



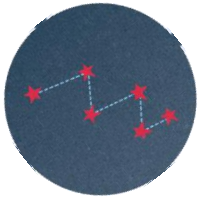
# Consumer Mood Monitor

*Brexit Driving Down Consumer Confidence & Spend*

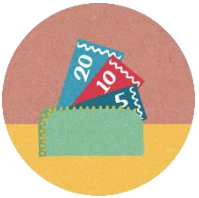


January 2017

# Brexit driving down Consumer Confidence & Spend



Consumer Outlook for the Irish economy sees a significant decline, following the recent “hard Brexit” announcement by the UK Government – less than 2 in 5 now believe the economy will fare better in the next 6 months.



There is also less certainty in terms of future disposable income and employment opportunities, and as a result consumers feel a slight worsening of their personal finances.



Spend intention for the next 6 months sees a decrease for all product categories, except holidays. Especially spend for entertainment/socialising is affected.



Consumer spend in the Republic of Ireland is also affected by the weaker British Pound with many consumers shopping more online directly from the UK or across the Border to Northern Ireland.



The economic recovery is largely seen to have no positive impact on the housing market or the social housing problems in Ireland.

## Consumer Mood - Headline Facts

Fewer believe the Irish economy will improve in the next 6 months – from 52% in June to just **39%** now

**77%** are worried that Brexit will have a negative impact on Ireland's economy – up from 72% in October.

Fewer people expect their disposable income to increase in the next 6 months – down from 27% in Oct to **20%** now.

**71%** believe the economic recovery is underway – unchanged from October but down from 76% in June

**21%** are now suggesting they are struggling financially – up from 19% in October.

Intention to spend among the public has decreased across all product categories, except holidays.

Only **15%** expect to increase spend on entertainment and Consumer goods in the next 6 months – down 5% since Oct.

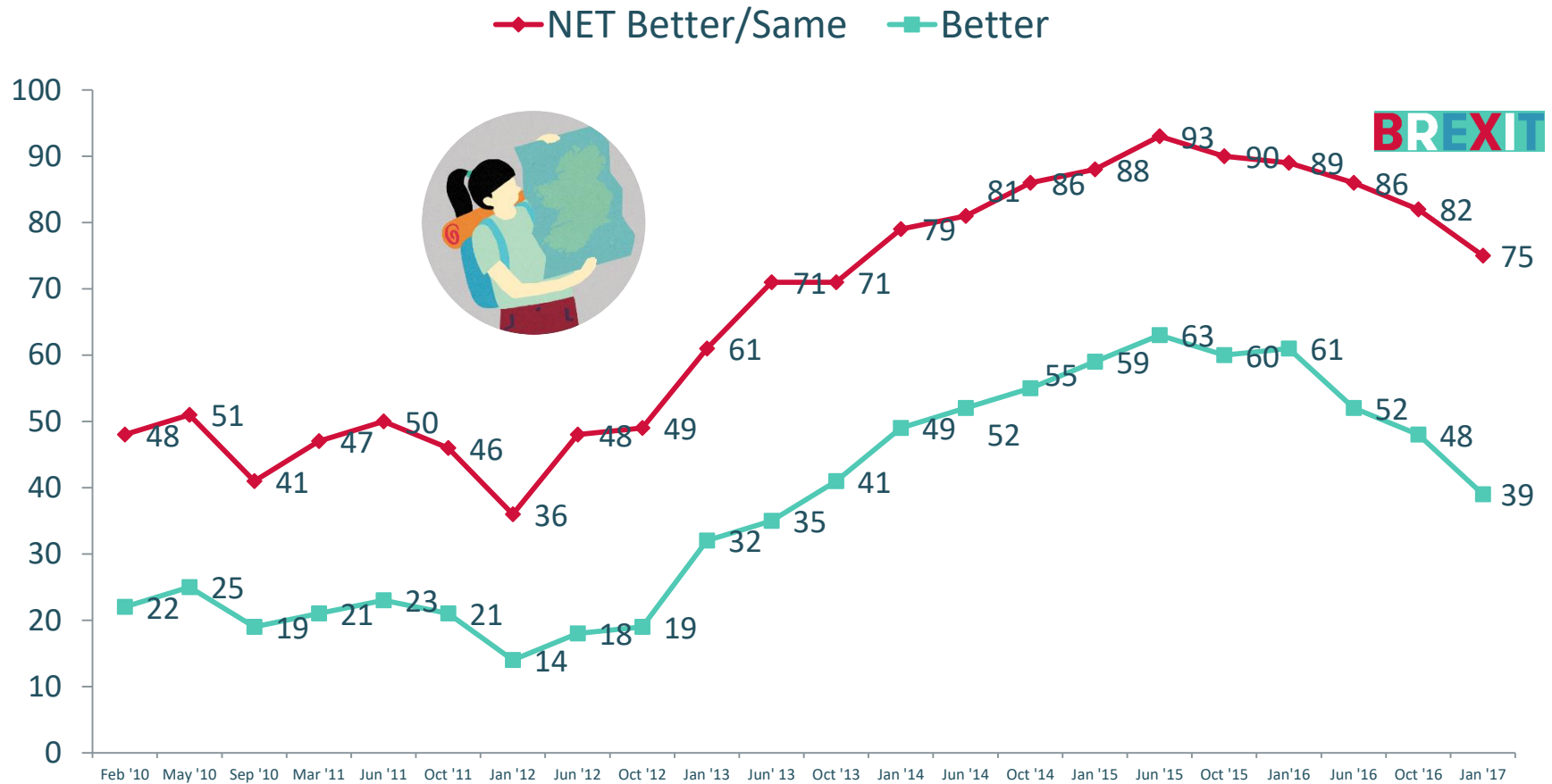
**29%** claim to have purchased more goods online directly from the UK since the Brexit

**61%** would like to see a United Ireland as a result of Brexit – down from 67% in October.



**Consumer Outlook for the economy is down significantly following the announcement of a potential “hard Brexit”.**

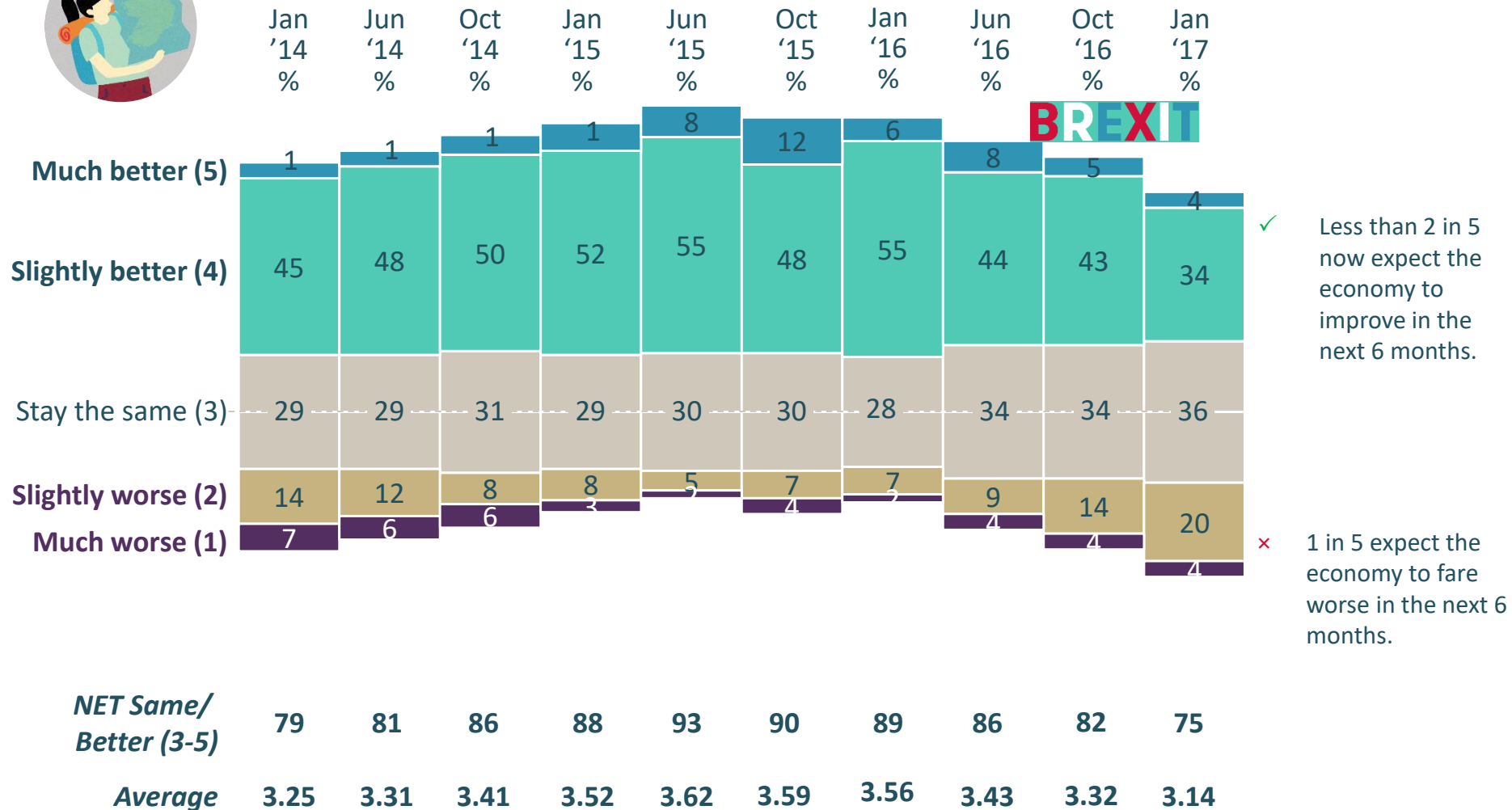
# How do you expect the Irish economy to fare in the next 6 months?



Consumer outlook for the Irish economy sees further declines following the announcement of a potential “hard Brexit” from the UK Government.

