

Introduction

- This is the second annual Sign of the Times report from Behaviour & Attitudes.
- Drawn from our observations in 100s of consumer research projects over the last year and a series of group discussions in the last few weeks, it attempts to capture the current zeitgeist in Ireland.
- We have also included some recently completed quantitative survey output from the B & A Barometer.
- As Ireland's largest independent research agency working in the field for 25 years, we have the experience to provide an analysis of what is really preoccupying the population in Spring 2011.

Introduction

Group	Gender	Social Class	Age	Other Criteria	Location
1.	Female	BC1	55+	Empty Nester	Cork
2.	Male	C2D	25-34	Double Income No Kids	Cork
3.	Male	BC1	45-54	Mature family	Dublin
4.	Female	C2D	35-44	Young family	Dublin
5.	Male	BC1	35-44	Young family	Sligo
6.	Female	C2D	45-54	Mature family	Sligo

- *All to complete pre-task sheet before coming to group*
- *All to be told video clips of their comments will be used on our website*
- *No more than 3 per group unemployed (except Group 1 if required)*

Current Climate

- This time last year we had already become numbed by the recession.
- We had all the revelations about Anglo Irish bank, NAMA was set up, the FAS board resigned.
- People lost jobs, salaries were cut, there was concern and anxiety but a desire to get on with life.
- X Factor became mainstream, we went out less often and Ryan Tubridy took over the Late Late.
- The Celtic Tiger disappeared but still we had some signs of the ‘Fighting Irish’...we won the Grand Slam after all!
- There was even some brief talk of ‘green shoots’but this didn’t last!
- In 2011 things are bleaker still.

“I thought two years ago when we were in a recession that we were going to start coming out of it. Now I just feel we are going to have to wait years.”

Local News 2010

First, a little context....



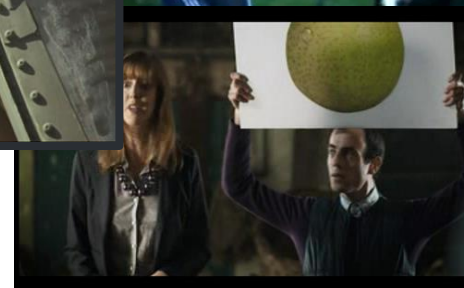
We saw momentous events and signs of a population fraying at the edges. There is more anger, more anxiety and a sense that the elite are untouched or just detached from real life.

World of Entertainment



People found a few heroes to follow in sport and the world of entertainment. Perhaps more than ever this year we need symbols of strength and leadership when there is little evidence of a clear direction for the country.

Memorable Ads of 2010



Big budget entertaining advertising always catches the imagination, but we also see this year how themes of hope and confidence resonate with people. Ireland re-imagined in a positive way (National Lottery 'Rainbow' or DAA Terminal 2) catch us by surprise and stand out from all the doom and gloom in the media.

“One daughter had to move to the UK for work and shortly another will be moving to the Middle East with her husband and family. This will affect me greatly.”

“A lot less cash so while prices may have stayed the same we had less to spend.”

“Trust in leadership (church, banks, politicians) broken.”

“Two brothers emigrated to Australia due to recession and have left a huge void in our family life.”

“I have turned off unnecessary lighting around the house and plug out appliance not in use. Plus I use the fire more to cut down on heating costs.”

“Over the last 12 months there has been an overbearing sense of uncertainty mostly due to job security and financial matters”

“Everyone close to me tightened the purse strings and some friends and family were without jobs and money as a result of the economic downturn.”

“I lost my job at one point but after only 2 months on welfare found work in my trade again.”

“It was very stressful with money - my partner is out of work at the moment.”

Climate Headlines

Shamed

- Embarrassment on international stage post IMF
- Leaders look foolish
- 'Irishness' tainted.



