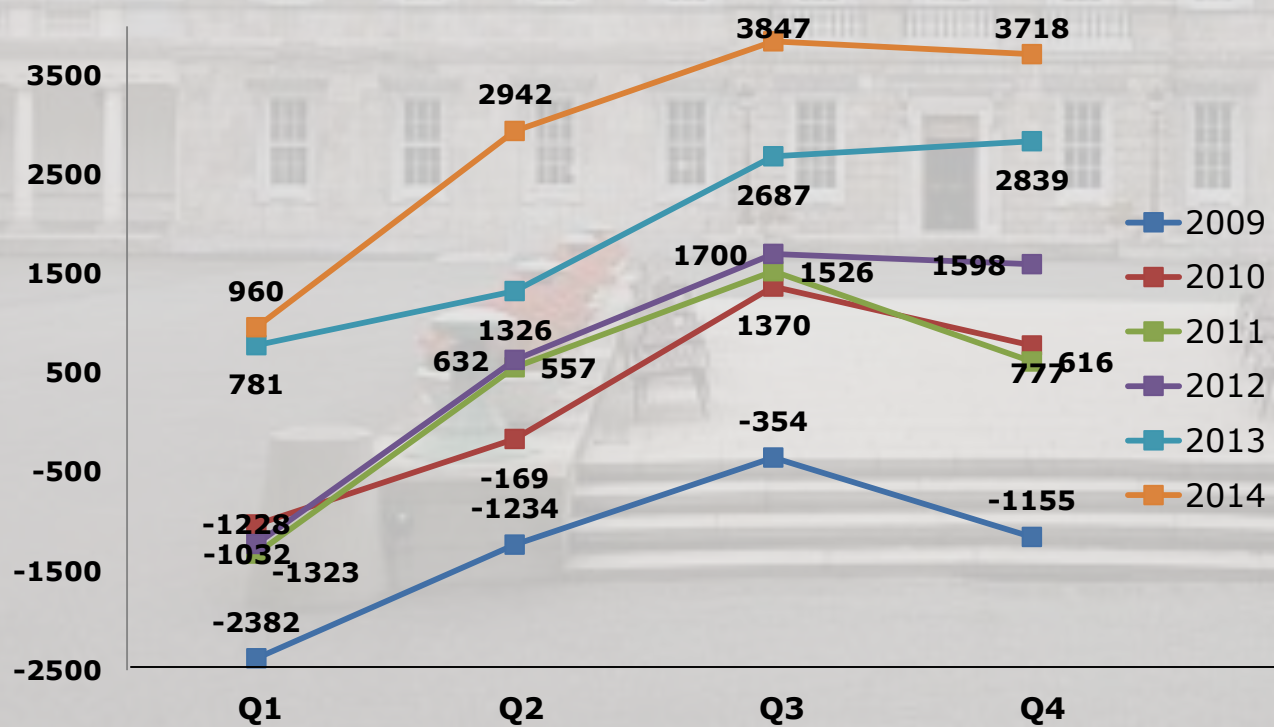


General government surplus/deficit improving over time

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|----|------|-------|-------|-------|------|------|
| Q1 | -11 | -40.3 | -10.5 | -10.8 | -7.8 | -6.0 |
| Q2 | -19 | -14.8 | -7.9 | -8.8 | -4.4 | -3.0 |
| Q3 | -16 | -32.7 | -25.3 | -7.3 | -6.4 | -4.5 |
| Q4 | -9.5 | -42.4 | -6.8 | -5.6 | -4.3 | -3.1 |

Source: CSO as of May 13th 2015

Balance of Payments



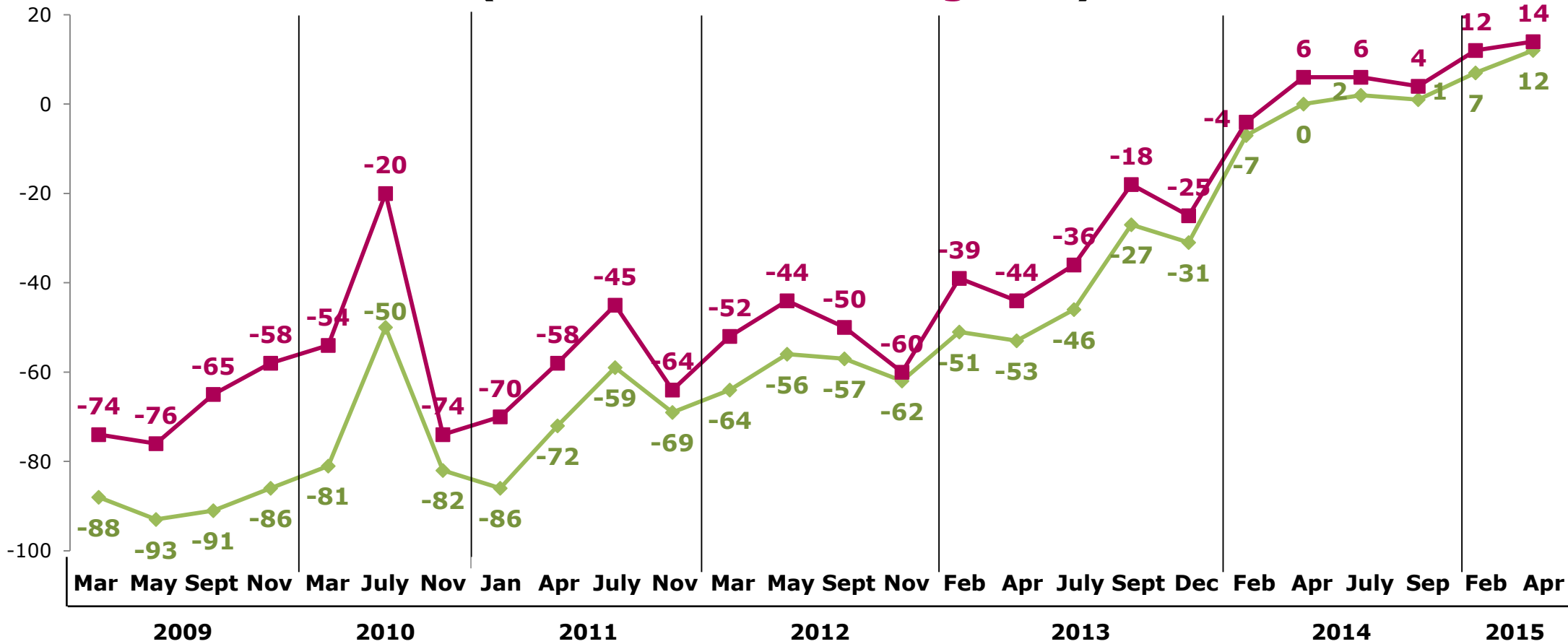
Consumer Confidence Findings



Positivity is evident: Improvements consistently being made over time

Looking Back vs. Looking Forward (Net Diff: Positive-Negative)

| Net diff looking forward | |
|---------------------------------|------------|
| Dublin | +29 |
| Outside Dublin | +5 |