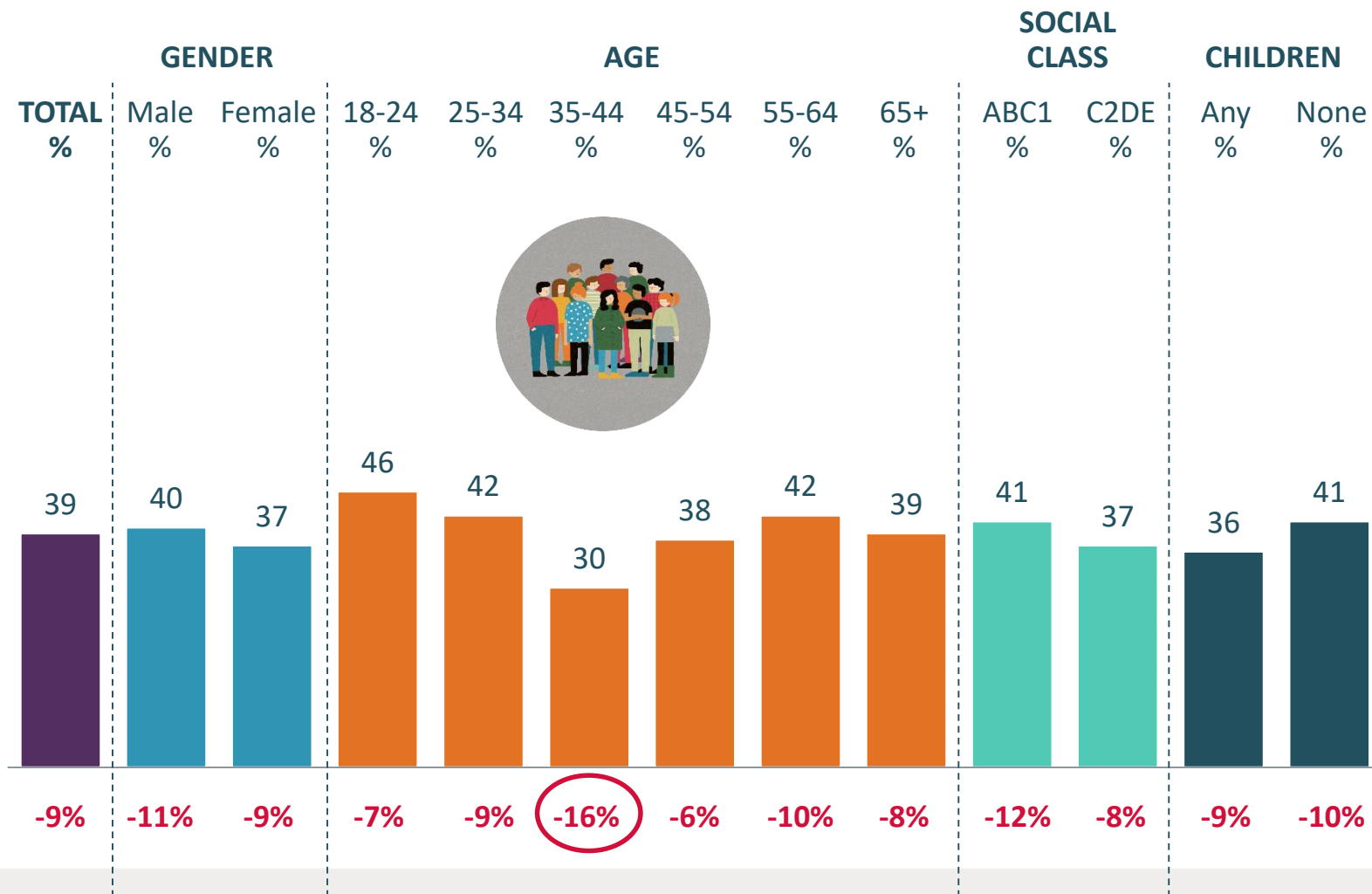
**REDC**

# How do you expect the Irish economy to fare in the next 6 months?



# Expectations for the Irish economy 6 months from now

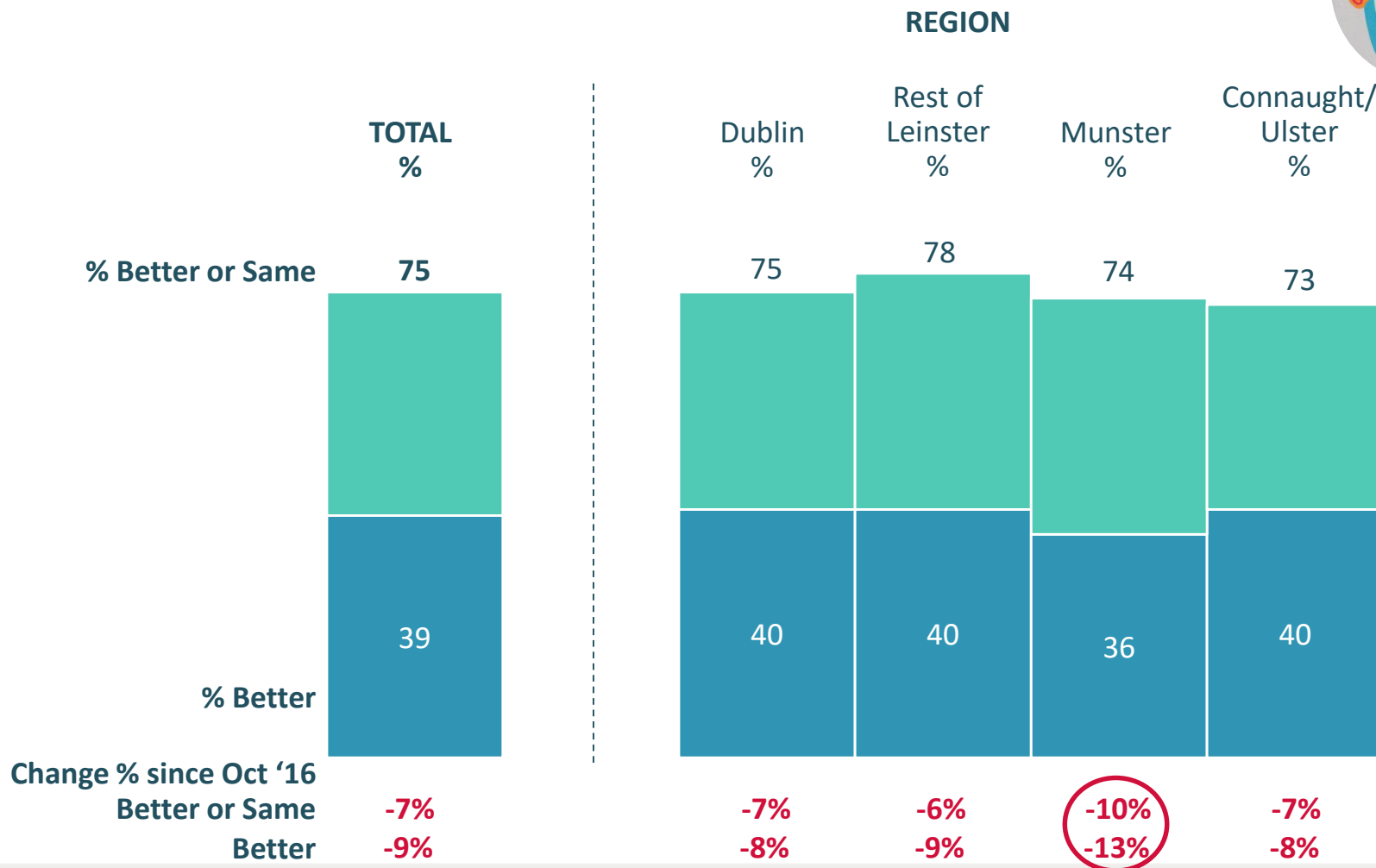
% Stating they believe it will be better



The 18-24 year olds are more optimistic about the Irish economy than the rest of the population. All groups see a decline in consumer mood since October 2016 – in particular the squeezed middle age groups.

REDC

# Expectations for the Irish economy across the country...



All regions see a significant decline in consumer mood. People living in Munster are less optimistic compared to the rest of the country.

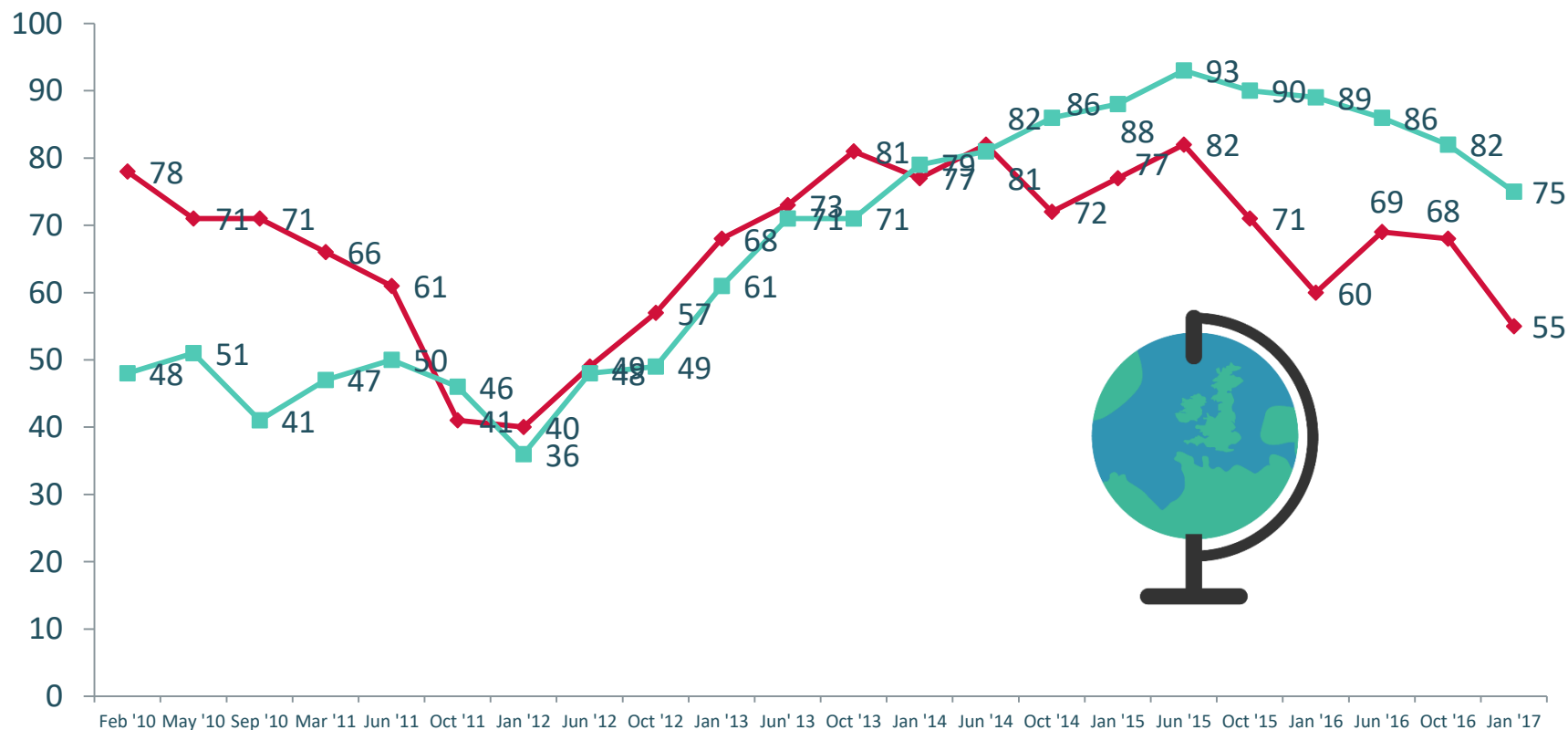
**REDC**



# Expectations for the World Economy

% NET Better/Same  
(next 6 months)

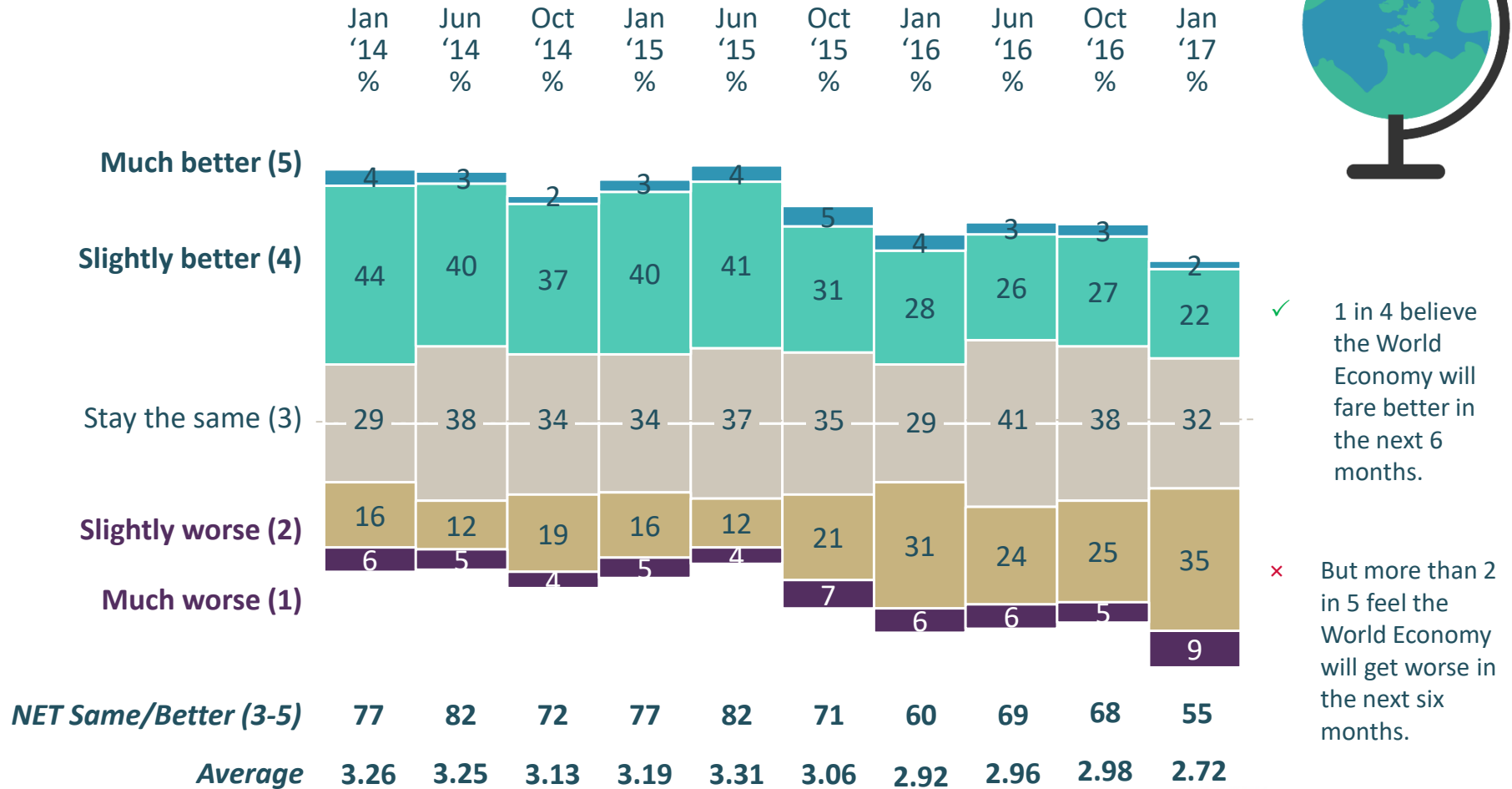
—●— World Economy —■— Irish Economy



Expectations for the World Economy see a significant decline from October 2016 to January 2017 – impacting on outlook for the Irish economy.

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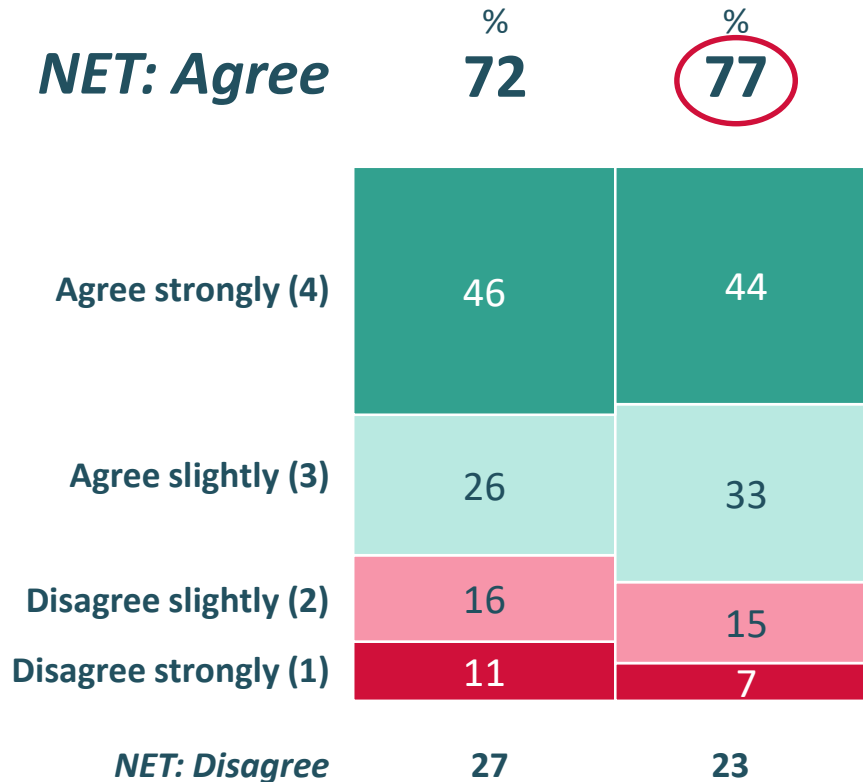
# How do you expect the World economy to fare in the next 6 months?



# Impact of Brexit on Ireland's Economy

*"I am worried that Brexit will have a negative impact on Ireland's economy"*

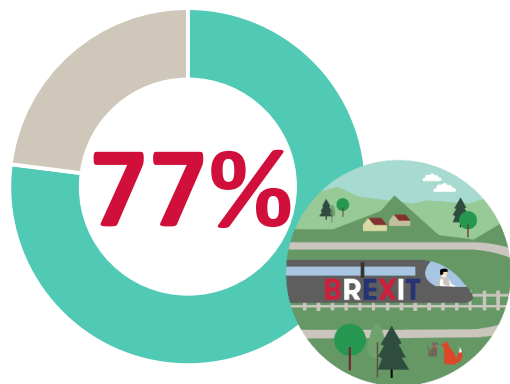
Oct 2016 Jan 2017



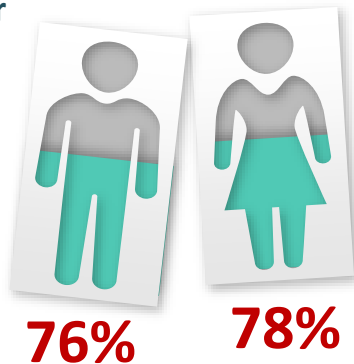
More than 3 in 4 are now worried that Brexit will have a negative impact on Ireland's economy – this is up +5% since October 2016.

