



# Consumer Confidence Tracker

November 2011

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# Introduction

- This report presents the findings of the latest phase of the Behaviour & Attitudes' Consumer Confidence Tracker.
- Survey results for this phase are based on a sample of 1006 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 fortnightly 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 15<sup>th</sup> - 25<sup>th</sup> November, 2011.
- The figures contained within the B&A Consumer Confidence Barometer have an estimated margin of error 3.2%.

# About Behaviour & Attitudes

- Behaviour and Attitudes is Ireland's largest and most experienced independently owned research company. We have 30 permanent staff members which includes 10 directors, the most experienced team in the Irish market. In addition, we have a team of over 150 experienced, fully trained face-to-face interviewers nationwide. Our Dublin CATI (telephone) Unit is based in our offices in Milltown and has a capacity for over 60 interviewers.
- Established 25 years ago, Behaviour and Attitudes provides a full range of market research services, ranging from CAPI (Computer Aided Personal Interviewing), through to standard face-to-face interviewing surveys, CATI (Computer Aided Telephone Interviewing), central location interviewing, as well as an in-house CAWI (Computer Aided Web Interviewing) Unit. The company would be well known for having pioneered the development of qualitative research in Ireland.
- As the second largest market research company in Ireland, Behaviour & Attitudes has a very well defined and tight company structure which is built around excellent client service delivery principles.
- Behaviour & Attitudes is fully owned by its Research Directors. These Directors are fully involved in day-to-day research on behalf of their clients. Hence our clients have access to the most senior team in the Irish marketplace.
- For more information please visit our website at: [www.banda.ie](http://www.banda.ie)

# Summary

- Consumer confidence has declined significantly since mid 2011, when negativity eased slightly. Of particular note is the heightened concerns related to future macro economic performance and personal 'real' income levels. Indicators for anticipated spending and savings levels point towards a fuller depression in consumers expenditure capacity.
- During mid 2011 the age cohorts feeling the most pressure were 35-64 year olds. Further downturn in the domestic economy, continued uncertainty at European level and further Budget Austerity requirements have not only seen concerns deepen among the 35-64 year old cohorts, but pressure and anxiety have now increased across consumers of all ages.
- Key concerns for all ages are now wage rates and spending intentions. Further consumer retrenchment appears a certainty.
- Blue collar (C2DE) consumers remain the most negative regarding Ireland's future economic performance. Indeed they are more negative across all measures, as they are most likely to be impacted by any changes in real income or indirect taxation. At the same time we are now seeing elevated levels of concern among ABC1's particularly in relation to future economic performance - purchasing and savings intentions. The level of concern about personal income is lower among this group (although apparent) than for C2DE's but the continued erosion of the wage 'cushion' (the marginal real value disposable income post central domestic expenditure requests )is deteriorating. Spending across this group (key to retail domestic market) will decline.

# Summary

- Confidence has declined across all lifestage cohorts to a degree. During 2011 the greatest level of concern has been noted for the family pre-teen and family teen cohorts due to heightened exposure to ‘real income’ and employment events of a negative nature. What we now see is an expansion of this concern to the family pre-school cohort as well. This indicates that direct economic pressure on families is becoming more apparent and is impacting families at an earlier stage. The key driver is reduced income levels and disposable income capacity. These key consumer segments are under consistent pressure and, as such, overall domestic demand levels are likely to continue to recede until a level of certainty occurs.
- Opinion of Irish economic performance has declined considerably since July with confidence levels now back to almost January 2011 levels. The degree to which control of these factors is perceived to rest in the domestic economy appears to be declining, with the key drivers of economic certainty now relying heavily on Eurozone stability mechanisms and the possibility of further fiscal union requirements.

# Summary

- Concerns related to personal finances continue to increase. The impending austerity budget, further indirect taxation and increases in VAT and direct household expenditure (carbon tax, electricity, gas) without a reciprocal rise in average income levels, will see further deterioration in the personal financial stability of consumers. While the majority are now on less real income compared to this period last year there is an anticipation that this will fully reduce by the next year. This bodes ill for the return of domestic demand.
- The continued decline in anticipated savings and spending levels indicates that ‘real incomes’ are reaching a tipping point in relation to household balance of expenditure. The degree to which attrition in anticipated savings mirrors that of anticipated purchases indicating that overall ‘real income’ levels have declined inordinately as have expected disposable income levels.

# Summary

- The table below summarises the net scores for each element of the April survey, alongside those from previous waves since 2009.

	Pre 2008 Historic Low		2009				2010			2011			
	Date	Net Score	Net Scores				Net Scores			Net Scores			
	Date	Score	Mar	May	Sept	Nov	March	July	Nov	January	April	July	Nov
	%	%	%	%	%	%	%	%	%	%	%	%	%
Economy - looking back a year	Nov '02	-62	-88	-93	-91	-86	-81	-50	-82	-86	-72	-59	-69
Economy - looking forward one year	Nov '02	-63	-74	-76	-65	-58	-54	-20	-74	-70	-58	-45	-64
Personal finance - looking back a year	Nov '02	-40	-57	-62	-67	-63	-65	-43	-67	-72	-64	-50	-59
Personal income - looking forward a year	Nov '02	-20	-54	-63	-63	-55	-54	-33	-65	-69	-55	-43	-57
Personal assets - looking forward one year	Jan'02	-2	-55	-53	-55	-47	-49	-26	-55	-50	-44	-31	-41
Purchasing intentions - the year ahead	Nov '02	-24	-61	-55	-60	-53	-51	-36	-56	-67	-55	-37	-51
Savings - the year ahead	Nov '02	-35	-56	-56	-60	-51	-53	-37	-54	-60	-54	-39	-50

Consumer confidence has declined significantly since mid 2011, when negative pressure appeared to alleviate. Of particular note is the heightened concerns related to future macro economic performance and personal 'real' income levels. Indicators for anticipated spending and savings levels point towards a fuller depression in consumers expenditure capacity for disposable income.

