



Consumer Confidence Tracker

February 2014

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Behaviour & Attitudes
J.5268



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 1,006 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 27th January - 5th February 2014.

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

- The momentum for recovery appears to have accelerated in this wave, with almost 1 in 3 agreeing that the country is better off now than it was a year ago. Consumers are as confident about the future of the Irish Economy as they were in pre recessionary times.
- The gap between Dublin and outside Dublin in terms of positive sentiment towards the economy still exists, with Dublin still registering more positive scores. Both regions registered an increase in confidence this wave.
- A large proportion of this increase in consumer confidence can be attributed to greater stability in personal finances. Overall, it appears that 18-34, middle class consumers are the most positive about the economy.
- In terms of savings, stabilisation in ability to save in the forthcoming year is evident. In line with the last wave more positivity in terms of saving and ability to save in Dublin is evident, with the gap widening versus outside Dublin.

Summary

- While there is clear evidence of buoyancy in the Irish economy, this does not appear to have translated across to the spending habits of Dubliners.
 - ❖ Dubliners are much more cautious in terms of their propensity to purchase goods throughout the oncoming year in comparison to those residing outside Dublin.
 - ❖ This may be attributed to the higher costs associated with living in the city and the recent evidence of increasing house and rent prices.
- In addition, those who live in Dublin appear to be less confident about their personal finances for the oncoming year than those residing outside Dublin. This shows that Dubliners are particularly cautious irrespective of the fact that consumers appear more confident than ever about the future of the Irish economy.

Summary

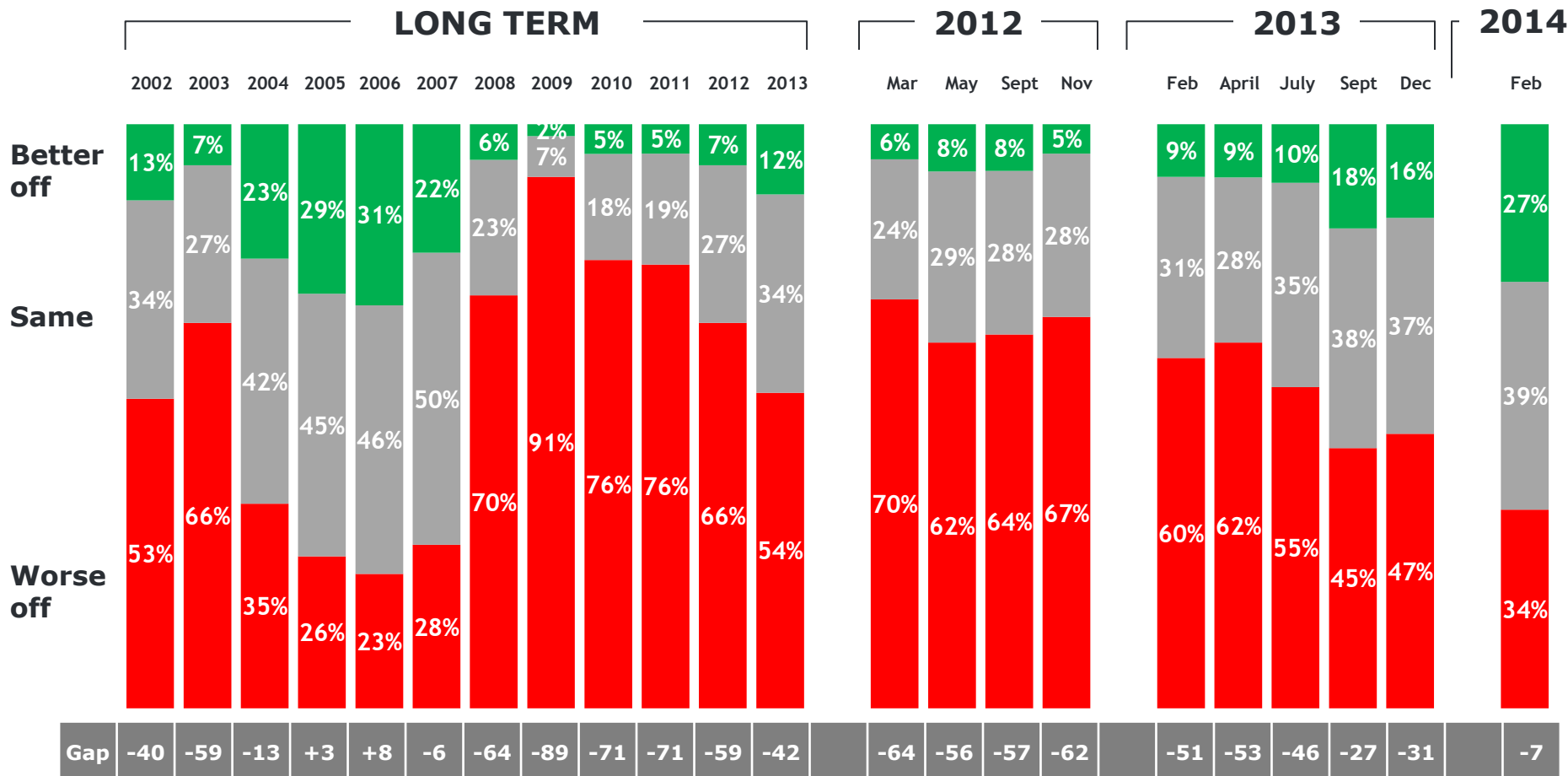
- The table below summarises the net scores for each element of the February survey, alongside those from previous waves since 2011.

	Pre 2008 Historic Low		2011				2012				2013					2014
	Date	Net Score	Net Scores				Net Scores				Net Scores					Net Scores
	Date	Score	Jan	April	July	Nov	Mar	May	Sept	Nov	Feb	Apr	July	Sept	Dec	Feb
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Economy - looking back a year	Nov '02	-62	-86	-72	-59	-69	-64	-56	-57	-62	-51	-53	-46	-27	-31	-7
Economy - looking forward one year	Nov '02	-63	-70	-58	-45	-64	-52	-44	-50	-60	-39	-44	-36	-18	-25	-4
Personal income - looking back a year	Nov '02	-40	-72	-64	-50	-59	-61	-56	-52	-60	-52	-55	-47	-38	-44	-36
Personal income - looking forward a year	Nov '02	-20	-69	-55	-43	-57	-50	-49	-52	-52	-48	-54	-47	-34	-35	-37
Personal assets - looking forward one year	Jan'02	-2	-50	-44	-31	-41	-39	-28	-31	-33	-21	-29	-20	-10	-9	-8
Purchasing intentions - the year ahead	Nov '02	-24	-67	-55	-37	-51	-46	-40	-44	-48	-43	-43	-40	-29	-29	-30
Savings - the year ahead	Nov '02	-35	-60	-54	-39	-50	-51	-42	-45	-52	-44	-48	-44	-31	-34	-33

Consumer confidence in the return of the economy has improved to 2005 levels. Contrastingly, personal income, purchasing and savings intentions scores for the oncoming year remain more or less unchanged since December 2013 and in negative territory.

Economy – Looking Back

COUNTRY IS NOW ...



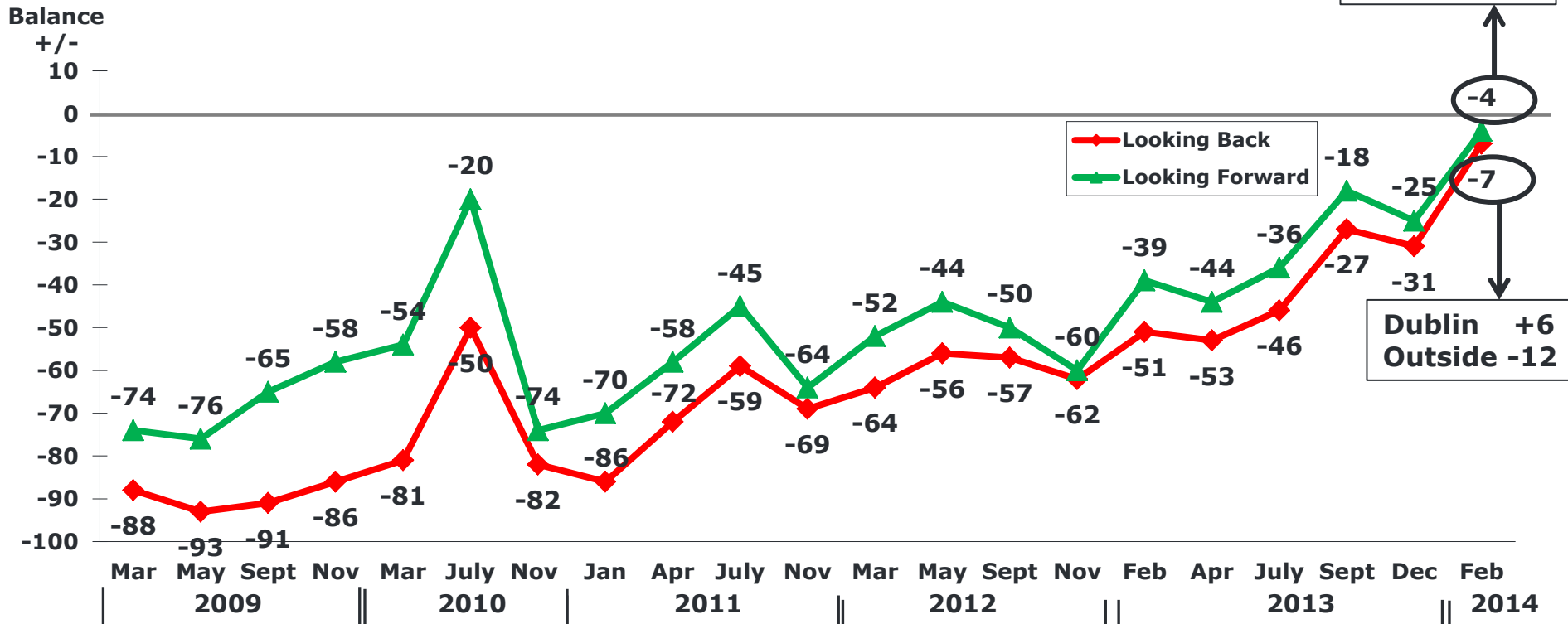
The momentum for recovery appears to have accelerated in this wave, with almost 1 in 3 agreeing that the country is better off now than it was a year ago. Consumers are as confident as they were in pre recessionary times.

