



# Consumer Confidence Tracker

September 2009

Prepared by Luke Reaper

J.9956



# Introduction

- This report presents the findings of the latest phase of the Behaviour & Attitudes' Consumer Confidence Tracker.
- Survey results for each phase 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 bi-monthly 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 28<sup>th</sup> August - 8<sup>th</sup> September 2009.
- At the end of this report we have also included some of the latest CSO figures on GNP, retail sales, unemployment and inflation.
- The figures contained within the B&A Consumer Confidence Barometer have an estimated margin of error  $\pm 3.2\%$ .

# Summary

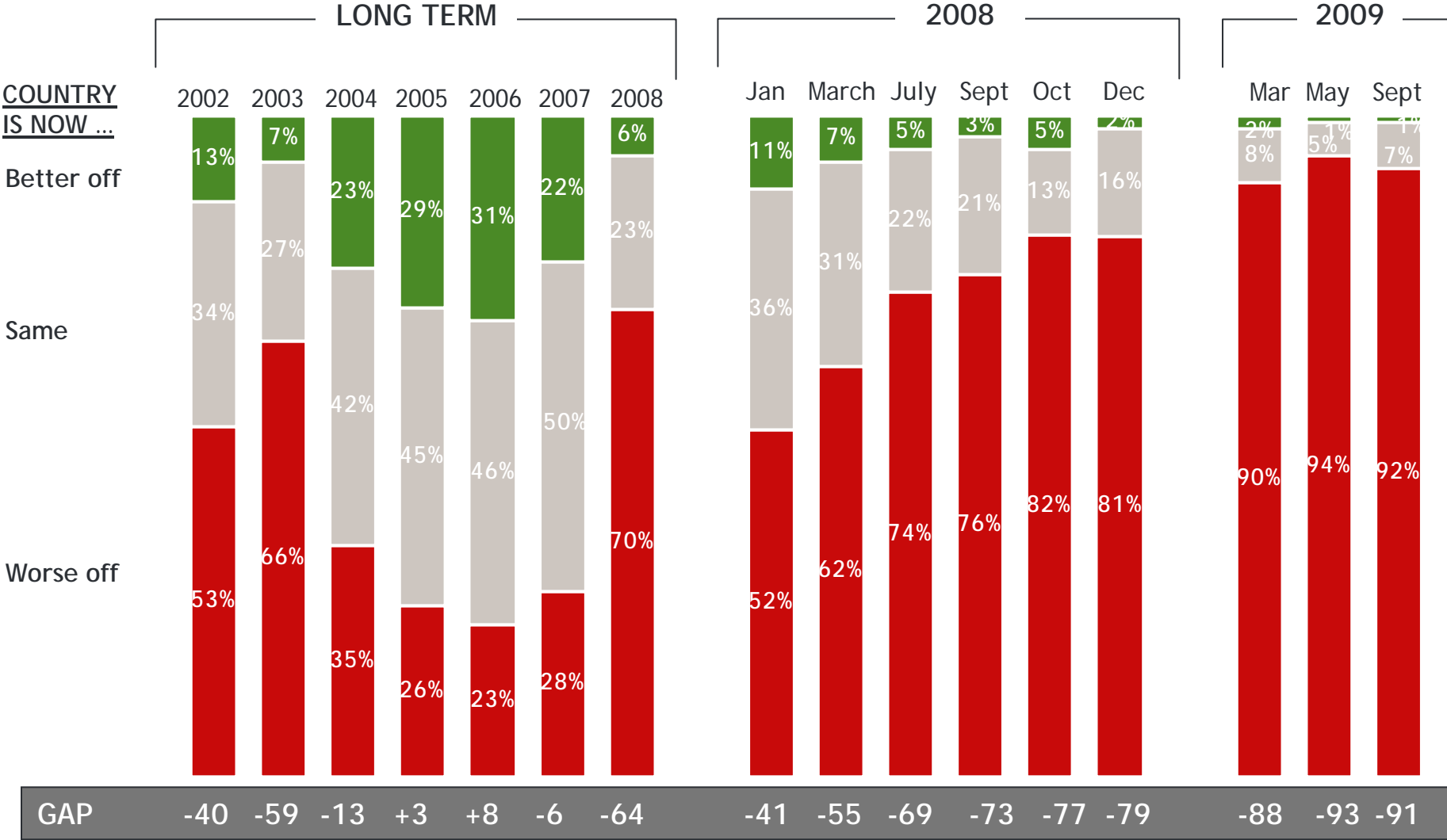
- While negative perceptions are still pervading society, the extent of perceived negativity regarding the economy - looking forward one year - is showing signs of easing. (Note this survey was conducted pre the NAMA launch.)
- People are still however showing fears for their personal finances and about their future prospects in terms of income and job security.
- Not surprisingly, purchasing intentions for the year ahead have taken a hit. Do note that the Commission on Taxation Report was launched during the fieldwork period, with no firm indications from the Government as to which elements might be implemented.
- Despite the decline in purchasing intentions, the intention to save has weathered the storm better, although two thirds still tell us they will save less over the next year, presumably as shrinking incomes are used for day-to-day expenditure.
- The latest CSO retail sales estimates for August 2009 register a month on month decrease in both value and volume terms, which echoes how consumers are viewing their potential to spend in this survey. However, there is some evidence that the rate of the economic decline has slowed.

# Summary

- The table below summarises the net scores for each element of September 2009 compared to previous waves.

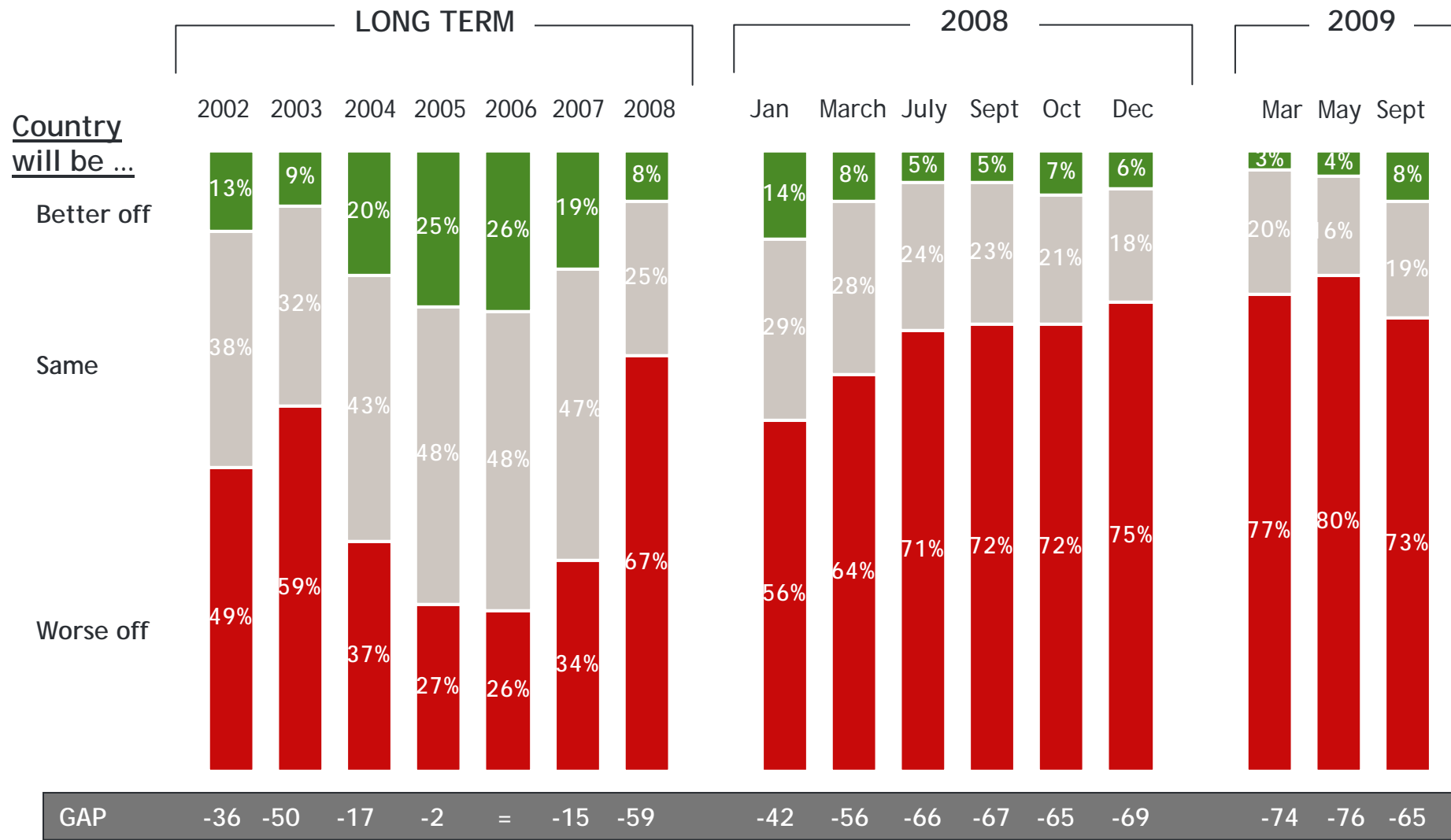
	Pre 2008 Historic Low		2008						2009		
	Date	Net Score	Net Scores						Net Scores		
UNWTD. SAMPLE	Date	Score	Jan	Mar	July	Sept	Oct	Dec	Mar	May	Sept
	%	%	%	%	%	%	%	%	%	%	%
Economy - looking back a year	Nov '02	-62	-41	-55	-69	-73	-77	-79	-88	-93	-91
Economy - looking forward one year	Nov '02	-63	-42	-56	-66	-67	-65	-69	-74	-76	-65
Personal finance - looking back a year	Nov '02	-40	-12	-9	-32	-48	-43	-50	-57	-62	-67
Personal income - looking forward a year	Nov '02	-20	3	-1	-20	-26	-38	-44	-54	-63	-63
Personal assets - looking forward one year	Jan'02	-2	-4	-20	-19	-27	-38	-39	-55	-53	-55
Purchasing intentions - the year ahead	Nov '02	-24	-5	-13	-28	-34	-43	-51	-61	-55	-60
Savings - the year ahead	Nov '02	-35	-13	-4	-35	-34	-50	-52	-56	-56	-60