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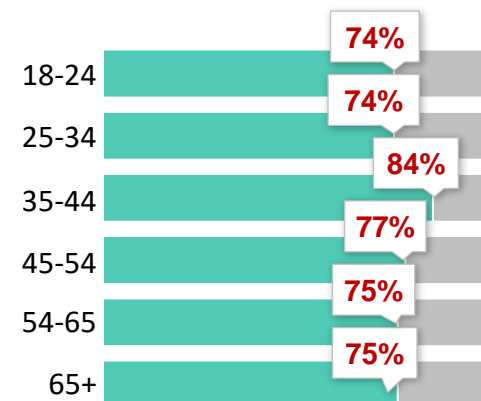
# Who are worried that Brexit will have a negative impact on Ireland's Economy



## Gender



## Age



## Social Class

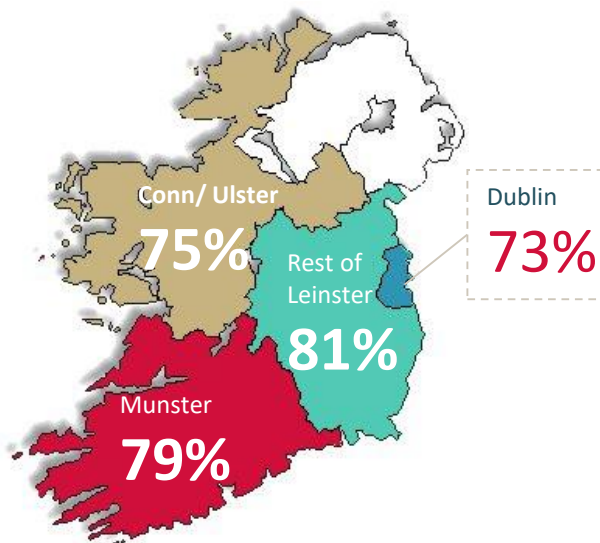
ABC1: **78%**



C2DE: **75%**

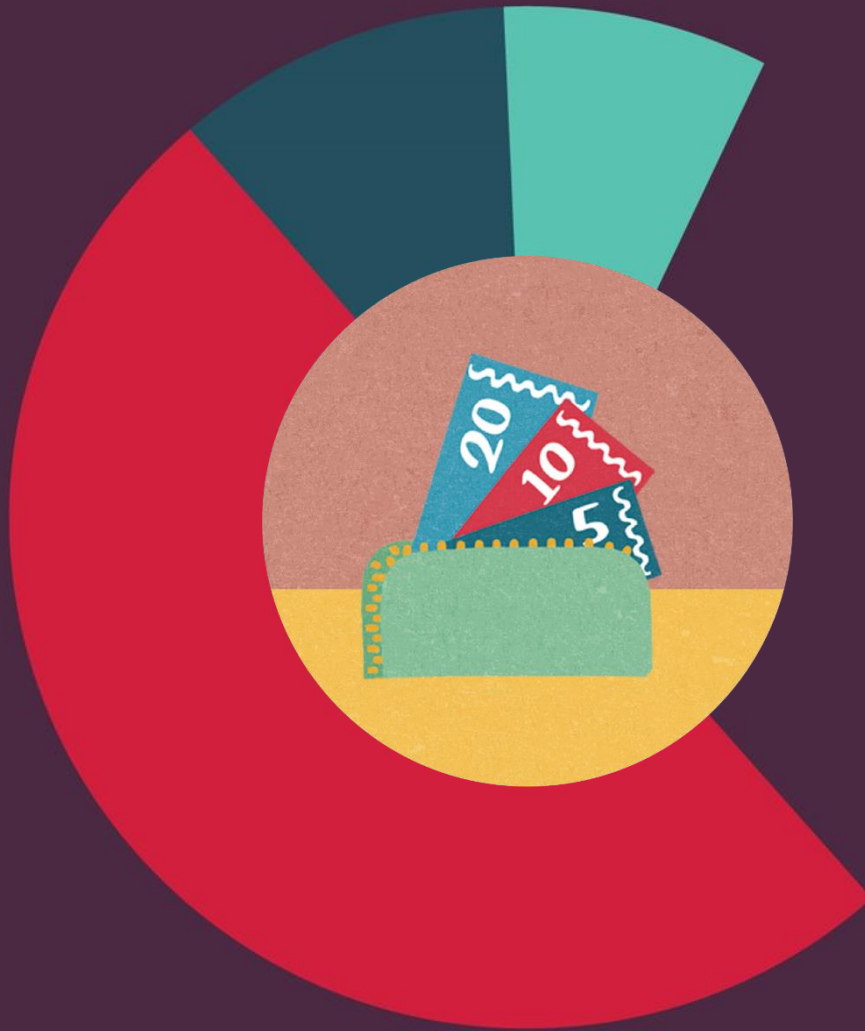


## Region



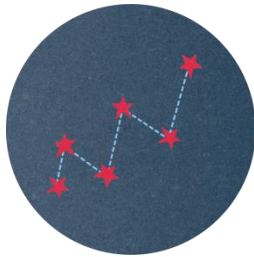
Across the population, there is significant concerns about the impact of Brexit on Ireland's economy.

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**Less people are feeling  
they are comfortable  
financially due to  
concerns over future  
income, employment  
& price levels.**

# Do you believe that an Economic Recovery in Ireland is...?



## Underway

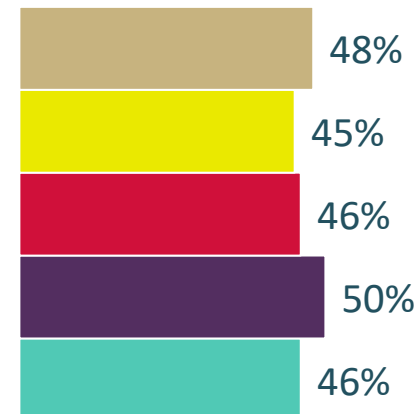


68% conversion

Almost 1 in 3 of those who believe in the recovery claim that this recovery has not benefitted them personally



## Benefitting You Personally

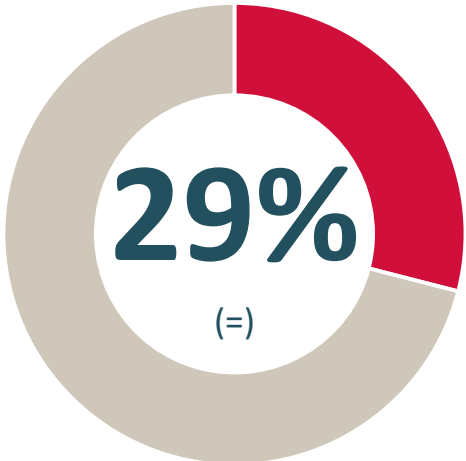


7 in 10 believe that an economic recovery is underway, with approximately half feeling a positive, personal impact of the recovery.

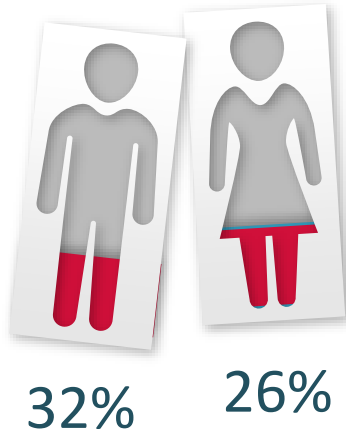
**REDC**

# The 18-34 year olds are more likely to believe the economic recovery is underway...

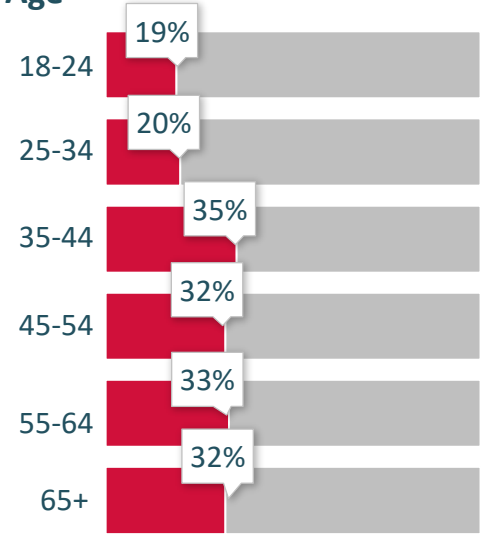
Total – 3 in 10 do not believe the economic recovery is underway



## Gender



## Age



## Social Class

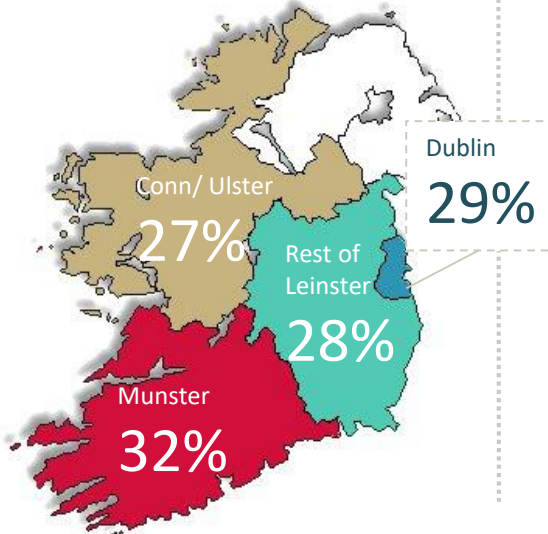
Higher Social Grades: 23%



Lower Social Grades: 33%



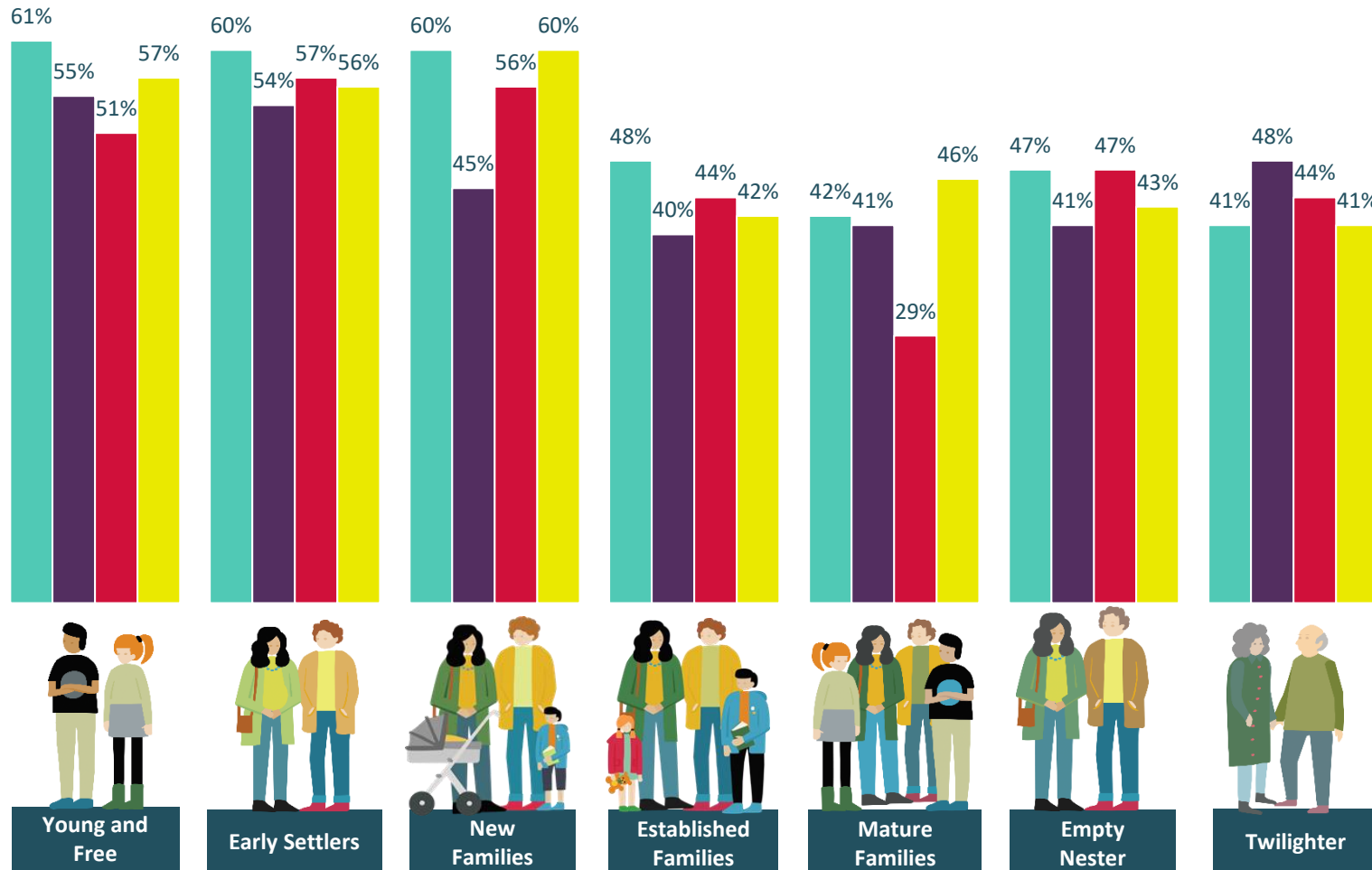
## Region



# Personal benefits of recovery by life stage

% Stating Yes

Jan 2016 June 2016 Oct 2016 Jan 2017



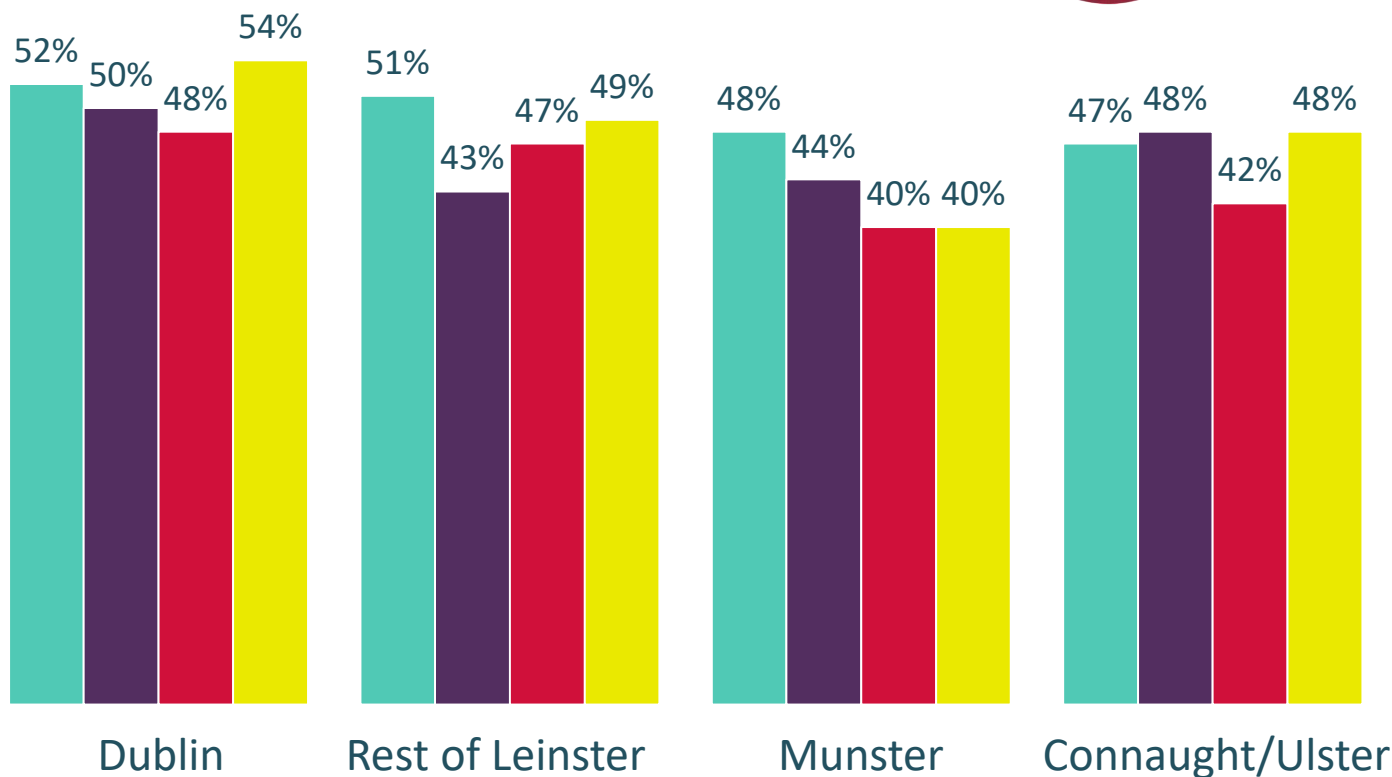
The younger life stages are more likely to feel personal benefits of the economic recovery.