Betrayed

- All feel let down by
 - Politicians
 - Church
 - Banks

Frozen

- Anxiety about job security
- Big purchases/foreign holidays postponed
- Hang on to current job

Damaged

- Death by 1000 cuts as stream of taxes bite
- Real social class divide emerging

Climate Headlines

State of Recession

- Fatalistic acceptance of no recovery in sight.
- All in this together
 - Everything changed
- Hungry for leadership
- Resent rip-offs



Get Away

- Tipping point shift.
- Emigration real consideration amongst 20somethings
- Parents assume kids will leave.

No Revolution

- Despite real anger there is sense of guilt
 - Our greed did this

Cutting and switching

- Budgeting essential
- Cancel TV channels
- Switch health insurance

Climate Headlines

Stay Home

- Weekday retreat/recharge
- Venue for house party and 'on ramp' for night out
- Family time/connection
- Personal space/separation



Disconnect

- Pervading doom and gloom on all media
- Many just switch off
- Seek distraction/comedy

Reconnect

- Rediscovery of value of friends, family, community
- Kris Kindle not big presents
- Local sports involvement

Technology juggling

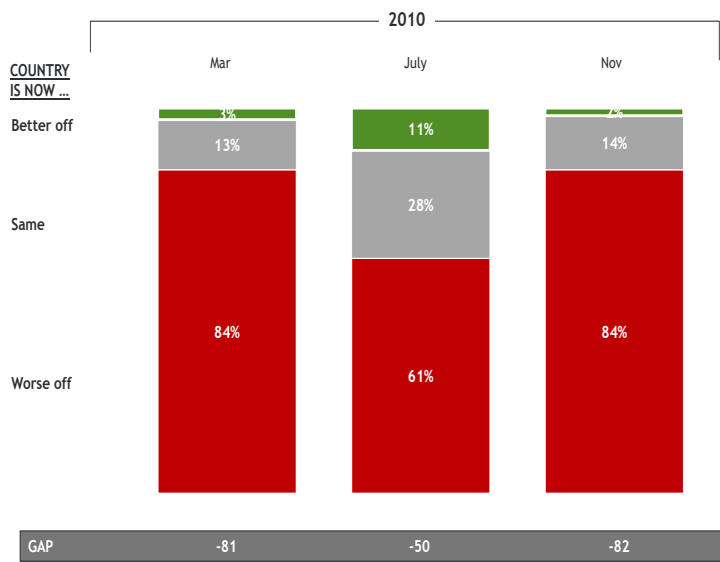
- Attention divided.
- TV while browsing internet
- Smart phones driving shift in personal communications.
- Facebook before texting?
- Skype over mobile?

“Money has become the main God in life. Perhaps this will change in the coming years due to the state of the economy.”

The Economy this year: An Almost Perfect Storm

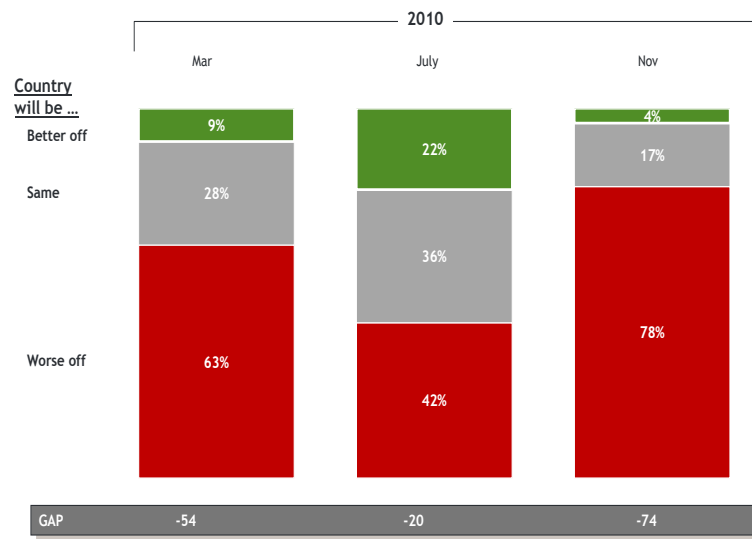


Economy - Looking Back



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?

