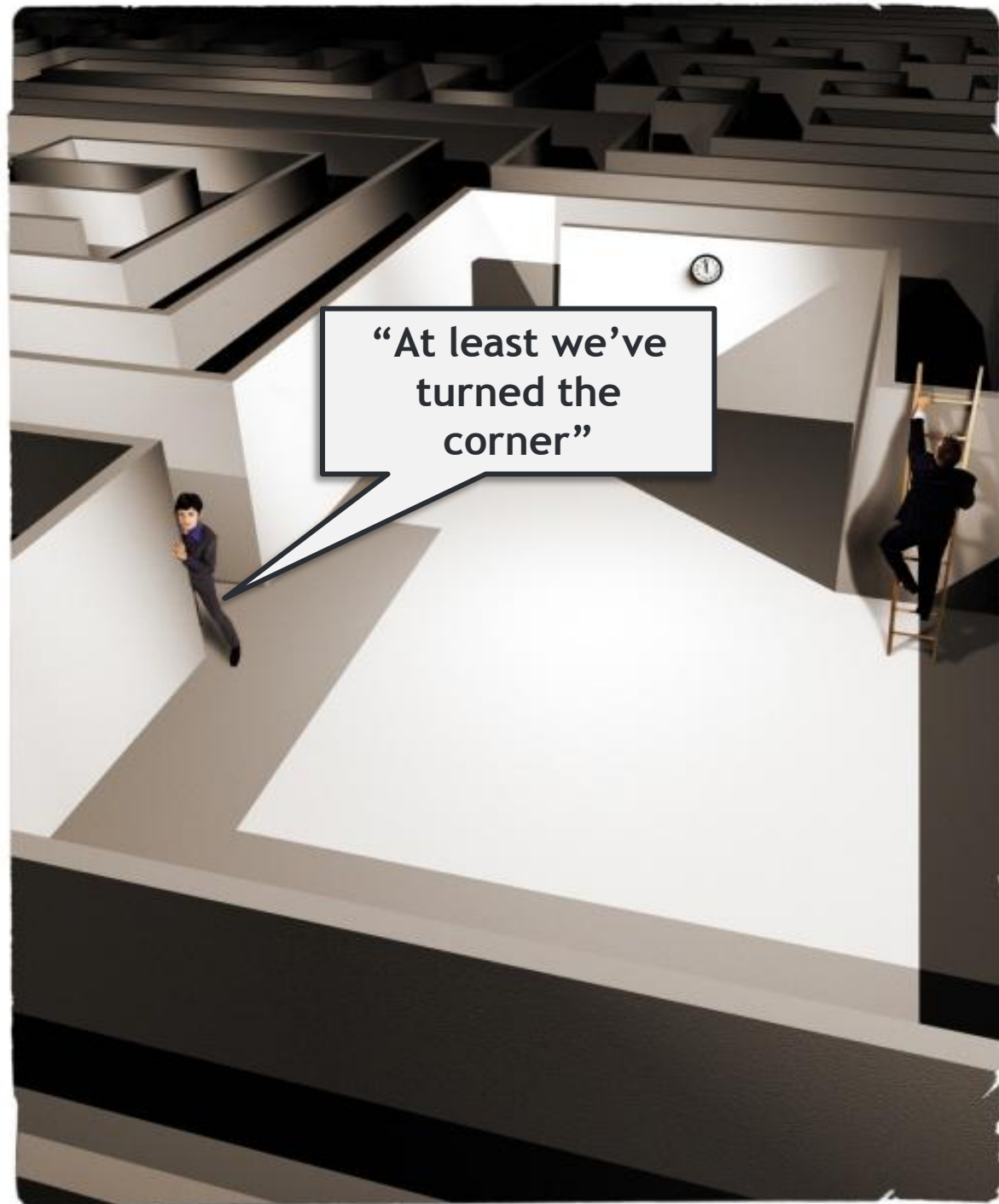


# Consumer Confidence Tracker

November 2012

Prepared by Luke Reaper  
J.3613



# Introduction

- This report presents the findings of the latest phase of the Behaviour & Attitudes' Consumer Confidence Tracker.
- Survey results for this phase are based on a sample of 1,001 adults aged 16+, quota controlled in terms of age, gender, socio-economic class and region to reflect the profile of the adult population of the Republic of Ireland.
- All interviewing on the survey is conducted on our fortnightly face-to-face Barometer by trained members of the B&A field force working under ESOMAR guidelines.
- Fieldwork on the latest wave was carried out between 17<sup>th</sup> November to 27<sup>th</sup> November 2012.
- The figures contained within the B&A Consumer Confidence Barometer have an estimated margin of error of plus or minus 3.2 percentage points.

# About Behaviour & Attitudes

- Behaviour and Attitudes is Ireland's largest and most experienced independently owned research company.
- We pride ourselves on having the **most experienced director team in Ireland**. All projects have a director involved.
- Established over 25 years ago, Behaviour and Attitudes provides a full range of market research services, ranging from CAPI, CATI, online and of course qualitative.
- Specialist sectors include: Retail & Shopper, Technology & Telecoms, Financial, Political & Social, Polling, Automotive, Healthcare and Public Sector & Utilities.
- For more information please visit our website at: [www.banda.ie](http://www.banda.ie) or contact us on +353 1 2057500.

# Findings



# Summary

- The table below summarises the net scores for each element of the September survey, alongside those from previous waves since 2009.

|  | Pre 2008<br>Historic Low |              | 2009       |     |      |     | 2010       |      |     | 2011       |       |      |     | 2012       |     |      |     |
|--|--------------------------|--------------|------------|-----|------|-----|------------|------|-----|------------|-------|------|-----|------------|-----|------|-----|
|  | Date                     | Net<br>Score | Net Scores |     |      |     | Net Scores |      |     | Net Scores |       |      |     | Net Scores |     |      |     |
|  | Date                     | Score        | Mar        | May | Sept | Nov | Mar        | July | Nov | Jan        | April | July | Nov | Mar        | May | Sept | Nov |
|  | %                        | %            | %          | %   | %    | %   | %          | %    | %   | %          | %     | %    | %   | %          | %   | %    | %   |
| Economy - looking back a year              | Nov '02                  | -62          | -88        | -93 | -91  | -86 | -81        | -50  | -82 | -86        | -72   | -59  | -69 | -64        | -56 | -57  | -62 |
| Economy - looking forward one year         | Nov '02                  | -63          | -74        | -76 | -65  | -58 | -54        | -20  | -74 | -70        | -58   | -45  | -64 | -52        | -44 | -50  | -60 |
| Personal income - looking back a year      | Nov '02                  | -40          | -57        | -62 | -67  | -63 | -65        | -43  | -67 | -72        | -64   | -50  | -59 | -61        | -56 | -52  | -60 |
| Personal income - looking forward a year   | Nov '02                  | -20          | -54        | -63 | -63  | -55 | -54        | -33  | -65 | -69        | -55   | -43  | -57 | -50        | -49 | -52  | -52 |
| Personal assets - looking forward one year | Jan'02                   | -2           | -55        | -53 | -55  | -47 | -49        | -26  | -55 | -50        | -44   | -31  | -41 | -39        | -28 | -31  | -33 |
| Purchasing intentions - the year ahead     | Nov '02                  | -24          | -61        | -55 | -60  | -53 | -51        | -36  | -56 | -67        | -55   | -37  | -51 | -46        | -40 | -44  | -48 |
| Savings - the year ahead                   | Nov '02                  | -35          | -56        | -56 | -60  | -51 | -53        | -37  | -54 | -60        | -54   | -39  | -50 | -51        | -42 | -45  | -52 |