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 are clearly 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

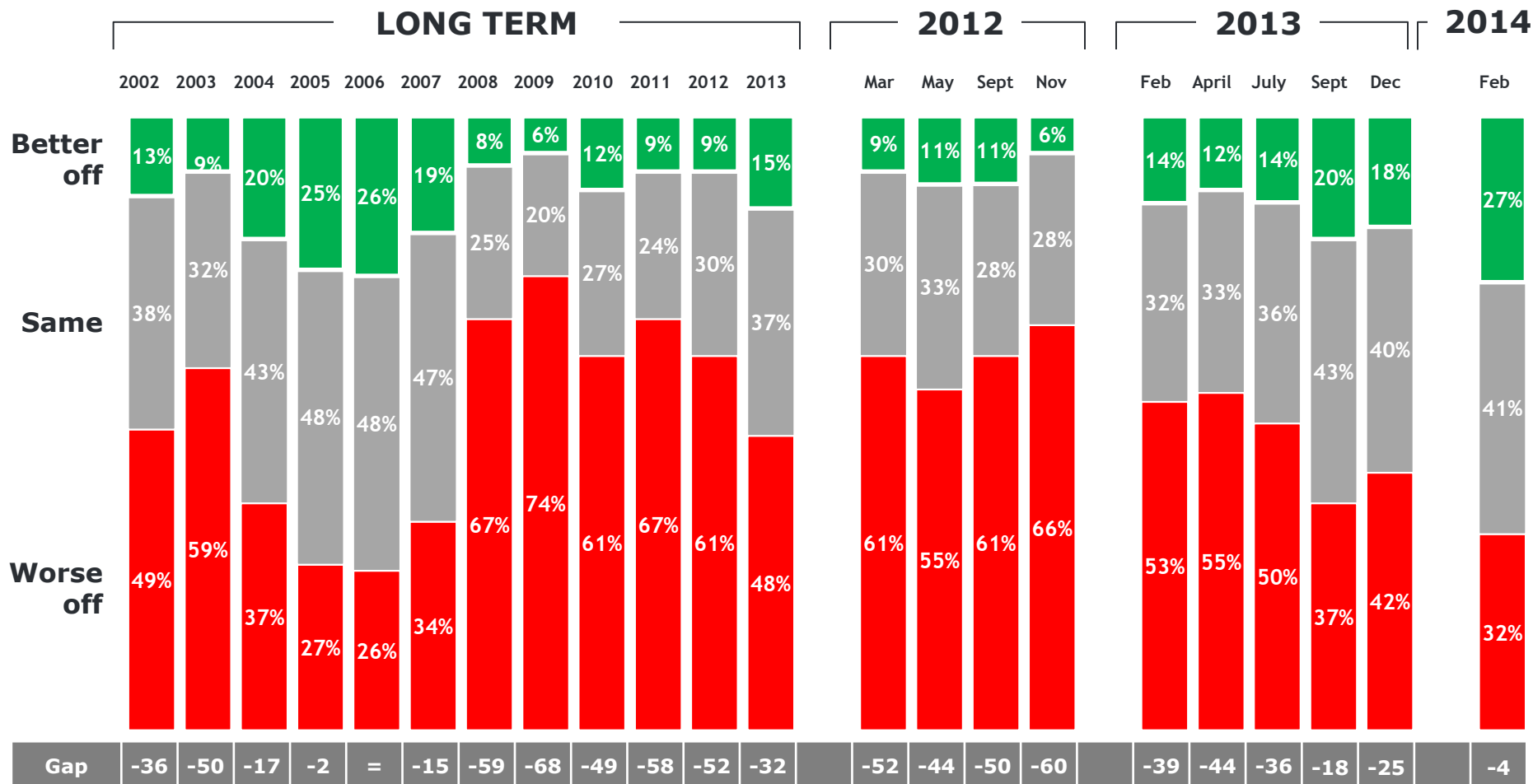
- A significant uplift in the consumer mood vs last year.
- Gap between Dublin vs outside Dublin still remains.

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 ...

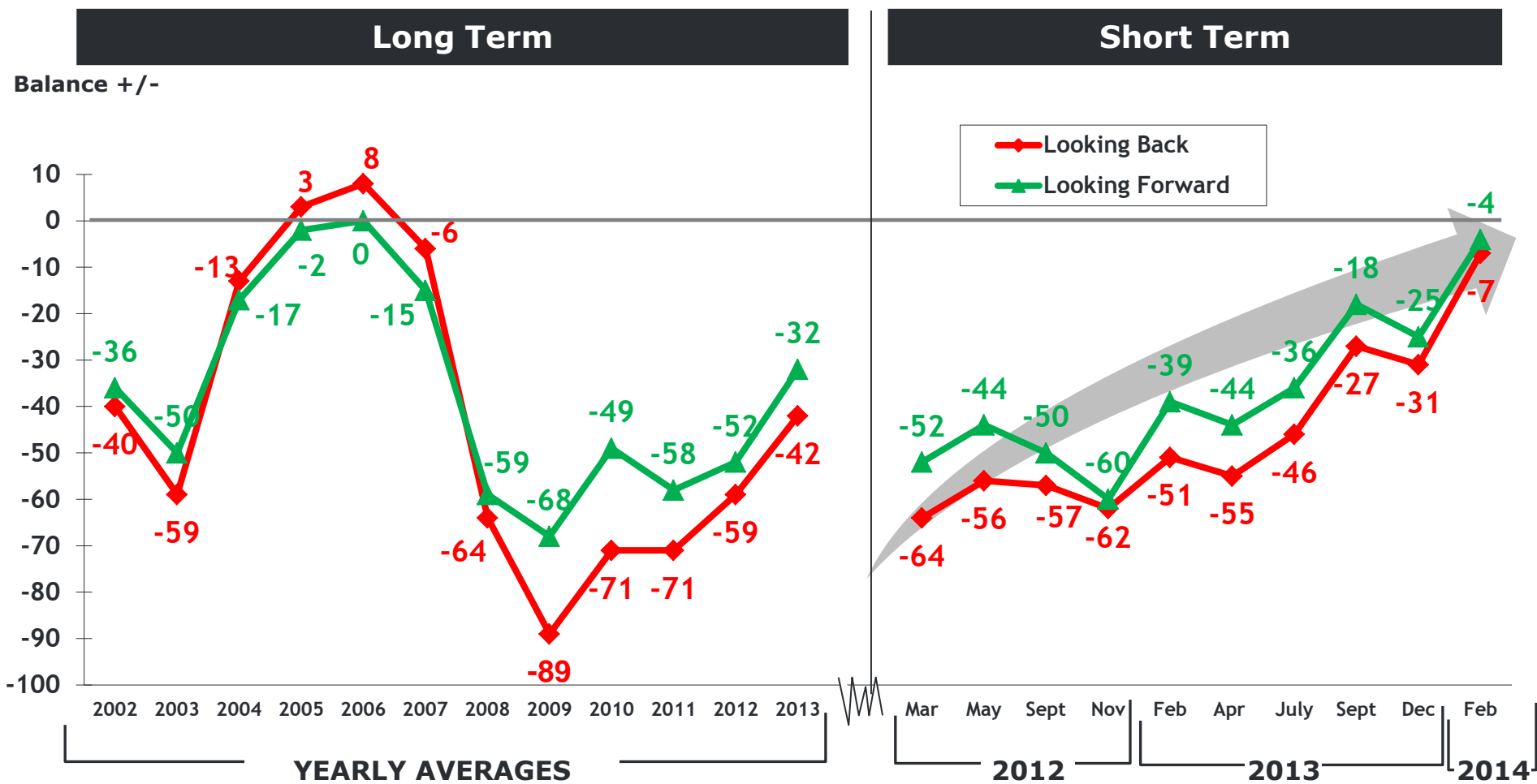


While still in the negative, belief in the future of the Irish economy has vastly improved throughout this wave. Interestingly, the last time Irish consumers felt this way was in 2005 (pre recession).

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



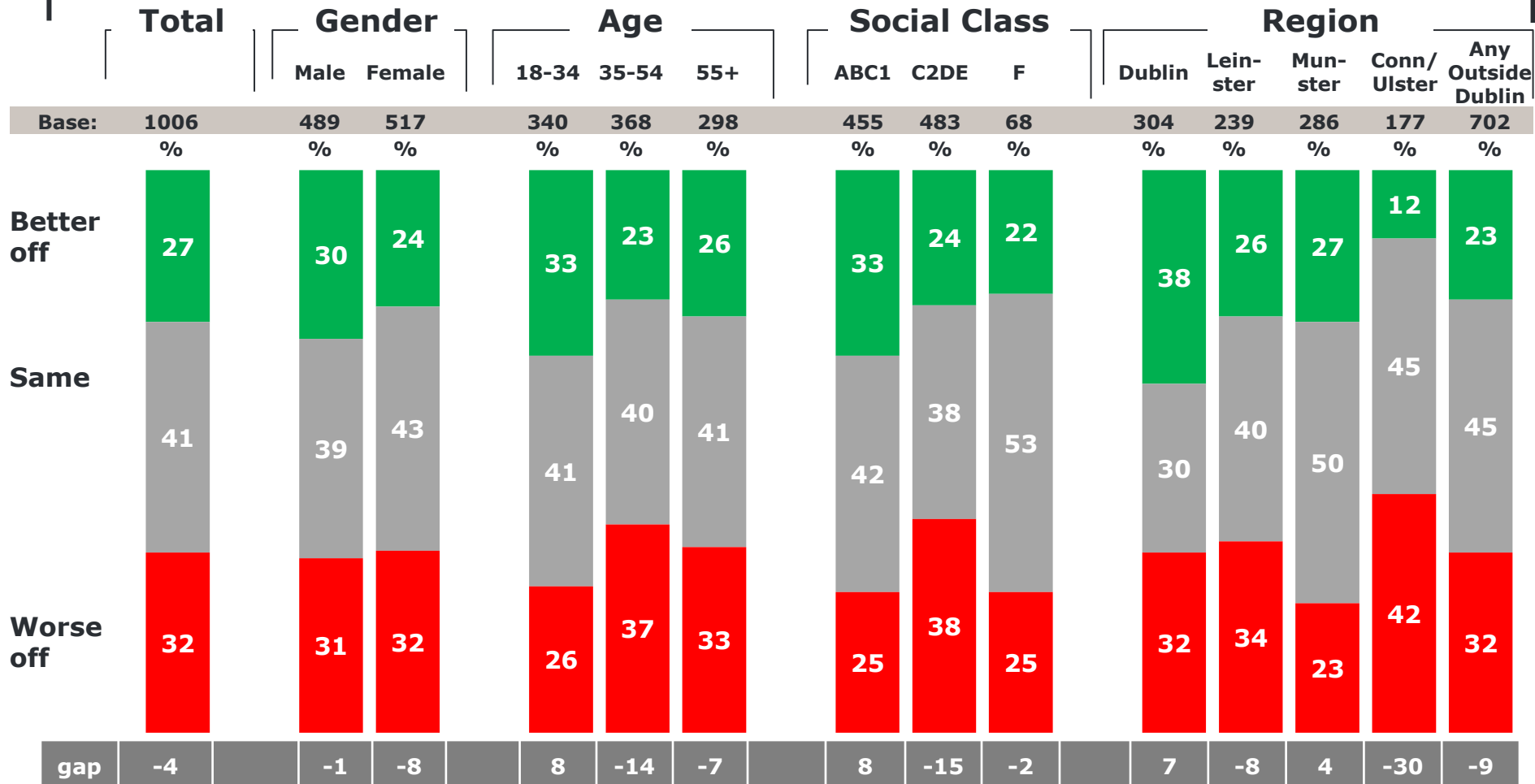
When viewed longitudinally a pattern of consistent improvement has been noted over the past three years.



Economy – Looking Forward x Demographics

Country will be ...

February 2014



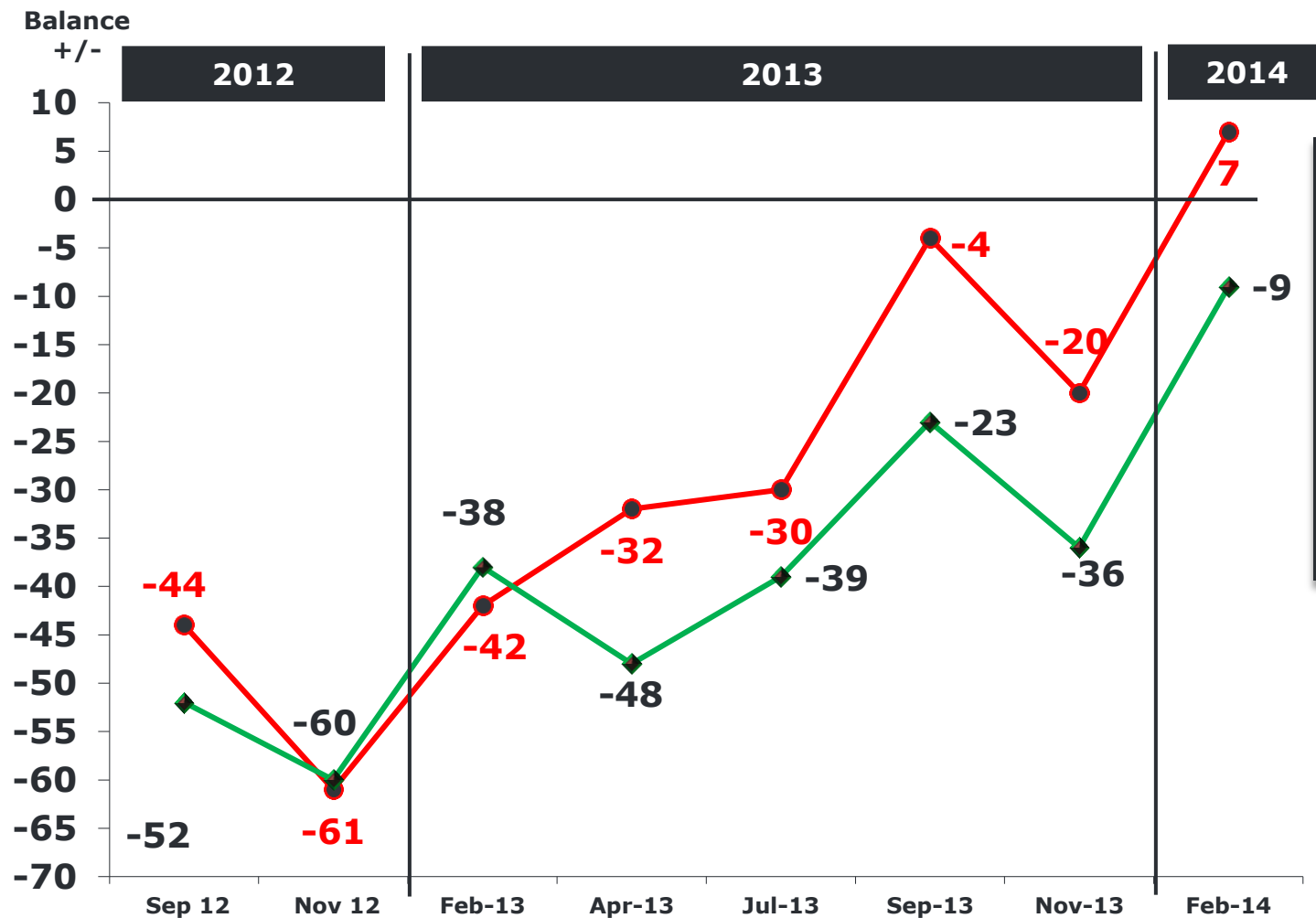
A socio-economic and regional divide in terms of recovery still exists.