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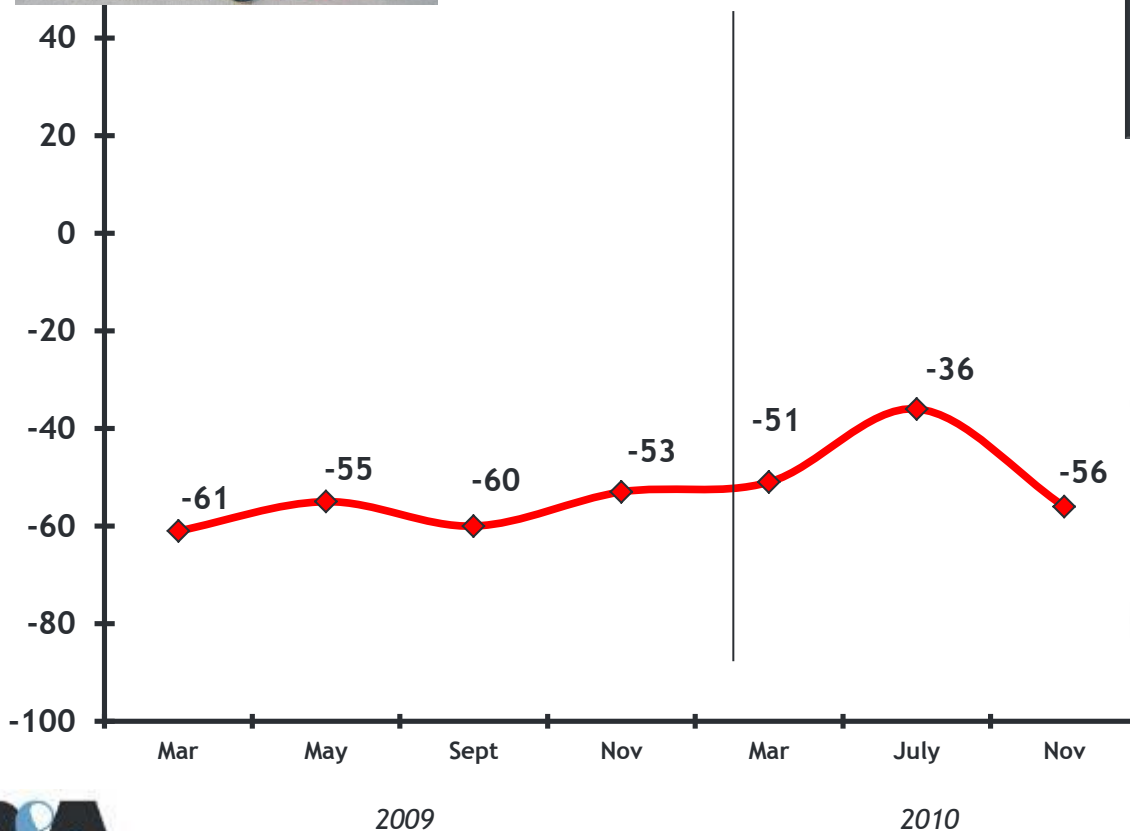
Source: B&A Consumer Confidence Jan 2011

Confidence in the Irish economy remains depressed, due to a mix of budgetary, financial, banking, employment and emigration factors.

Spending Headlines






Spending intention has continued to reduce. Consumers are less prepared to buy than they were. Loss of income and uncertainty about the future are critical factors here..



Thus, a net 56% of people indicate they are likely to spend less in the year ahead.