Consumer sentiment had begun to trend down again in the run up to the budget and Christmas. With the marginal certainty & confidence, regained during the year, eroding. Consumers & retailers appear to be facing into another long hard winter. (Note this research was conducted prior to Budget 2012).

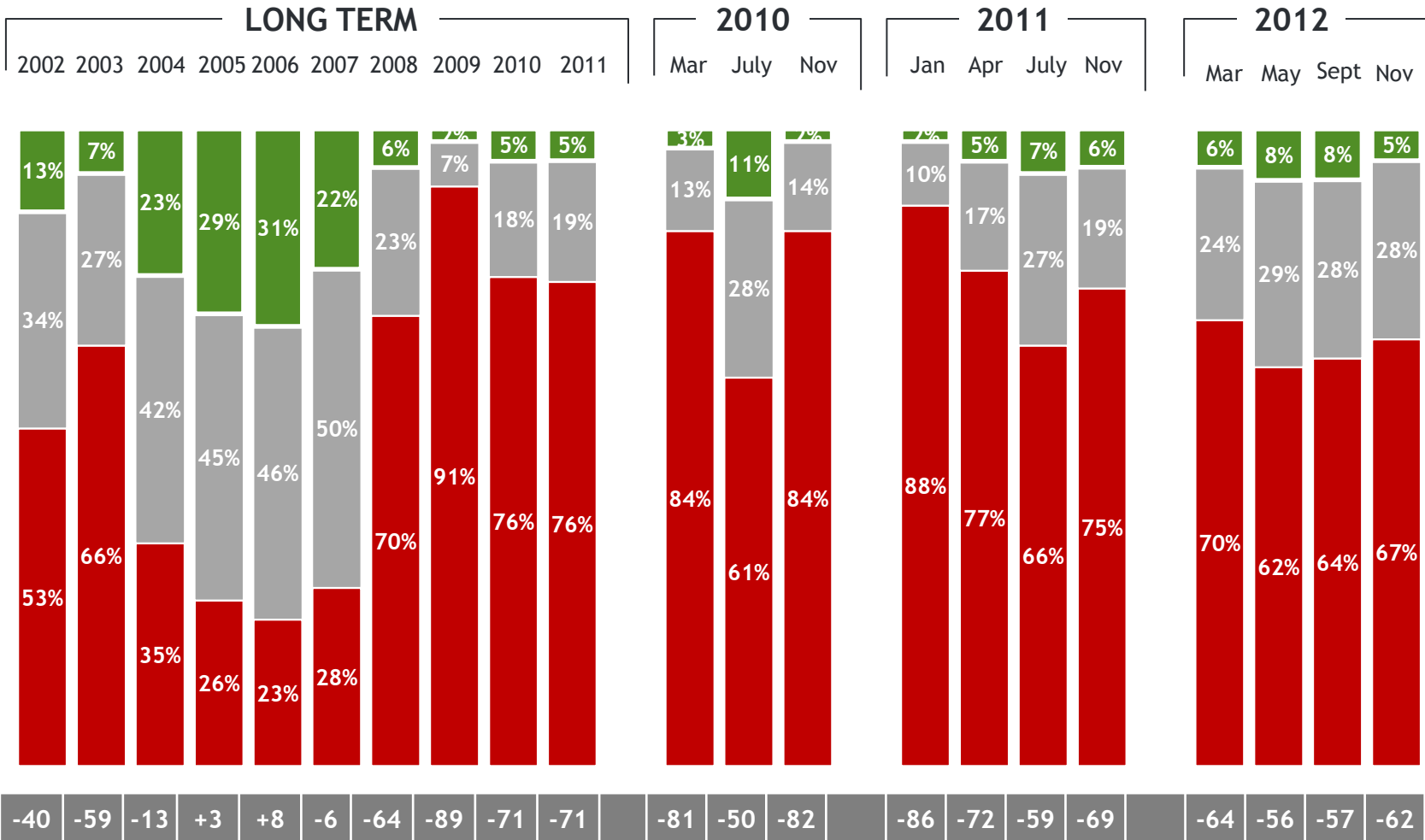
# Economy - Looking Back

**COUNTRY IS NOW ...**

Better off

Same

Worse off

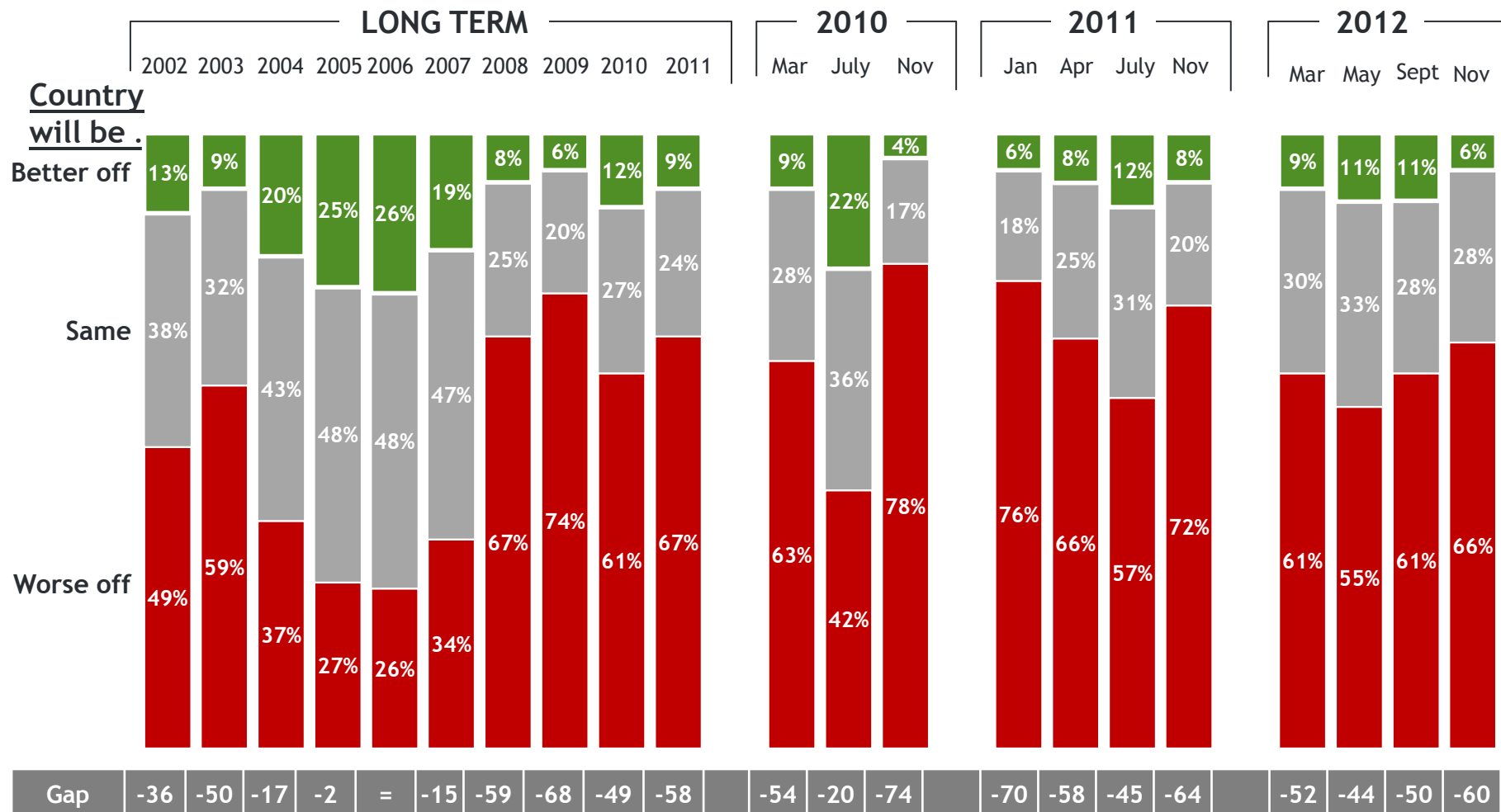


Fears over the economy continue to escalate. Given that we are entering the sixth year of recession some uplift should be observable, if consumers held a genuine belief in the strength of the Irish recovery. While the Government may believe we have turned the corner, consumers are perceiving it as more of an economic maze.