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?

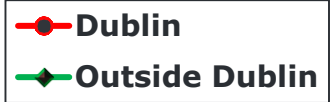


Economy – Looking Forward Trended x Region

Base: All adults 18+



The gap between Dublin and outside still exists, however both registered a dramatic increase in confidence this wave. Dublin has finally left negative territory.

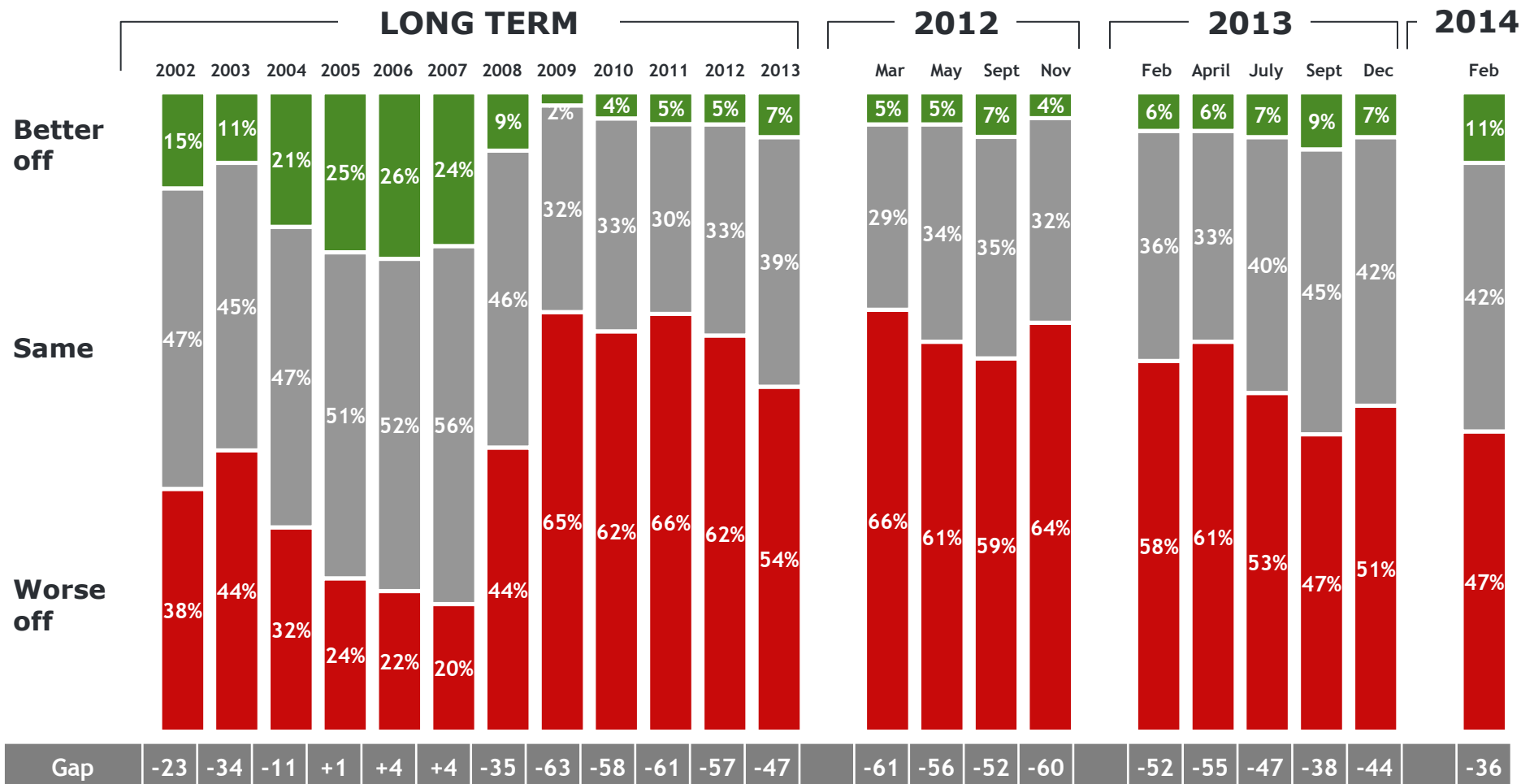


Q.1 Thinking about the economy as a whole, do you think that the country is better off, worse off, or about the same as last year?



Personal Finances – Looking Back

Now feel ...

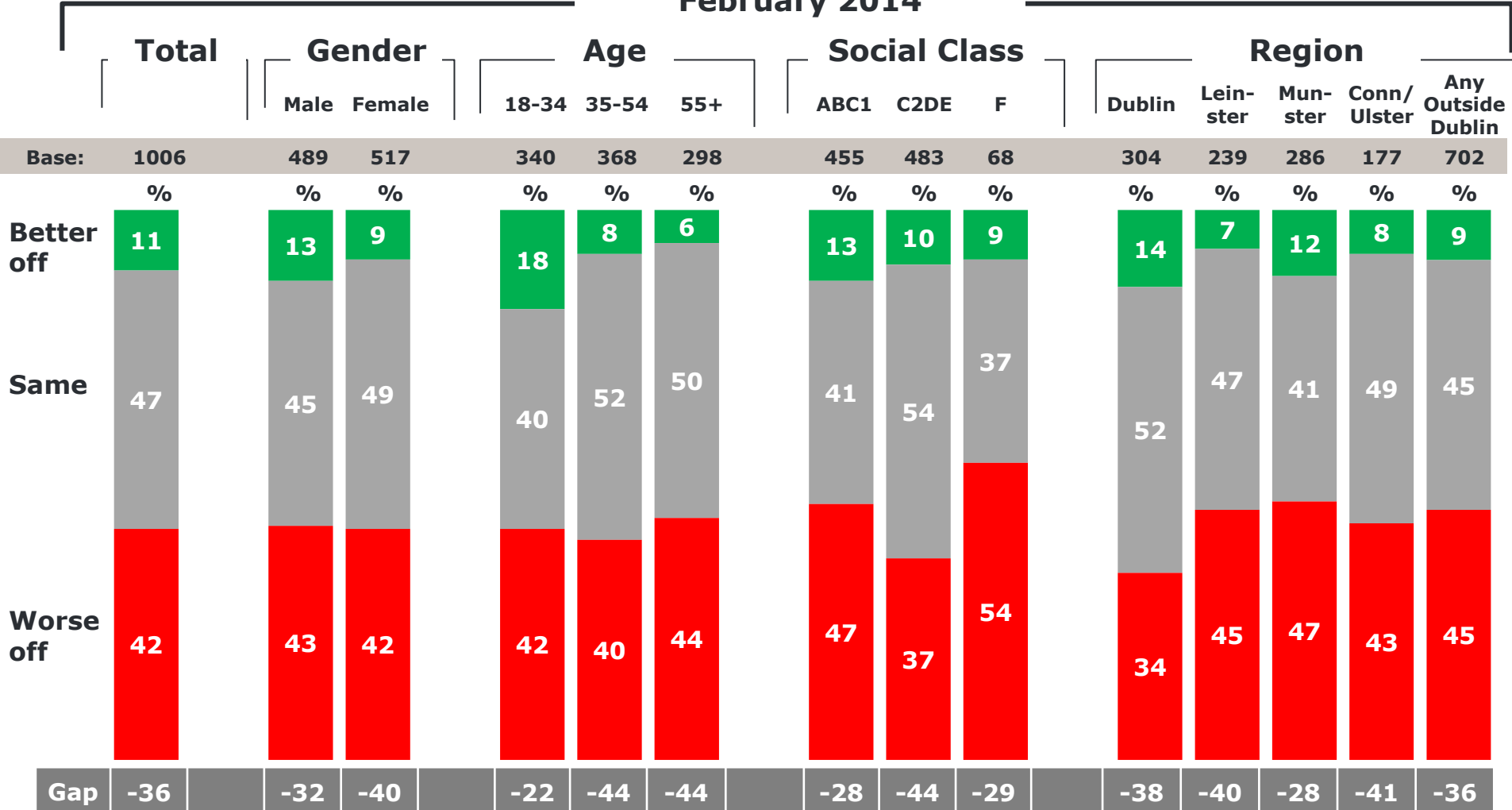


Q.3 Do you feel better off financially, worse off financially or about the same compared to last year?

Personal Finances – Looking Back x demographics

Now feel ...

February 2014

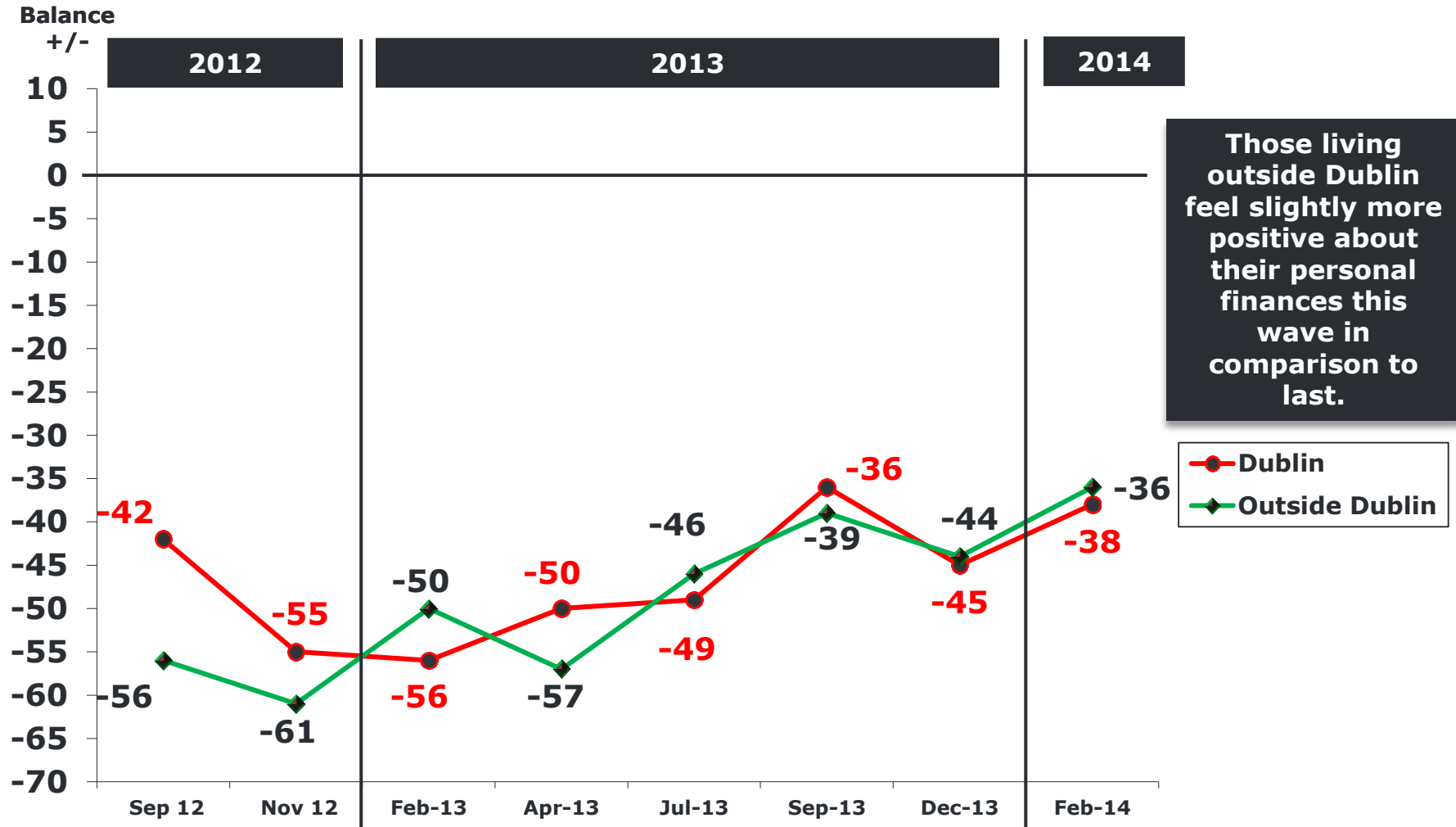


Q.3 Do you feel better off financially, worse off financially or about the same compared to last year?



