Consumer Confidence Tracker

September 2016

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Introduction

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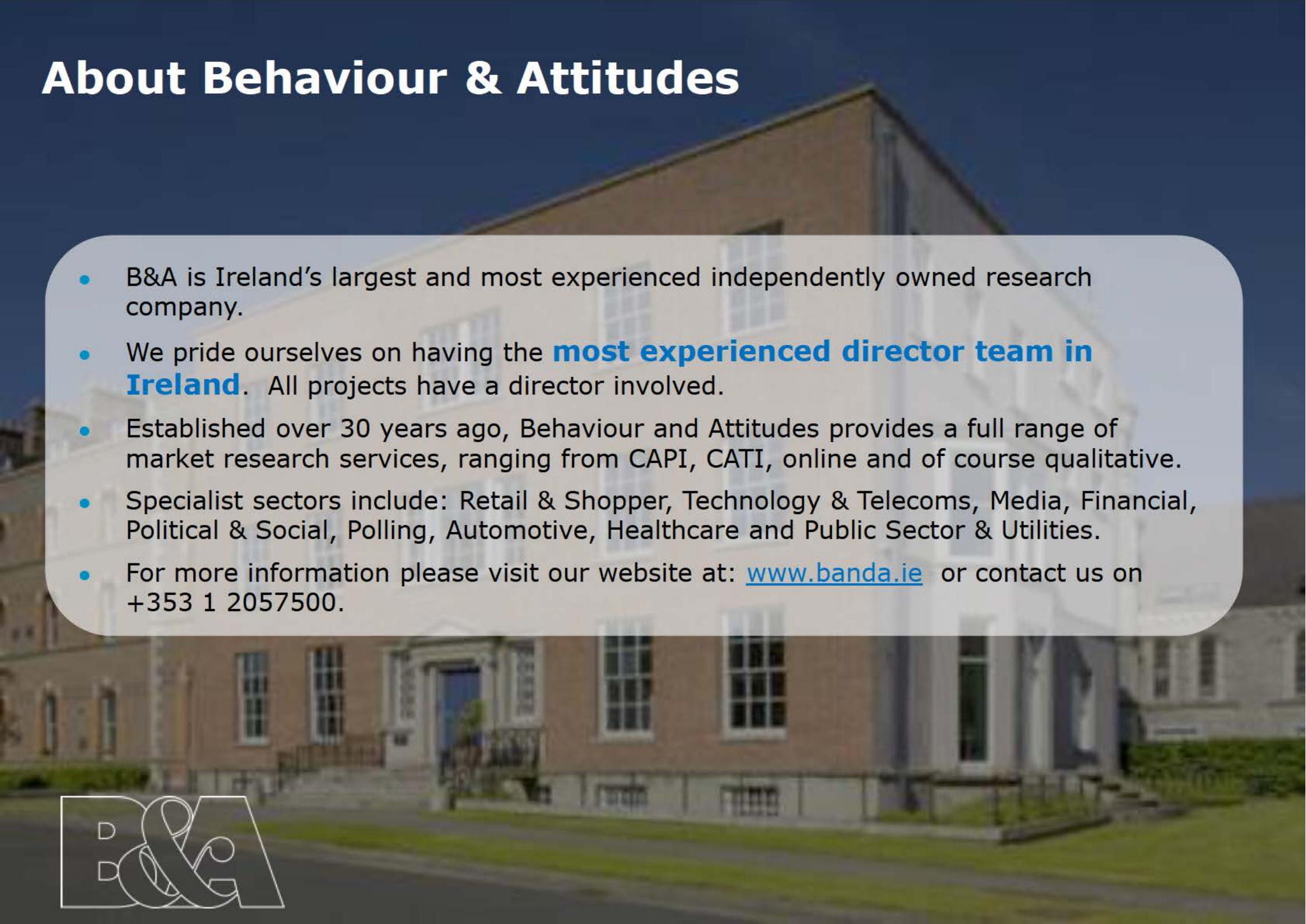
This report presents the findings of the September 2016 phase of the Behaviour & Attitudes' Consumer Confidence Tracker.

Survey results 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 fortnightly face-to-face CAPI omnibus service by trained members of the B&A field force working under ESOMAR guidelines.

Fieldwork on the latest wave was carried out between the 4th - 14th September, 2016.

About Behaviour & Attitudes



- B&A 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 30 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, Media, Financial, Political & Social, Polling, Automotive, Healthcare and Public Sector & Utilities.
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Key Highlights

Key Highlights: Despite positive macro trends consumer confidence is showing little improvement

- Ireland's subtly improving GDP and GNP are not being reflected in consumer confidence, as consumers attitudes towards the economic outlook of the country has remained steadfast since the dip experienced post the Brexit vote. It should be noted that future confidence is lower now than compared to September 2015.
- September sees an increase in positivity among those living outside Dublin however, while Dubliner optimism has declined, resulting in both cohorts sharing a relatively equal level of consumer confidence.
- This reversal of positivity; as those outside Dublin become more positive, while Dubliners optimism declines, is perhaps a direct impact of Brexit, with Dubliners now being more cautious about the impact which Brexit will have on the Irish economy. The looming strikes, particularly in Dublin are likely to be a factor to a degree.
- Attitudes towards personal asset value, personal finances, savings and purchasing all remain stable for the year ahead. This indicates that the Irish consumer is still very cautious, with some perhaps bracing themselves for the full impact of Brexit, which is yet to be felt on the Irish economy.

The Macro Context

GDP and GNP have remained positive

**GDP and GNP data correct as of Sept 2016*

Source: www.CSO.ie
Quarterly National Accounts
** Q3 2016 results not yet available*

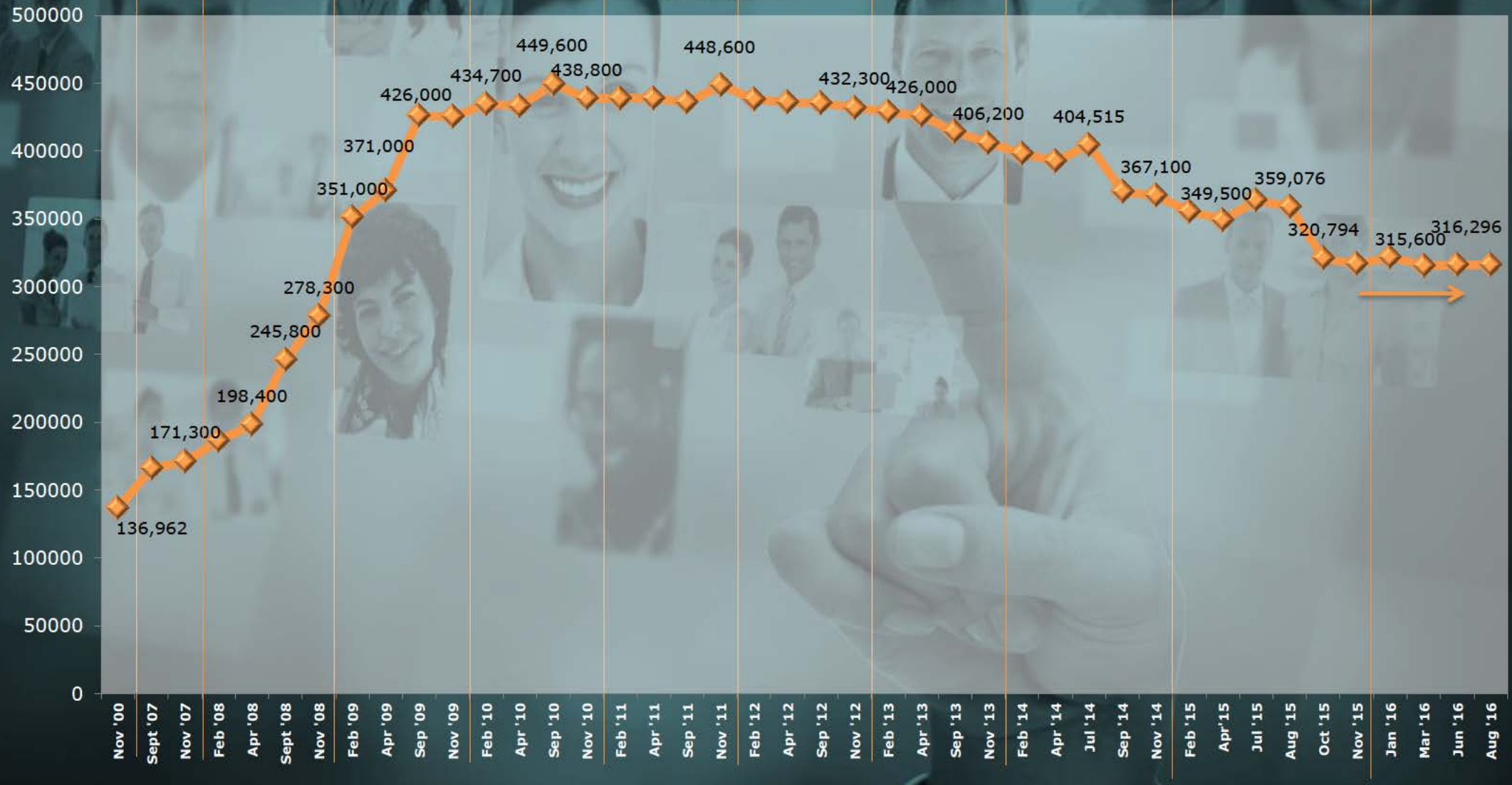
Domestic demand and employment growth are showing subtle signs of improvement ...

