



# Consumer Confidence Tracker

November 2009

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# Introduction

- This report presents the findings of the latest phase of the Behaviour & Attitudes' Consumer Confidence Tracker.
- Survey results for each phase are based on a sample of 1,000 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 bi-monthly 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 10<sup>th</sup> November - 20<sup>th</sup> November 2009.
- At the end of this report we have also included some of the latest CSO figures on GNP, retail sales, unemployment and inflation.
- The figures contained within the B&A Consumer Confidence Barometer have an estimated margin of error 3.2%.

# Summary

- While negative sentiment still pervades, there are indications that consumer pessimism is easing. Negativity is however ‘settling-down’ on most aspects as opposed to dissipating altogether. As such, it would seem that sentiment has finally ‘bottomed out’ albeit still at historically low levels. However, it is worth noting that this survey was conducted prior to the December budget 2009.
- In broad measure, November consumer perceptions appear to echo the most recent GDP figures which have highlighted a reduction in the rate of decline in the last quarter with a small growth (0.3%) in GDP in Quarter 3 compared to Quarter 2.
- Nevertheless, people are still displaying concerns for their personal financial position in the year ahead, which is not surprising given the impact of the government levy and salary cuts over the last year. However, a more sizable proportion feel that their income will remain the same or for some, even increase next year.
- Job security fears are also beginning to ease somewhat. However note that unemployment has now reached over 12%. The 25-49 years age bracket and individuals from a blue collar and farming background feel most under pressure with regard to job security.

# Summary

- We are a ‘split’ nation with 3 in 4 believing Ireland can now be divided into the ‘haves’ and the ‘have nots’. Over one third of us now define ourselves as ‘have nots’ (more 25-34s and blue collar).
- In this wave of interviewing, a series of questions was included to gauge whether the public could see any silver lining to the recession. This produced some interesting findings:-
  - ❖ For example, Over 4 in 5 believe *“The recession is here, so people just need to get on with living in this new world”*
- This sentiment echoes the findings of the B&A Oct ’09 Irish Times Ireland Today Poll.
- Not surprisingly over 90% of people claim to be more careful with their money and what they spend it on. 67% do however believe there are now deals to be had on a variety of products and services.
- In addition, 63% feel more in control of their spending nowadays compared to last year, presumably because most of us have ‘economised’.
- Two-thirds of us are however still treating ourselves from time to time, presumably with a view to escaping the drudgery of recession where we can.

# Summary

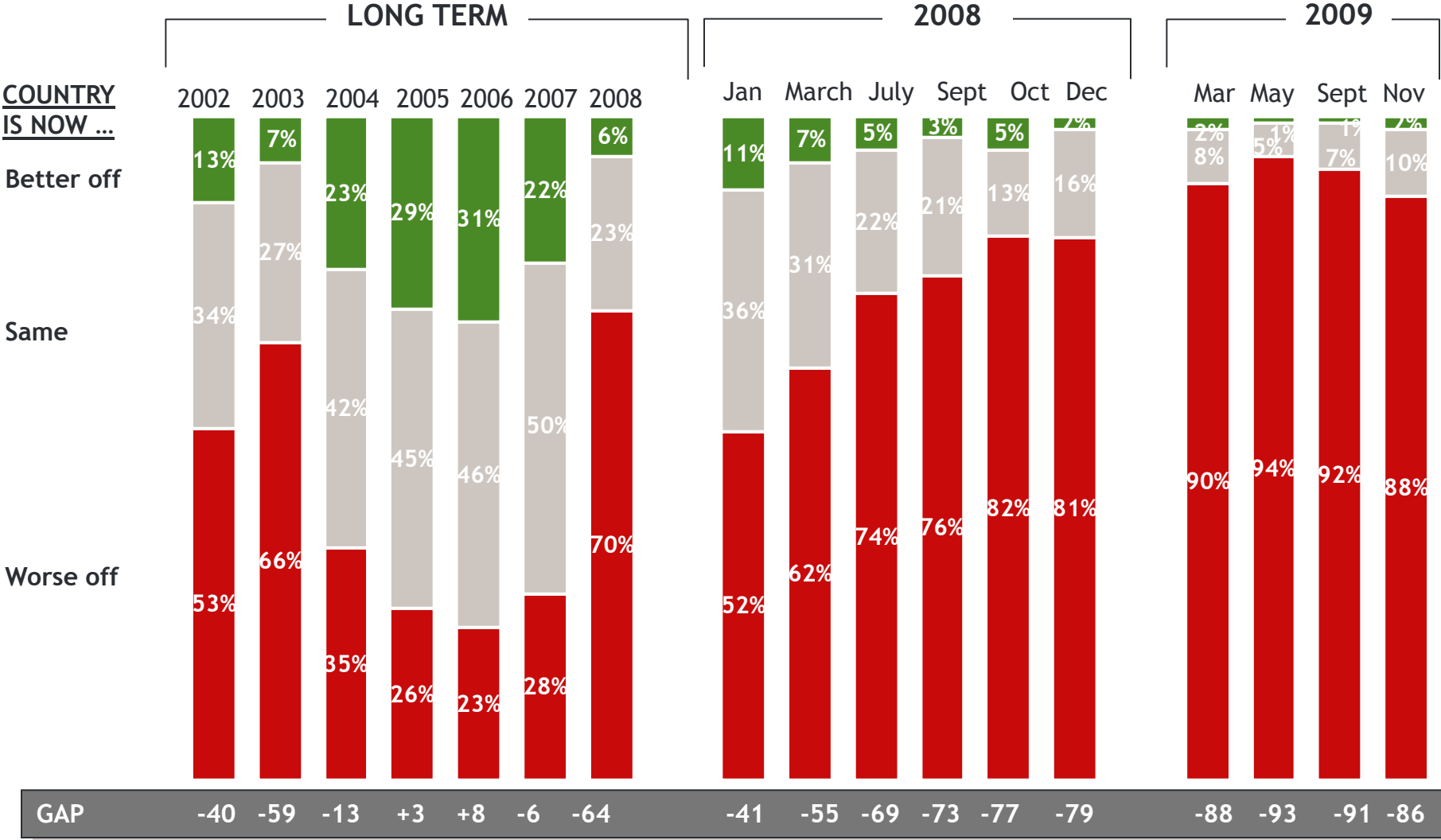
- On a more positive note, 62% are spending more quality time at home nowadays.
- 77% view it as a good time to retrain or educate themselves. Also, 59% are cooking more at home in 2009.
- However the recession is not over yet for most Irish people; in fact, only 14% feel the recession will be over by the end of 2010.
- Disappointingly, over one third believe our moral values are in decline.
- Concerns about our moral values increase significantly with age and among those living in rural areas.

# Summary

- The table below summarises the net scores for each element of the November survey compared to previous waves.

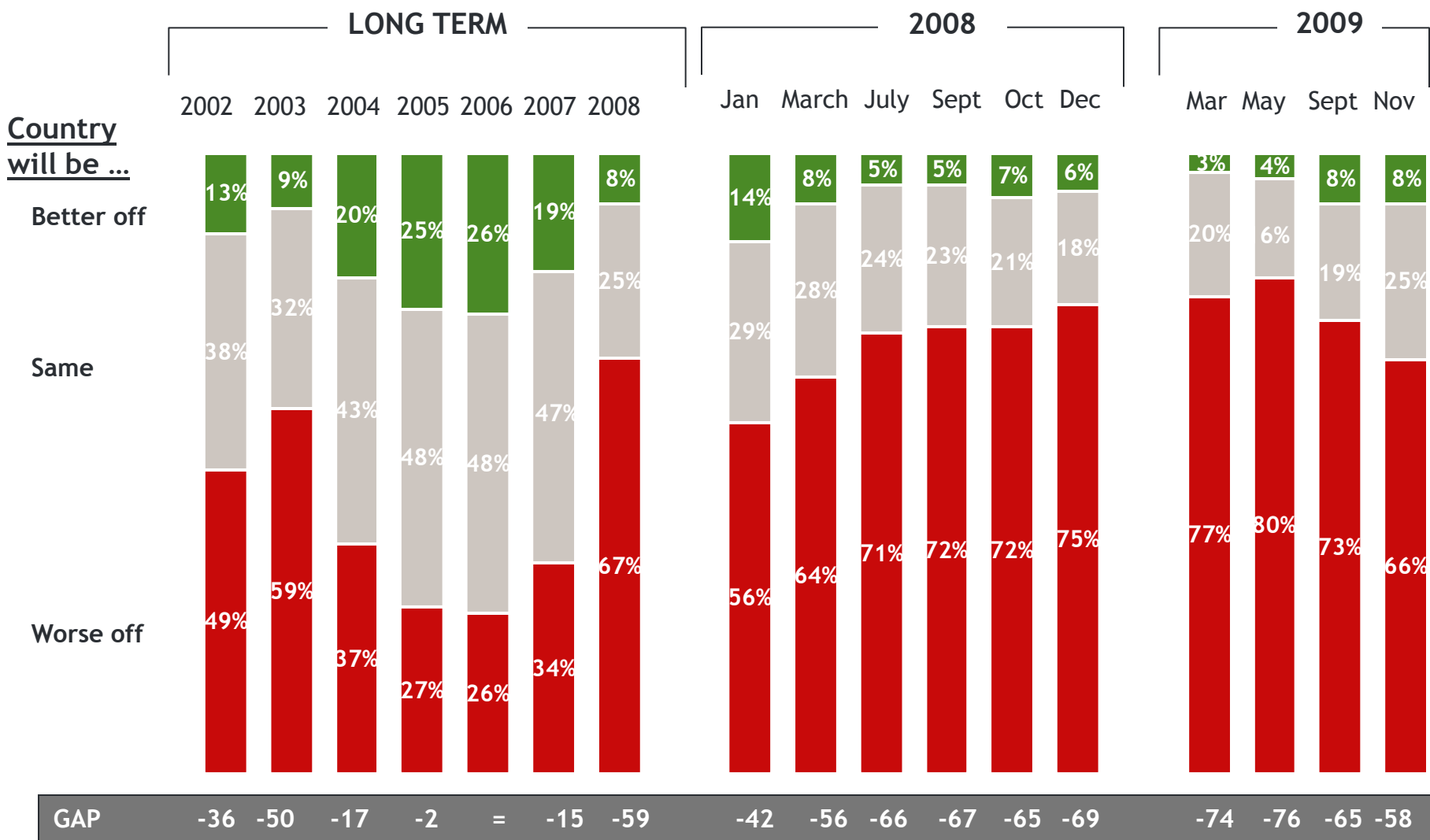
	Pre 2008 Historic Low	2008						2009				
	Date	Net Score	Net Scores						Net Scores			
UNWTD. SAMPLE	Date	Score	Jan	Mar	July	Sept	Oct	Dec	Mar	May	Sept	Nov
	%	%	%	%	%	%	%	%	%	%	%	%
Economy - looking back a year	Nov '02	-62	-41	-55	-69	-73	-77	-79	-88	-93	-91	-86
Economy - looking forward one year	Nov '02	-63	-42	-56	-66	-67	-65	-69	-74	-76	-65	-58
Personal finance - looking back a year	Nov '02	-40	-12	-9	-32	-48	-43	-50	-57	-62	-67	-63
Personal income - looking forward a year	Nov '02	-20	3	-1	-20	-26	-38	-44	-54	-63	-63	-55
Personal assets - looking forward one year	Jan'02	-2	-4	-20	-19	-27	-38	-39	-55	-53	-55	-47
Purchasing intentions - the year ahead	Nov '02	-24	-5	-13	-28	-34	-43	-51	-61	-55	-60	-53
Savings - the year ahead	Nov '02	-35	-13	-4	-35	-34	-50	-52	-56	-56	-60	-51

# Economy - Looking Back



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?

