B&A RESEARCH & INSIGHT

Sign of the Times 2020

Prepared by B&A

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J.1535

SOTT Qualitative methodology

Contrast Groups

- Six focus groups which included two 'contrast groups' (Pushing insight further via exposition to other views/challenges).
- We contrasted on
    - Age
    - Social class
    - Attitudes to Irish identity
    - Attitudes to climate change.

Ethnography

- Four x 2-3 hour in-home sessions.
- A 'slice of life'.
- Interviews and 'small data' collection in their homes.
- Included range of social class/ location/non-native Irish/returning emigrant.

Consumer challenges

- We set sustainability related challenges for twelve respondents.
- Watched this progress via our digital ethnography.
- Longevity approach in which we 'checked in' two weeks later with respondents to see the success of behavioural change.

Qualitative research was conducted between the 22nd January and 12th of February 2020

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SOTT Quant methodology

Face-to-face SOTT

- Face-to-face surveys.
- 1,003 interviews conducted nationwide by B&A's experienced and professional fieldforce.
- Nationally representative of the Irish population.
- The fieldwork for this study was conducted between 2nd and 14th January 2020

TechScape

- TechScape is conducted on our face-to-face CAPI Omnibus amongst a fully representative sample of 1,000 adults aged 16+ years.
- The sample is stratified by age within gender by town size across 63 sampling points nationwide. An overall socio-economic status quota is also applied.
- As such, the sample is fully representative of all Irish adults, and not limited solely to the online population.
- The fieldwork for this study was conducted between the 18th and 29th January 2020.

Lockdown Diaries, methodology

Diaries on our digital app

Rolling panel of 25 respondents

Across the population; range of age, life stage, social class

Monitoring how they feel about the situation as it keeps unfolding

Exploring what is "life on lockdown" really like

How are behaviours changing and evolving to cope with the crisis?

We'll be reporting weekly/fortnightly on how the country is coping. Watch this space.

State of the nation
(Pre Covid)

Irish economy (pre Covid)

- 4.9m ROI (1.9M NI)
- Dublin 1.8M
- Net migration positive since 2015 (30% are returning Irish)

GDP & GNP continue positive trends

Source: www.CSO.ie Quarterly National Accounts

*GDP and GNP data correct as of November 2019

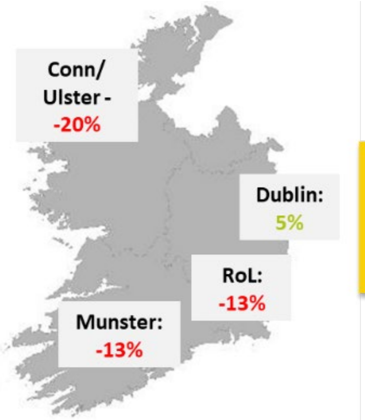
QTR 4 2019 data not yet available

- GB accounts for 9% Irish exports and 24% imports
- EU accounts for 46% exports and 61% imports
- USA 33% exports and 15% imports

B&A Nov 2019

Base: All Adults 16+

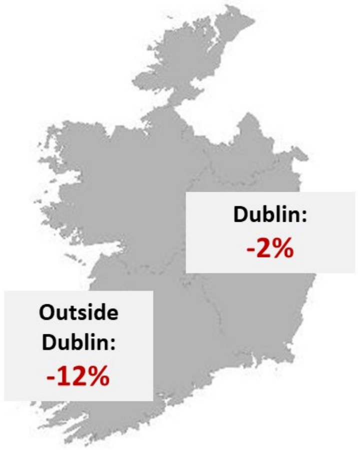
Consumer confidence



Those living in northern areas continue to be least optimistic in their economic outlook.

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 finances



Consumer caution about spending is evident both in and outside.

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?

Despite strong economic indicators consumer confidence and purchase plans are cautious.

23% *(22%)*

feel they have less money in their pocket than they did 12 months

12% *(14%)*
Struggling financially to make ends meet

Equates to 495,000 at population level
More blue collar and those living in Conn/Ulster

48% *(49%)*
getting by financially

40% *(37%)*
Living comfortably

More ABC1 & Dublin

() = 2019 data

Over the last 12 months there has been little change to consumers financial stability as a quarter of all consumers continue to feel they have less money in their pocket now than 12 months ago and half a million claim they are struggling to make ends meet.

Q.11 Do you feel that you have more, less or the same amount of money in your pockets (i.e. disposable income) compared to this time last year?
Q.13 Which best describes your household?

This feels like a 'squandered' recovery. Where did it go?

Incompetency and greed has made the situation worse for ordinary people

Traditional middle class aspirations are requiring more and more sacrifices to achieve

I expected	But I didn't think
To have a good career	I'd be tied to Dublin forever
To save and buy a house	I'd have to live with my parents for 2 years to get the deposit together
To go back to work when I had kids	The cost of childcare would mean I am virtually 'working for free'
To trade up to a 3-bed semi for my growing family	I'd have to move out 20km and commute an extra 2 hours a day
To support my kids through third level	They'd still be living at home at 34
To be involved in my grandchildren's lives	I'd be supplying childcare for free
To have an enjoyable retirement	I'd have to work to 75 to do that

Growing numbers realising they won't achieve these markers at all.

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Those in lower income brackets feel they are in danger of falling into the abyss entirely

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Feel left behind	Trapped with very limited opportunity to progress in the future
Feel deprioritised	The system and 'progress' does not include them
Feel unsafe (drugs/violence/ homeless)	Feel their voices don't matter

Have played by the rules and are still losing out

Increasing feeling that their lives don't matter to the powers that be.

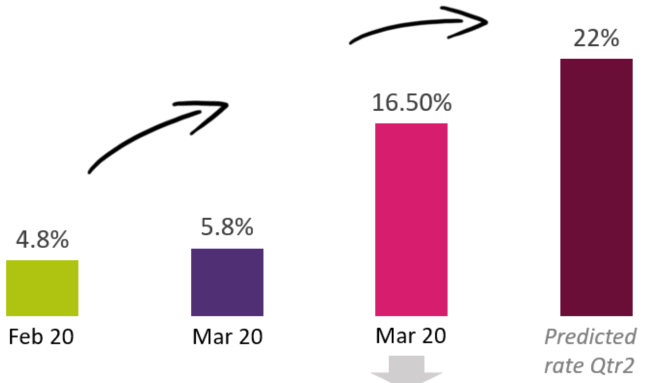
Covid-19: We never anticipated how quickly our reality could change

29th Feb: First case of Covid-19 diagnosed in Ireland

15th March: 292 cases, 2 deaths, schools, universities, childcare settings, pubs, playgrounds, stores closed. Social distancing measures in place. Stock markets plunging. Gatherings/Celebrations/ festivities cancelled.

5th May 21,983 cases, 1,339 deaths. Lockdown measures extended to 18th May, will continue in some form until the end of the summer at least.

This is a very different beast:
To put things in context, unemployment hit 16% during the last recession, and about 18% in 1983



The new Covid-19 Adjusted Measure of Unemployment would indicate a rate as high as 16.5% if all claimants of the Pandemic Unemployment Payment were classified as unemployed.

Minister Donohoe Stability Programme Update 21 April 20:

The labour market is bearing the brunt of the recession, moving from effectively full-employment in the early part of the year to exceptionally high levels of unemployment now and in the coming weeks. Unemployment of 22 per cent projected for the second quarter. We anticipate that total employment will fall by 9.3 per cent this year, with approximately 220,000 jobs being lost. Next year, employment is expected to grow by 5½ per cent (115,000 jobs), reducing the unemployment rate to below 10 per cent.