# Irish Consumer Confidence (Balance of Opinion)

## January 2011-November 2011: Age Analysis

	16-24 Years			25-34 Years			35-49 Years			50-64 Years			65+ Years			All Adults		
	Jan 2011	July 2011	Nov 2011	Jan 2011	July 2011	Nov 2011	Jan 2011	July 2011	Nov 2011	Jan 2011	July 2011	Nov 2011	Jan 2011	July 2011	Nov 2011	Jan 2011	July 2011	Nov 2011
Base:	167	154	152	214	215	213	269	273	268	203	222	222	151	142	134	1004	1006	989
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Economy - looking forward one year	-62	-30	-42	-67	-36	<b>-58</b>	-76	-58	<b>-73</b>	-73	-51	<b>-73</b>	-66	-51	-68	-70	-45	-64
Personal income - looking forward one year	-51	-15	-32	-73	-38	<b>-52</b>	-75	-55	<b>-68</b>	-75	-56	<b>-64</b>	-66	-43	-60	-69	-43	-57
Personal assets - looking forward one year	-29	-11	-9	-57	-27	<b>-34</b>	-56	-41	<b>-56</b>	-57	-39	<b>-51</b>	-46	-32	-43	-50	-31	-41
Purchasing intentions - the year ahead	-58	-20	-27	-72	-36	<b>-50</b>	-71	-41	<b>-60</b>	-69	-50	<b>-53</b>	-54	-33	-53	-40	-37	-51
Savings - the year ahead	-46	-15	-27	-65	-34	<b>-51</b>	-67	-55	<b>-59</b>	-63	-50	<b>-56</b>	-57	-33	-48	-60	-39	-50

During mid 2011 the age cohorts feeling the most pressure were the 35-64 year old Irish consumers. Further downturn in the domestic economy, continued uncertainty at European level in regards to economic stability and further Budget Austerity requirements have not only seen concerns deepen among the 25-64 year old cohorts, but pressure and anxiety have now increased across consumers of all ages.

Key concerns for all ages are now wage rates and spending intentions. Further consumer retrenchment appears a certainty.

# Irish Consumer Confidence January 2011-November 2011: Socio-Economic Status

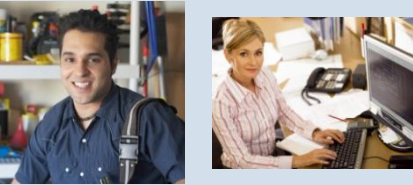


	ABC1			C2DE			F			All Adults		
	Jan 2011	July 2011	Nov 2011	Jan 2011	July 2011	Nov 2011	Jan 2011	July 2011	Nov 2011	Jan 2011	July 2011	Nov 2011
Base:	433	440	441	499	489	480	72	77	68	1004	1006	989
	%	%	%	%	%	%	%	%	%	%	%	%
Economy - looking forward one year	-66	-33	-55	-72	-56	-71	-77	-46	-67	-70	-45	-64
Personal income - looking forward one year	-70	-40	-48	-70	-46	-63	-64	-40	-64	-69	-43	-57
Personal assets - looking forward one year	-51	-35	-38	-50	-29	-41	-52	-26	-39	-50	-31	-41
Purchasing intentions - the year ahead	-65	-32	-43	-68	-42	-57	-63	-34	-51	-40	-37	-51
Savings - the year ahead	-55	-33	-41	-63	-44	-56	-73	-45	-53	-60	-39	-50

C2DE consumers remain the most negative in regards to Ireland's future economic performance. Indeed they are more negative across all measures, as they are most likely to be impacted by any changes in real income or indirect taxation. At the same time we are now seeing elevated levels of concern among ABC1's particularly in relation to future economic performance - purchasing and savings intentions. The level of concern about personal income is lower among this group (although apparent) than for C2DE's but the continued erosion of the wage 'cushion' (the marginal real value disposable income post central domestic expenditure requests) is deteriorating. Spending across this group (key to retail domestic market) will decline.






# The Irish Consumer: A Lifestage Approach

- Rather than rely solely on the more traditional demographic groupings (e.g. age, gender, etc.) to glean insights from our quantitative data, we periodically overlay lifestage segmentation in survey findings, as the stage we are at in our lives tends to be the greatest determinant of our behaviours and attitudes.
- The charts overleaf set down pen portraits of each of these lifestage segments, as a pre-cursor to an analysis of differences in levels of consumer confidence between them.