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?

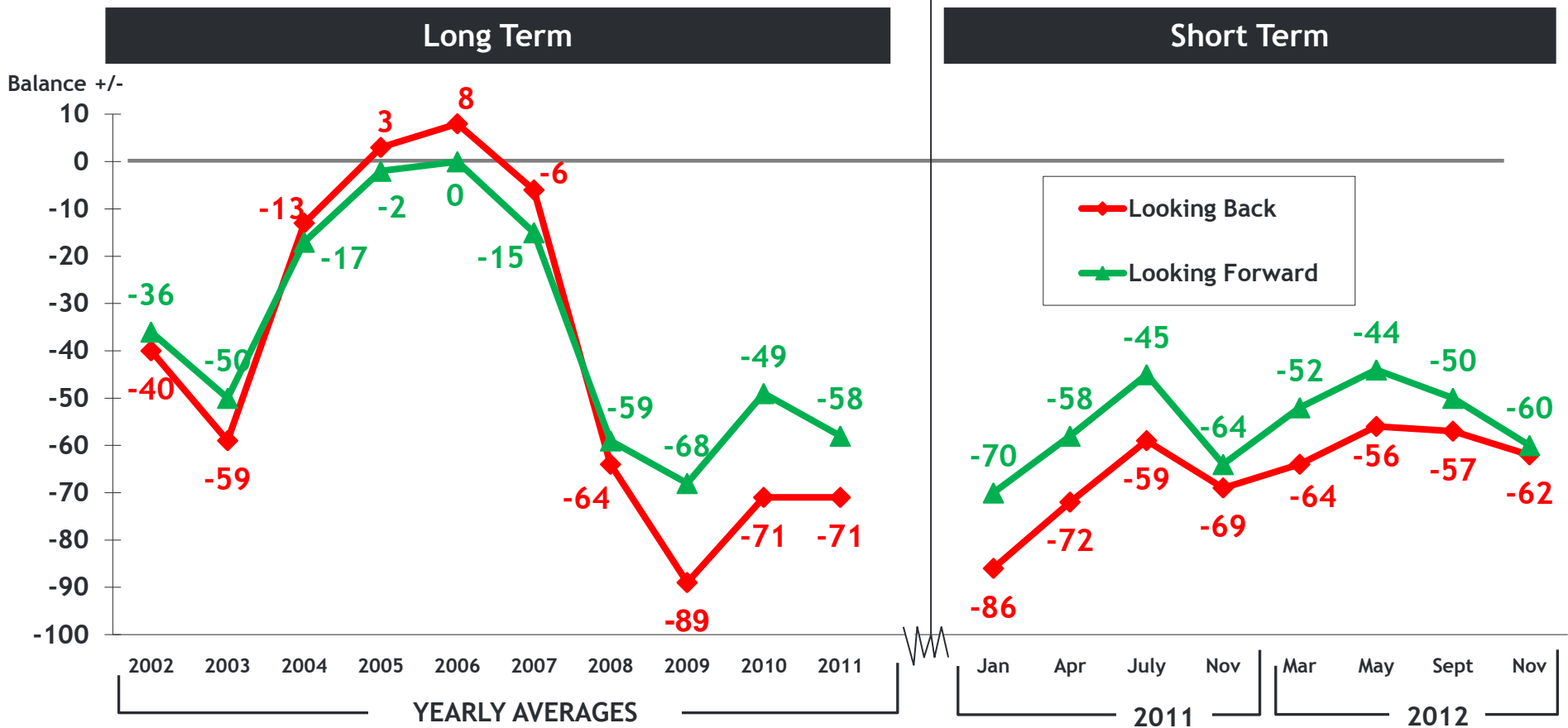
# Economy - Looking Forward



Perceptions of short/medium term recovery are considerably weaker at the end of 2012. Belief and optimism in the fate of the economy is waning. The further impositions from the budget (removal of €3.5 billion) from the domestic economy can only deflate this further. Where belief in the wider economy fuels consumer spending, continuous uncertainty only further stagnates spending intent. Following from these trends we would anticipate a weaker consumer spend for Q1 2013.

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?