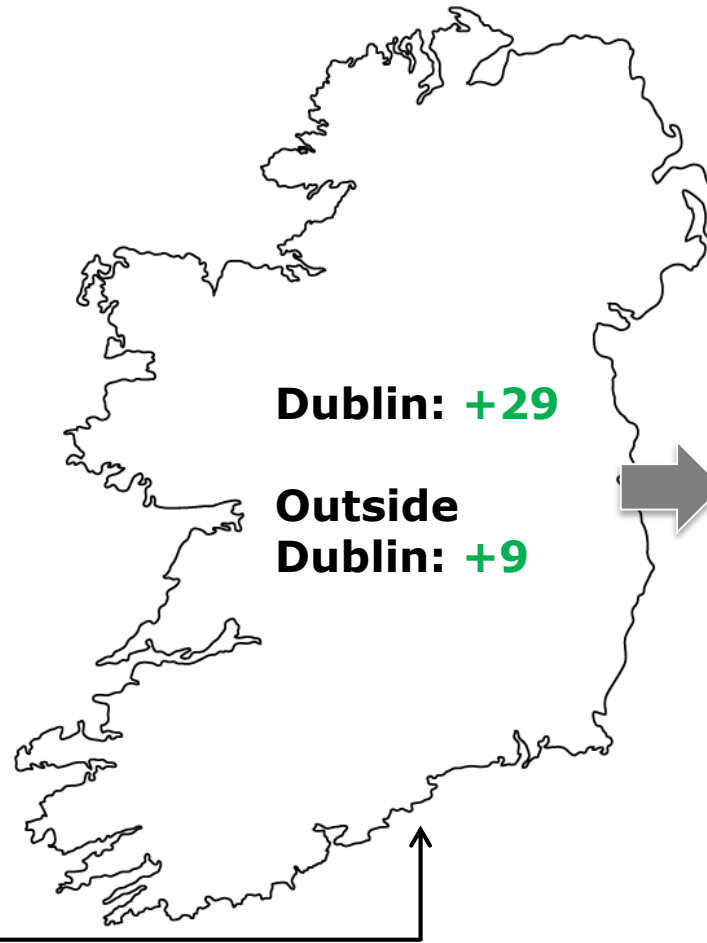
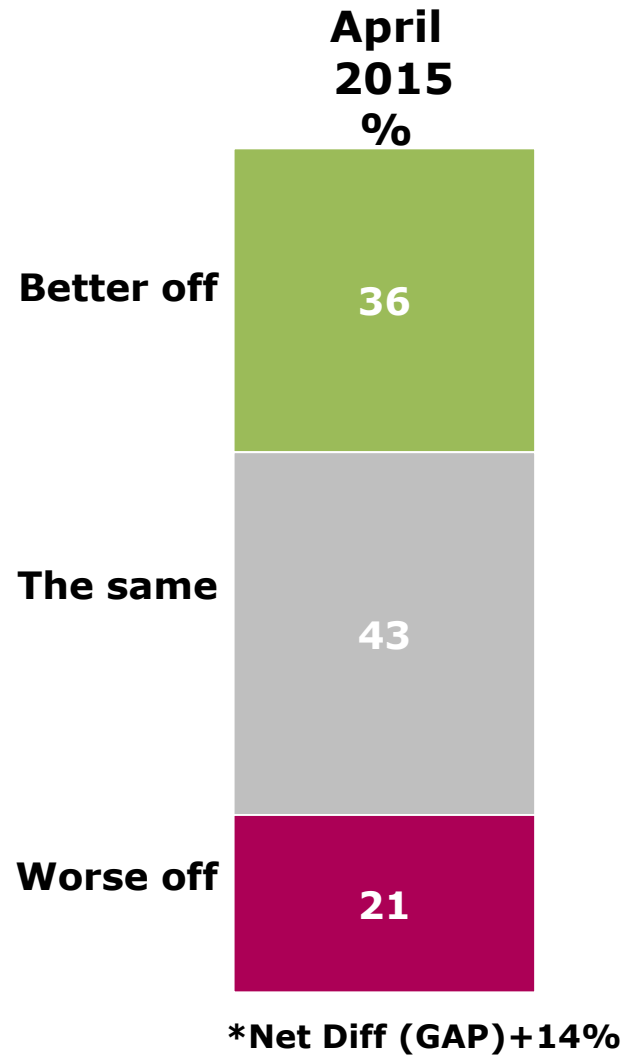


Source: B&A Consumer Confidence Report

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 – We remain in positive territory for the forth wave in a row

Base: All Adults 18+



Dublin scores still performing far greater vs outside Dublin. (albeit the gap is narrowing).

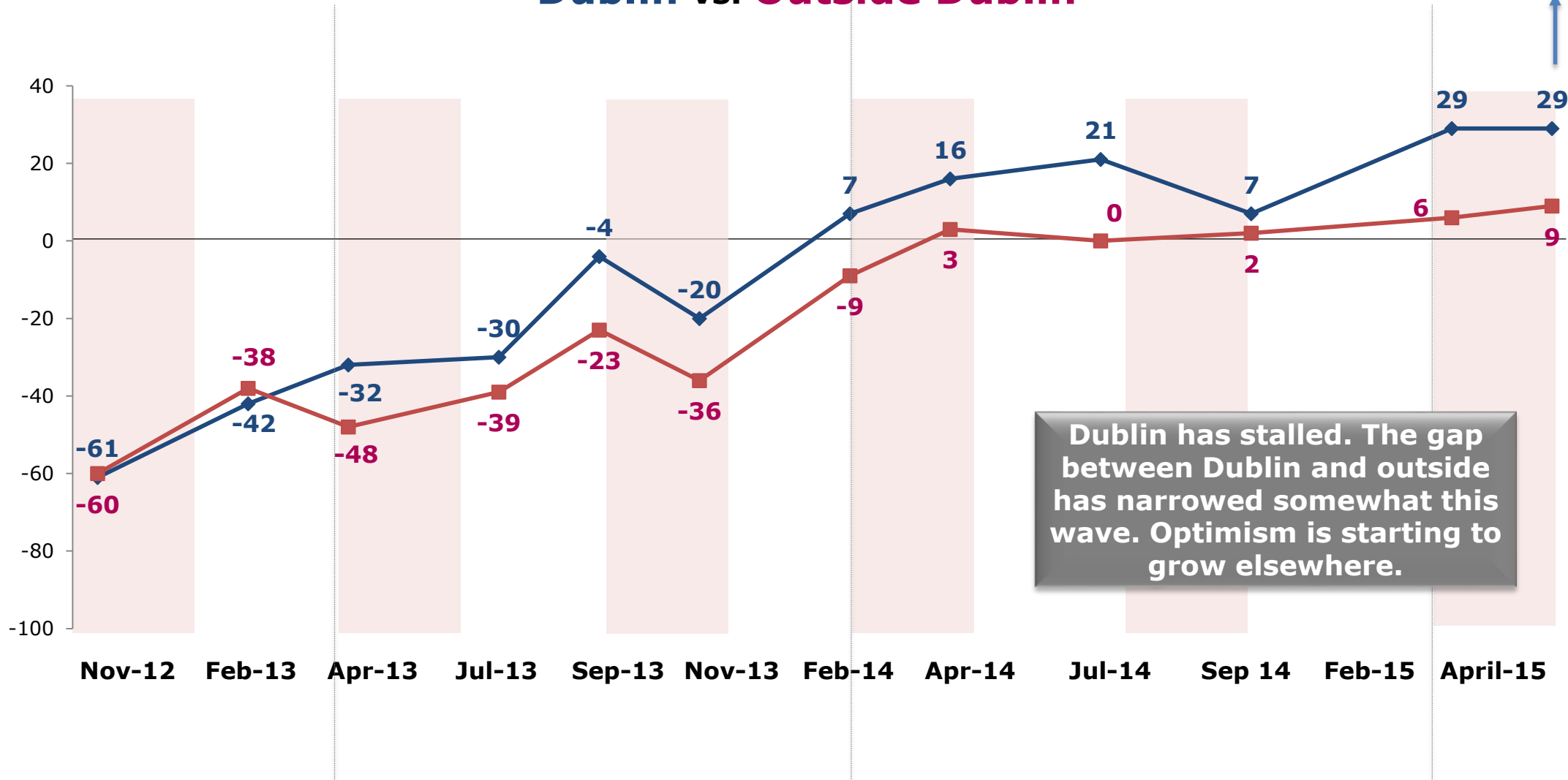
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Feb '14 | Apr '14 | Jul '14 | Sep '14 | Feb 15' | Apr 15' |
|-----|------|------|------|------|------|------|------|------|---------|---------|---------|---------|---------|---------|
| Gap | = | -15 | -59 | -68 | -49 | -58 | -52 | -32 | -5 | +6 | +6 | +4 | +12 | +14 |

The Economy: Looking Forward – Gap between Dublin and Outside Dublin is tightening