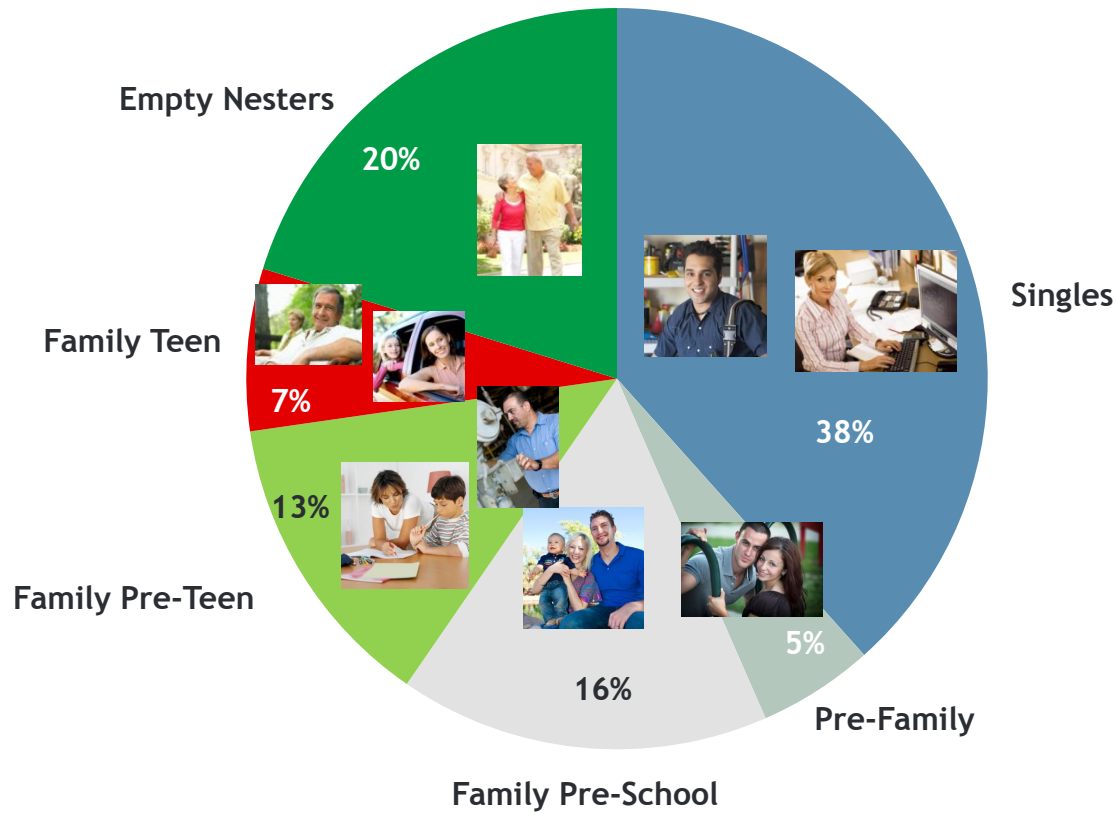
# The Irish Consumer: Lifestage Segments

		Who are they?	How many of them are there?
SINGLES		<p>37% 16-24 yrs; 20% 25-34 yrs; 30% 50 yrs+</p> <p>76% single; 24% widowed/separated /divorced.</p> <p>39% working; 23% students; 15% unemployed.</p> <p>No kids.</p>	<p>1.35 million.</p> <p>38% of all adults.</p>
PRE-FAMILY		<p>10% 16-24 yrs; 55% 25-34 yrs; 35% 35-49 yrs.</p> <p>52% married; 48% co-habiting.</p> <p>63% working full-time; 14% working part-time; 10% unemployed.</p> <p>No kids.</p>	<p>184,000.</p> <p>5% of all adults.</p>
FAMILY PRE-SCHOOL		<p>51% 25-34 yrs; 40% 35-49 yrs.</p> <p>66% married; 21% co-habiting.</p> <p>54% working; 35% home duties; 9% unemployed.</p> <p>All have at least one child aged 0-4 yrs.</p>	<p>550,000.</p> <p>16% of all adults.</p>

# The Irish Consumer: Lifestage Segments

		Who are they?	How many of them are there?
FAMILY PRE-TEEN	 	<p>21% 25-34 yrs; 70% 35-49 yrs.</p> <p>16% single; 69% married; 9% co-habiting.</p> <p>58% working; 29% home duties; 10% unemployed.</p> <p>All have at least one child aged 5-12 yrs.</p>	<p>470,000.</p> <p>13% of all adults.</p>
FAMILY TEEN	 	<p>51% 35-49 yrs; 35% 50-64 yrs.</p> <p>85% married.</p> <p>56% working; 33% home duties; 7% unemployed.</p> <p>All have at least one child in the home aged 13-17 yrs.</p>	<p>250,000.</p> <p>7% of all adults.</p>
EMPTY NESTERS		<p>55% 50-64 yrs; 37% 65 yrs +.</p> <p>98% married.</p> <p>35% working; 38% retired; 24% home duties.</p> <p>No dependents in the home.</p>	<p>720,000.</p> <p>20% of all adults.</p>

# The Irish Consumer: Lifestage Segment Sizes



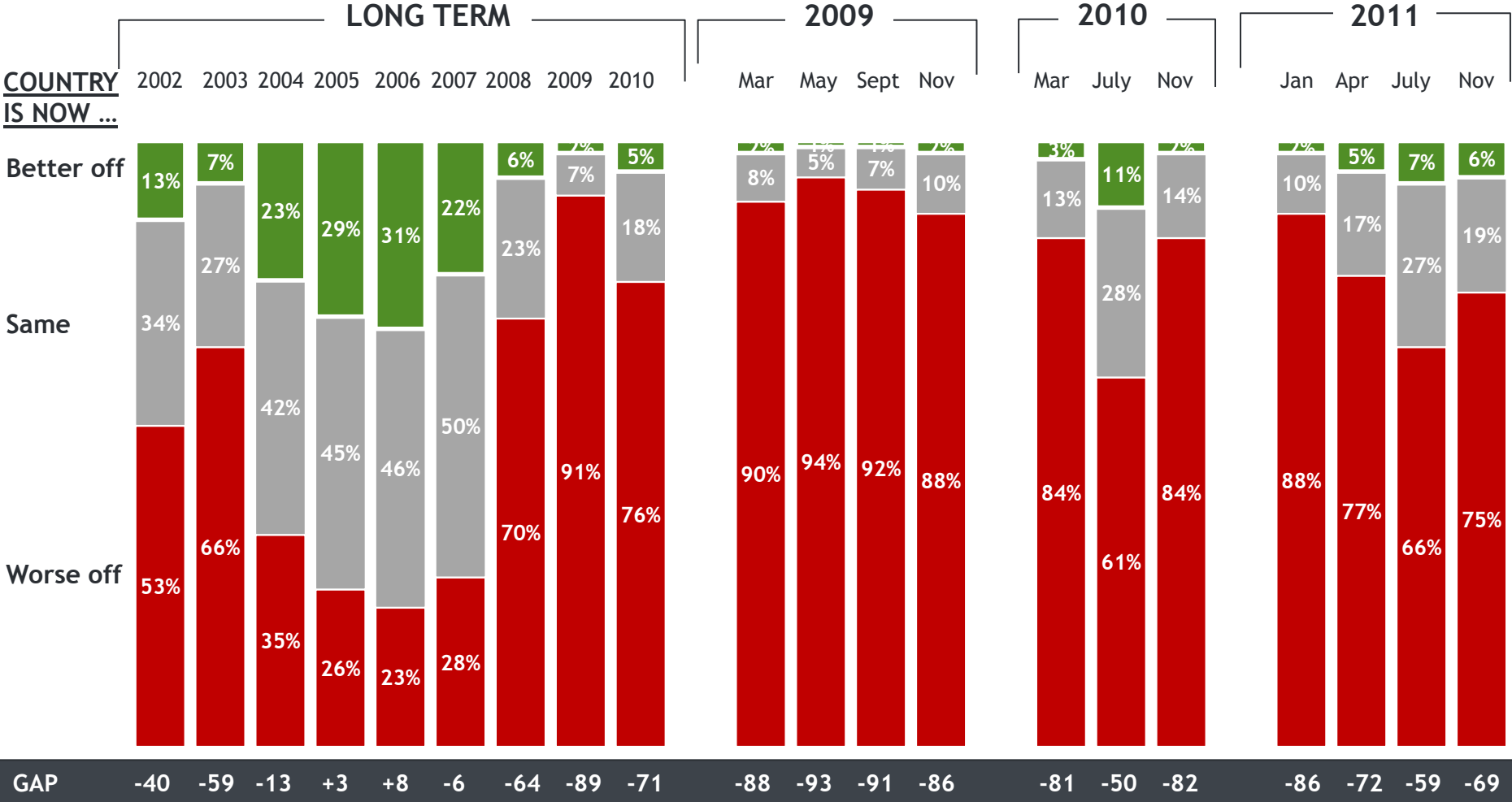
# Irish Consumer Confidence Nov 2010-July 2011: Lifestage Analysis

