



# Consumer Mood Monitor

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April 2022



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**Concerns over the economic outlook in the midst of rising costs and the invasion of Ukraine sees consumer confidence decline significantly since the start of this year**

# Consumer mood at lowest level since October 2020



1

It has been a rollercoaster ride for consumer confidence over the last two years. Having just about made a full recovery from the decline brought about by the COVID-19 pandemic, it has taken yet another dive downwards and is back to its lowest level since October 2020, mid-pandemic. With the ongoing war in Ukraine, consumers are also less optimistic about the outlook for the global economy.

3

Critically, the increase in the cost of living means consumers expect to have less money left over after paying their bills, with more than four-in-five expecting their discretionary disposable income to decline over the next six months. This will no doubt have an impact on consumer spending, especially parts of the economy that have suffered considerably from the impact of COVID-19 pandemic restrictions e.g. retail and hospitality.

2

At the heart of the decline in consumer confidence is a very high degree of concern over the outlook for the cost of living. This is having a negative impact on consumer's quality of life and is affecting their behaviour, with almost three-in-four claiming to have made changes to their food shopping. In the face of rising prices, most consumers expect the cost of borrowing to rise in the coming months.

4

On the plus side, consumers are much less concerned about the COVID-19 pandemic. Almost 4-in-5 expect the pandemic situation to stay the same or fare better in the next six months. Where some concern still exists, this tends to be higher for women and those in the C2DE social class group. But for now when it comes to consumer confidence, COVID-19 is to a large extent being put to the back of people's minds.

# Consumer Confidence falls back to October 2020 pandemic low



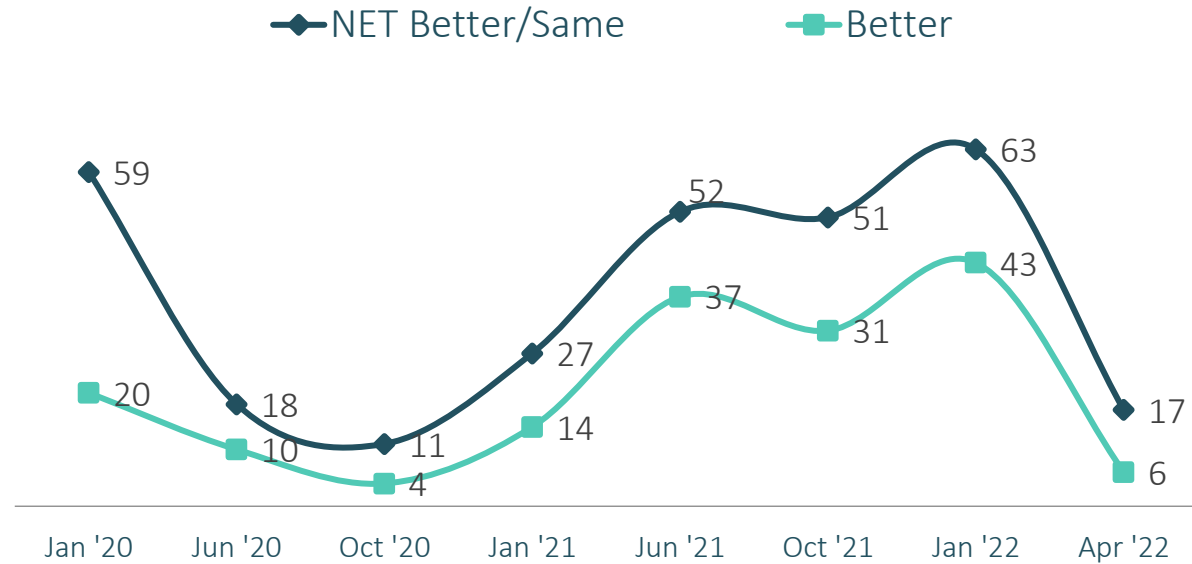
# It's been a rollercoaster ride for consumer confidence over the past two years

The consumer mood had improved considerably by the start of this year as society opened back up and most COVID-19 restrictions were lifted.

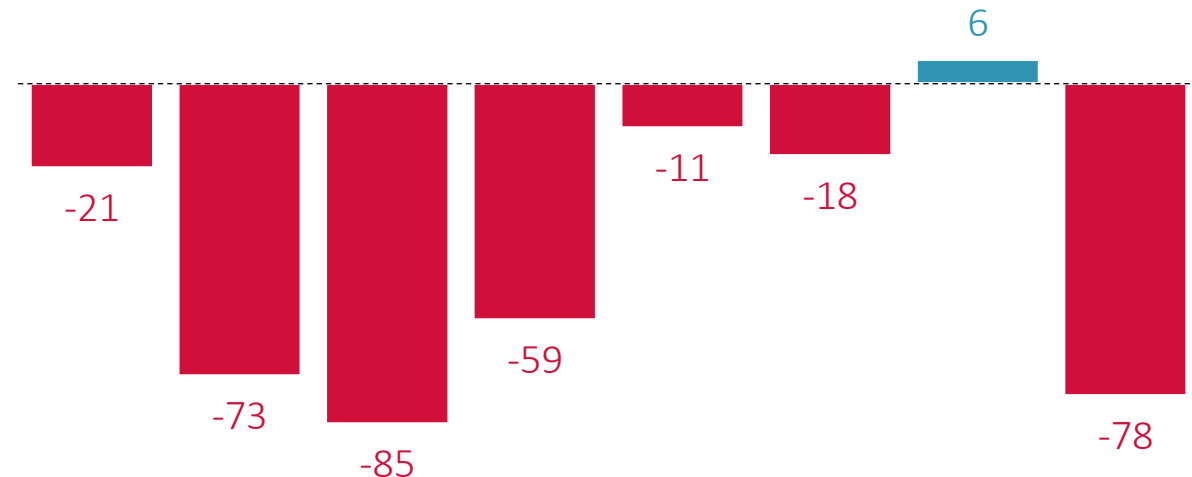
However, the rising cost of living and the war in Ukraine has resulted in confidence falling back down to the low point observed during the pandemic.