Base: All Adults 18+

Outside Dublin – Other urban: **+21%**
 Outside Dublin – Other rural: **-2%**

Dublin vs. Outside Dublin

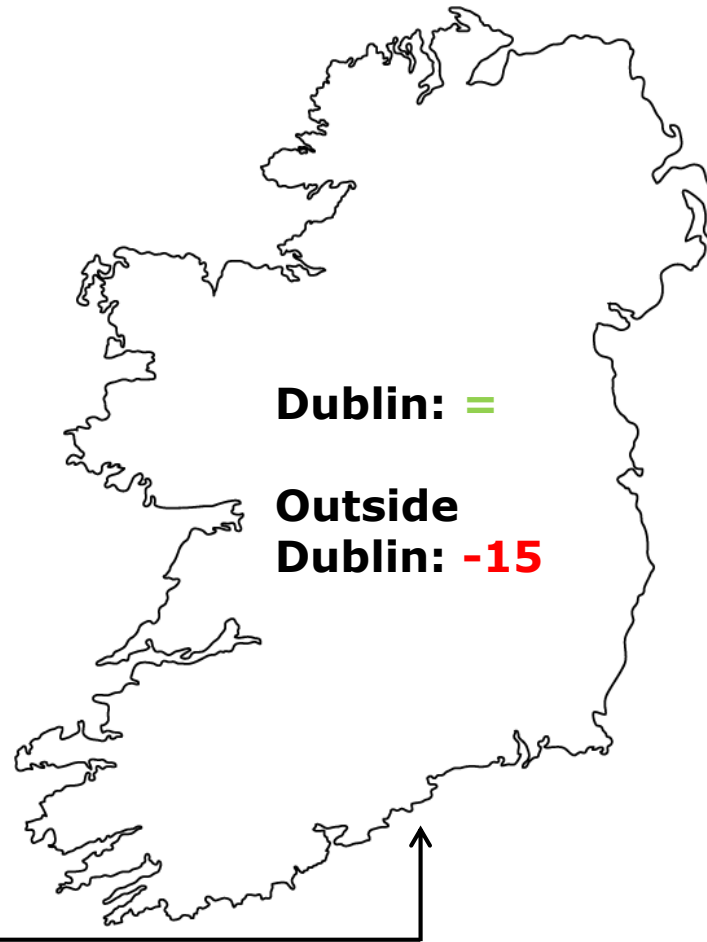
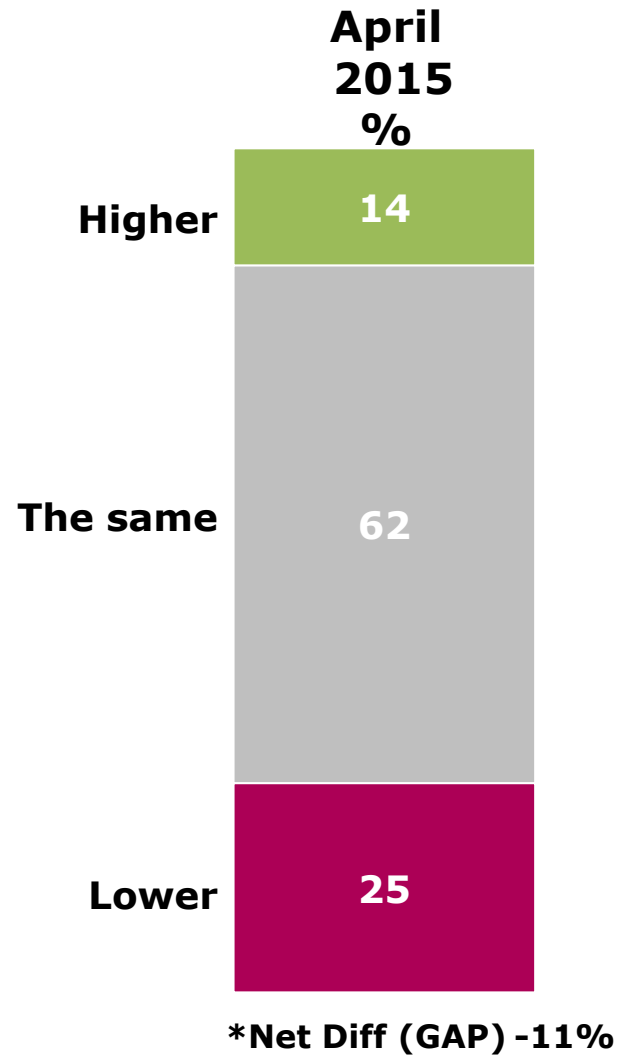


Dublin has stalled. The gap between Dublin and outside has narrowed somewhat this wave. Optimism is starting to grow elsewhere.

Source: B&A Consumer Confidence Report

Personal Finances – Looking Forward: Caution is still Evident

Base: All Adults 18+



We remain in negative territory (especially outside Dublin).

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Feb '14 | Apr '14 | Jul '14 | Sep '14 | Feb '15 | Apr'15 |
|------------|------|------|------|------|------|------|------|------|---------|---------|---------|---------|---------|--------|
| Gap | = | -15 | -59 | -68 | -49 | -58 | -52 | -32 | -5 | +6 | +6 | -13 | -6 | -11 |