	Singles				Pre-Family				Family Pre-School				Family Pre-Teen				Family Teen				Empty Nesters			
	Nov '10	Jan '11	July '11	Nov '11	Nov '10	Jan '11	July '11	Nov '11	Nov '10	Jan '11	July '11	Nov '11	Nov '10	Jan '11	July '11	Nov '11	Nov '10	Jan '11	July '11	Nov '11	Nov '10	Jan '11	July '11	Nov '11
Base:	362	349	380	368	64	71	49	49	170	177	150	157	124	116	134	144	54	68	76	49*	240	223	217	222
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Economy - looking forward one year	-68	-66	-40	-55	-77	-81	-38	-62	-68	-62	-47	-70	-83	-69	-60	-72	-92	-83	-37	-76	-76	-76	-43	-68
Personal income - looking forward one year	-53	-59	-32	-48	-68	-72	-40	-47	-61	-72	-39	-61	-72	-73	-59	-63	-89	-87	-50	-78	-76	-75	-56	-63
Personal assets - looking forward one year	-42	-38	-20	-27	-55	-56	-41	-36	-57	-55	-30	-45	-64	-58	-43	-58	-75	-58	-42	-63	-60	-57	-40	-47
Purchasing intentions - the year ahead	-49	-58	-33	-42	-56	-79	-16	-52	-59	-71	-36	-50	-70	-70	-44	-59	-73	-85	-42	-70	-52	-64	-44	-55
Savings - the year ahead	-48	-52	-28	-42	-50	-60	-37	-36	-56	-66	-44	-57	-66	-62	-50	-61	-79	-78	-60	-64	-54	-64	-45	-50