Personal Finances - Looking Back x Region

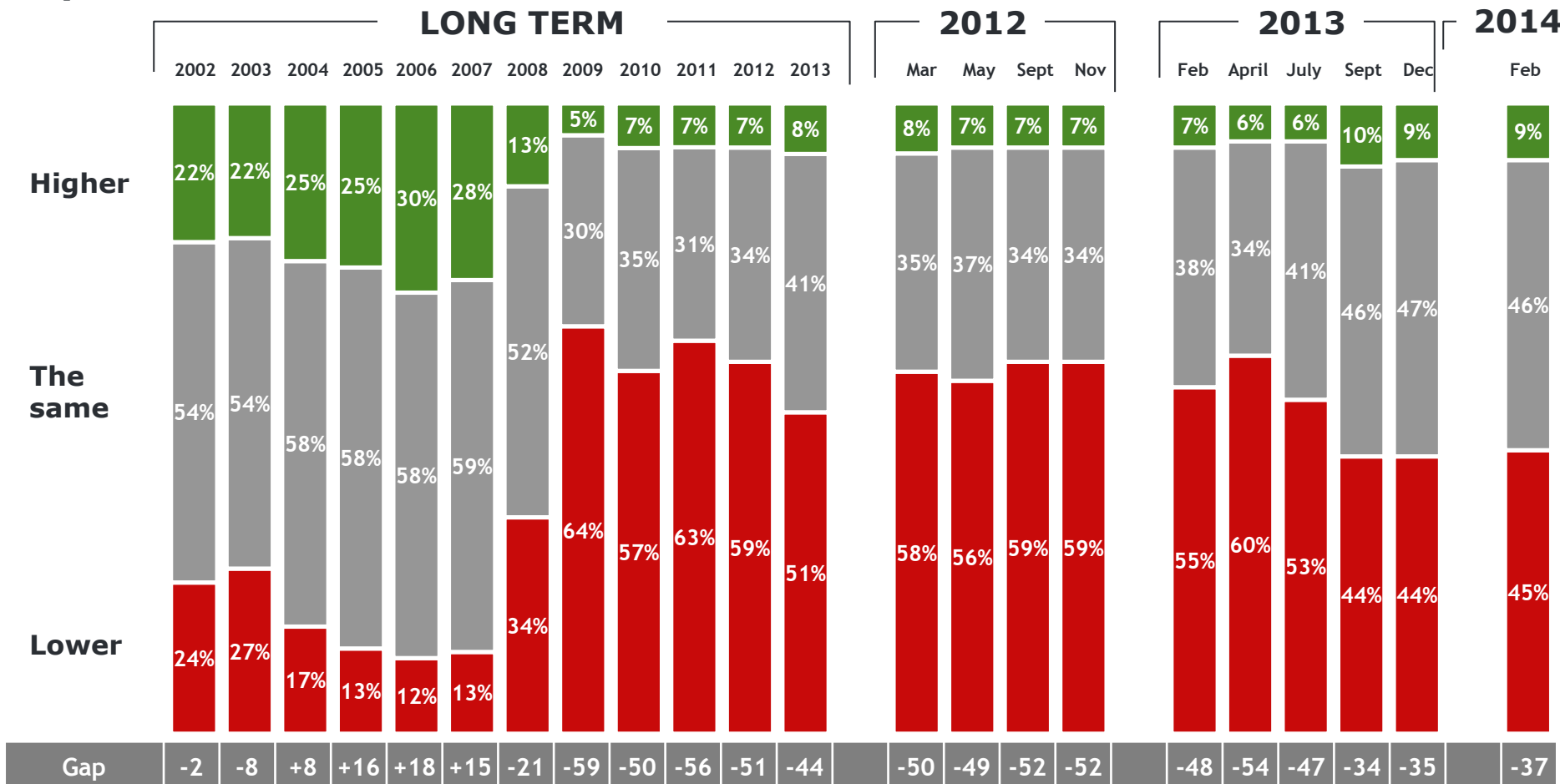
Base: All adults 18+



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 ...



For the last 3 waves, perceptions of personal finances have remained stable, which bodes well for the remainder of the year.

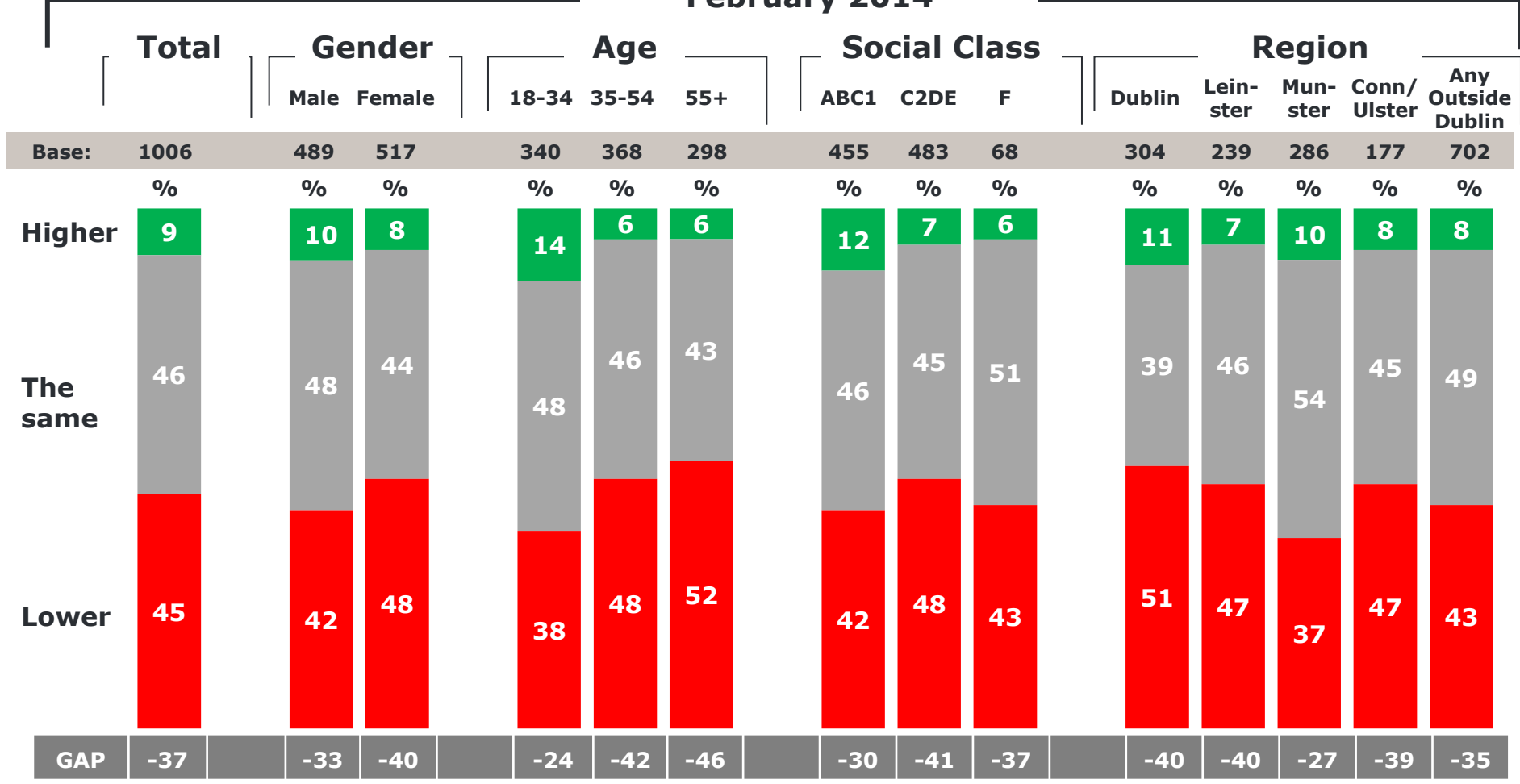
Q.5 Do you expect your income in the next year, after inflation and taxes, to be higher, lower or the same as in the last twelve months?



Personal Finances – Looking Forward x Demographics

Expect it to be ...

February 2014



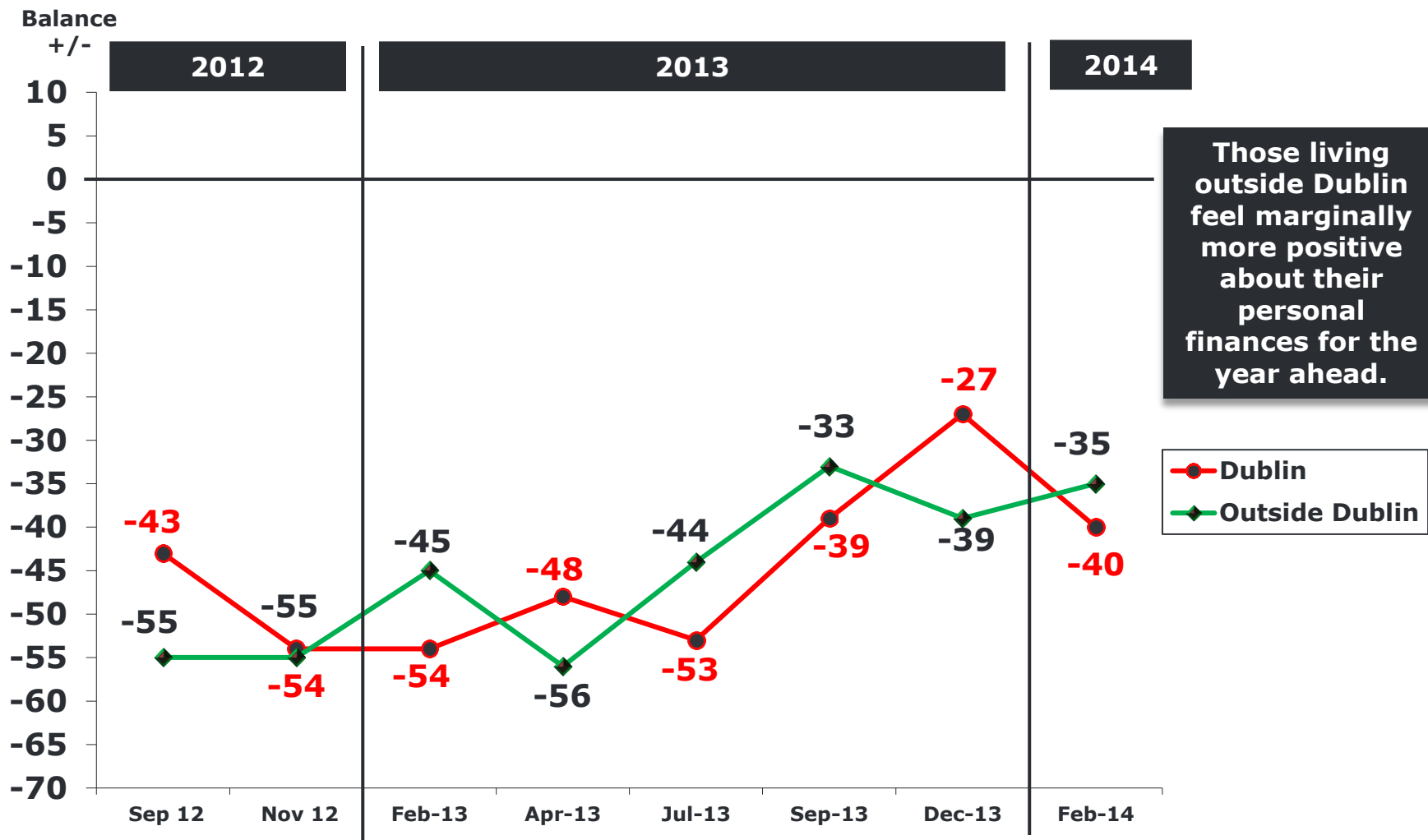
18-34s, the middle classes and Dubliners are more positive about their finances as they move forward.