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# Personal benefits of recovery by region

% Stating Yes

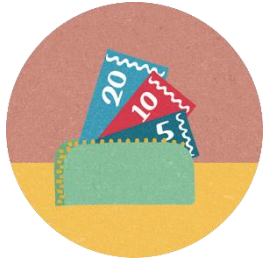


Dubliners are more likely to feel the personal benefits of the recovery compared to the rest of the country.

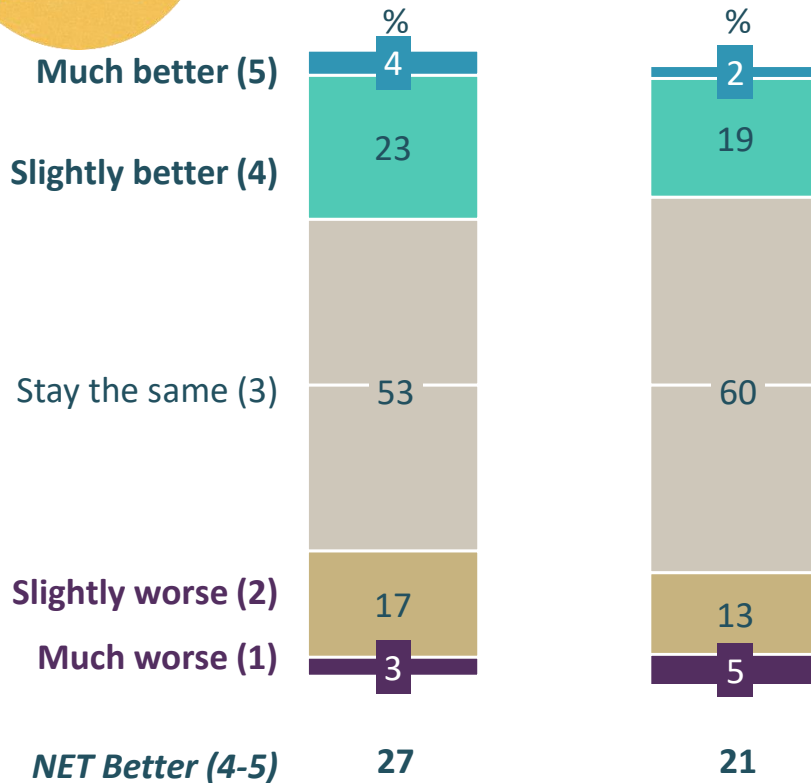
**REDC**

# Expectations for the next 6 months for...

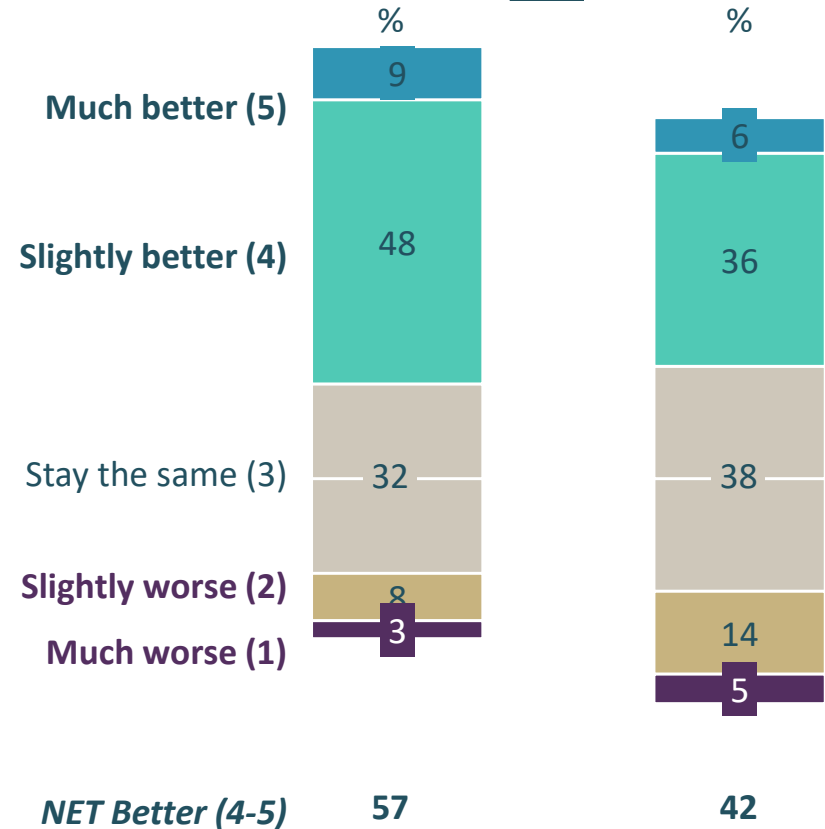
Oct 2016 Jan 2017



## Your Disposable Income



## Employment; the ability to get & move jobs

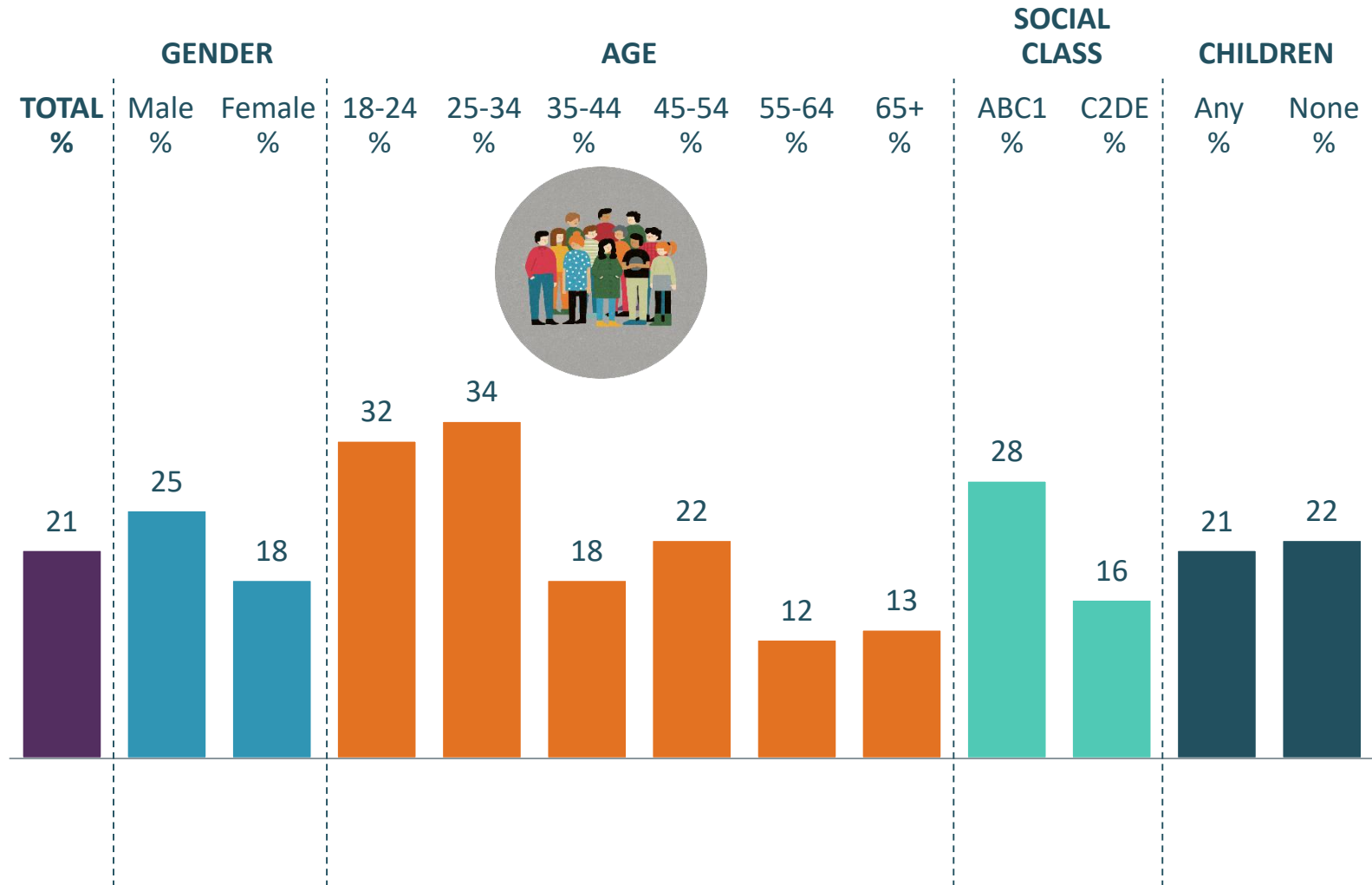


The decline in consumer confidence has impacted negatively on expectations for disposable income and employment opportunities.

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# Expectations for disposable income in the next 6 months?

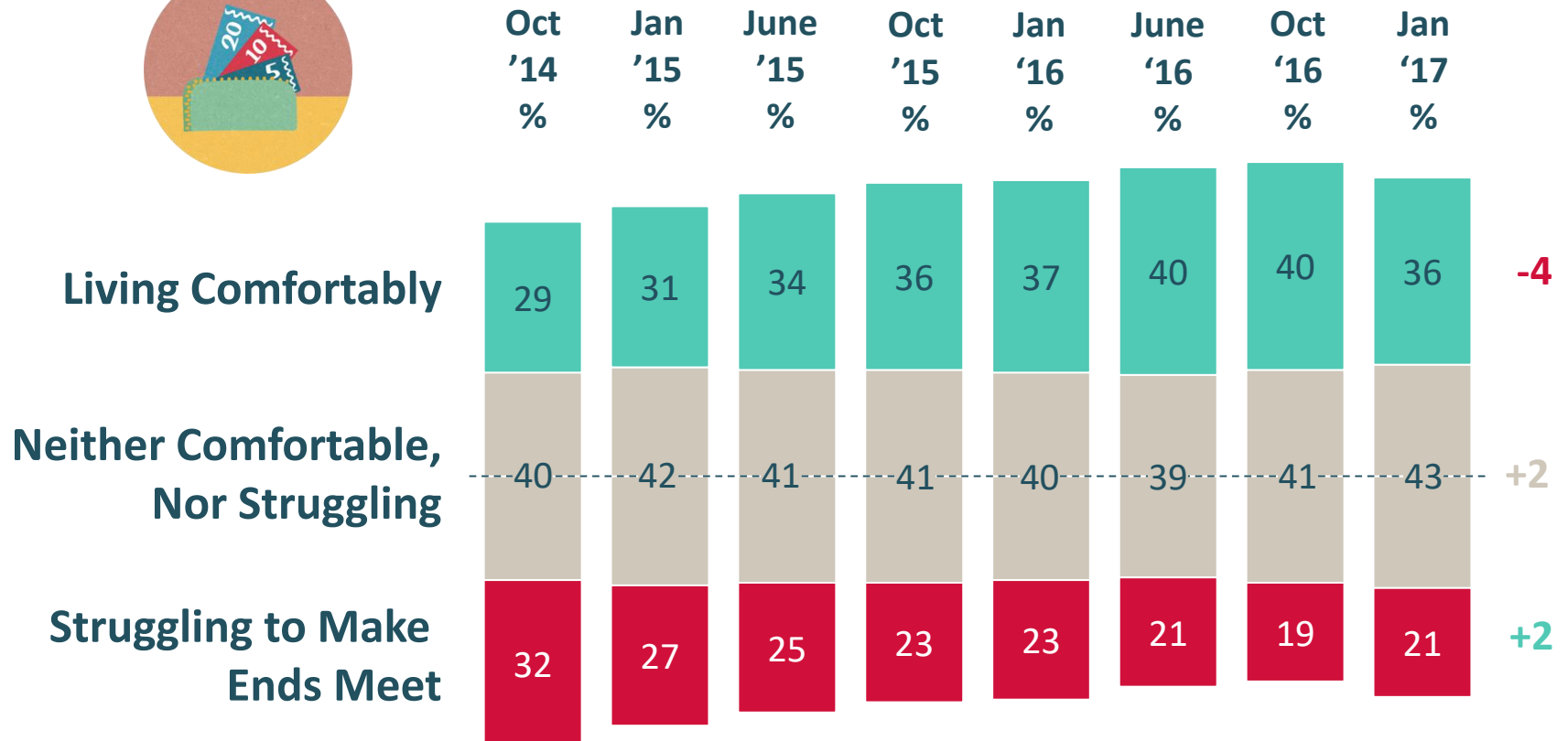
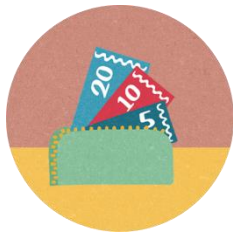
% Stating they believe it will be better



The 18-34 year olds and higher social classes remain more positive about their disposable income than the rest of the population.

