



B&A

**Sign of
the Times
2016**

February 2016
J.7107

Sign of the times 2016

- **This is our seventh annual review of consumer trends.**
- **It combines the assembled insights from our senior team of researchers across the full year.**
- **We also conducted a series of**
 - **Ethnographic immersion sessions**
 - **Depth interviews with SMEs**
 - **Video analysis in collaboration with bigsofa.co.uk**
- **Updated figures from our published surveys and other sources have also been included.**

Headlines

- **The narrative has changed across the country**
 - **Many are feeling more relaxed**
 - **The economy is picking up.**
- **But, deep resentment remains for those not feeling the uplift**
 - **Outside the big cities**
 - **In certain ages/social groups.**
- **We have hearing more about 'caution' than a desire to embrace 'change'.**
- **In this significant year, we also take a view on what it means to be Irish.**

International news



BRING CHARGES

DEMAND JUSTICE FOR #CecilTheLion

POLICE LINE DO NOT CROSS

JE SUIS CHARLIE

SOC CHARLIE

FIFA

For the Game. For the World.

R&A

Irish news



Celebrity news



THE *Late Late* SHOW
WITH JAMES
CORDEN

VANITY FAIR
"Call me Caitlyn"
BY ANNE HESSINGER PHOTOS BY ANSIE LEIBOVICZ

STAR
THE FORCE AWAKENS
WARS

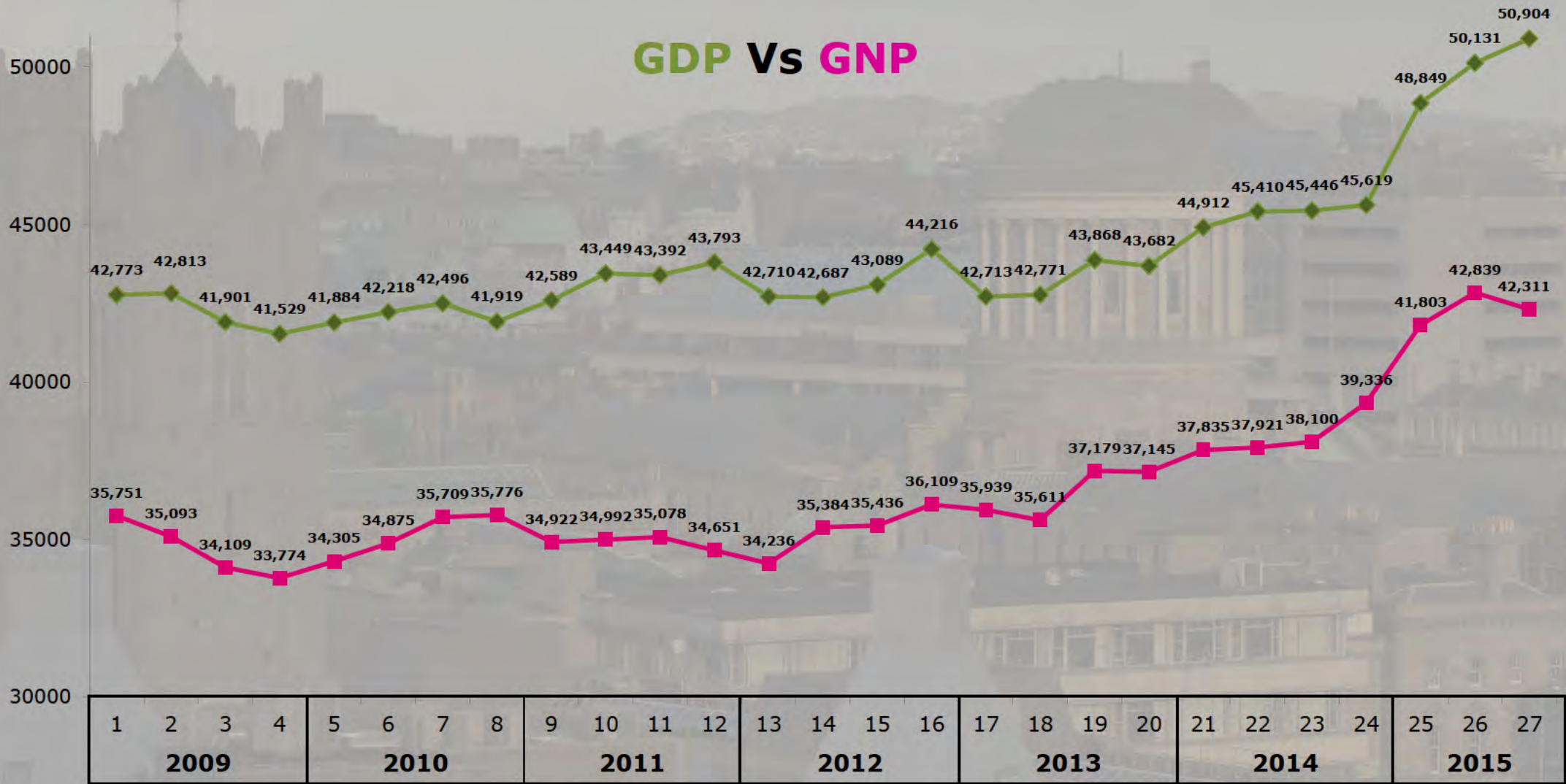
B&A

A satellite-style aerial photograph of Ireland and the surrounding Atlantic Ocean. The land is shown in shades of green and brown, with the ocean in deep blue. The text 'Ireland: The Macro Context' is overlaid in white on the left side of the image.

Ireland: The Macro Context

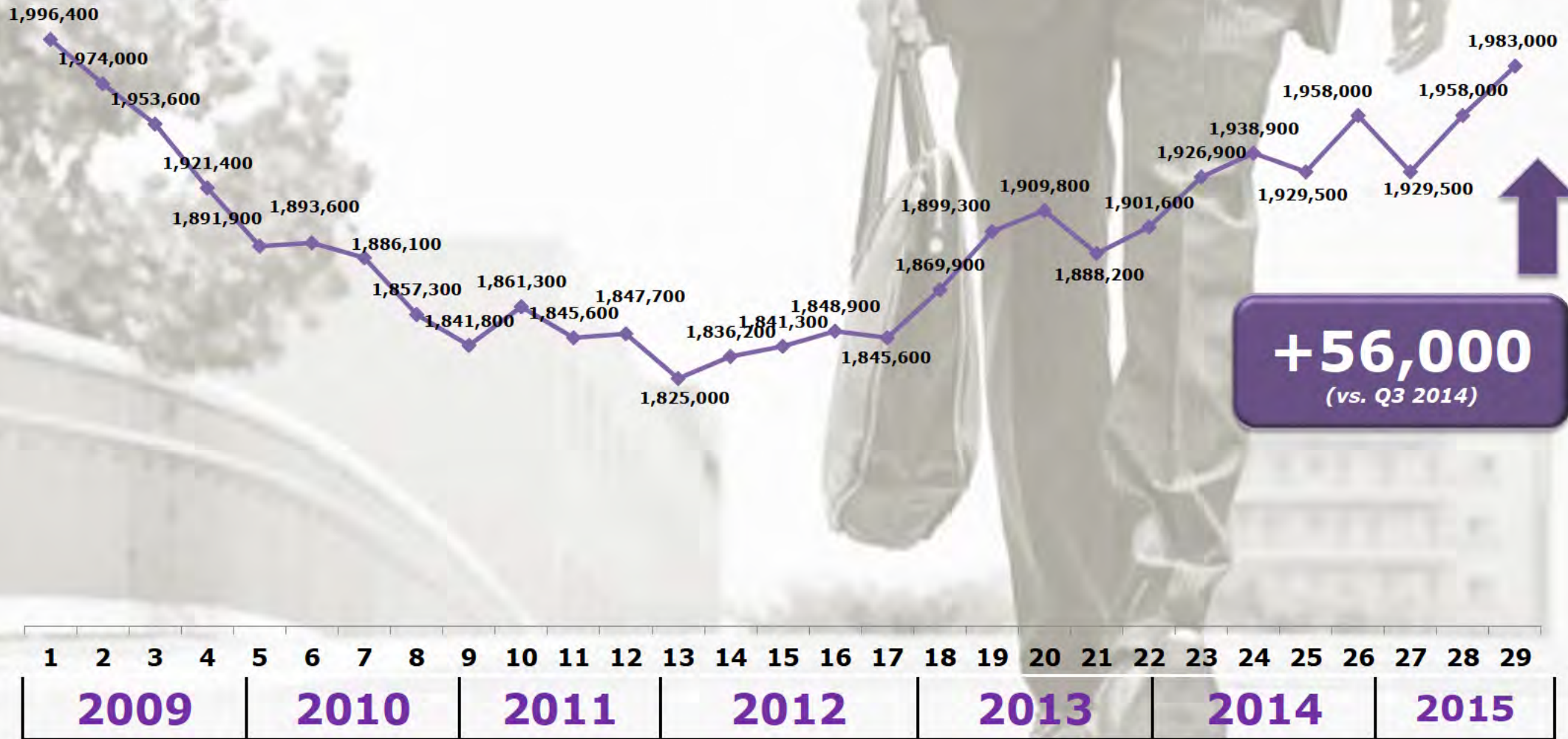


GDP & GNP remain positive



Source: www.CSO.ie
 Quarterly National Accounts
 * Q4 2015 results not yet available