*\*caution: low base*

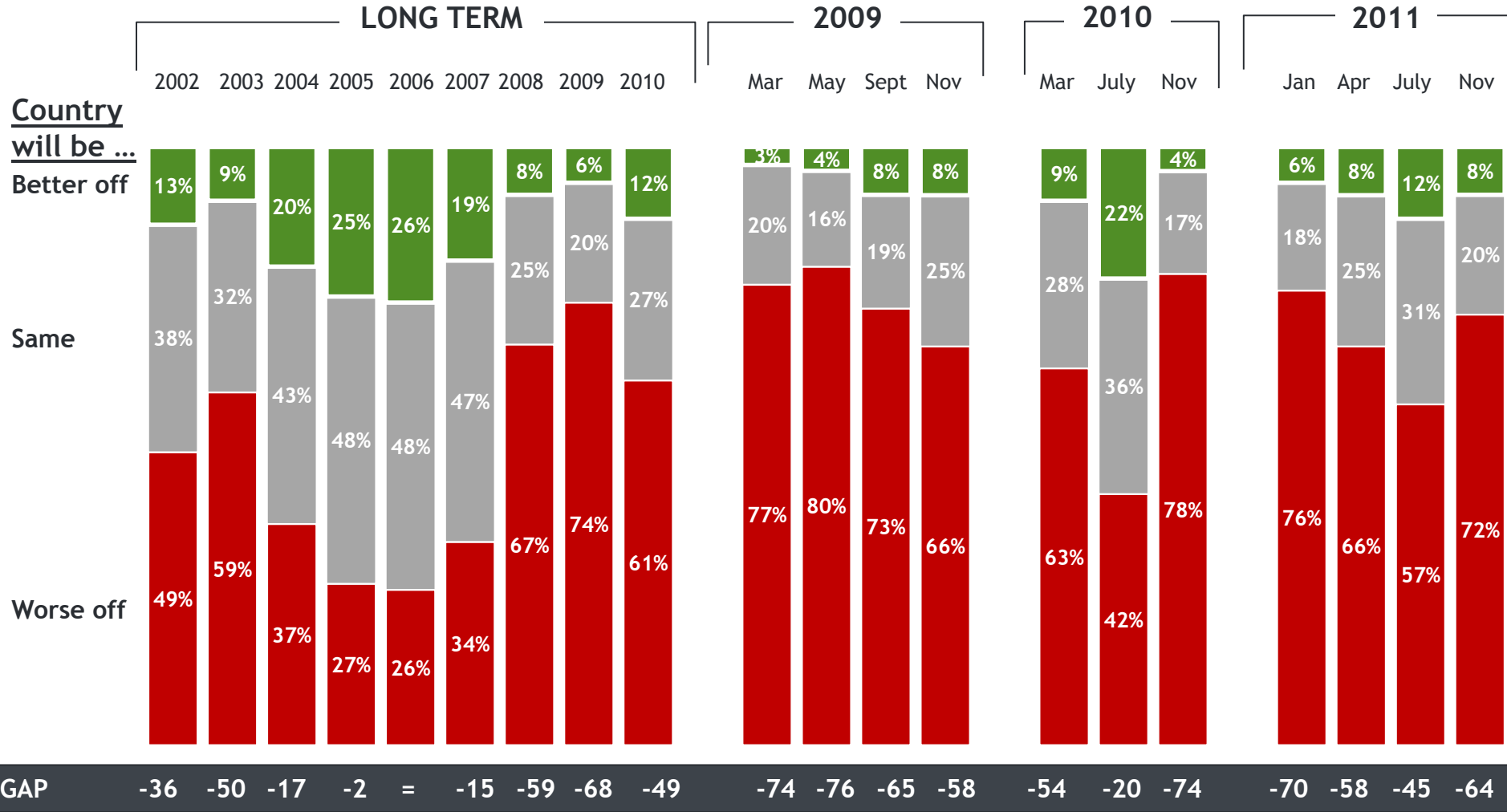
Confidence has declined across all lifestage cohorts to a degree. During 2011 the greatest level of concern has been noted for the family pre-teen and family teen cohorts due to heightened exposure to 'real income' and employment events of a negative nature. What we now see is an expansion of this concern to the family pre-school cohort as well. This indicates that direct economic pressure on families is becoming more apparent and is impacting families at an earlier stage. The key driver is reduced income levels and disposable income capacity. These key consumer segments are under consistent pressure and as such overall domestic demand levels should continue to recede until a level of certainty occurs.

# Economy - Looking Back



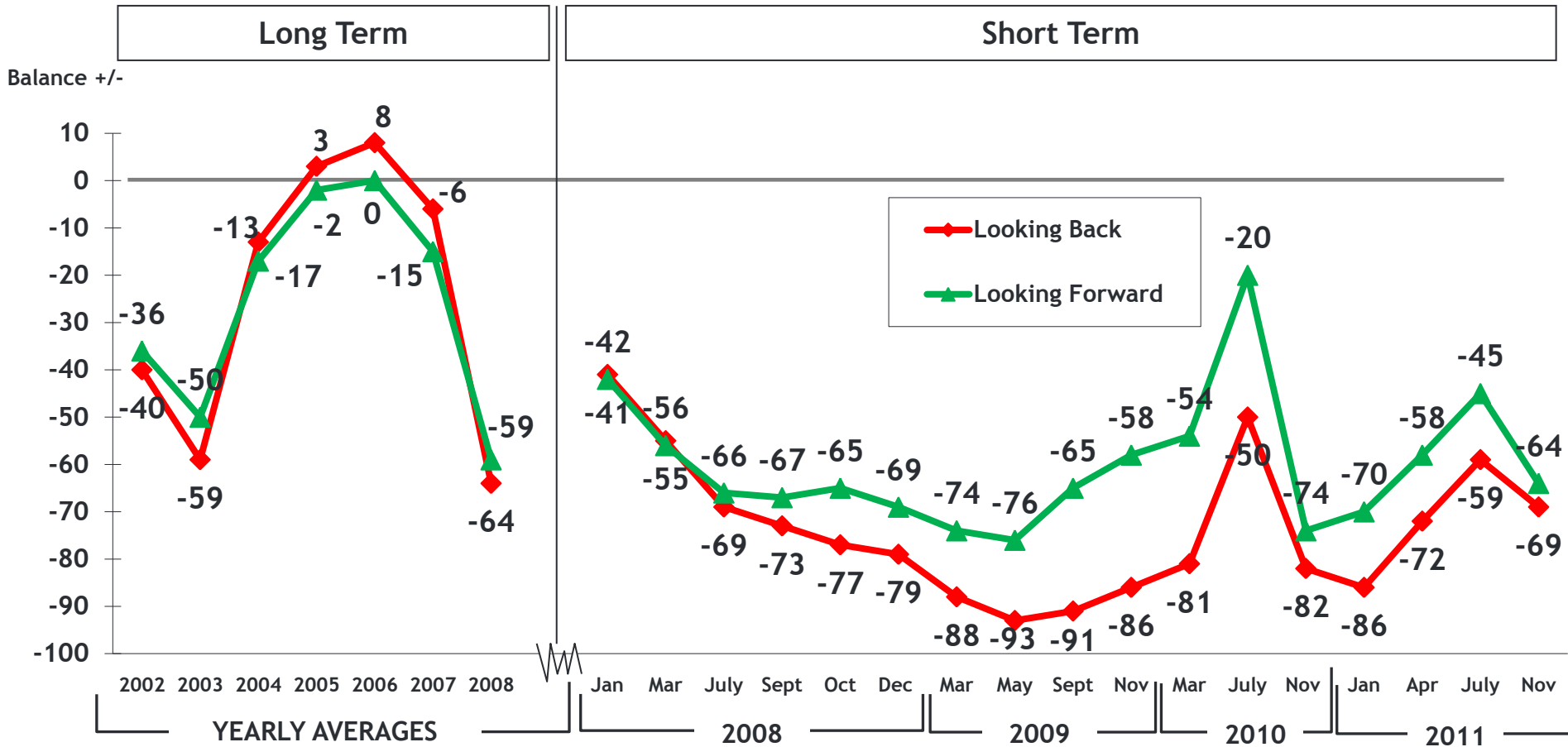
Q.1 Thinking about the economy as a whole, do you think that the country is better off, worse off, or about the same as last year?