**REDC**

# Personal Finances

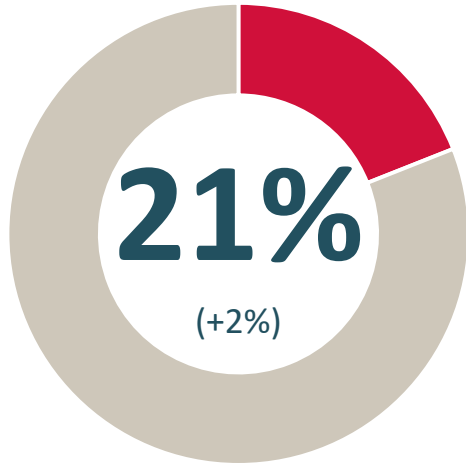


After a positive trend in personal finances over the past few waves, we see a notable decline in the proportion who claim that they are living comfortably in January 2017.

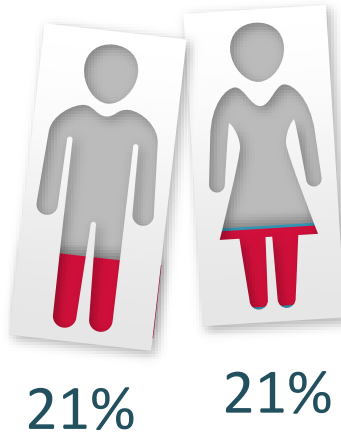
**REDC**

# Who is Struggling to Make Ends Meet?

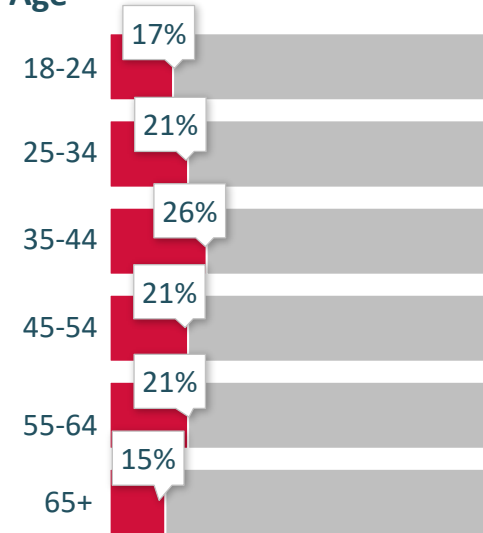
Total – 1 in 5 struggle to make ends meet



## Gender



## Age



## Social Class

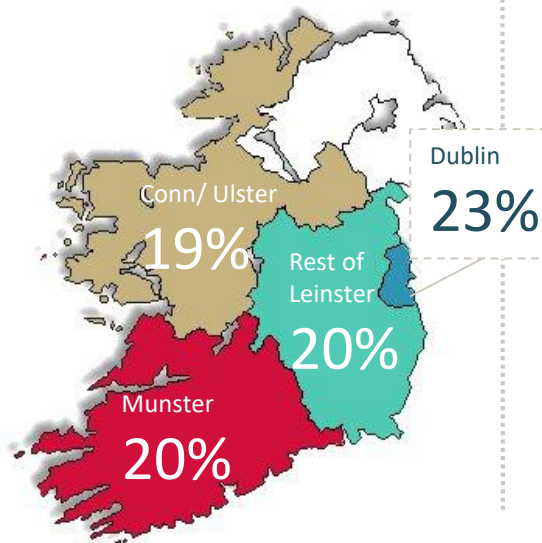
Higher Social Grades: 12%



Lower Social Grades: 29%



## Region

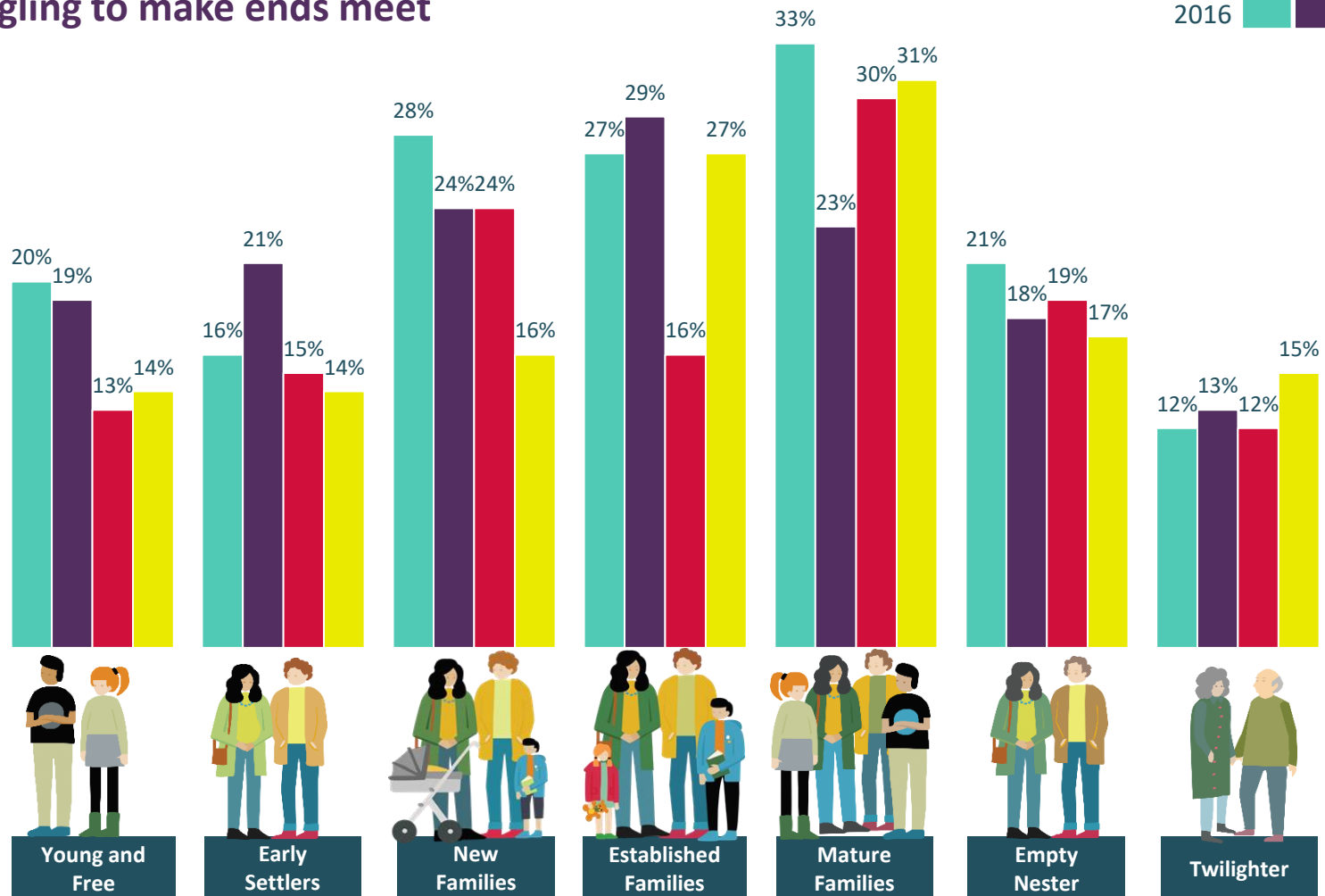


The 35-44 year olds and lower social classes are more likely to be struggling to make ends meet.

# Who is struggling to make ends meet?

% Struggling to make ends meet

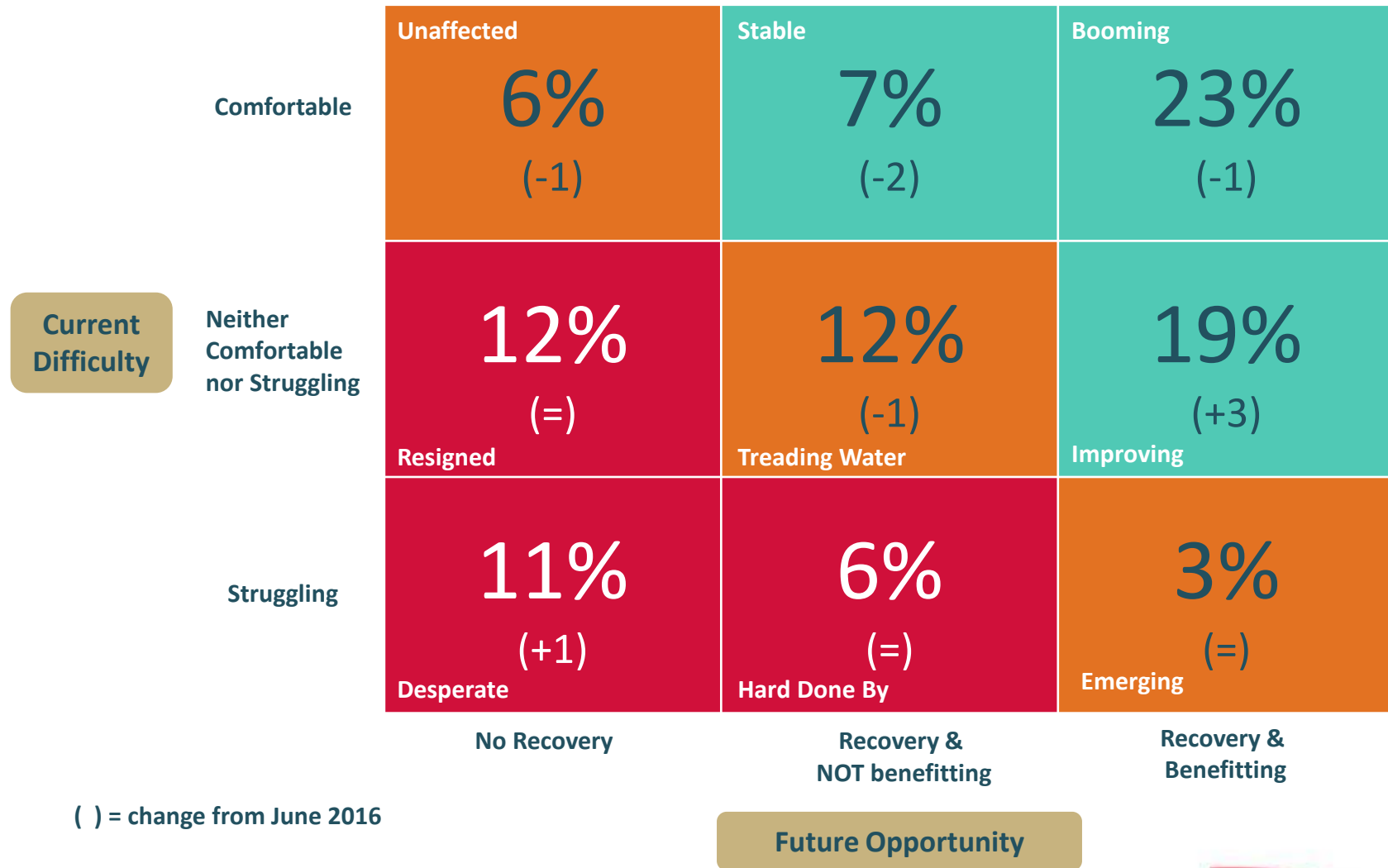
Jan 2016 June 2016 Oct 2016 Jan 2017



Established and Mature Families are more likely to be struggling to make ends meet.

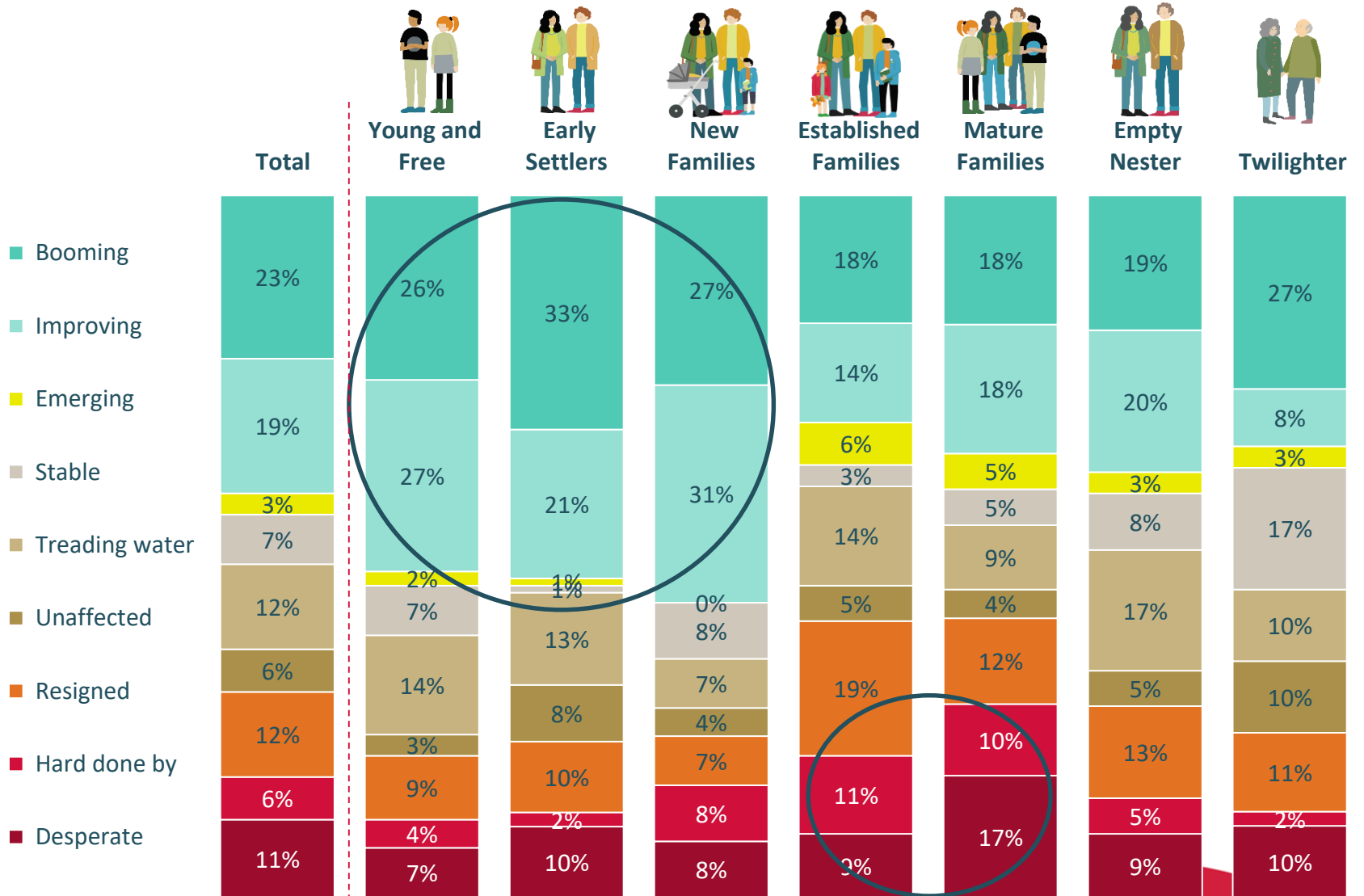
REDC

# Relationship between Economic Situation and Impact of Recovery



While more consumers are feeling personal benefits from the recovery, it is evident that less are feeling they are living comfortable. This is impacted by both disposable income/employment opportunities but also prices.