Number employed increasing



Live register declines further

The Live Register

-10.28%

**Overall Change
vs. January 2015**

131,127



-7.11%

vs. January 2015

189,667

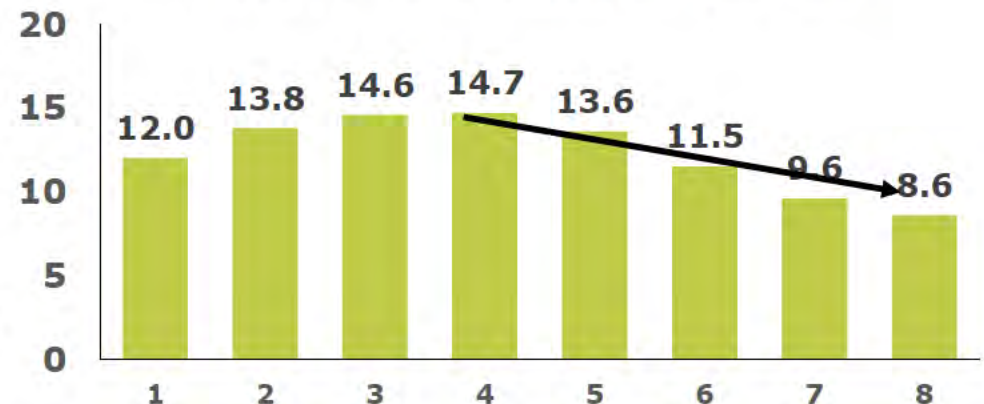


-12.33%

vs. Oct 2014

Unemployment in Ireland

% Rate of Unemployment



8.6%

**Current Rate
of unemployment.**

(vs. 9.6% in 2015)

"When you have the news coming out – oh there is pick up here you kind of relax a bit."

The macro picture

"Fastest growing economy in the euro area."

"Irish economic growth hits 7.1%."

"Government tax revenue rises by 10.50% in 2015."

"Increasing output 'in all sectors'."



62.1%

The major political story:
The approval of the marriage Equality Referendum

Marriage equality: Prompted a wave of positive stories about Ireland across the world

The Telegraph



LOVES! Victory looms for same-sex marriage campaigners as author JK Rowling hails 'extraordinary and wonderful' result

- Ireland has said 'yes' to gay marriage and 'no' to Catholicism
- Mary Portas: 'Getting married changed everything for us'

THE WALL STREET JOURNAL



Yes supporters celebrate at Dublin Castle as early referendum results...

Irish Voters Back Same-Sex Marriage



Channel 4 News
@Channel4News

Author Colm Toibin predicts a "wonderful day for Ireland" if it votes for gay marriage bit.ly/1cPw3gE



'The little island with a big voice': Pride over Ireland's same-sex marriage vote

By Greg Botelho, CNN
Updated 11:01 AM EDT 2015 May 23, 2015



TORSPO...
F SKI...
BALL MOTORSP...
EQUESTRI...
TORSPO...



THE HUFFINGTON POST

THEY DO



ations Suggest Ireland Has Voted Yes To Gay Marriage... County Minister: 'Ireland Hasn't Just Said Yes...Ireland Has Said F*CK... AAHHHH'... Irish Expats Travel Home To Vote In Historic Poll
Ireland's Gay Marriage Referendum In Pictures

BBC Breaking News
@BBCBreaking

Ireland votes to legalise same-sex marriage by big margin in historic referendum bbc.in/1RcQ5Rs #MarRef
1:57 PM - 23 May 2015

"On the internet there was huge praise for Ireland over the referendum. We are the only country, the first country, in the world to do that."

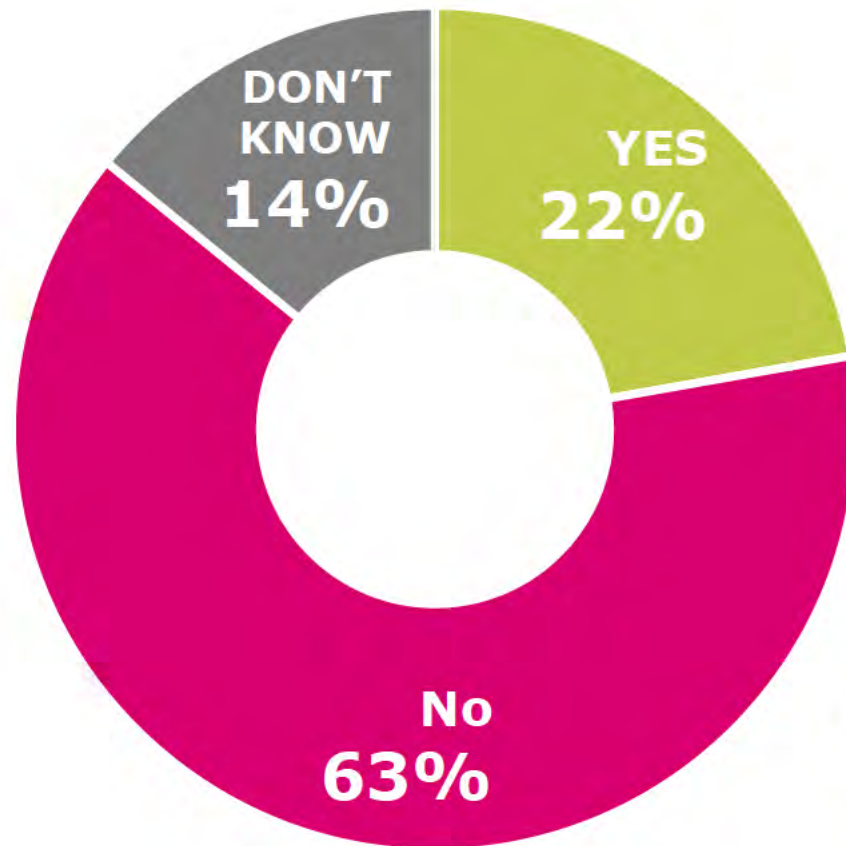
But, how do
IRISH
people feel
about
Ireland in
2016?

Do we feel
that we're
on the
path to
recovery?

OR are we
a divided
nation?

"There are a lot more jobs for educated people. If you have a trade or qualifications. Whereas, if you are entry level, factory jobs and that kind of thing, they are all going."

Has Ireland left austerity?



**Source: B&A Pfizer Health Index 2015*

Three Broad Themes that Define the Times

1. Steady as she goes

- The economy appears back on track.
- Many welcome the stability and opportunity this brings.
- And are keen to invest, grow and develop themselves, their careers and their businesses.

2. Ourselves alone

- The scars of recession still run deep.
- We have learned to be resourceful.
- And we value companies, brands and initiatives that appeal to this side of our nature.

3. Reassessment of priorities

- Economic growth and material wealth are not enough: we don't want to return to the Celtic Tiger days.
- We are in the process of re-assessing what matters to us.
- Brands and businesses need to reflect this in their behaviour and communications.

1. Steady as she goes

54%

believe **Ireland** is
moving in the
RIGHT DIRECTION

More
jobs

More
security

Income is
rising (slowly)

Things are back
on track

Consumer Confidence remains high but has plateaued

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

| | |
|---------------------------------|-----|
| Net diff looking forward | |
| Dublin | +40 |
| Other Urban | +24 |
| Rural | +18 |



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?

"I have a tiny bit extra in my wages every week from the cut in the Universal Social Charge. And I got rid of the credit cards and all that stuff....Thurles is slowly picking up...you don't want to jeopardise that."