- The unemployment rate continues to drop.
- Live register numbers remain stable.
- Export value has increased, while imports remain relatively stable.
- Retail Sales Index is continuing to show continued subtle increases across volume & value.
- Government surplus/deficit is also remaining stable.

The number in employment is at its highest level since the crash

*Source: www.CSO.ie/Quarterly National Household survey
Q3 2016 data not yet available

Live Register numbers have stabilised



** 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*

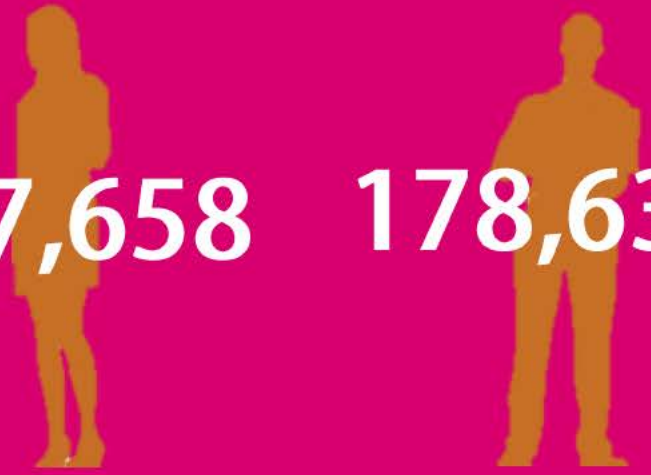
Source: www.CSO.ie/Persons on live register

Gradual signs of improvement are noticeable

The Live Register

-11.9%

Overall Change vs. August 2015



137,658

-8.64%

vs. Aug 2015

178,638

-14.28%

vs. Aug 2015

Unemployment in Ireland

7.9%

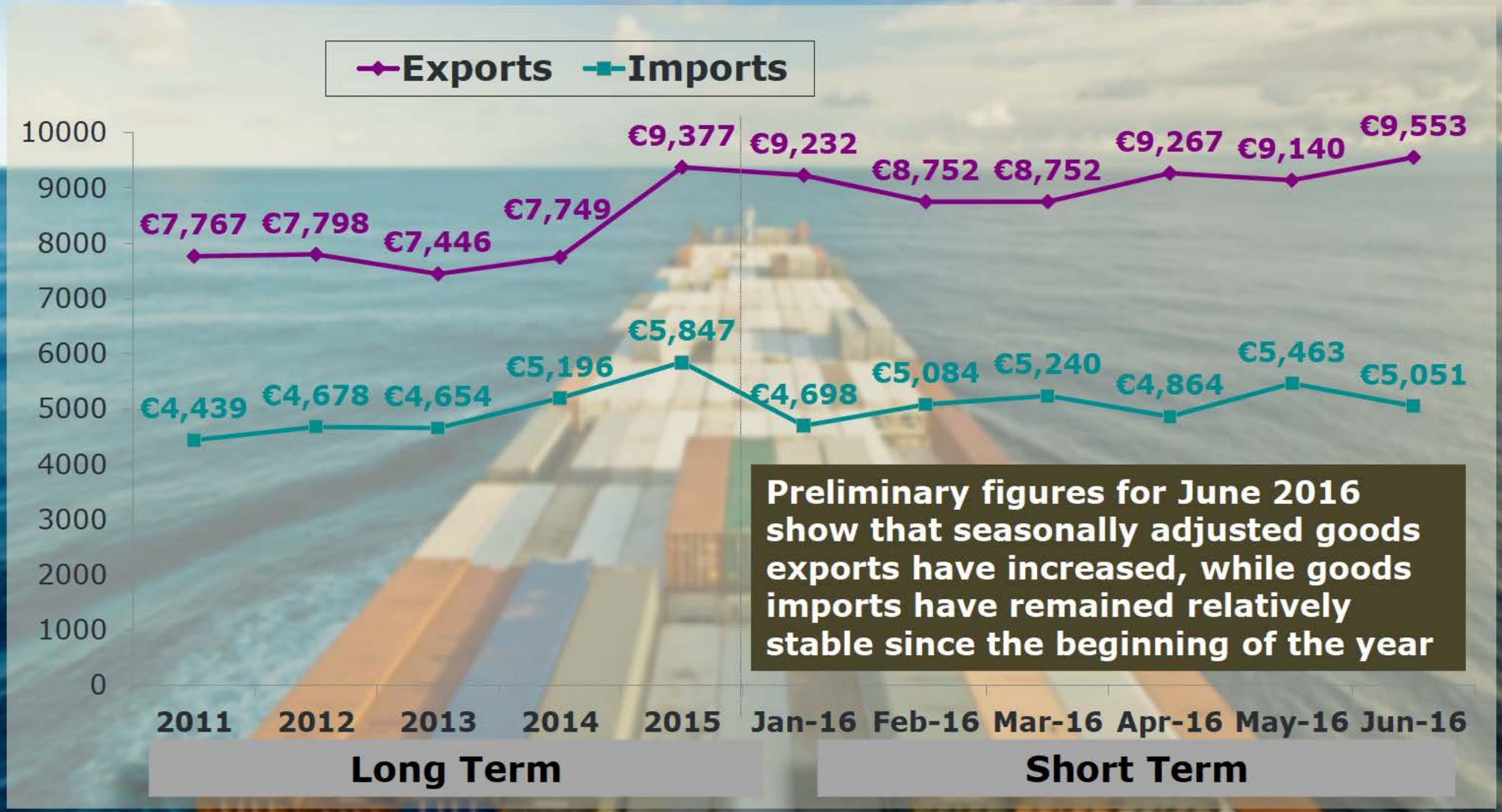
Current Rate of unemployment

(vs. 9.1% in September 2015)