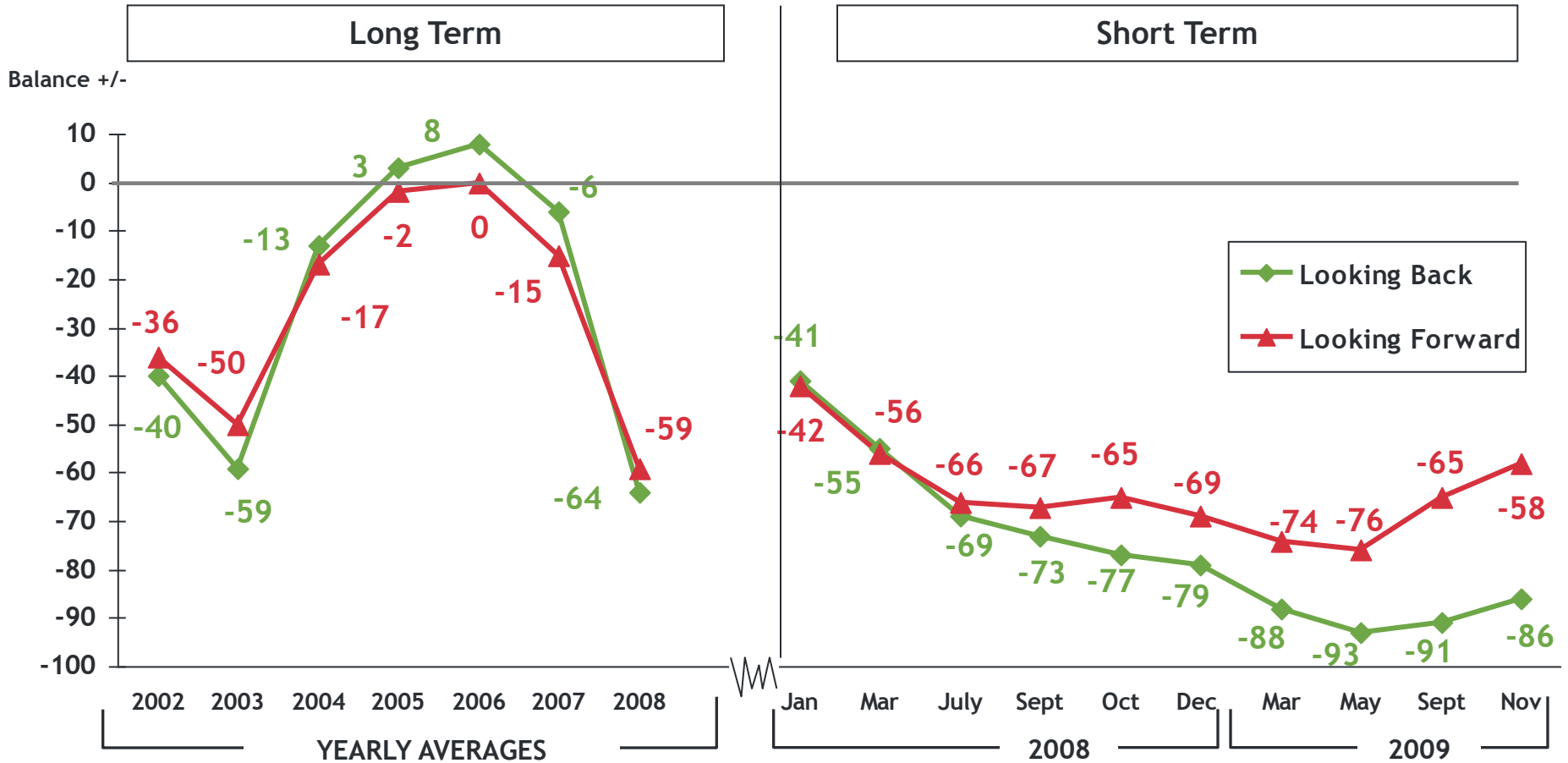
# Economy - Looking Forward



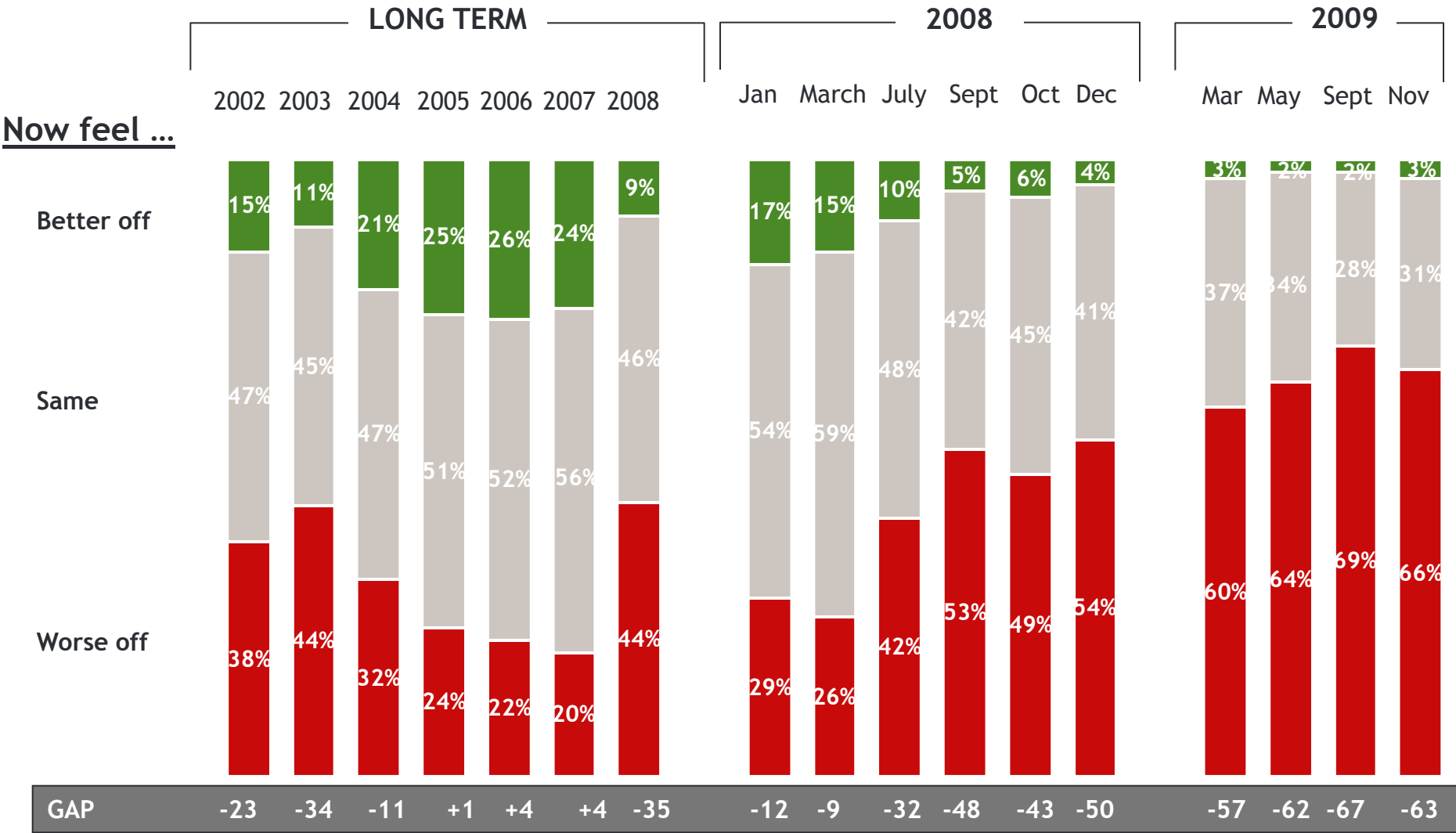
Q.2 And what about the coming year, do you think that the country will be better off, worse off or about the same as this year?