THE CHELSEA DRUGSTORE

"There's new places opening up all the time...Dublin feels busy again, there's no doubt about it."



WILD ATLANTIC WAY

**Total earnings
from all visitors
to Ireland in the
first six months
of 2015 grew by**

16% to

€2.35 billion

"More new cars on the road – that's a definite change. And is it just me or is there more traffic on the road too?"

New Car sales up

30%

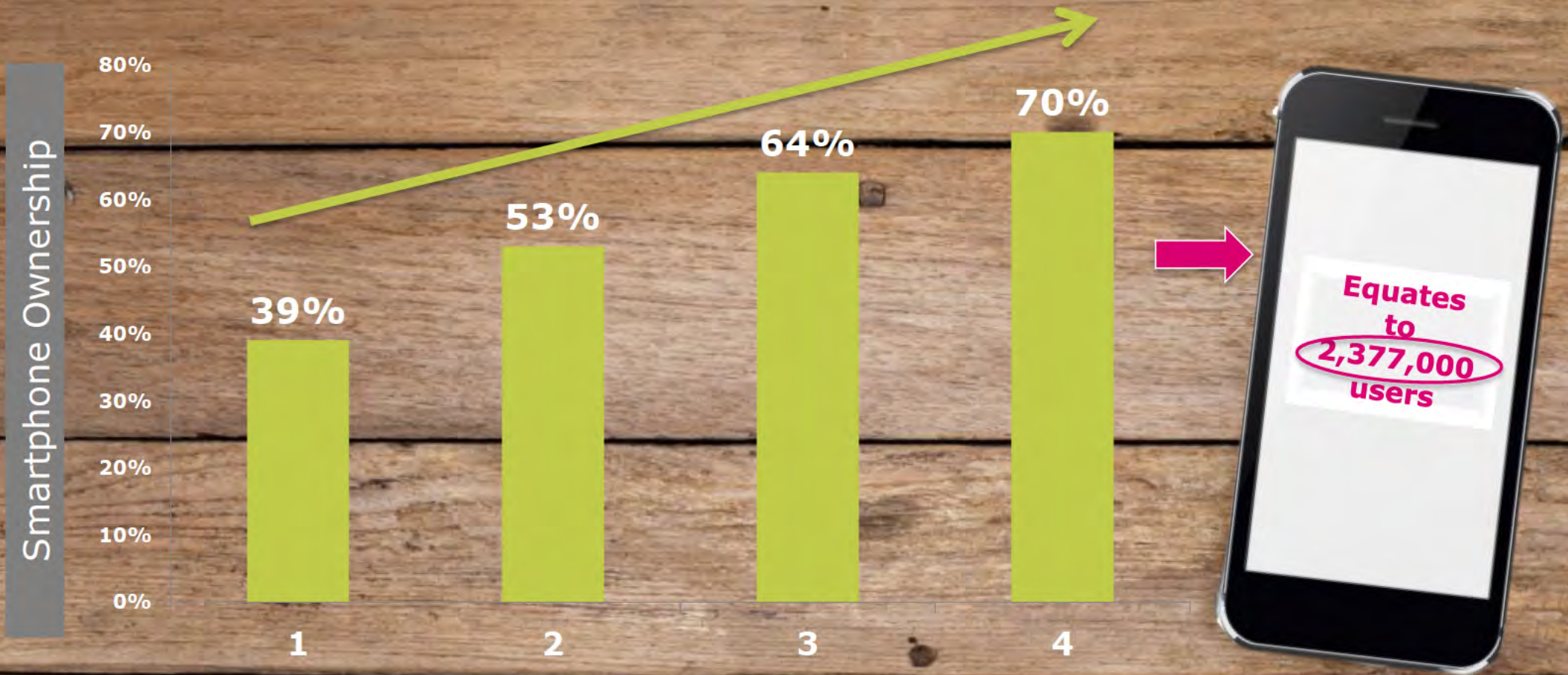
in 2016

“Holidays for us was the big thing. Hadn’t been on holidays for the last 5 years – couldn’t afford it – but with things improving a bit we just thought why not?”

*Overseas travel
rose **6.9%**
in 2016*

Smartphone ownership up

Base: All with mobile



**Source: eir Connected Living Survey November 2015*

SMEs: Bullish Optimism

**Got through
the worst of
it**

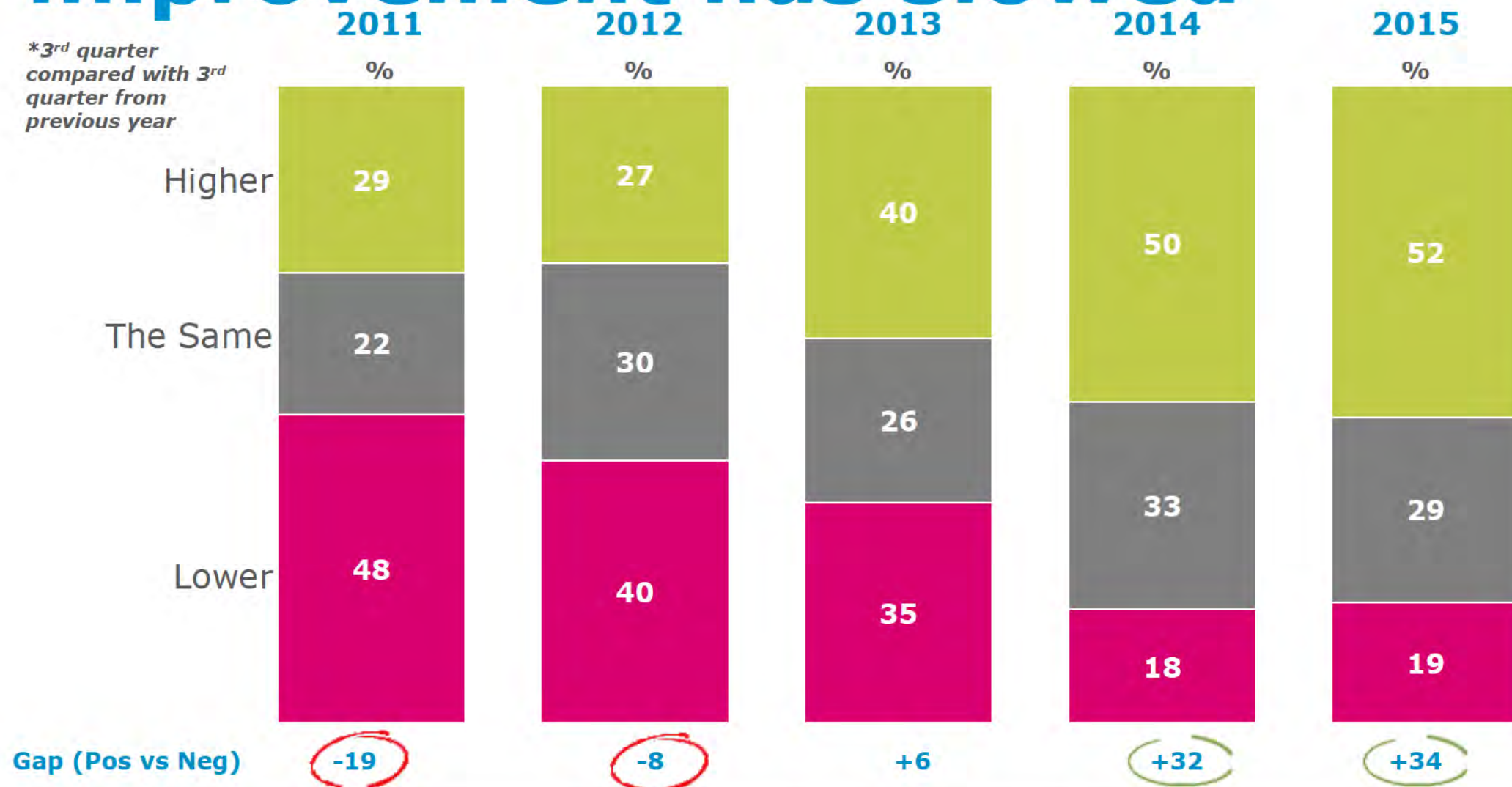
**Leaner and
more
focussed**

**Ready to
expand**

Many adopt an optimistic stance: strike while the iron is hot

Stronger business activity but improvement has slowed

*3rd quarter compared with 3rd quarter from previous year



Business activity levels were in negative territory from 2011 to 2012. While the past two years have been considerably stronger the rate of improvement has slowed in 2015.