# Economy - Looking Forward



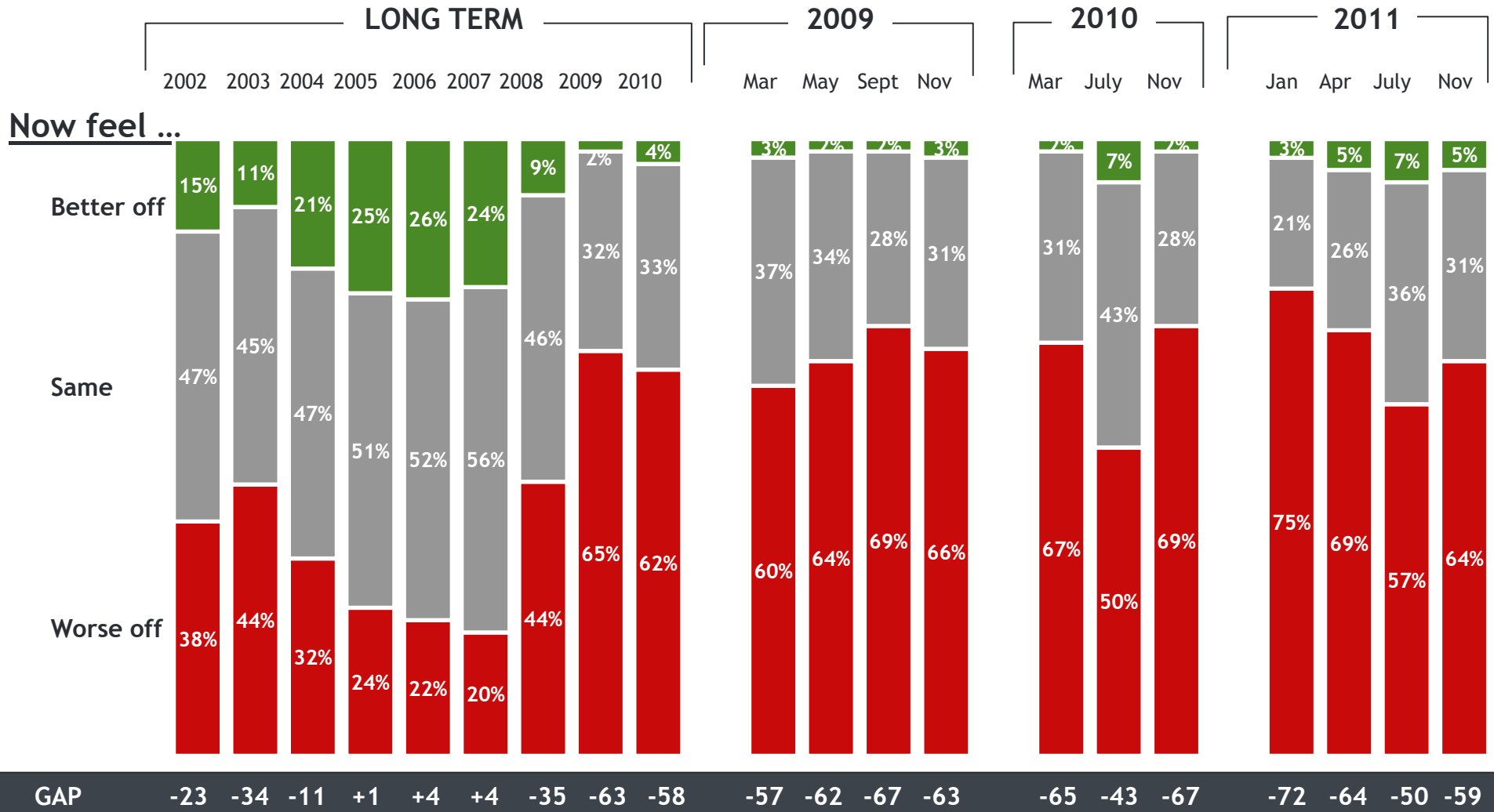
Q.2 And what about the coming year, do you think that the country will be better off, worse off or about the same as this year?