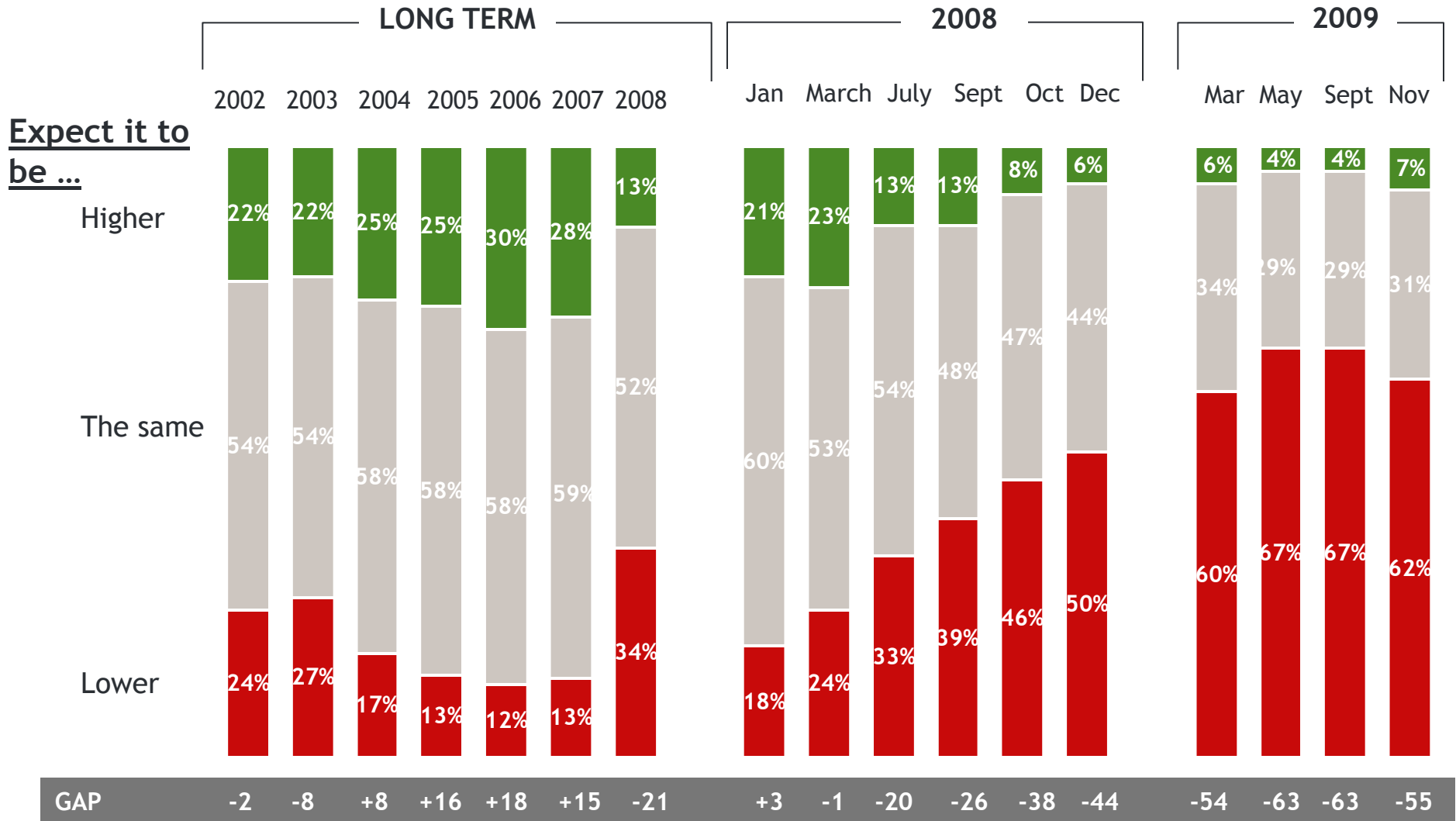
# Balance Of Opinion Economy



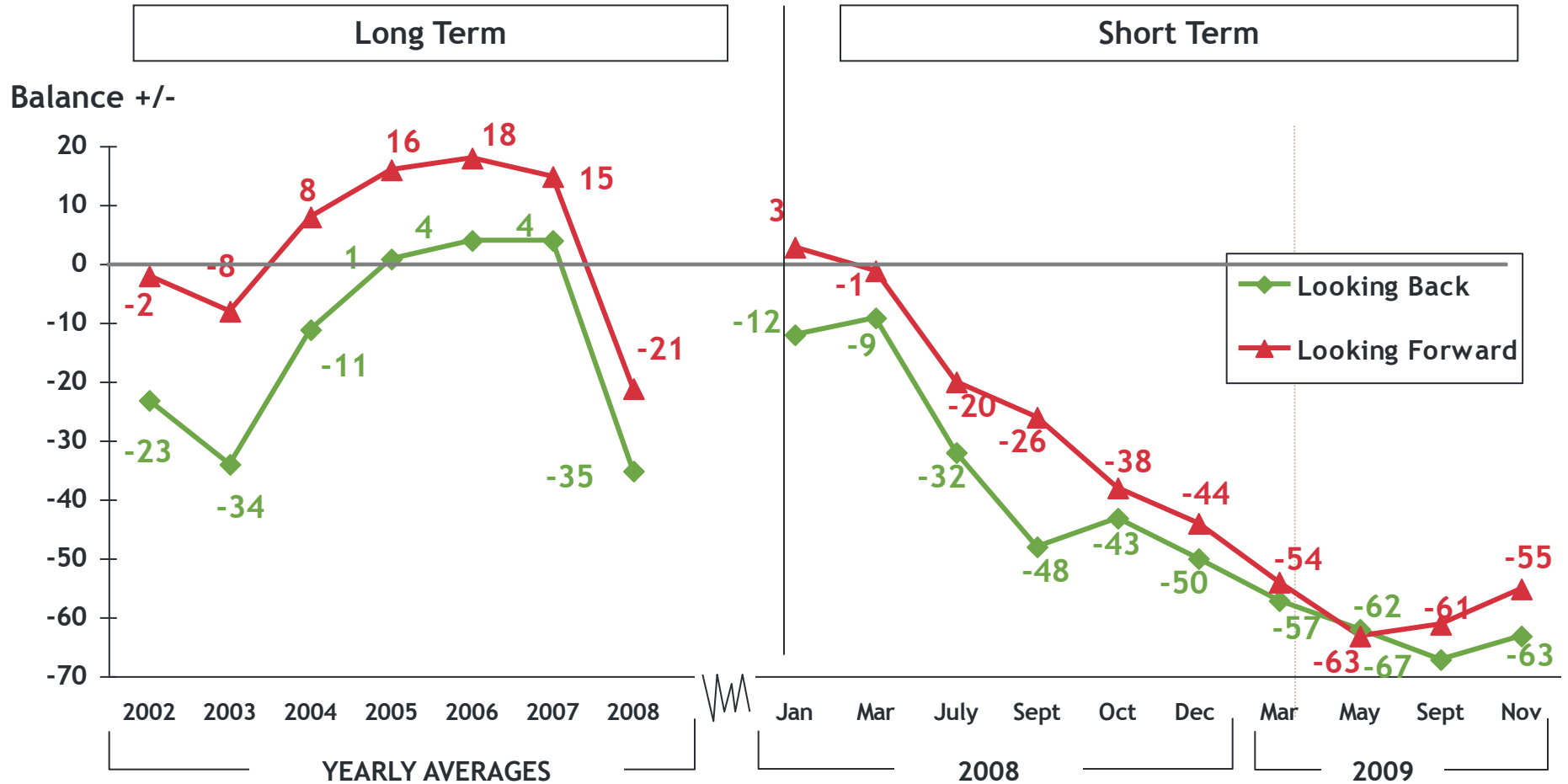
# Personal Finances - Looking Back



# Personal Finances - Looking Forward



# Balance Of Opinion - Personal Finances



# Personal Assets- Looking Forward

Expect them to be ...

