



End of Year Review 2013

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## Things are Heating Up

The inconceivable happened in **2013** - Ireland and the sun were reunited. The Irish summer season saw the arrival of Mediterranean *summer weather*, with temperatures hitting a



Above: Ice cream was the dessert of choice in Ireland during summer 2013. Source: Metro Herald

sweltering 31°C. Met Éireann even confirmed that the majority of Ireland experienced a drought during the sunny spell as less than 0.1mm of rain fell for 15 consecutive days on the Green Isle.

Not only did the sun's rays increase temperatures, it also increased consumer spending. A €30 million *spending boost* occurred during the summer months, with BBQ products and ice cream benefitting significantly from the splurge.

Ireland was the business base hot shot according to Forbes. In their eighth annual ranking

of *Best Countries for Business*, Forbes awarded Ireland with the first place position beating 144 international countries for the top spot. This, coupled with our exit from the bailout in December, saw a positive light shine on the Irish economy and its future.



Above: Enda Kenny delivers his State of the Nation speech

*The Gathering* was a major part of 2013; both opening and closing the year.



Visitor figures hit highs, with the event pulling almost 275,000 from abroad to Ireland.

2013 therefore saw the mercury rising in terms of weather, consumer spending and international reputation; possibly heralding the melting of the Irish Recession?

## 2013 Political Trends

2013 saw **three trends** appear in the political scene. The improving fortunes of Fianna Fail, the rise of Independents and the decline of support for Labour.

1. Early 2013 saw Fianna Fail shake off some of its **toxic past** to record relatively strong growth in support. While this hasn't been maintained, it does suggest the party could do **relatively well** versus the last General Election in both the Local and European elections.



Above: 2013 gave Micheál Martin something to smile about.

Source: The Journal

2. **Labour** spent most of the year managing a **downward trend** in support, only salvaged somewhat towards the end of the year as the country exited the bailout. The **Local and European Elections** due to take place in 2014 will be a very important acid test for the party in order to determine how much they have lost since the general election. It is conceivable that the party will not win any **European seats**, and may lose quite heavily at Local level. This is on the back of 27 councillor and 5 Oireachtas member resignations from 2011 to 2013. At the same time, a relatively respectable showing would help the party show its members that it has truly turned the corner.
3. Finally the **rise of support for Independents** and other candidates has continued during 2013, partly due to defections from Fine Gael over the enactment of the abortion law. It has yet to be seen whether this may result in a new party for Irish politics in 2014, but already plans are afoot for a mini Ard Fheis of the **Reform Alliance**.  
  
2014 could therefore be a time of significant change in the Irish political scene.

## 2013 Economic Review



Source: Irish Central

2013 was an historical year for Ireland with the **exit of the bailout** and the Government's decision to do so without seeking precautionary funding. It was also the year that saw the final wind up of **Anglo Irish Bank** and the deal on Ireland's promissory notes.

Throughout the economy, we saw green shoots, with less people on the **live register**, **house prices** rising in certain areas of Dublin and **increased consumer spending**. **Consumer confidence** was recorded at an all-time high in October 2013 in the RED C Credit Crunch Tracker, with 41% believing the Irish economy would improve in the next 6 months – this was up from 19% in October 2012. The outlook for the world economy, job creation and the housing market are also on the rise.

Yet, challenging times remain for the Irish economy and its citizens. While we exited the bailout programme and got an extension on paying back our debts, we still owe more than **€150 billion**. Further austerity is expected in the Budget for 2014, though to a smaller degree than previous years. The public sector is undergoing an extensive programme of cost reductions. And the recovery of the Irish economy is very dependent on growth in our **export markets**.



Above: Irish exports will play a large part in 2014 growth.

## The Year in Sports

2013 was a quiet year compared to the Olympic year of 2012. The biggest Irish sports achievements of the year included **Robert Heffernan** winning the world championship in racewalking, the **Irish ladies' rugby** Grand Slam and Dan Martin's stage win in the Tour de France.