# Balance Of Opinion - Economy



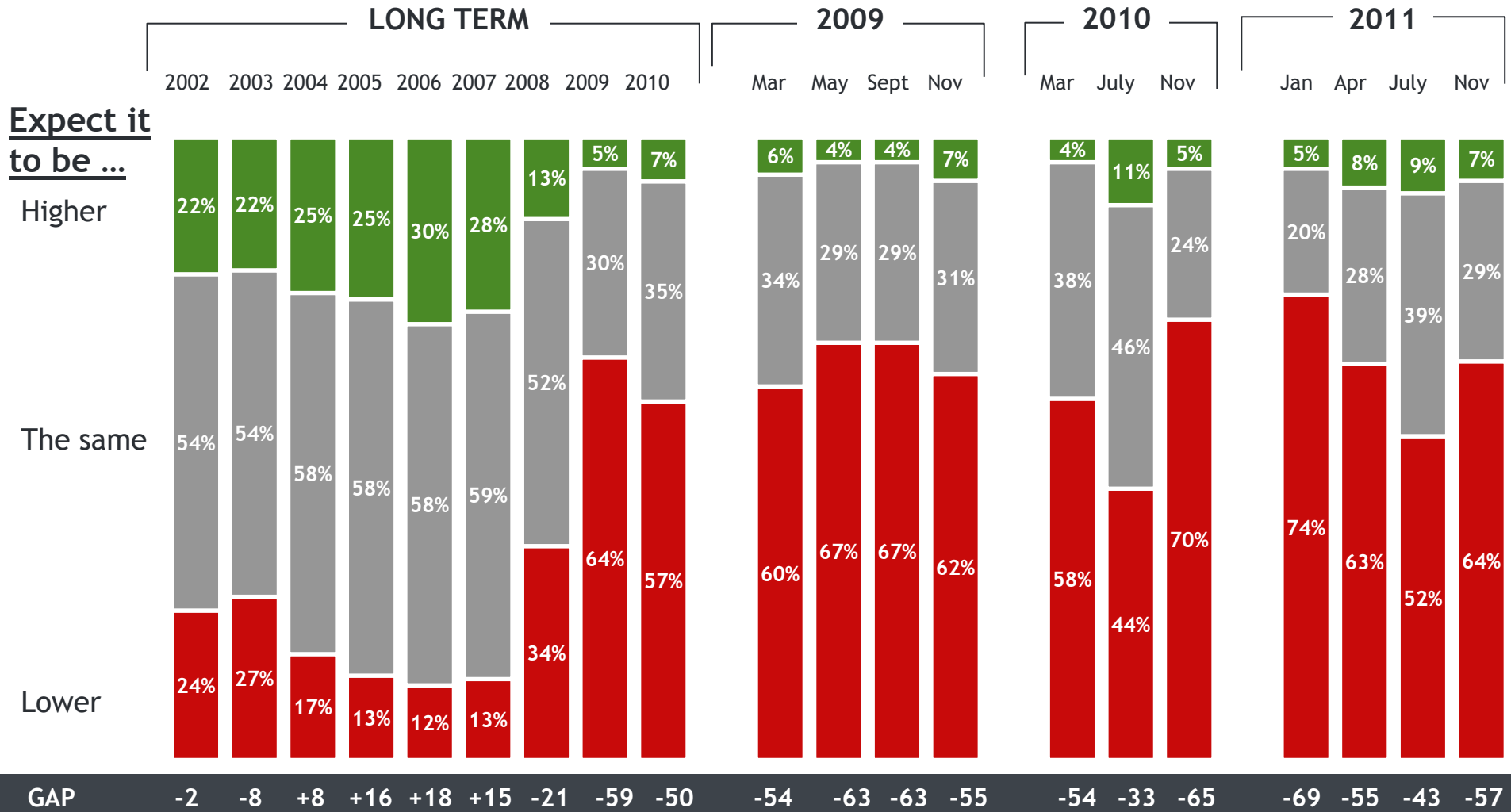
Opinion of Irish economic performance has declined considerably since July with confidence levels now back to almost January 2011 levels. The degree to which control of these factors rests in the perception of the domestic economy appears to be declining, with the key drivers of economic certainty now relying heavily on Eurozone stability mechanisms and the possibility of further fiscal union requirements.

# Personal Finances - Looking Back



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

# Personal Finances - Looking Forward

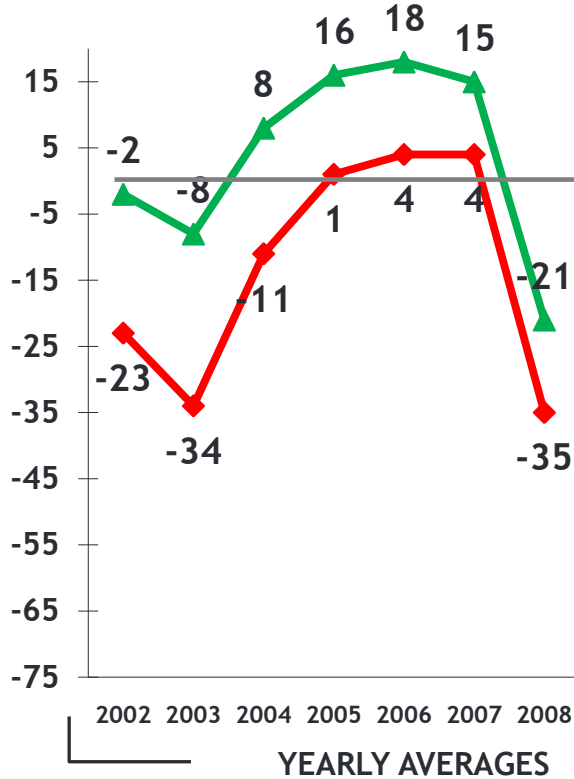


Q.5 Do you expect your income in the next year, after inflation and taxes, to be higher, lower or the same as in the last twelve months?