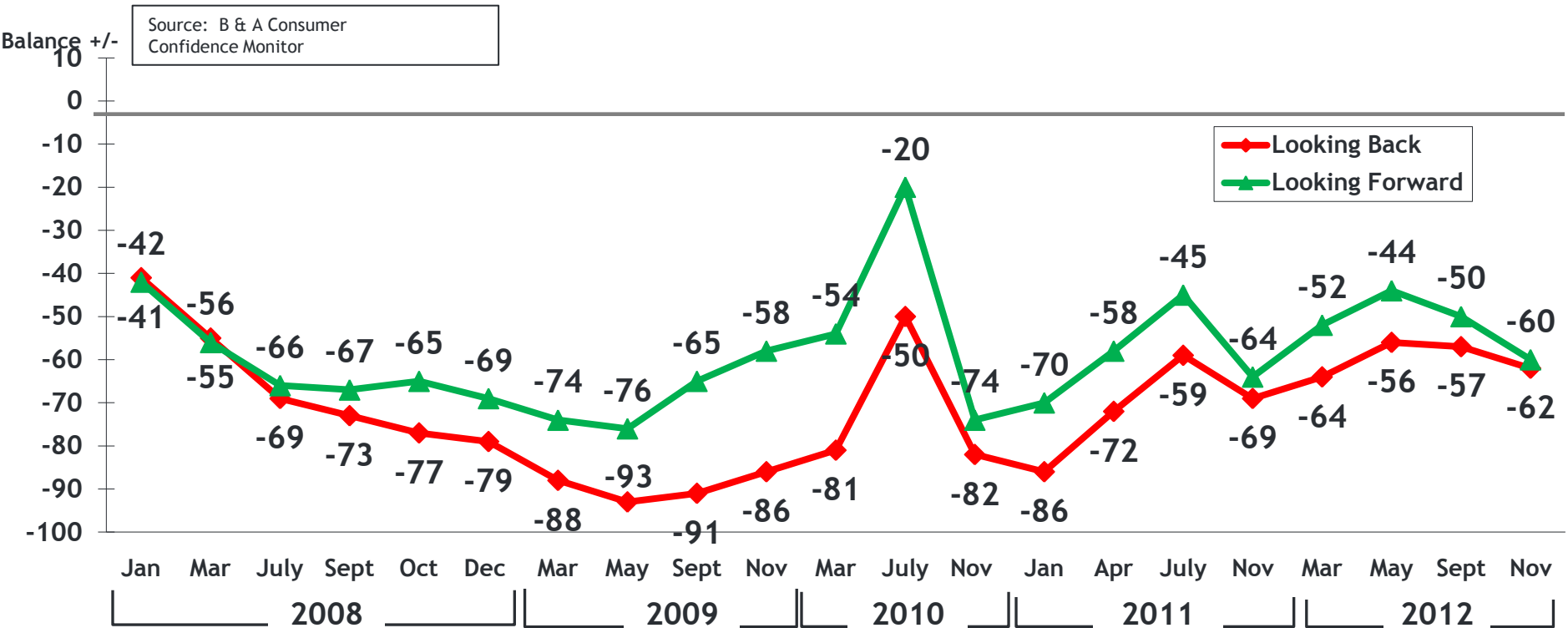
# Balance Of Opinion - Economy



Belief in economic recovery is becoming more negative again. While not at a nadir point for all consumers, hope and certainty are definitely waning. A tipping point may be reached in 2013 as middle income consumers further retrench spending due to and in anticipation of further cuts and impositions. Domestic retail and service providers would be well advised to review the value basis of products and estimated stocking requirements now in anticipation of Q1 and Q2.



# Irish Consumer Confidence has been on a Psychological Journey



**Shock**

Shock as we head for recession

**Anger**

The economy is in a worse state than we thought  
And it's mostly all our own fault!

**Acceptance**

Things have been bad, but we seem to have hit the bottom

**Despair**

IMF bailout: absolute despair

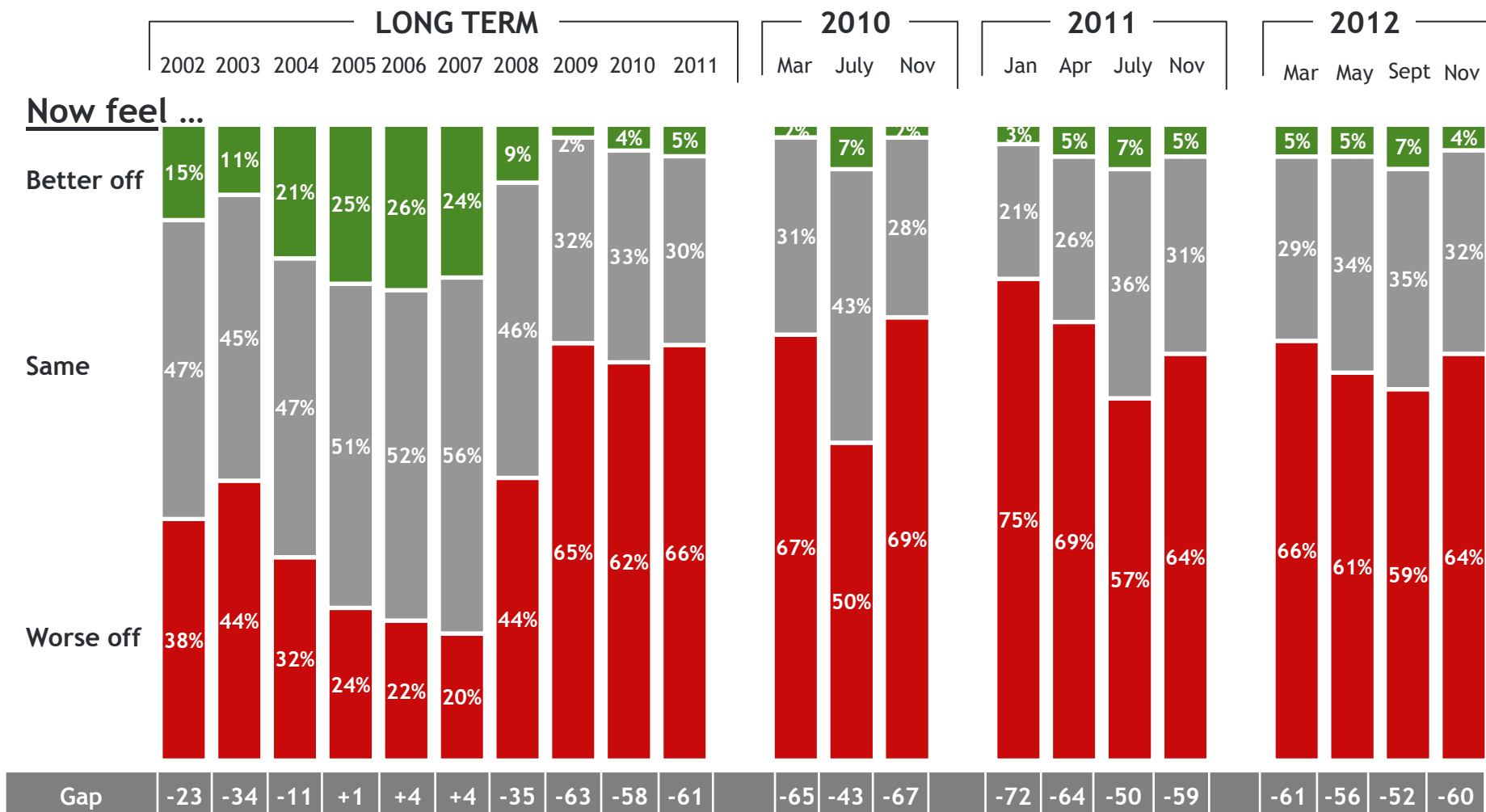
**Despondence**

We may have just about hit the bottom, but we are likely to remain there for some time.