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We've seen the mood towards government change significantly during the six weeks + we've been in lockdown

Riding high

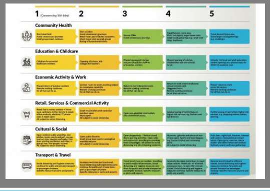
Leo's stateman-like style and skill set offered comfort at the beginning of the crisis

Finding flaws

Criticisms become more apparent (nursing homes, backlogs, PR moves)

Feeling patronised

Frustrated at "parent/child' communications style and lack of plan
Shift away from benchmarking ourselves against US/UK, holding ourselves to higher standards of Germany, Norway and Denmark.



Back in favour

Following 'publication of the roadmap 'out' we see a cautious return to more positive sentiment.

Start point

Now

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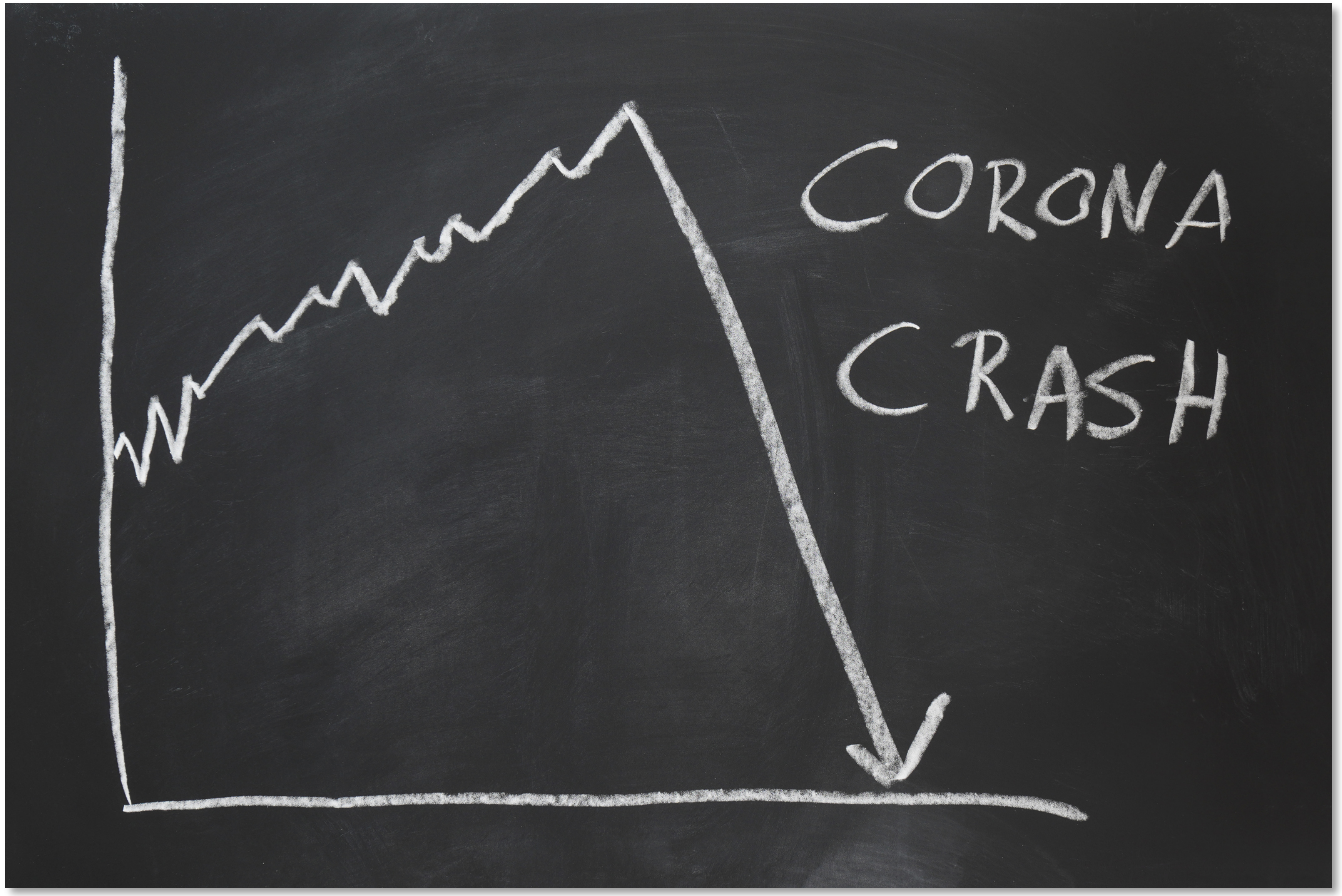
There are interesting political times ahead

- The economic crisis triggered by Covid-19 is arguably the biggest challenge we've seen yet.
- The populace is scarred by the badly handled recession of 2008 and the squandered recovery of the last 7 years.
- Neither FG nor FF have a strong mandate to rule and a poor track record in serving the interests of Joe Public
- At the same time, experience will matter and a swift return to growth will take considerable political ability, ingenuity and risk taking

We're struggling to understand what the dire economic projections mean for the ordinary person



- How much **worse will depression feel** compared to recession?
- Will the fact that it's **global** be a positive thing (in that there'll be a collaborative effort to stimulate recovery) or negative?
- There's already huge concern that the **ordinary person will be made to shoulder the worst of the consequences** … again.
- Last time we saved the banks at the expense of everyone else. This time, the growing feeling is that they owe us.

We started this crisis with a positive sense of "we're all in this together". But five weeks in, as anger and frustration grows, the divisions start to emerge

The **'us and them'** dynamic is starting to raise its head.

Between key workers risking their lives everyday and those able to work from home in safety

Between the old who we're trying to shield and the young who will pay for the fallout

Between those industries that will be able to bounce back as we move out of lockdown and those that will struggle until there's a vaccine

Between private sector workers losing jobs and taking paycuts and public sector workers who aren't

Obviously, none of this is helpful for national morale
Whoever takes the reigns will be challenged to both lead us out of crisis and readdress this balance … somehow.

Implications for brands: State of the nation

- If you're searching for guidance on how to lead in this crisis, **Varadkar's early approach was a good model**. Serious without catastrophising, authoritative but empathetic, highly informed. It worked well when he approached the population **'adult to adult'** but less well when it became a more 'parent/child', 'do as you're told' dynamic.

- As brands plan their recessionary strategies, it's worth taking **lessons from the last downturn**. Although, this will look very different, we know that brands that actively supported consumers in tough times (Aldi, Lidl, Penneys) maintained that support and grew share even as the economy recovered. If you can be there for your customers when things get bad, they will reward that with loyalty in the long term.

- The most notable brands thus far have been those who have been **nimble and used their expertise to genuinely help the vulnerable and the front line**. An Post, utilising their networks to check on the vulnerable, the drinks companies switching to hand sanitiser production, O'Neill's sportswear making hospital scrubs, GAA looking after their local communities.