Q.1 Business activity may be measured by gross income, chargeable hours worked or any equivalent measure of volume of activity appropriate in your business. How has your business performed in the third quarter of this year – from July to September. Were your results higher, lower or the same compared to the same period last year?

SMEs: Bullish Optimism



"Basically, if I had stood still in the wine business this last 10 years I'd have gone under. We've had to innovate radically just to survive and it's worked, we're still here. But now it feels like it's time to grow and develop then business. We have to make the most of the momentum."

1. Steady as she goes: Summary

2016 is likely to see improvements, but only gradual



- Growth in sales of 'Big Ticket' items likely to continue.
- But, growth in more everyday expenditure likely to be more modest

Bear in mind that a significant cohort are not content to 'keep it steady'



- Upturn in economic fortunes is not felt across the board.
- Stagnation remains a dominant feature of many towns and communities.

SMEs have weathered the storm: they're ready to expand, develop and grow



- Brands need to recognise and reflect this spirit of enterprise and self confidence
- Too often SMEs feel they are treated like regular consumers rather than entrepreneurial business owners

1. Steady as she goes: Brand Responses



Mainstreaming



- Small, artisan brand.
- Now adopting a mainstream positioning and communications approach.



Premiumising



- Significant investment in:
 - Retail space: upscale, premium.
 - Fashion and home: collaboration with a variety of well known stylists/designers.
- Premium and confident assertion of Dunnes positioning.



Contemporary



- A contemporary aesthetic and expression.
- But, rooted in the tradition of the brand.

2. Ourselves alone

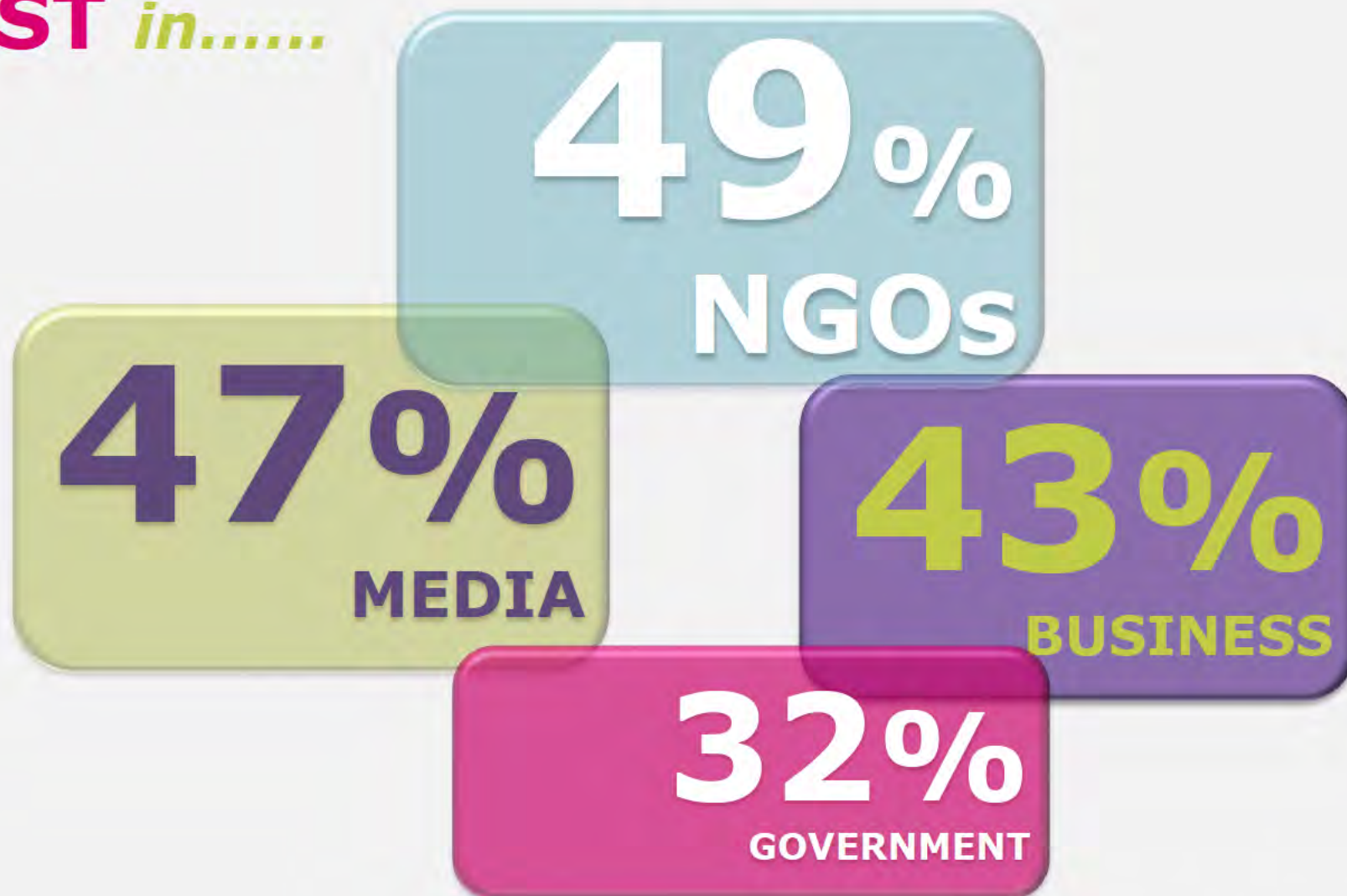
Savvy

Resourceful

Distrustful of institutions

2. Ourselves alone

I TRUST *in.....*



Thus, we find our own solutions

"Me and the lads put the apartment up on Airbnb for the [Cork] Jazz Weekend. We all went back to our homes for the weekend and just rented it out. Weekend with the folks, a few hundred quid in the pockets, happy days! You do what you can."



We trust each other more than we do companies...

"I never book anywhere without reading the reviews. TripAdvisor is great for that, but there's loads of sites that do it now and it's brilliant.....you trust real people. I don't trust companies."



tripadvisor®

"We were looking for houses with a dining room like that so we could convert it to a bedroom and find another person. We were never going to use that as a dining room."



"We came up with our own solution coz we didn't want to buy a TV and pay for a TV licence. So we have the laptop and projector, we have Netflix and we just screen it on the wall...so you get the big screen experience, but it's cheap....and you've no ads. 'Coz we got the ad blocker software."

We use coupons....

"I use the vouchers all the time. You'd be mad not to....and Dunnes will take everyone else vouchers now as well....you play them off against each other, you have to be smart."