Base: all adults aged 18+

Expectations for the Irish economy over the next 6mths



NET Expectations = % Better minus % Worse



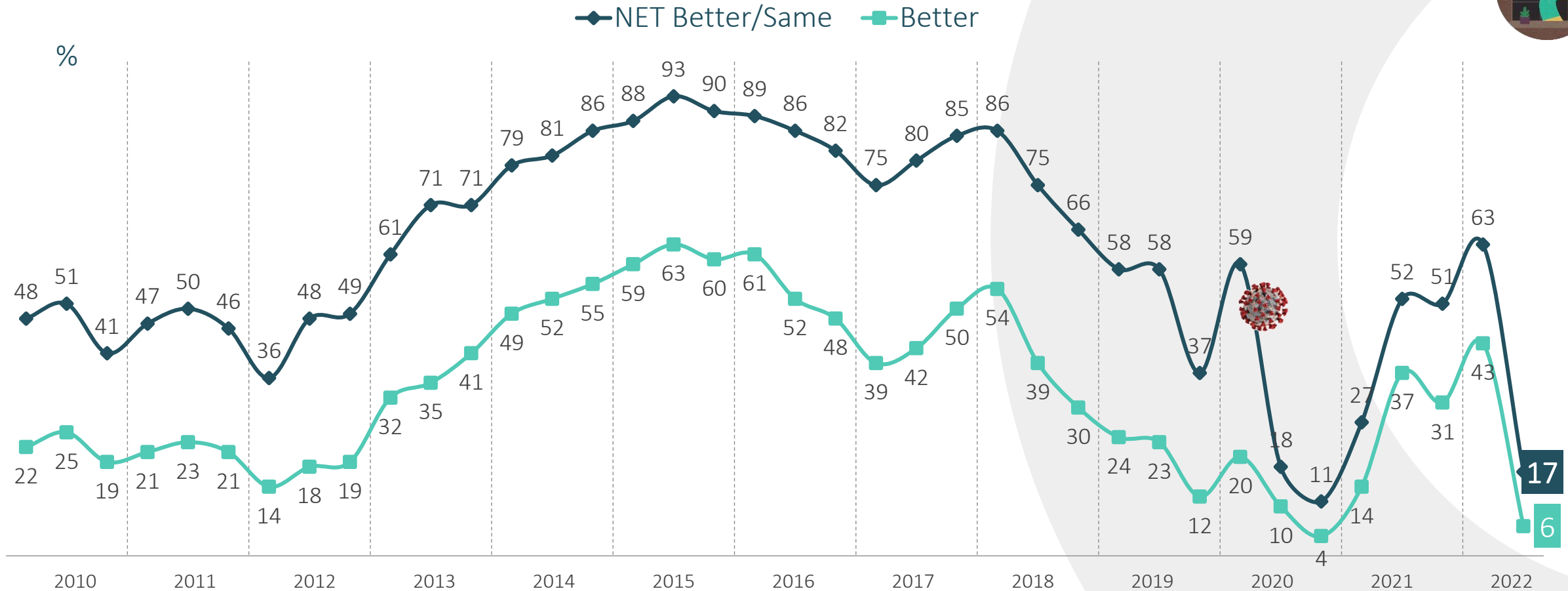


# Consumer confidence at lowest level since October 2020



Only 6% of the population expect the Irish economy to improve in the coming six months, one of the lowest levels ever recorded.

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



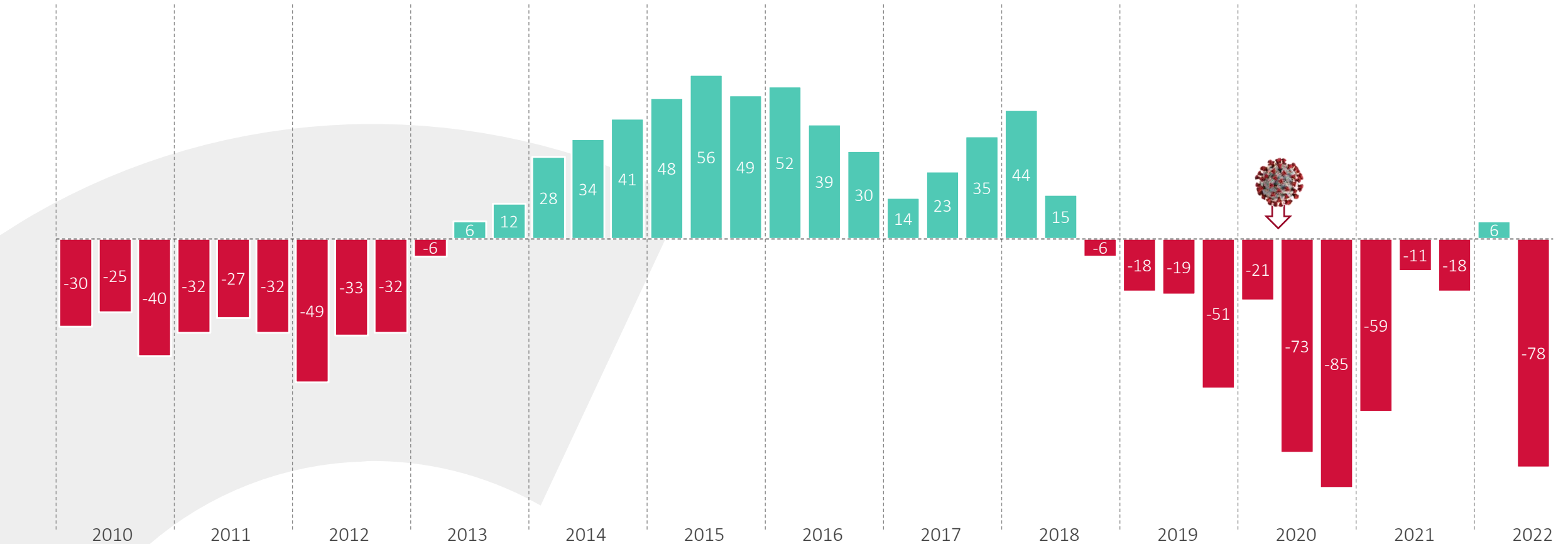
# Dramatic decline in consumer outlook from January to April



It did seem a corner had been turned at the start of the year, with more people expecting things to get better than worse for the first time since mid-2018, but we are now back to where we at the start of the pandemic.