Our changing habits

	Feb 2009	Jan 2011	
<u>% Doing More</u>			
Buying items on special offer	55%	68%	↑ 13%
Using discount stores (Aldi, Lidl etc)	47%	51%	↑ 4%
Buying own label goods	43%	50%	↑ 7%
Using major supermarkets (Dunnes/Tesco)	26%	30%	↑ 4%

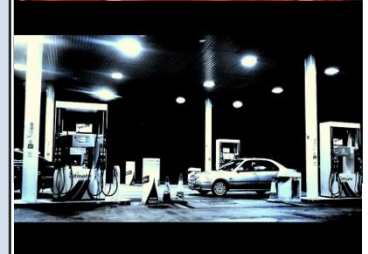
DUNNES STORES
Always Better Value

Source: B&A Consumer Confidence Jan 2011

Making money go further is now a key buying principle, with discount shopping, own brand goods and special offer purchases becoming more popular, in line with reducing incomes.

Our changing habits

	Feb 2009	Jan 2011	
<u>% Doing Less</u>			
Going out to a restaurant for a meal	51%	64%	↓ 13%
Using local shops like Centra, Spar, etc	22%	30%	↓ 8%
Going out for a few drinks	38%	39%	↓ 1%
Using garage forecourts to buy food or groceries	29%	30%	↓ 1%



Source: B&A Consumer Confidence Jan 2011

Socialising in bars and restaurants continues to decline, with entertaining in the home and off trade drinking taking their place. Expensive ad hoc 'Convenience' shopping is also reducing.

Our changing habits

	Feb 2009	Jan 2011	
<u>Other Changes</u>			
Spending less on gifts	60%	74%	↑ 14%
Giving less to charity	43%	59%	↑ 13%
Withdrawing from savings and retirement accounts	28%	34%	↑ 6%
Working longer hours	21%	21%	=



Source: B&A Consumer Confidence Jan 2011

With less disposable income to hand and a greater degree of financial uncertainty, gifting and charitable donations, are reducing.

Sign of the Times 2011



The Big Themes

Absent without Leave

The Search for Truth

Lost Footing

Tempests



In the Woods

Digital Love

Real Christmas

The Long View

Absent Without Leave

“I suppose people wanted to hear a bit of a positive thing, they don’t want to hear somebody with a hangover on the radio, you know”.



Absent Without Leave



- 2010 was a year with little evidence of real leadership. It remains to be seen what the new government can do to build our confidence in 2011.
- Surprise and disappointment shifted to a pervading sense of frustration that the country lacks a clear direction.
- The country lost faith in Cowen but for much of the year there was no sign of a clear alternative.
- Kenny prevailed over a leadership heave and a gruelling election, but this is an electorate disillusioned with politics.
- There is also a sense that in other areas, the elite have got away with things, or literally been absent without leave.

“I think when you see the likes of that man Drumm in Cape Cod it makes me get so angry, the arrogance gets to me, what annoys me is that the small guys in the banks are being hounded for hundreds, if you owe them 20 million you can walk away free with your head in the air.”

Lost Footing

“The Murphy Report was horrific, I think it made the year so black because every aspect of society just crumbled”.



Lost Footing



- Before the election many felt there was no direction for the country and little sign of clear leadership. All feel the new government must act decisively.
- But on a personal level, many feel rocked by scandals and corruption which have undermined their sense of morality.
- We have had a catalogue of clerical abuse revelations, which took a high profile form in the Murphy Report in 2010.
- Particularly amongst older people, this report and the way in which the senior clergy responded undermined what had been a cornerstone of their world view and indeed their faith.
- For these individuals, the old pillars of society really mean something.
- They were held up as examples for the rest of us to follow, they provided guidance and a moral authority.
- With the tumultuous events in the world of politics, the economy and clerical abuse revelations, many older people feel there are no examples for young people to follow.
- Rather than anger, these people express sadness and a sense of betrayal.

In the Woods

“Lost my job 2 years ago and things haven’t been easy. I was stressed a lot. Decided to stay in all the time which didn’t help”.