LONG TERM

2008

2009

2002 2003 2004 2005 2006 2007 2008

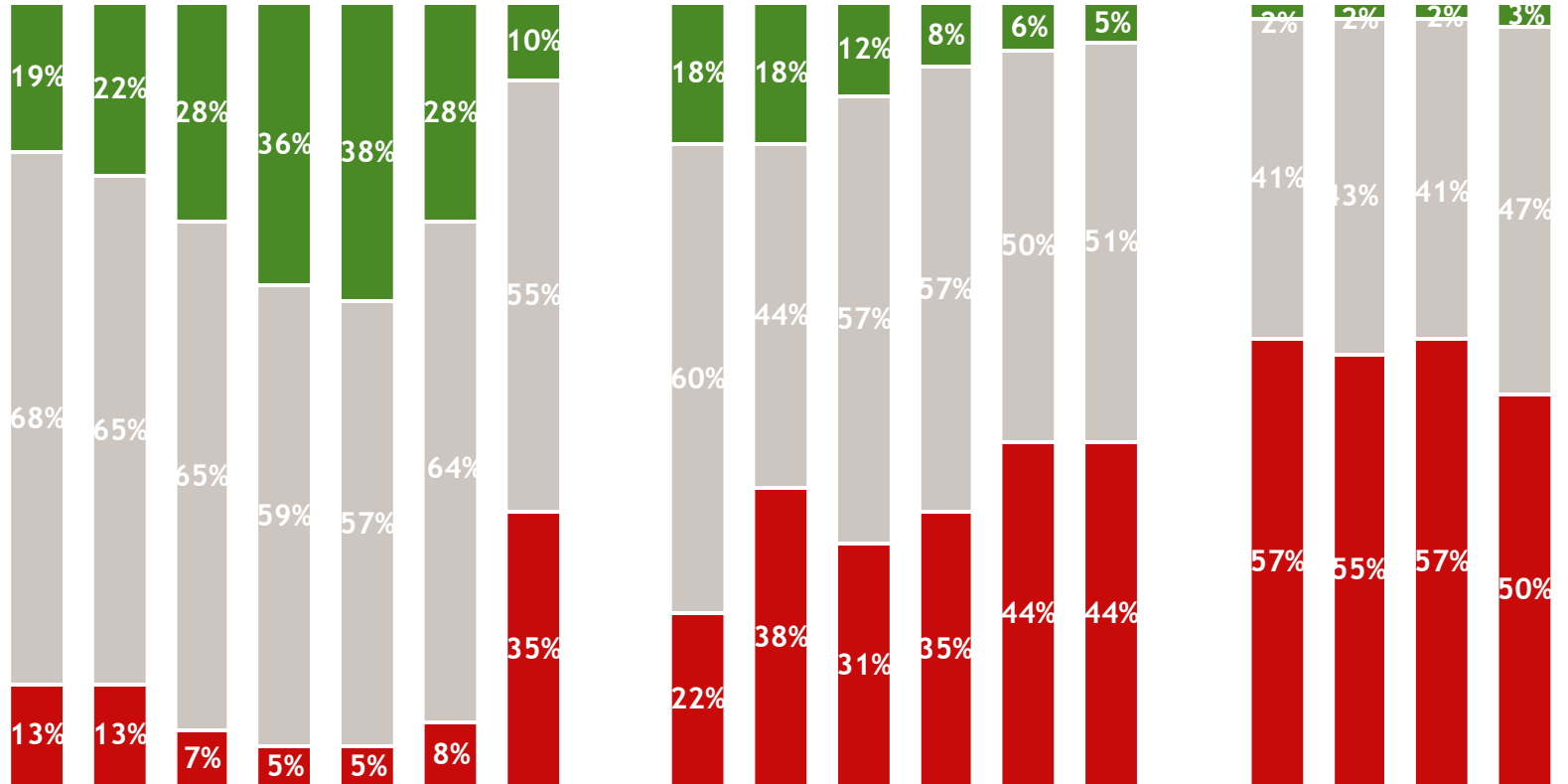
Jan March July Sept Oct Dec

Mar May Sept Nov

More

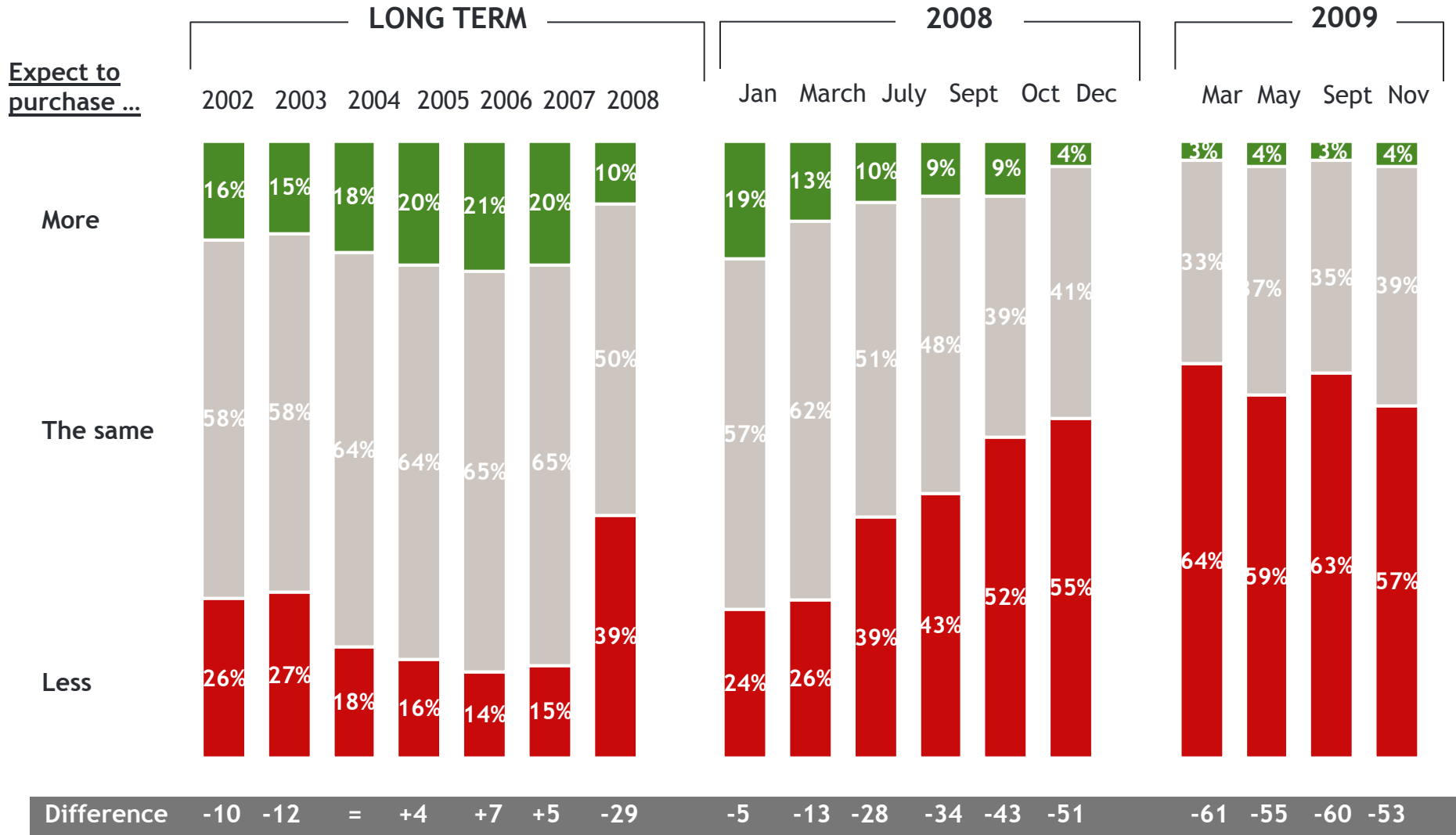
No change

Less

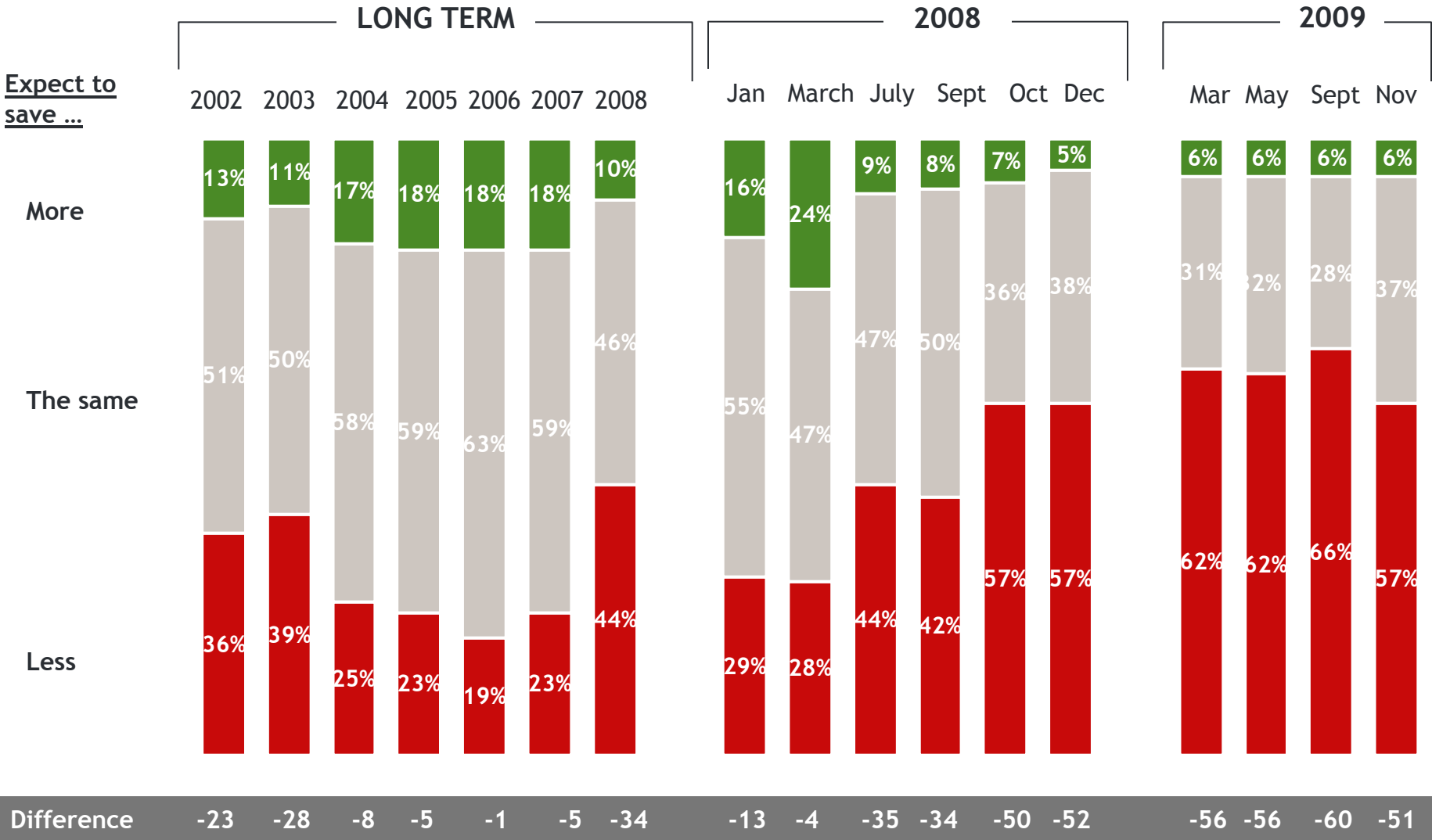


Difference +6 +9 +21 +31 +33 +20 -20 -4 -20 -19 -27 -38 -39 -55 -53 -55 -47

# Purchasing Goods And Services - Looking Forward



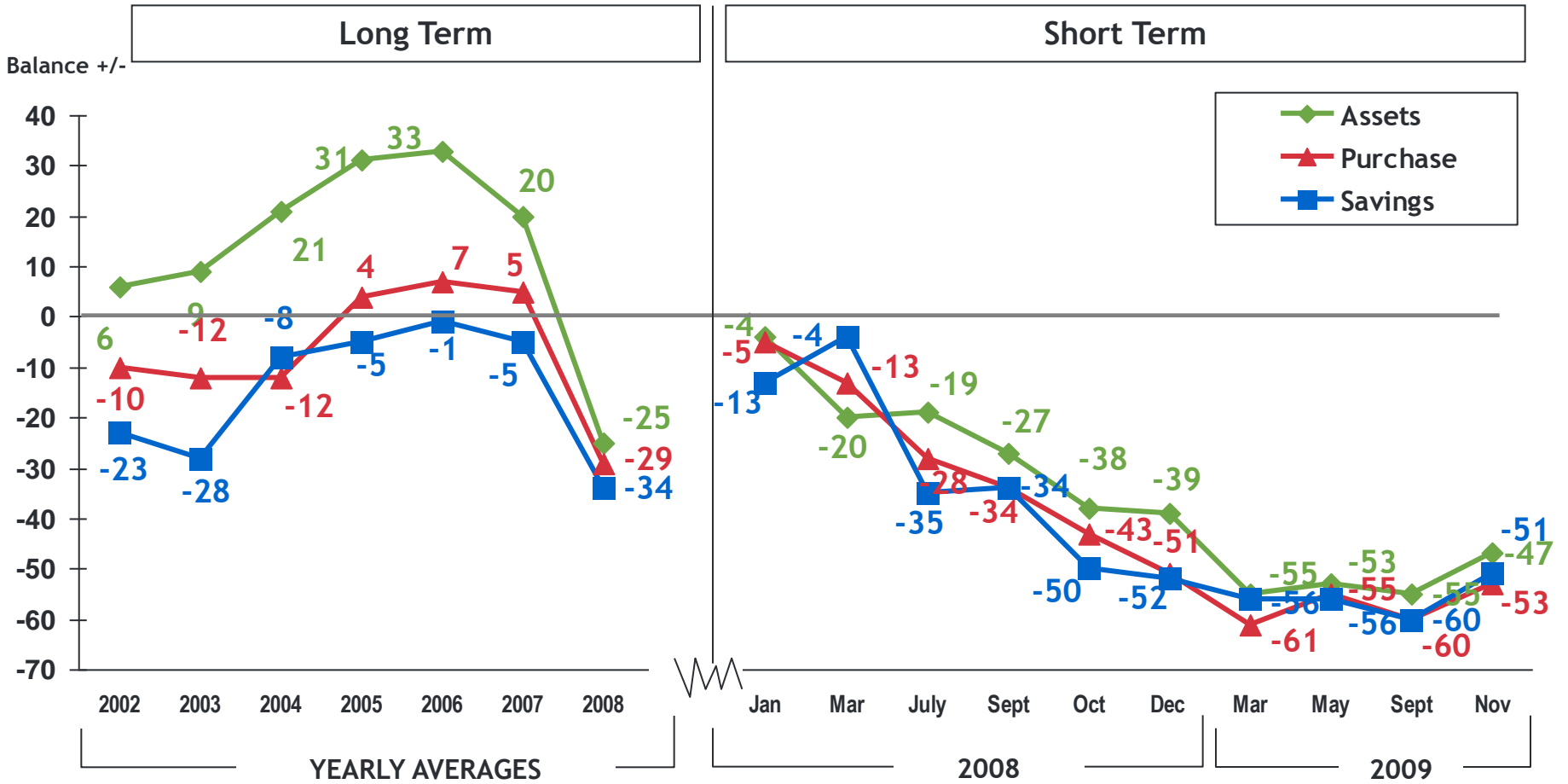
# Savings - Looking Forward



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

# Balance Of Opinion

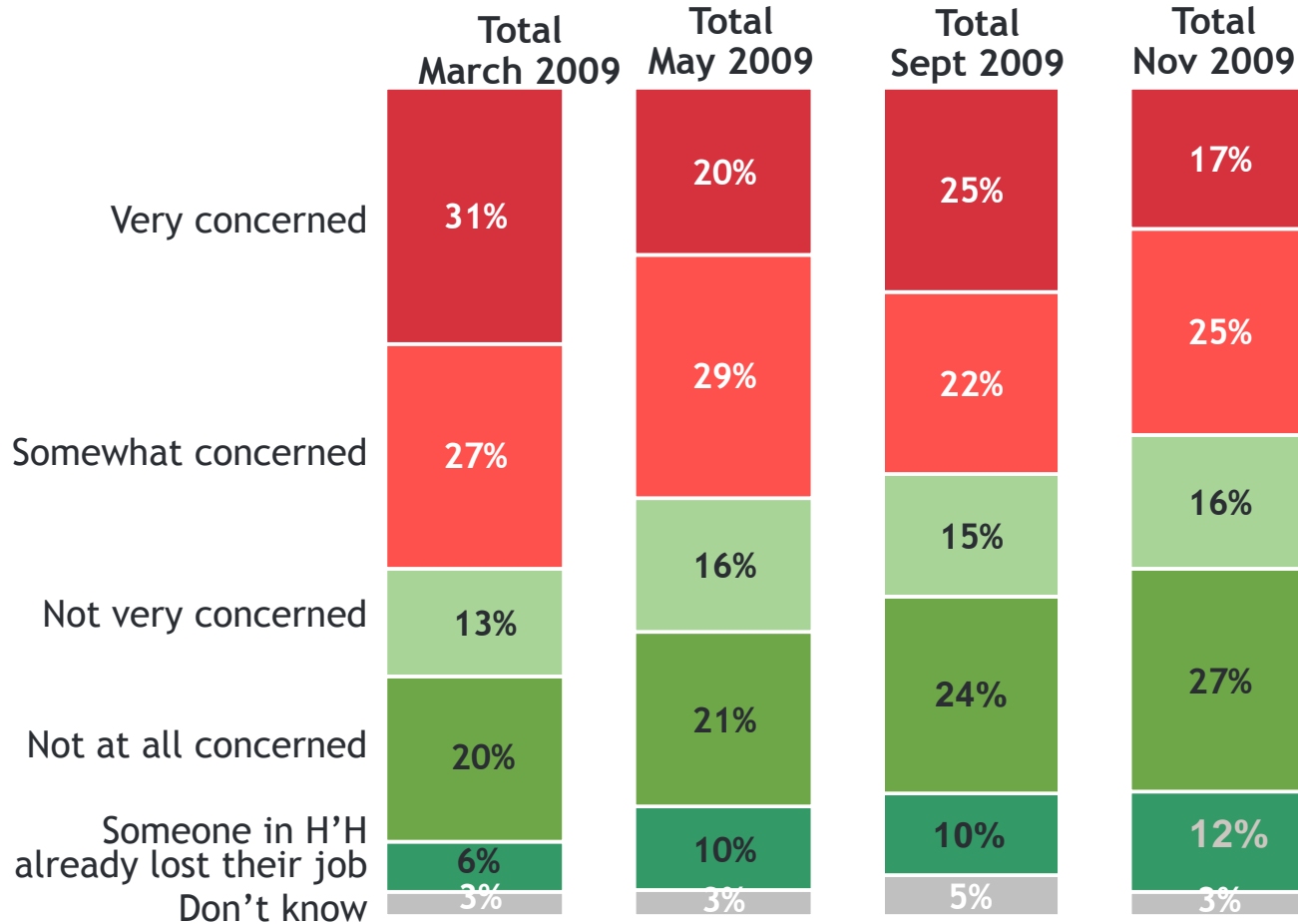
Expectations in regard to Assets, purchases, and savings





# Job Security Fears Abound

Concern that someone in household may lose their job in the next 6 months



Equates to over 550k people who are very concerned



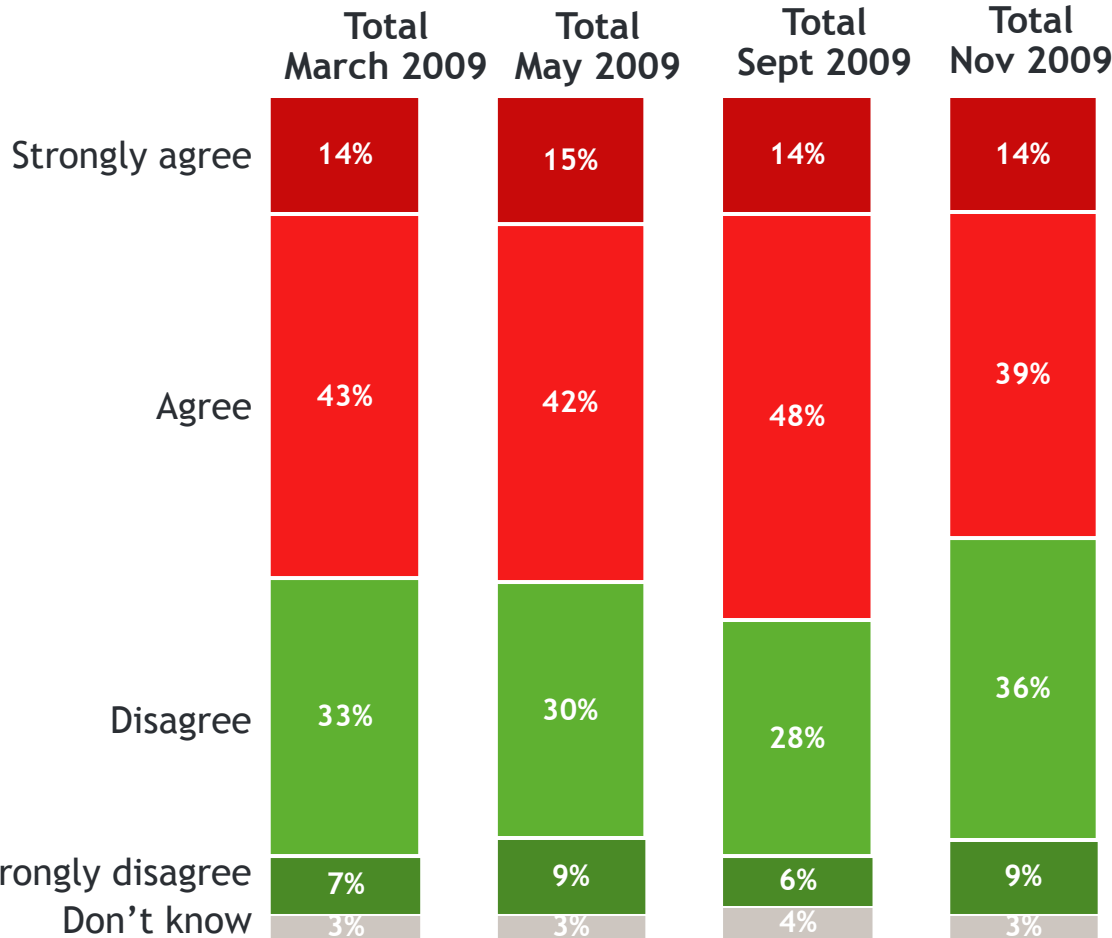
While job concern still exists, some clarity perhaps developing

Q.9 Are you very, somewhat, not very or not at all concerned that you or someone in your household may lose their job in the next six months?

