



Shaping Ireland's Future

Report 4: Consumer spending, saving, budgeting

Topline report

*As winter approaches, we're
having to prioritise*

Prepared by B&A

 @banda_ie

 @behaviourandattitudes

 Behaviour & Attitudes

*Contact B&A for the full data presentation
maggie@banda.ie*

www.banda.ie



As Ireland continues to adapt to a post-Covid world, B&A is looking at the challenges and opportunities faced by key sectors in the economy.

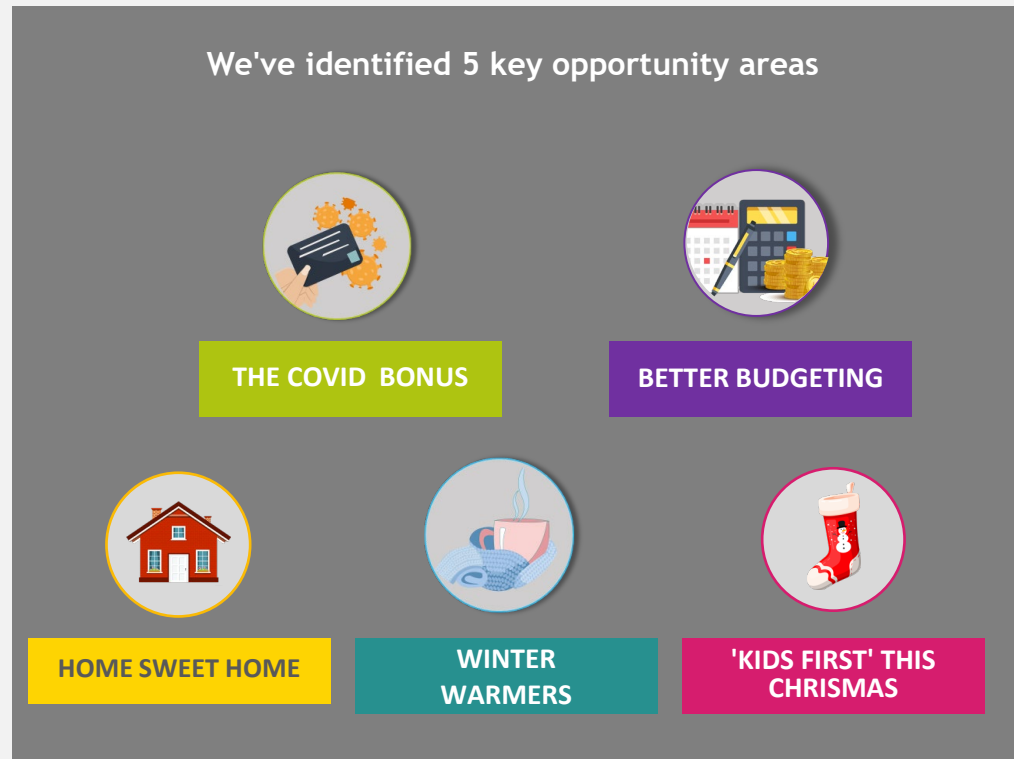
Next stop. Consumer spending, saving, budgeting.

In this report, we look at consumer spending, saving and budgeting coming out of lockdown and looking ahead to the next year.

It's a mixed picture, with many of us being able to accumulate savings in the lockdown period but facing further uncertainty about our finances in the short to medium term.

We're thinking very hard about what our spending priorities are in the next few months and in the run up to Christmas.

Read on for more details.





Due to generous Covid payments and expenses dropping during lockdown **50%** of us felt we had more cash in our bank accounts when lockdown finished in June.



While this net benefit was **broadly felt**, it was more pronounced among those working (60%) and those aged 18-35 (59%).

These savings came from reduced spending during lockdown on the following areas:



60%

Eating out



54%

Holidays abroad



42%

Motoring/commuting



35%

takeaway coffee /snacks /drinks



35%

Theatre/ concert /event

And we haven't frittered it all away yet!



of those who had spare cash saved all or part of that money.