# Economy - Looking Back

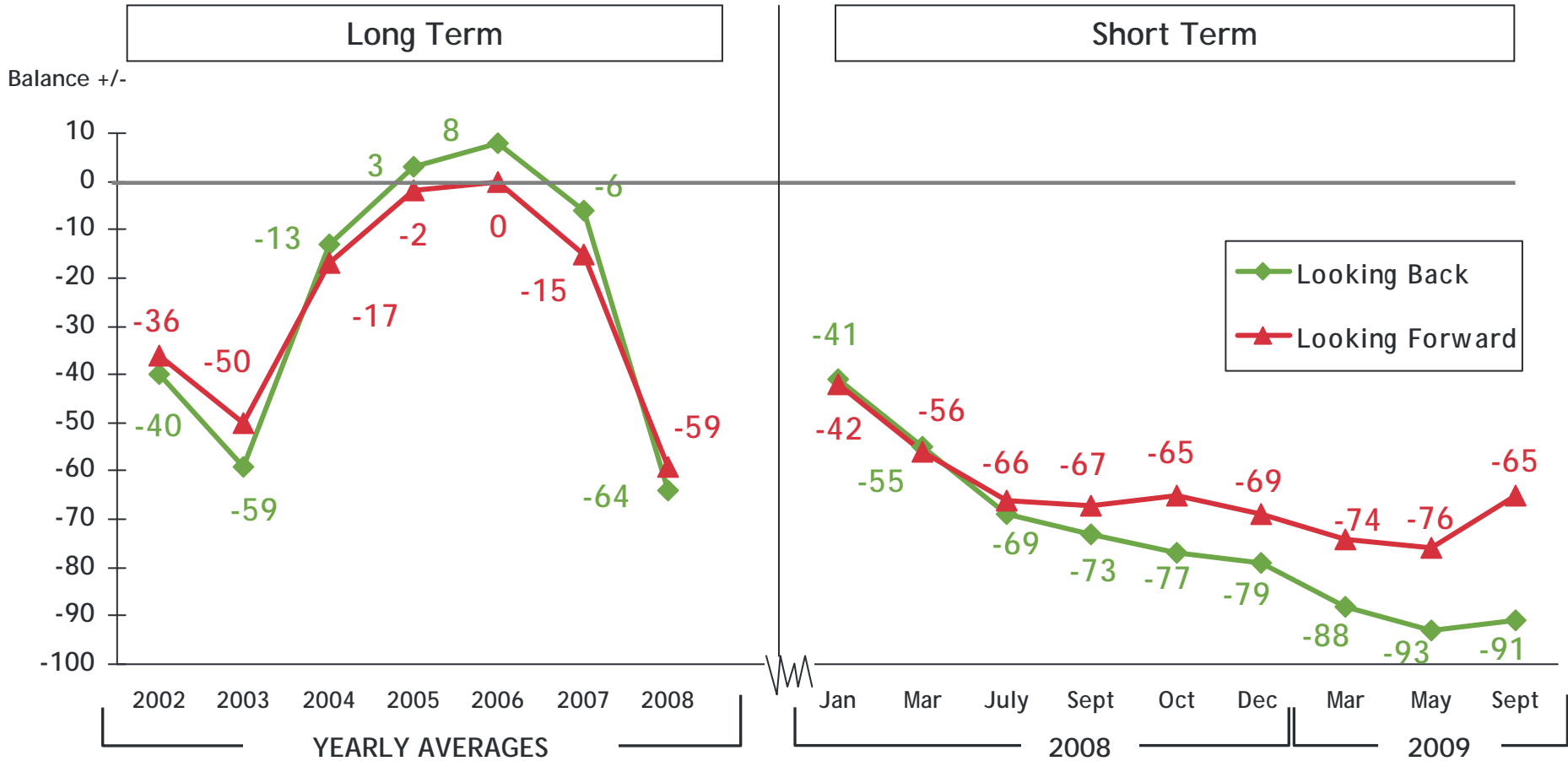


Q.1 Thinking about the economy as a whole, do you think that the country is better off, worse off, or about the same as last year?

# Economy - Looking Forward



# Balance Of Opinion Economy



# Personal Finances - Looking Back

LONG TERM

2008

2009

2002 2003 2004 2005 2006 2007 2008

Jan March July Sept Oct Dec

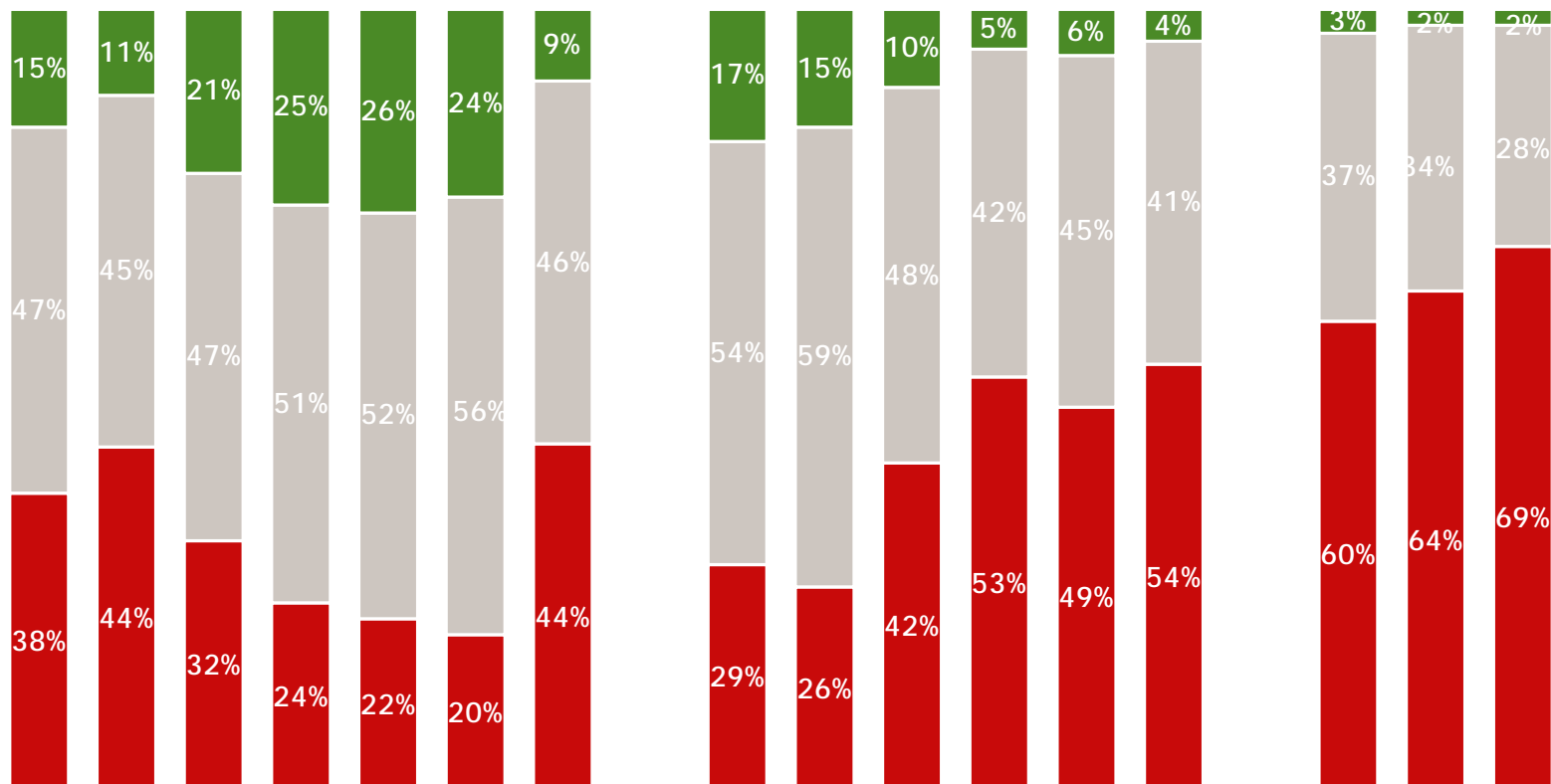
Mar May Sept

Now feel ...

Better off

Same

Worse off

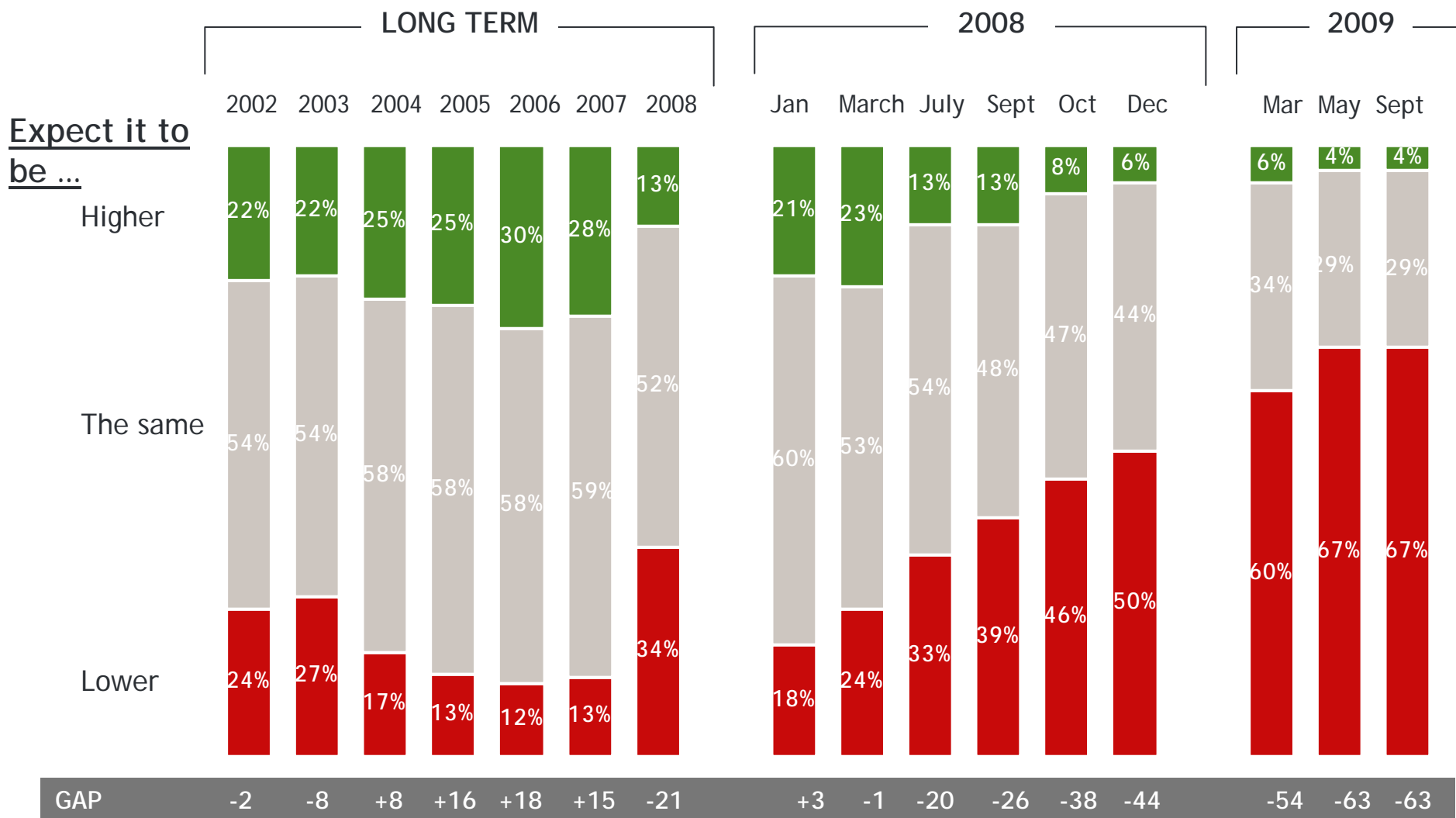


GAP

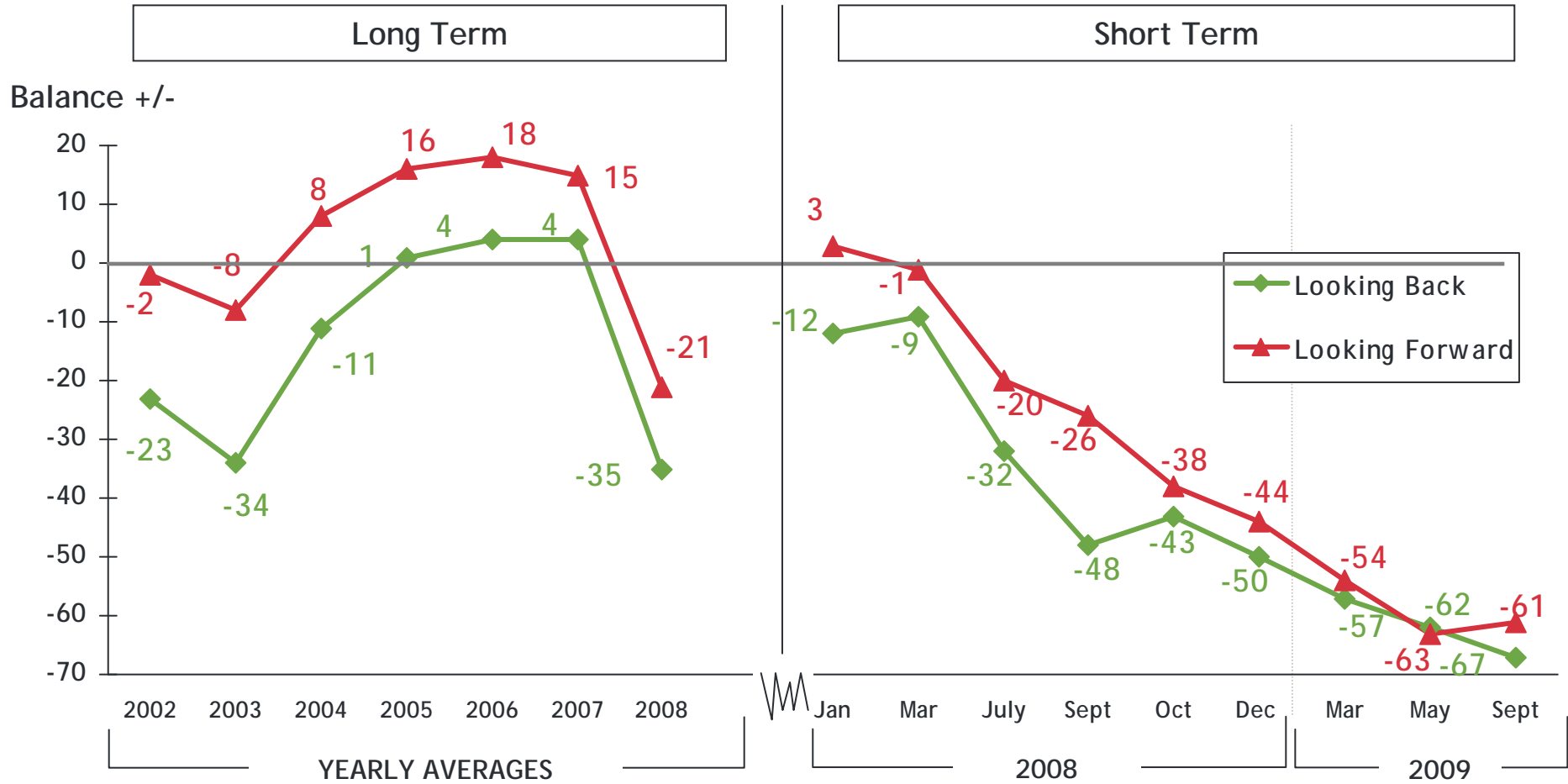
-23 -34 -11 +1 +4 +4 -35 -12 -9 -32 -48 -43 -50 -57 -62 -67