# The younger life stages are more likely to be booming/improving.







**The majority feel that the economic recovery has had little impact on ability to buy/rent home and Ireland's social housing problems.**

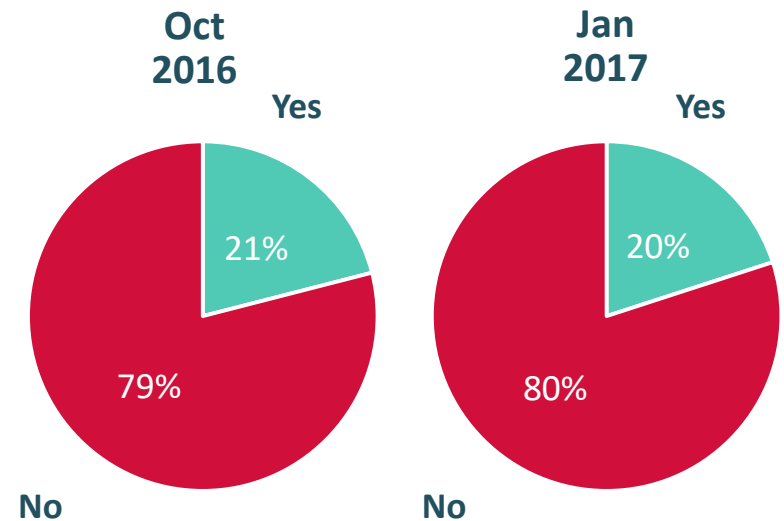
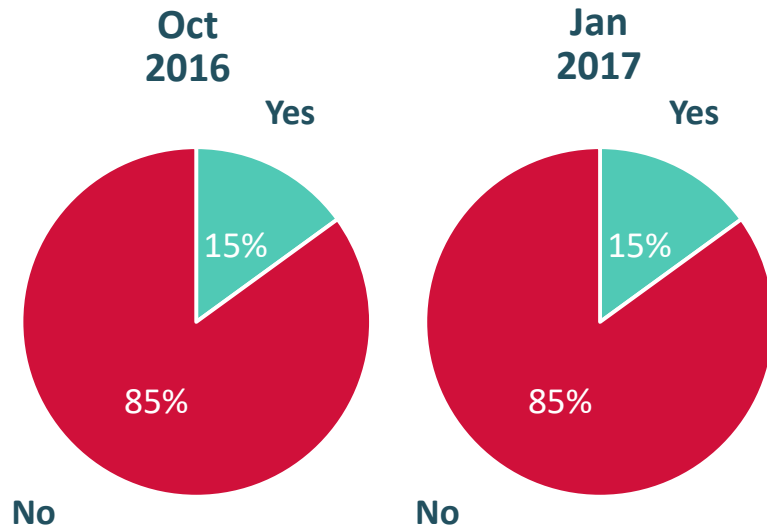
# Do you believe that an Economic Recovery in Ireland is...?



Oct 2016 Jan 2017

## Making it easier for people to buy or rent their own home

## Helping to resolve the social housing problems in Ireland



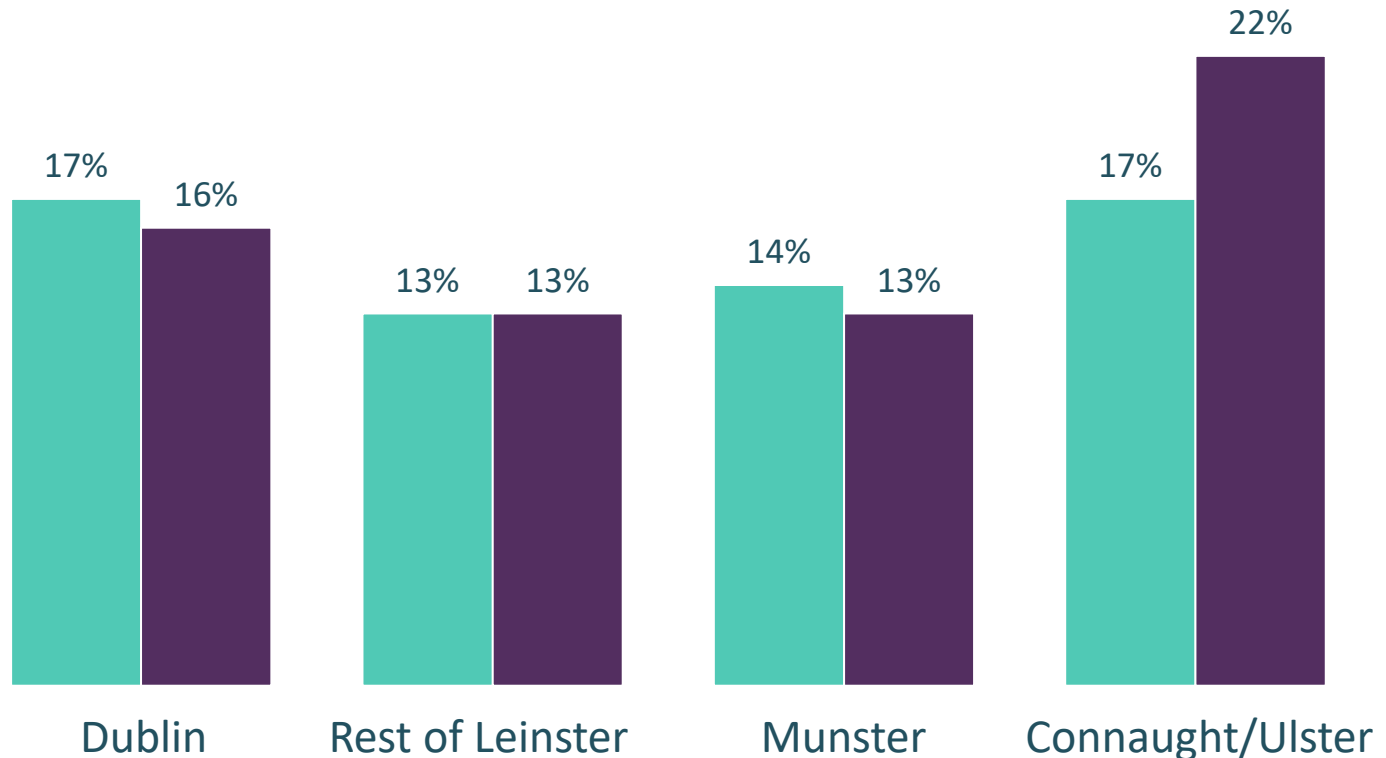
Only 1 in 7 feel that the recovery has made it easier to buy or rent your own home. 1 in 5 feel that the recovery has helped resolve social housing problems in Ireland. This is similar to levels seen in October.

**REDC**

# Recovery Impact on Buying/Renting Your Own Home

Oct 2016 Jan 2017

% Stating Economic Recovery has had a Positive Impact

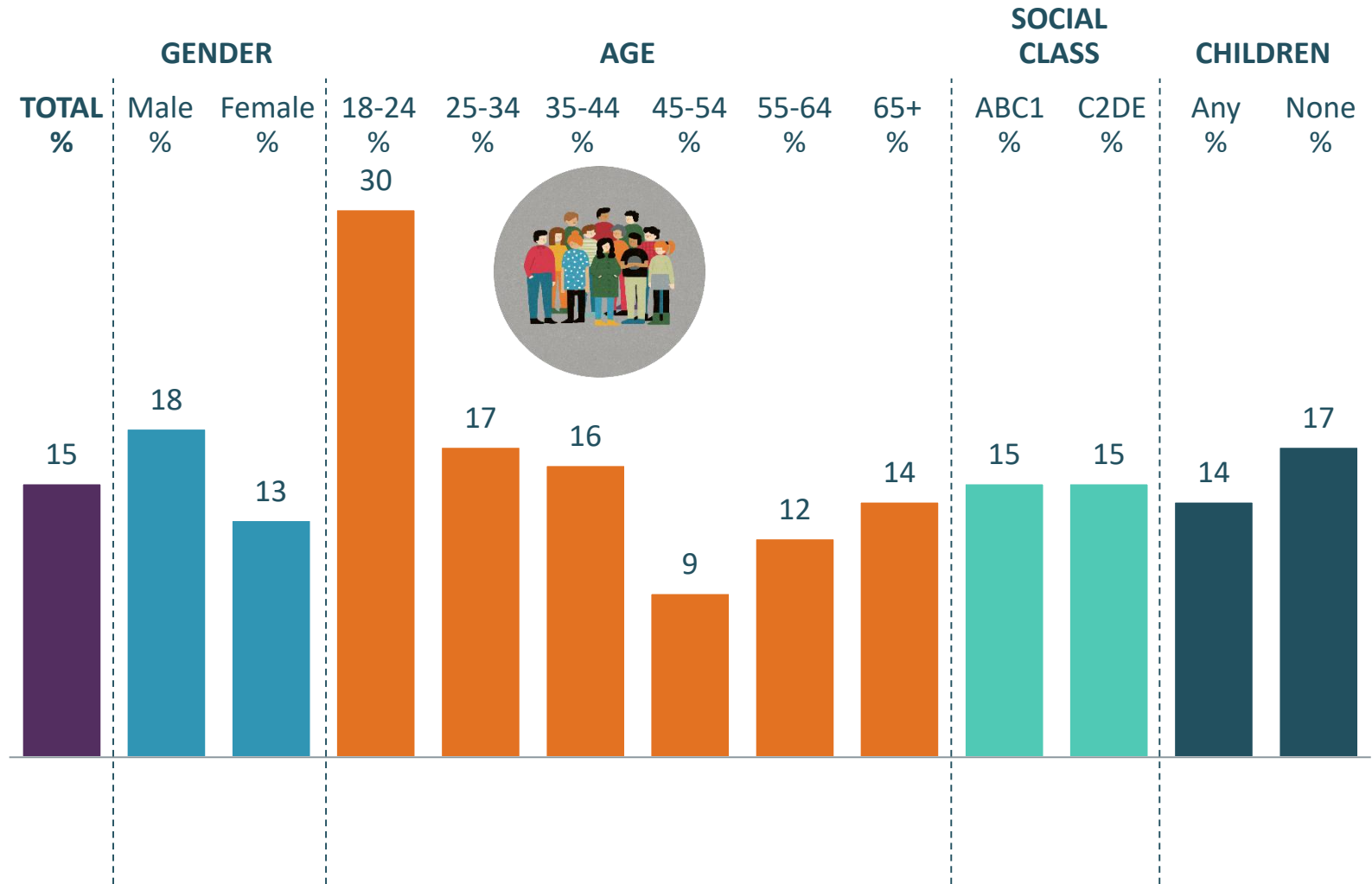


Compared to October 2016, we see an increase in the proportion of people in Connaught/Ulster who feel that the recovery has had a positive impact on buying/renting.

**REDC**

# Recovery Impact on Buying/Renting Your Own Home

% Stating Economic Recovery has had a Positive Impact



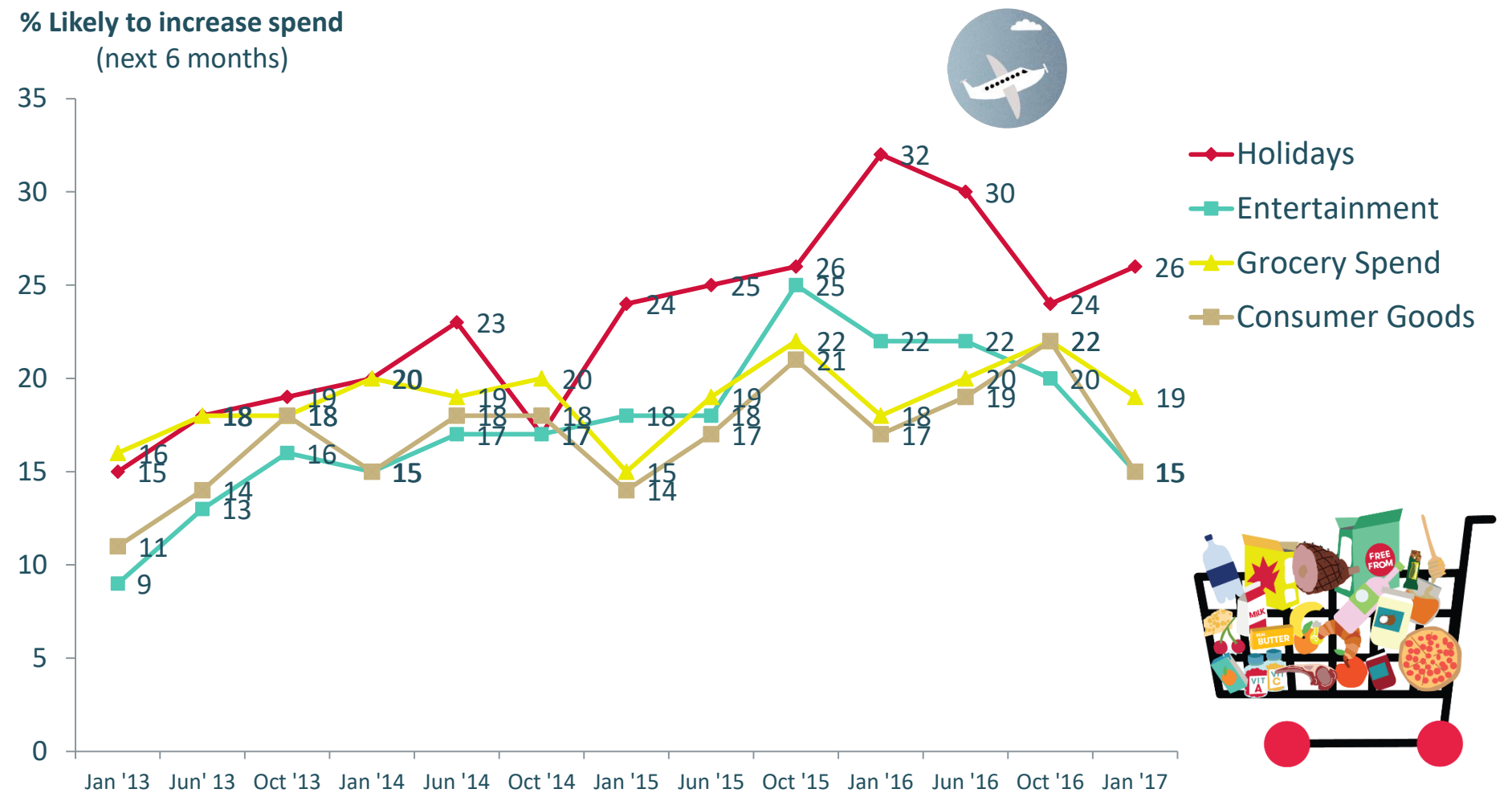
The 18-24 year olds are more likely to state that the recovery has had a positive impact on buying/renting your own home.