**Depression**

A fugue state in which all actions have negligible rewards.

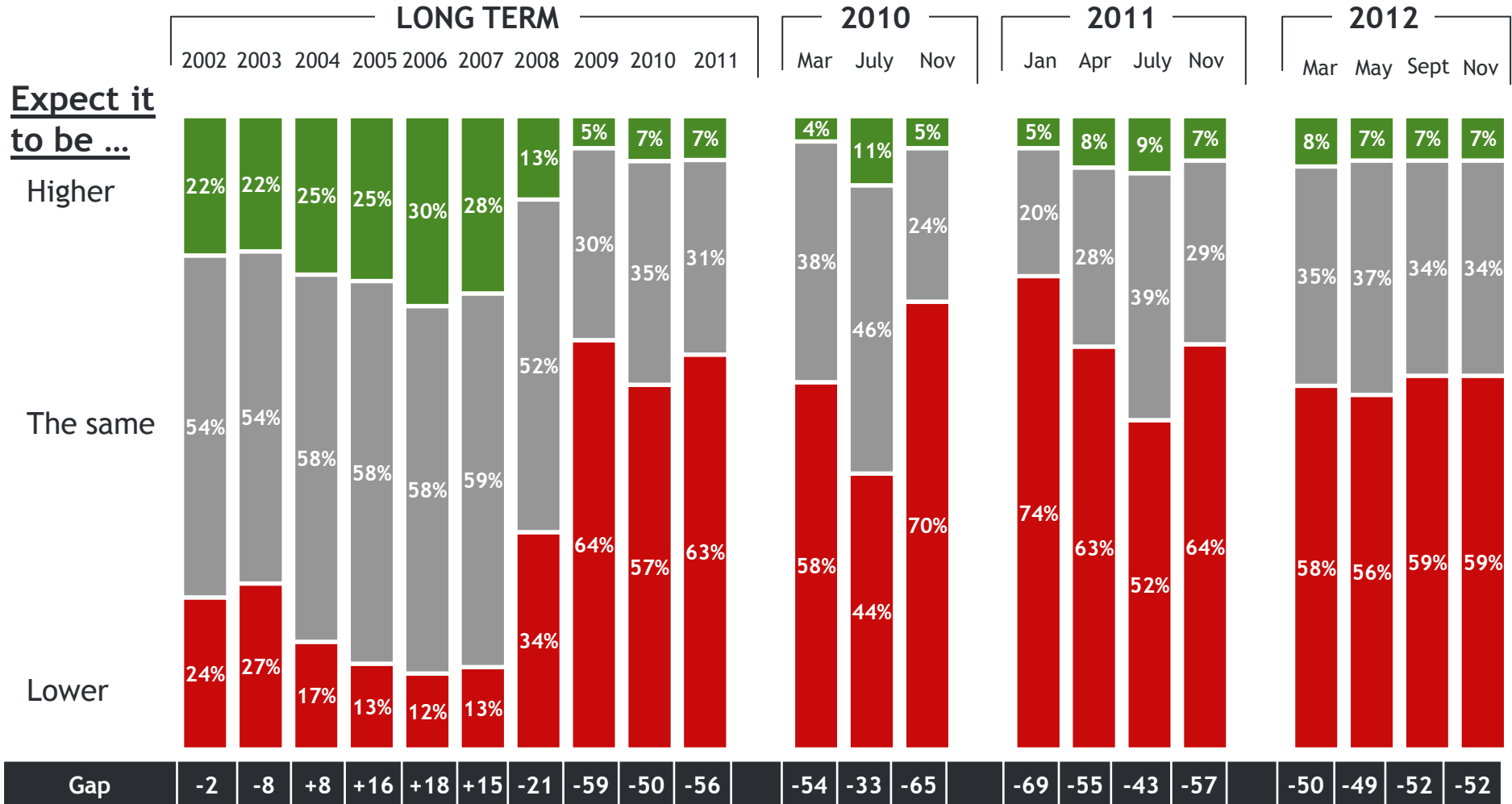
# Personal Finances - Looking Back



Consumer real income values continue to decline. Between wage stagnation, inflation, and direct and indirect taxation there has been a five year undermining of wage levels.

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

# Personal Finances - Looking Forward



No sign of positive change in personal financial position - and this is before the real budget activity.