- Anything brands can be doing to foster a **sense of community** among people is valuable right now. Whether that is aligning with a bigger cause or tapping into the 'community' of brand users in some way

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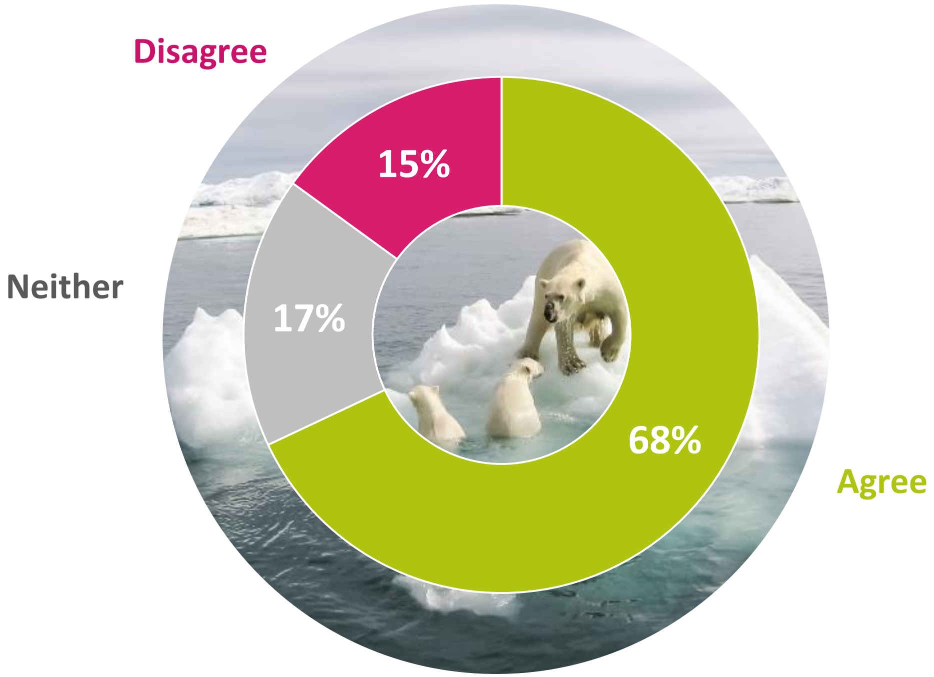
The climate crisis

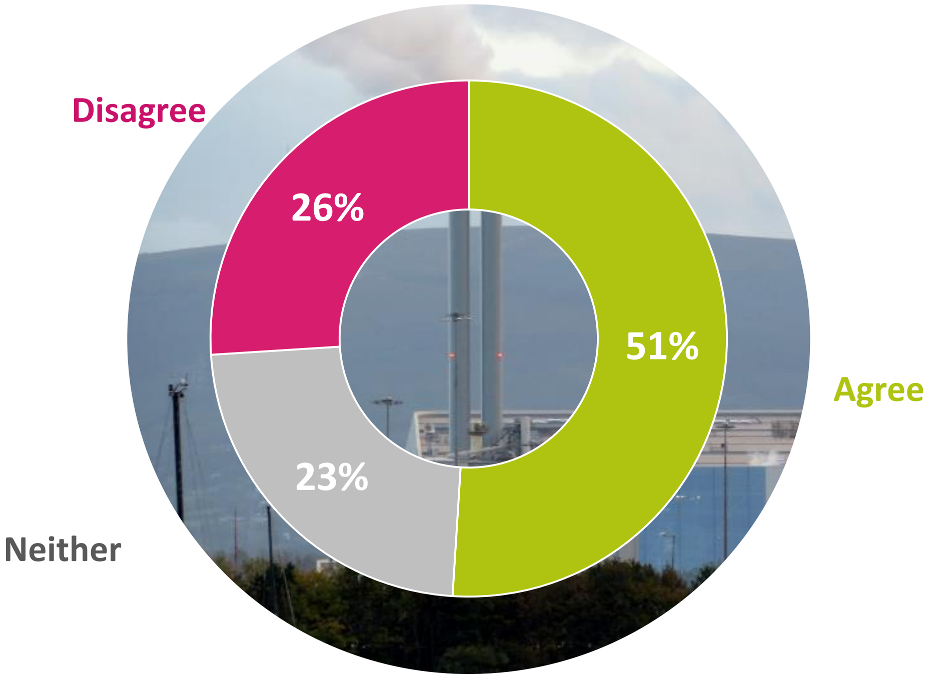
Concern about environment issues

Base: All adults 16+ 1003

7 in 10 consumers are concerned about environmental issues…



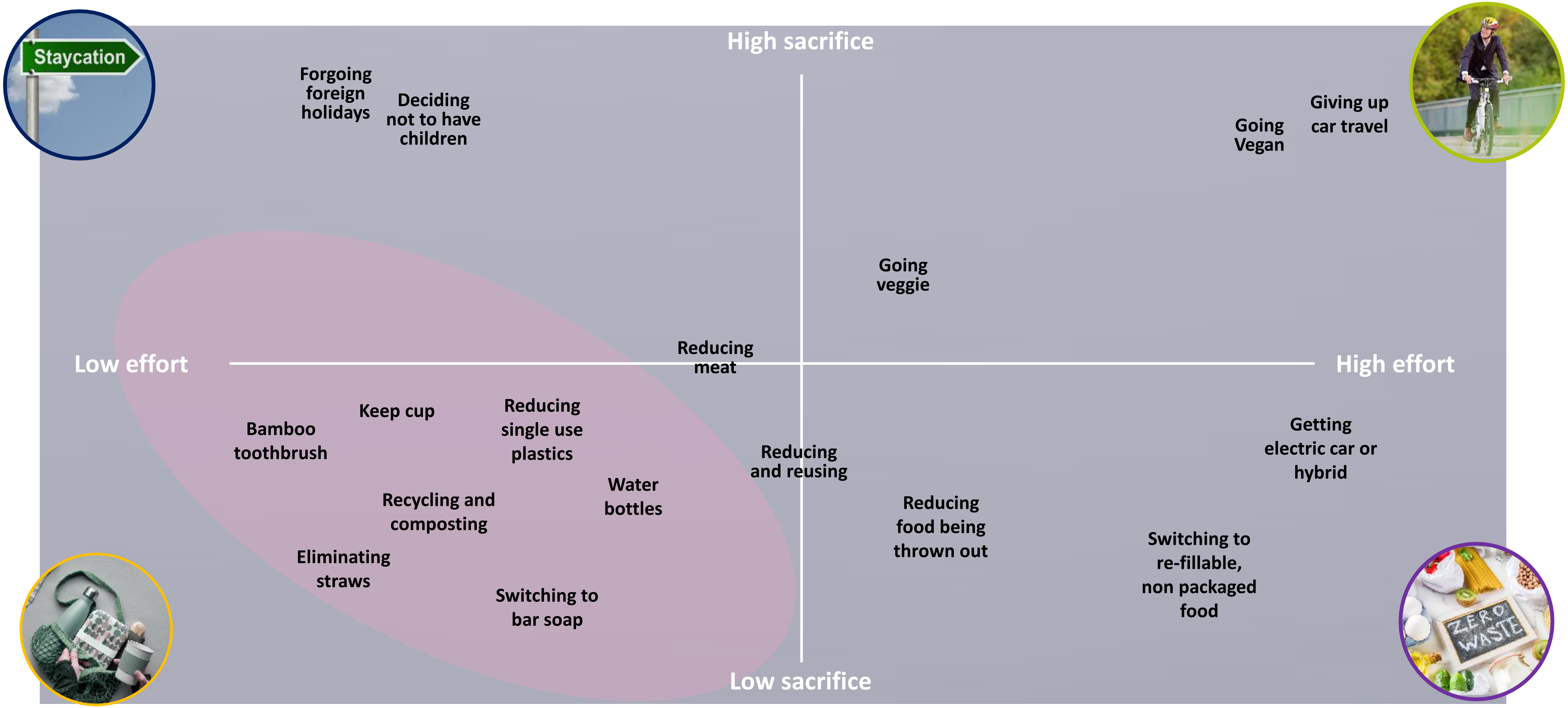
…and half believe environmental issues have a profound effect on their life