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

NET Expectations = % Better minus % Worse

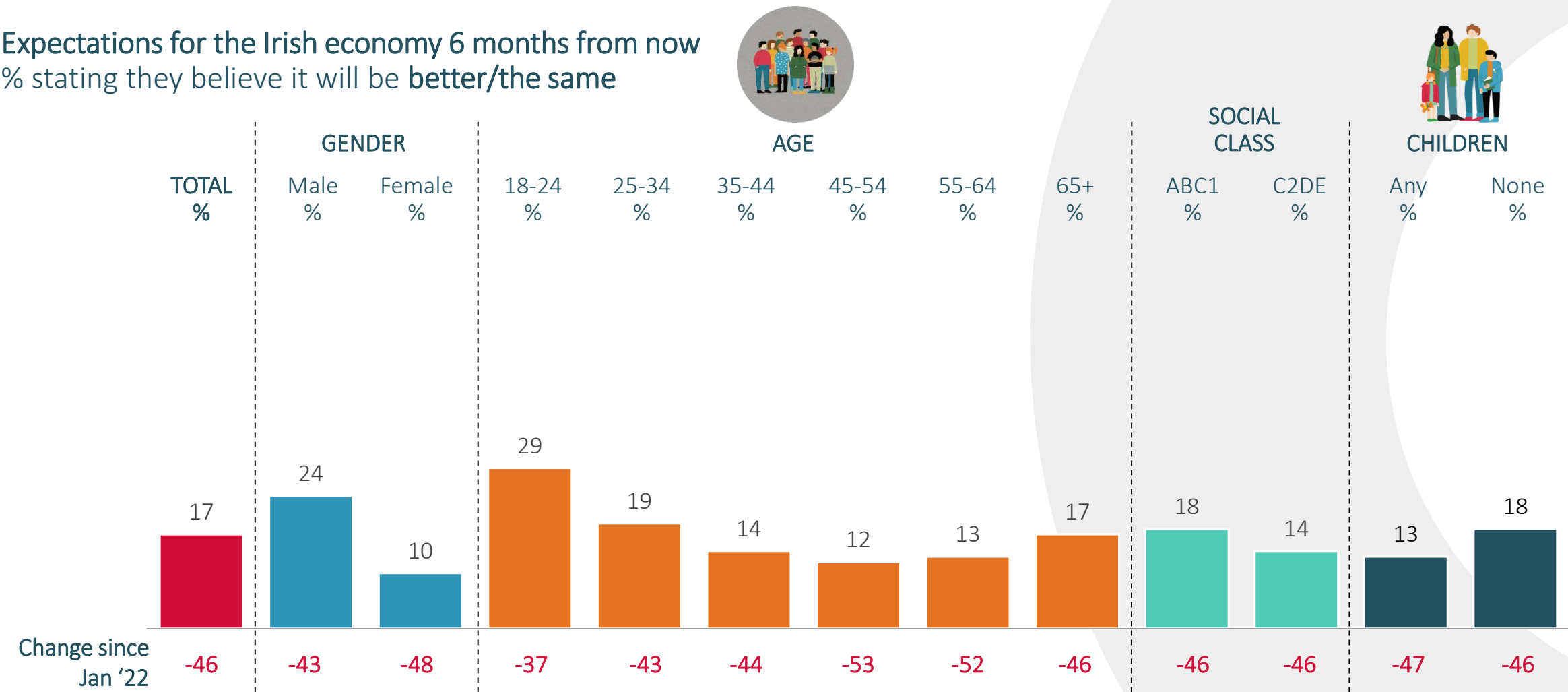


# Confidence in the economy is down across all demographics



18-24 year olds and men have substantially higher levels of confidence than other demographics, but consumer confidence is nevertheless now lower in these groups as well.

Expectations for the Irish economy 6 months from now  
% stating they believe it will be **better**/the same



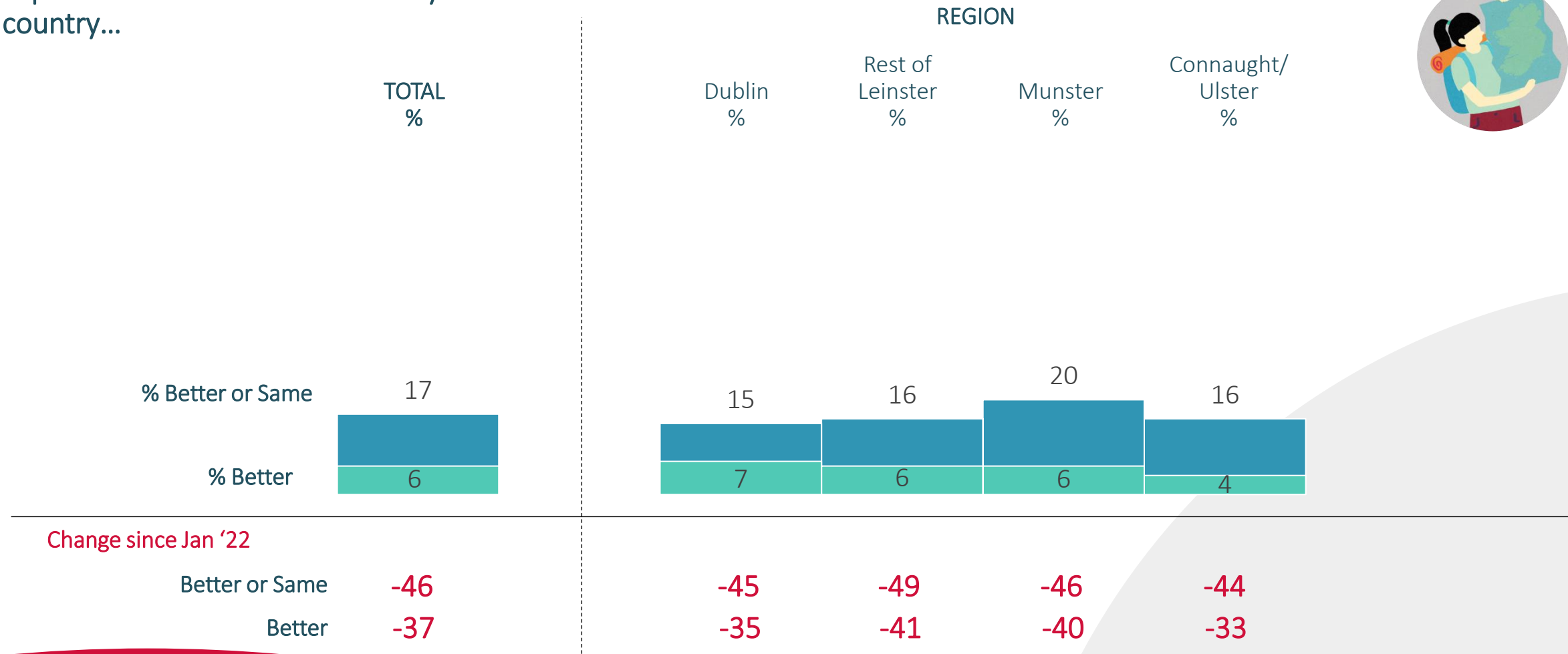


# Confidence down sharply in all regions



The decline in consumer confidence is much the same across all parts of the country.

Expectations for the Irish economy across the country...