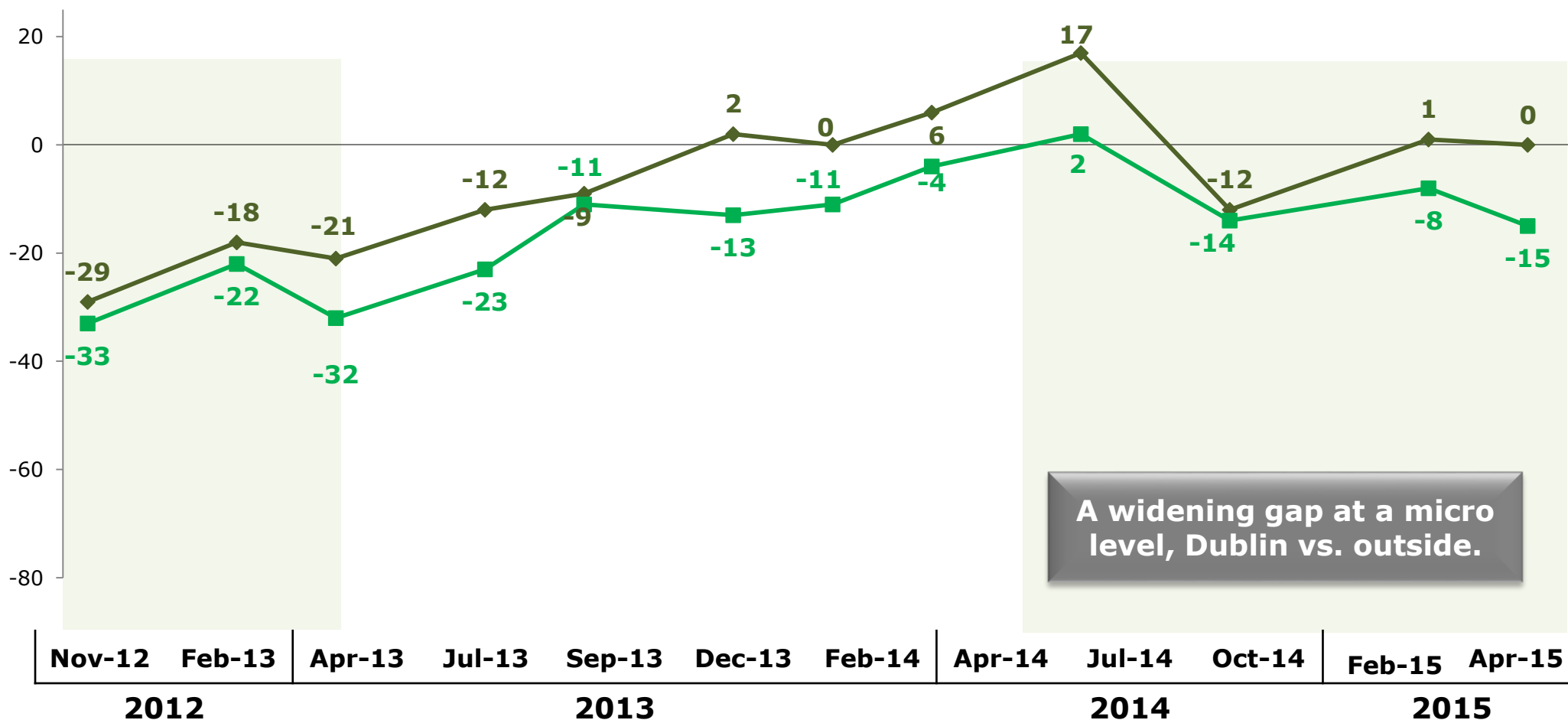
Q.5

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+

Dublin vs. Outside Dublin

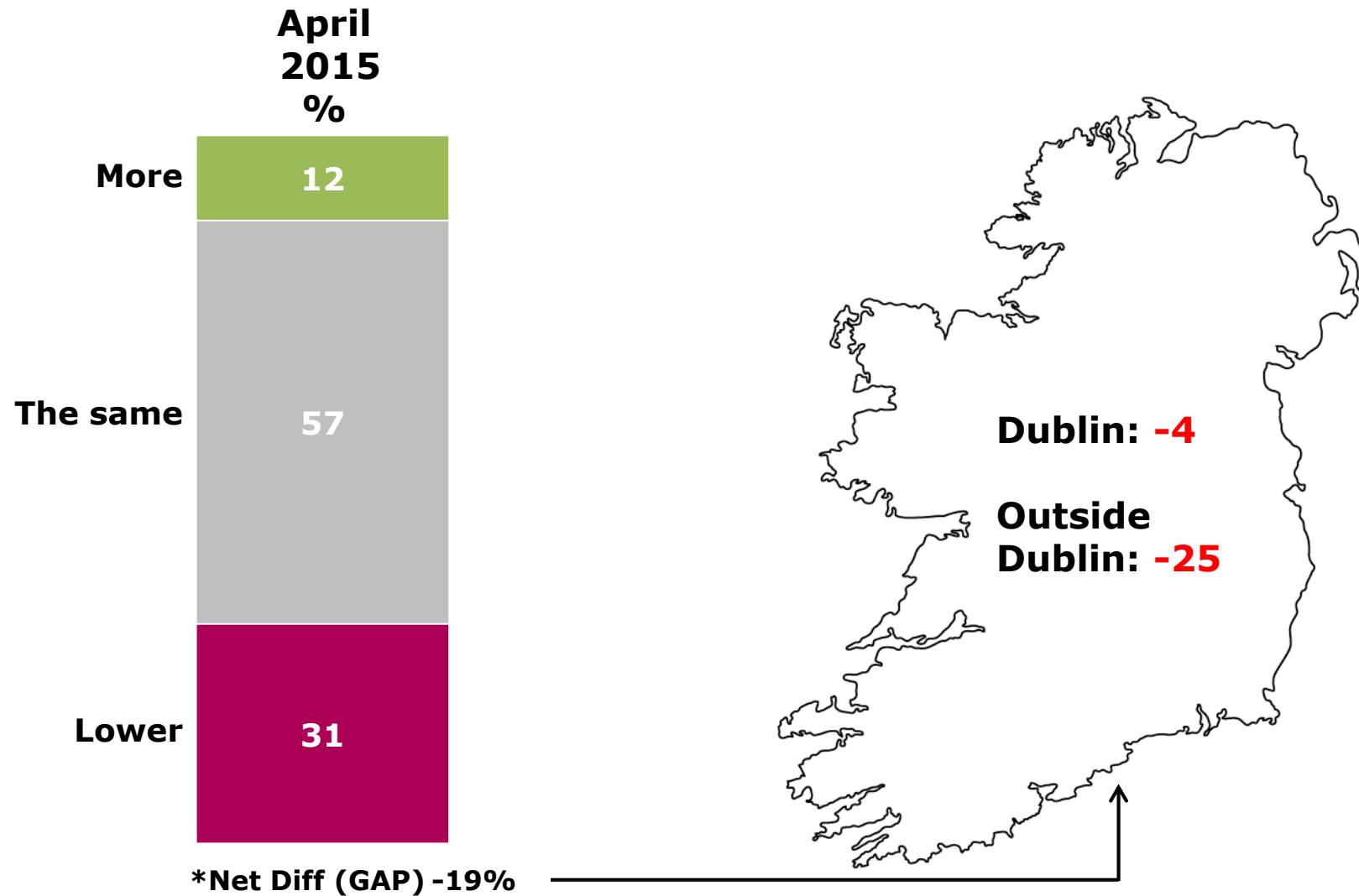


Q.5

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?

Savings – Looking Forward

Base: All Adults 18+



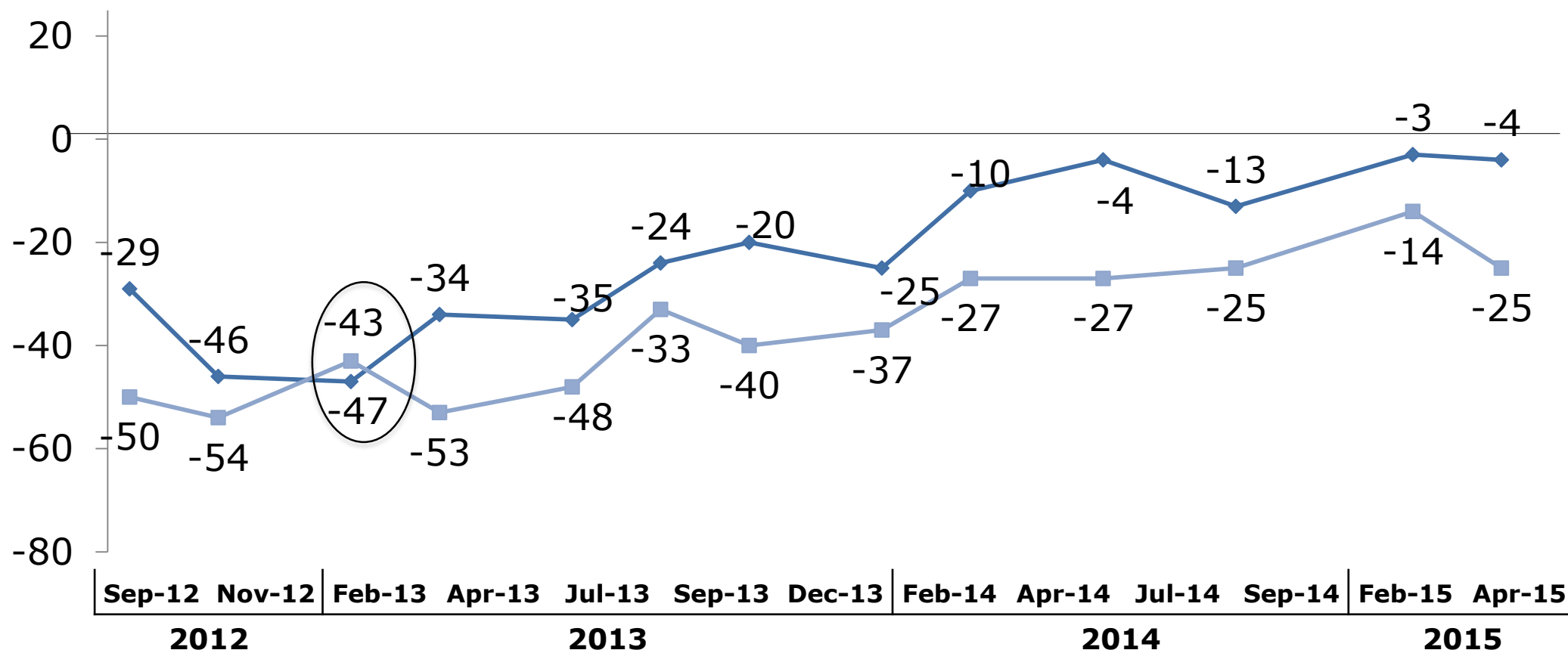
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Feb '14 | Apr '14 | Jul '14 | Sep '14 | Feb'15 | Apr '15 |
|------------|-----------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Gap | -1 | -5 | -34 | -56 | -48 | -50 | -48 | -40 | -33 | -23 | -20 | -21 | -11 | -19 |