ABC1s and those living in Dublin claim the highest level of concern regarding environmental issues

Q.14 Agreement Level …I am extremely concerned about environmental issues

The vast majority have made changes in the last few years for environmental reasons



However, most of these are in a 'low effort, low sacrifice' quadrant

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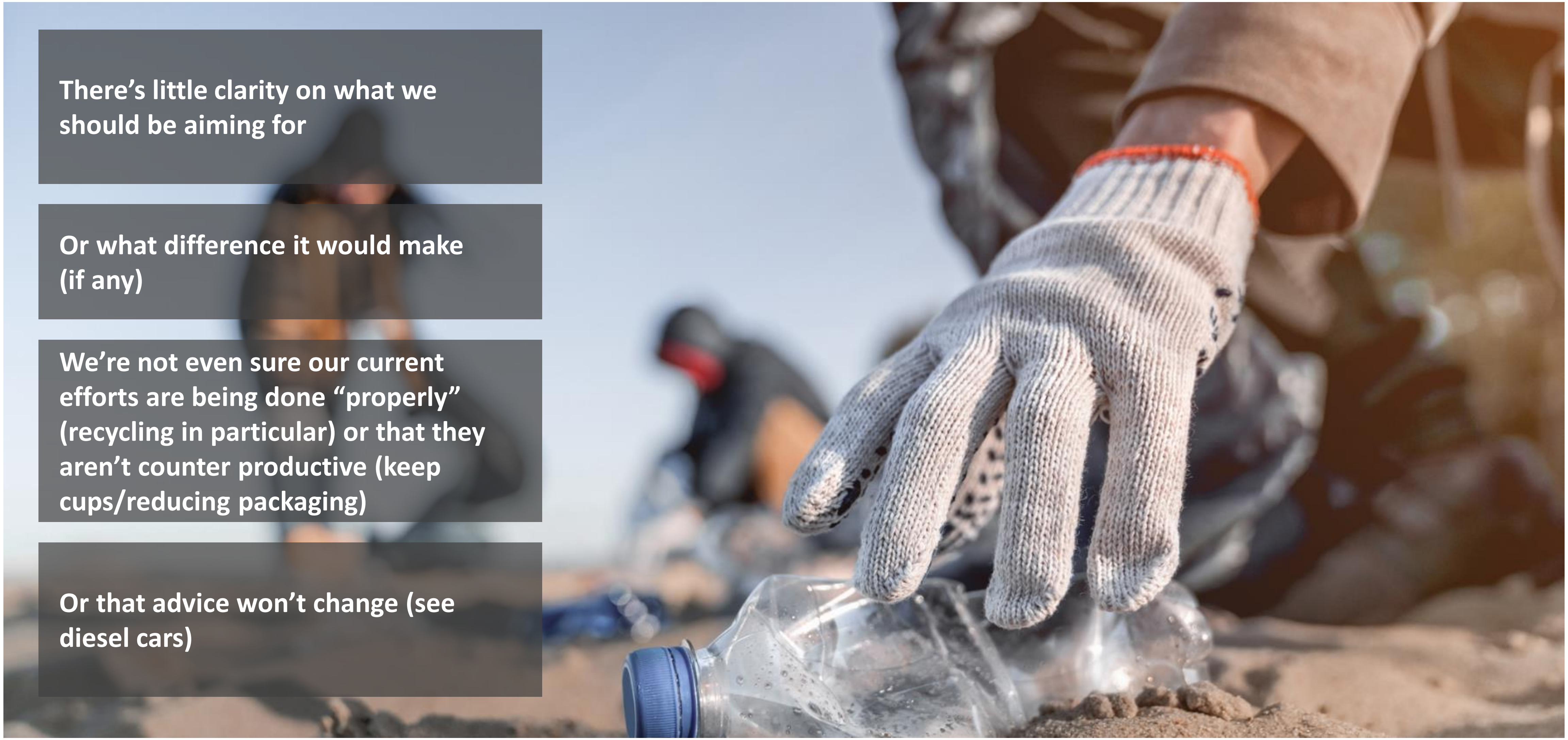
Should we be doing more? The jury is out



There's little clarity on what we should be aiming for

Or what difference it would make (if any)

We're not even sure our current efforts are being done "properly" (recycling in particular) or that they aren't counter productive (keep cups/reducing packaging)

Or that advice won't change (see diesel cars)

Very difficult to motivate ourselves to put in more effort/make more sacrifices in these circumstances.

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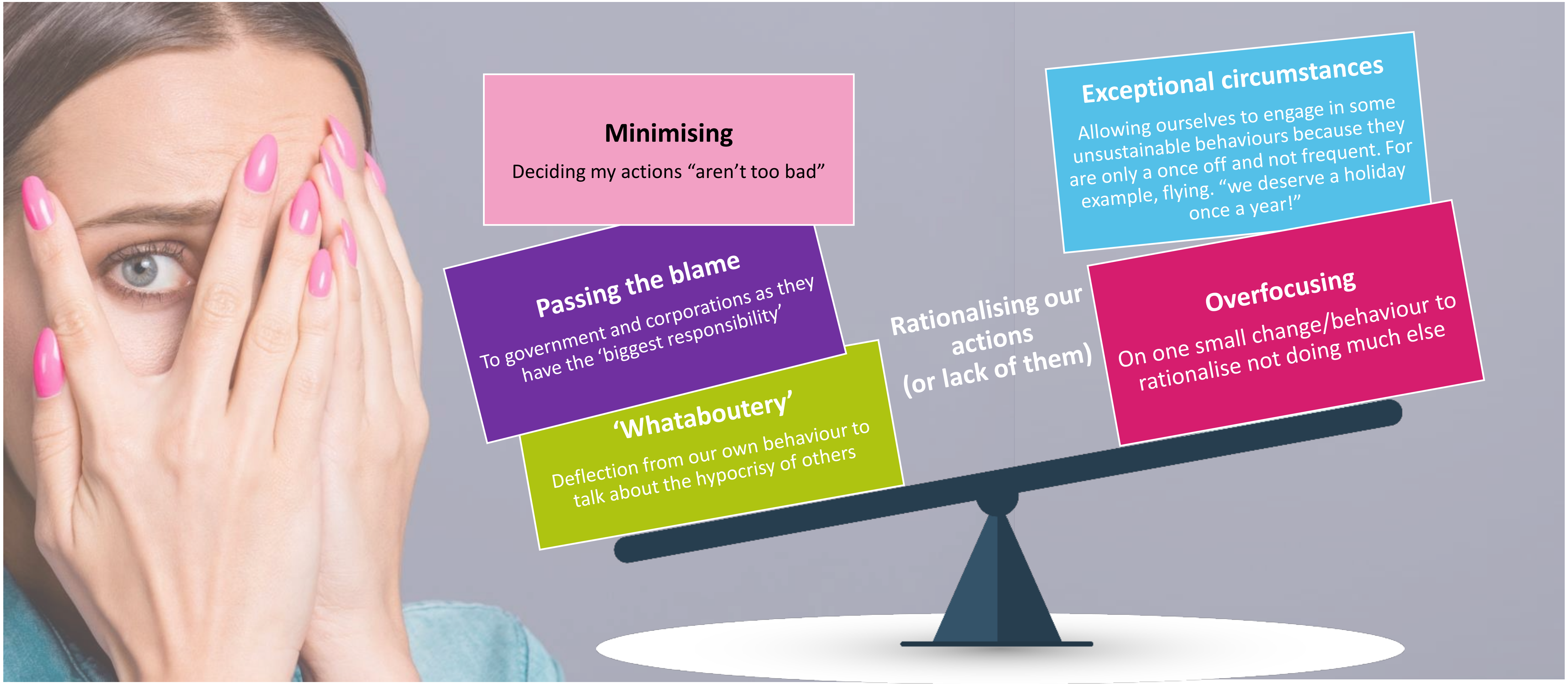
But there's a lot of guilt, that we aren't doing more

We find ways of managing this cognitive dissonance



We explain away our more questionable behaviour

Individual effort feels like the smallest drop in the ocean

But almost nothing is being done to foster a sense of a collective effort that could make a difference.