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?

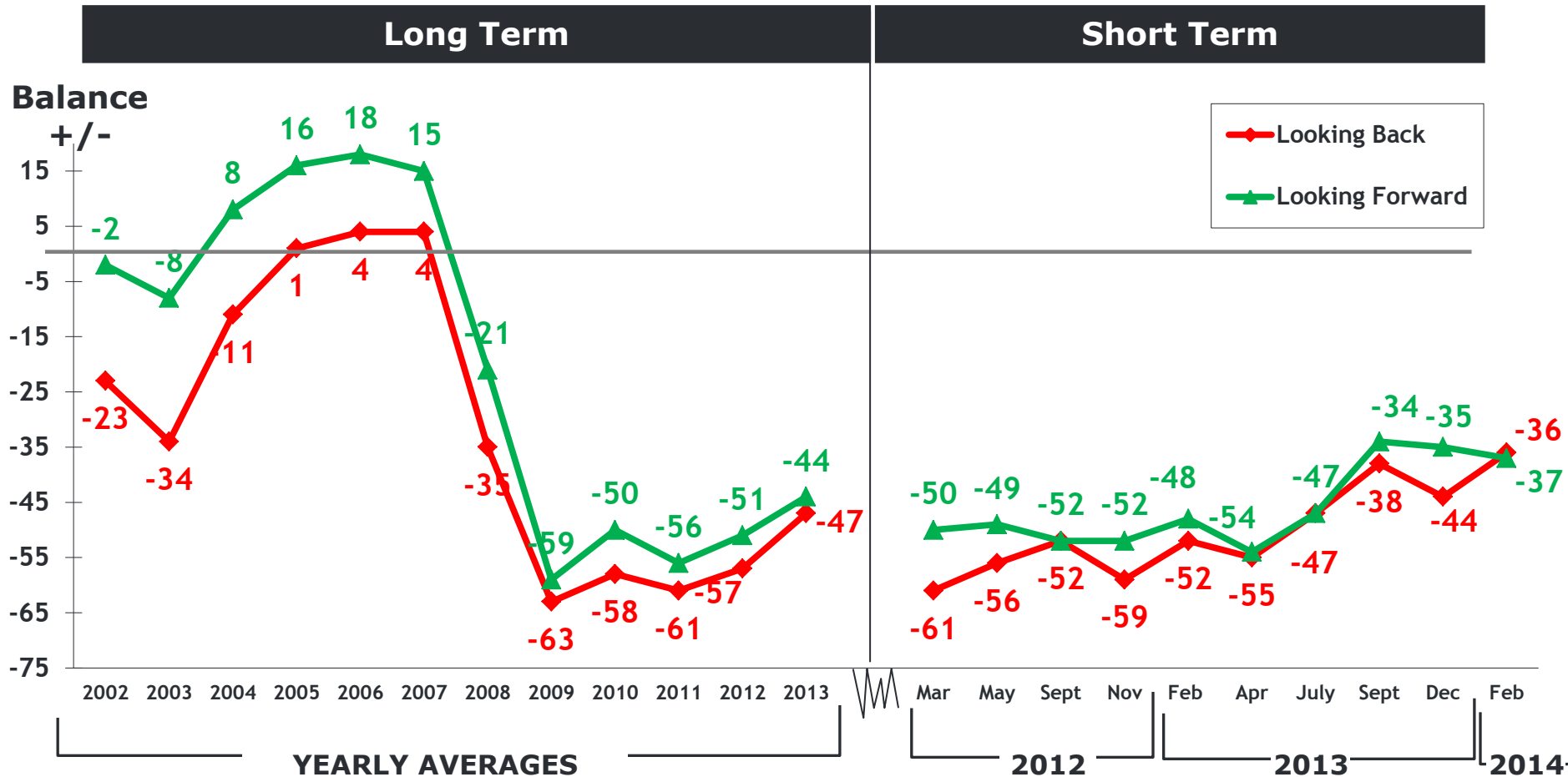
Personal Finances - Looking Forward x Region

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

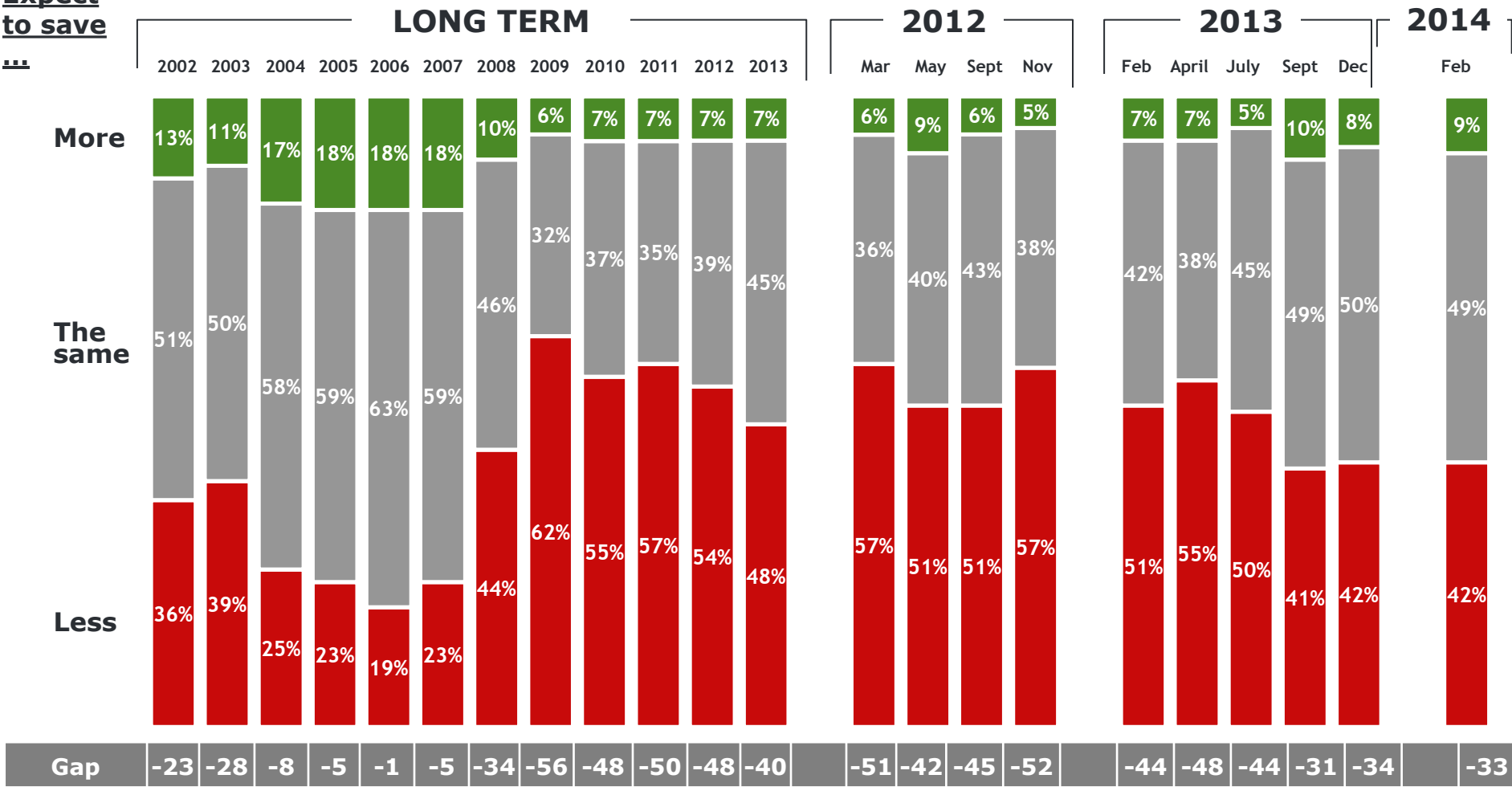


Gains being made over time. However we are still in negative territory.



Savings – Looking Forward

Expect to save



A stabilisation in the ability to save is evident.

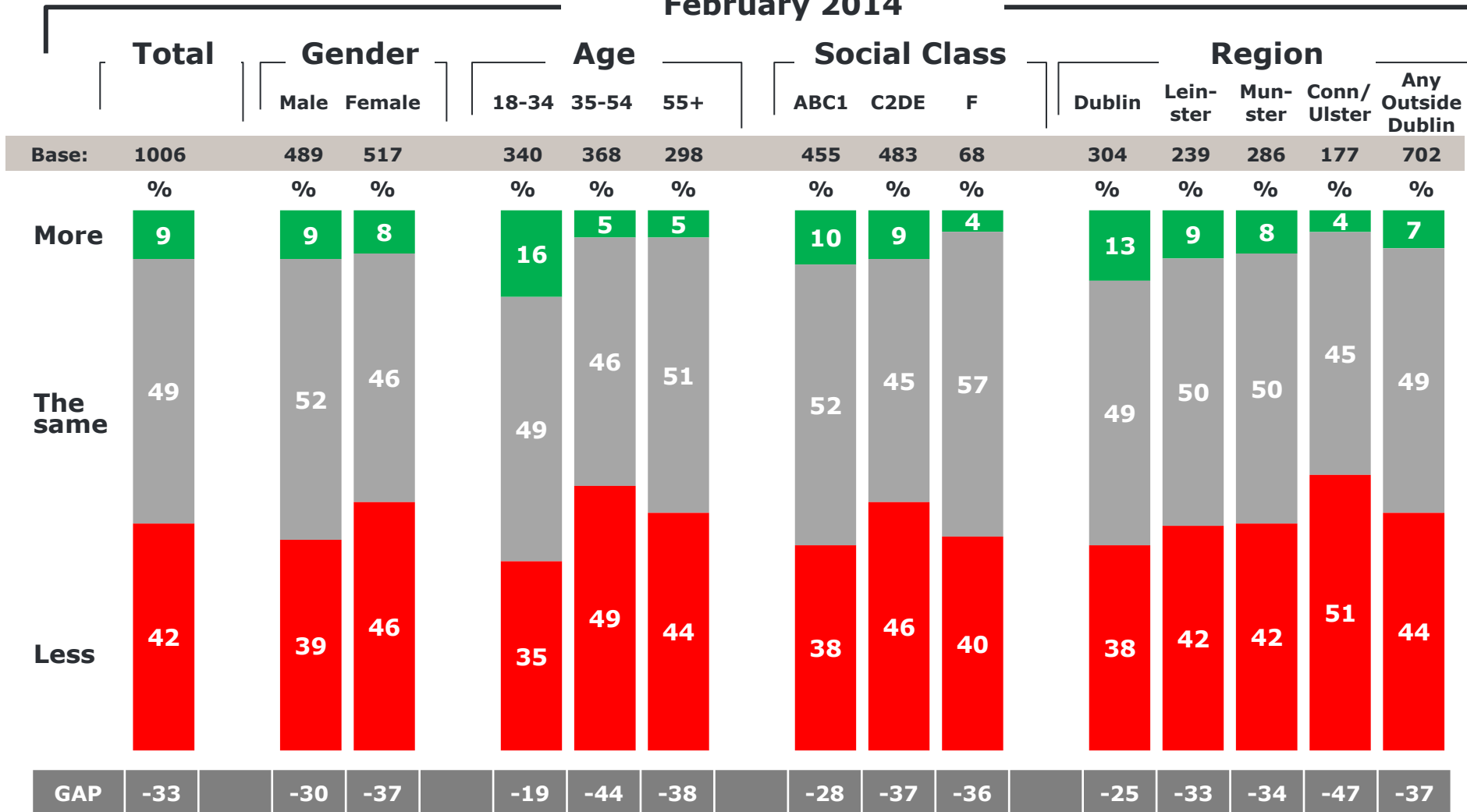


Q.8 Do you expect to save more, less or the same amount in the year ahead compared with the last twelve months?