# Confidence in world economy also down sharply since January



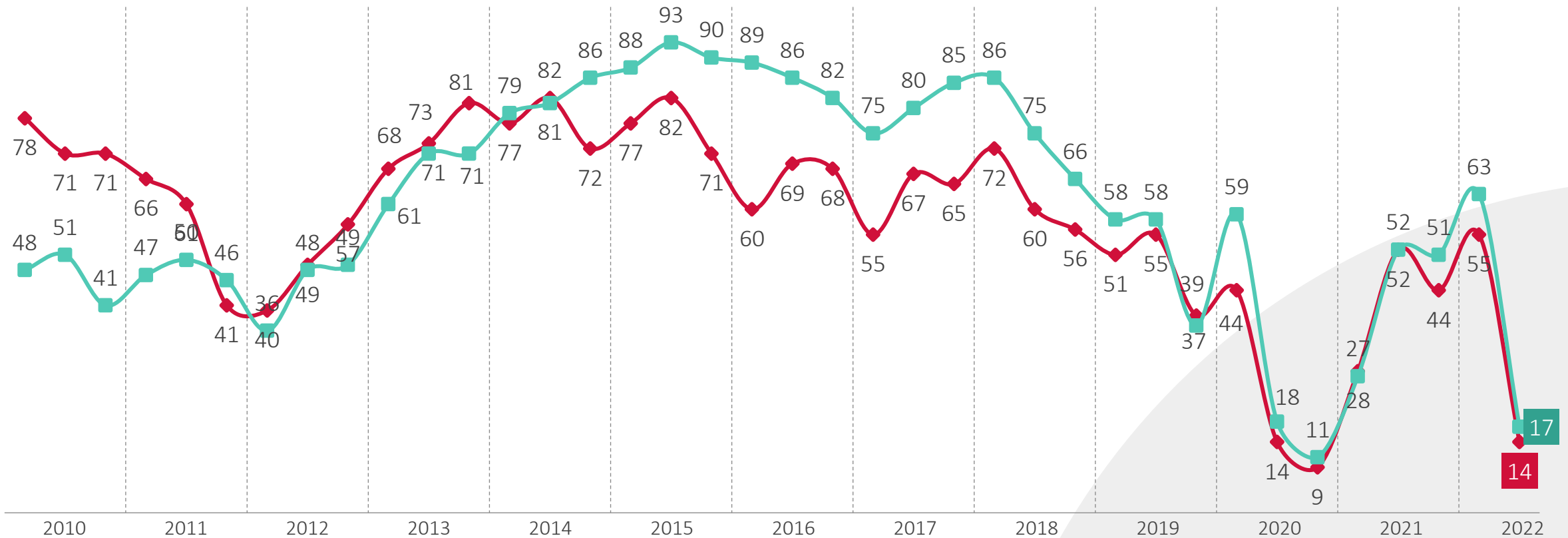
Geopolitical factors are clearly impacting on consumer confidence as outlook on the Irish and world economies remain closely aligned.

## Expectations for the Irish & World Economy

% NET better / same over next 6mths



—●— World Economy —■— Irish Economy



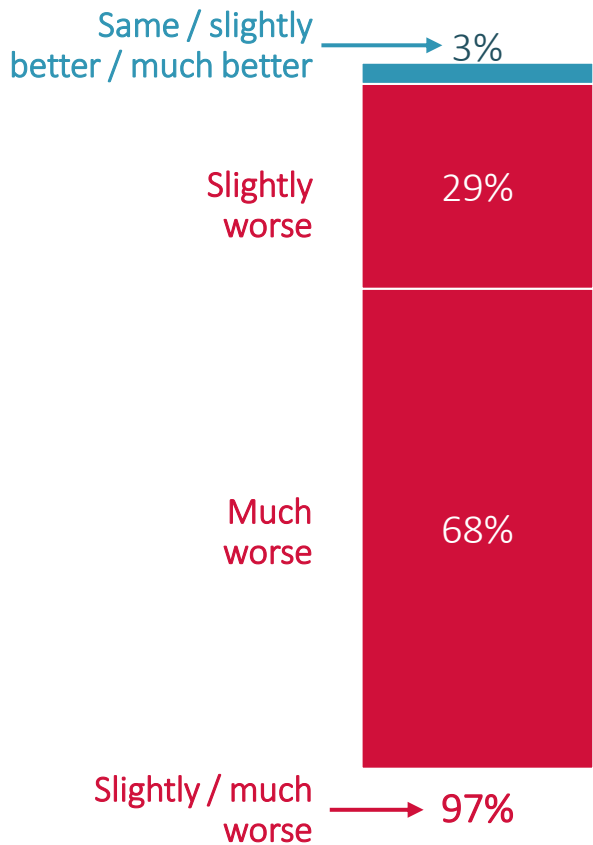
**Concerns over rising prices appear to be at the centre of the decline in consumer confidence**



# Vast majority expect cost of living to get much worse in next 6mths C

Women, those aged 45-64 and those with dependent children are more likely to believe things will get much worse in the coming six months.

How do you expect the cost of living to fare in the next 6 months?

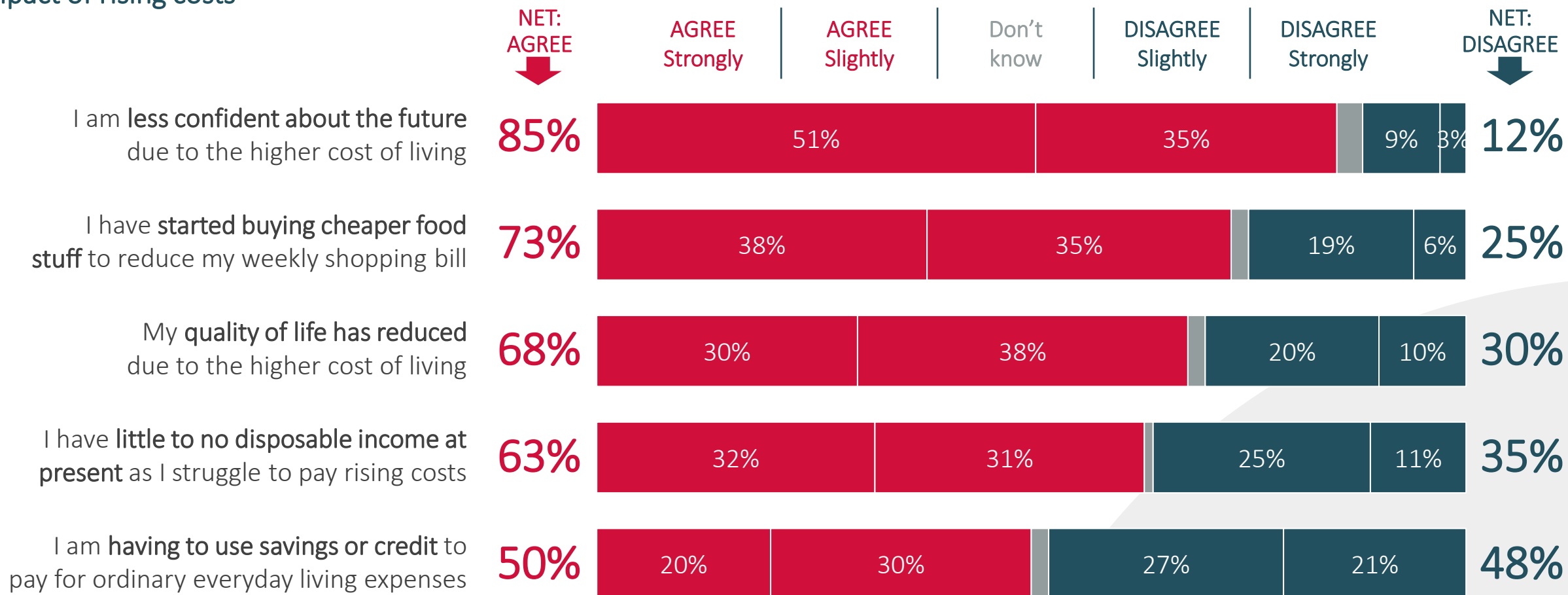


		Slightly Worse	Much Worse	Total
GENDER	Total	29%	68%	97%
	Male	33%	63%	96%
	Female	25%	73%	98%
AGE	18-24	41%	54%	94%
	25-34	29%	66%	95%
	35-44	32%	64%	96%
	45-54	25%	74%	99%
	55-64	14%	83%	97%
	65+	33%	66%	99%
SOCIAL CLASS	NET: ABC1	32%	65%	97%
	NET: C2DE	26%	71%	97%
CHILDREN	Any	23%	74%	97%
	None	32%	65%	97%

# Higher cost of living impacting quality of life & consumer behaviour C

Almost three-quarters of consumers are buying cheaper food stuff to reduce their weekly shopping bill, while half are dipping into savings / credit to pay for everyday living expenses.