The discourse is all about pitting the individual against others

Individual
VS
Individual

My friend goes on about how she's cut out all plastics, but I know she takes 4 flights a year

Individual
VS
Big Business

Why should I do anything while Coke won't phase out plastic bottles

Individual
VS
Government Policy

What's the point in my recycling when China's putting all their plastic in the sea

There's a lack of leadership in the sustainability space

But that's partly because no one merits the stringent criteria that consumers apply

Leaders in this space must have:

A strong presence and recognisability

An obvious concern for the planet and ability to bring problems to life graphically

Impeccable credentials in terms of their own sustainable behaviour

Who doesn't cut it:

Celebrities
too hypocritical

Academics
not sufficiently high profile, interesting or solution focused

Politicians
too self interested, not passionate enough

David Attenborough is the only spokesperson universally acknowledged to be fit to lead. Greta Thunberg, while hugely influential for some, is much more divisive

Climate change has been one of the few beneficiaries of the Covid-19 crisis

In particular, it's shown us what is possible to achieve with focused collective effort.

What happens when we emerge out of Covid-19 restrictions will be interesting.

As we try to get the economy back up and running, this is the ideal time to 'bake in' provisions to mitigate impact on the environment going forward (airline bailouts for example).

But will there be the headspace, political will and leadership to do so?

Implications for brands:

The following approaches would help in driving more sustainable behaviours among consumers

Taking the initiative now putting climate change first as we rebuild the economy

Fostering more collaboration and a *"we're in this together"* spirit

Incentivisation: Sustainable behaviours should be financially advantageous

Clear direction: On the 'right' way to do sustainability

Recasting small changes: As the catalyst for bigger ones, rather than just pointless

Improvement in infrastructure: Certain green behaviours need significant support

Helpful 'nudging' in the right direction

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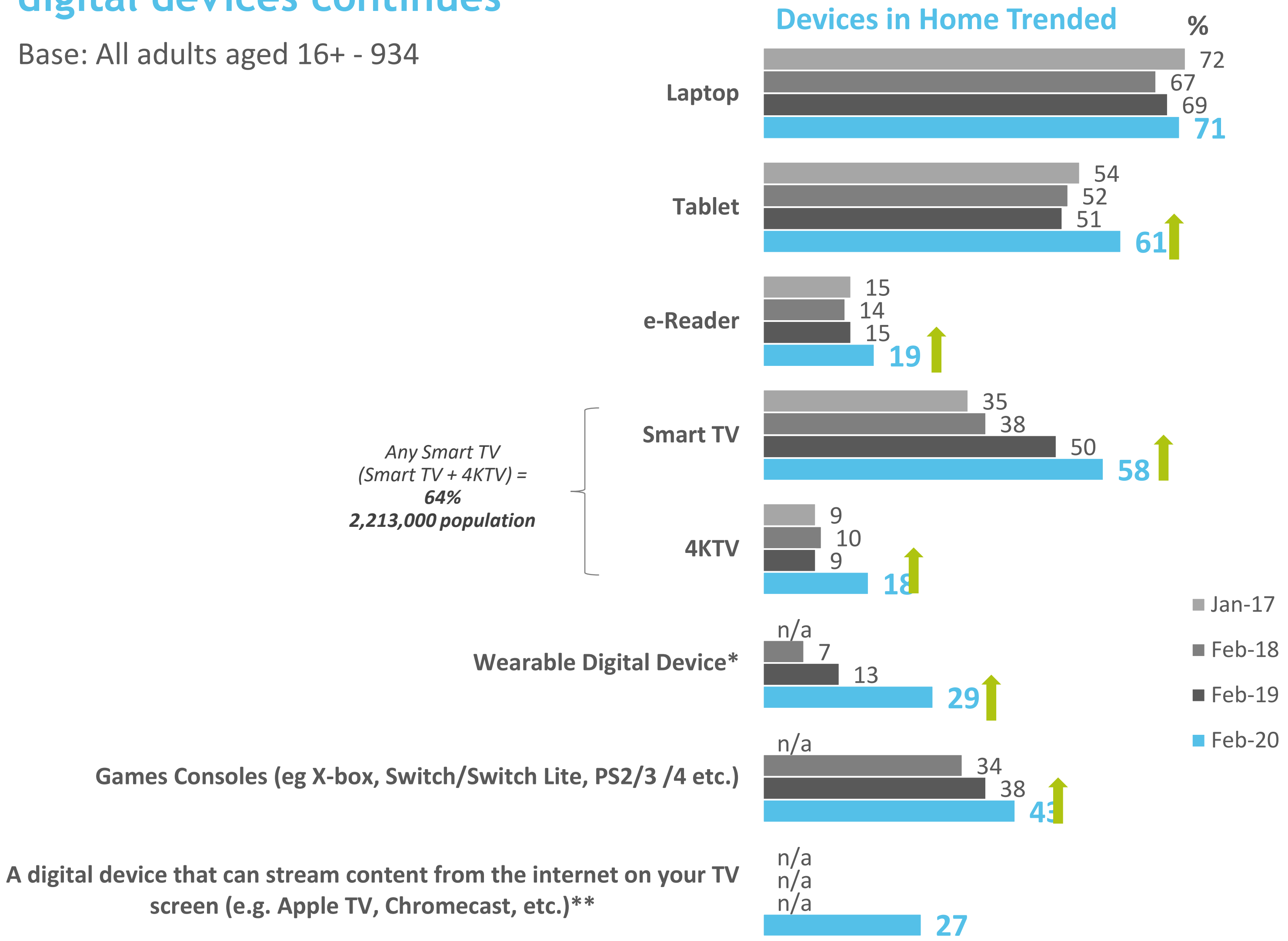
Technology

One of the topical aspects of technology we look at from this year's report is the degree we had the 'kit' to work remotely before the Covid-19 crisis hit. The evidence from this year's Sign of the Times survey is that Ireland was in fact reasonably well enabled with the technology required to do so. The surge in digital devices continues

Base: All adults aged 16+ - 934



The most profound theme emerging from our research relates to the extent to which technology has permeated through to all aspects of our everyday lives. To illustrate this point, we only have to look at the use of personal digital devices, which has grown from just 7% of adults in 2018, to 29% this year. At this rate, a majority of us will be wearing a personal tracking device of some sort within two to three years.

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2020 Totals

Laptop	71%
Tablet	61%
eReader	19%
Smart TV	58%
4KTV	18%
Wearable	29%
Games console	43%
Streaming device	27%

*Added 2018 **Added 2020

Which of the following devices do you currently use?