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**Future consumer spending is likely to be impacted by Brexit uncertainties. The weaker Pound also impacts ROI spend.**

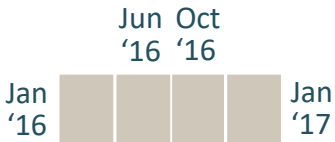
# Expected Increase in Spend In The Next 6 Months



Spend intention sees a decrease for all product categories, except holidays. Entertainment spend, e.g. going out, particularly sees a longer term downward trend compared to a year ago.



# Expected Changes In Spend Over The Next 6 Months



Entertainment such as going out, eating, drinking or socialising



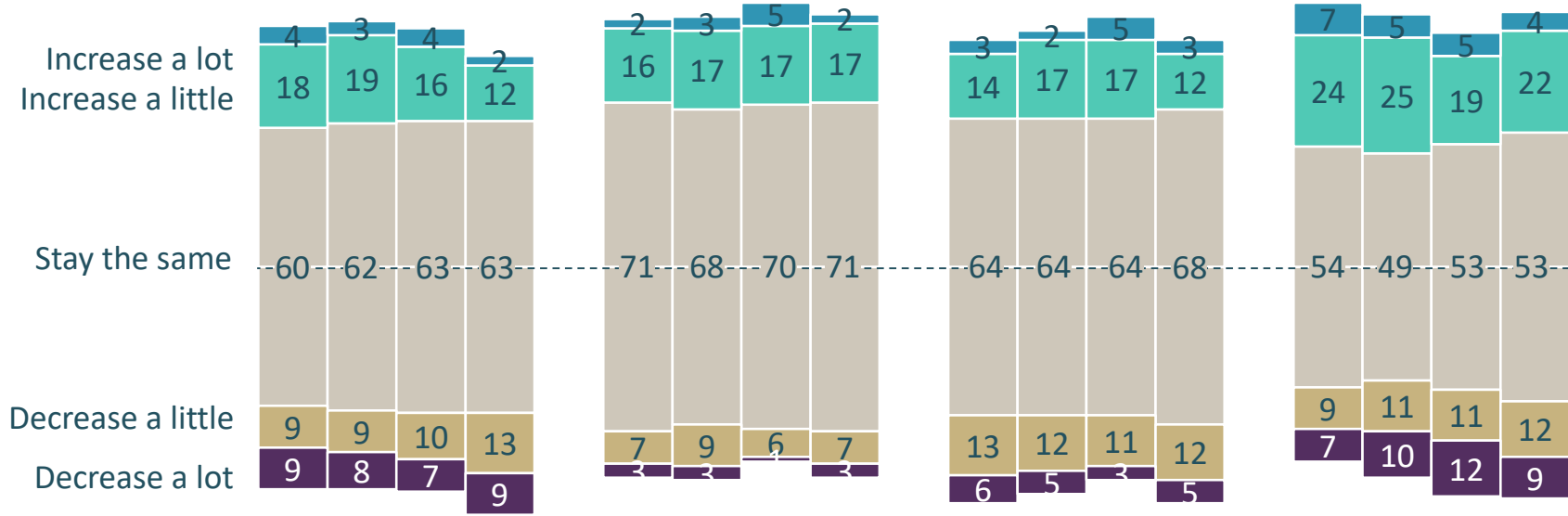
Grocery spend



Consumer goods and services – e.g. hairdresser, clothes, mobile phone, gaming etc.



Holidays and short breaks



Spend intention is largely in line with January last year, except for entertainment where we see a notable decline.



## The younger age groups and those based in Dublin are more likely to increase spend in the next 6 months...



| % Likely to increase spend in next 6 months | Entertainment | Grocery Spend | Consumer Goods/ Services | Holidays/ Shorter Breaks |
|---|---------------|---------------|--------------------------|--------------------------|
| <b>Total</b>                                | <b>15</b>     | <b>19</b>     | <b>15</b>                | <b>26</b>                |
| <b>Gender</b>                               |               |               |                          |                          |
| Male  | 16            | 19            | 14                       | 26                       |
| Female                                      | 14            | 19            | 16                       | 26                       |
| <b>Age</b>                                  |               |               |                          |                          |
| 18-24                                       | <b>30</b>     | 22            | <b>23</b>                | <b>42</b>                |
| 25-34                                       | 17            | 19            | <b>20</b>                | <b>36</b>                |
| 35-44                                       | 14            | <b>26</b>     | 12                       | 24                       |
| 45-54                                       | 14            | 15            | 12                       | 23                       |
| 55-64                                       | 12            | 17            | 15                       | 20                       |
| 65+   | 9             | 16            | 11                       | 15                       |
| <b>Social Class</b>                         |               |               |                          |                          |
| ABC1  | 19            | 19            | 16                       | <b>36</b>                |
| C2DE  | 13            | 20            | 15                       | 20                       |
| <b>Region</b>                               |               |               |                          |                          |
| Dublin                                      | 18            | 23            | <b>21</b>                | <b>32</b>                |
| Rest of Leinster                            | 14            | 21            | 11                       | 23                       |
| Munster                                     | 13            | 16            | 12                       | 21                       |
| Connaught/Ulster                            | 14            | 15            | 15                       | 25                       |



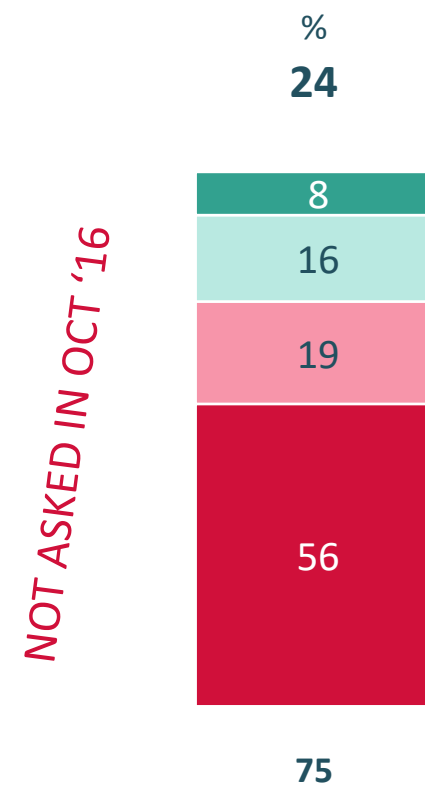
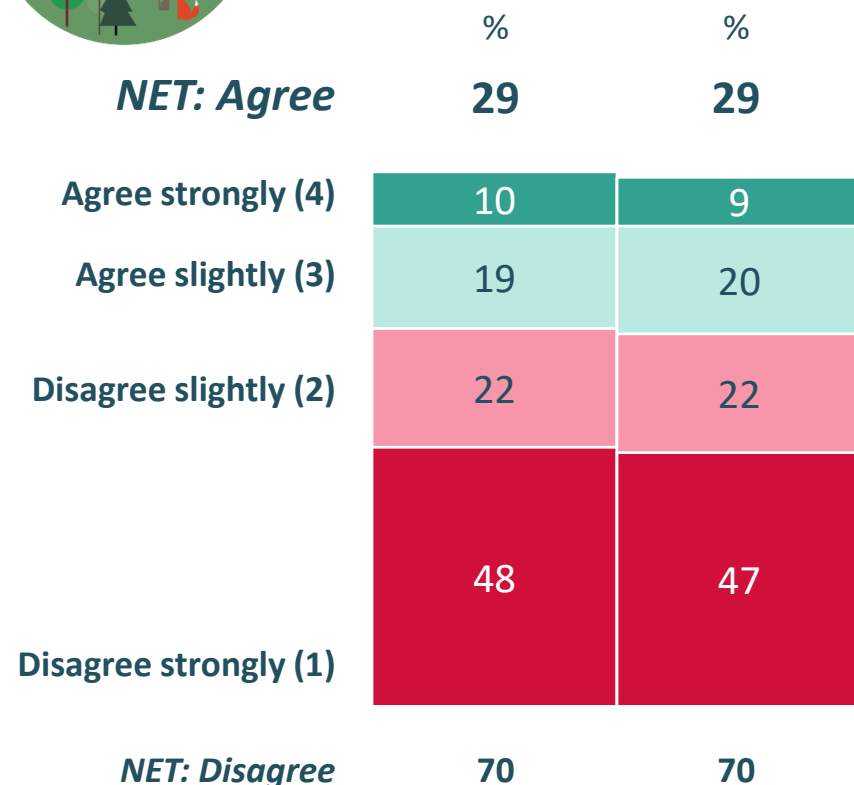
# Brexit Impact on ROI Spend

Oct 2016 Jan 2017



*"I have been purchasing more goods online directly from the UK since Brexit"*

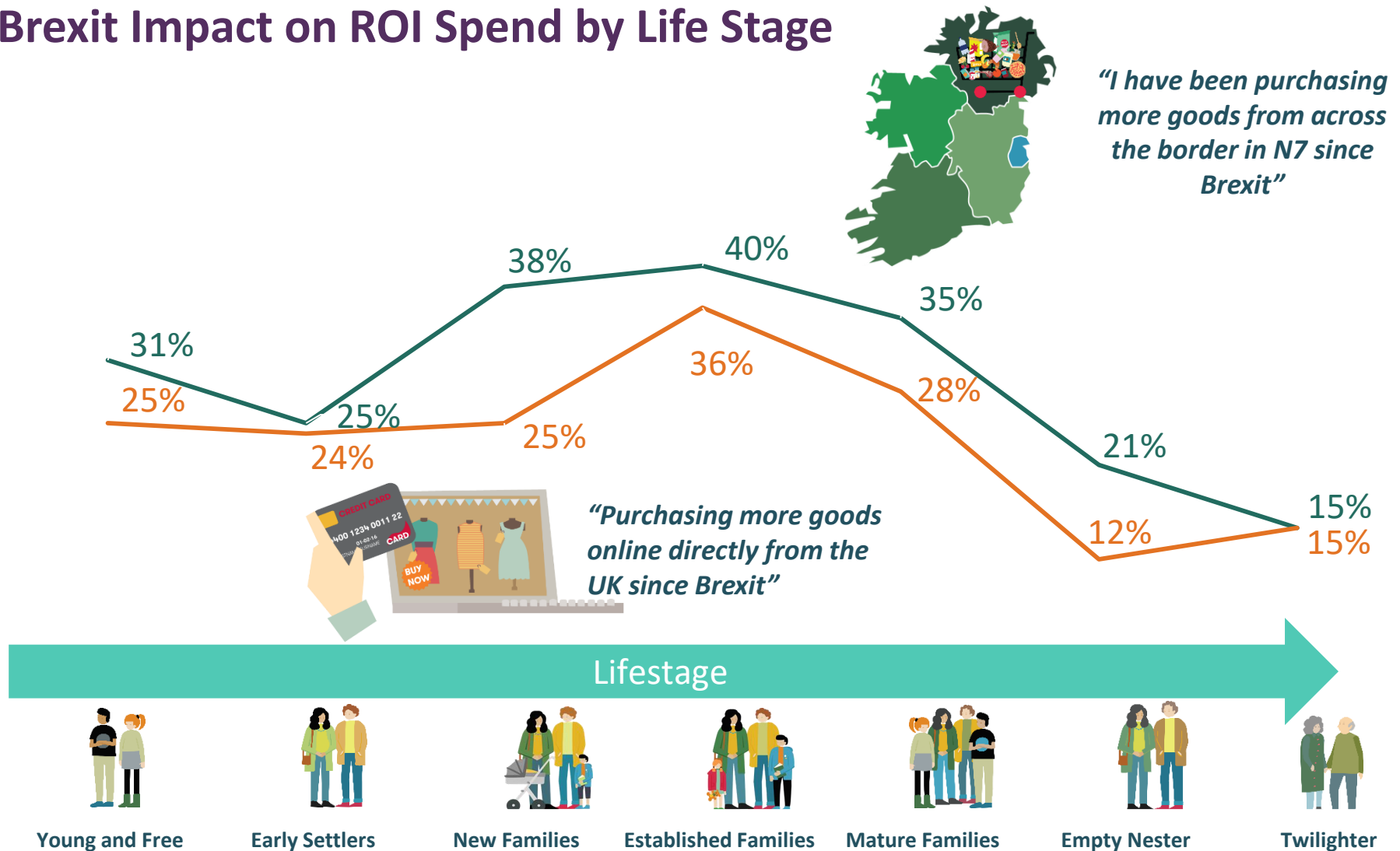
*"I have been purchasing more goods from across the border in Northern Ireland since Brexit"*



The weaker Pound continues to have a significant impact on ROI consumer spend with almost 1 in 3 buying more online from the UK post-Brexit and 1 in 4 buying more across the border to Northern Ireland.

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# Brexit Impact on ROI Spend by Life Stage



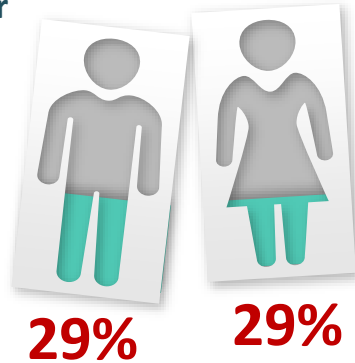
The family life stages are more likely to have taken advantage of the weaker Point since the Brexit vote.