# Personal Finances - Looking Forward

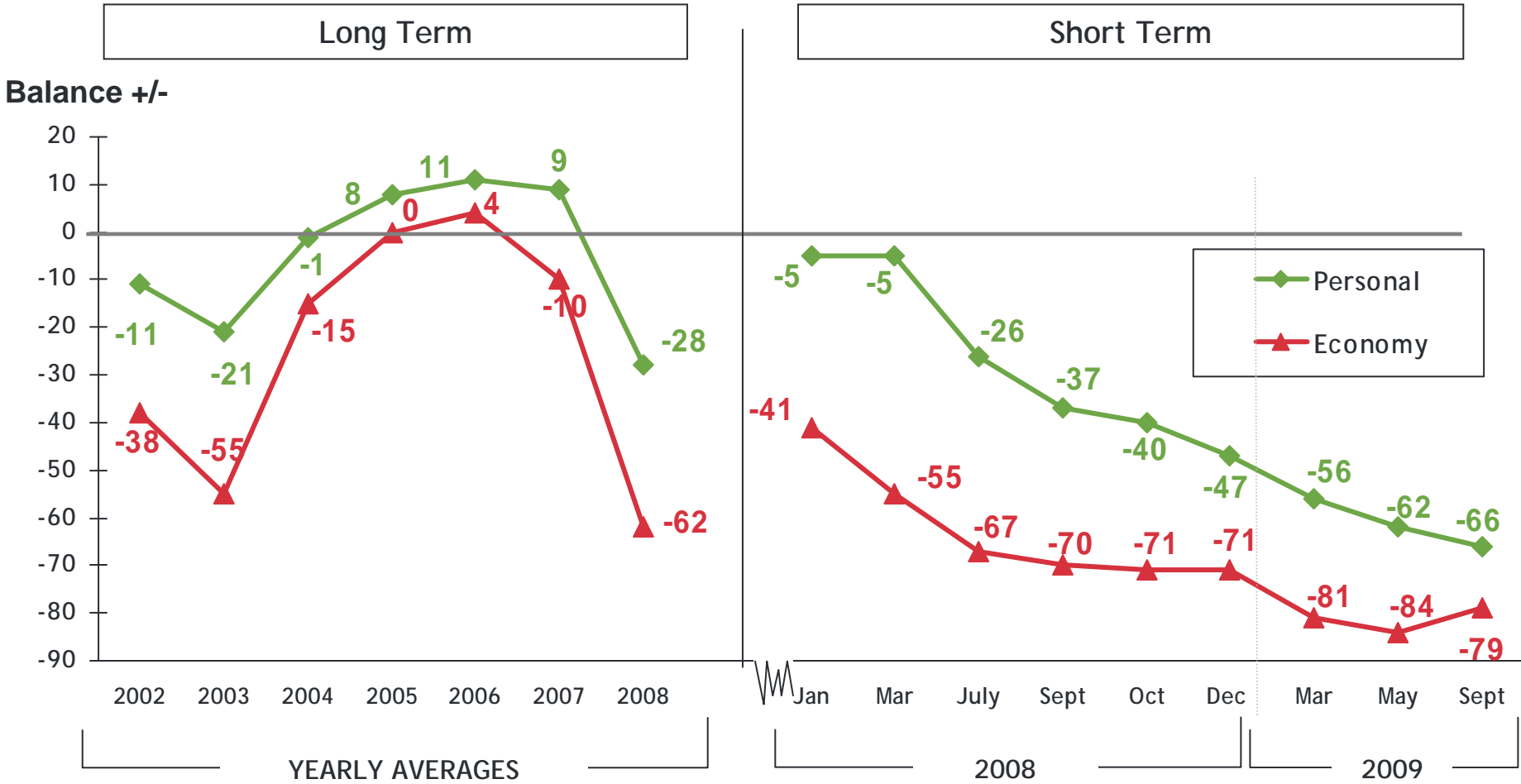


# Balance Of Opinion - Personal Finances



# General Economy Vs Personal Finances

Average of Looking Back & Forward



# Personal Assets- Looking Forward

Expect them to be ...