Savings – Looking Forward

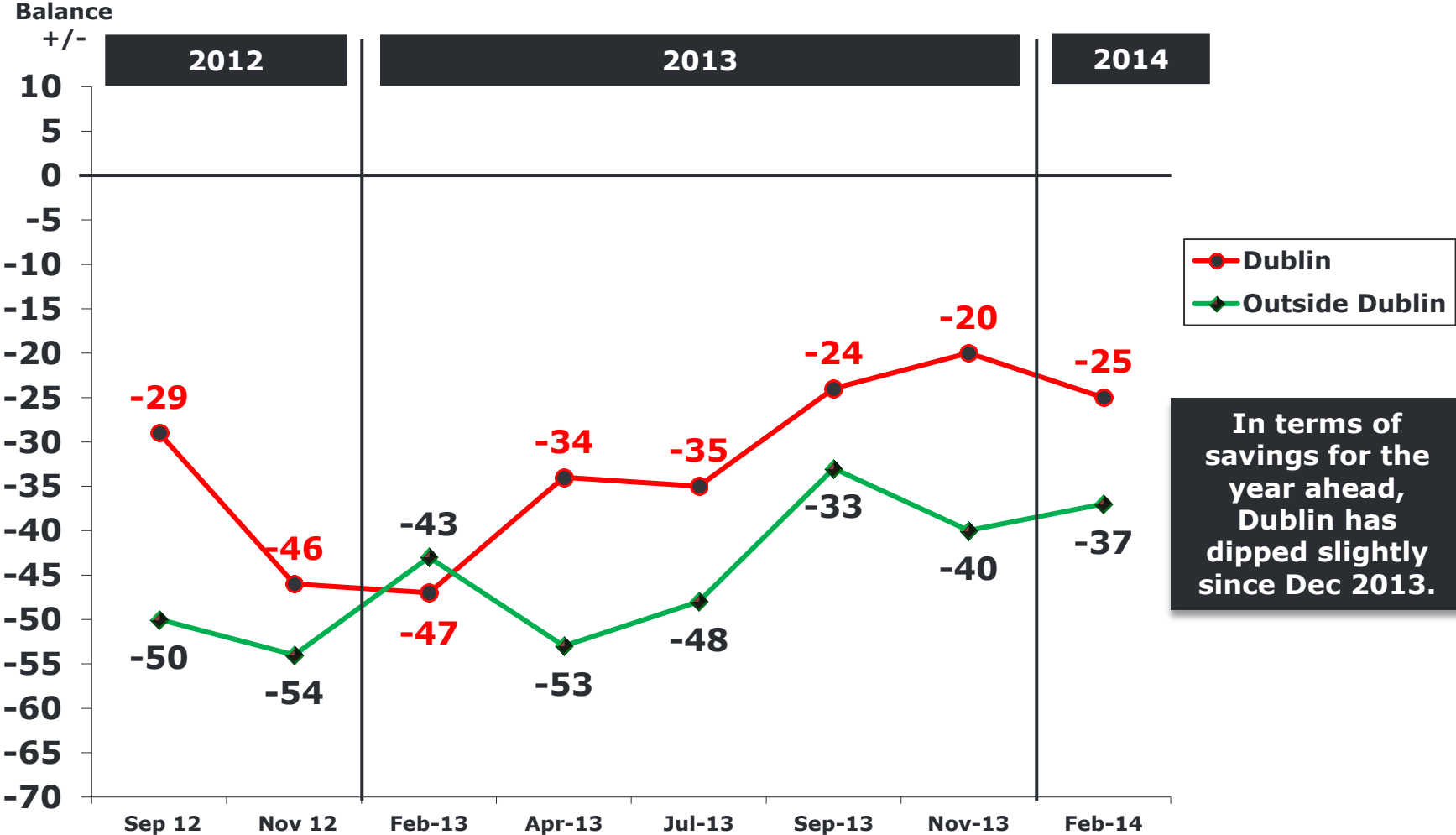
Expect to save ...

February 2014



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



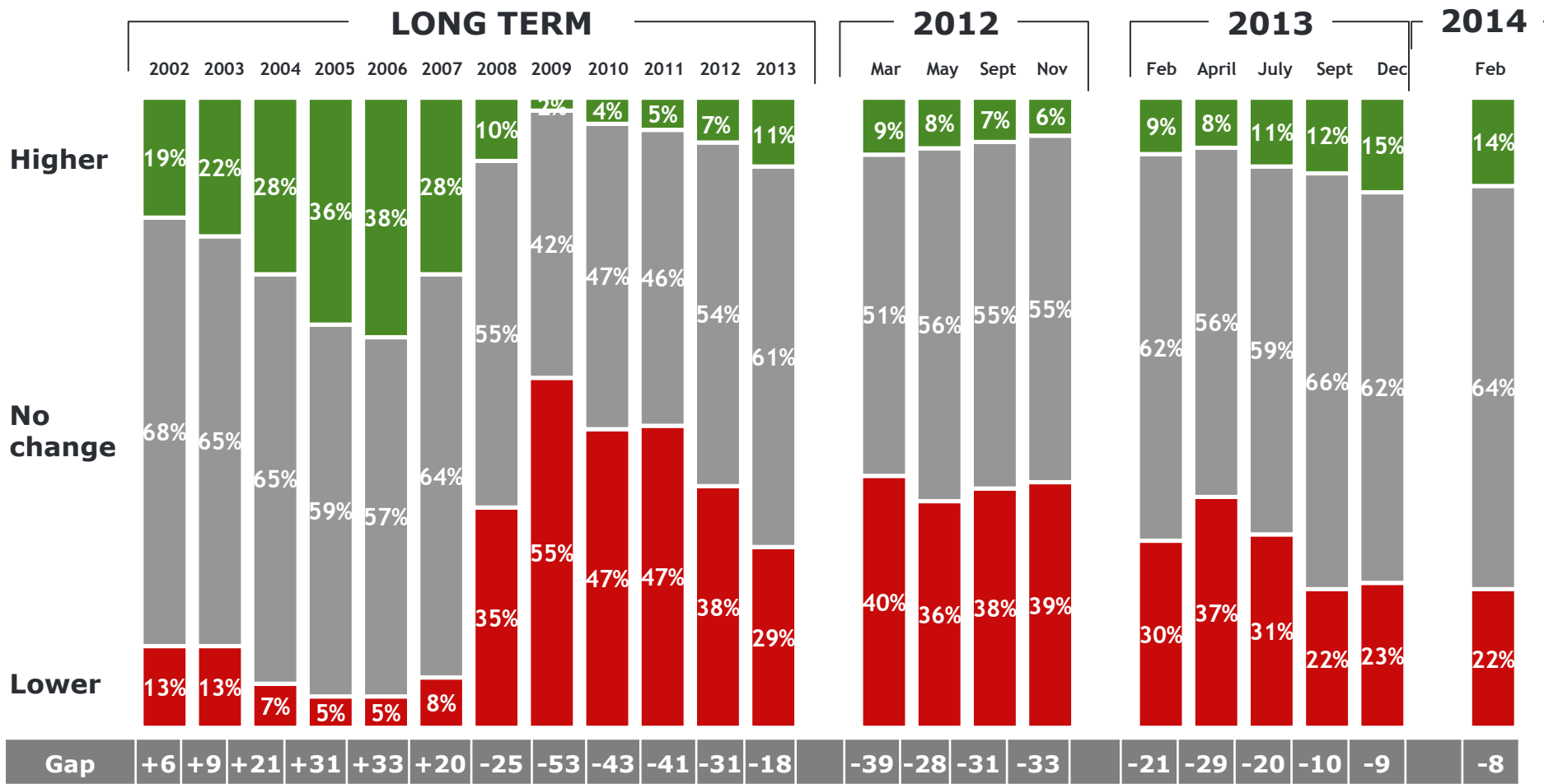
In terms of savings for the year ahead, Dublin has dipped slightly since Dec 2013.

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 stability registered last wave has held up this wave. The figures at this point in time indicate belief in some asset value recovery.

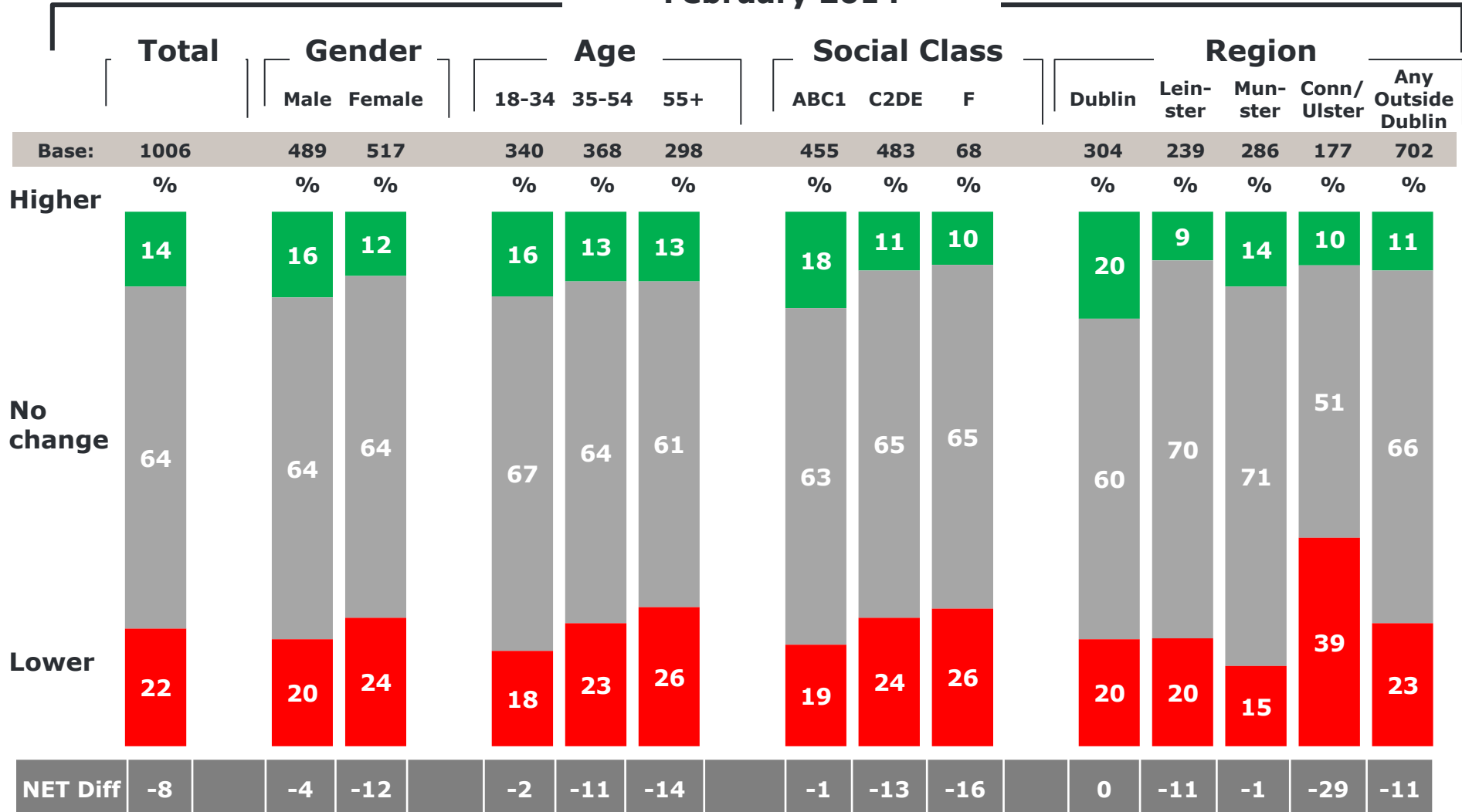


Q.6 Do you expect your assets (your house, shares, pension entitlements, savings) In the next year to be higher, lower or the same as in the past year?