Source: www.CSO.ie/Persons on live register
** Live Register Total data*

Source: www.CSO.ie/Quarterly National Household survey

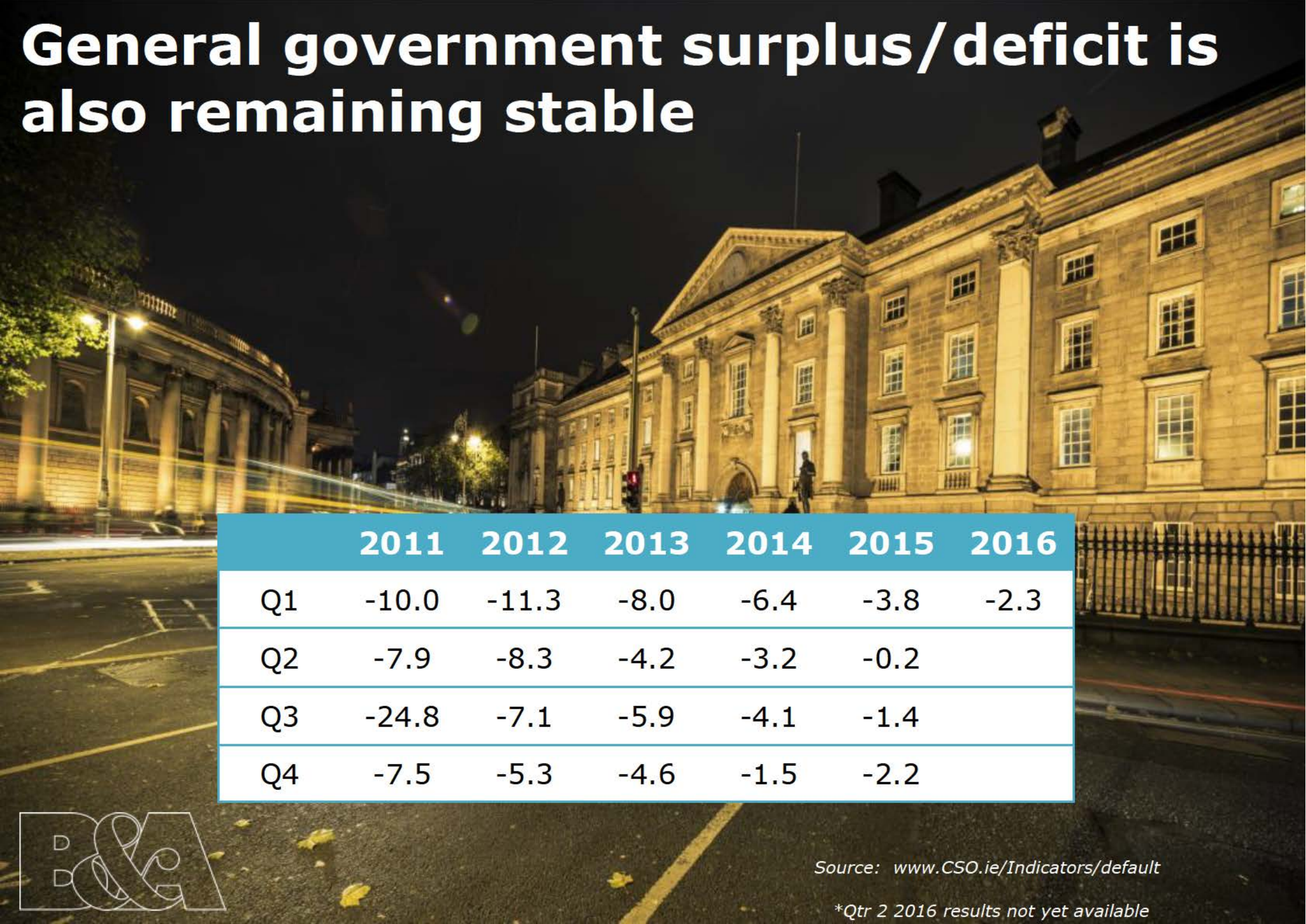
Imports vs Exports €m



Preliminary figures for June 2016 show that seasonally adjusted goods exports have increased, while goods imports have remained relatively stable since the beginning of the year

Retail Sales Index – (Excluding Motor)

General government surplus/deficit is also remaining stable



	2011	2012	2013	2014	2015	2016
Q1	-10.0	-11.3	-8.0	-6.4	-3.8	-2.3
Q2	-7.9	-8.3	-4.2	-3.2	-0.2	
Q3	-24.8	-7.1	-5.9	-4.1	-1.4	
Q4	-7.5	-5.3	-4.6	-1.5	-2.2	

Source: www.CSO.ie/Indicators/default

**Qtr 2 2016 results not yet available*

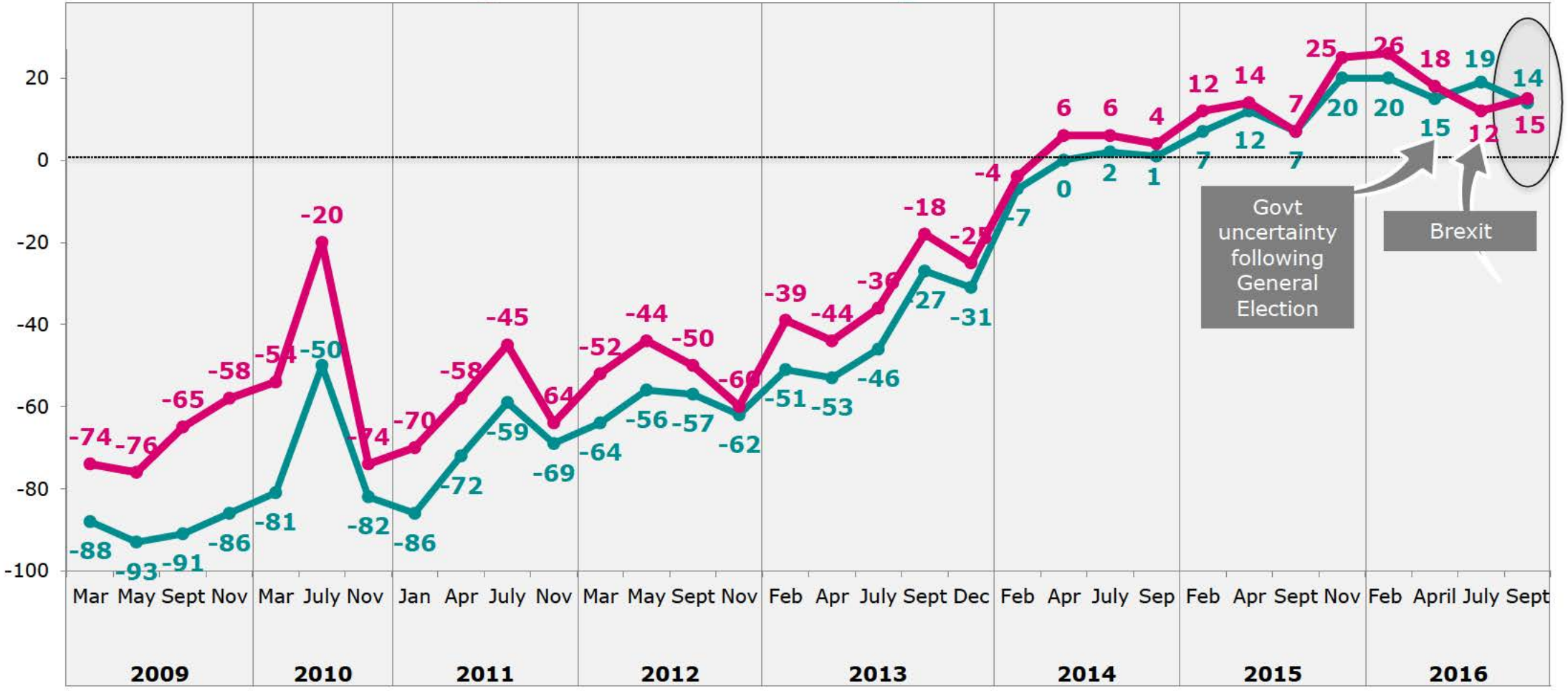
Consumer Confidence Findings

Consumer Confidence remains steadfast with the dip experienced post the Brexit vote.

- The gap in consumer confidence between those residing outside Dublin and Dubliners has narrowed, with Dubliners being more nervous in September 2016.

(Net Diff: Positive-Negative) Looking forward	
Dublin	+17
Other urban	+14
Rural	+14

Looking Back vs. Looking Forward



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?

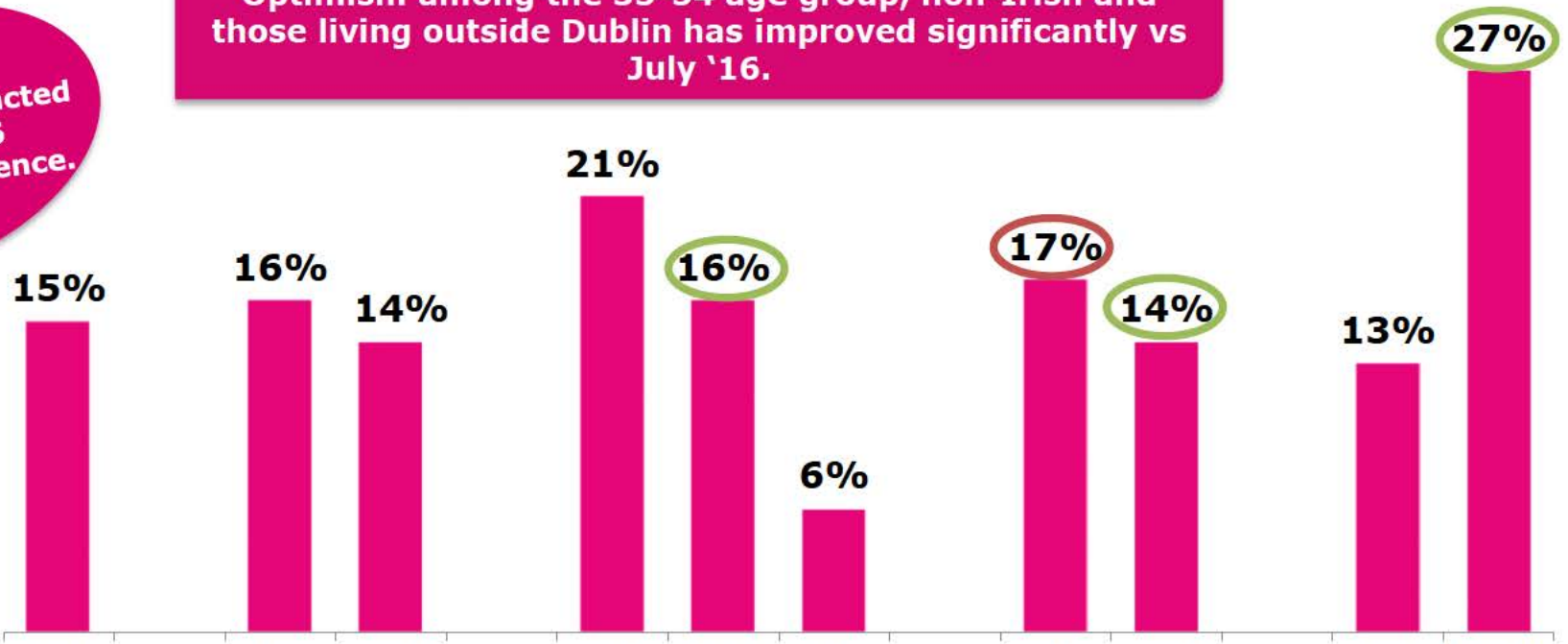
Optimism towards the Irish economy decreases with age. Irish nationals have a much lower confidence compared to their foreign national counterparts.