Savings – Looking Forward x Region

Base: All Adults 18+

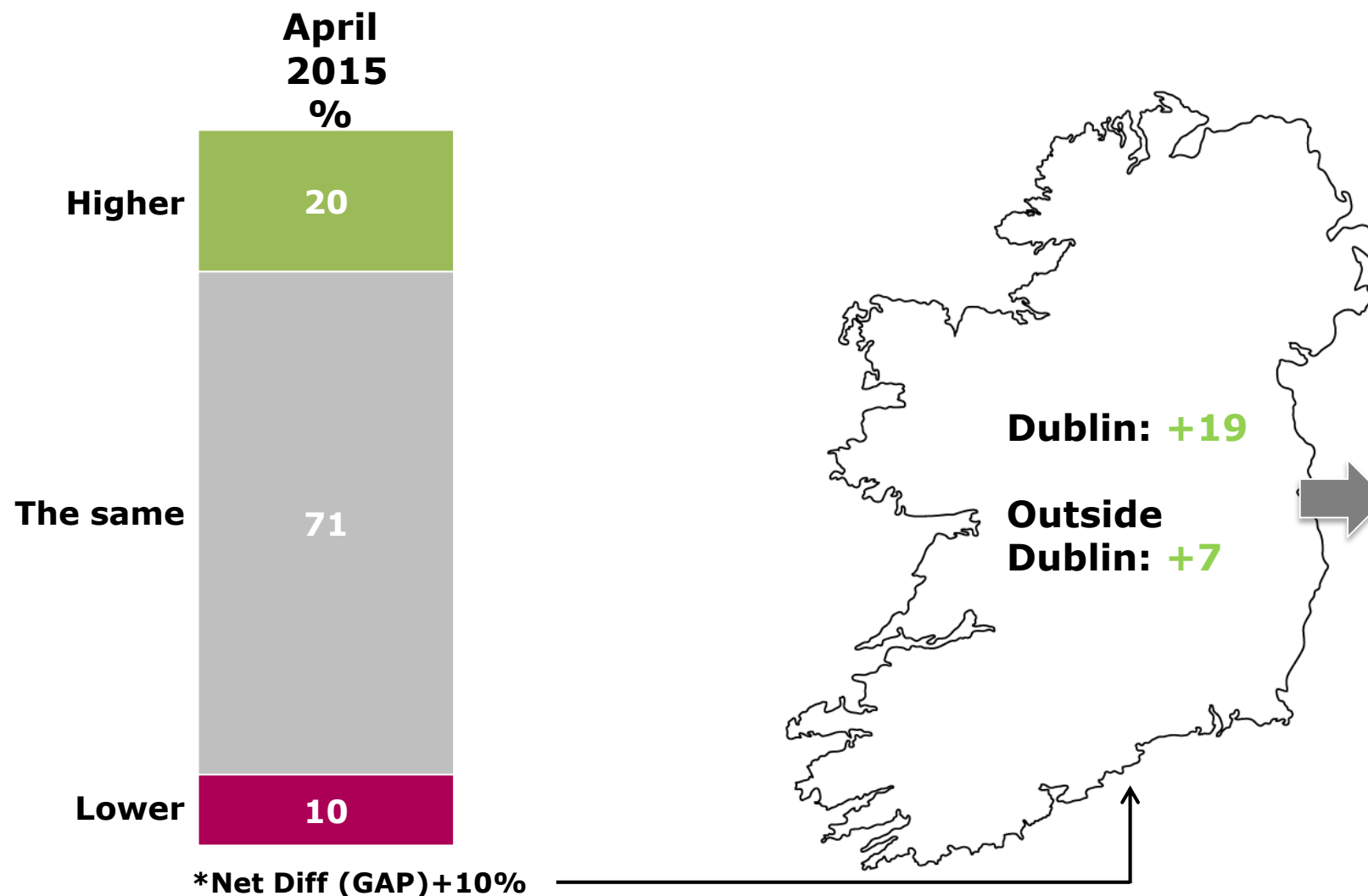
Dublin vs. Outside Dublin

Gap between Dublin and outside has widened once again.



Personal Assets– Looking Forward

Base: All Adults 18+



Those living in Dublin feel nearly three times as optimistic about their personal assets looking ahead vs. those outside Dublin.

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Feb '14 | Apr '14 | Jul '14 | Sep '14 | Feb'15 | Apr |
|------------|------|------|------|------|------|------|------|------|---------|---------|---------|---------|--------|-----|
| Gap | +33 | +20 | -25 | -53 | -43 | -41 | -31 | -18 | -8 | -1 | +3 | +8 | +20 | +10 |

Q.6

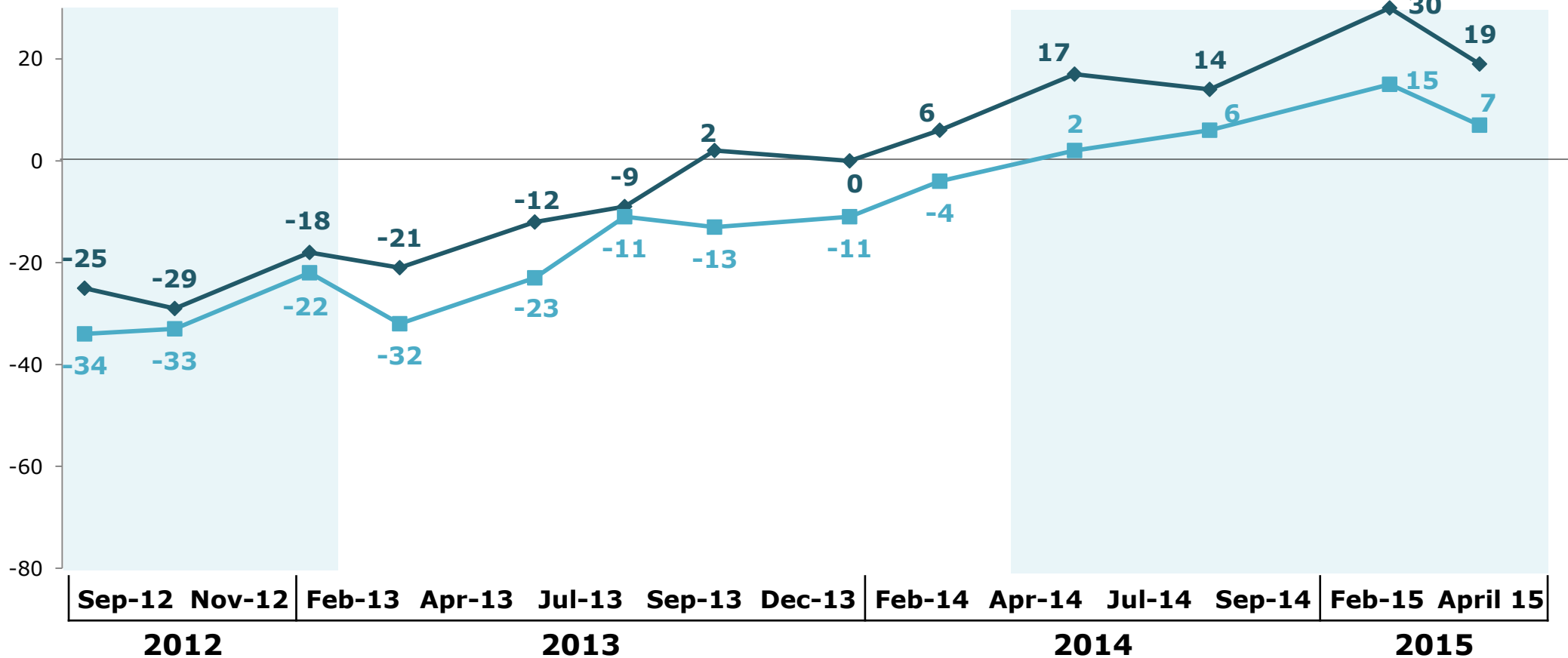
Do you expect your assets (your house, shares, pension entitlements, savings) In the next year to be higher, lower or the same as in the past year?