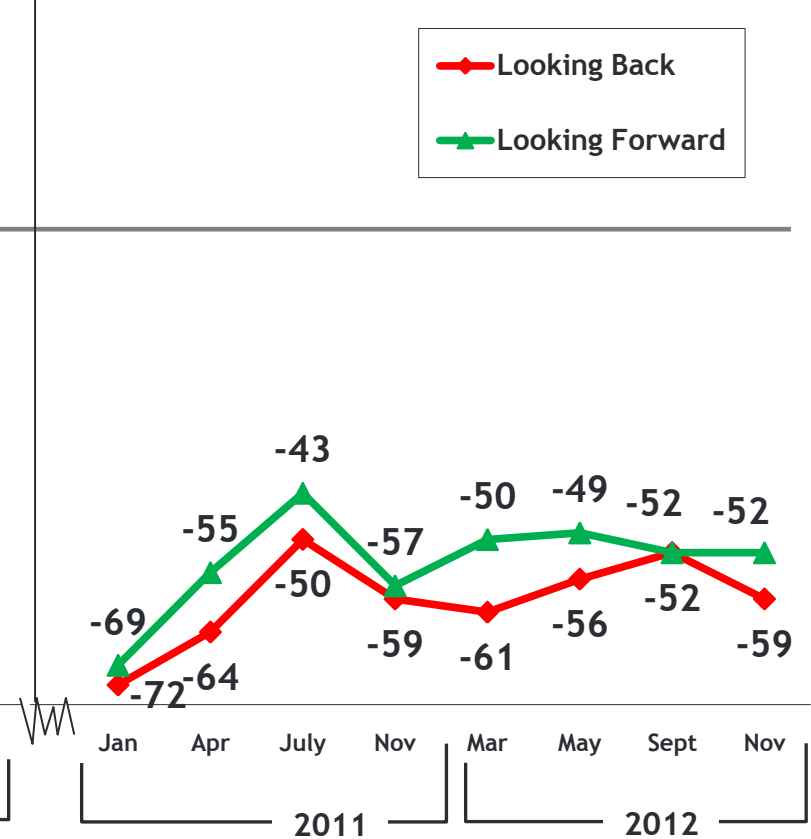
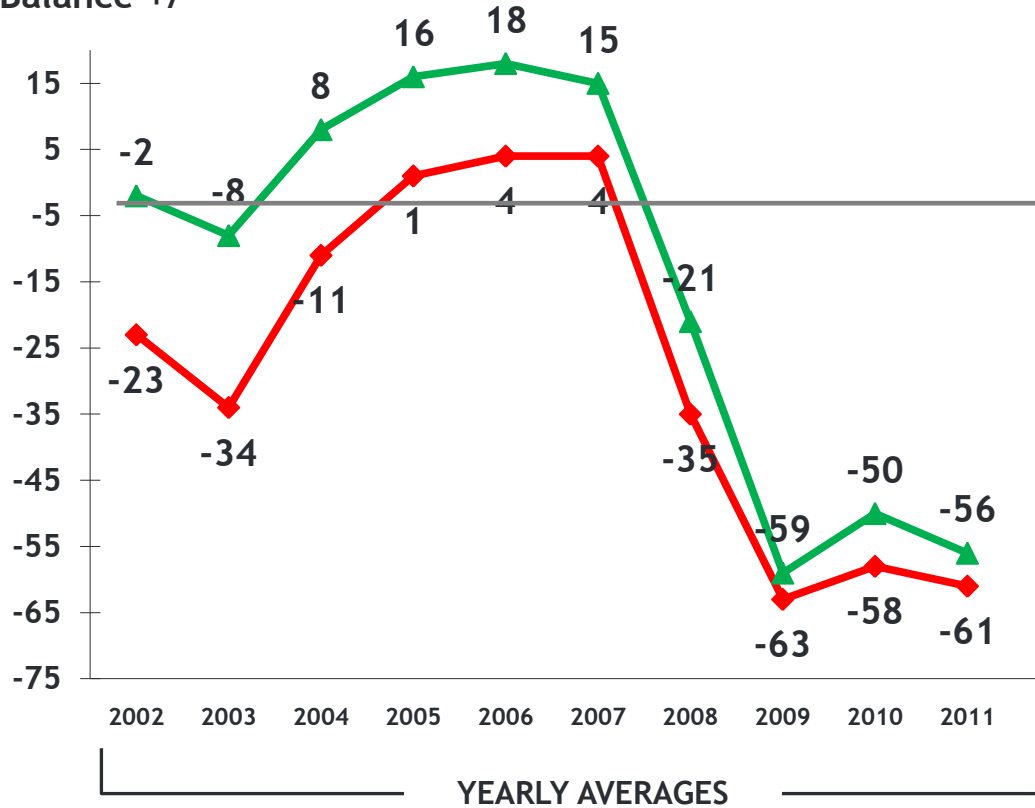
Q.5 Do you expect your income in the next year, after inflation and taxes, to be higher, lower or the same as in the last twelve months?

# Balance Of Opinion - Personal Finances

## Long Term

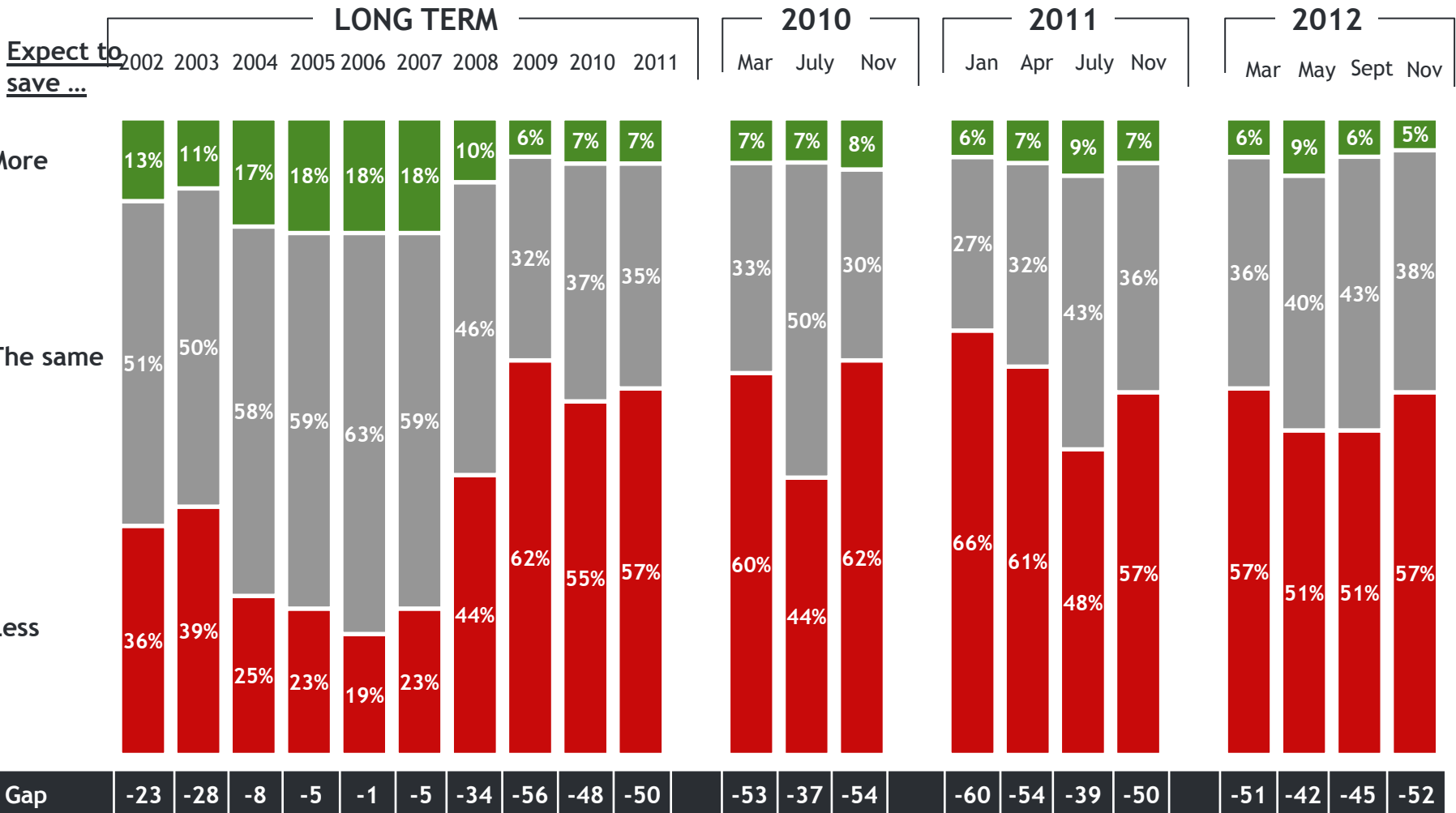
## Short Term

Balance +/-



Consumers are financially worse off now than in 2011 and this will be exacerbated by budgetary measures. Inflation and direct/indirect taxation are removing discretionary spend. For those employed, the demand for wage increases to match inflation may soon become, by necessity, a real requirement.