## Impact of rising costs

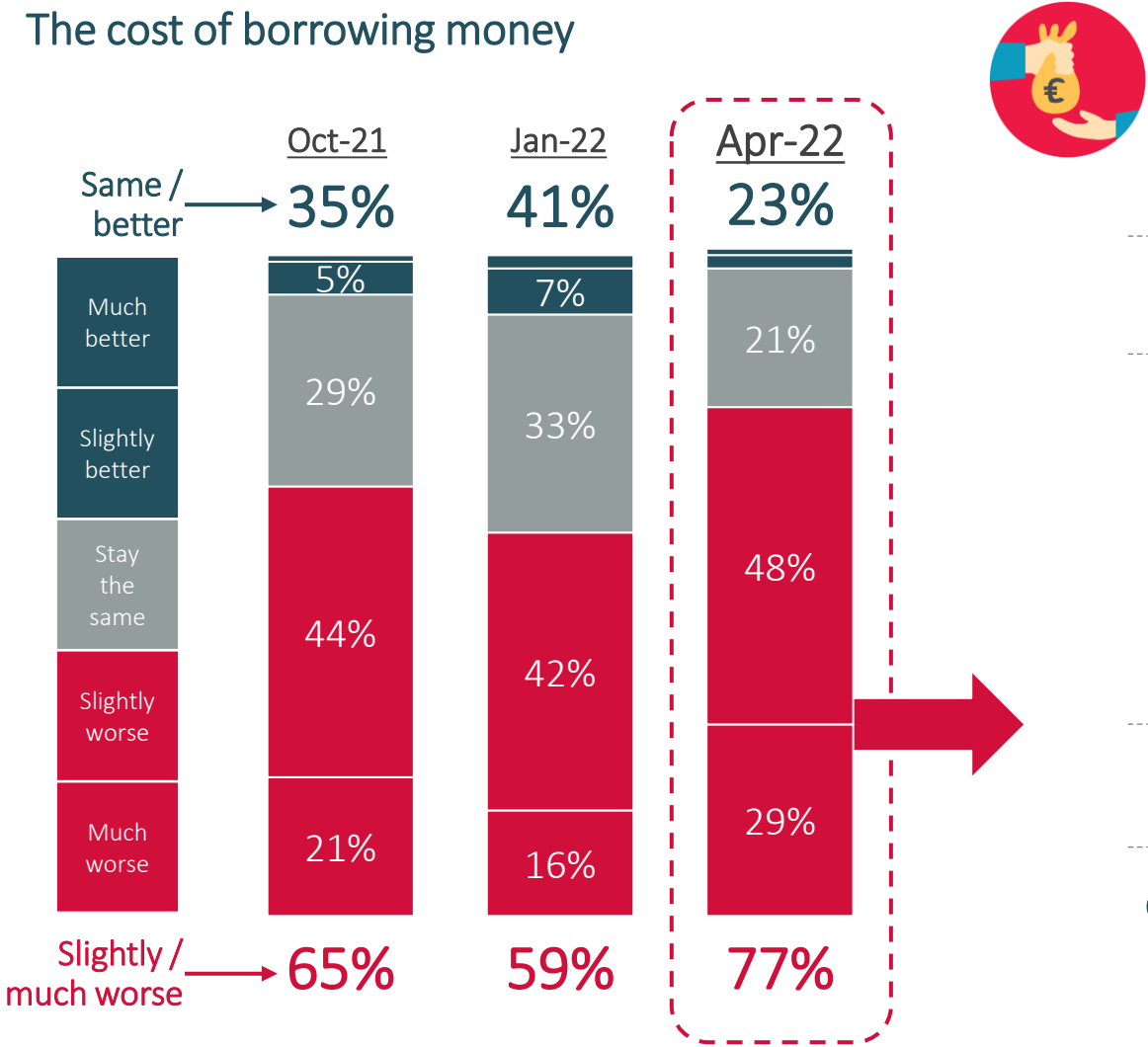


From RED C / Business Post Poll – April 2022

# Many more now expect cost of borrowing to increase this year

Over 3 in 4 agree the cost of borrowing money is to fare worse. 1 in 5 expect no change while almost no one expects it to get better. Little demographic variation is seen apart from lower agreement among 18-24s.

## The cost of borrowing money



		Slightly Worse	Much Worse	NET Worse	NET Worse Vs Jan '22
GENDER	Total	48%	29%	77%	+18
	Male	48%	28%	75%	+18
	Female	49%	29%	79%	+19
AGE	18-24	32%	30%	62%	+15
	25-34	49%	29%	78%	+31
	35-44	52%	26%	78%	+20
	45-54	50%	30%	80%	+19
	55-64	46%	36%	82%	+17
	65+	54%	24%	78%	+8
SOCIAL CLASS	NET: ABC1	50%	26%	76%	+15
	NET: C2DE	47%	32%	79%	+23
CHILDREN	Any	49%	31%	80%	+18
	None	48%	28%	76%	+19



**Rising costs mean people expect to have less disposable income, which will no doubt have an impact on consumer spending**