# Are Consumers Coping?

Base: All adults 16+ 1018

Compared to a year ago, my household having **more difficulty** making ends meet



About 500k people strongly agree their household is having difficulties (a further 1.4m agree)

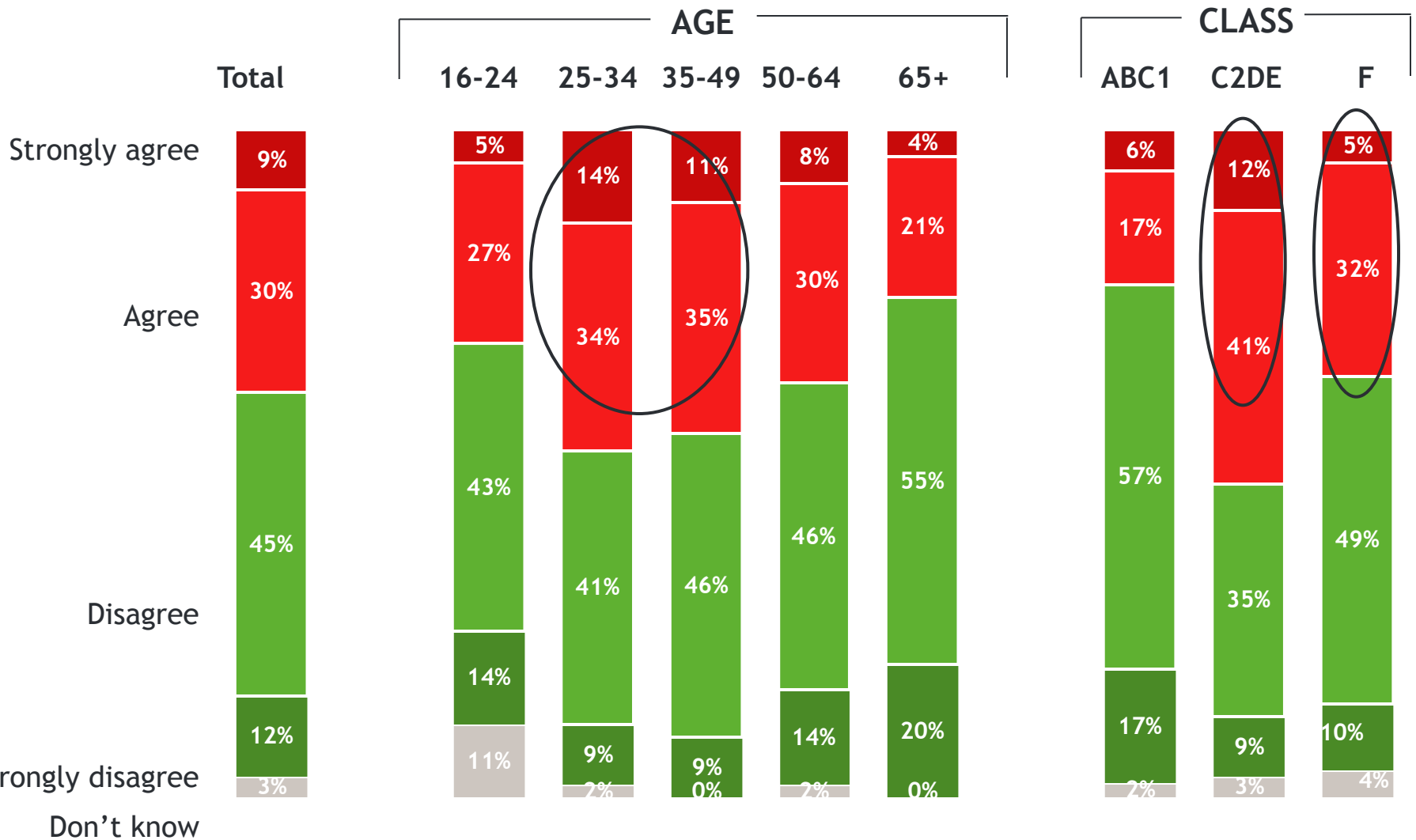
Especially affected are; those in the 25-34 age bracket and among blue collar workers.



Q.10 To what extent do you strongly agree, agree, disagree or strongly disagree with each of the following statements?  
 Compared to a year ago, my household having more difficulty making ends meet

# Extent of Households **Struggling** to Make Ends Meet

Base: All adults 16+ 1018



Q.10 To what extent do you strongly agree, agree, disagree or strongly disagree with each of the following statement?

- My household is struggling to make ends meet

**Is there some silver lining  
to the recession?**

# The spirit of the fighting Irish lives on

Base: All Adults aged 16+ - 1011



- Over 4 in 5 believe ...  
*“The recession is here, so people just need to get on with living in this new world”*
- This sentiment echoes the findings of the Behaviour & Attitudes Oct '09 Irish Times Ireland Today Poll.

# Shopping Behaviour

Base: All Adults aged 16+ - 1011



- Not surprisingly over 90% of people claim to be more careful about their money and what they spend it on.
  - But 67% believe there are a lot of good deals around on different products and services which they avail of.
  - Also 63% feel more in control of their spending nowadays compared to last year.
- 
- However, of note is that two thirds still treat themselves nowadays despite the recession.



# Other 'benefits' of the recession

Base: All Adults aged 16+ - 1011



- 62% spending more quality time at home nowadays.



- 77% view it as a good time to retrain or educate oneself.



- Indeed many agree (50% vs 38% disagree) that the recession may be good for people in the long run.

- 59% cooking more at home in 2009



# Savings

Base: All Adults aged 16+ - 1011



- The recession is affecting a broad spectrum of Irish people. Hence it is not surprising that only 1 in 5 feel they are saving more nowadays.





# However, there is no quick fix!

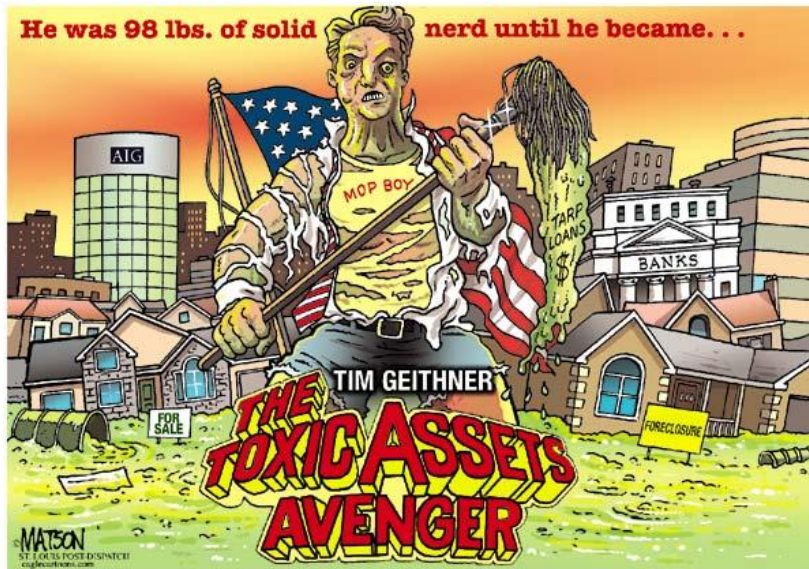
Base: All Adults aged 16+ - 1011



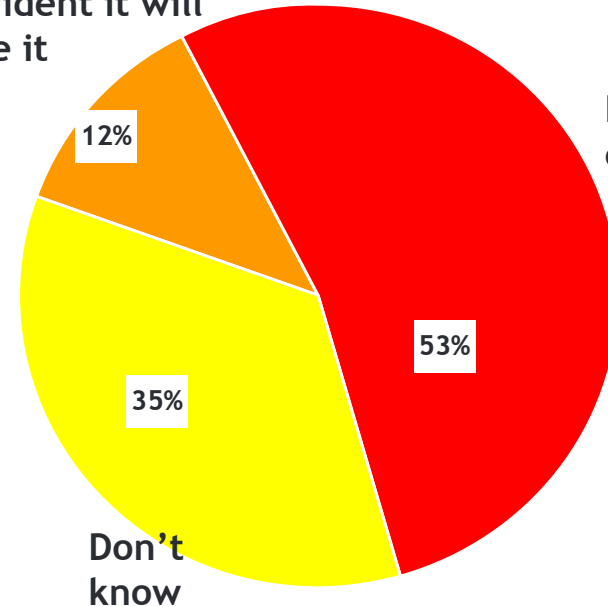
- Only 14% feel the recession will be over by the end of 2010.

# Is NAMA the answer?

Base: All Adults aged 16+ - 1011



Confident it will solve it



No - not confident

12%

53%

35%

Don't know

# The Legacy

# Ireland is a divided country

Base: All Adults aged 16+ - 1011

- 3 in 4 believe Ireland is now divided into the 'haves' and 'have nots'