However, we don't expect this financial boost to last.

80% of us are anticipating income to stay the same or lessen over the next 12 months.

Of those who think they'll have less discretionary spend in the next 12 months:



30%

Are worried about taking pay cuts or being put on reduced hours



20%

Are worried about losing their jobs entirely



47%

Expect their taxes to increase

As we think about where we'll make cuts, entertainment is something we look set to prioritise. Maintaining one streaming service (generally Netflix) is a big priority, no matter how tight our finances get.



Knowing we need to make cuts this winter we looked at everything we could pull back on. But the Netflix subscription was non-negotiable.

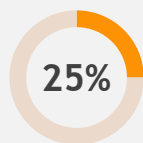
Opportunity 3: Home sweet home



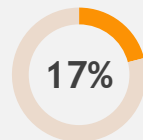
The home became a focal point for our spending during and after lockdown – and looks to continue.



There are a number of reasons, functional and emotional, why we've been so focused on spending on our homes. Interestingly, these are internal rather than external motivators. We have fewer visitors, but our homes are in super shape



25% of us spent discretionary spare cash on homewares and home improvements



17% spent on DIY equipment



The DIY craze looks set to keep running this winter. We're hearing things like "I still have lots on my list" and "a lot done more to do"



With the Covid-19 crisis going nowhere and restrictions set to continue across the country, we know that winter 2020 will be tough.

Our discretionary spending will be focused around things to brighten the dark days



TREATS

Premium food and drink options were something we splashed out on during lockdown and will be important again as winter sets in.

We're looking for ways to enhance the sense of 'treat' (though this causes conflict with our health goals).



Now we always get the starter as well as the pizza when we get takeaway. It's our way of making the experience a bit more special



PROJECTS/HOBBIES

Many of us are interested in taking up something new to distract ourselves. Preferably something that can be done from home.



I definitely need a project now that the evenings are getting shorter. I'm thinking about teaching myself the guitar.



THINGS TO LOOK FORWARD TO

Short breaks in Ireland, restaurant nights out. Though we're concerned about how much we can plan in advance, with the new 'living with Covid' plan in operation.



We splashed out on a lovely hotel break for mid October. But now I'm worried that we won't be able to go if we're locked down again.



ENTERTAINMENT

Many of us invested in extra streaming services during lockdown and these are on the list for the winter, along with new technology and extra video games.

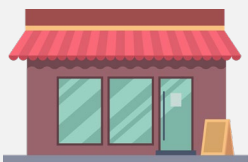


After a lot of pestering, we're going to get Disney plus for the kids. It'll help us all get through the winter.



Our Christmas spending this year will be different in many ways, but presents for the kids will be prioritised

WE'LL BE SHOPPING IN FEWER STORES



67% of us will be streamlining the stores we visit to prep for the festive season.

WE'LL BE SHOPPING MORE ONLINE



51% plan to do most of their Christmas shopping online, rising to **77%** of 18-34s.

WE'LL BE DOING MORE IN ADVANCE



58% of parents intend to do most of their shopping 'a good deal in advance' this year.

WE'LL BE ENJOYING FEWER CHRISTMAS 'EXPERIENCES'



Just **40%** of parents of kids under 12 plan to take them to see Santa this year.

WE'LL MAKE SURE THE KIDS ARE ALRIGHT



Almost 30% of us will prioritise Christmas gifts/toys above other discretionary spending in the next few months.