# More than four-in-five now expect their disposable income to fall



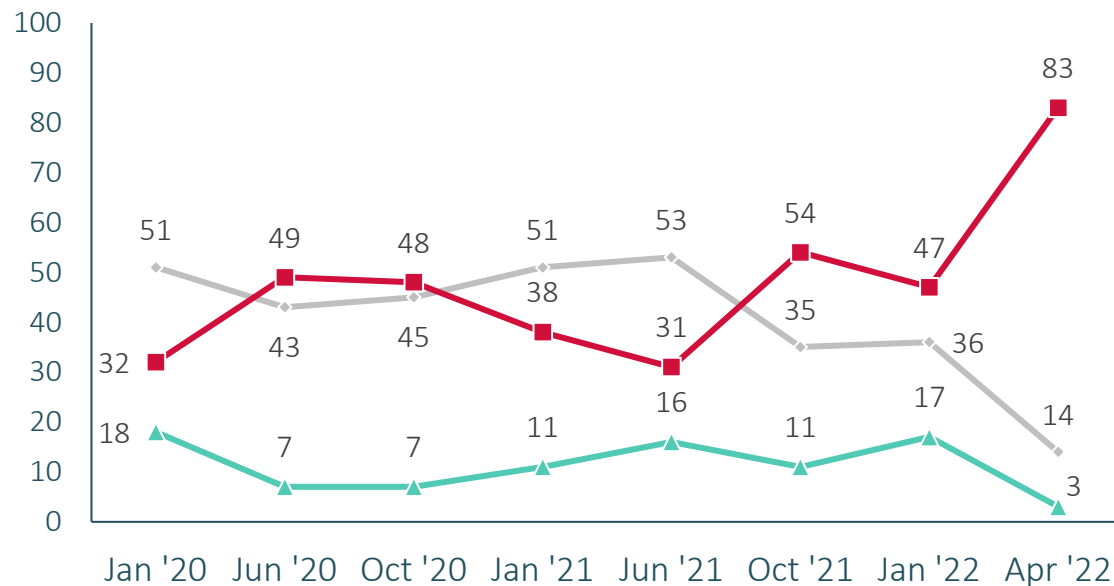
Outlook on disposable income is down even below pandemic levels amidst soaring inflation. Expectations for the jobs market have also declined, but not quite to the same extent.

Expectations for the next 6 months for...



Your level of discretionary disposable income\*

— Better — Same — Worse



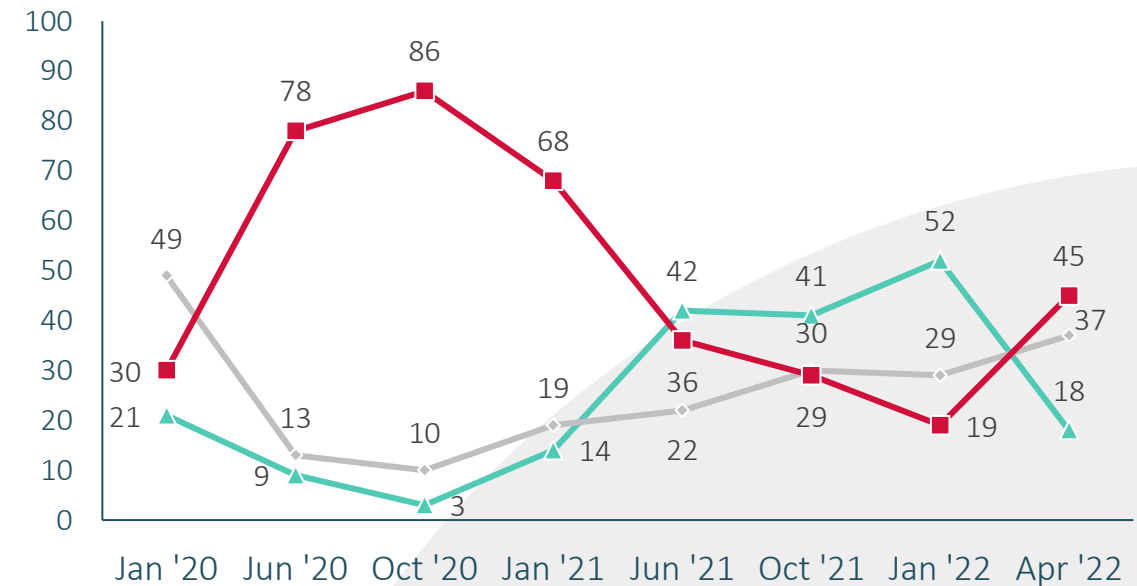
Better  
minus worse

-14 -42 -41 -27 -15 -43 -30 -80



Employment; the ability to get & move jobs

— Better — Same — Worse



-9 -69 -83 -54 6 12 33 -27

\*changed from 'Your Disposable Income' in Oct 2021

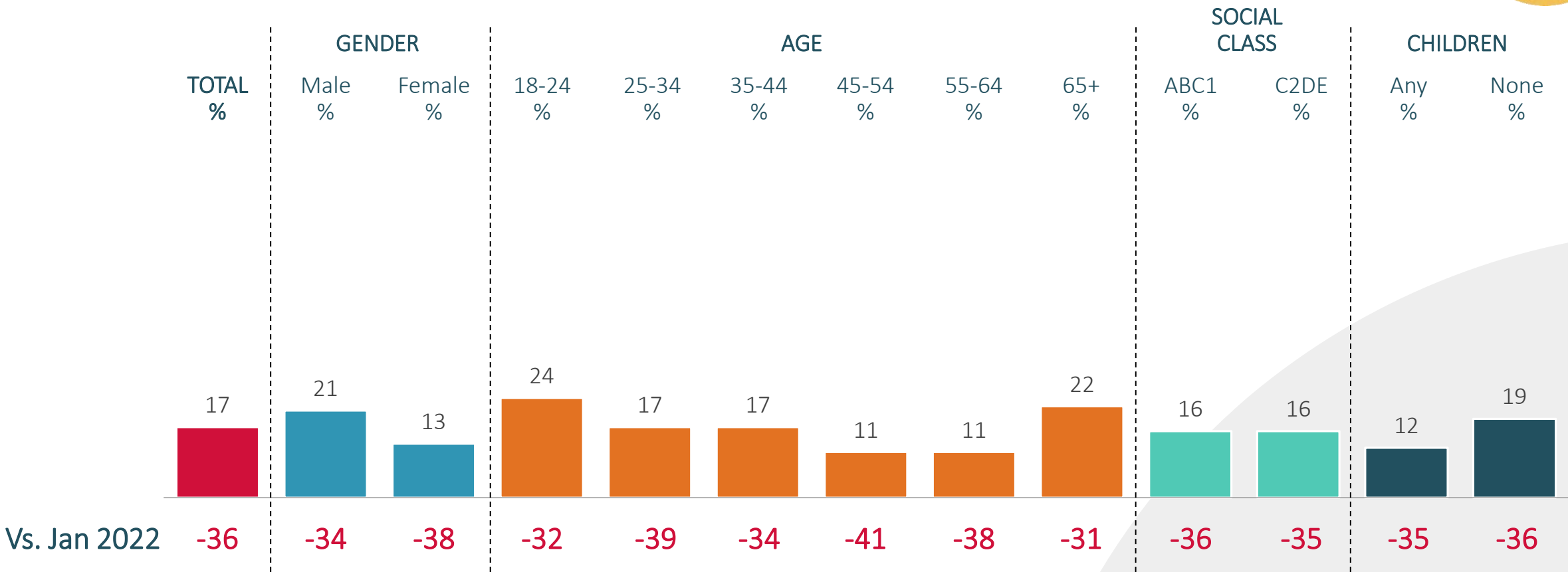
# Sharp drops in outlook on disposable income among all cohorts



Women, 45-64 year olds and those with children see the lowest outlook of all. Confidence is higher both among the youngest and oldest age cohorts.