Personal Assets – Looking Forward x Region

Base: All Adults 18+

A dip in property confidence this wave.

Dublin vs. Outside Dublin

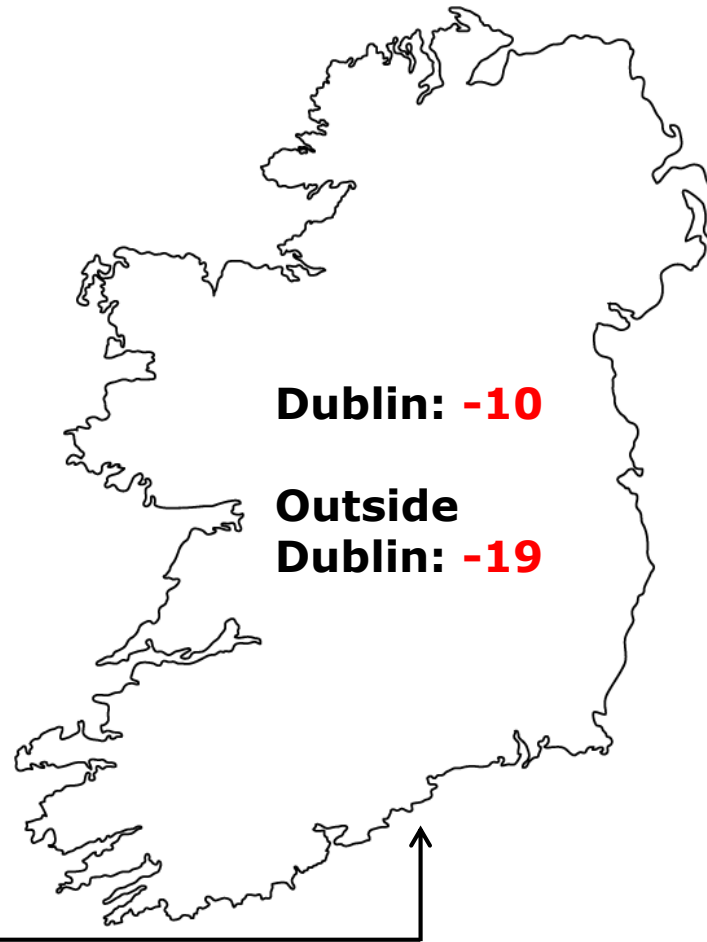
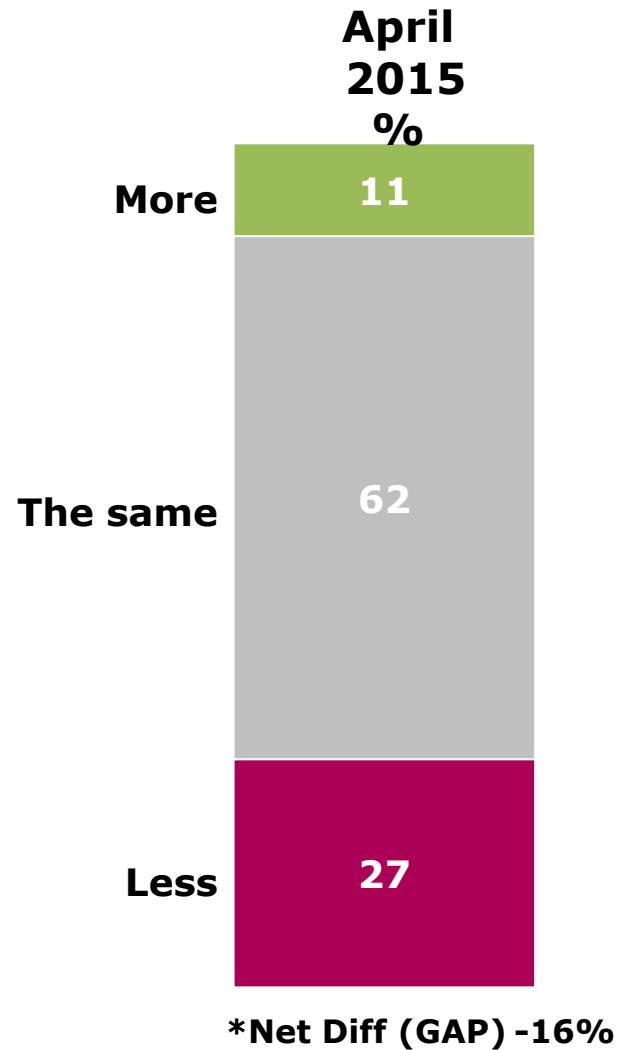


Q.6

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: Caution Evident

Base: All Adults 18+



| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Feb '14 | Apr '14 | Jul '14 | Sep '14 | Feb '15 | Apr '15 |
|------------|------|------|------|------|------|------|------|------|---------|---------|---------|---------|---------|---------|
| Gap | +7 | +5 | -29 | -63 | -47 | -52 | -45 | -37 | -29 | -16 | -15 | -13 | -12 | -16 |