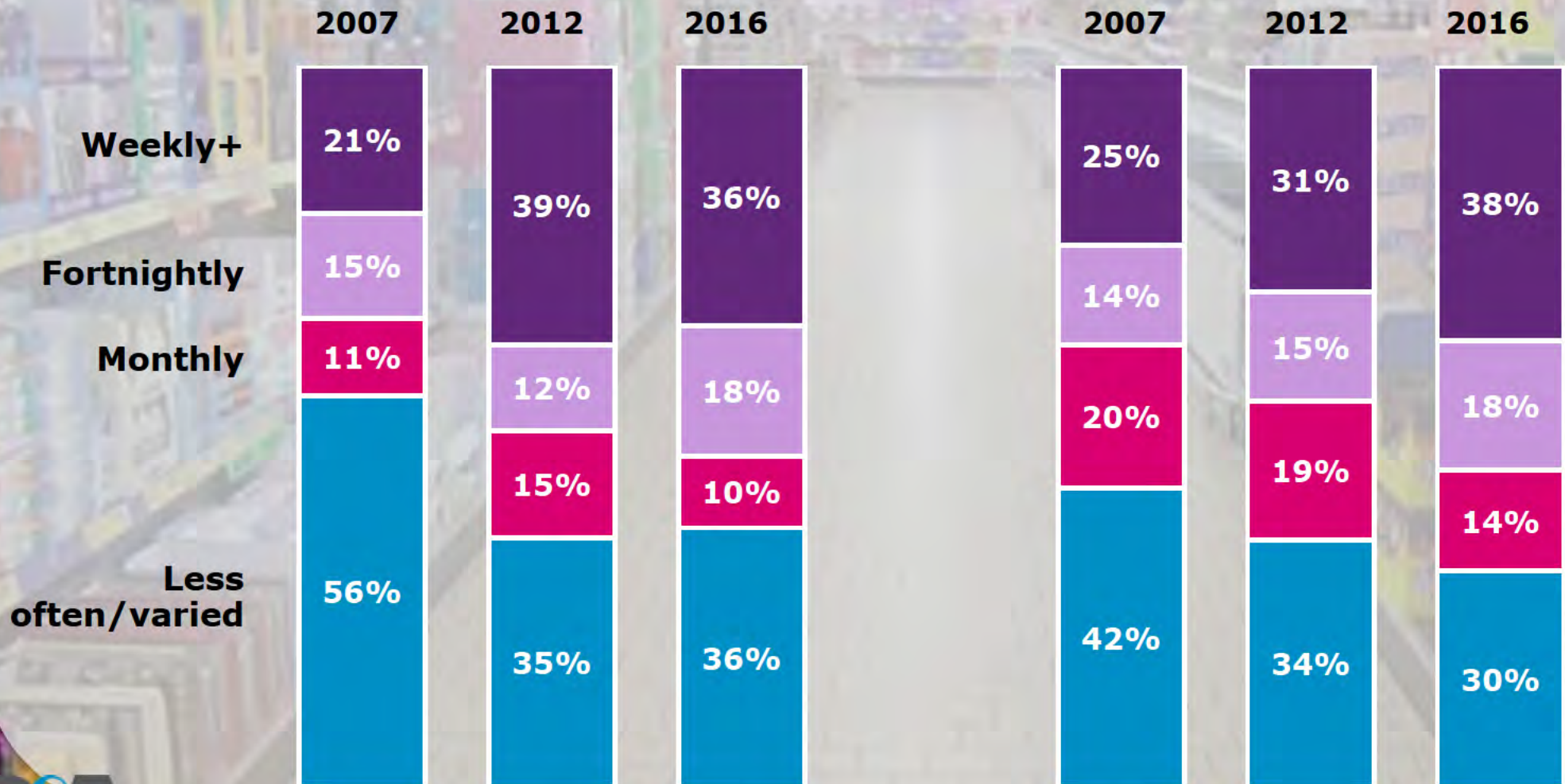
Female shopper, 45, Dublin



...but do they prompt loyalty?

Shopping frequency in Aldi/Lidl

All current users of each store



Lidl still strengthening; Aldi appears to have plateaued.

*Source:
B&A Checkout
February

"I used to do all my shopping in Tesco when Aldi opened. I was a bit of a snob. But, now I do all my shopping in Aldi: I buy Bran Flakes in Tesco that's it."

Cashel Together

A Reunion of Family, Friends & Former Staff

July 27 - August 4, 2013

Communities
connecting
themselves



Self reliance



2. Ourselves alone: Summary

The resourceful, smart shopper mindset honed during the recession years is here to stay



- People have become used to value and deals – and expect them.

People are increasingly wary of business and of brand claims



- Brands that help people feel that they are in control are likely to prosper.

There remains a great desire for connectivity



- Brands and marketing activity that help people connect with what matters to them is likely to win favour.

2. Ourselves alone: Brand responses



Free range and free breakfast



- A two part initiative
 - Free sampling
 - Now using only Irish free range eggs.
- Value, but rooted in quality and trust.



No.1 in Ireland



- Hyundai (so far in 2016) is now the No.1 car brand in Ireland.
- The Hyundai promise
 - Contemporary design, but at an affordable price – has clearly impacted.



Successful launch



- Using an Uber-style model for food delivery.
- Massive success in first year of launch.

3. Re-assessment of Priorities

No interest in return to Celtic Tiger

Ostentatious displays of wealth frowned upon

Overt status and badging rejected

Gorgeous living comes to Dublin

3. Re-assessment of Priorities

Have we hit 'peak stuff'?

Post materialism?

How much is enough?

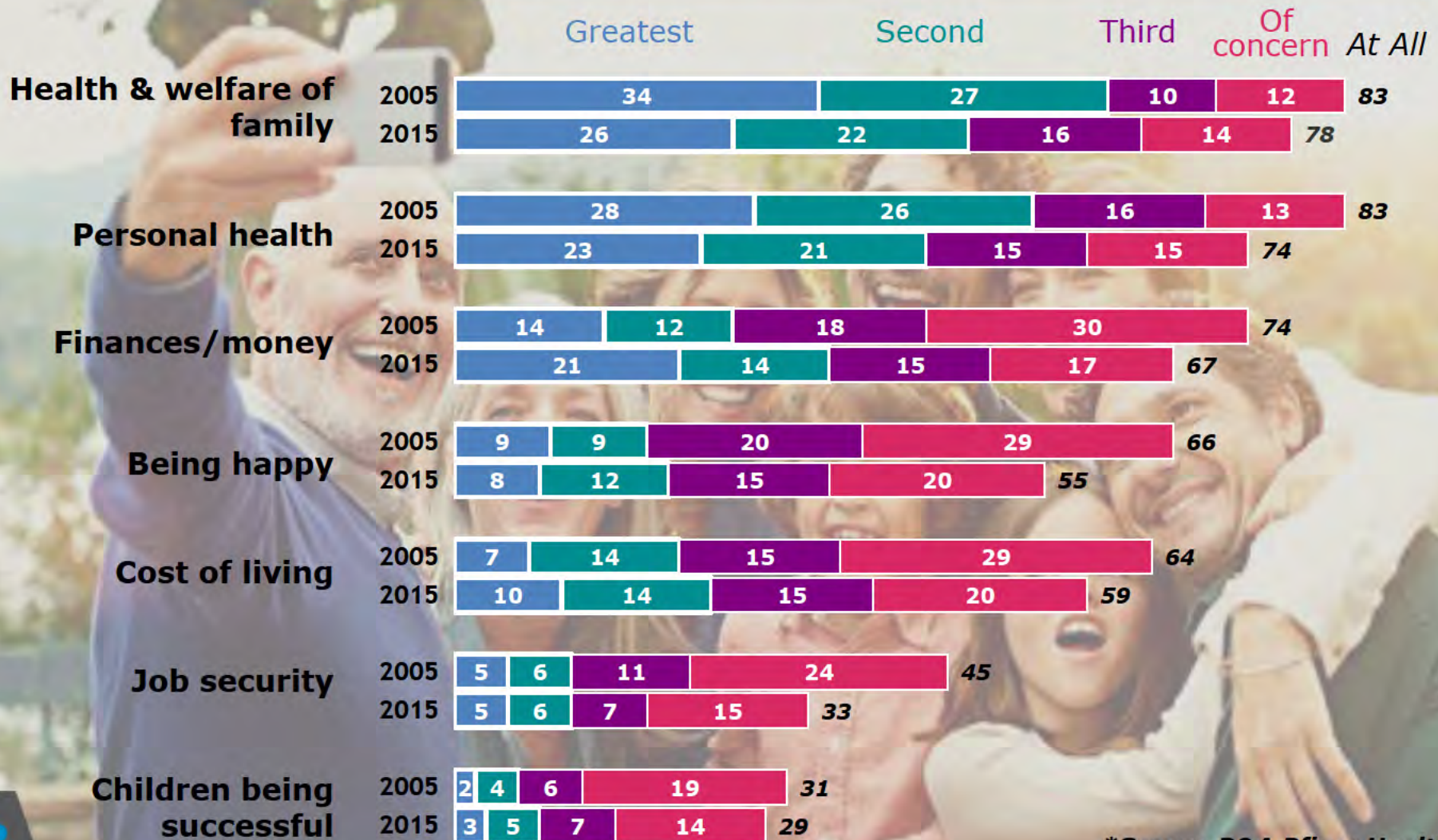


As a nation we are starting to think about these issues

Personal concerns 2005 vs 2015

Base: 1,004 adults aged 16+

"Thinking about the future, which of the following concerns you most etc ...?"



*Source B&A Pfizer Health Index 2015

More than money in our pockets...

"It's not just about the money in your pockets. It's the sense that the place is badly run. The Health service is a mess. Families are homeless...they all make promises but none of them follow through...maybe it's time to give someone new a chance."

Collaborative consumption?