LONG TERM

2008

2009

2002 2003 2004 2005 2006 2007 2008

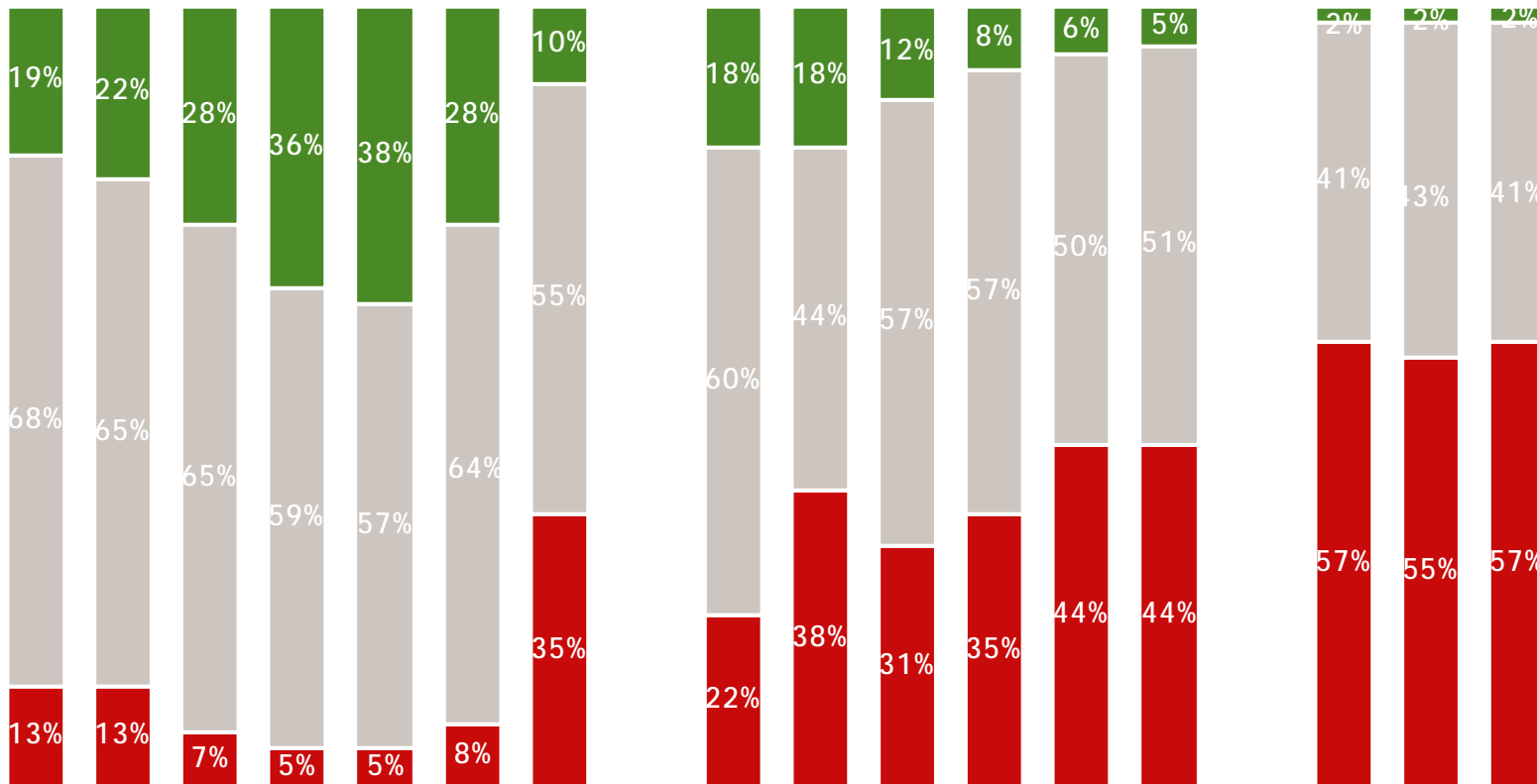
Jan March July Sept Oct Dec

Mar May Sept

More

No change

Less

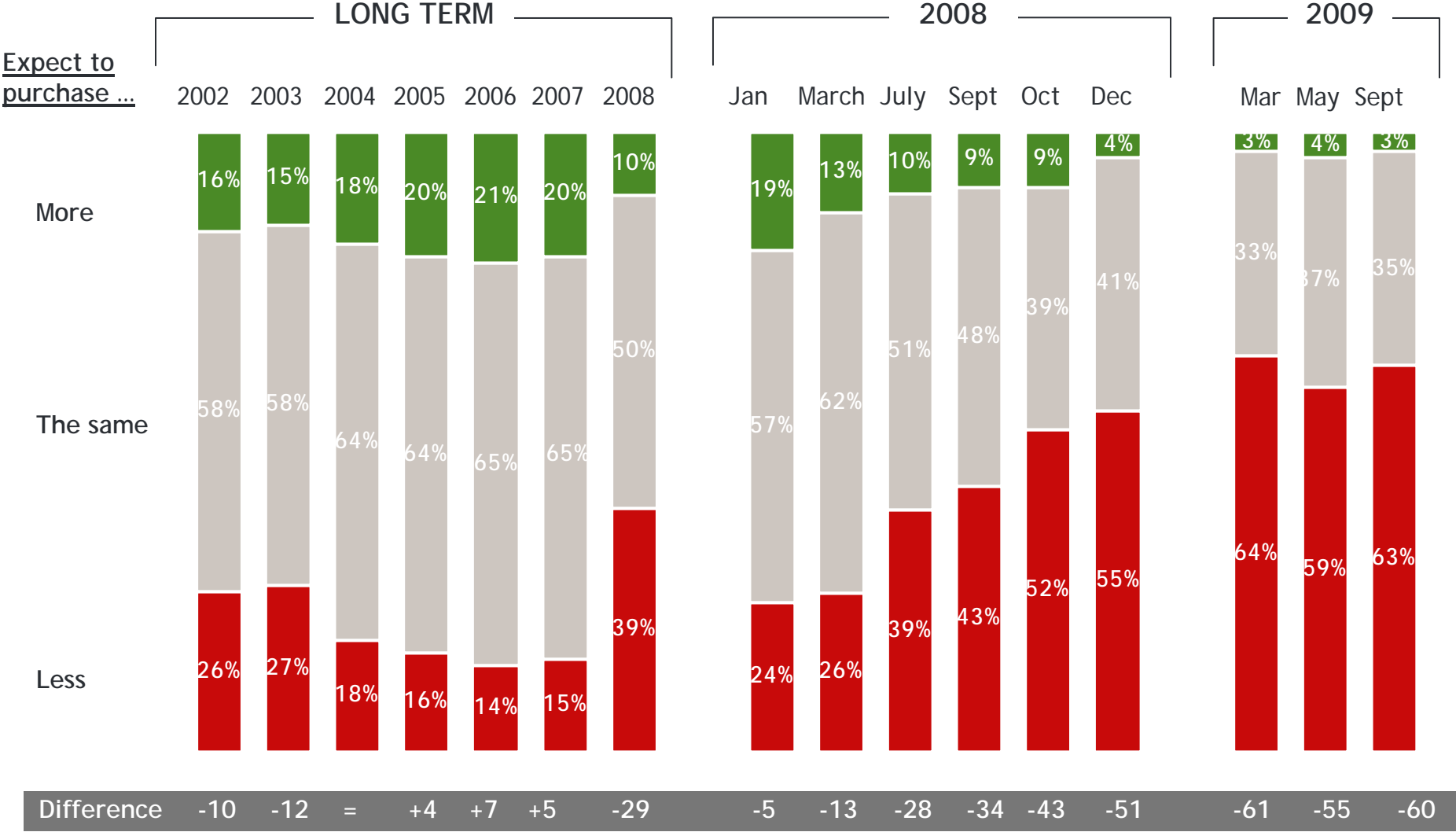


Difference +6 +9 +21 +31 +33 +20 -20 -4 -20 -19 -27 -38 -39 -55 -53 -55

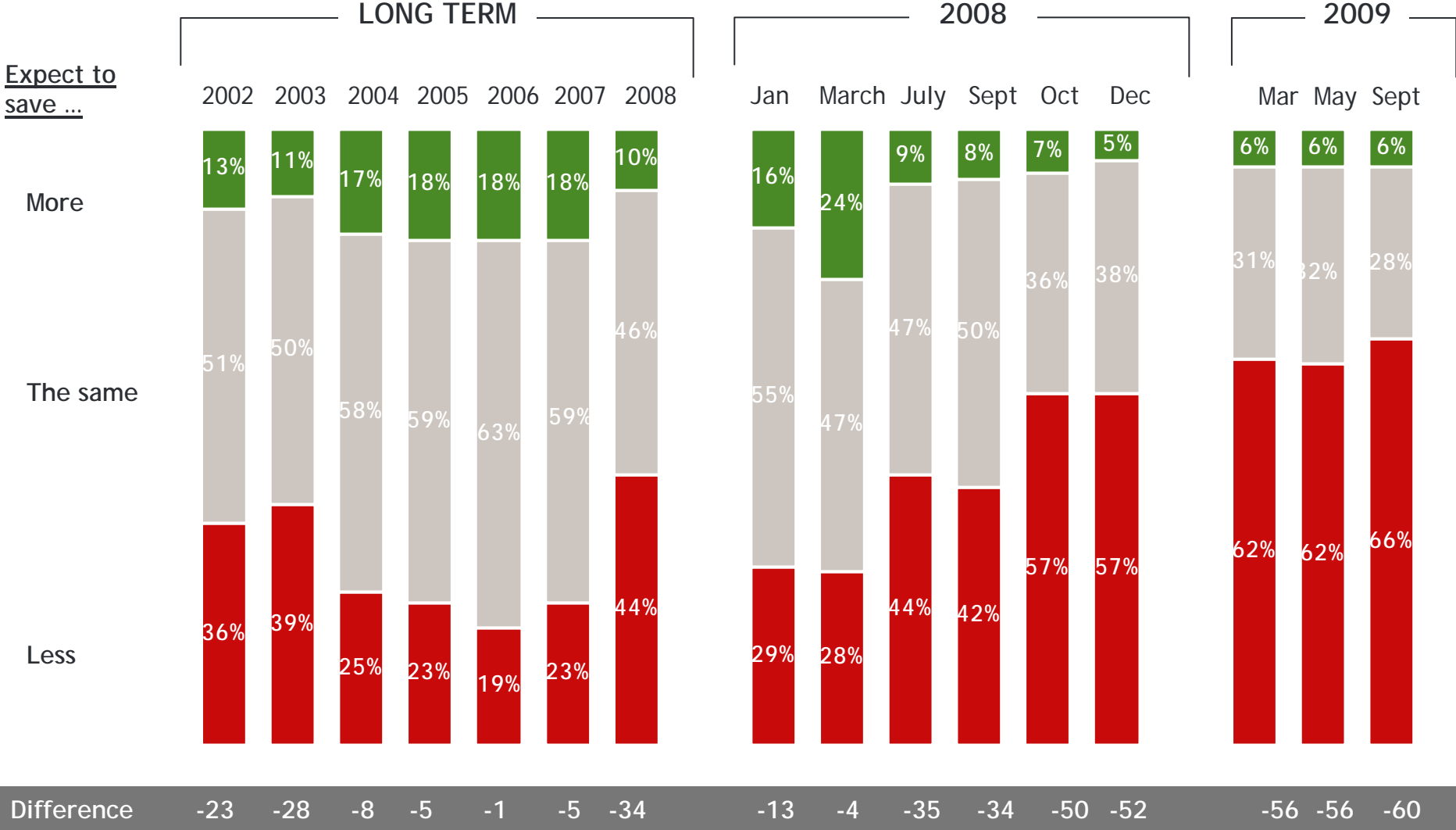


Q.6 Do you expect your assets (your house, shares, pension entitlements, savings) In the next year to be higher, lower or the same as in the past year? PROBE: A lot or a little

# Purchasing Goods And Services - Looking Forward

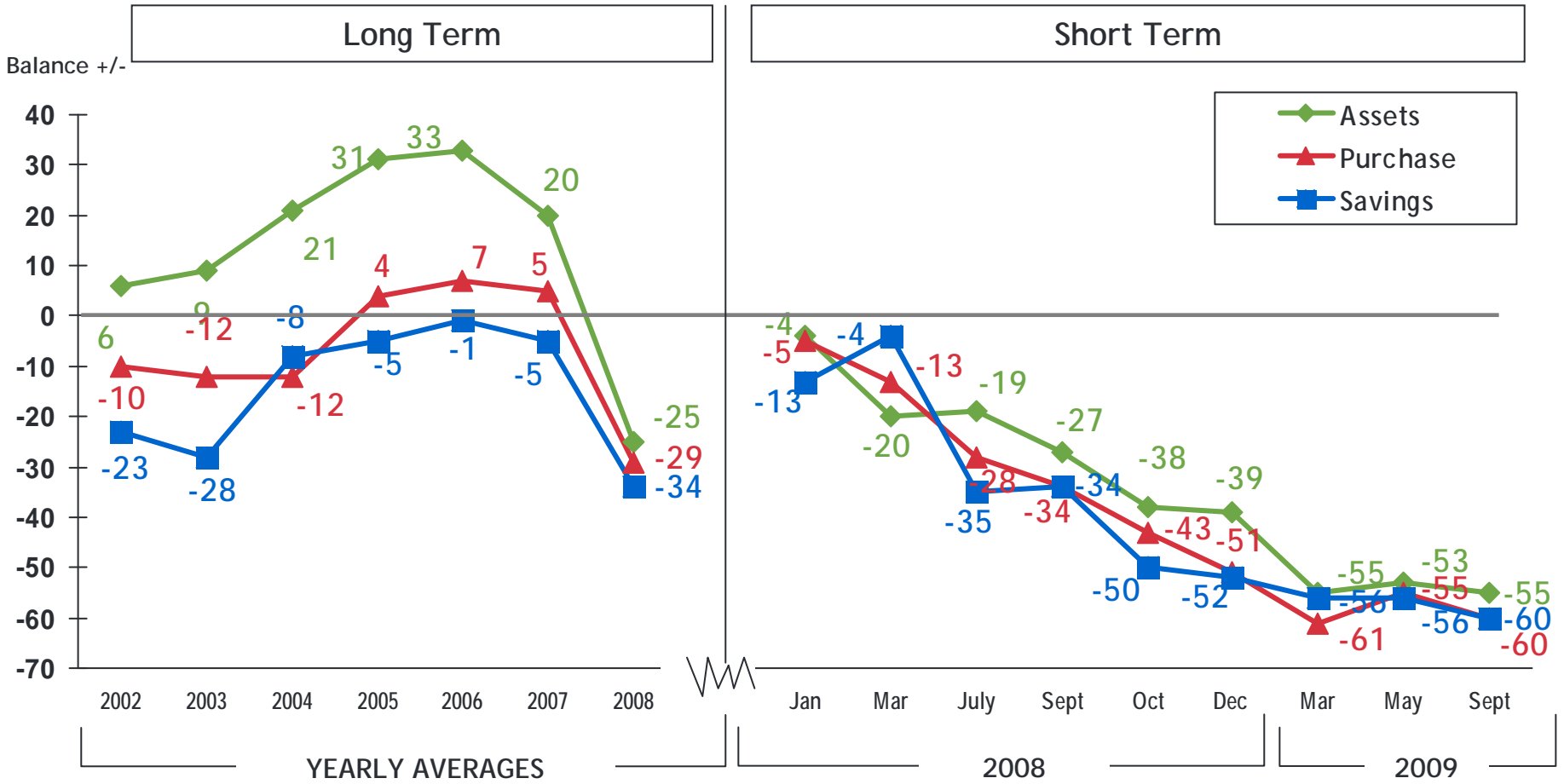


# Savings - Looking Forward



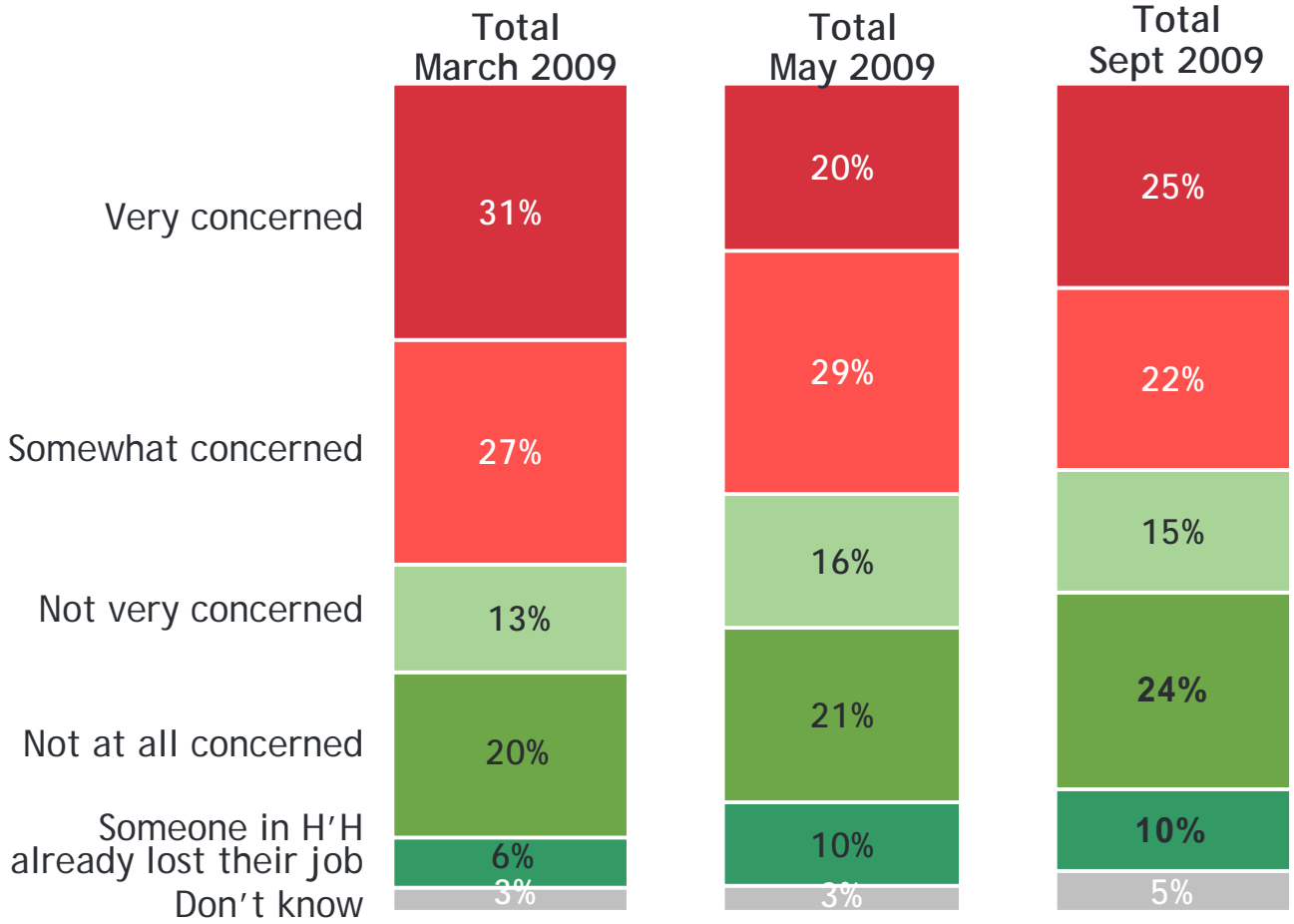
# Balance Of Opinion

Expectations in regard to Assets, purchases, and savings



# Job Security Fears Abound

Concern that someone in household may lose their job in the next 6 months



Equates to over 860k people. Concern now more omnipresent across demographics.