Base: All Adults 16+

% Net Difference
(Better – Worse off)

Optimism among the 35-54 age group, non-Irish and those living outside Dublin has improved significantly vs July '16.

Brexit shock impacted upon July '16 consumer confidence.

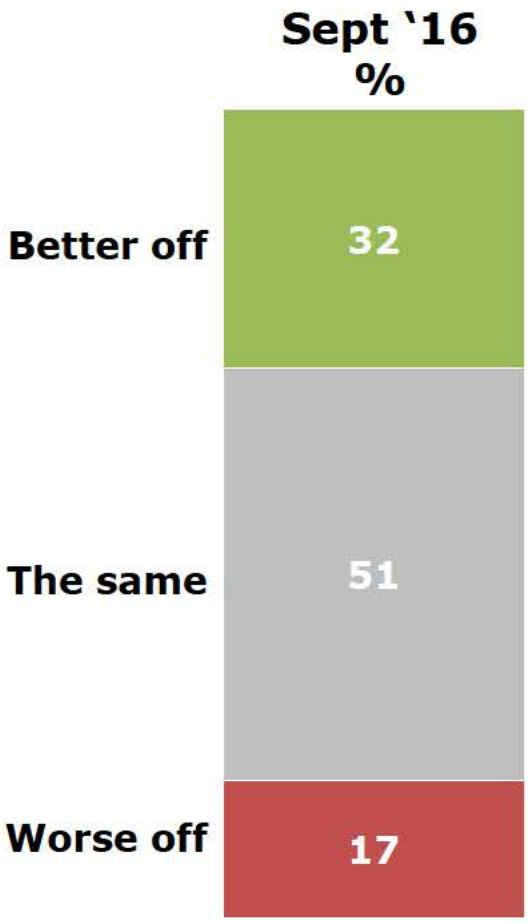


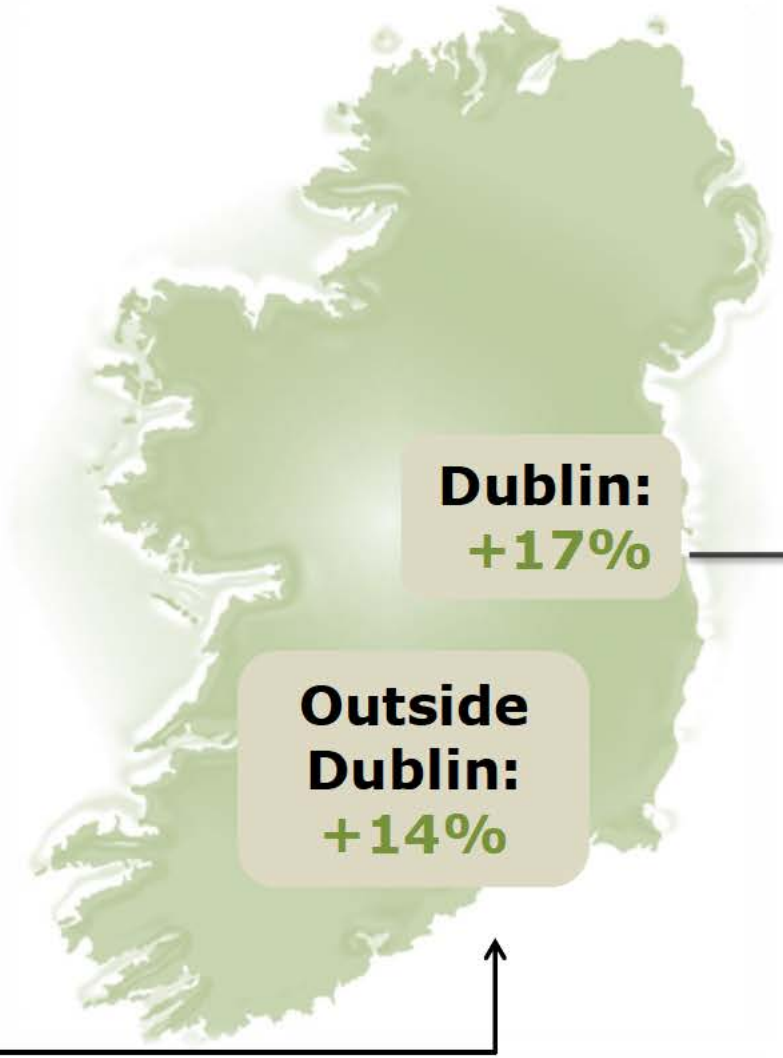
	Total	Male	Female	-34	35-54	55+	Dublin	Outside Dublin	Irish	Non Irish
NET Diff July '16	12%	15%	10%	20%	11%	5%	28%	6%	12%	16%
Net Diff Apr '16	18%	25%	12%	26%	17%	9%	15%	19%	16%	33%
Net Diff Feb '16	26%	27%	26%	27%	32%	17%	40%	21%	25%	32%
NET Diff Nov '15	25%	25%	25%	29%	21%	26%	31%	23%	24%	34%

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?

Future consumer confidence has not recovered from the dip experienced after the Brexit vote.

Base: All Adults 16+





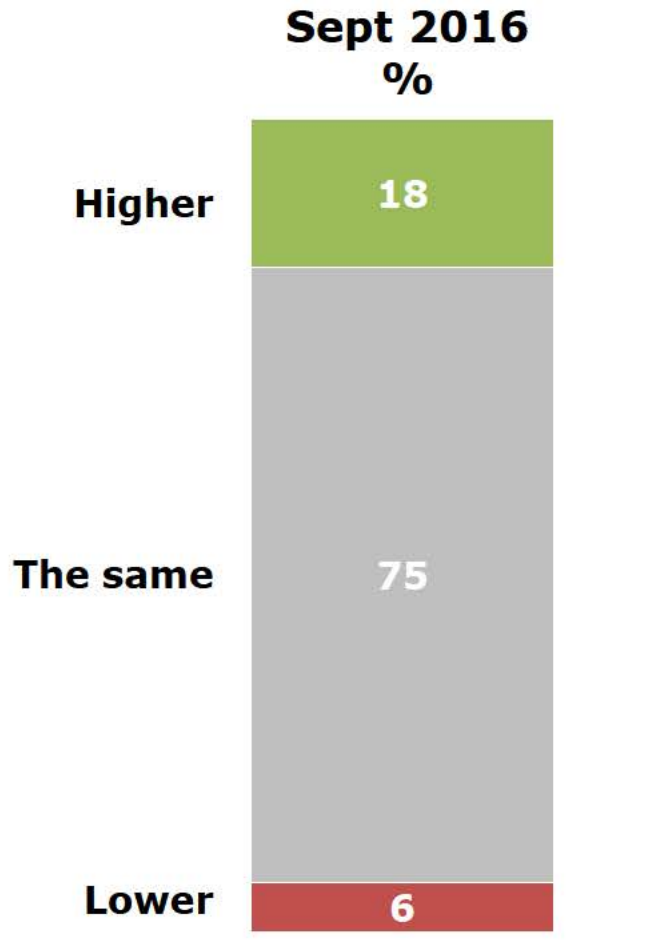
Consumer confidence among Dubliners and those outside Dublin has narrowed.