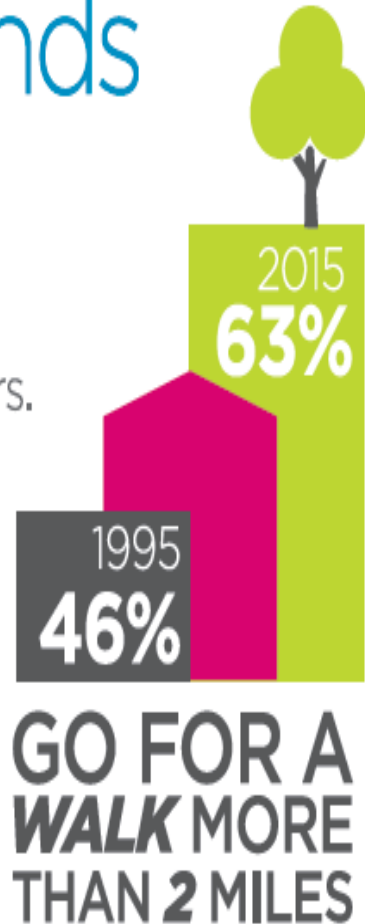


"Bikes just get robbed. And we live in the city centre. I just thought, 'what's the point in spending money on a bike when I can use the Cork bikes right outside the door?'"

Reprioritisation regarding health and fitness

Sport and Exercise Weekly Trends vs 1995

Weekly plus participation in physical sport has risen sharply over the last 20 years.



Base: All adults 16+ 1005

1995 → 2015



How healthy do we feel?

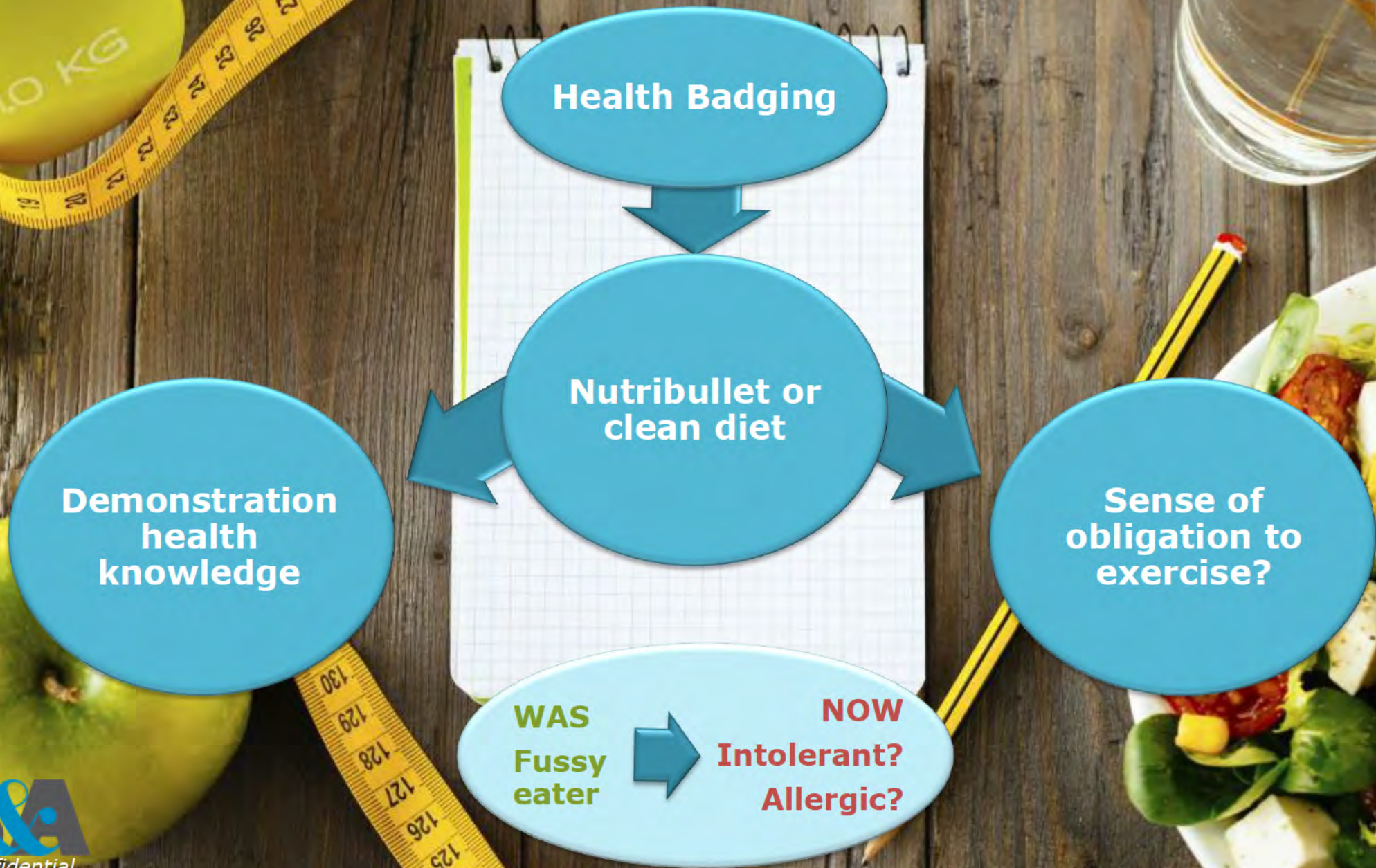
A photograph of a middle-aged couple embracing outdoors. The woman in the foreground has blonde hair and is wearing a pink jacket over a white top. The man behind her has grey hair, glasses, and a mustache, wearing a striped shirt. They are both smiling and looking upwards against a clear blue sky.

**MOST FEEL
VERY HEALTHY**

65%

give themselves
**8 out of 10
or better**

A la carte health



3. Reassessment of Priorities: Summary

Brands need to satisfy more than just a requirement for conspicuous consumption



- People are looking for meaning and fulfilling experiences rather than just material gain or pleasure.
- Services and apps that foster the development of sharing and of meaning are increasingly finding favour with Millennials in particular

Health before wealth



- Across the food, drinks and leisure sectors, it is important for products and brands to articulate a coherent and compelling stance on health and well being.

3. Re-assessment of Priorities: Brand Responses

TESCO



BROWN THOMAS

we're not just big

Backing Doing

Every bag tells a story



- Big....but not just for the sake of it.
- Big has benefits – such as supporting over 13,000 farming families in Ireland

- Personal loans, but
 - For meaningful experiences
 - Not material possessions

- The Brown Thomas bag as a symbol of
 - Special, meaningful relationships
 - Not material consumption.

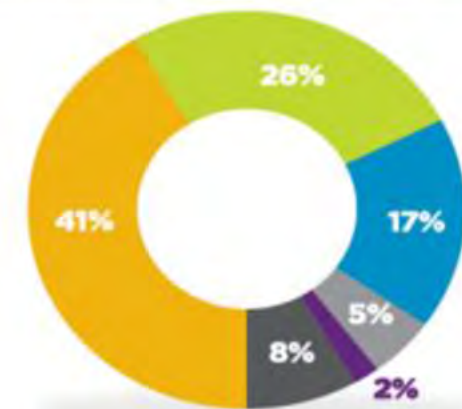
Finally, despite our woes...

...most of us are proud to be Irish

Just two thirds of Irish people are proud to be Irish.



67%
OF US ARE PROUD
TO BE IRISH



- 😊 Very proud
- 🙂 Fairly proud
- 😐 Not particularly proud
- 😞 Not at all proud
- 🤔 Don't know
- ⚪ Not applicable

*Source B&A 30th Anniversary Study, October 2015

1916 Rising Centenary

The vast majority of us believe the 1916 Centenary should be formally commemorated.



Base: All adults 16+ 1005

48%

OF PEOPLE BELIEVE
1916 RISING IS AN
IMPORTANT
CULTURAL
EVENT THAT SHOULD BE
CELEBRATED!