**REDC**

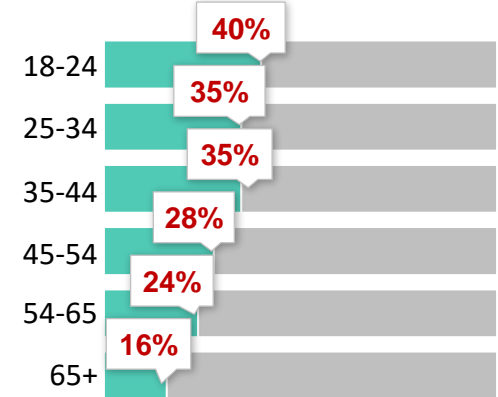
# Who has been purchasing more goods online directly from the UK since Brexit?



## Gender



## Age



## Social Class

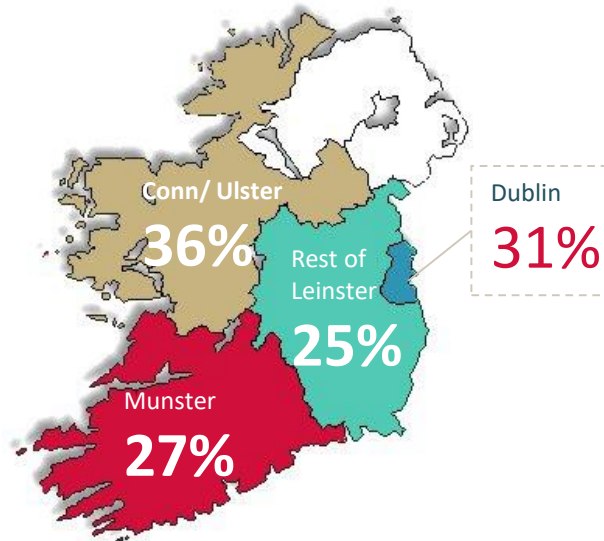
ABC1: **33%**



C2DE: **27%**

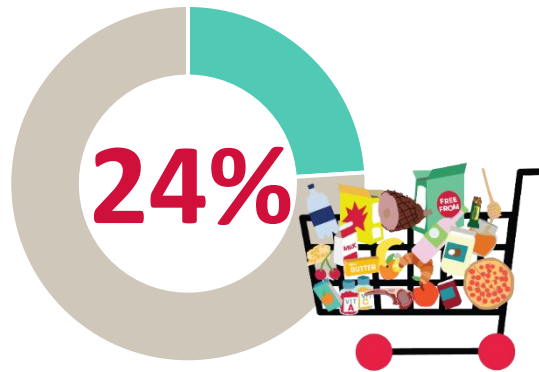


## Region

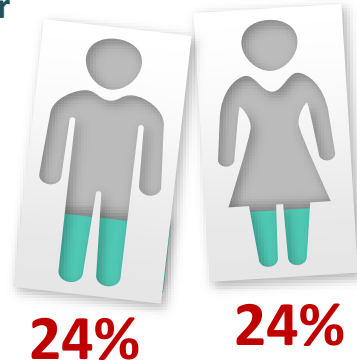


The younger age groups are more likely to have purchased more goods online directly from the UK as a result of the Brexit.

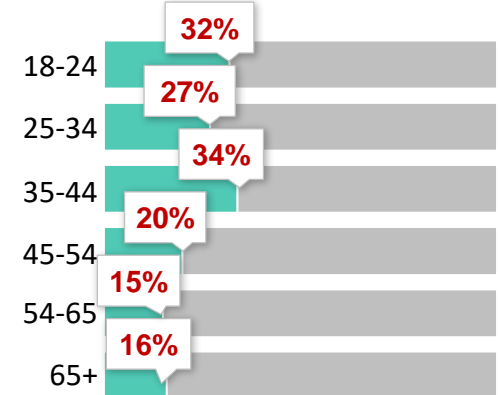
# Who has been purchasing more goods across the Border in Northern Ireland since Brexit?



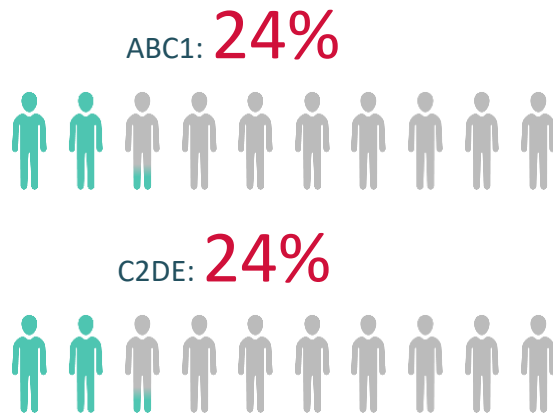
## Gender



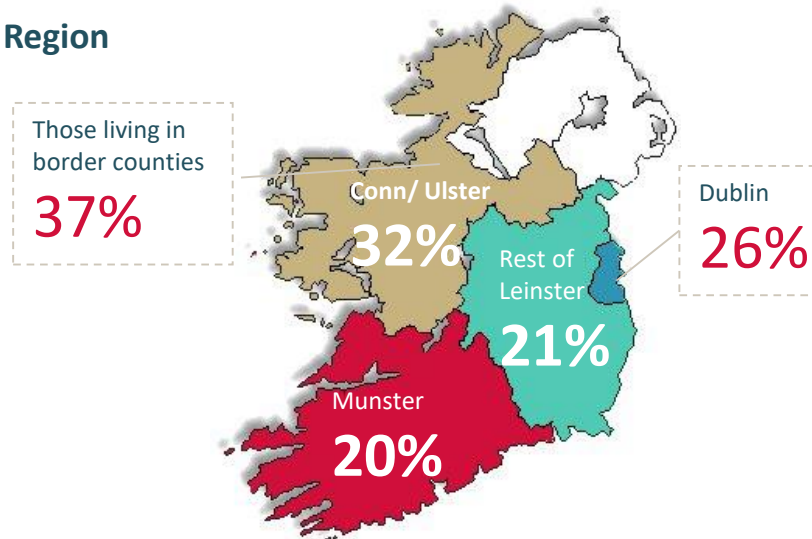
## Age



## Social Class



## Region



The younger age groups and those living in the Border Counties are more likely to have shopped more across the Border since the Brexit vote.



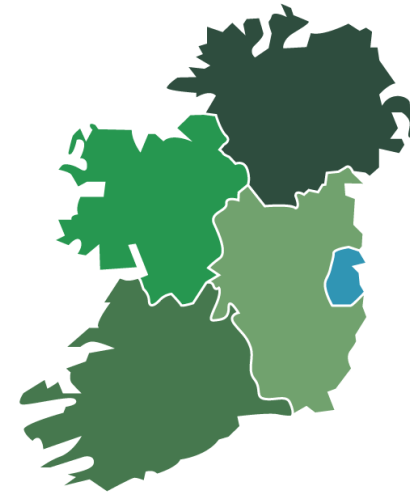
The majority would still like to see a United Ireland, following Brexit. But the desire has waned somewhat since before Christmas and the collapse of the NI Assembly

# A United Ireland as result of the Brexit

*"I would like to see a United Ireland as result of the Brexit"*

Oct 2016 Jan 2017

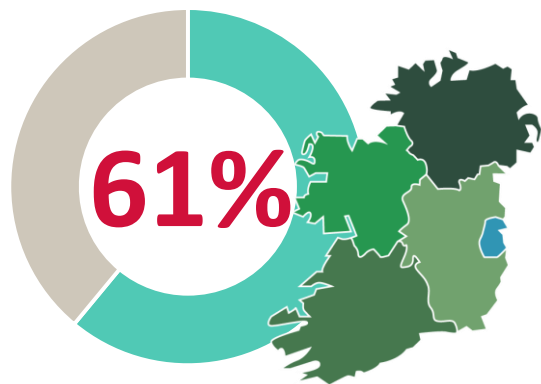
|                       | %         | %         |
|-----------------------|-----------|-----------|
| <b>NET: Agree</b>     | <b>67</b> | <b>61</b> |
| Agree strongly (4)    | 33        | 33        |
| Agree slightly (3)    | 34        | 28        |
| Disagree slightly (2) | 17        | 20        |
| Disagree strongly (1) | 15        | 18        |
| <b>NET: Disagree</b>  | <b>32</b> | <b>38</b> |



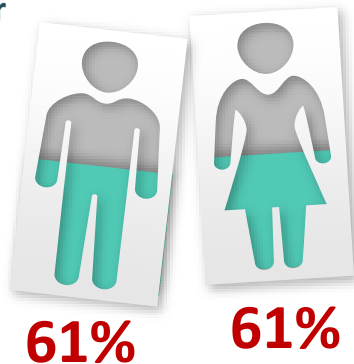
3 in 5 would like to see a United Ireland as result of Brexit – this is down -6% since October 2016.

**REDC**

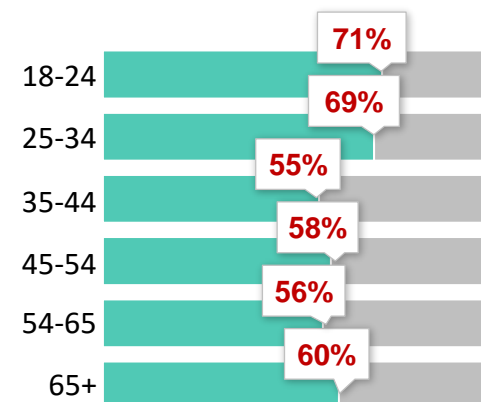
# Who would like to see a United Ireland as a result of Brexit?



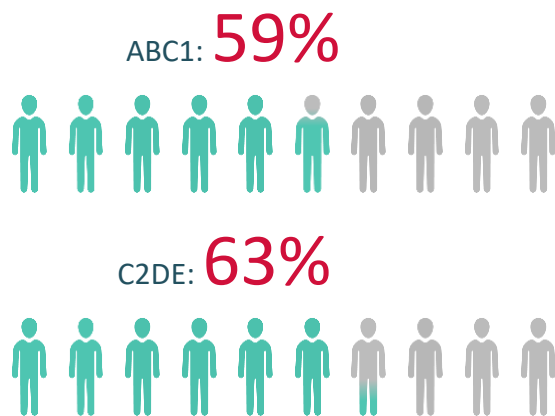
Gender



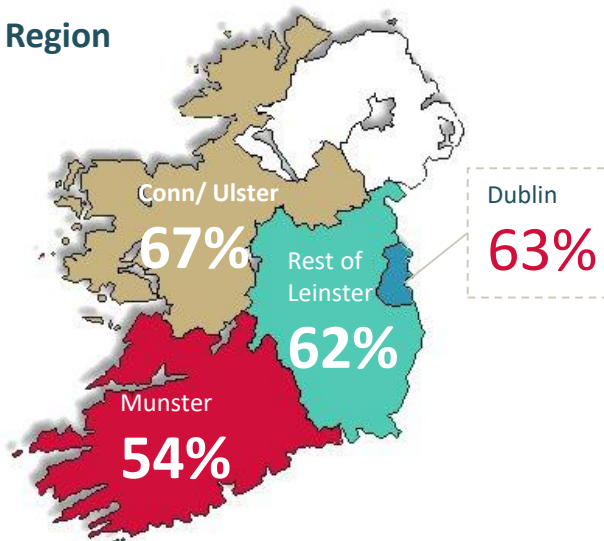
Age



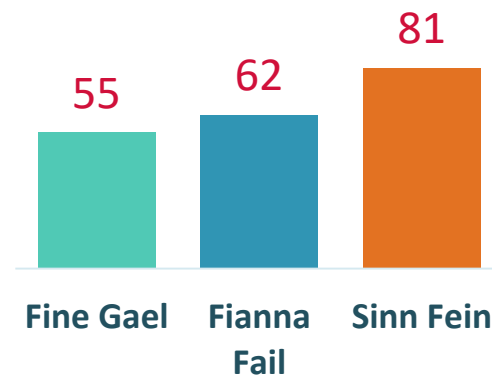
Social Class



Region



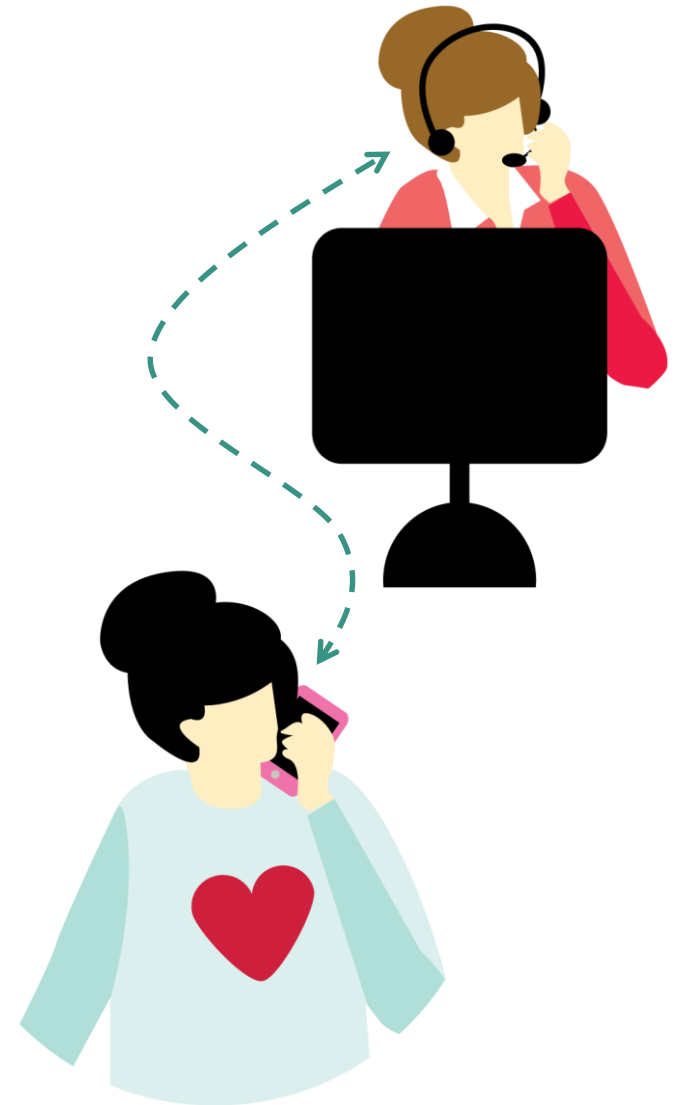
Party Support



The 18-34 year olds are more likely to want a United Ireland as a result of the Brexit. The same is the case among Sinn Fein voters.

# Methodology

- / 1,004 telephone interviews (CATI) were conducted using a random digit dial sample to ensure coverage of all households, including ex-directory.
- / Quotas were set and data weighted to ensure a nationally representative sample of the population aged 18+ years.
- / This is the **28<sup>th</sup> wave** of the Consumer Mood Monitor & fieldwork was conducted 23<sup>rd</sup>-25<sup>th</sup> January 2017.





**THANK  
YOU**

**REDC**