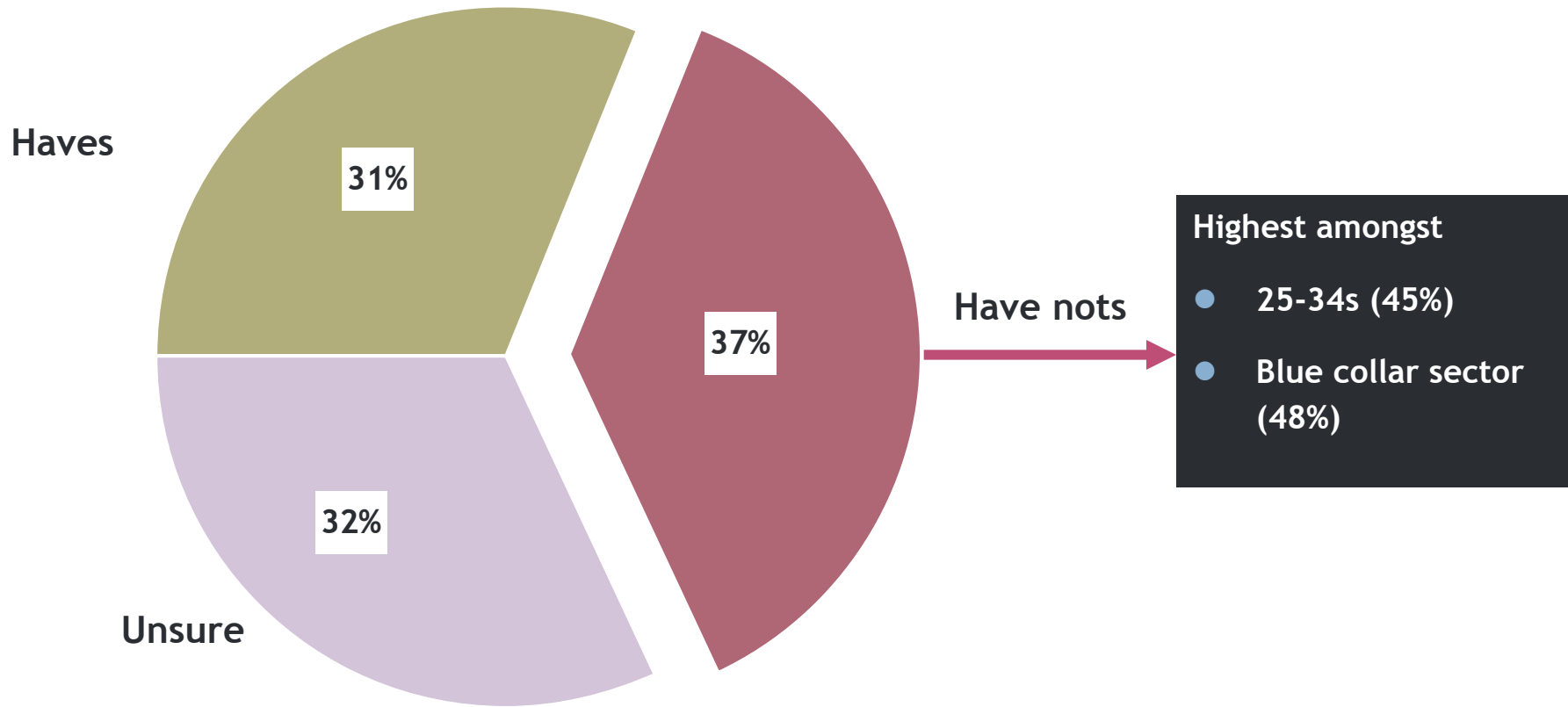
Salary reduced by 20% to €228,000



Salary reduced by 8% to €29,000

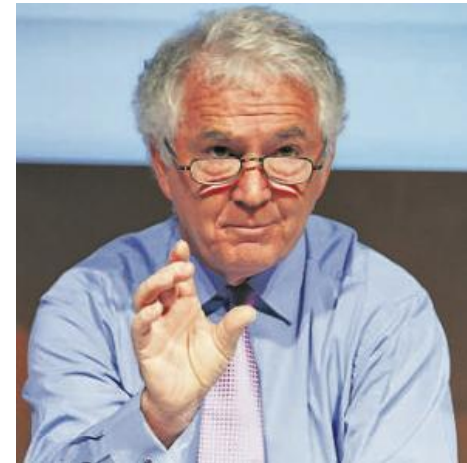
# And Over one third define themselves as 'have nots'

Base: All Adults aged 16+ - 1011



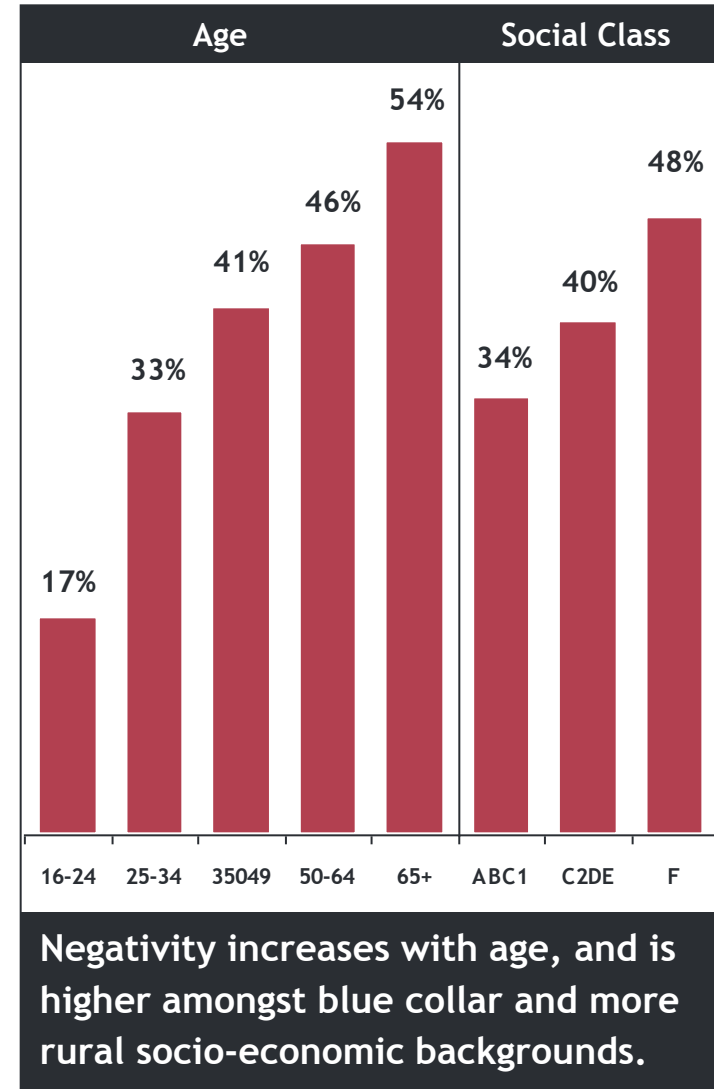
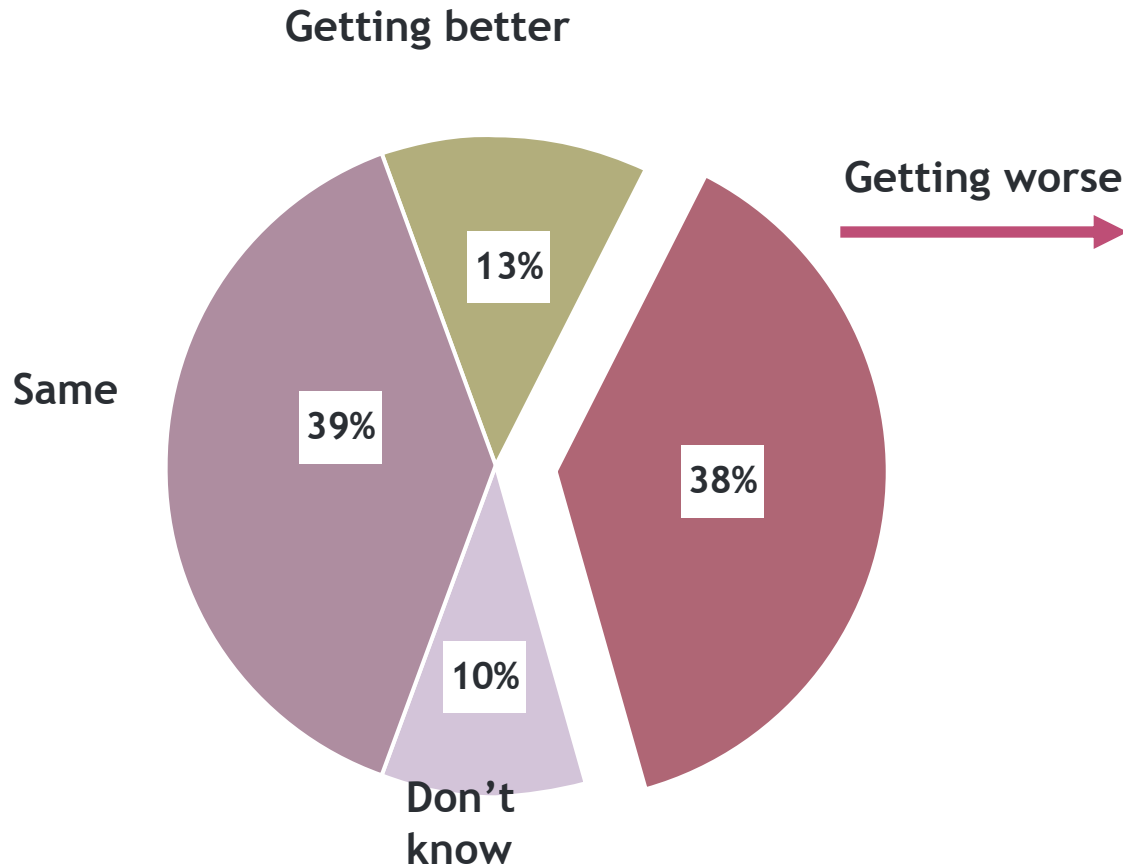
Q.14 And if you had to define yourself, which of these groups do you think you would fall into - the Haves or the Have nots'