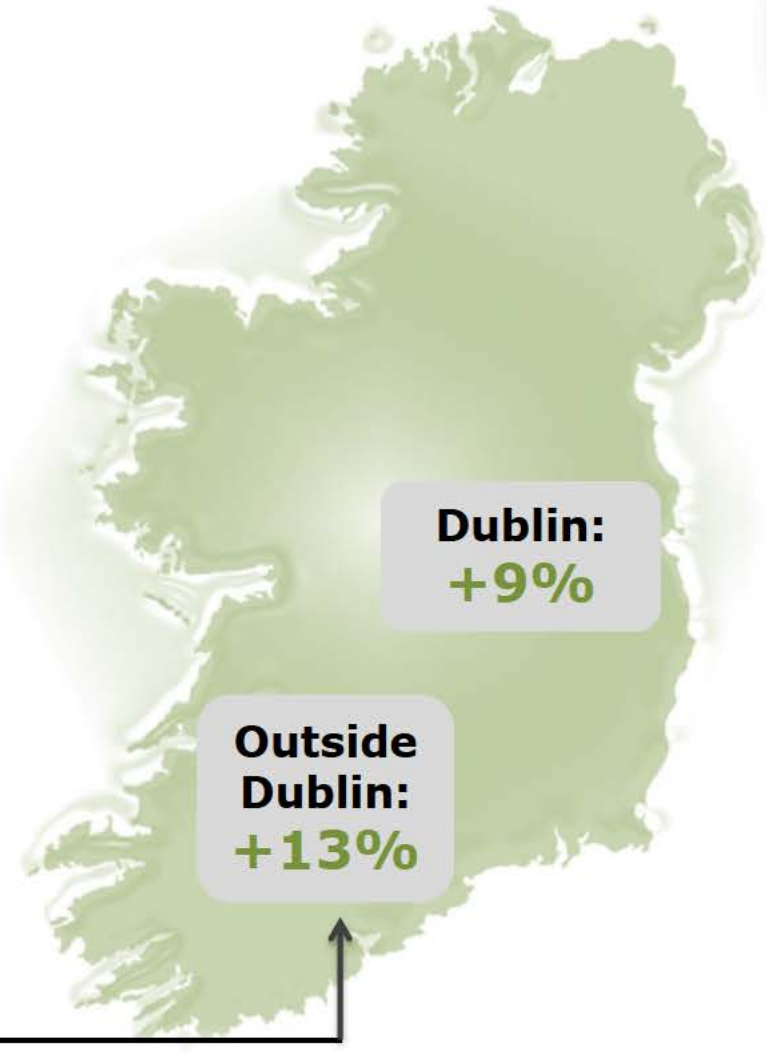
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Feb 16	Apr 16	July 16	Sept 16
Gap	=	-15%	-59%	-68%	-49%	-58%	-52%	-32%	+3%	+15%	+26%	+18%	+12%	+15%

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 Assets– Overall positivity towards the value of personal assets has not yet rebound from the low experienced in July

Base: All Adults 16+





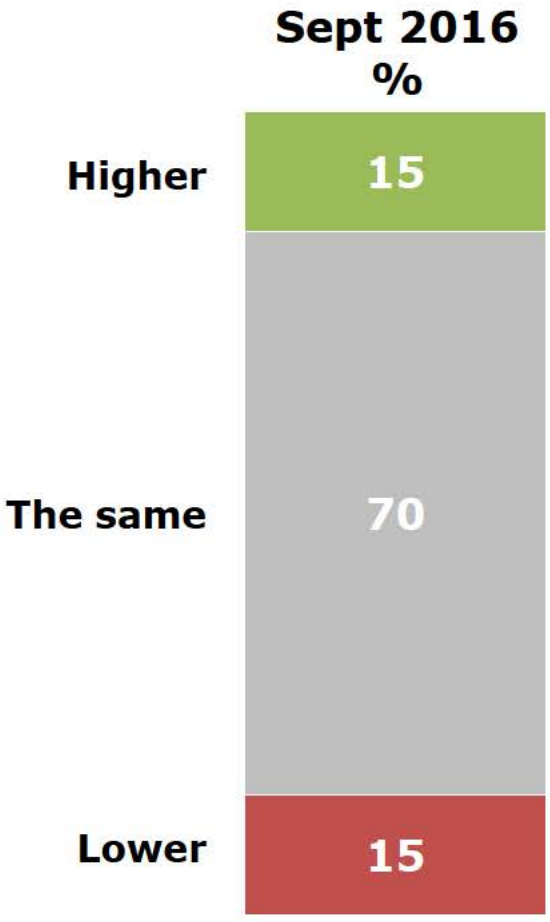
Positivity towards personal asset value has declined in Dublin but improved outside the capital since Brexit.

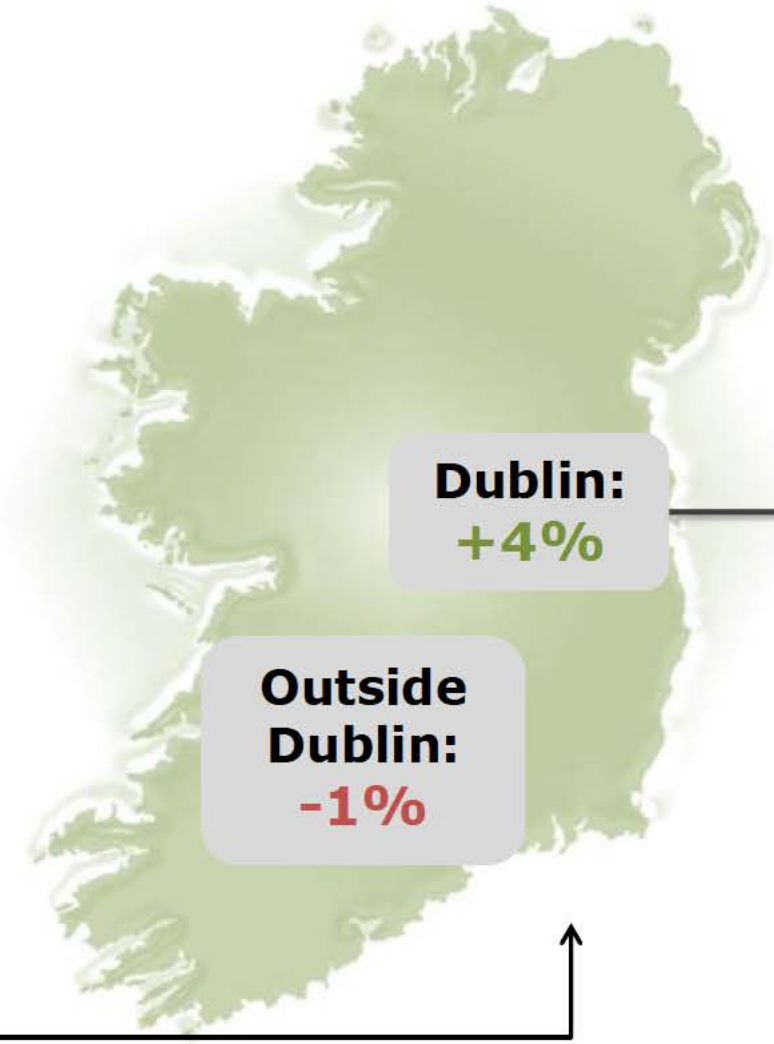
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Feb 16	Apr 16	July 16	Sept 16
Gap	+33%	+20%	-25%	-53%	-43%	-41%	-31%	-18%	-1%	+14%	+17%	+19%	+12%	+12%

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?

Personal Finances – Personal finances are expected to remain steady over the coming year

Base: All Adults 16+





Both Dubliners and non-Dubliners expect their personal finance to remain relatively steady over the next 12 months.