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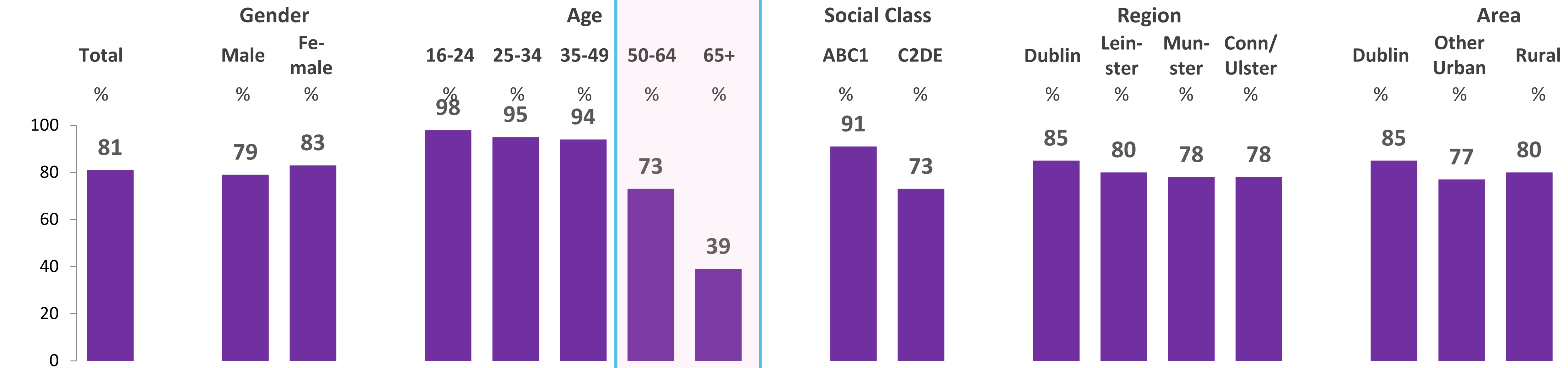
Spare a thought for the older generations. At the time of the crisis, 44% of those aged 65+ never accessed the internet (equates to over a quarter of a million people) – looking at the total population over 400k people in Ireland never access.

Base: all Adults 16+ - 1,001

96% daily usage aged 16-49, while
it drops to 62% amongst those aged 50+ years.

% Accessing the internet at least once a day



	Total	Male	Female	16-24	25-34	35-49	50-64	65+	ABC1	C2DE	Dublin	Leinster	Munster	Conn/ Ulster	Dublin	Other Urban	Rural
Feb '19	75	73	76	88	97	87	67	31	82	70	78	78	69	73	78	76	74
Feb '18	80	77	76	98	95	91	62	30	92	69	92	75	74	69	89	80	73
Jan '17	79	79	78	100	95	91	62	30	92	69	92	75	74	69	84		70
*Aug '15	75	76	74	96	93	86	54	33	84	67	81	78	75	66	82		65
*Aug '14	69	71	68	96	91	81	44	26	79	61	78	73	65	64	74		62

Note: 11% of the population still never access the internet (44% amongst 65+ age cohort, 61% amongst those 74 years+ - see Appendix).

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How often do you yourself access the internet nowadays?

Pre-January 2017 comparable data from eir Connected Living Survey 2015

Importance of BB: For GenZ and Millennials, BB is more important than TV, with platforms such as YouTube attracting viewership. *N.B. These generations still watch TV.* It does point to content being king

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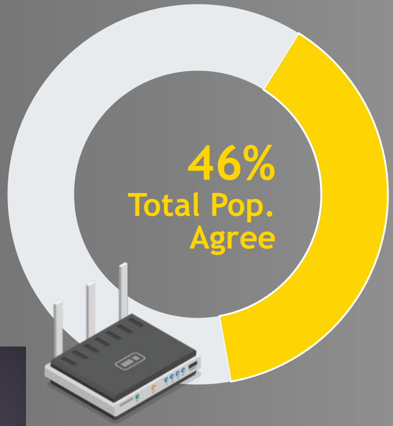
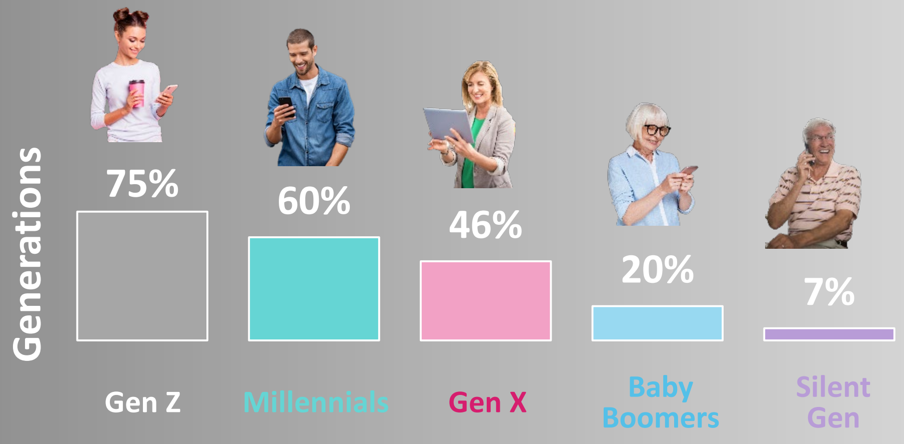
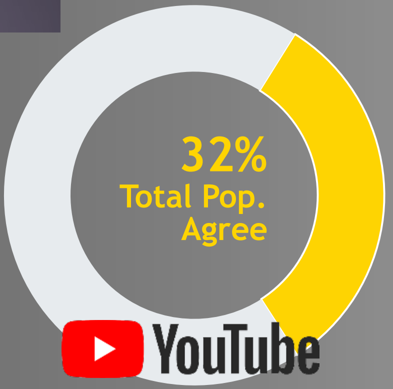
Broadband is more important to me than TV

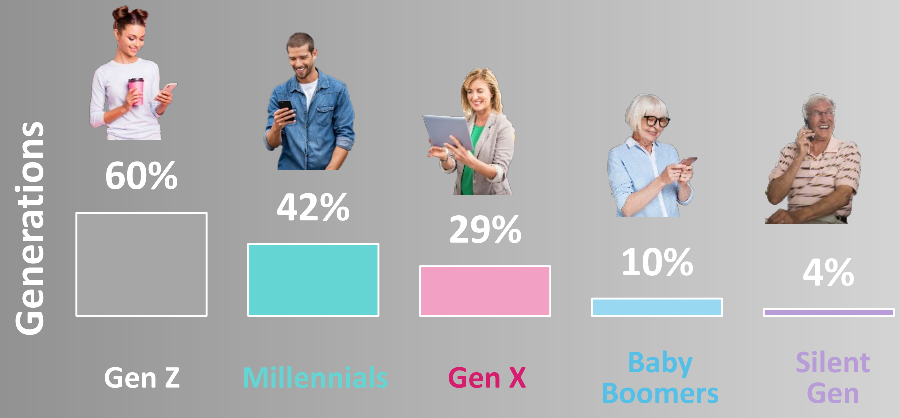




However, remember on average, 2,442,700 Adults 15+ tuned into TV daily in 2019*

I am watching more content on YouTube than on live TV





***Source: TAM Ireland / Nielsen, Based on Total TV, National, Consolidated, 1st January - 31st December 2019, Reach 000s 1+ Consecutive Minutes**

Q.13b To what extent do you agree or disagree ...

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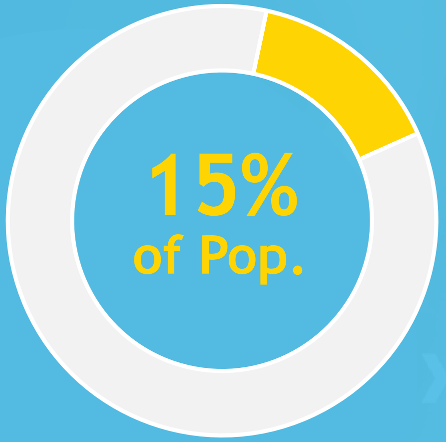


Now over half a million Digital Product/Bank users exist in Ireland

(e.g. Revolut, N26, Monzo).