While job concern still exists, some clarity perhaps developing

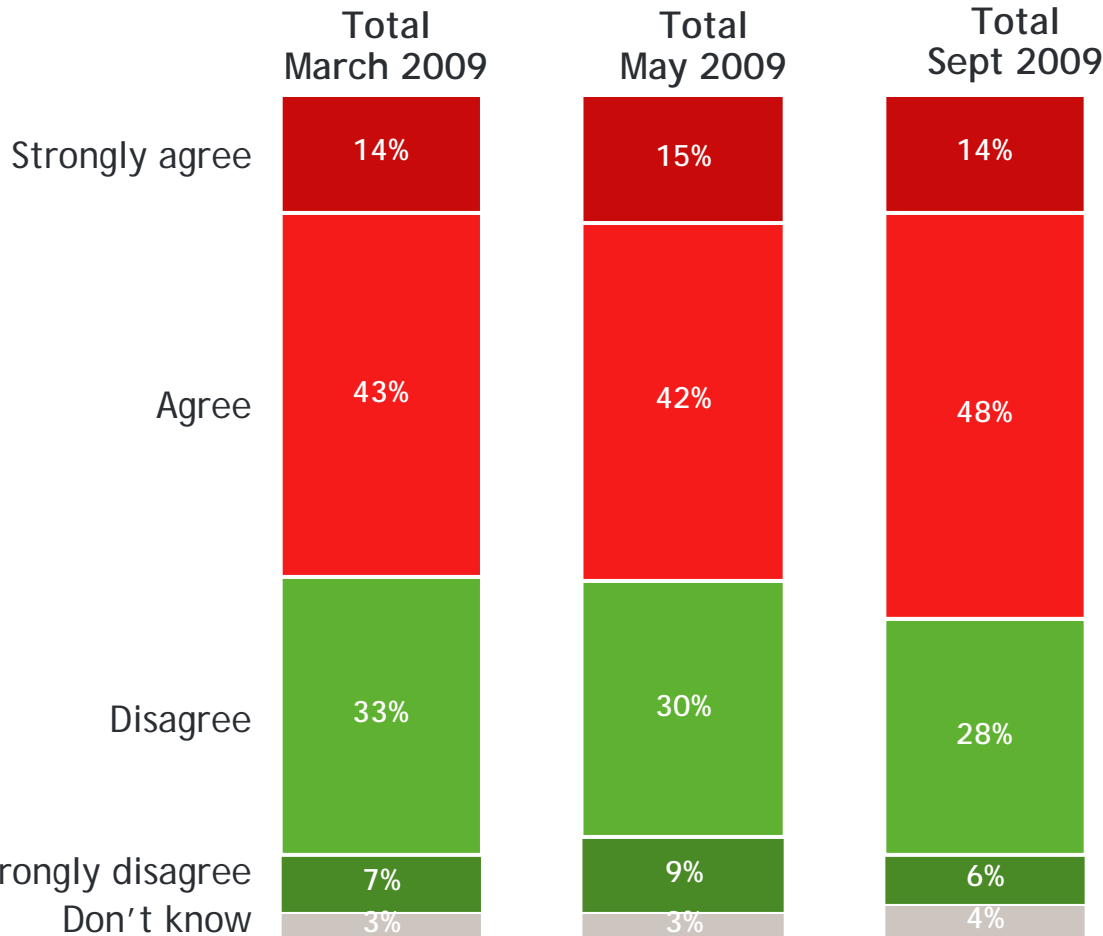
**Q.9** Are you very, somewhat, not very or not at all concerned that you or someone in your household may lose their job in the next six months?



# Are Consumers Coping?

Base: All adults 16+ 1018

Compared to a year ago, my household having more difficulty making ends meet



Over 490k people strongly agree their household is having difficulties

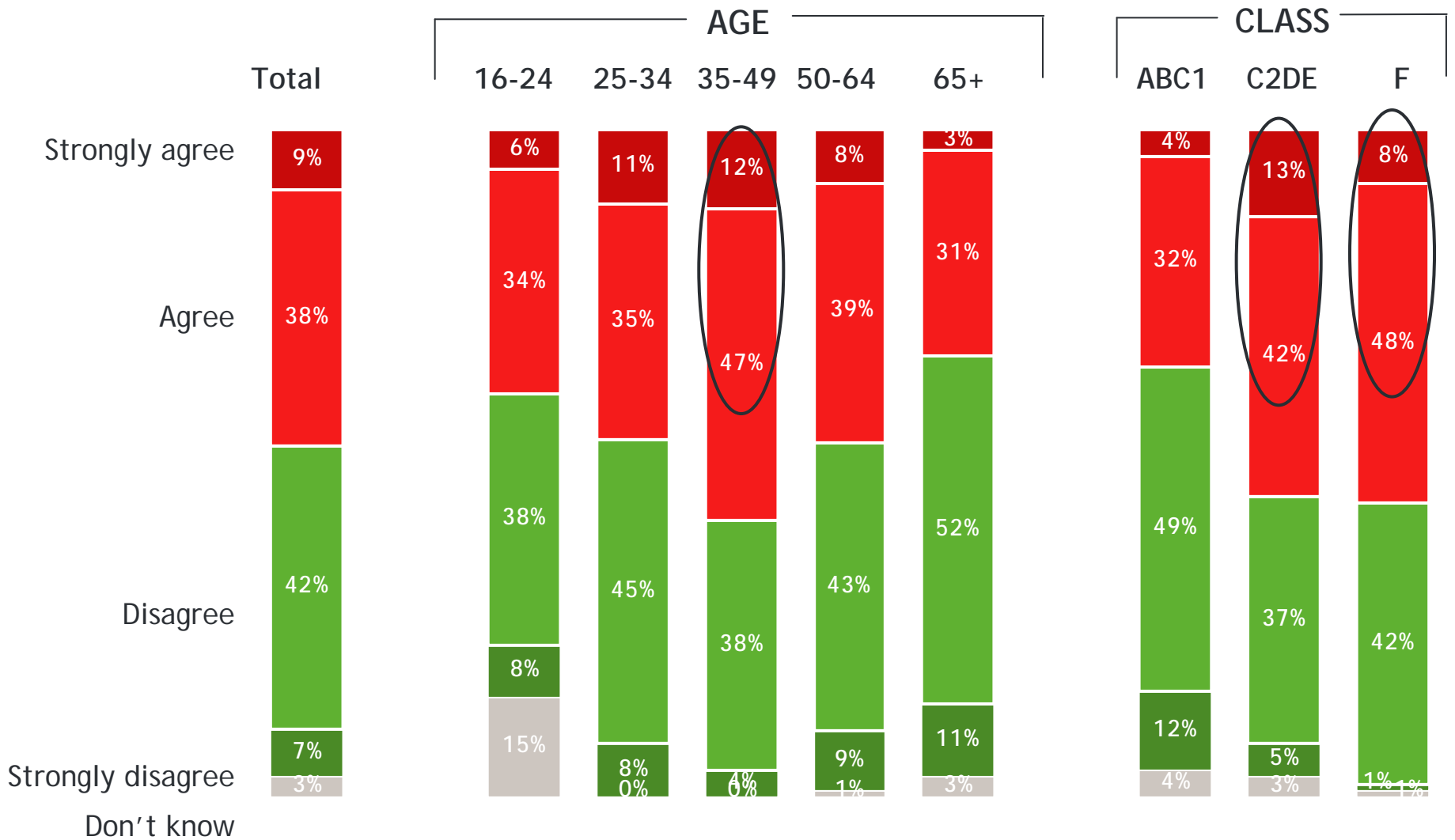
Especially affected are; those in the 35-49 age bracket, and the blue collar and rural sector.



Q.10 To what extent do you strongly agree, agree, disagree or strongly disagree with each of the following statements?  
Compared to a year ago, my household having more difficulty making ends meet

# Extent of Households Struggling to Make Ends Meet

Base: All adults 16+ 1018



Q.10 To what extent do you strongly agree, agree, disagree or strongly disagree with each of the following statement?

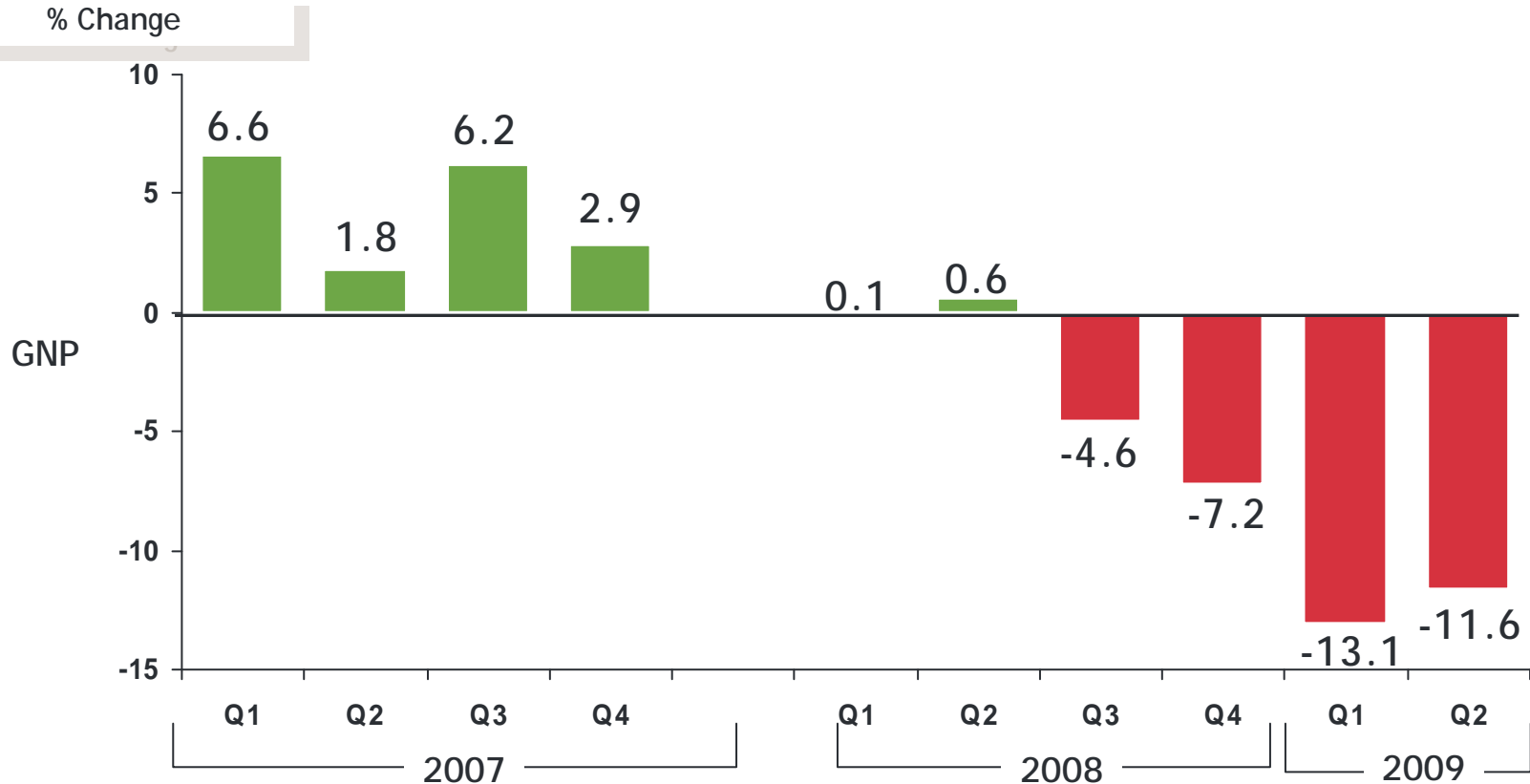
- My household is struggling to make ends meet