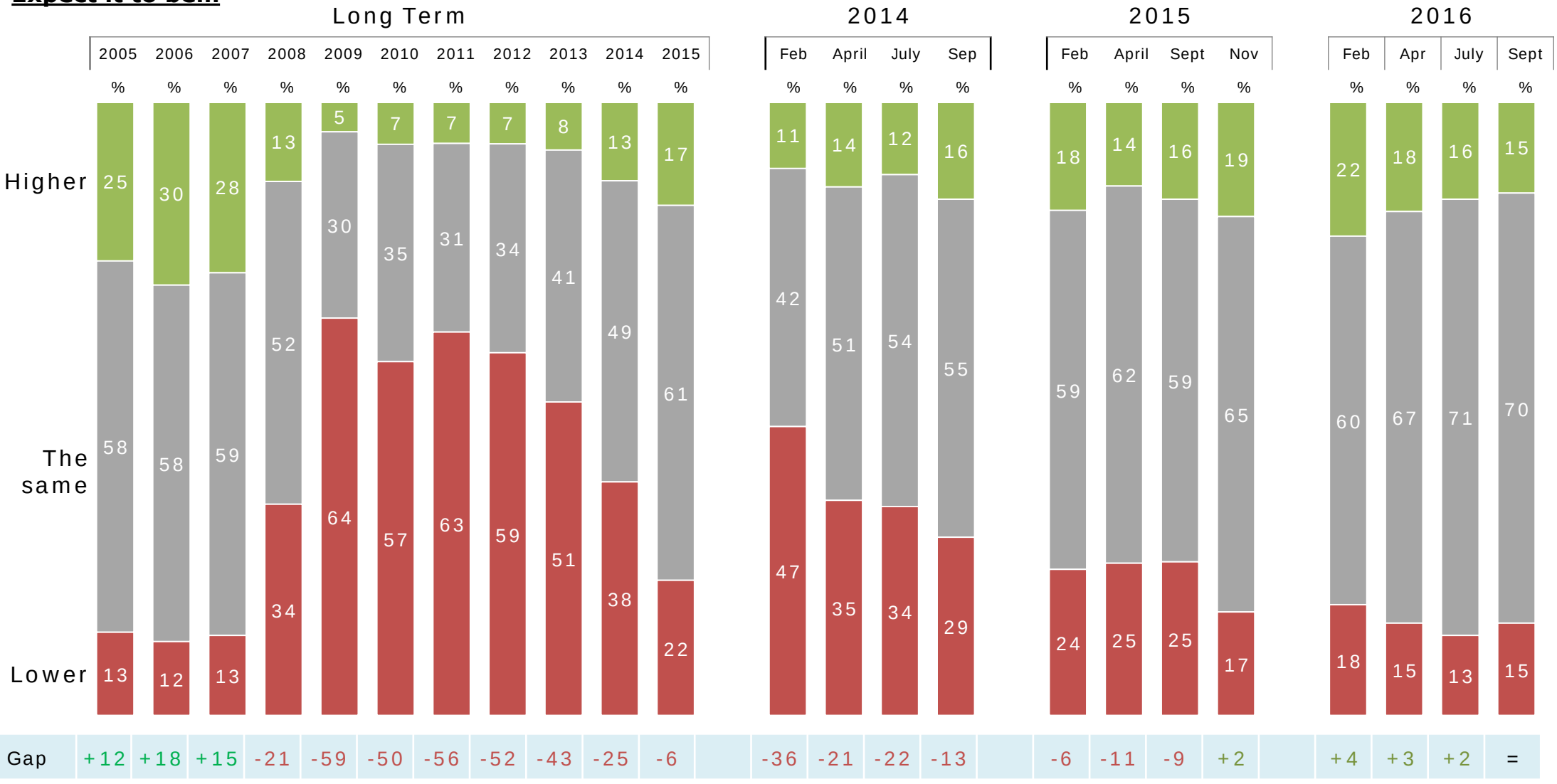
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Feb 16	Apr 16	July 16	Sept 16
Gap	=	-15%	-59%	-68%	-49%	-58%	-52%	-32%	-22%	-6%	+4%	+3%	+2%	=

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?

Personal Finances – Looking Forward YOY

Base: All Adults 16+

Expect it to be...

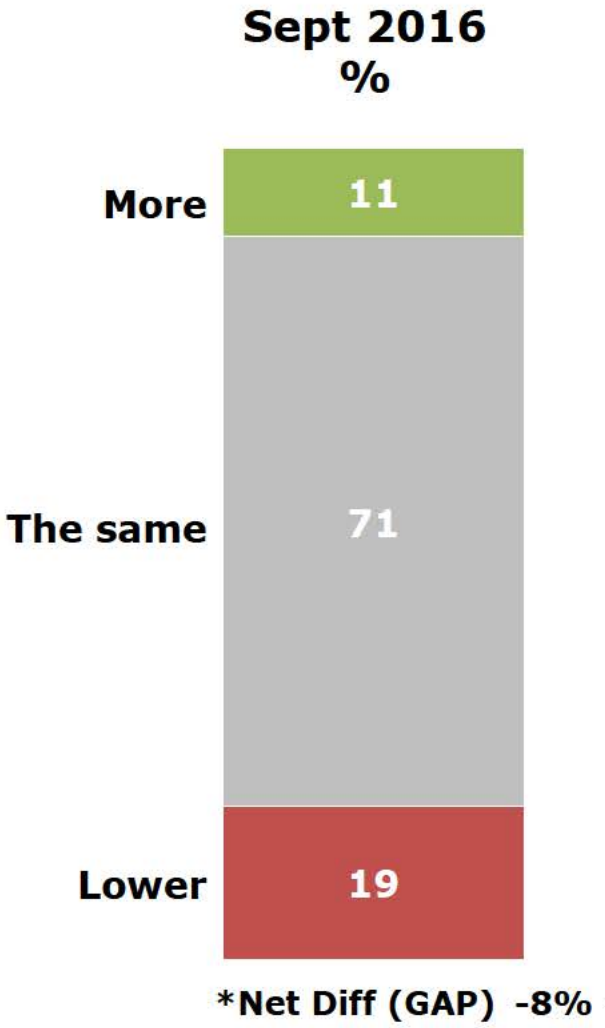


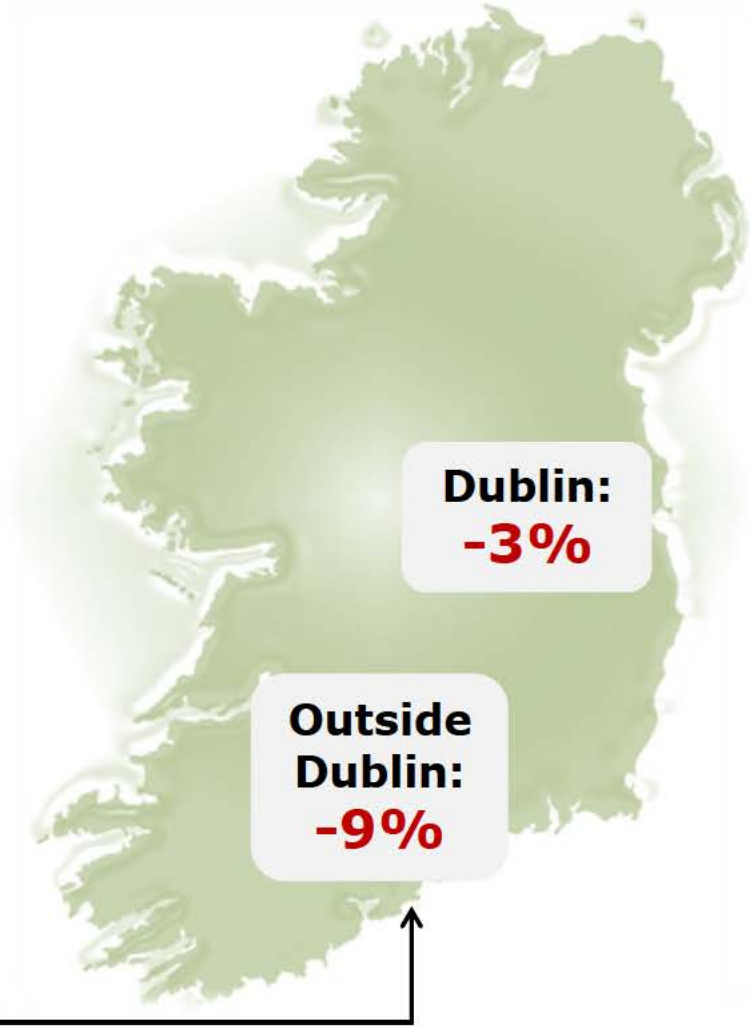
Gap	+12	+18	+15	-21	-59	-50	-56	-52	-43	-25	-6		-36	-21	-22	-13		-6	-11	-9	+2		+4	+3	+2	=

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?