Driven by middle class and Dubliners

Region

Dublin	Rural
23%	12%

Social class

ABC1	24%
C2DE	8%

Generations

Gen Z	27%
Millennials	22%
Gen X	10%
Baby Boomers	5%
Silent Gen	-

Growth in online usage for both entertainment and communications
Key Highlights: Surge in paid and other streaming and digital banking

Base: All adults 16+ - 1,001

Entertainment

(66%) **73%**
Watch or listen to content on YouTube

(51%) **63%**
Watch Netflix

(7%) **16%**
Watch Amazon Prime

Either = 64% (so Netflix people have Amazon Prime)

(42%) **45%**
Use catch-up TV services like RTE Player, TV3 Player, All4, Virgin and Sky On Demand etc on mobile/laptop/TV or other devices

(36%) **45%**
Stream music, via Spotify, Youtube, etc

(24%) **31%**
Watch or stream live sports or other events online

(22%) **29%**
Listen to Podcasts

(17%) **21%**
Watch/stream movies/shows etc. via sites such as Showbox, Putlocker , etc.

(18%) **19%**
Play Games online with others

Communications

75% (67%)
Use personal email

69% (64%)
use instant messaging - WhatsApp, Facebook Messenger, Snapchat, Viber, Discord, Skype etc.)

66% (57%)
Online banking (e.g. your banking website app or login to their website)

60% (57%)
Call someone using WhatsApp, Viber, etc.

42% (38%)
Skype/Facetime or other video calling

31% (24%)
Use cloud applications (e.g. WeTransfer, One Drive, Dropbox, iCloud, Google Drive, Evernote etc.)

15% (n/a)
Digital financial products/banks such as Revolut, N26, Monzo

Which of these do you do nowadays anywhere?

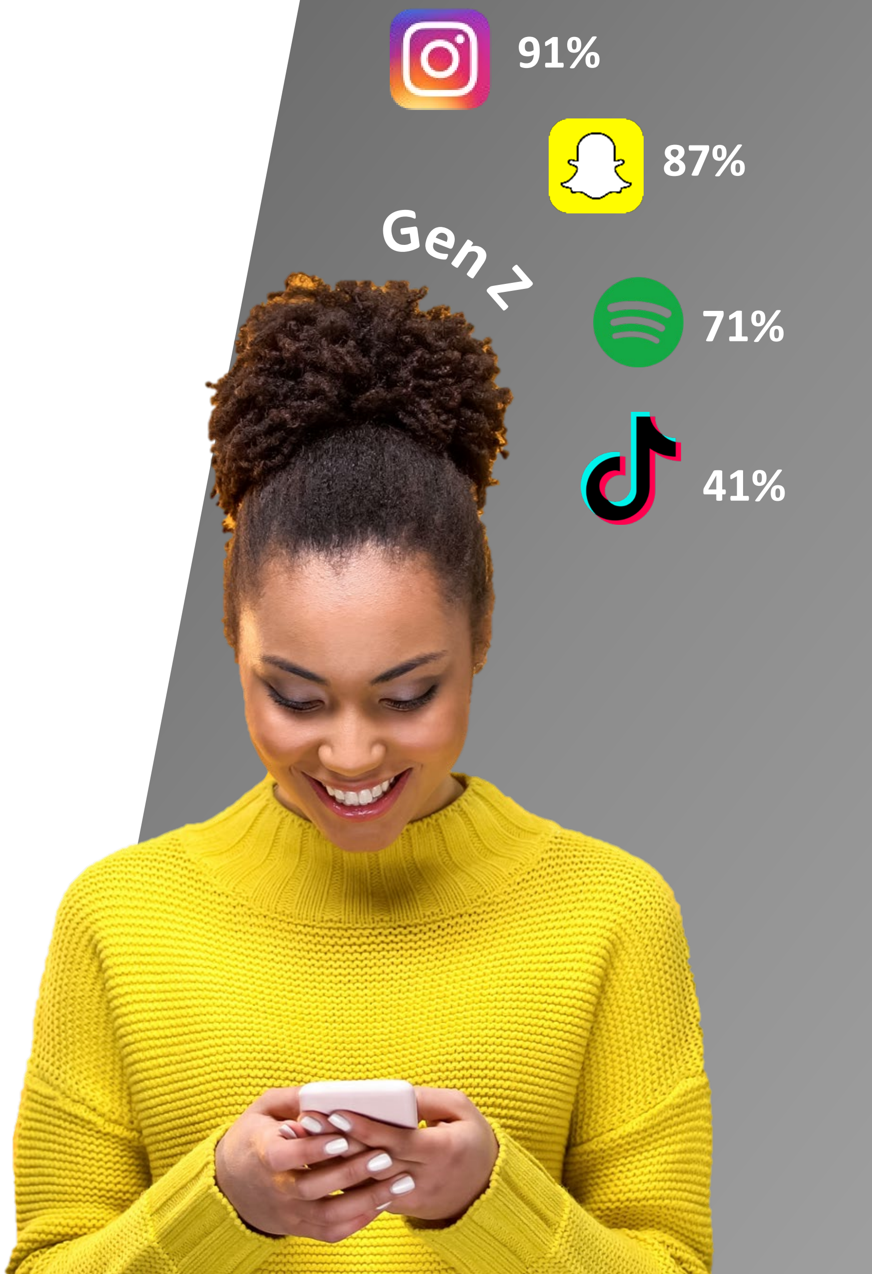
( ) = Brackets relate to 2019

Facebook, Instagram, WhatsApp and Snapchat most used social networks and OTT services among 16-24 year olds. However most growth for: Instagram, Snapchat, Spotify and TikTok

Base: All 16-24s -61

	2019 %	Feb 2020 %	Change vs 2019 %
Facebook *	94	95	+1
Instagram *	78	91	+13
WhatsApp	83	89	+6
Snapchat *	73	87	+14
Spotify	61	71	+10
Viber/ Viber Messenger	48	46	-2
Twitter *	40	41	+1
TikTok	0	41	+41
LinkedIn *	27	34	+7
Pinterest *	30	32	+2
Sound Cloud	30	25	-5
Tinder +	20	19	-1
Reddit	13	14	+1
Tumblr	12	13	+1
Bumble +	5	10	+5
Plenty Of Fish +	3	2	-1

** = Social media*
+ = Dating Sites



Which of the following, if any, of these do you ever use nowadays?

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Mental health is a trending topic. Prior to the crisis people were grappling with an ‘always on’ work ethic.

Base: All adults aged 16+ - 1,001

57% ↑ 11% vs. 2019

Check emails, text or social media last thing at night or first thing in the morning

Base: All using social media

36% ↑ 13% vs. 2014

Often check work emails on holiday because they feel it is expected

Base: All working

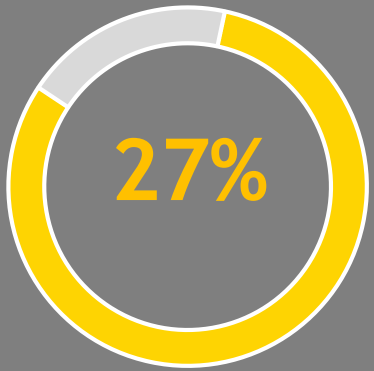
25% ↑ 9% vs. 2019

Find it hard to switch off in evening/weekends

Being constantly contactable means the conventional means of ‘switching-off’ are no longer sacred.