# **CSO DATA**

**(latest estimates 2009)**

# Quarterly National Accounts Quarter 2 2009

## Annual % GNP Change



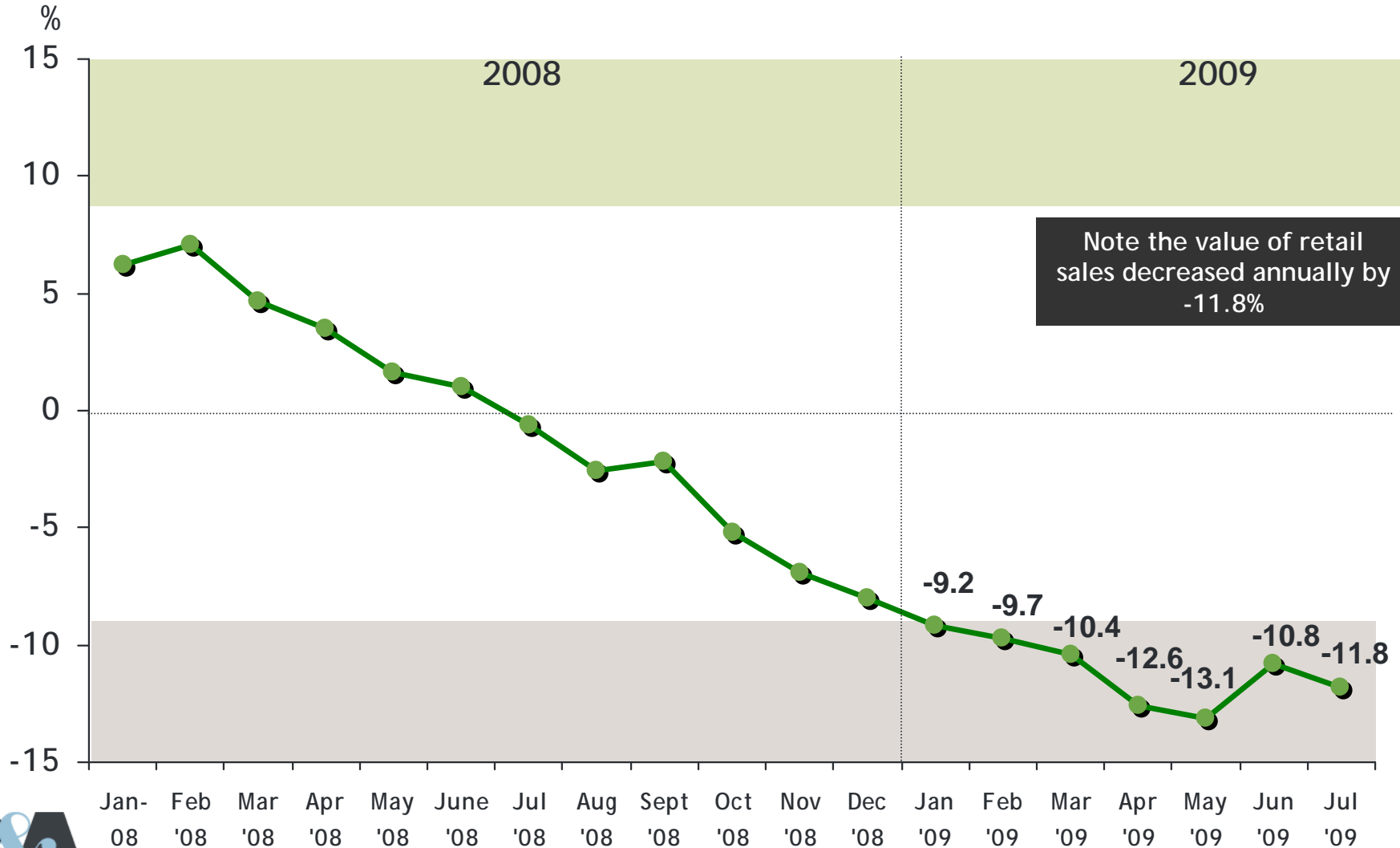
\*Source: CSO latest estimates June, 2009 based on constant market prices

The Irish economy continues to contract during the first six months of 2009, but there is evidence that the rate of decline has slowed. Consumer spending (personal consumption of goods and services) in volume terms was 6.8 per cent lower in Q2 2009 compared with the same period the previous year

The volume of output of Industry (incl. Construction) decreased by 11.3 per cent in Q2 2009 compared with Q2 2008. Within this output of the Construction sector fell by 30.8% over the same period. Output of Distribution, Transport & Communications was down 8.6% while output of Other Services was 2.8% lower in the second quarter of 2009 compared with the same period of last year.

# Value of Retail Sales (Excluding Motor Trade) Seasonally Adjusted Annual % Change

Base: Year 2005 = 100

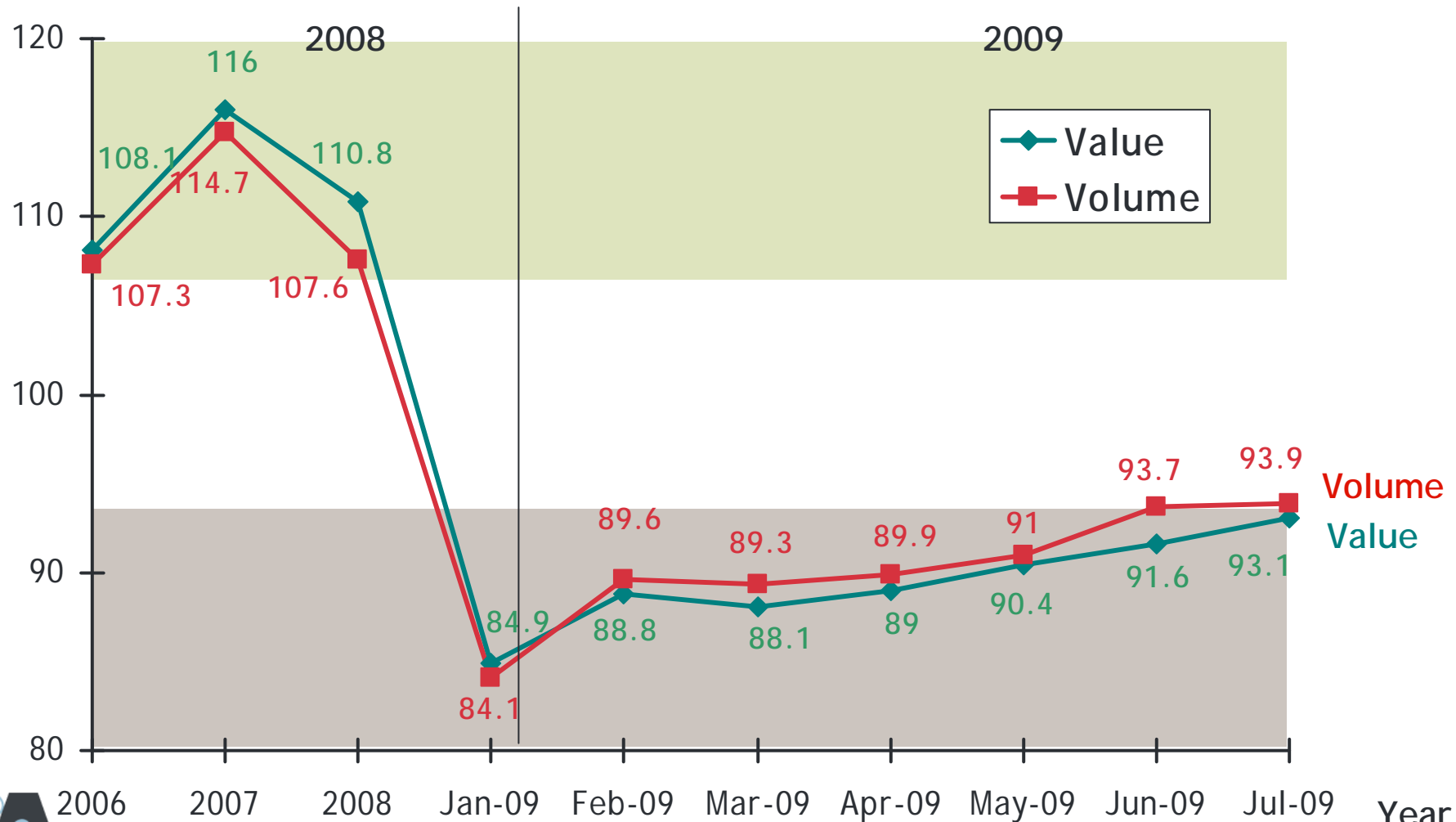


# Volume & Value of Retail Sales

(All business combined)

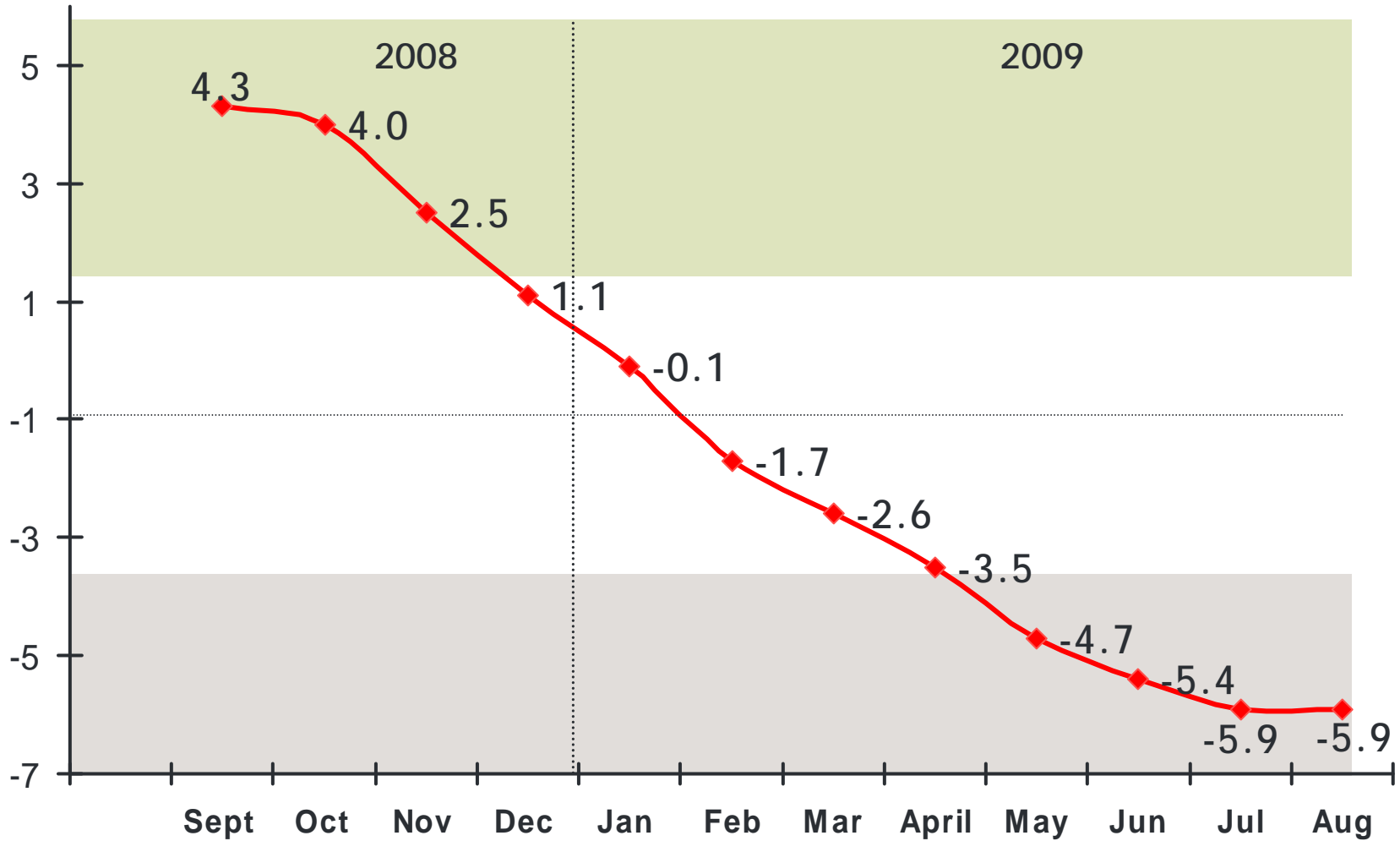
2006-2009 (Index 2005 = 100) Up to July 2009