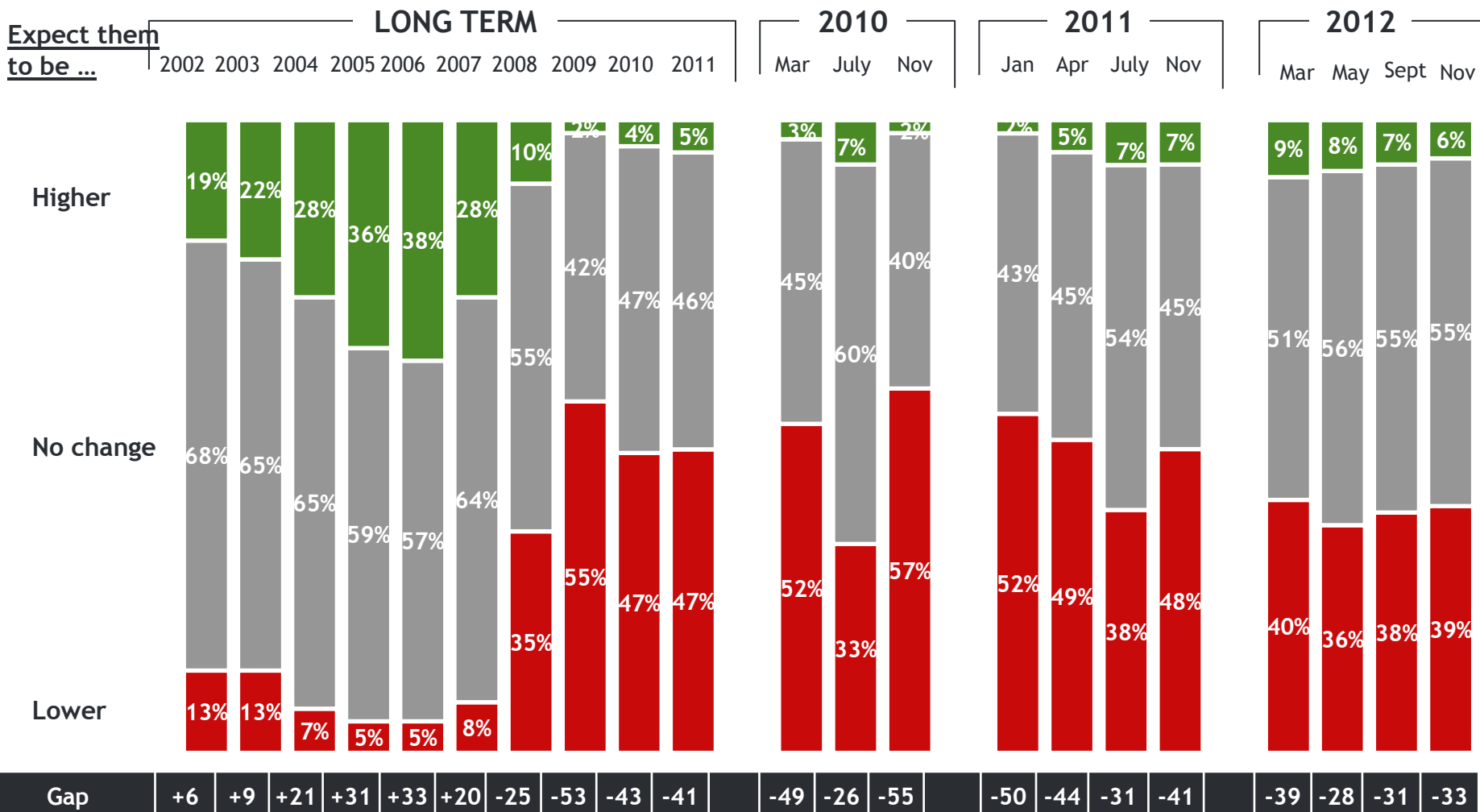
# Savings - Looking Forward



People anticipate having less money in the short term and with all cost inputs increasing, the margin for savings will reduce further.