# Are we confident our moral values are improving?



# No! Not really.

Base: All Adults aged 16+ - 1011



Q. Do you think the moral values of Irish people are getting better, getting worse or are the same as a year ago?

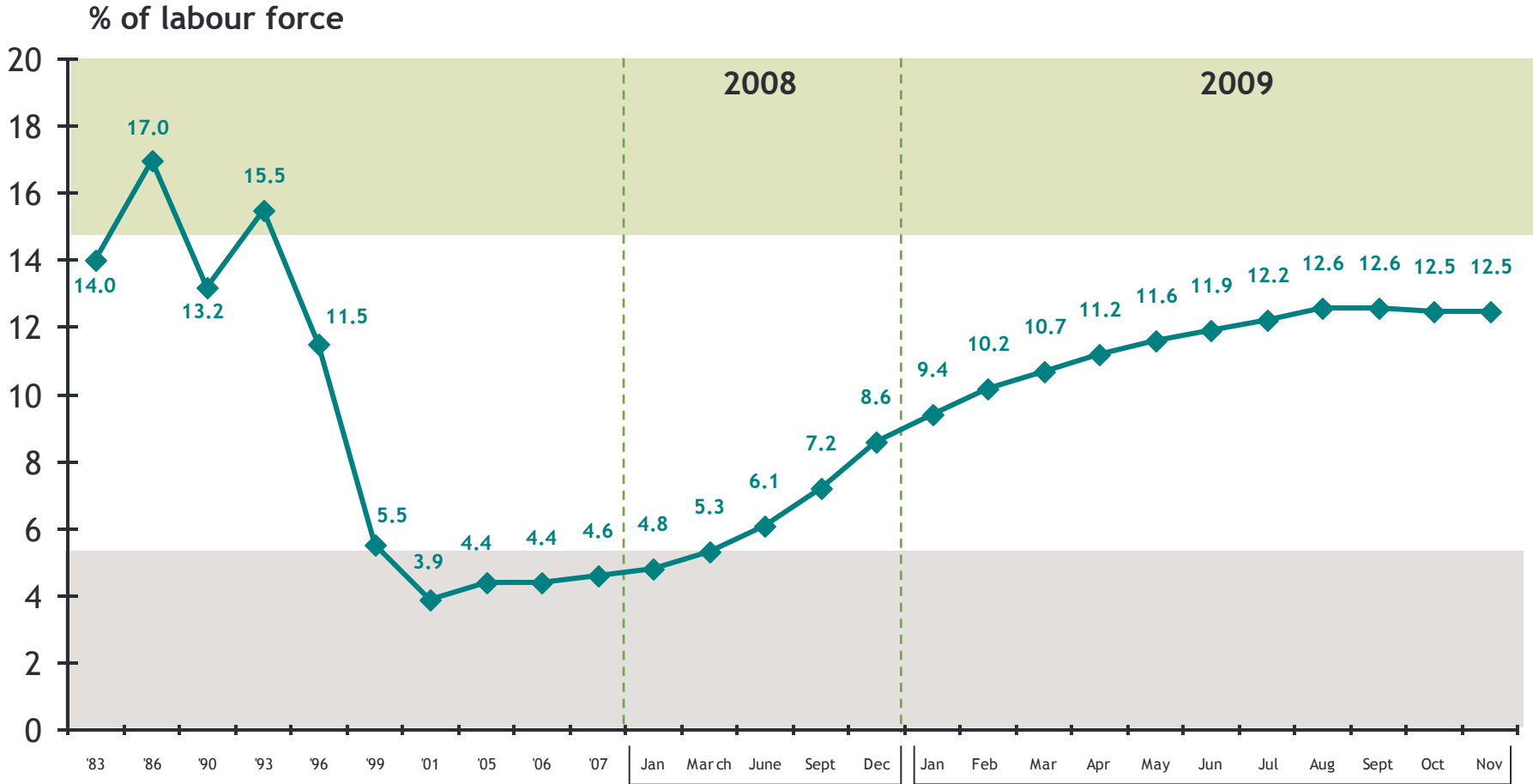
# **CSO DATA**

**(latest estimates 2009)**



# Unemployment Rates

Seasonally adjusted



\*Source: CSO latest estimates published Sept, 2009

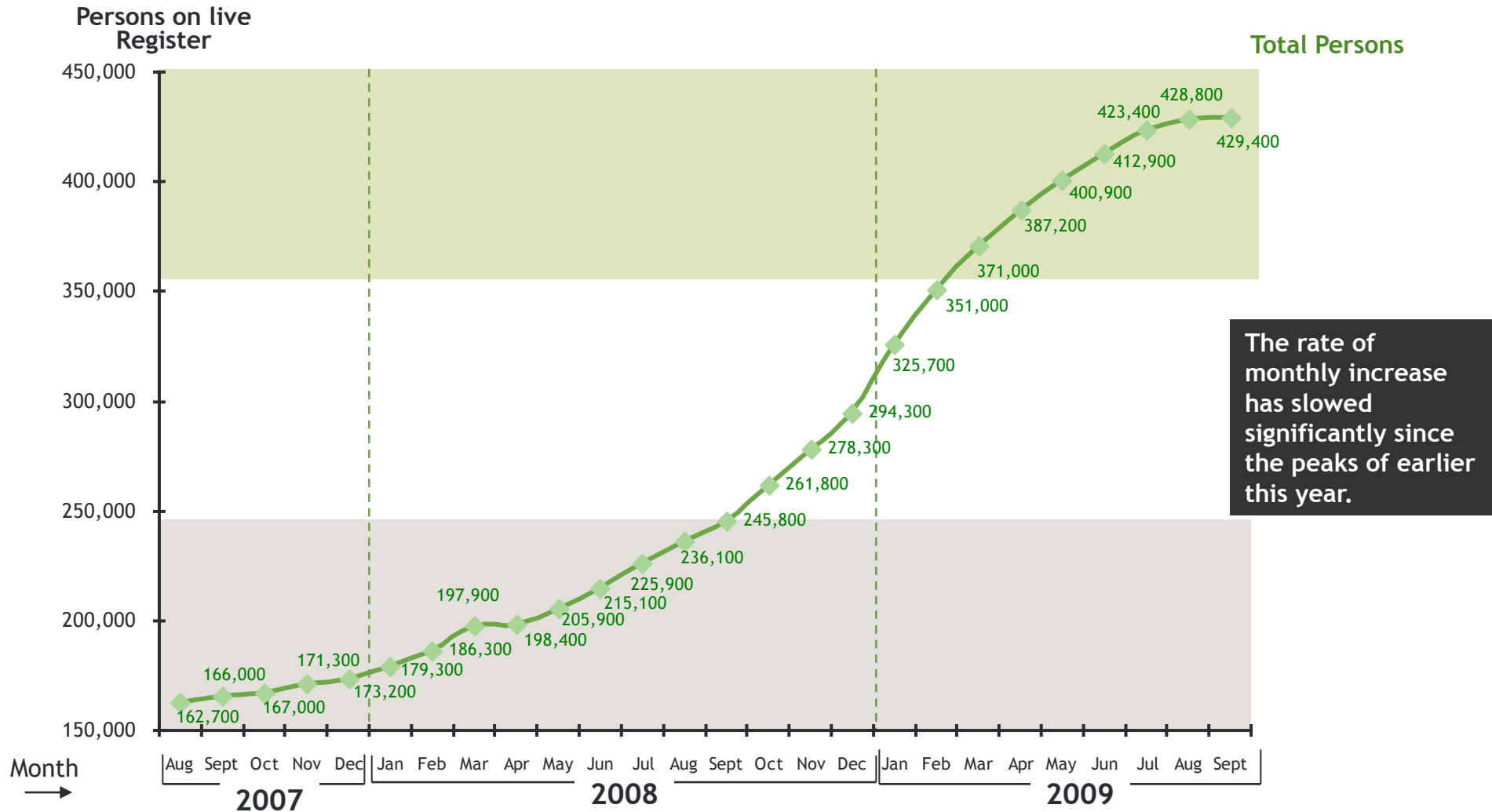
2008 Average for '08 was 6.4



The unemployment rate does not take into account reduced working hours up to 3 days a week, etc as does the Live Register

# The Live Register

Seasonally adjusted



\*Source: CSO latest estimates Aug. 2009

\* 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

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# Year on Year Growth Rates - Quarterly National Accounts

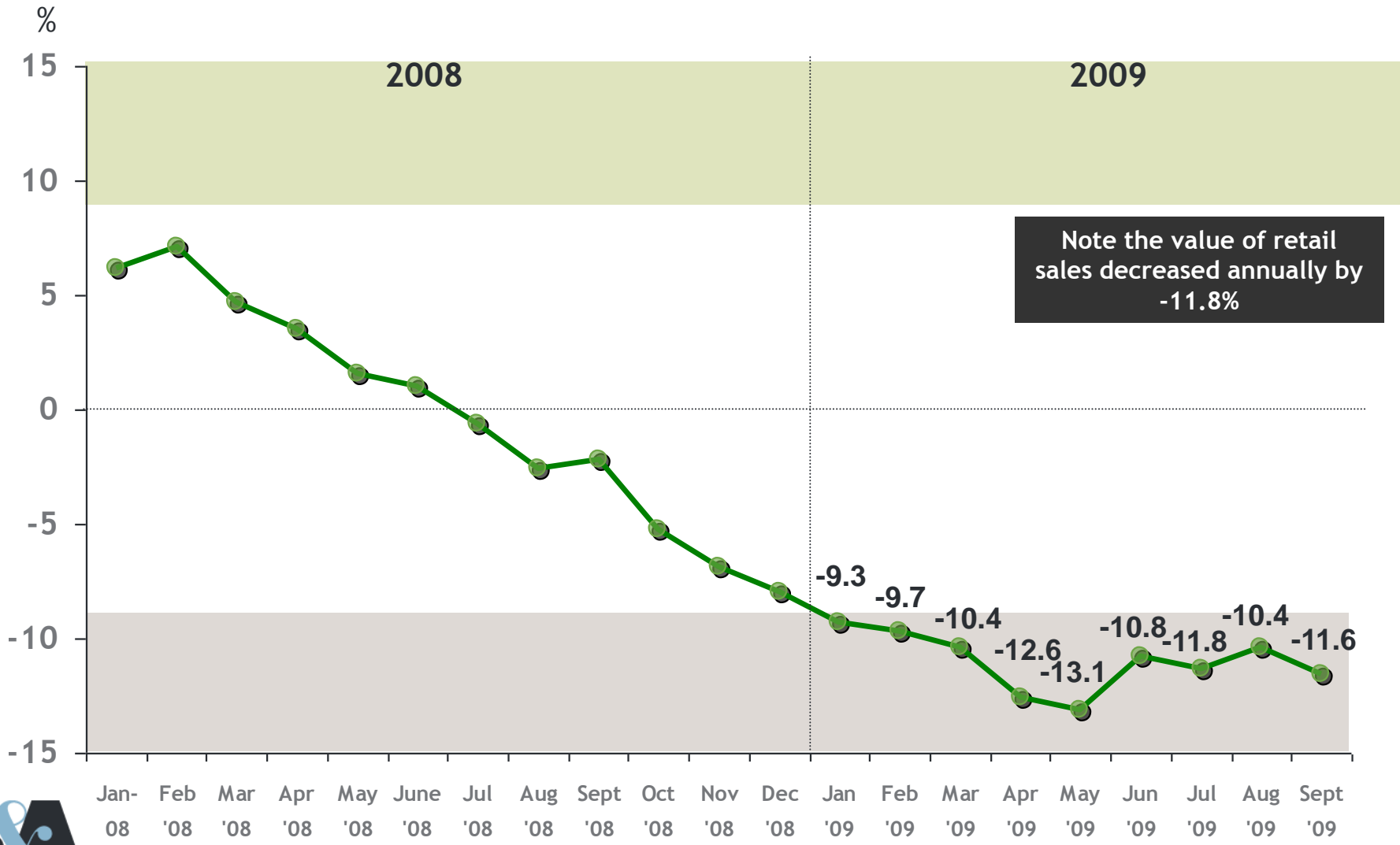


Source: CSO: September: Based on moving annual totals

There has been a decline of 1.4% in GNP in the third quarter and a small increase of 0.3% in GDP compared with Qtr 2. This means that as the year has progressed the level of decline is receding.

# Value of Retail Sales (Excluding Motor Trade) Seasonally Adjusted Annual % Change

Base: Year 2005 = 100



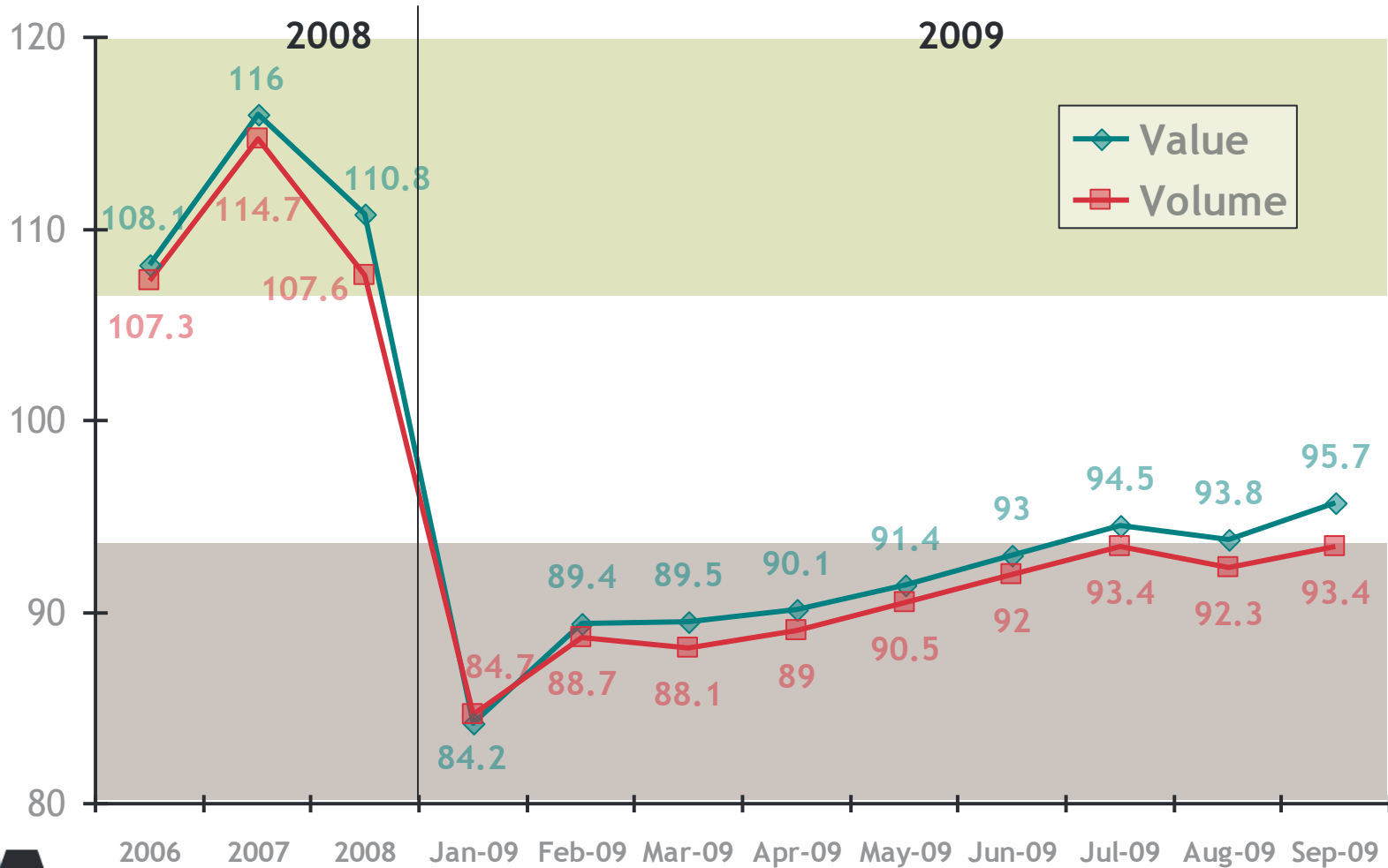
\* Source: CSO latest estimates August, 2009. Base year : 2005 = 100

# Volume & Value of Retail Sales

(All business combined)

2006-2009 (Index 2005 = 100) Up to July 2009

Index



Volume  
Value

Year

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37

\*Source: CSO latest estimates Sept, 2009

# The Northern Factor

- One in six households made at least one shopping trip to the North during the 12 month period to July 2009. Shoppers from Dublin account for one-third of all trips.
  - ❖ Half of all Border County residents shopped in the North. In fact the typical cross-border shopper lives near the Border, comes from a two-income household, has children, and is aged 30-44 years.
  - ❖ However higher spenders emanate from South East, Mid West and South West.
    - Average spend of €492 on most recent trip.
- 80% purchasing groceries, with 40% purchasing alcohol.