Personal Assets– Looking Forward

Expect them to be ...

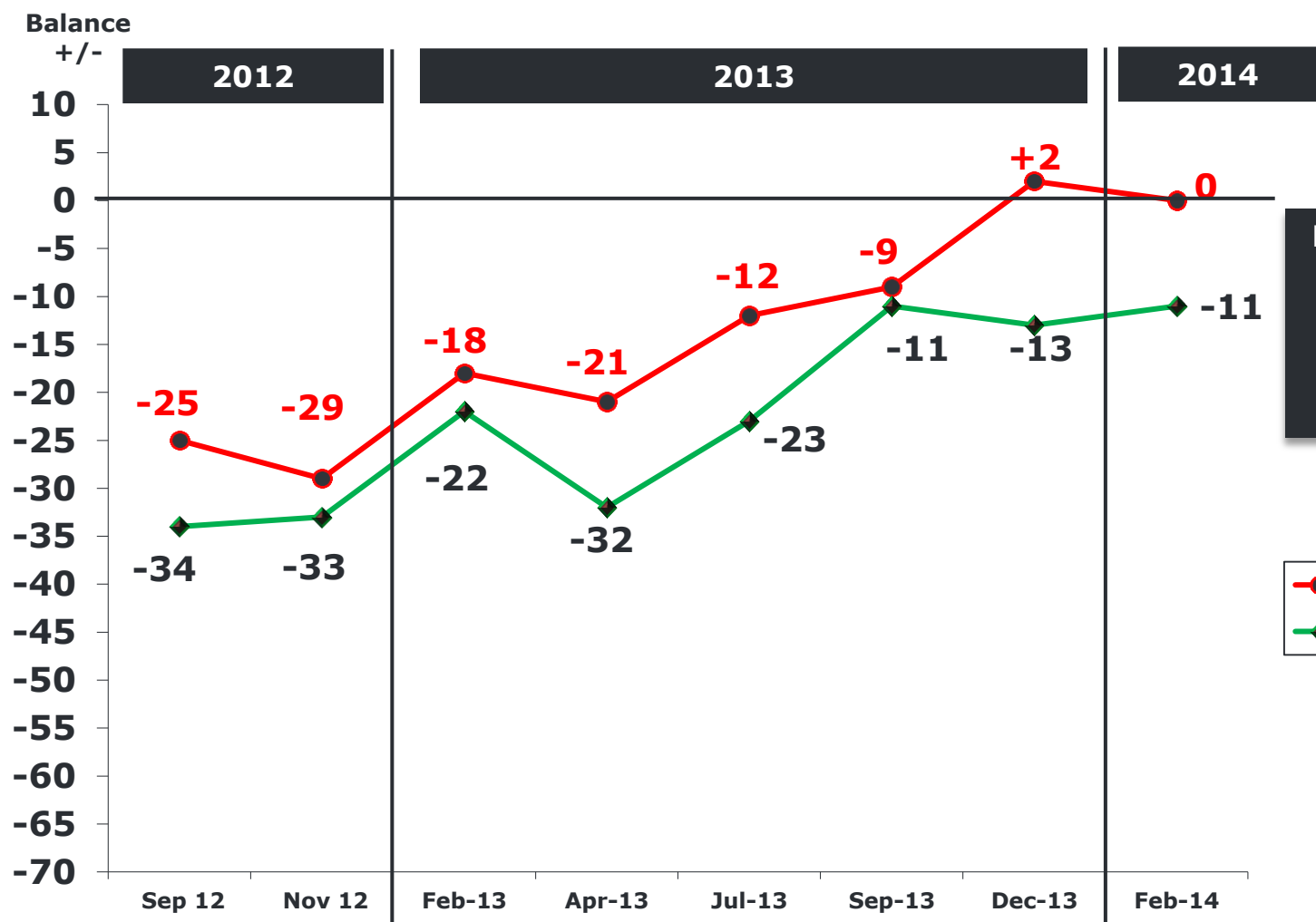
February 2014



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 has dipped slightly since the last wave, however it still resists negative territory.

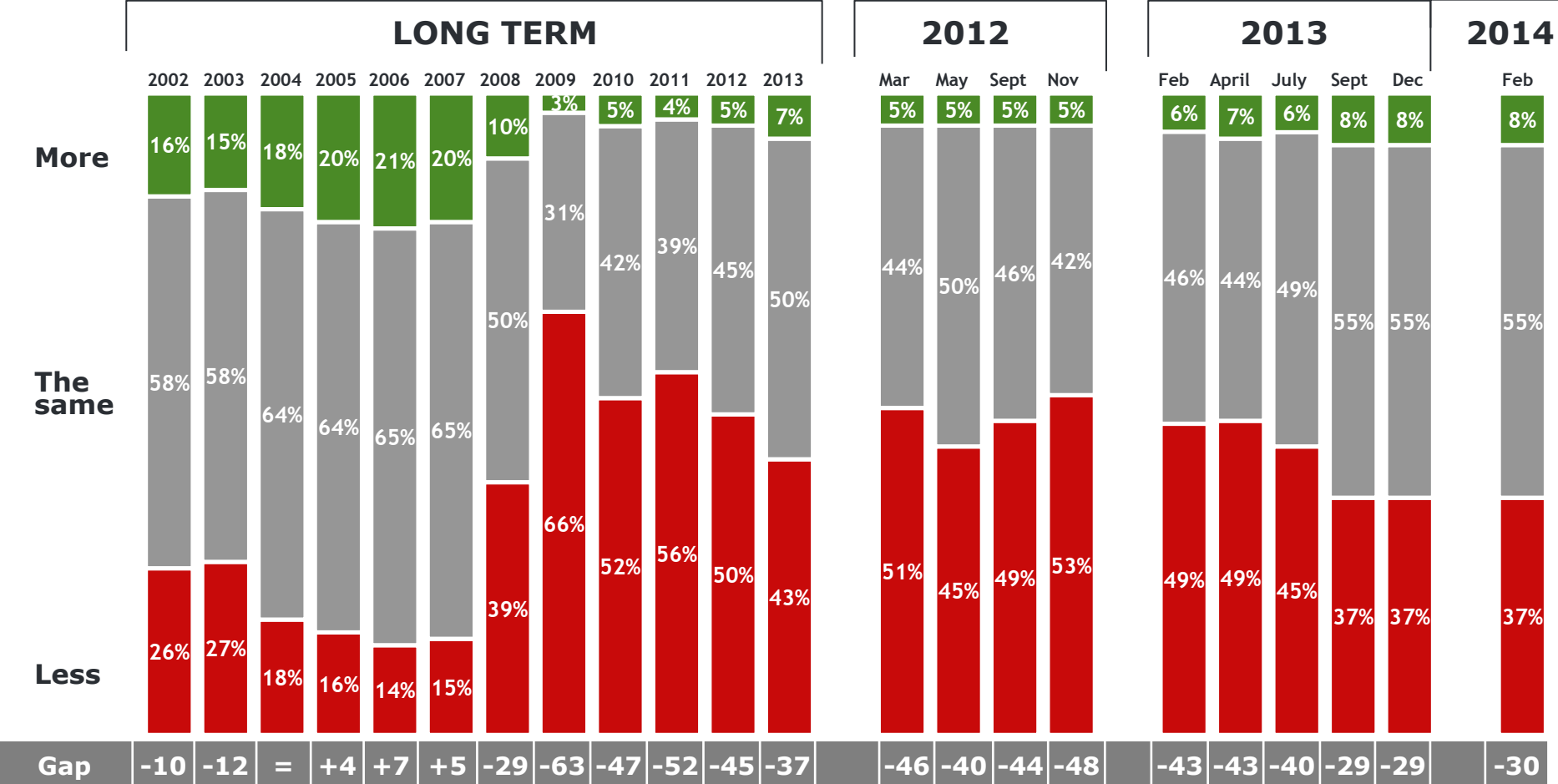
● Dublin
◆ Outside Dublin

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

Expect to purchase ...



A stabilisation in perceptions of purchasing next year (2008 levels) evident, despite a slight dent in economic perceptions. Note we are still in negative territory.

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?