Above: The Irish ladies rugby team celebrate their victory  
Source: rte.ie

The **Lions** win in Australia was impressive, though it was somewhat overshadowed by Brian Driscoll being left out of the final match squad. 2013 marked a new beginning for Irish soccer with the appointment of **Martin O'Neill** and **Roy Keane** after our failed world cup qualification. **Dublin** won the Sam Maguire resulting in more heartbreak for Mayo, while **Clare** won the All-Ireland hurling final beating Cork in the replayed final.

# The Big Birthday Bash

2013 saw RED C celebrate its **10<sup>th</sup> birthday**. Founded in July 2003 by Richard Colwell and Sinead Mooney, RED C now employs 37 fulltime staff.



Above: The RED C Management Team – Carol Fanagan, David Cullen, Sinead Mooney, Richard Colwell and Michelle Lowry

To celebrate this momentous occasion, the company volunteered for a day at the local **Irish Wheelchair Association (IWA)** in Clontarf. The IWA is a charity which provides important services to people with limited mobility throughout the country. They work together to achieve greater independence and freedom for people living with a disability.

While taking a break from research and analysis, the RED C team put their hand to gardening, painting and window cleaning to help spruce up the IWA facilities.



The initiative was a success for both the IWA and RED C. As a consequence, RED C has decided to participate in the **One Per Cent Difference** initiative, with IWA as its chosen charity.



Click on the above link to check out how our day went.



Don't worry, it wasn't all hard work – we got cake too!!

## Trends to Watch 2014



Out with old and in with the new! Here are the **RED C** Top Ten Predictions for 2014

### 2. Demanding Consumers

Tighter purse strings have given rise to more demanding and savvy consumers who expect **decent quality at competitive prices**. Consumers are more likely

to voice their dissatisfaction or even **share it online** via social media, online boards or review sites such as TripAdvisor. Price continues to be a key driver of product choice and even as we get more money in our hands again, it will be unlikely that we will return to our “old” ways of accepting “rip off” prices. With word of mouth and online reviews readily available, brands need both quality credentials and a competitive price proposition. It also represents a challenge from a **customer service perspective** in terms of minimising negative word of mouth while managing costs of serving “unreasonable” customer expectations.

### 1. Two Speed Economy

While 2013 was a year of turnaround for the Irish with increased consumer confidence, not everybody felt this optimism to the same degree. The latest credit crunch tracker survey from RED C shows that 56% of **Dubliners** believe the housing market will fare better in the next 6 months while only 41% of those living in Munster, Connaught or Ulster share this view. The latest Daft.ie report on house prices

shows an annual increase of 11% for Dublin versus 0.2% for Ireland as a whole. Dubliners also feel more secure in their jobs and are, as a result, more likely to increase their **2014 consumer spend**. A two tiered economic recovery appears to be in the making.



Source: Irish Independent



Source: jasoncupp.com

### 3. Wearable Technology

While 2013 was another good year for the smartphone, we anticipate 2014 could be the breakthrough year for **wearable technology**. While several **smartwatches** were made available throughout 2013, the long anticipated **Google Glasses** are expected to be launched in early 2014. This has strong potential to change how we use technology, with information now truly at the **tip of our noses**; providing us with an **augmented reality** via which to provide nutritional information on food products in supermarkets or historical information at tourist sites. Yet, “wearables” also provide a challenge for both law makers and our social lives. This was illustrated with the first ever fine issued for the wearing of Google Glasses while driving in California during October 2013.

### 4. Locaholics

If 2013 taught the Irish anything it was a heightened awareness of our **food's origin**. As a result, we have a raised consciousness about what we put on our plates. In addition to this, **health campaigns** implemented by the government are also teaching us to keep an eye on ingredients and calorie content. Perhaps this high standard is being reflected in Irish food production, the export of which has grown significantly; leaving it now Ireland's largest **indigenous industry**. We expect 2014 will see a swelling in **Artisan** interest – getting the closest thing to **homemade** will become more and more important as a consequence of our recent food education.



Source: westmeathfood.ie

### 5. Permission to Spend

In recent years, those without money didn't spend nor did those with money. Whether as a result of circumstance, guilt or fear of ostracisation, consumers were **cautious with cash**. Thrift will remain an adopted shopping attitude this year, but consumers won't focus on their expenditure versus others'. We predict 2014 will see **circumspect spending lose the popularity** it gained during the downturn.