## NORTHWARD BOUND

### Average Spending Breakdown

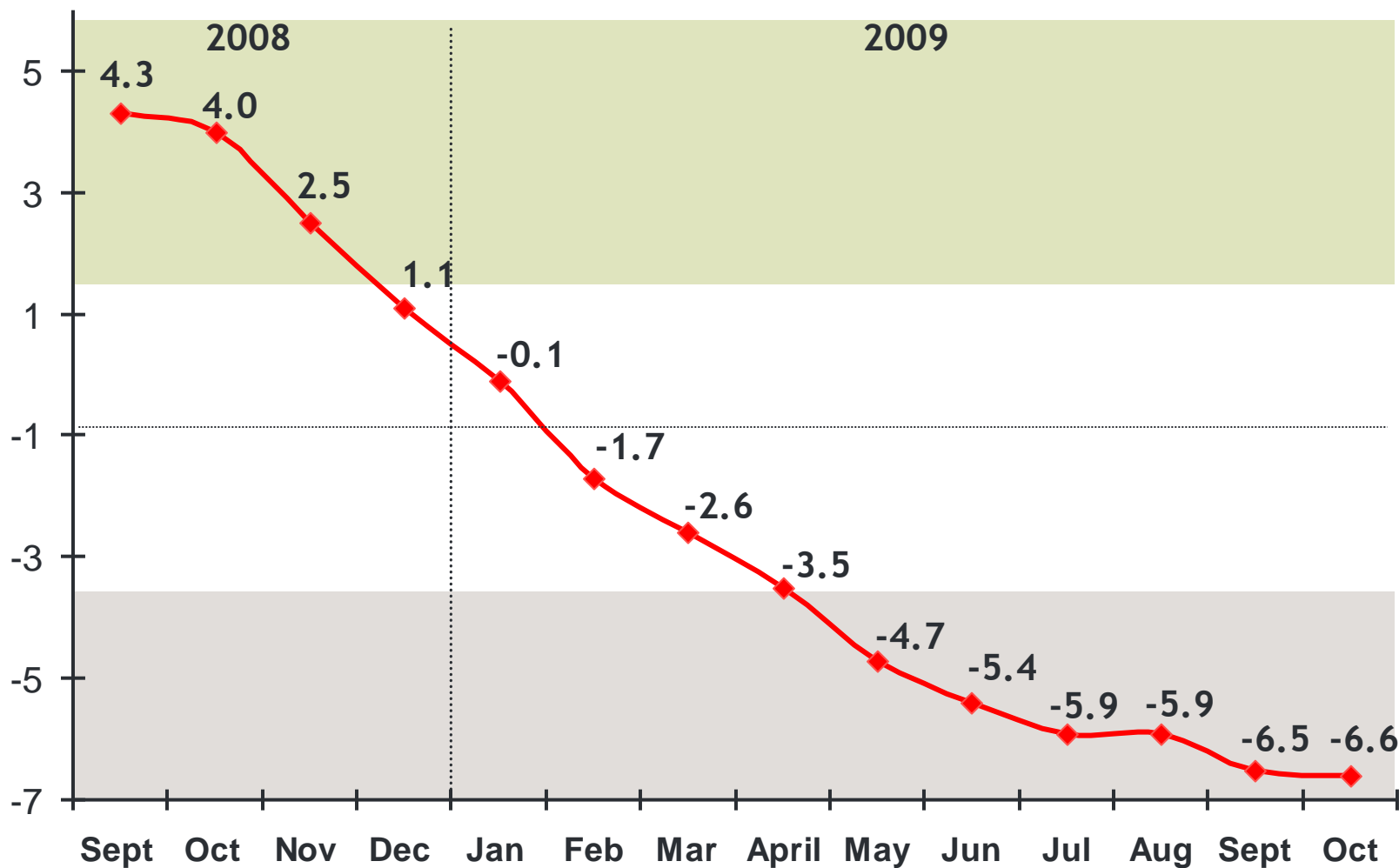
- €114 Groceries
  - €77 Clothes and durables
  - €32 Alcohol
  - €11 Cosmetics
  - €53 Other
- €287 TOTAL AVERAGE**

€435 million spent by ROI shoppers in NI in 12 months to July 2009.

\*Source: CSO

# Rate of Deflation steadying up

% Annual Change

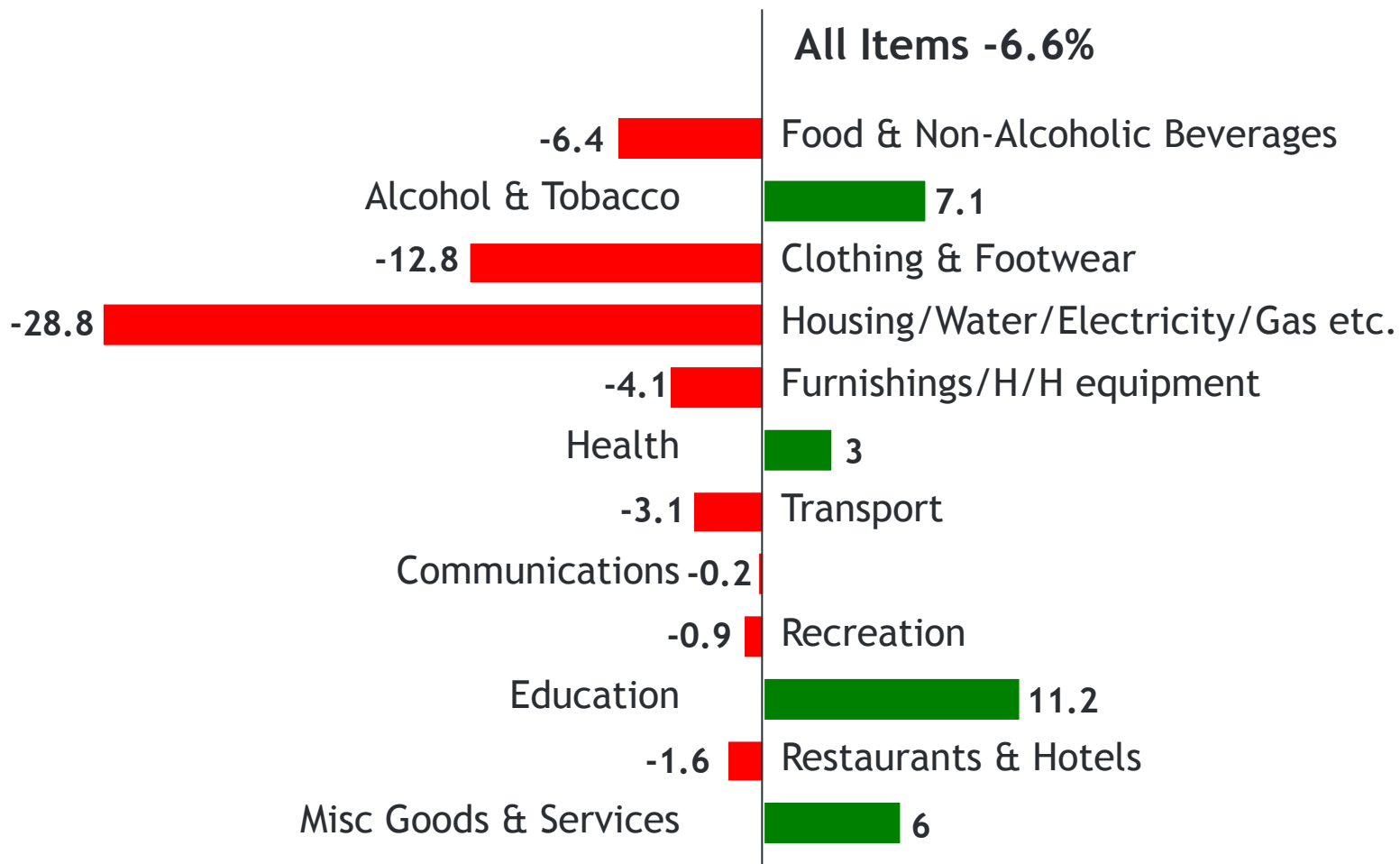


\*Source: CSO latest estimates Sept, 2009

Consumer prices in August 09 increased by 0.4% in the month, However year-on-year consumer prices declined by -5.9%

# Comparison of main CPI Groups to the overall CPI

## Annual % change: Oct 2009



Source: CSO Sept 2009

The most notable changes in the year were decreases in Housing, Water, Electricity, Gas & Other Fuels (-29%), Clothing & Footwear (-13%), Food & Non-alcoholic beverages (-6%) and Transport (-3%). There were increases in Miscellaneous Goods & Services (+6%), Alcoholic Beverages & Tobacco (+7%), Education (+11%) and Health (+3%).



# APPENDICES

The Questionnaire

## SECTION 'F' - ECONOMY

### ASK ALL RESPONDENTS aged 16+

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?

Better off	1
Worse off	2
The same	3

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?

Better off	1
Worse off	2
The same	3

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

Better off	1
Worse off	2
The same	3

Q.4 In terms of your own economic well-being over the year ahead, are you more confident, less confident or is your confidence about the same as last year?

More confident	1
Less confident	2
No change	3

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?

Higher	1
Lower	2
The same	3

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?  
**PROBE:** A lot or a little

A lot higher	1
A little higher	2
No change	3
A little lower	4
A lot lower	5

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?

More	1
Less	2
The same	3

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

More	1
Less	2
The same	3

**SHOW CARD**

Q.9 Are you very, somewhat, not very or not at all concerned that you or someone in your household may lose their job in the next six months?

Very concerned	1
Somewhat concerned	2
Not very concerned	3
Not at all concerned	4
Someone in household has already lost their job	5
Don't know	6

**SHOW CARD**

Q.10 To what extent do you strongly agree, agree, disagree or strongly disagree with each of the following statements? READ IN ORDER

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know
a) My household is struggling to make ends meet	1	2	3	4	5
b) Compared to a year ago, my household is having more difficulty making ends meet	1	2	3	4	5

**SHOW CARD' ' AGAIN**

Q.11 To what extent do you strongly agree, agree, disagree or strongly disagree with each of the following statements? READ IN ORDER

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know
The recession is here, so people just need to get on with living in this new world	1	2	3	4	0
I feel more in control of my spending nowadays compared to last year	1	2	3	4	0
I am more careful about my money and what I spend it on nowadays	1	2	3	4	0
I still treat myself nowadays despite the recession	1	2	3	4	0
I am actually saving more nowadays compared to a year ago.	1	2	3	4	0
There are a lot of good deals around on different products and services which I am availing of	1	2	3	4	0
I am spending more quality time at home nowadays	1	2	3	4	0
I am cooking more at home this year	1	2	3	4	0
The recession will be over by the end of 2010	1	2	3	4	0
Now is a good time to retrain or educate oneself	1	2	3	4	0
The recession may be good for people in the long run	1	2	3	4	0
I'm going to enjoy holidaying in Ireland this coming year	1	2	3	4	0

Q.12 Do you think the moral values of Irish people are getting better, getting worse or are the same as a year ago?

Getting better	1
The same	2
Getting worse	3
Don't know	4

Q.13 Some people talk about Irish society being divided into the 'Haves' and the 'Have nots'. Do you think Ireland is divided into 'Haves' and 'Have nots'?

Yes - divided	1
No - not divided	2
Unsure (DNRO)	3

Q.14 And if you had to define yourself, which of these groups do you think you would fall into - the 'Haves' or the 'Have nots'?

Haves	1
Have Nots	2
Unsure (DNRO)	3

Q.15 Do you have confidence, or not, that NAMA will help solve the Irish banking crisis?

Confident it will solve it	1
No – not confident	2
Don't know	3

Q.16 What were the best adverts you heard or saw in 2009? **Interviewer probe for 3 Ads**