Opportunities for all 5 key areas

Ways to win

- Considerable numbers of us have **amassed some savings** (some for the first time ever). Now is a good time to promote saving/planning/investment products and tools. While these savings may be required sooner rather than later, there's an **opportunity to cultivate good habits** for the longer term.
- **Help with budgeting** will also be much appreciated in the coming months, particularly as Christmas approaches. Many families will be under a lot of pressure to make their money go further than ever.
- There will be **significant opportunities in the DIY/homewares sector**. Marketing strategies have a wide range of consumer needs to play to, but as ever, **engaging on an emotional level** will be more effective than targeting the purely functional.
- With many of us ready to **'up our game' in the DIY stakes**, opportunities are there for brands to help 'upskill' the DIYers who have done the easy options and are ready to tackle more advanced projects.
- Facing into a tough (and potentially locked down) winter, consumers are willing to invest in things that will **keep them occupied and lift their mood**. Hobby brands have huge potential over the next few months.
- **Small, inexpensive treats** look set to help lift the mood in a cost-effective way. If you play in the FMCG space, look for opportunities to upgrade the experience for your customers, creating more excitement and rituals around the consumption of your product.
- When it comes to **Christmas shopping**, it will pay to get on consumers' radars early this year, as they start shopping earlier themselves. It will also be important to carve out a place on their (limited) list of 'go to' stores (whether that's online or on the ground).
- **Toy and gifts** look set to have a good year. With Christmas 'experiences' set to take a back seat, Christmas shopping trips may become even more important as a way of getting people into the Christmas spirit.



About B&A

- 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.
- 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, Automotive, Healthcare and Public Sector & Utilities.

For more information please visit our website at:
www.banda.ie or contact us on +353 1 2057500



*Marketing Society Research Excellence Awards
25 time award winners, including 5 Grand Prix
in 11 years.*



B&A Online Omnibus Survey

A twice monthly omnibus survey amongst a representative sample of 1,000 adults aged 16 years plus. Surveys costed on a per Question Unit basis.



Online Forums

Collaborative virtual discussion space where we interact with participants over a 3-5 day period. Respondents can be shown stimulus, asked to comment on various topics and material and probed on their answers. Respondents can comment on each other's answers and react, build, question.



B&A online Acumen Panel service

Access to the full breadth of ad hoc quantitative research applications, via our online panel of 30,000 + consumers. From fully representative nationwide surveys, to smaller surveys amongst niche markets and audiences.



Online digital ethnography

Respondents use mobile devices to answer our questions and show us their world. We have our own digital ethnography app for this purpose, allowing respondents to capture answers to our questions in the form of video, photos and text responses. Our moderators are on hand to follow up 24/7, probing for more info, clarifying points and setting new challenges.



B&A Online Client/Customer Surveys

Gauge accurate and timely feedback from your own customer base by way of carefully designed CEX, Communications, Client needs etc surveys. All conducted to the highest levels of GDPR compliance.



Virtual depth interviews

In depth interviews with research participants, conducted in the comfort of own homes. We use a variety of platforms such as Skype, Zoom, Teams to talk to participants easily, watch their non verbal response, show stimulus and interact on a personal level.



B&A Telephone Unit

B&A continues to provide a full suite of Consumer and Business to Business Telephone research applications through our panel of CATI-at-Home interviewers across the country.



Online Web Journey

In-depth interviews with research participants, conducted in the comfort of own homes. We use a variety of platforms such as Skype, Zoom, Teams to talk to participants easily, watch their non verbal response, show stimulus and interact on a personal level.



Virtual Focus groups

Focus groups conducted via an online platform that respondents log on to. Fully audio and visually enabled allowing us to moderate via camera, interact with respondents in real time, show all manner of stimulus and interactive tools and observe their responses at first hand.



Remote Shopper Journey

B&A has a great deal of experience in 'shopper pathways' research. This uses technology to access a shopper experience in the moment. The respondent is unaccompanied but is wearing glasses that records the trip while they explain their selection. We then re-run the video with them in order to delve deeper into their thinking, reaction to display, pricing, branding and more. This provides a remote means of accessing shopper journeys which is extremely important in the current Covid environment.



For further information contact any of our senior research team: elaine@banda.ie, maggie@banda.ie, niall.brennan@banda.ie