In the Woods



- The Irish people have experienced real hardship this year.
- In the past, it was families connected to construction, the property market and small businesses that were hurting most.
- With Government cuts, salary decreases and job losses, almost every household has experienced difficulty.
- However, despite the sense that ‘we are in this together’ in fact we found huge differences between working class and middle class households.
 - ❖ In middle class homes there is anxiety about job security. Some have lost jobs, many have to cut back.
 - ❖ Working class households have been hit much harder. People talk about their cars being repossessed, credit card companies chasing late payment, solicitors’ letters from financial institutions.

“I just said to the girl out of MABS, I rang her up and said, I can’t do this anymore. I said I feel like topping myself.

She said ‘Jesus don’t do that!’ I said it’s just a figure of speech. She said ‘There’s five of my clients in the last three months who have done that, they all had families and left their kids’.”

The Long View

“At the end of the day if you are able to put food on the table, keep warm, money doesn’t matter once you have your health”.



The Long View



- Despite the stress and strains on people, we still found resilience and joie de vivre amongst people in Ireland.
- On the one hand, there is a feeling that we just have to get on with things, live our lives as best we can.
- Others stress that real problems come in the form of health concerns. Those diagnosed with cancer this year bring a sharp focus to our discussions with their urging to live life to the full and appreciate family and friends.
- We also see a desire to embrace life with the irreverent fierceness the Irish have always shown in times of trouble.
- Out of work and with a car repossessed, people are organising karaoke parties at home.
- They are sneaking naggins of Bacardi into pubs.
- Almost in defiance of the zeitgeist, with fingers up to the doom and gloom in the media, we found many people are simply getting on with life and having fun when they can get it.

Real Christmas

“A few years ago there was pressure at Christmas, we were all working it was becoming a nightmare - trying to outdo each other with presents. Having Kris Kindle made it easier on everyone - there was no rush at all”.



Real Christmas



- This year more than previous years, people have scaled down.
- The very real sense that in every household people are spending less money and trying to cut back on presents.
- While undoubtedly the weather played a role in the way it stopped people visiting the shops in the run-up to Christmas, there also seems to have been a general need to cut back.
- Many families adopted 'Kris Kindle' gifting (some with more success than others).
- There is also a feeling that the need to cut back is not just financial but also about keeping with the times in which we are living.
- Many stress they had a better Christmas this year, with a sense of retrieving a lost spirit. They had been more stressful and driven by status during the years of the Celtic Tiger.

Real Christmas



- Indeed, many now convey that period in our history as the Celtic Tiger **demon** rather than the positive expansion that we enjoyed.
- Christmas 2010 was all about
 - ❖ a smaller scale
 - ❖ returning to the values of the home and family
 - ❖ placing a focus on the connections we make with people
- Like the Chilean miners, Christmas at home is emblematic of the things we value most.

Digital Love

“When I would get up in the morning, just before she was going to bed, I would be on Skype and have a big chat with my niece in Australia”.



Digital Love



- A shift that has come into sharp focus this year is in the area of technology and communications.
- Where in the past, we may have pointed to a younger generation as the vanguard of new technologies, we are now seeing these habits and attitudes reaching further across the population than ever before.
- As families once again become separated by great distance, as people emigrate, there is perhaps less sense of distance with many able to use the internet to keep in touch via Facebook or Skype.
- We talked to pensioners who regularly use the internet to book their holidays, to keep in touch with family overseas.
- TV viewing has changed, with a growth of digital recording and series link facilities. Many simply fast forward through TV adverts.
- Many give less attention to their TV screens, with laptops often open in front of them while they glance from Facebook to email to TV show.

Digital Love



- Mobile phones have changed too, with the object of desire, the iPhone becoming more prevalent, and HTC and other Smartphone options available at lower prices, we were surprised to find how frequently people are using the internet on the go.
- While this is emergent rather than mainstream, its growth should not be underestimated and signals a new shift for technology.
- This generation has grown up assuming TV comes with multiple channels in full colour.
- They have adopted the internet as an accessible resource. But with Smartphone access, the internet can now overlap completely in every aspect of life, changing the way we think and communicate.