Savings – Attitudes towards overall net future savings is showing a gradual decline since the start of 2016

Base: All Adults 16+





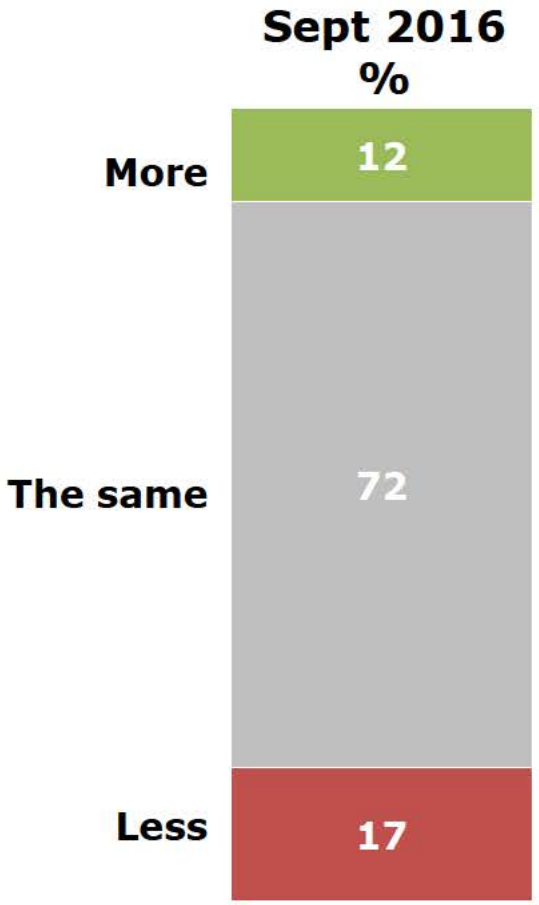
Dubliners continue to be more positive towards future savings vs those living outside Dublin.

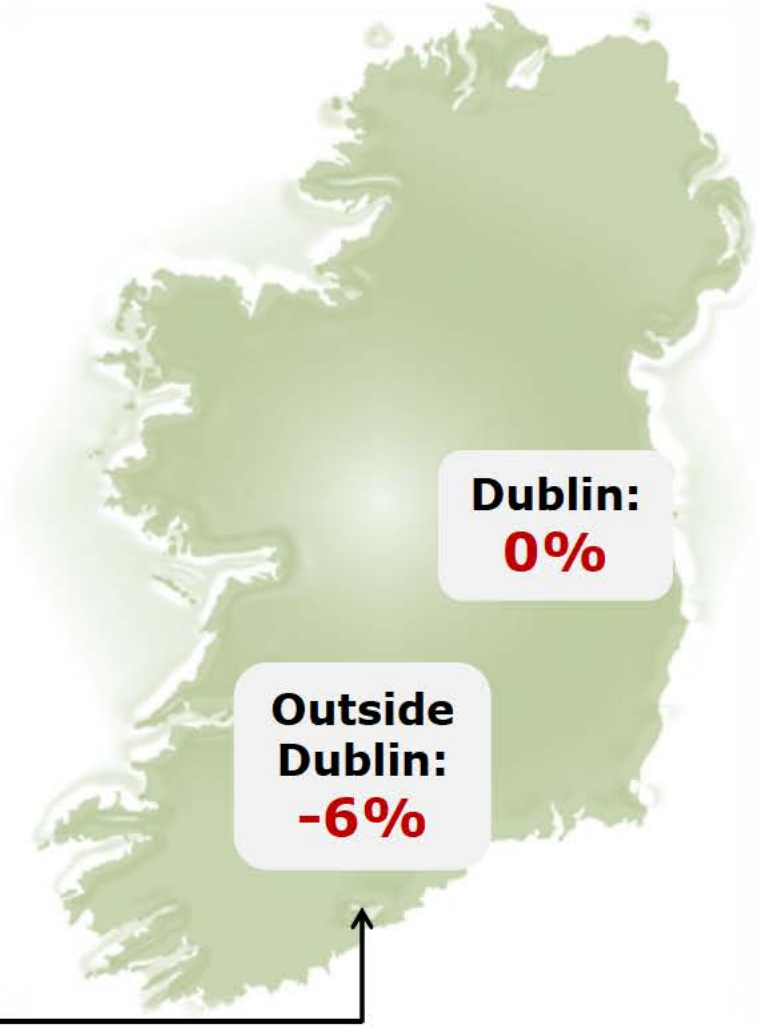
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Feb '16	Apr '16	July '16	Sept '16
Gap	-1%	-5%	-34%	-56%	-48%	-50%	-48%	-40%	-24%	-13%	-2%	-4%	-5%	-8%

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

Purchasing Goods and Services – consumer attitude towards spending remains cautious.