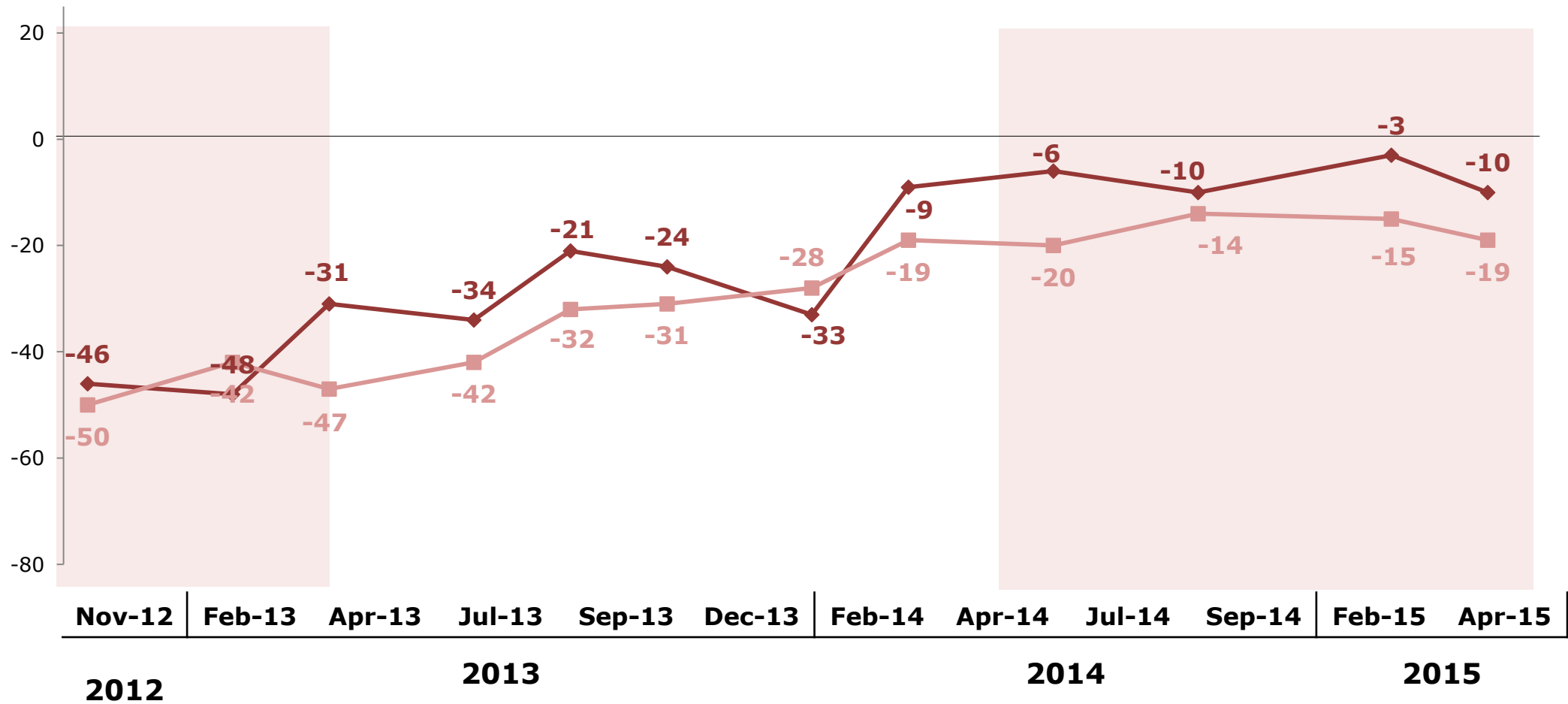
Q.7

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 & Services – Looking Forward x Region

Base: All Adults 18+

Dublin vs. Outside Dublin



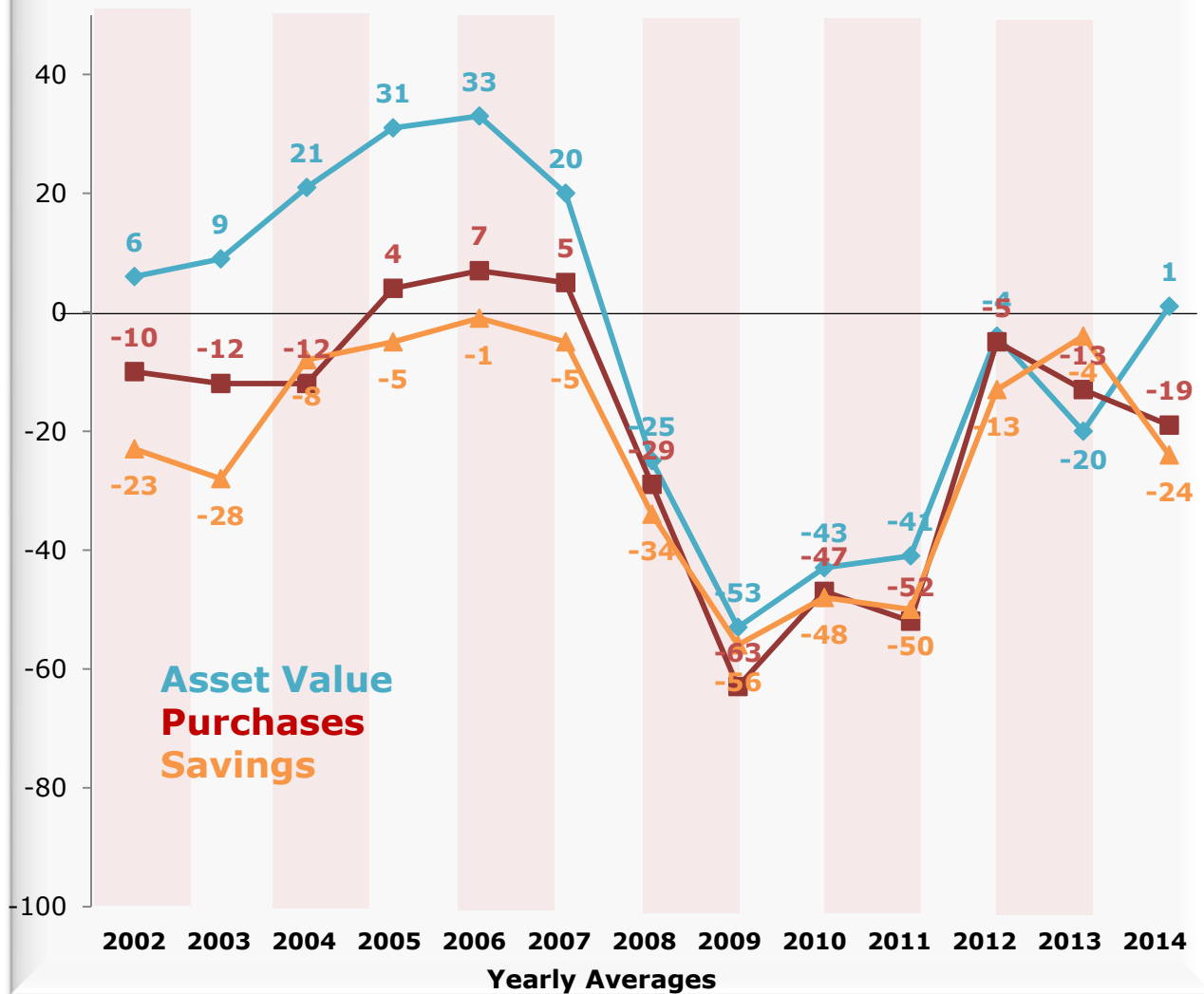
Q.7

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

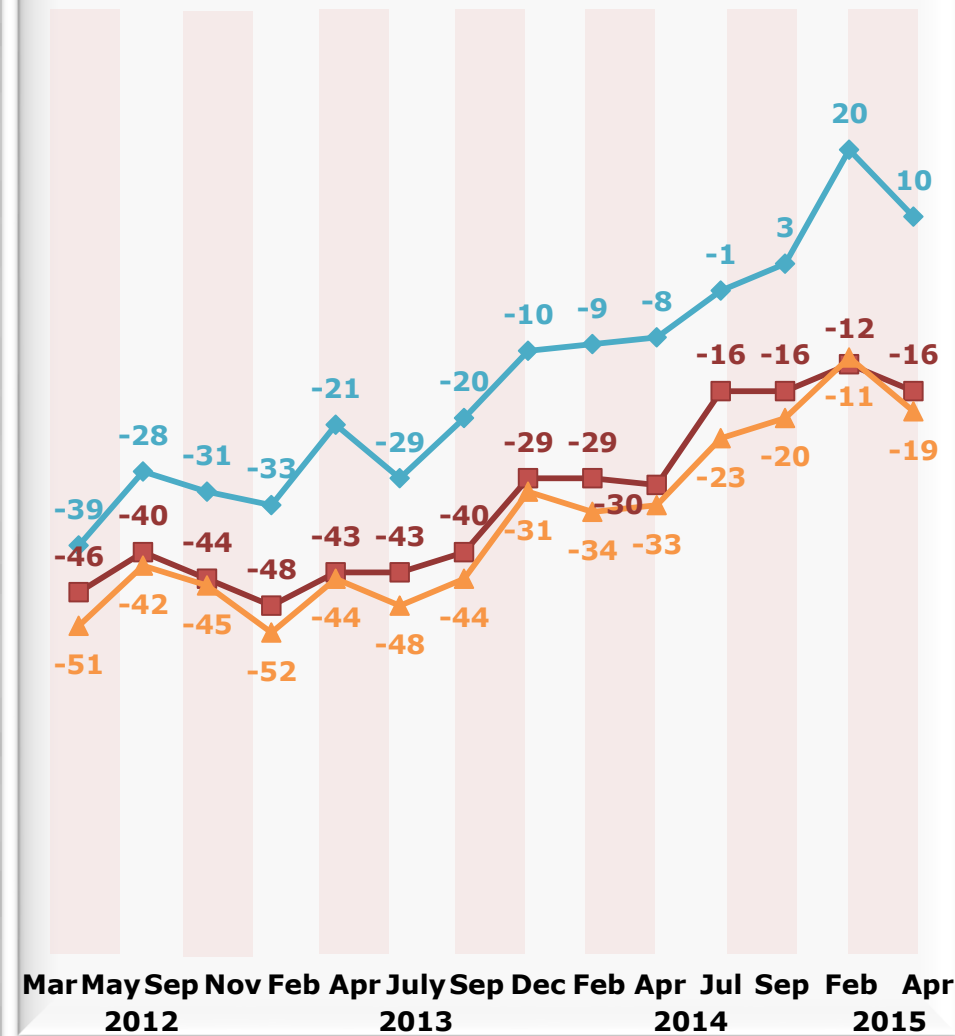
Balance Of Opinion in Summary – The Year Ahead

Expectations in regard to asset value, purchases, and savings.