### 6. Conspicuous Charity: Doing Rather Than Buying

Following on from the exposure of **salary top-ups** within the charity sector in late 2013, monetary charity donations were down for the Christmas period. We expect that 2014 will see the Irish population opting for **alternative ways to contribute to charity** in what we have called 'Doing Rather Than Buying Charity'.



The One Percent Difference

The One Percent Difference initiative is likely to build momentum as people want to know that their donation is being **utilised as intended**. **Involvement** will become key to charity donations in 2014.

## 7. DIY Health

Consumers continue to focus on health this year. However the recession has encouraged healthier initiatives via **inexpensive DIY means** such as jogging and cycling at the expense of gyms with high membership fees. We also predict that 2014 will see a stronger emphasis on children's health following media reports on **child obesity**. Health management via your smartphone is expected to increase in 2014 with the launch of **health apps** to measure anything from how we sleep at night, breathing patterns, heart rate while exercising to calorie intake. Sony recently launched the Sony SmartBand, a wearable band which measures your health and exercise through "life-tracking" sensors. Similarly, at the recent CES tech conference in

Las Vegas, LG launched "**Lifeban**" – an armband which measures your physical condition. 2014 will see us continue in this vein.



Source: doblelol.com

## 8. Privately Social

The traditional social media landscape, consisting mainly of Facebook, came under challenge in 2013 with consumers demanding **more control over their online profile and shared information**. A constant stream of news stories relating to data breaches and privacy concerns have contributed to a stronger demand for privacy and security. It is now common that Facebook users

"clean up" their friends' portfolio while enforcing the strictest privacy setting possible. While we do not predict the usage of social media to decrease any time soon, we envisage increased usage of social media that provides a higher degree of privacy via all social media channels including **WhatsApp, Snapchat, Nextdoor, Everyme and Photocircle**.

## 9. Live Revive

In recent years, **TV on demand** has become more and more popular. We now decide what we want to watch and when we want to watch it; TV schedules no longer dictate our TV viewing. As a consequence, TV viewership has slowly become more focussed on the **individual** rather than the collective; diluting the social aspect once associated so strongly with it. The increased use of **social media** is seeing a return to old viewership methods. Watching live television no longer links you with just those in your living room, it links you with the entire television audience. TV3 recognised this and in 2013 launched their **Showpal app** which functions as a live TV **viewing companion**. We see engagement with live TV increasing as this dialogue expands and increases in importance.



## 10. Personal Prioritisation



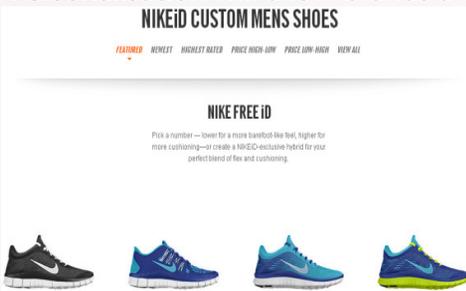
Source: worldpress.com

Personalisation is becoming increasingly important and we anticipate this trend will be further bolstered in 2014.

Consumers expect products from various sectors to be tailored to their needs and requirements – a one fits all product won't cut it any longer.

This demonstrates further emphasis being placed on the individual, with the market no longer being defined as 'mass'. From personalisation of runners to tailor-made health plans; meeting specific needs is a must in 2014 as we see the importance of uniqueness intensifying.

Personalisation will allow brands a closer relationship with



their customers, as products become a representation of both identities, which will inevitably strengthen brand loyalty.

## 2013 Births and Deaths



### Prince George of Cambridge

Born July 22<sup>nd</sup> 2013

"It's fantastic to have another addition to the family. I only hope my brother knows how expensive my babysitting charges are." Prince Harry



### Nelson Mandela

1918-2013

"I could not imagine that the future I was walking toward could compare in any way to the past that I was leaving behind." *Long Walk to Freedom*



### Seamus Heaney

1939-2013

"Behaviour that's admired is the path to power among people everywhere." *Beowulf: A New Translation*



### Margaret Thatcher

1925-2013

"Where there is discord, may we bring harmony. Where there is error, may we bring truth. Where there is doubt, may we bring faith. And where there is despair, may we bring hope." Margaret Thatcher