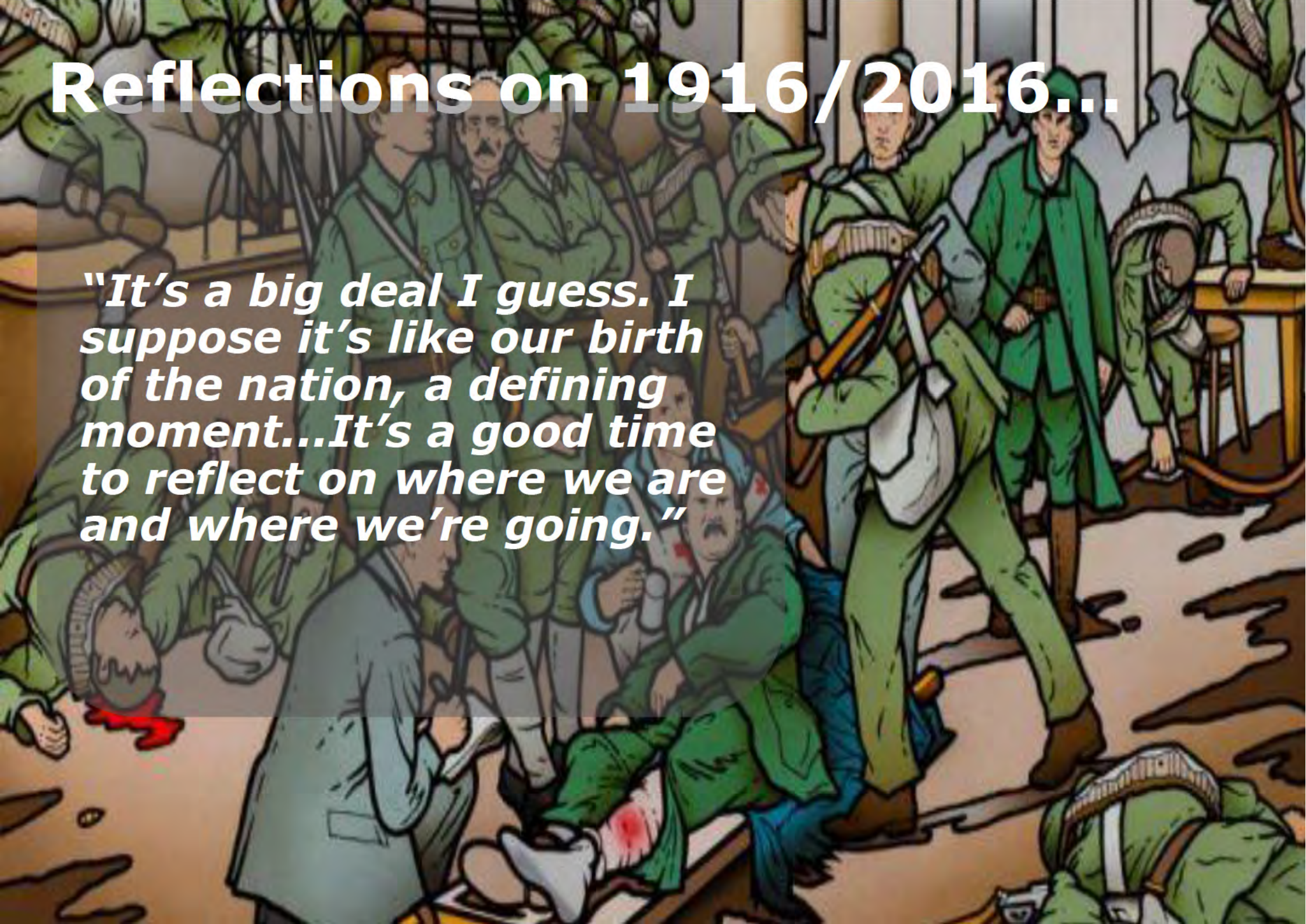


- Major cultural event for Ireland and a comprehensive programme of commemorative events should be held to mark the occasion.
- Reasonably significant event and a small number of well planned events should be organised.
- 1916 Centenary is of little relevance in today's Ireland and it should be allowed to pass without any event.
- No Opinion

"It's a major event, we have to mark it in some way...but I hope it's not just an excuse for our current politicians to parade up and down O'Connell Street."

Reflections on 1916/2016...

"It's a big deal I guess. I suppose it's like our birth of the nation, a defining moment...It's a good time to reflect on where we are and where we're going."



New device interest also growing



21% now have access to a smart TV



12% without one are likely to get one this year (154,000 households)



Thus potential for almost half a million households to have access by the year end



11% of adults now have access to a media streaming device (e.g. Apple TV, Chromecast, etc.) – 176,000 households



7% of those without one are likely to get one this year (103,000 households)

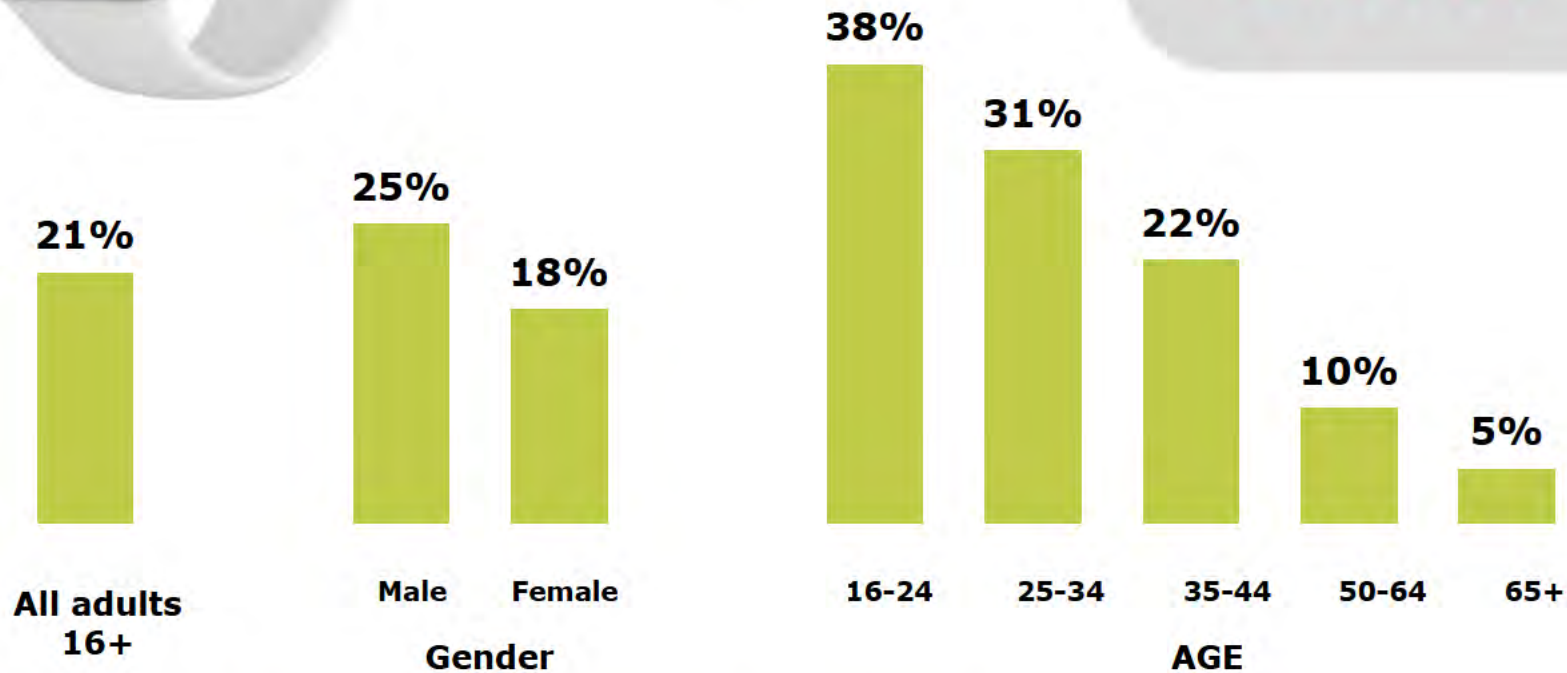


Thus potential for over a quarter of a million households to have one by year end.