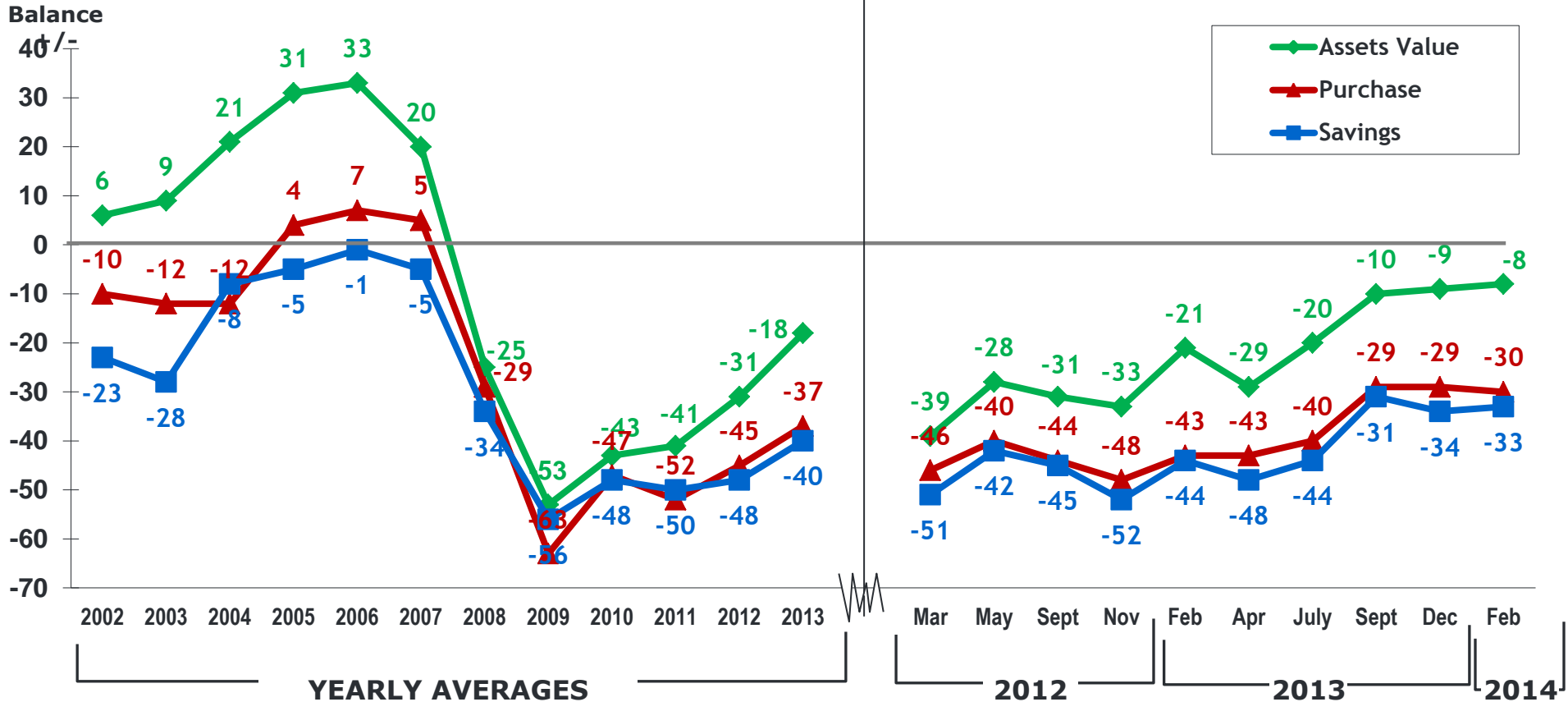


Balance Of Opinion – The Year Ahead

Expectations in regard to assets value, purchases, and savings

Long Term

Short Term

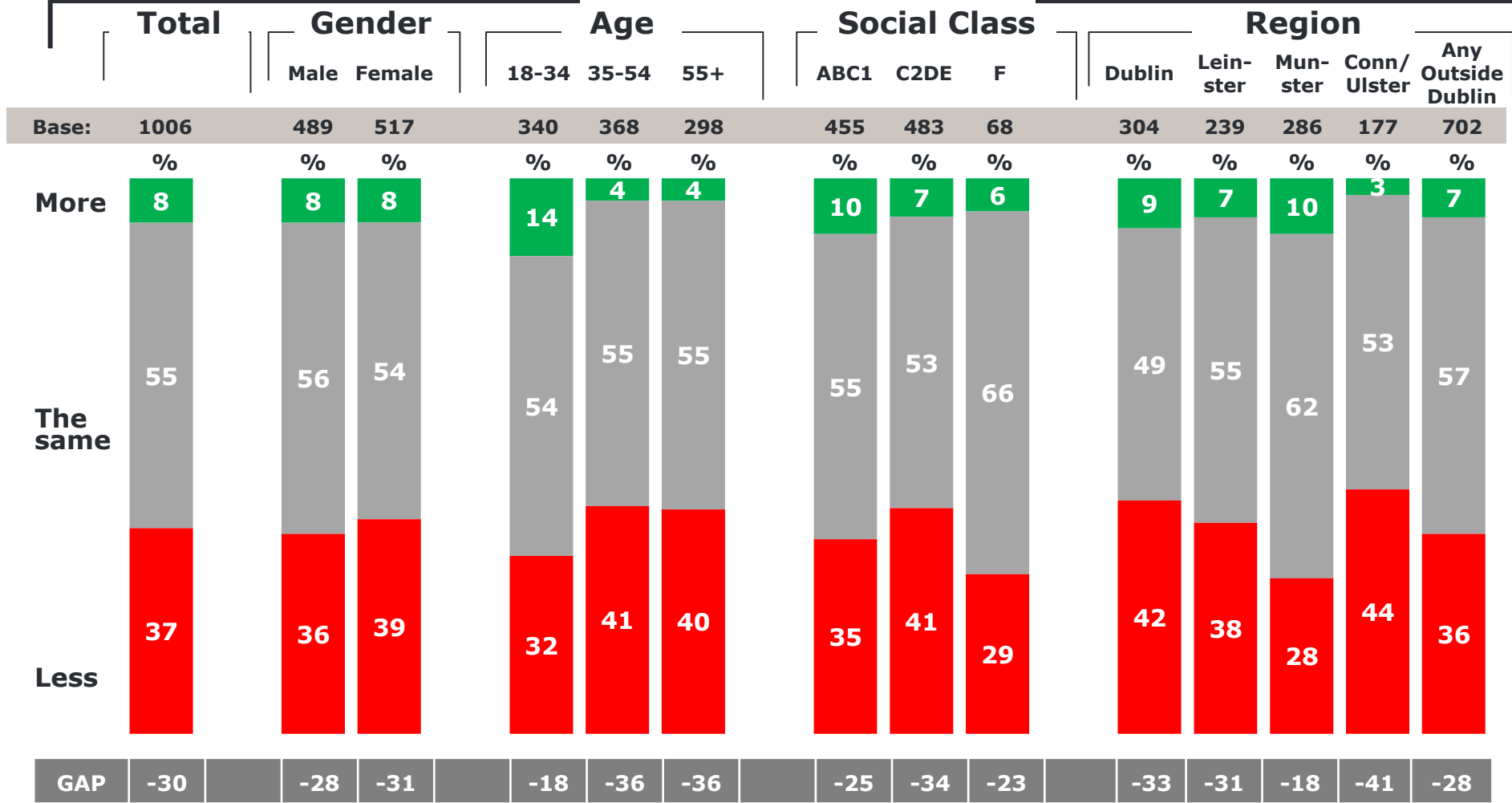


Improvements are noted and momentum is slowly improving. However, any further imposition that directly affects real incomes of consumers will impact this area negatively. Growth in personal financial situations continues to be finely balanced.

Purchasing Goods And Services – Looking Forward

Expect to purchase ...

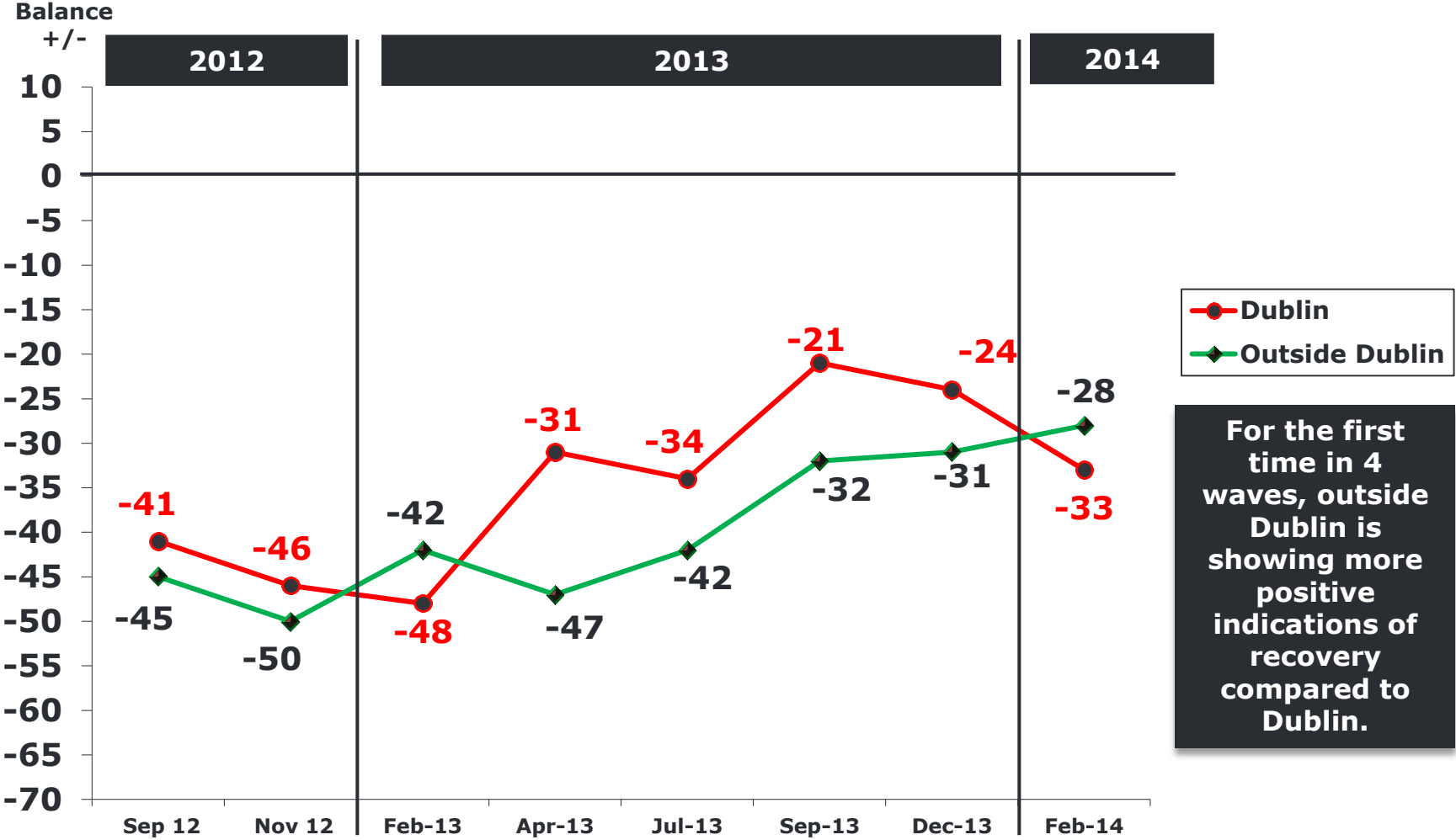
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Q.7 In the year ahead, do you expect to purchase more, less or the same amount of goods and services as in the past year?

Purchasing Goods And Services – Looking Forward x Region

Expect to purchase ...



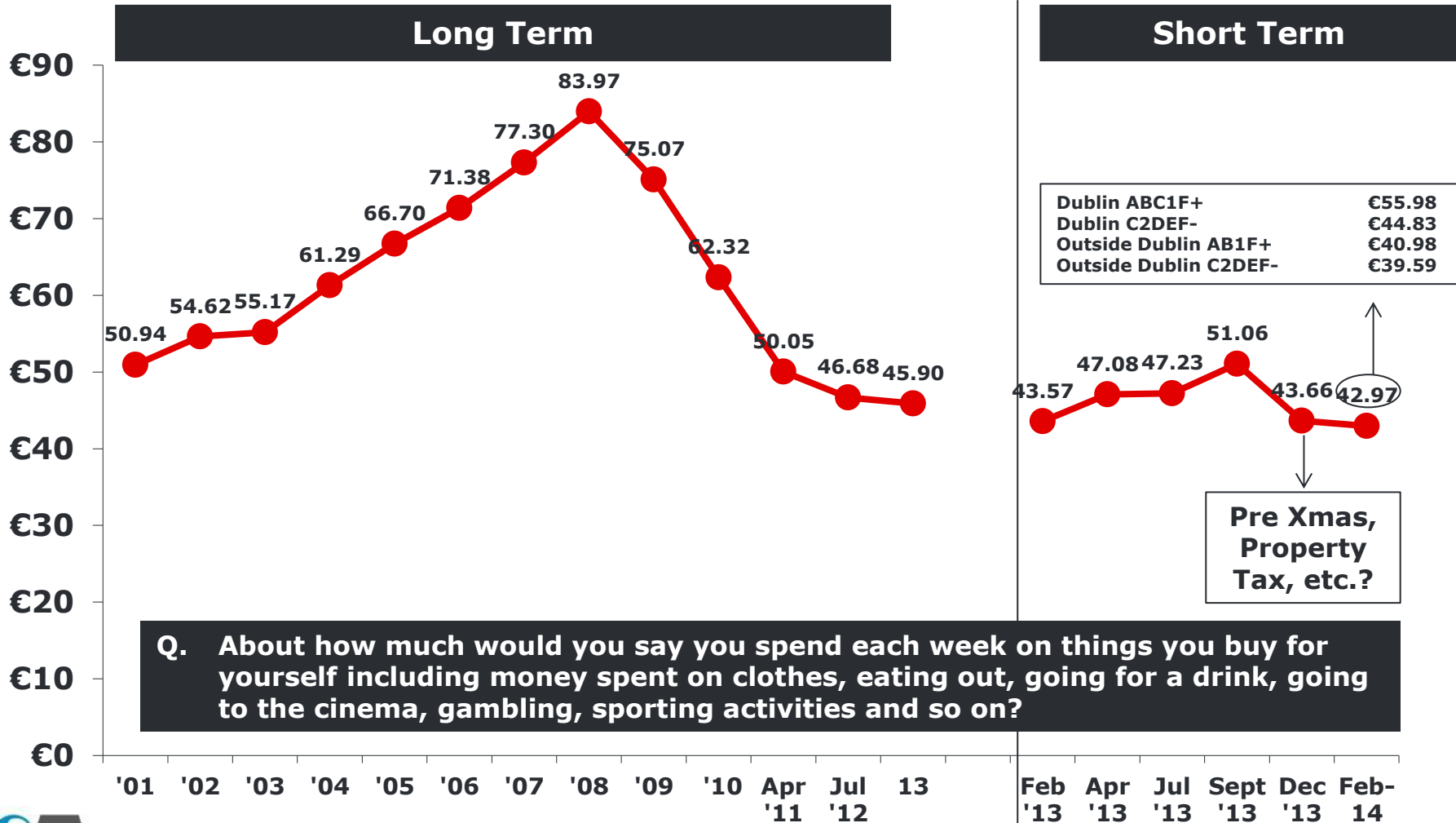
For the first time in 4 waves, outside Dublin is showing more positive indications of recovery compared to Dublin.



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 5 Years but decline appears to have largely abated (albeit a dent this wave)

Base: All adults 18+



Thank You



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