Long Term

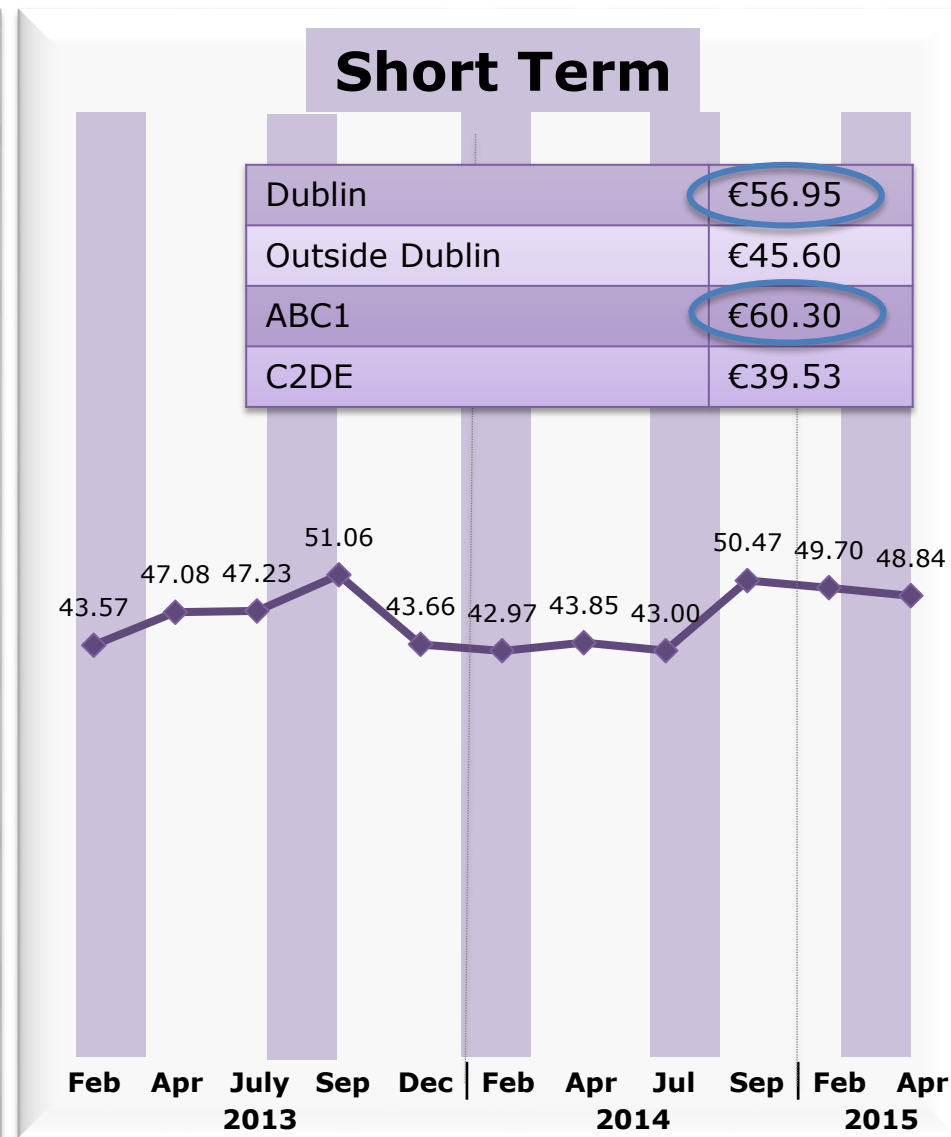
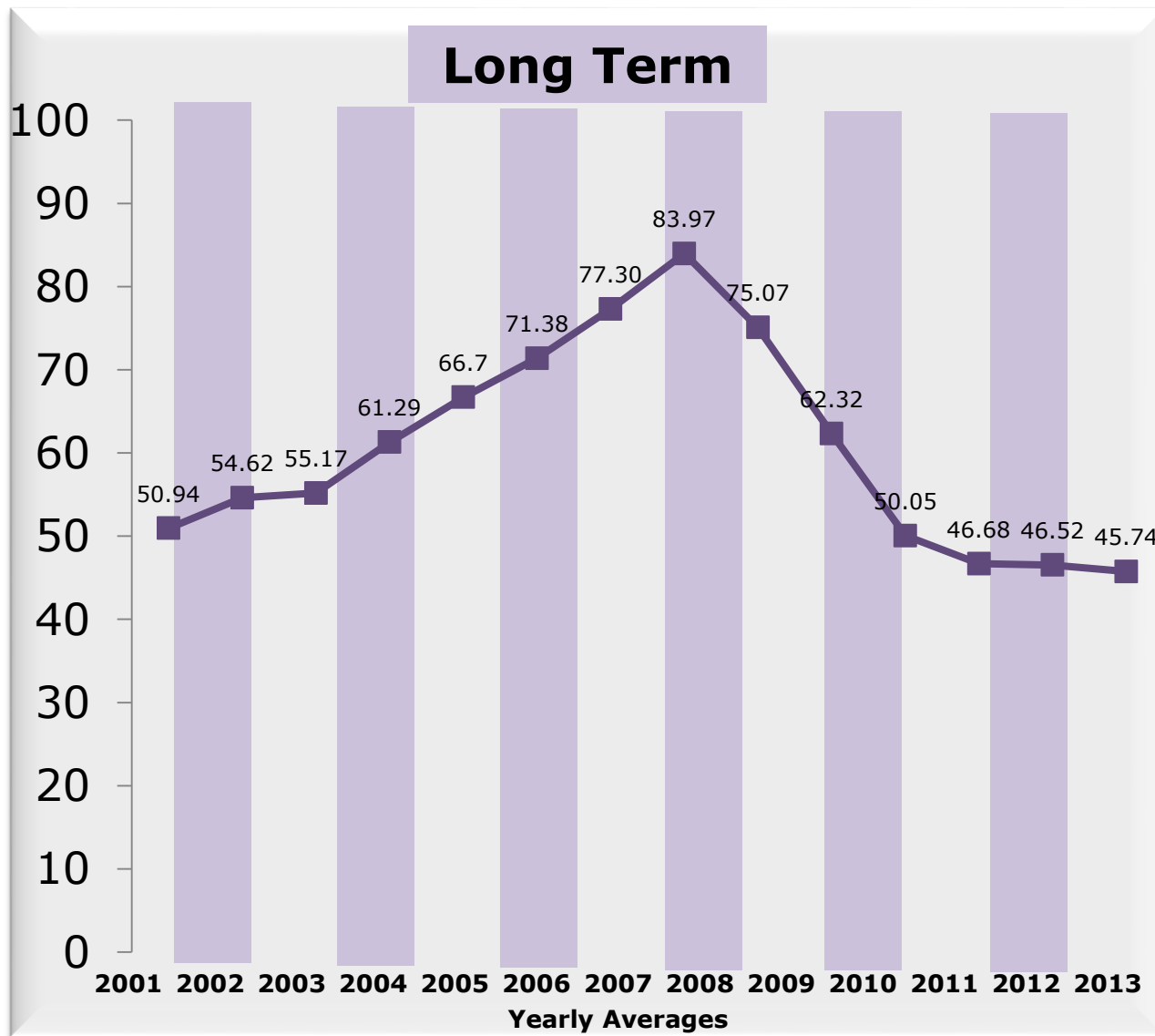


Short Term



Overall Discretionary Income still long way from high of 2008

Base: All Adults 18+



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?

Thank You



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