Index



# Rate of Deflation Starting to Stabilise

% Annual Change

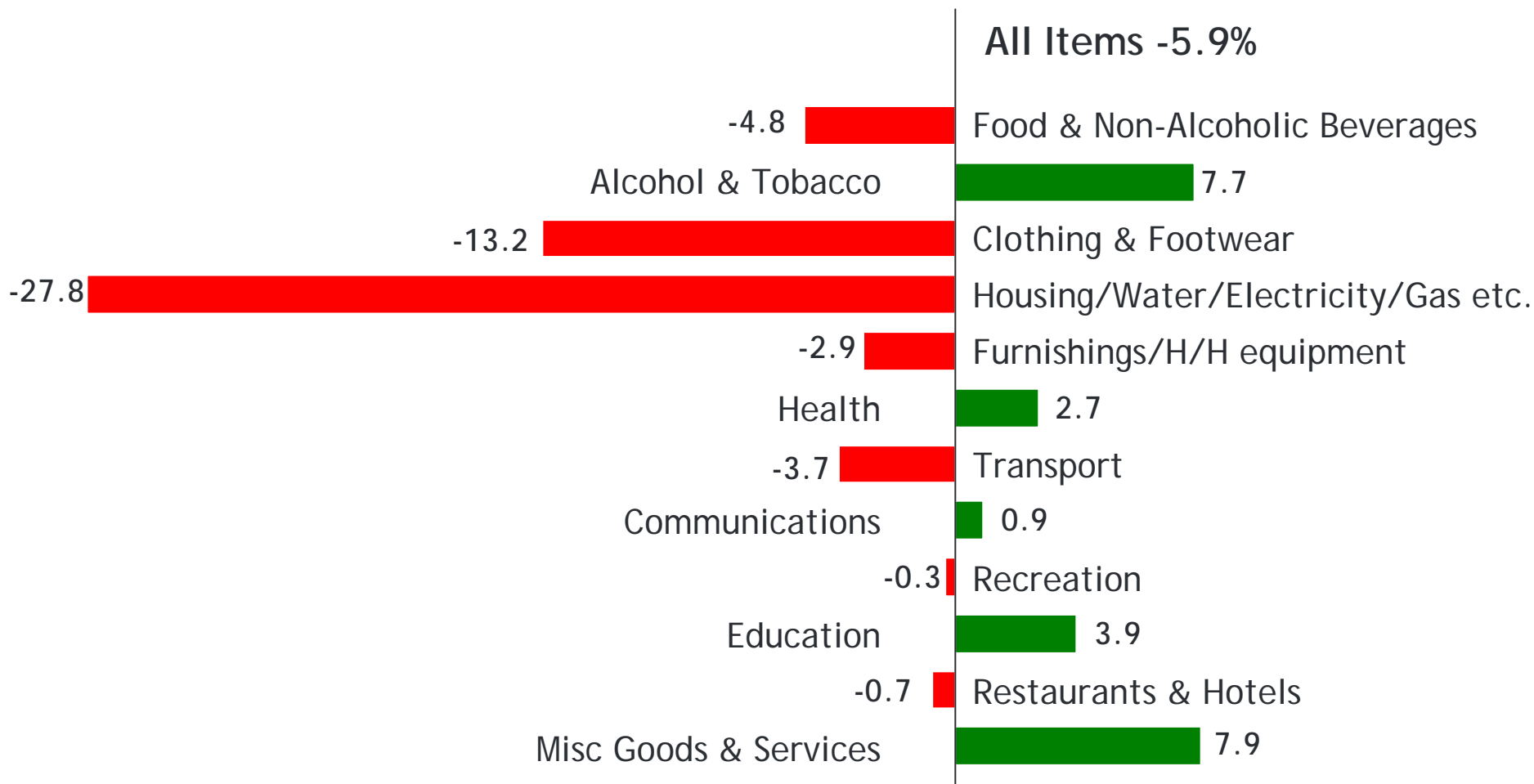


\*Source: CSO latest estimates Sept, 2009

Consumer prices in August 09 increased by 0.4% in the month, however year-on-year consumer prices declined by -5.9%

# Comparison of main CPI Groups to the overall CPI

## Annual % change: Aug 2009



Source: CSO Sept 2009

The most notable changes in the year were decreases in Housing, Water, Electricity, Gas & Other Fuels (-27%), Clothing & Footwear (-13.2%), Food & Non-alcoholic beverages (-4/8%) and Transport (-3.7%). There were increases in Miscellaneous Goods & Services (+7.9%), Alcoholic Beverages & Tobacco (+7.7%), Education (+3.9%) and Health (+2.7%). Services prices fell by 6.8% in the year to August, while Goods fell by 5.0%.

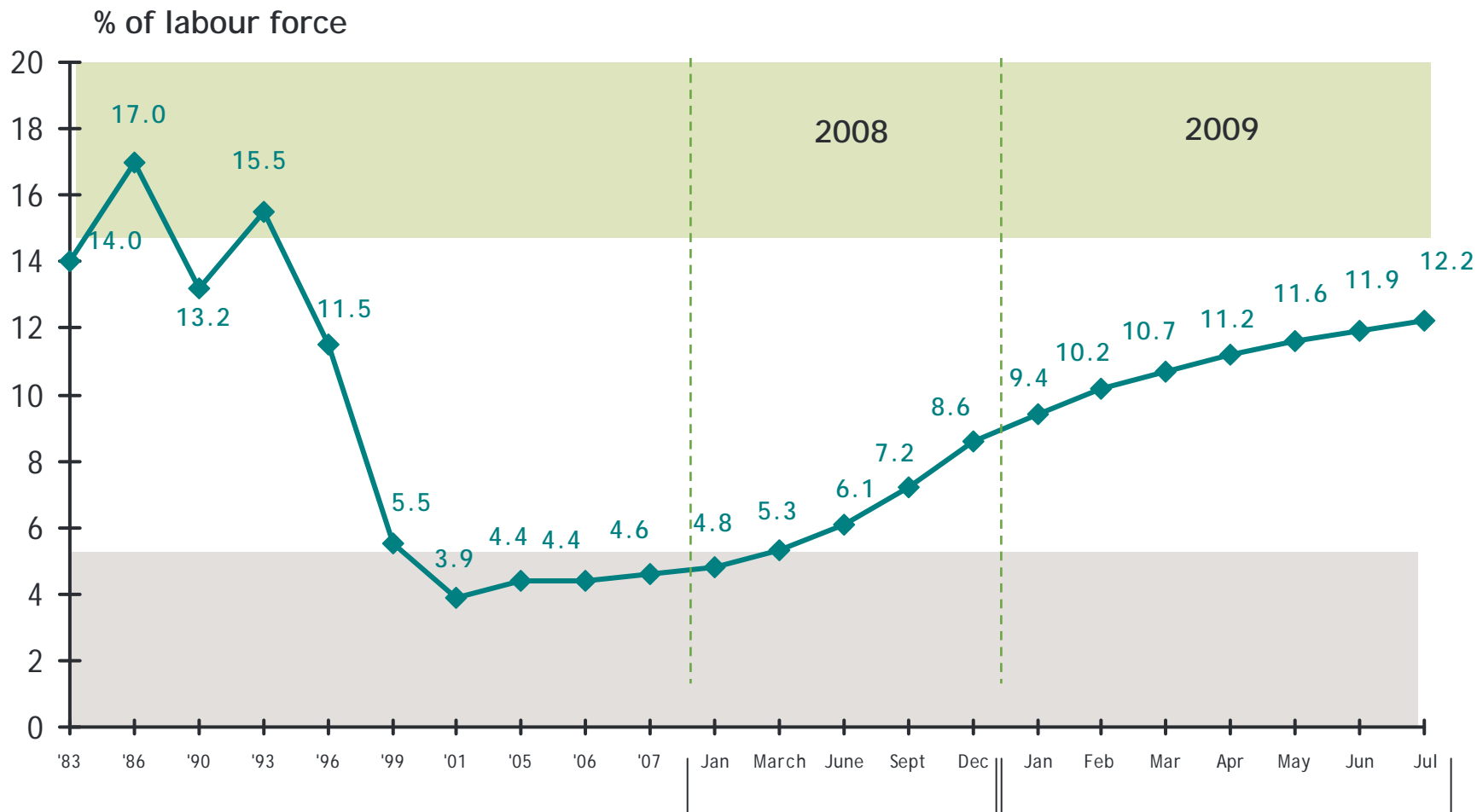


# The monthly CPI in August actually increased (+0.4%)

- The most significant monthly price changes were increases in Clothing & Footwear (+3.4%), Housing, Water, Electricity, Gas & Other Fuels (+1.1%) and Transport (+1.1%). There was a decrease in Food & Non-Alcoholic Beverages (-1.0%).
- The main factors contributing to the monthly change were as follows:
  - ❖ Clothing & Footwear rose due to a recovery in prices following the traditional summer sales.
  - ❖ Housing, Water, Electricity, Gas & Other Fuels increased due to higher average mortgage interest repayments. These were partially offset by decreases in private rental charges.
  - ❖ Transport rose due to increases in airfares and petrol & diesel prices.
  - ❖ Food & Non-alcoholic Beverages fell due to lower prices across a wide range of food items.