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

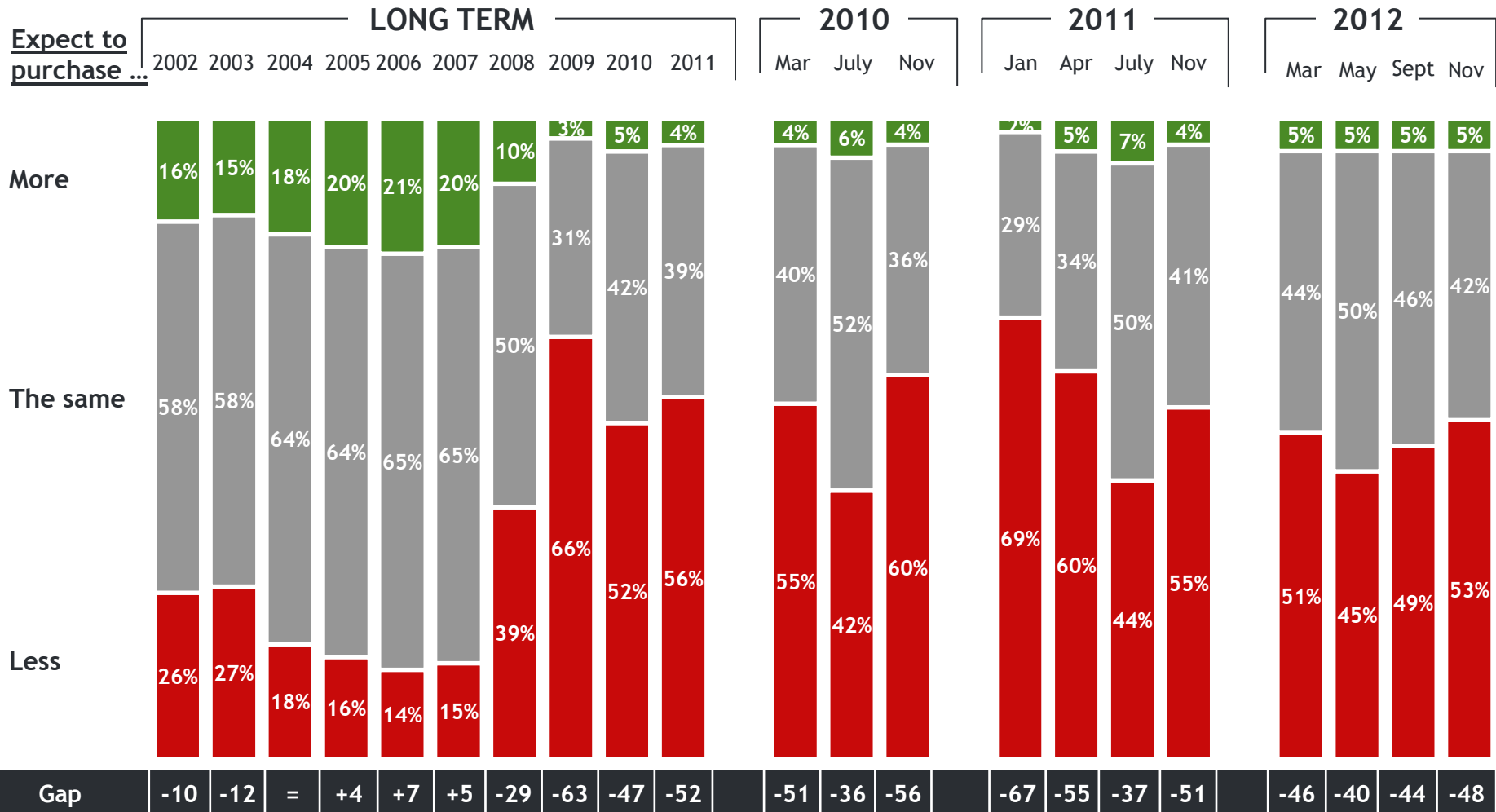
# Personal Assets- Looking Forward



Asset values are, in the main, so low that further reductions would have negligible real impact. People do not expect this to change or values to rise. They now appear almost ambivalent to the possibility of further decline.

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

# Purchasing Goods And Services - Looking Forward

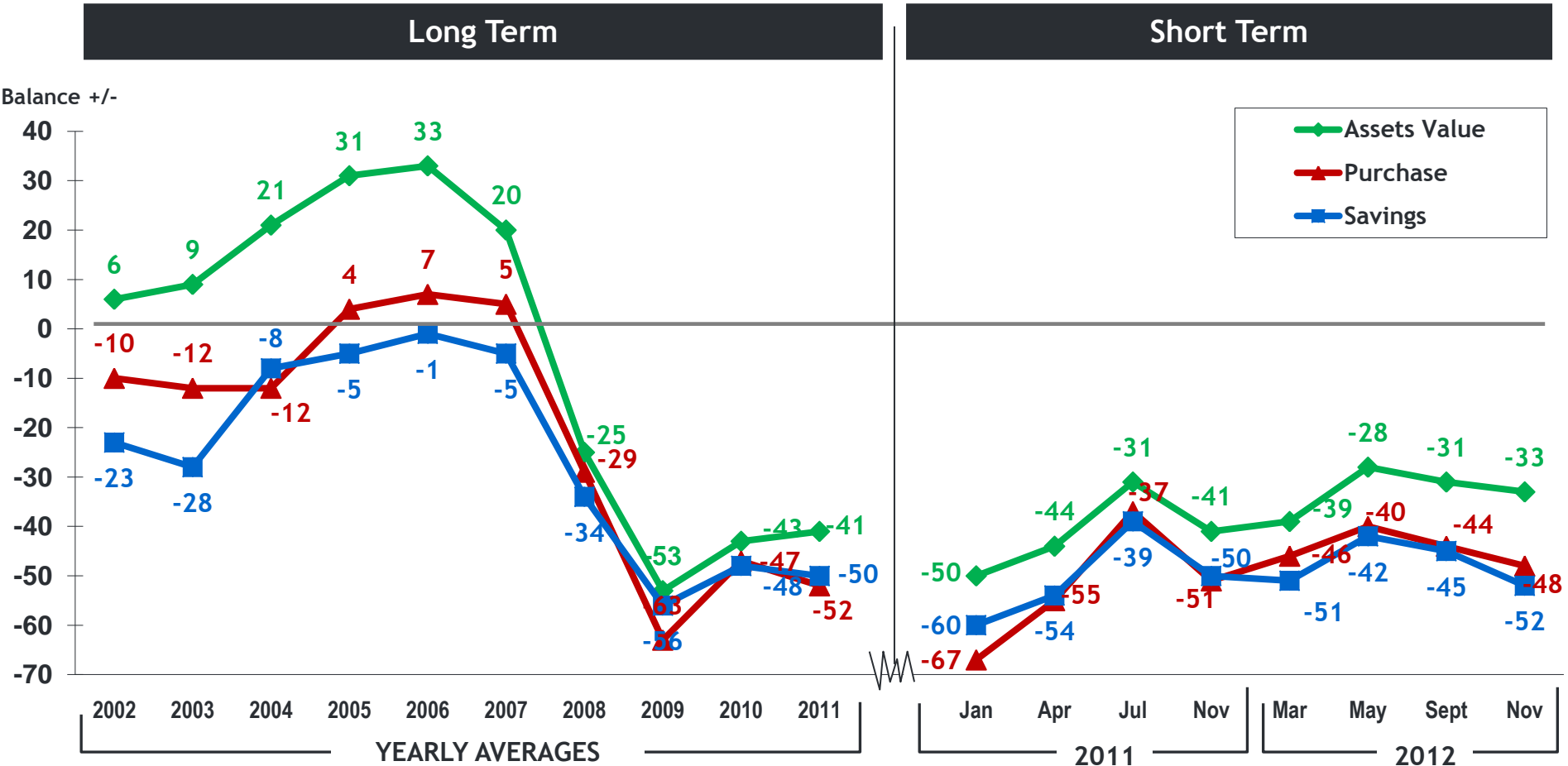


The quantity and value of real income (pre budget) was already anticipated to decline by consumers. For a fifth year the anticipation is for less spending, driven primarily by inability rather than desire.

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

# Balance Of Opinion - The Year Ahead

Expectations in regard to assets value, purchases, and savings



Saving and spend intentions continue to be driven down. This appears to be externally rather than internally instigated.



# Thank you



Milltown House, Mount St. Annes, Milltown, Dublin 6  
T: +353 1 205 7500 E: [info@banda.ie](mailto:info@banda.ie) W: [www.banda.ie](http://www.banda.ie)