Expectations for level of discretionary disposable income in the next 6 months  
% stating they believe it will be **better/the same**

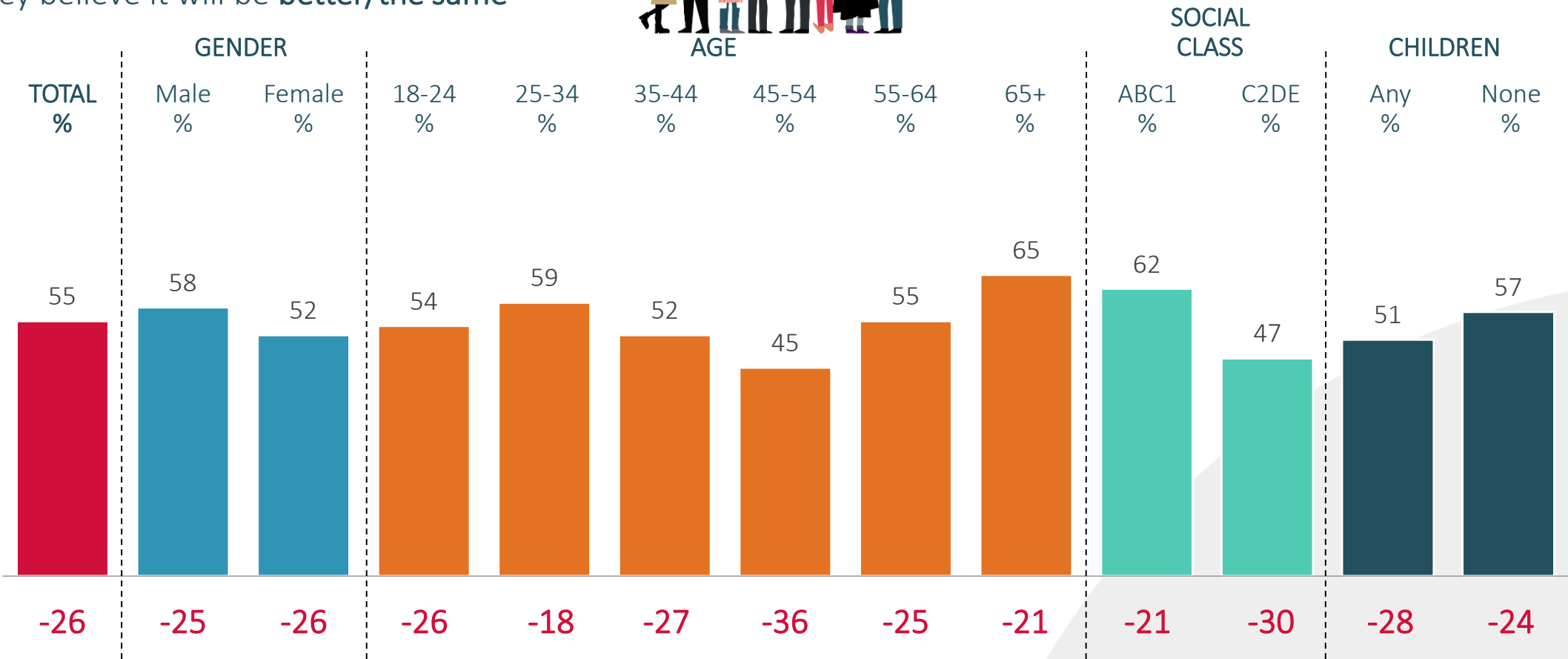


# Confidence in jobs market down among all demographics



Confidence is particularly low among the squeezed middle; 35-54 year olds, especially 45-54 year olds, lower social grades and parents, particularly mothers. Over 65s are much more likely to be confident.

Expectations for employment in the next 6 months  
% stating they believe it will be **better**/the same



**Fortunately,  
concerns over  
COVID-19 appear to  
have abated**

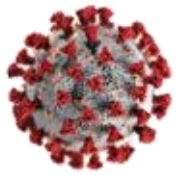
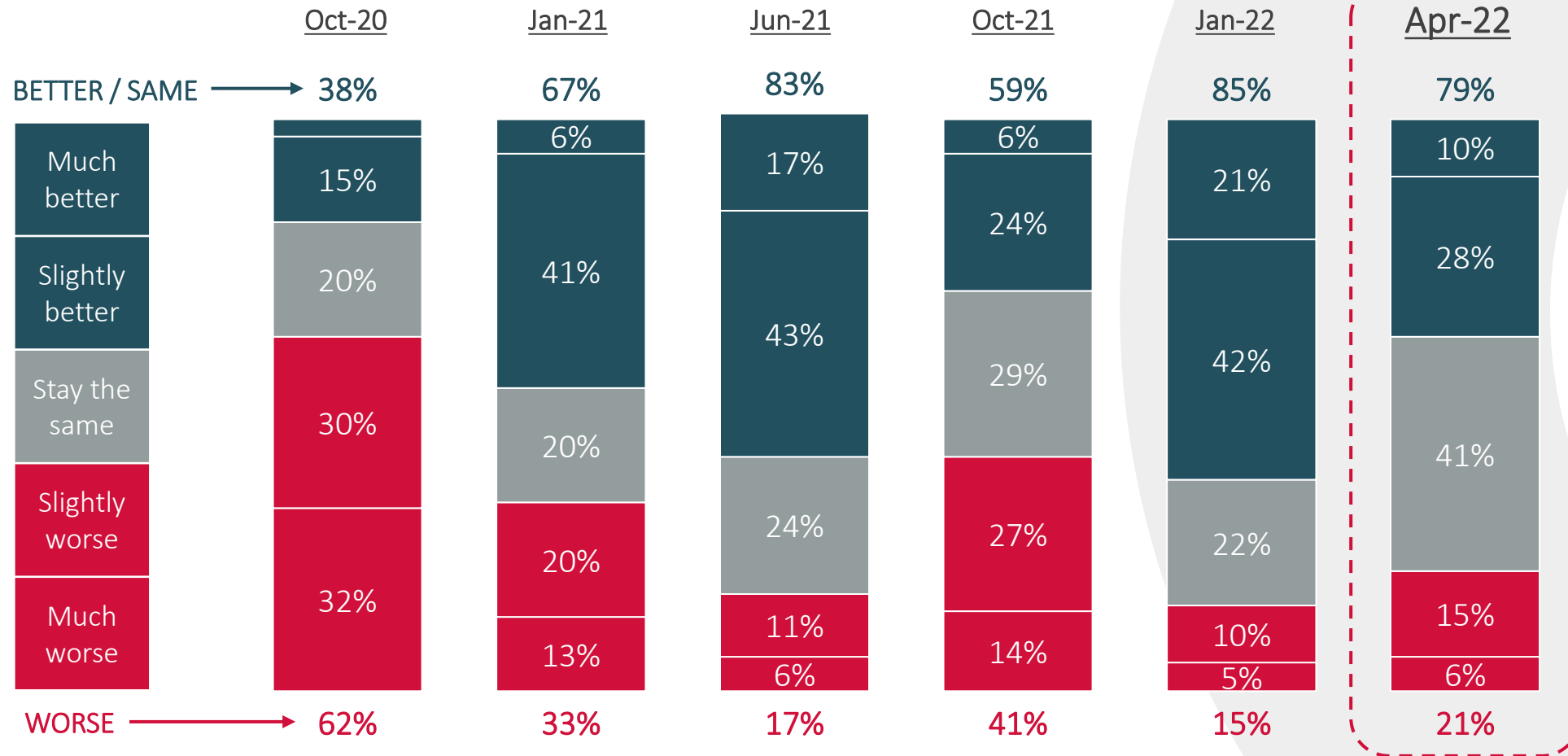