Base: All Adults 16+



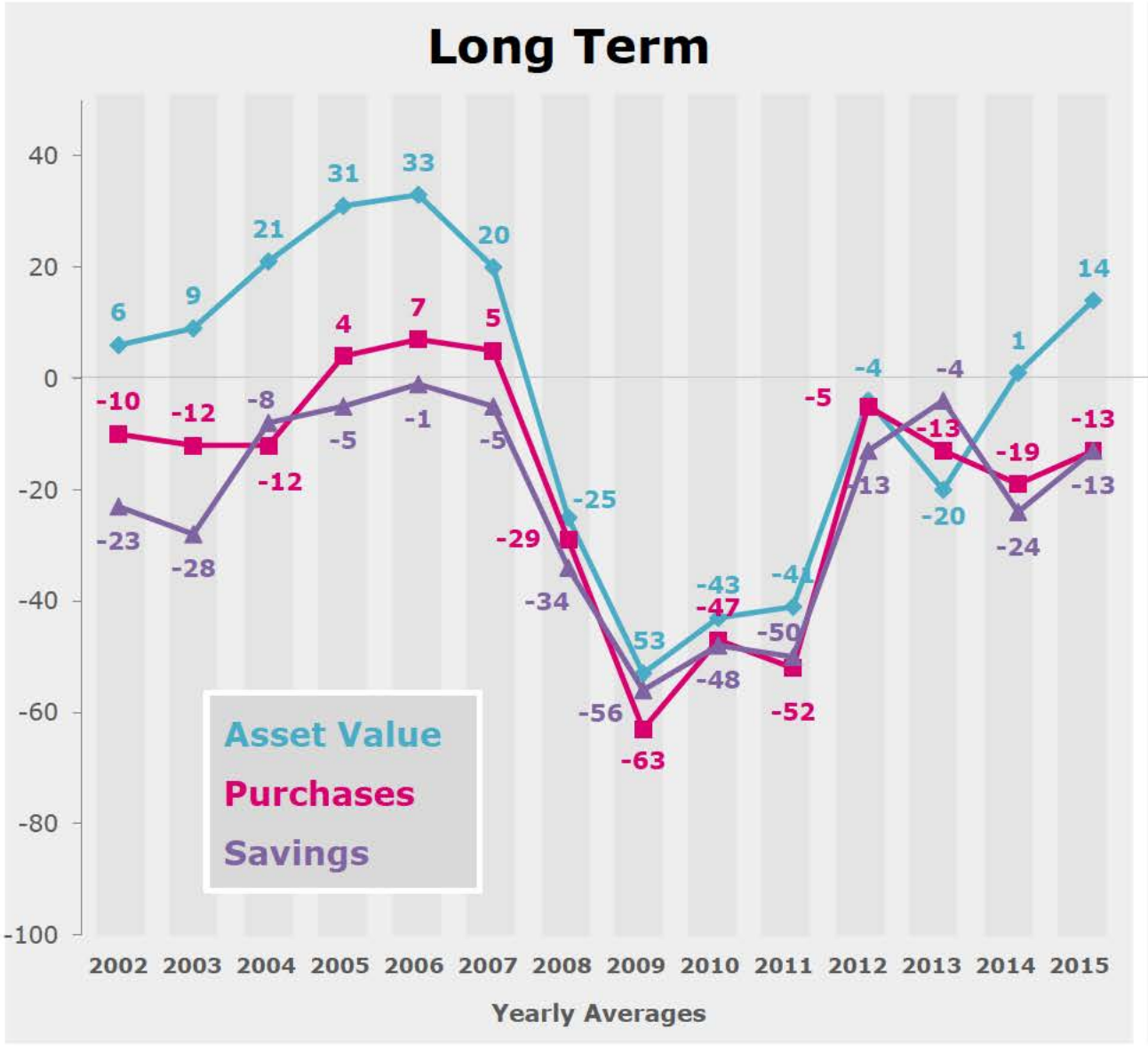


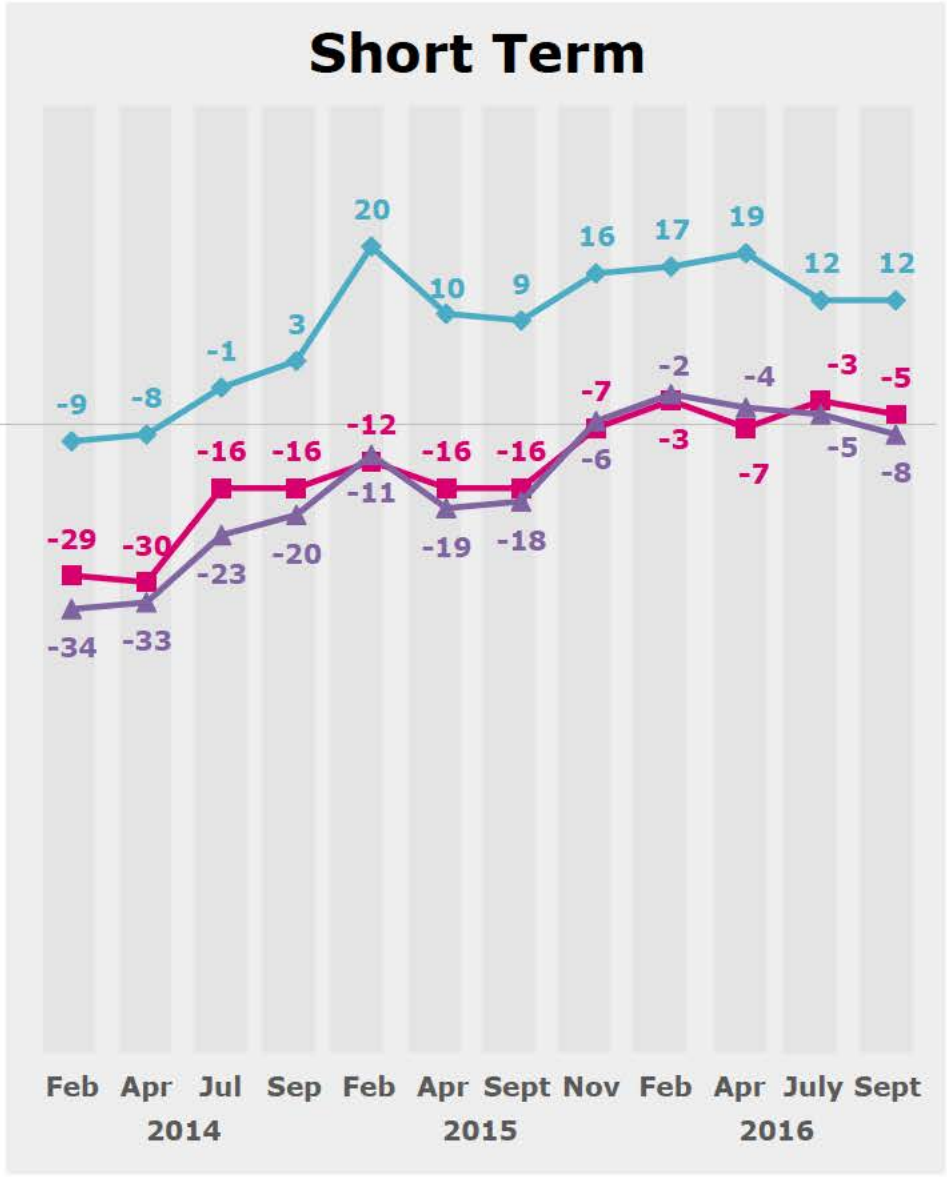
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Feb '16	Apr '16	July '16	Sept '16
Gap	+7%	+5%	-29%	-63%	-47%	-52%	-45%	-37%	-19%	-13%	-3%	-7%	-3%	-5%

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?

Balance Of Opinion in Summary – The Year Ahead

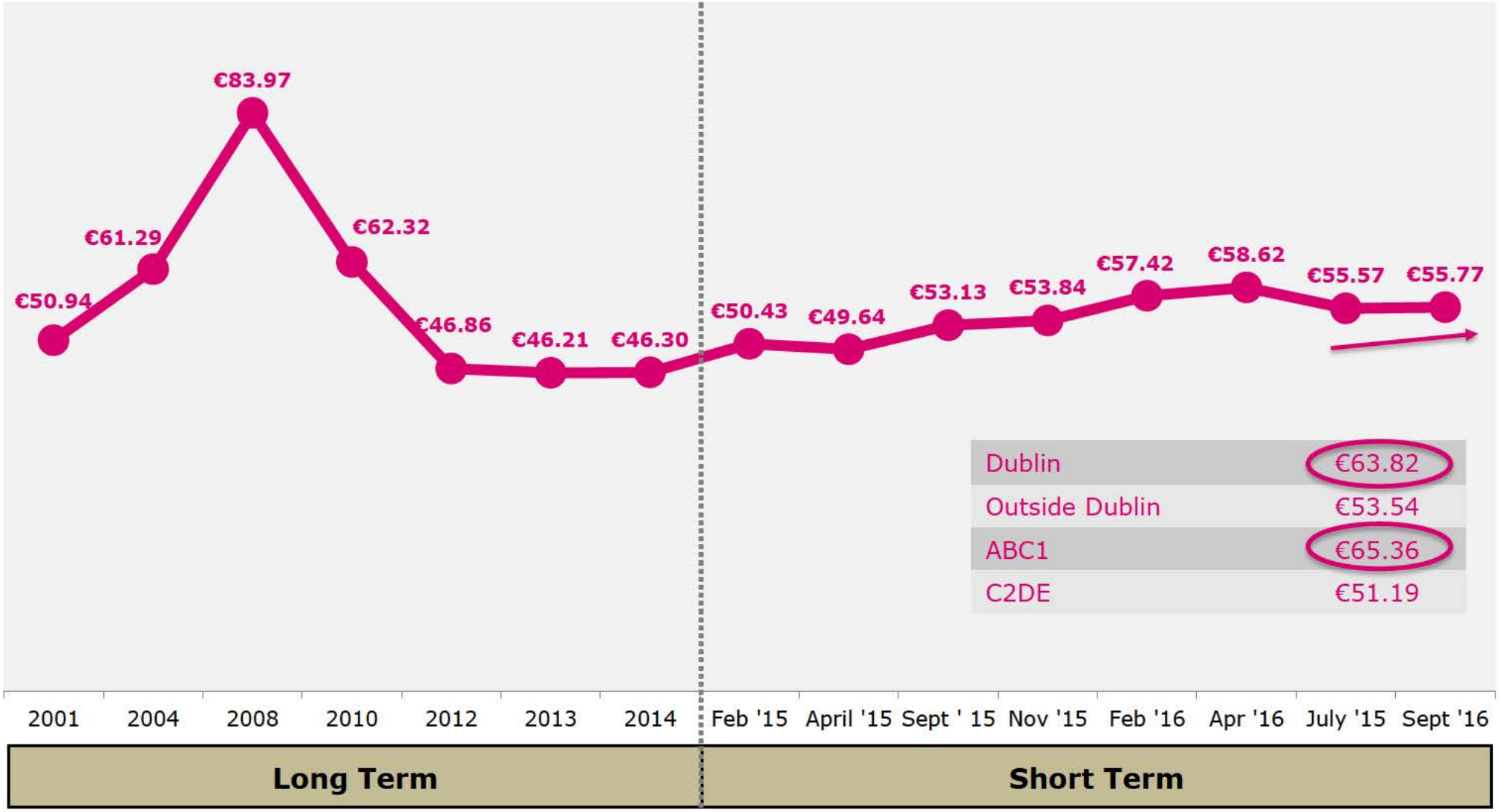
Expectations in regard to asset value, purchases, and savings.





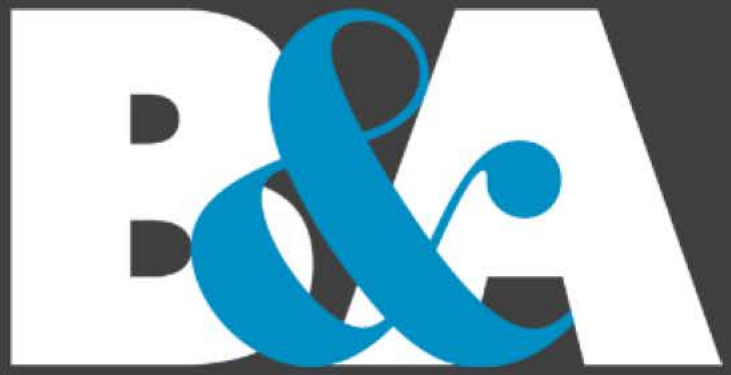
Irrespective of the narrowing in consumer confidence, Dubliners & ABC1s continue to claim the most disposable income.

Base: All Adults 18+



Dublin	€63.82
Outside Dublin	€53.54
ABC1	€65.36
C2DE	€51.19

Q.10 About how much would you say you spend each week on things you buy for yourself including money spent on clothes, eating out, going for a drink, going to the cinema, gambling, sporting activities and so on?



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