“It used to be just phone numbers I didn’t know, cos I just used my phonebook. Now I don’t need to remember anything cos I can just Google it on my phone!”

Tempests

“We went on trains and boats, buses and taxis, it took us 14 hours to get from Rosslare to Gatwick to arrive at the airport on a Sunday morning to be told to go home, flight has been cancelled - so we had to do the whole thing again.”



Tempests



- In 2009, we experienced extraordinary weather, with flooding all over the country.
- People were driven out of their homes for weeks on end and we all began to wonder whether this was the first signs of global warming hitting Ireland.
- In 2010 we had a surprisingly mild summer and early autumn, but again, we saw dramatic events in the natural world impacting on people's lives.
- With the tail end of hurricanes in the Atlantic, even experienced surfers were put off by the 40 foot waves on the West Coast.
- However, the real impact that surprised the whole of Western Europe came from a completely unexpected source.
- With an almost biblical effect, flights ground to a halt as ash clouds drifted overhead.
- Holidays were cancelled or extended, families were separated, and people were left in that excruciating limbo of no information from their airline!

Tempests



- While the ash clouds disappeared as quickly as they came, there was a sense for a few weeks that our modern sophisticated world was still vulnerable.
- It was a surprise to find how quickly things can grind to a halt.
- In fact, it was only a few months later that we saw the effect of extreme weather, particularly on the East Coast. The snow and ice that covered much of Ireland before Christmas took everyone unawares.
- It seems so long since Ireland has experienced a really cold snap, it was something of a shock to the system to see schools closing and people unable to get around.
- On the one hand, we saw tremendous examples of people pulling together, with pedestrians helping to push cars along, neighbours clearing pathways. There was a sense of really pulling together.
- But the arrival of these tempests also served to point to our weakness.
- It seemed that for days the roads were impassable. We were told salt for the roads was running out, and it seemed like we simply lacked the ability to manage a small crisis with the weather.

The Search for Truth

“We are just coddling each other. There is a lack of truth and a lack of leadership and ideas at the top”.



The Search for Truth



- Pillars of society can't be trusted and even when the whole country is being rocked by an economic storm, nobody is prepared to just tell it like it is.
- Hype and buzz clutter the airwaves, and even the media cannot always be trusted to give us a story without spin.
- People are hungry for authenticity. They want a sense of something that is real, something with which they can connect and develop a sense of connection.
- They respond strong to brands that can convey a credible sense of heritage and proximity to their lives.
- There is also the proliferation of reality TV in many forms with the familiar mainstream talent shows just one version of an ever-growing repertoire.
- This is not just entertainment, where we can watch others embarrass themselves, it's not just about 'smug TV' it is perhaps another expression of the desire to connect and feel we have something authentic to believe in.

Summary

- Confidence remains low at the end of 2010, with most believing Ireland ended the year worse it began. Specific events have impacted on public confidence:
 - ❖ the EU/IMF bailout,
 - ❖ the continuing rise in unemployment
 - ❖ emigration
 - ❖ prevailing economic and political uncertainty,
- As income reduces people are becoming more aware of the ‘value’ of their money.
- Own brand & special offer purchases are more apparent, as is the use of discount stores.
- There is also less ‘convenience shopping’, with reduced household income effecting this form of ad hoc purchasing.
- Frugality and making ‘less money go-further’ are now the name of the game.

Summary

- Restaurants and social drinking in pubs are making way for drinking off trade.
- People are realising that more effort and imagination are required to remain entertained, on a limited budget.
- Excessive spending on gifts has become less socially acceptable, (or possible!). Unfortunately charitable donations are now also seen as more of a luxury.
- In similar fashion to 2009, 1 in 5 people remain working longer hours, as job security fears also remain heightened.
- Of real concern are the increasing numbers of consumers supplementing their day to day living through use of savings.

Sign of the times 2011