Wearable technology? ...early days



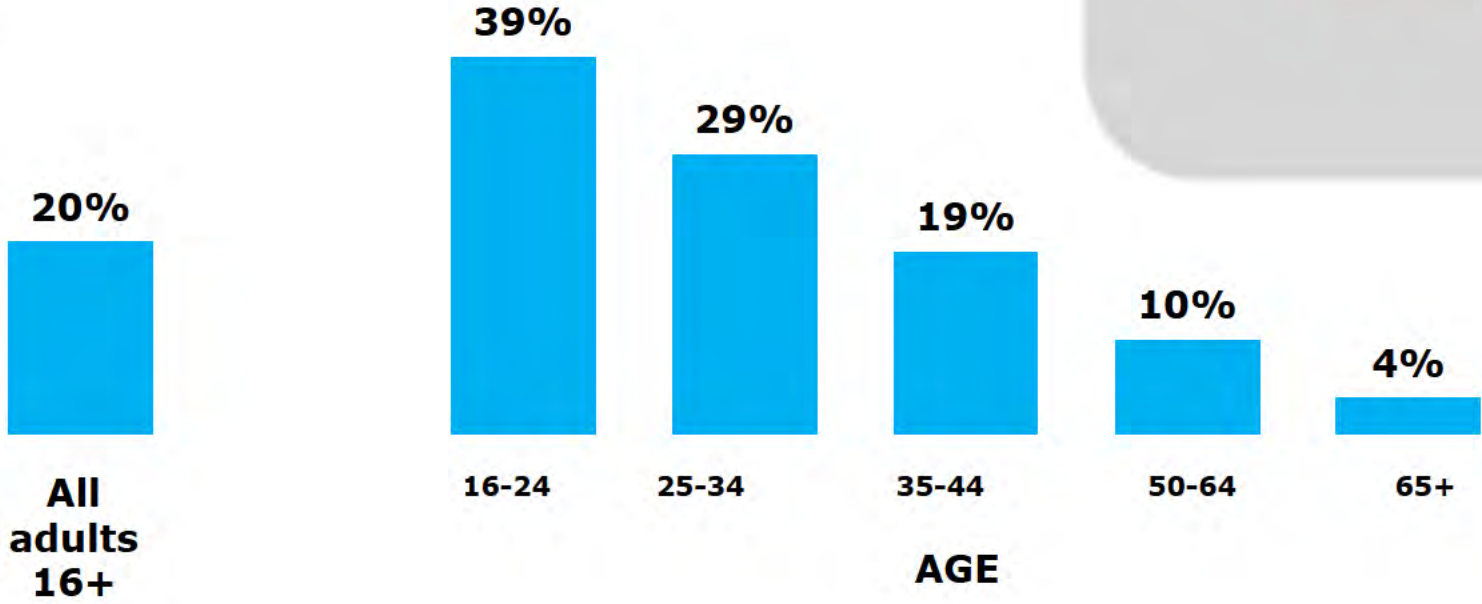
1 in 5
interested in
buying a
SMART WATCH



Other 'wearable tech' relevant especially to younger



20%
of adults 16+
interested in
buying



Choice nausea?

Entertainment/
technology. So
many options.
Too many?

Sometimes
we don't
want choice
- We want to
detach , wind
down

People now seeking
less choices
➤ Better
options/choices

Constant craving

- Always on access is now assumed
 - Smartphones and tablets growing
 - From primary kids through to their grandparents.
- Atomised entertainment in home
 - Watch TV while others in same room use tablet/phone to watch something else.
- Silent family trips to restaurants – all on separate devices.

Frankenstein complex?

Digital detox?



Frankenstein complex?

- **Too much technology**
 - **Advancing too quickly?**
- **Fear of automation/lack of control.**
- **Fear of manipulation by an 'algorithm'.**

Digital detox?



"I switch mine to flight mode at night – can't be dealing with all those beep beeps during the night, I need my sleep...but the idea of a weekend or a week without it? I'm not sure I'm ready for that!"

"I was out for dinner with my family and there was a family right beside us, the same as ourselves only a few years on and both kids and adults were on their phones. Nobody was talking. I turned and said I was never doing that."

75% of the population now access the internet once a day or more often (up from 69% in Aug 14)

like



Older generations are increasingly active online (45% of those 50+ are online at least daily in 2015 vs 36% in 2014)

Social media

- Pervasive with proliferation of options beyond Facebook
 - WhatsApp, Twitter, Snapchat, Instagram [But, signs of disenchantment....]
- Some push back re this is a PR version of reality?
 - Especially idealised version of reality.
 - Early exposure to cyberbullying/trolling.
- Also impacts on Millennials:
 - Only hear/see the good news from friends working in Australia/Canada.

Where is the prettiest life of all?

- Constant checking against vision of life through social media especially in younger cohorts.
- Creates a potentially distorted view of happier/better places elsewhere?
- The **need** to keep in touch is strong....



"I think people use their online life like a kind of.....it's what they want their normal life to be like. They are using it to make themselves feel better."

4. Technology Growth: Implications

Global iPhone sales may have stagnated but Irish consumers love of technology shows no signs of abating



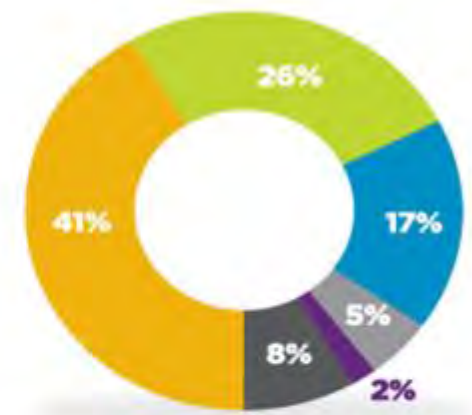
- Interest in premium priced technology is likely to continue to grow.
- This is one sector where consumers seem very willing to pay a premium

Brands need to consider carefully how best to reach their audience via online media



- There are growing indications that an emergent cohort of Irish consumers are avoiding online advertising through ad blocker technology

Just two thirds of Irish people are proud to be Irish.



😊 Very proud
😊 Fairly proud
😊 Not particularly proud
😊 Not at all proud
😊 Don't know
😊 Not applicable

What makes us proud to be Irish 2015



52%
 ATTRIBUTE
 THEIR PRIDE
 IN BEING IRISH TO
 THE RENOWNED
 FRIENDLINESS
 OF THE
 IRISH
 PEOPLE

*Source B&A 30th
 Anniversary Study,
 October 2015

Irishness in 2016

Through international lens

- ⇒ **Pride in referendum – we are changed!**
- ⇒ **Conflicted re tax breaks for international firms – are we trusted?**

Parish pump

- ⇒ **Good craic!**
- ⇒ **No one gets above themselves!**
- ⇒ **NIMBY alive and well.**

Secular but...

- ⇒ **Many detached from religion.**
- ⇒ **Return for key sacraments (or to get kids in school!!)**

“Is there anybody going to take hold of the country and just shake it and sort it out like other countries do it.”

A Catholic nation?

Parents' generation?

Self conscious admission if church goer

Past power still resented

Tainted by scandal

Wrong side of the referendum?

Better schools and funerals?

General Activity Weekly Trends vs 1995

vs 1995



IN 1995
73%
 OF PEOPLE
ATTENDED
CHURCH
 COMPARED TO JUST
22%
 IN 2015

Base: All adults 16+ 1005

1995 → 2015

| | | |
|-----|--|-----|
| 5% | Use a PC/ Laptop/ Tablet | 92% |
| 18% | Do any gardening | 32% |
| 53% | Visit a pub, bar or lounge for a drink | 26% |
| 6% | Play computer or video games | 24% |
| 73% | Go to church or religious service | 22% |
| 1% | Bring paper etc to a recycling centre | 12% |
| 2% | Bring bottles to the bottle bank | 8% |
| 3% | Buy clothes | 5% |
| 4% | Place a bet on a race (horses, etc) | 5% |
| 12% | Place any other kind of bet | 8% |
| 5% | Go to the hairdressers | 5% |
| 12% | Attend nightclub | 3% |
| 2% | Go to parties | 3% |
| 3% | Go to the cinema | 2% |
| 1% | Go to the theatre/ concert | 0% |
| 1% | Go to a horse race | 0% |

*Source B&A 30th Anniversary Study, October 2015

"The younger generation are becoming more independent of the church definitely."

Back to earth for returning Millennials

- Resynchronising with friends
 - Who stayed in home town.
 - Who did not work overseas.
- Adjustment to being 'normal' again
 - Less glamour/attention.
- Ego 'bubble' bursts.

'X generation'

Squeeze

- ⇒ Caring for kids and parents.
- ⇒ Still paying mortgage.

Escape through leisure time?

- ⇒ Hold onto 'freedoms' of youth.
- ⇒ Girls night out, boys golf trip.

Parenting shifted

- ⇒ More protective versus past generation?
- ⇒ Conflicted re access to technology.

“Unless you have family, a babysitter you are talking €50 before you even have a drink. You would be thinking I could have a handbag for that!”

Where is real community?

Sport

Emerging third places?

Shopping centre

School gate

But attitudes to a united Ireland remain ambivalent..

66%

of us would **LIKE IT**
"in my lifetime"

BUT ONLY

25%

would **LIKE IT**
"If it meant tax increases"

5. Irishness today: Implications

For many, Ireland in 2016 is an opportunity to take stock- both of where we've come from and where we're going



- **There is an opportunity for brands to utilise this period of reflection to connect with Irish people.**
- **But care needs to be taken that this is undertaken in a manner that reflects the significance of the moment .**