And the dark side of social media is becoming ever more apparent

Base : Use Social Media Sites 708

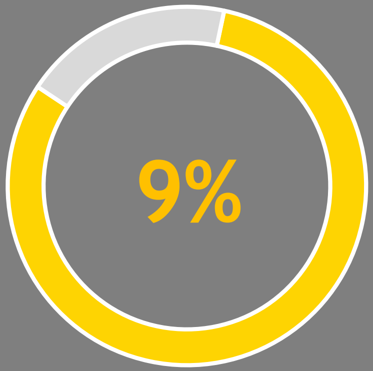


Know someone who has been bullied on social media

48% of Gen Z

Have personally been bullied on social media

17% of Gen Z



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52%

Worry about data privacy online

(Peaks amongst 25-49 year olds and those with children and Millennials).

There's a strong desire to return to a simpler way of living

And, we see increased focus on more low tech/anti-consumer behaviours (and this was pre Covid-19).

Getting back to nature, trekking, camping, forest schools, forest bathing

Incorporating mindfulness and meditation into our day

Returning to more tactile & social hobbies (baking, crafting, choir)

More face-to-face with friends & family (tech free date nights)

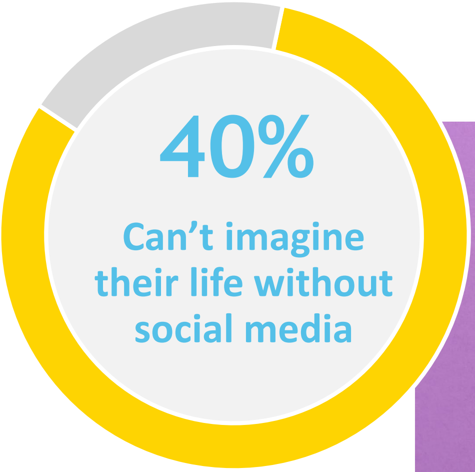
Popularity of KonMari principles

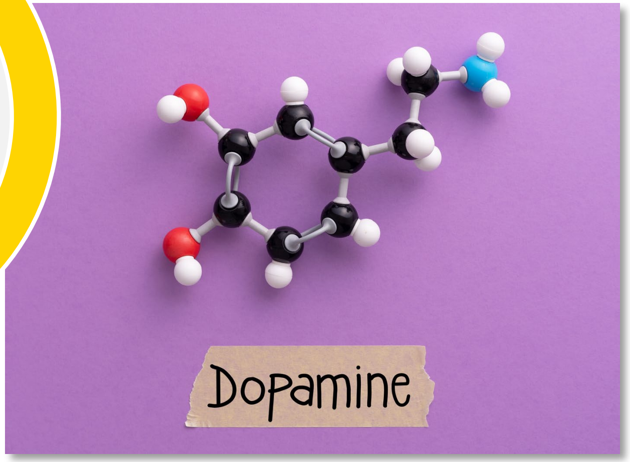
Exploring grounding activities (yoga, soundbaths, retreats)

Even a renewed interest in household cleaning. The surprising rise of Mrs Hinch

But we are being set-up for failure

We all know the negative effects of our consumerist/tech-centred world.
Yet, we find it immensely difficult to wean ourselves off





Biologically, we are primed

Dopamine hits that we get from SM likes, hunting out a fast fashion bargain.

Societally, we are conditioned

To consume, spend, fill our lives with expensive tech.

As much as we try to push away, tech finds ways of pulling us back in.

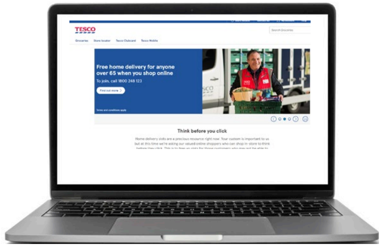
Covid-19 & tech

As Covid-19 struck, technology became central to our ability to cope

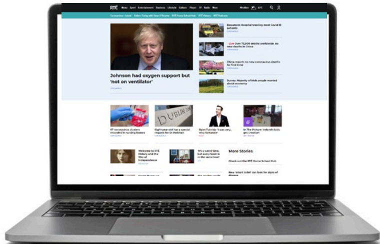
Home working
(Microsoft Teams, Zoom)

Entertainment
(Disney+, Netflix, Amazon Prime, Now TV kids)

Socialising
(Google Hangouts, Google Duo, House Party)



Shopping
(Tesco, SuperValu, Amazon, Harvey Norman)



News
(rte.ie, journal.ie)

WhatsApp, Netflix, YouTube, Instagram and Facebook started to feel like vital services on a par with water and electricity.

If we had to live through a pandemic, we're glad we're doing it in 2020.

We will emerge from this crisis with a crystalised understanding of both the benefits and limitations of technology

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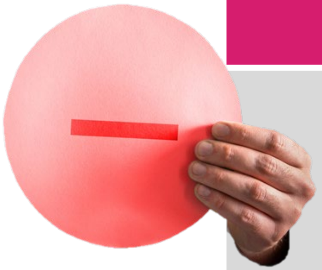
Benefits

- A literal **lifesaver**?
- An **enabler** of home working, virtual meetings, online studying, facilitating a much more flexible workforce.
- Connecting virtually **mitigates the need for travel** and the knock-on impact on the **environment.**
- A **facilitator of entertainment**, beyond previous generations wildest dreams.
- A **vehicle for our own creativity** and amusement (rise of tic toc videos during the crisis).



Limitations

- **Inaccessible** to a percentage of the population (over 400k).
- Nothing like as satisfying or useful as **face-to-face interaction.**
- Not particularly successful as a vehicle for **socialising.** There's a **slightly forced** feeling to the Zoom quizzes and the Teams work meetings and they lost their lustre very quickly.
- Potential for **addictive** behaviours still strong.

However, no guarantees that we'll be any better at managing the addictive nature of tech. And yet we long for real, face to face interaction with people.

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Implications for brands: Technology

- It's important to think about how technology can be used to its **best effect in driving true connection**. Hearing people's voices and seeing people's faces are key in more important, emotional encounters (video chat for example). However this kind of online communication can be exhausting if kept up for significant periods.
- As we emerge out of the crisis, there's important work to be done in **understanding where technology plays strongly and where it has less impact**. While online shopping will almost certainly continue to grow, online socialising may not have much traction when we are able to resume our regular habits.
- As restrictions lift, the **physical experience of 'being somewhere'** will become more important to us. We will appreciate physical stimuli more strongly, the moods, sounds, smells, sensations of physical interaction. Physical ambience will be an important thing to get right when the Covid threat retreats
- We are no further forward in managing the addictive nature of technology. **The need for tech 'hygiene' guidelines is still apparent.**

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Summary: This crisis will have profound and lasting implications for everyone's lives going forward

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It's disrupted the norms we've grown up with in terms of health, economics, interactions with others, society, working practices, education, travel, consumption, etc.

While the desire to *"go back to normal"* will be strong, the scale and longevity of this crisis will change some of our fundamentals.

The clues as to what our *"new normal"* will look like are being planted right now. It's never been more important to stay in touch with the consumer to accompany them on this journey to understand how their needs and desires are shifting.

Brands will have a significant role to play, both in responding to shifting and emerging consumer needs but also leading the charge.

We saw in the last recession that the brands that maintained consumer connection and relevance during tough times remained strong and successful in shaping the recovery too.

Brands adept at reading the mood, nimble and quick to adjust to shifting needs will emerge strongly from this period in history. Those unable to do so will be very quickly left behind.

Thank you.

RESEARCH
& INSIGHT

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Delve Deeper