# Unemployment Rates

Seasonally adjusted



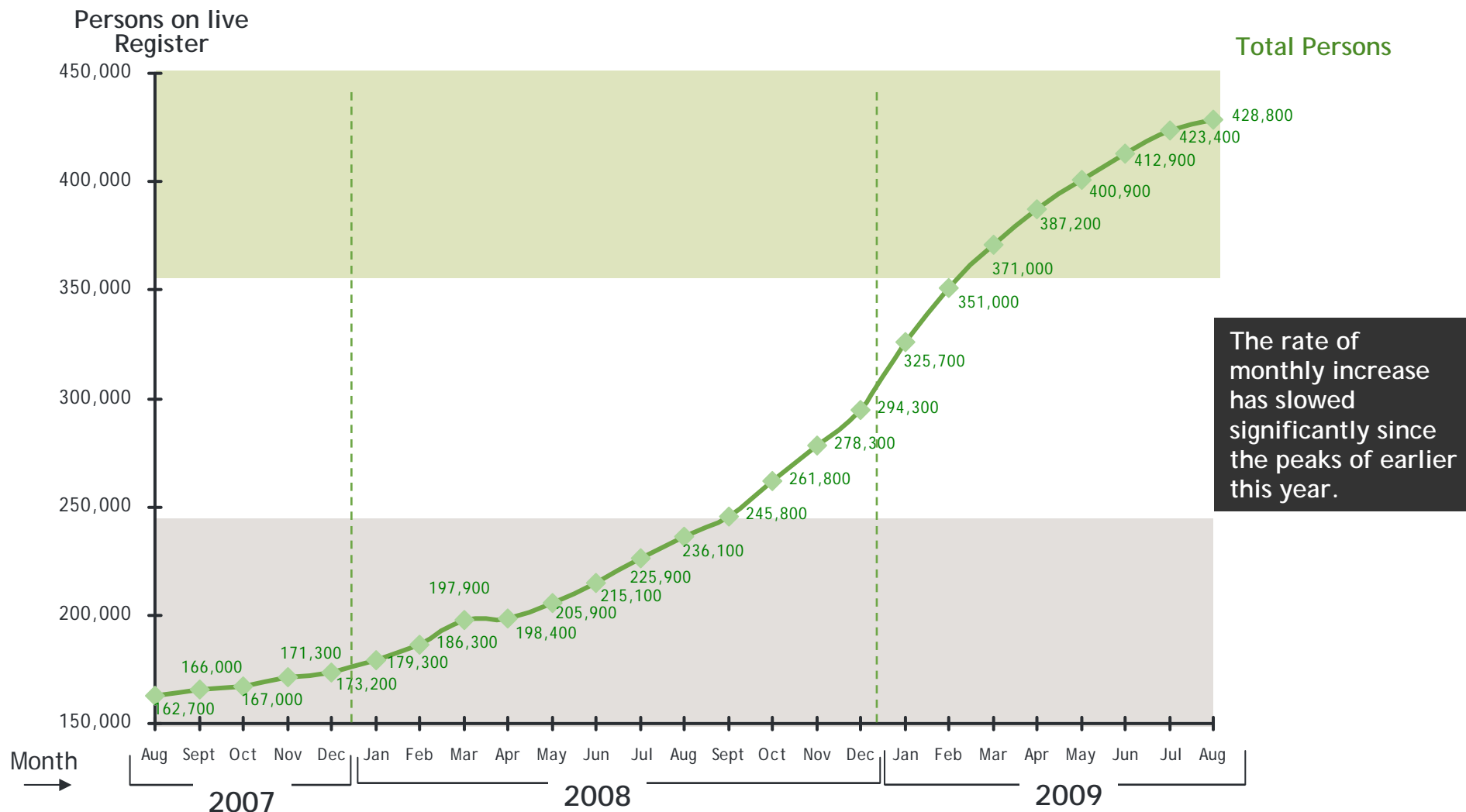
\*Source: CSO latest estimates published Sept, 2009

Average for '08 was 6.4

The unemployment rate does not take into account reduced working hours up to 3 days a week, etc as does the Live Register

# The Live Register

Seasonally adjusted

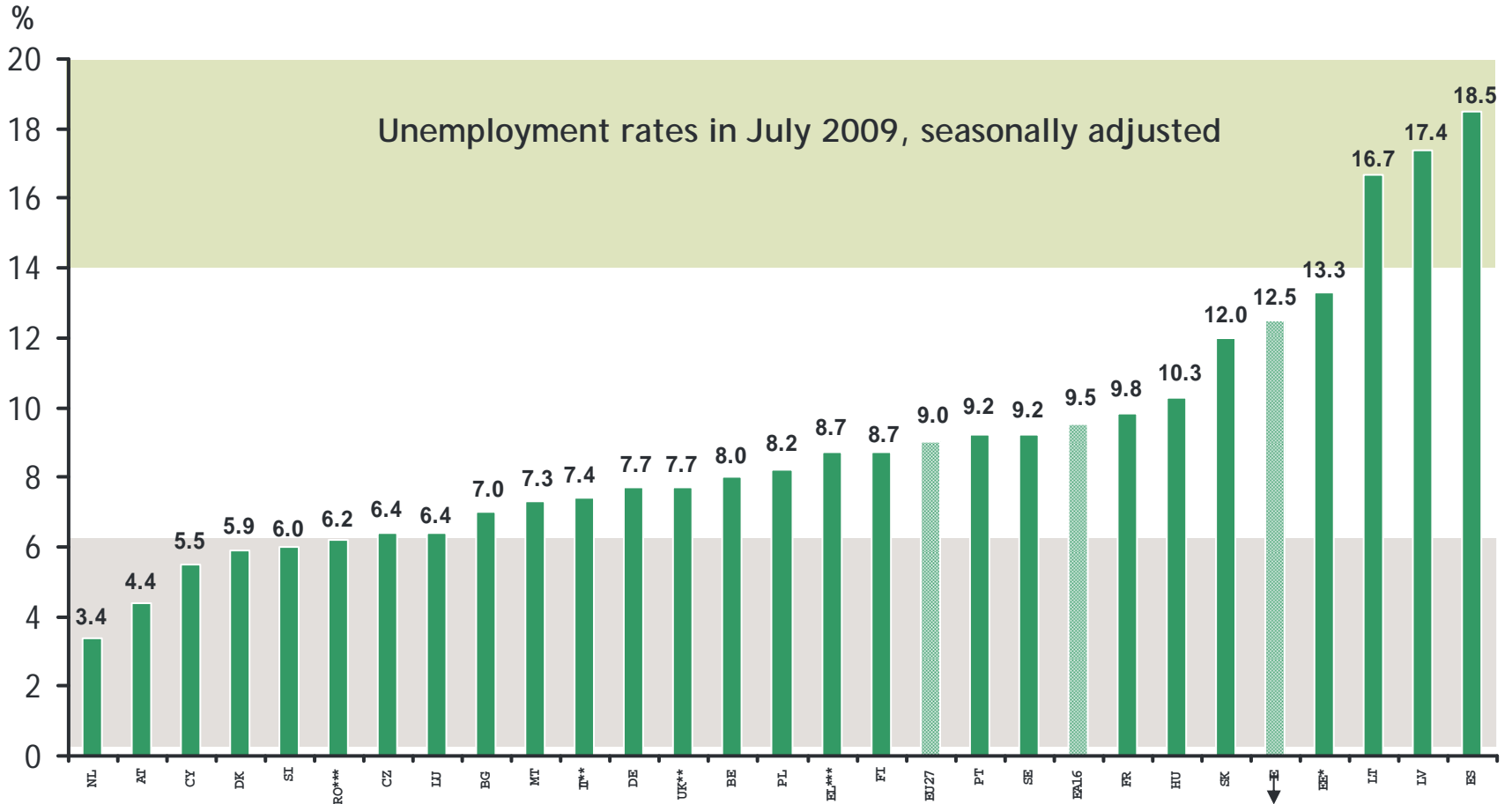


\*Source: CSO latest estimates Aug. 2009

\* 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

# Euro area unemployment up to 9.5%

EU27 up to 9.0% July 2009



Source: EUROSTAT September 2009

\* Q2 2009    \*\* May 2009    \*\*\* Q1 2009

Ireland figure based on Eurostat Sept '09  
CSO Sept Figure = 12.2%



Ireland has the fifth highest unemployment level (at over 12%).

# Seasonally adjusted unemployment rates (%)

	Youth (under 25's)				Males				Females			
	Jul-08	May-09	Jun-09	Jul-09	Jul-08	May-09	Jun-09	Jul-09	Jul-08	May-09	Jun-09	Jul-09
EA 16	15.4	19.4	19.6	19.7	6.9	9.1	9.2	9.3	8.3	9.6	9.7	9.8
EU 27	15.4	19.5	19.7	19.8	6.6	9.0	9.0	9.1	7.4	8.8	8.9	9.0
BE	19.9	21.9	22.1	21.6	6.8	7.6	7.6	7.6	7.9	8.6	8.6	8.5
BG	12.0	14.9	15.3	15.9	5.3	7.0	7.2	7.6	5.6	6.2	6.3	6.4
CZ	9.8	13.4	13.6	13.7	3.4	5.1	5.2	5.2	5.5	7.5	7.7	7.9
DK	7.9	11.1	11.4	11.2	2.8	6.4	6.6	6.4	3.7	5.3	5.5	5.4
DE	9.6	11.0	11.1	11.2	7.3	8.2	8.2	8.3	7.1	7.0	7.1	7.0
EE	14.2	24.1	24.1	:	7.3	16.6	16.6	:	5.6	10.1	10.1	:
IE	12.4	24.9	25.3	25.5	6.9	14.9	15.2	15.4	4.8	8.3	8.4	8.8
EL	21.9	24.2*	:	:	5.0	6.2*	:	:	11.2	12.3*	:	:
ES	25.0	37.0	37.5	38.4	10.3	17.5	17.8	18.1	12.9	18.4	18.7	19.0
FR	19.3	23.8	24.0	24.2	7.3	9.0	9.1	9.2	8.3	9.9	10.1	10.4
IT	21.3	24.9*	:	:	5.6	6.2*	:	:	8.5	9.0*	:	:
CY	9.0	12.6	12.6	:	3.0	5.2	5.4	5.5	4.3	5.4	5.5	5.5
LV	13.0	29.2	29.2	:	6.9	20.3	21.1	21.1	6.8	12.4	13.1	13.7
LT	14.9	30.9	30.9	:	6.3	18.0	20.0	21.9	5.4	10.5	11.0	11.2
LU	17.0	20.0	20.3	20.5	4.2	5.8	5.9	6.0	5.9	6.5	6.7	6.8
HU	19.9	27.0	26.6	25.8	7.7	10.4	10.5	10.7	7.9	10.0	10.0	9.9
MT	12.2	14.9	15.1	15.1	5.6	6.7	6.8	6.8	6.5	8.0	8.2	8.1
NL	5.3	6.3	6.5	6.6	2.5	3.2	3.2	3.3	3.0	3.3	3.4	3.5
AT	7.3	8.3	8.3	8.2	3.5	4.4	4.5	4.5	3.9	4.3	4.3	4.3
PL	16.6	19.6	19.8	19.8	6.1	7.6	7.7	7.8	7.9	8.9	8.8	8.6
PT	16.7	19.8	19.5	18.9	6.7	8.9	8.9	8.8	9.1	9.6	9.6	9.6
RO	18.6	19.6*	:	:	6.6	7.1*	:	:	4.7	5.0*	:	:
SI	10.2	16.0	16.0	:	4.0	6.1	6.2	6.1	4.8	5.8	6.0	6.0
SK	19.0	25.0	25.5	26.0	8.1	10.4	10.7	11.0	10.6	12.5	12.9	13.2
FI	16.5	21.5	22.1	22.6	6.1	9.1	9.4	9.7	6.7	7.4	7.6	7.7
SE	17.7	26.2	26.8	27.3	5.4	8.8	9.1	9.4	6.1	8.4	8.7	8.9
UK	15.0	19.2	:	:	6.2	8.8	:	:	5.1	6.5	:	:
NO	6.9	9.0	:	:	2.5	3.3	:	:	2.2	2.9	:	:
US	13.5	17.3	17.8	17.8	6.2	10.5	10.6	10.5	5.3	8.0	8.3	8.1
JP	:	:	:	:	4.1	5.5	5.7	6.1	4.0	4.9	5.0	5.1

\*Data for Q1 2009

: Data not available

Source: Eurostat

J.1154

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# APPENDICES

The Questionnaire

## ASK ALL RESPONDENTS 16 YEARS +

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?

Better off	1
Worse off	2
The same	3

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?

Better off	1
Worse off	2
The same	3

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

Better off	1
Worse off	2
The same	3

Q.4 In terms of your own economic well-being over the year ahead, are you more confident, less confident or is your confidence about the same as last year?

More confident	1
Less confident	2
No change	3

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?

Higher	1
Lower	2
The same	3

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?

**PROBE:** A lot or a little

A lot higher	1
A little higher	2
No change	3
A little lower	4
A lot lower	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?

More	1
Less	2
The same	3

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

More	1
Less	2
The same	3

**SHOW CARD 'P'**

Q.9 Are you very, somewhat, not very or not at all concerned that you or someone in your household may lose their job in the next six months?

Very concerned	1
Somewhat concerned	2
Not very concerned	3
Not at all concerned	4
Someone in household has already lost their job	5
Don't know	6

**SHOW CARD 'Q'**

Q.10 To what extent do you strongly agree, agree, disagree or strongly disagree with each of the following statements? **READ IN ORDER**

<b>READ OUT</b> ↓	Strongly agree	Agree	Disagree	Strongly disagree	Don't know
a) My household is struggling to make ends meet	1	2	3	4	5
b) Compared to a year ago, my household is having more difficulty making ends meet	1	2	3	4	5