# Consumers expecting to live with Covid to some extent in 2022



While only 1 in 5 expect the pandemic to fare worse in the next 6 months, this is up slightly on January. Fewer people expect the pandemic to improve while far more expect it to stay the same.

How do you expect the pandemic / COVID-19 to fare in the next 6 months?



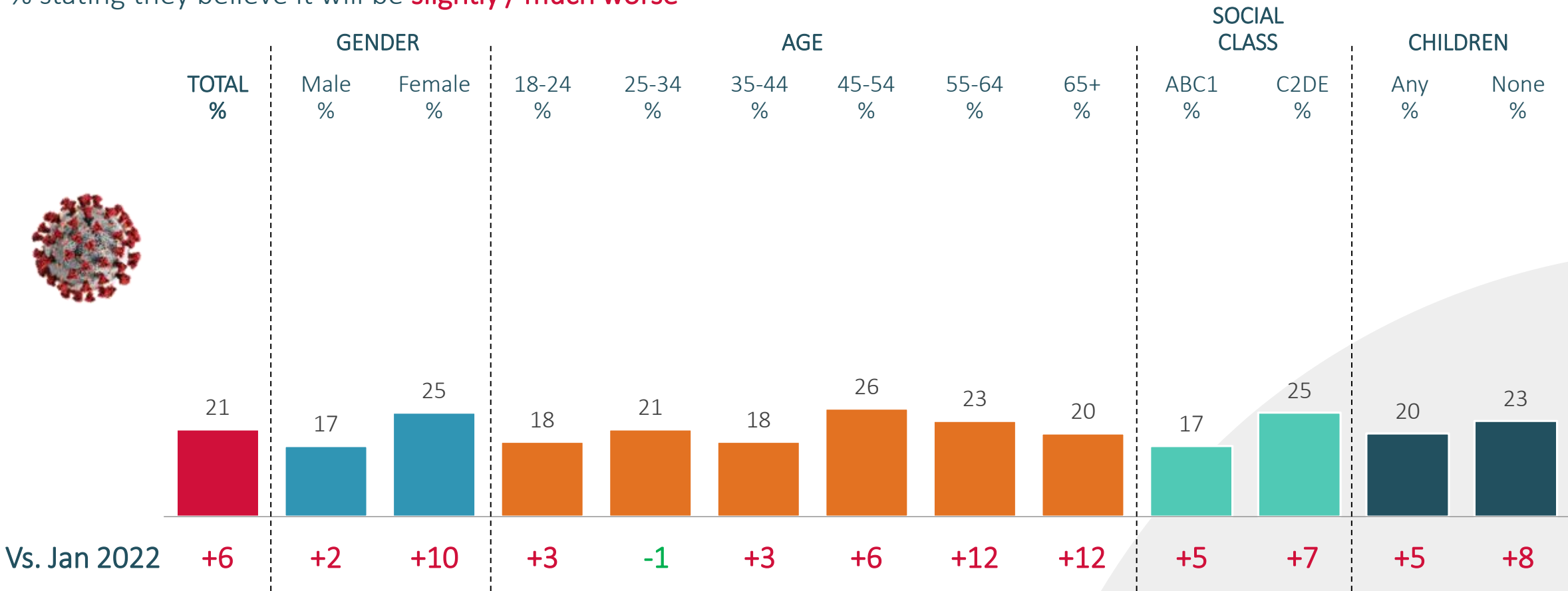


# Women and C2DE most concerned about COVID-19



As are those in the 45-54 age cohort. The biggest increases in concern about COVID-19 since the start of the year have been mainly women and those aged 45+.

Expectations for COVID-19 in the next 6 months  
% stating they believe it will be **slightly / much worse**



# Appendix

- Methodology
- About RED C

# Methodology

- N=1,016 online interviews were conducted using RED C's online panel, RED C Live – this methodology has been used since June 2018.
- Waves before and including January 2018 were conducted using a telephone (CATI) methodology.
- Quotas were set and data weighted to ensure a nationally representative sample of the population aged 18+ years living in the Republic of Ireland.
- This is the 44th Wave of the RED C Consumer Mood Monitor and fieldwork was conducted from the 7<sup>th</sup> – 12<sup>th</sup> April 2022.



# RED C Who are we?

With offices in **Dublin, Dundalk and London** RED C are one of Ireland and the UK's premier providers of research-based consultancy services.

**Founded in Dublin in 2003**, we have been providing **high quality** research based consultancy services to both blue chip and up and coming businesses both **nationally and internationally** for many years.

Now **50 highly experienced and skilled** staff, look after the insight needs of companies **worldwide**.





# CLARITY

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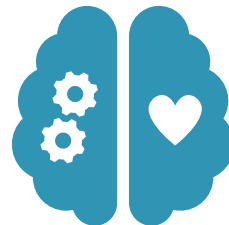
Understanding people,  
behaviour, markets,  
society and technology  
in order to uncover  
opportunities.

Uncovering choices,  
preferences and decisions that  
enable business to design  
brands, products and services  
that beat the competition.

Mapping and delivering easy and enjoyable customer journey's and experiences to maximize purchase and retention.

Accelerating how  
products and services  
are adopted and  
marketed.

Underpinned by understanding of  
real human behaviour, and using a  
set of specially designed products



## System 1



## RED Star

Conducted in over 30 markets  
across the world in the past year



# Using a variety of techniques to uncover & understand



Face to Face In Person  
150 interviewers nationwide  
In Home, Exit, Location



Group Discussions  
Online, WhatsApp or  
Face to Face



Depth Interviews  
One of one or paired in  
depth discussions



Social Media  
Monitoring, Listening &  
Understanding



Telephone  
30 Station Outbound Telephone  
Centre in Dundalk



Online  
Bespoke RED C Live Online  
Panel of 40,000+



Online Communities  
30-100 people in  
ongoing discussions



Biometric Testing  
Eye Tracking, Facial Coding  
Blood Pressure, Sweat



Passive Monitoring  
In person movements, online  
journey, media consumption



RESEARCH  
EVALUATION  
DIRECTION  
**CLARITY**

*See More, Clearly*

**REDC**