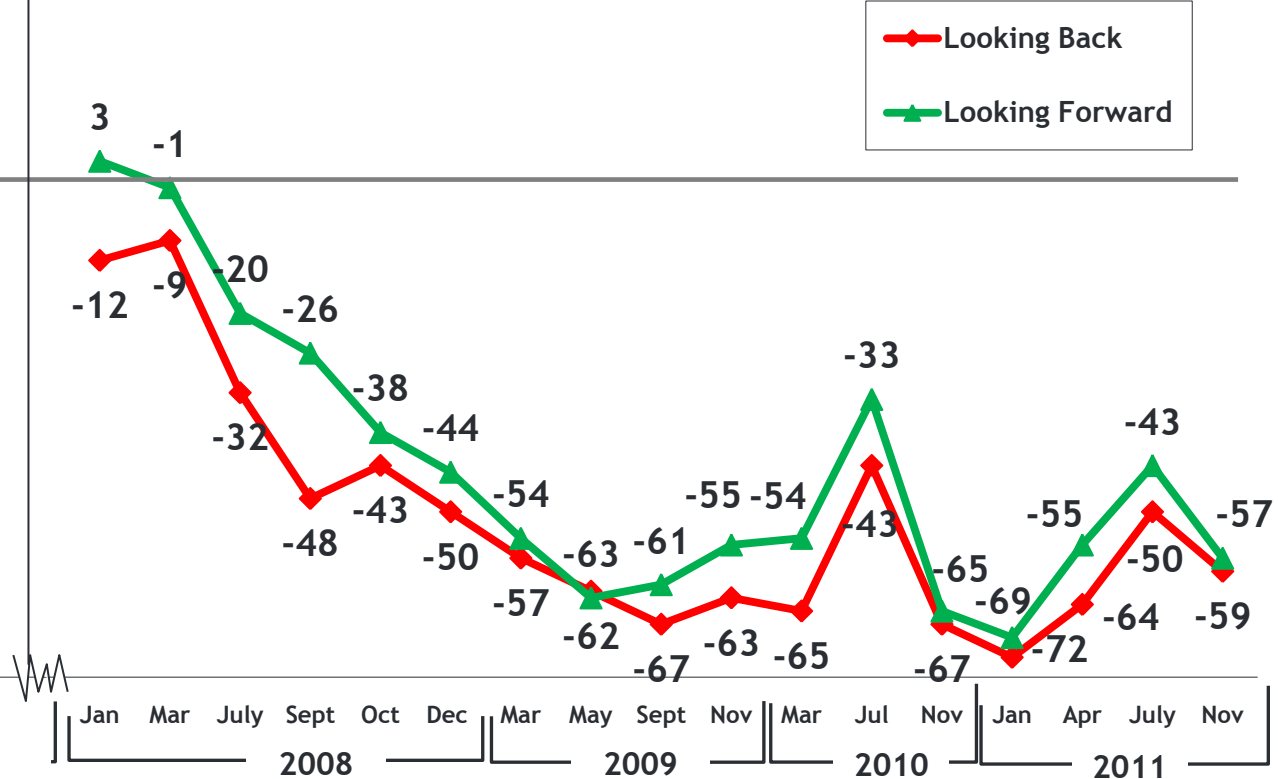
# Balance Of Opinion - Personal Finances

Long Term

Balance +/-

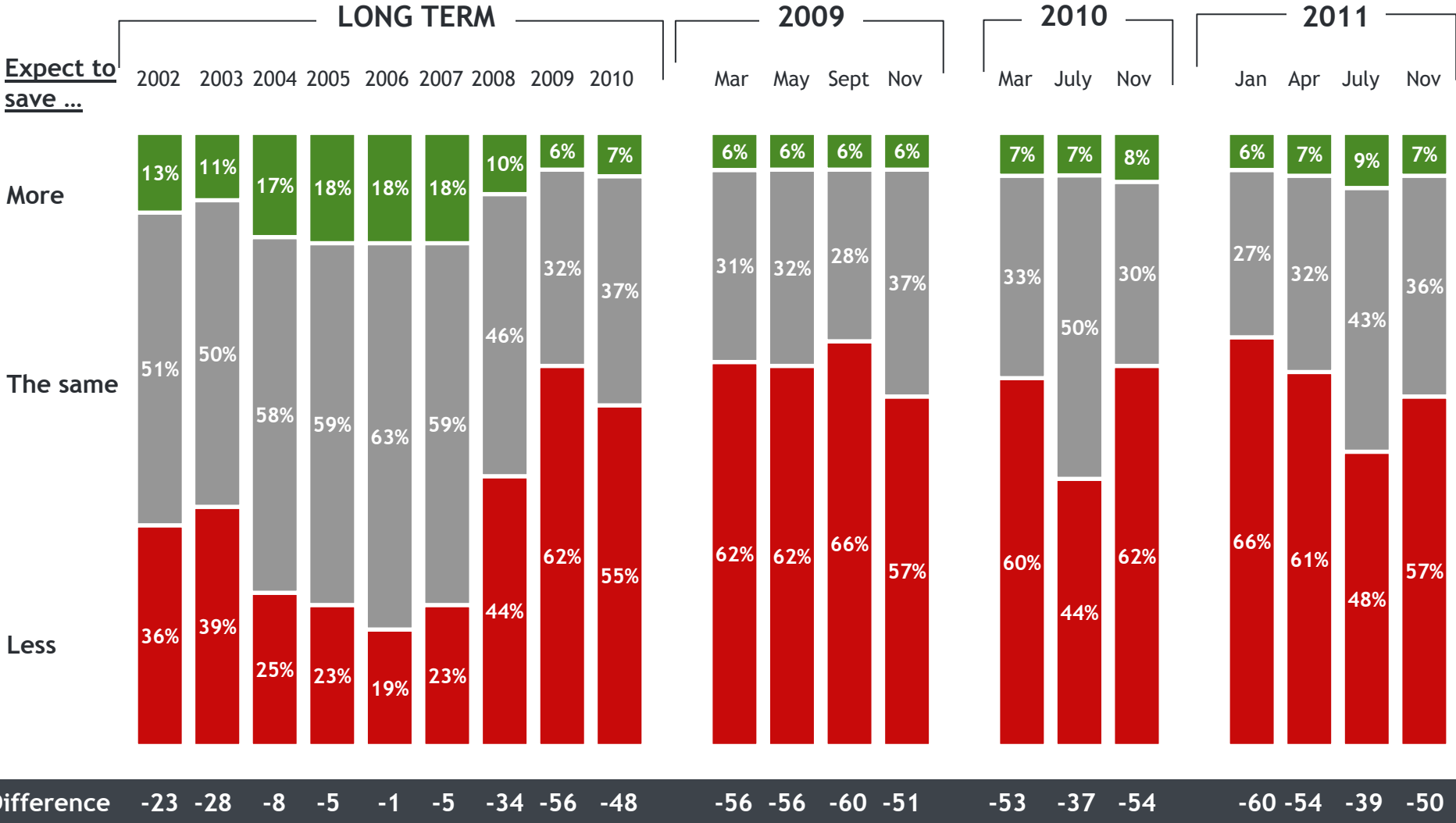


Short Term



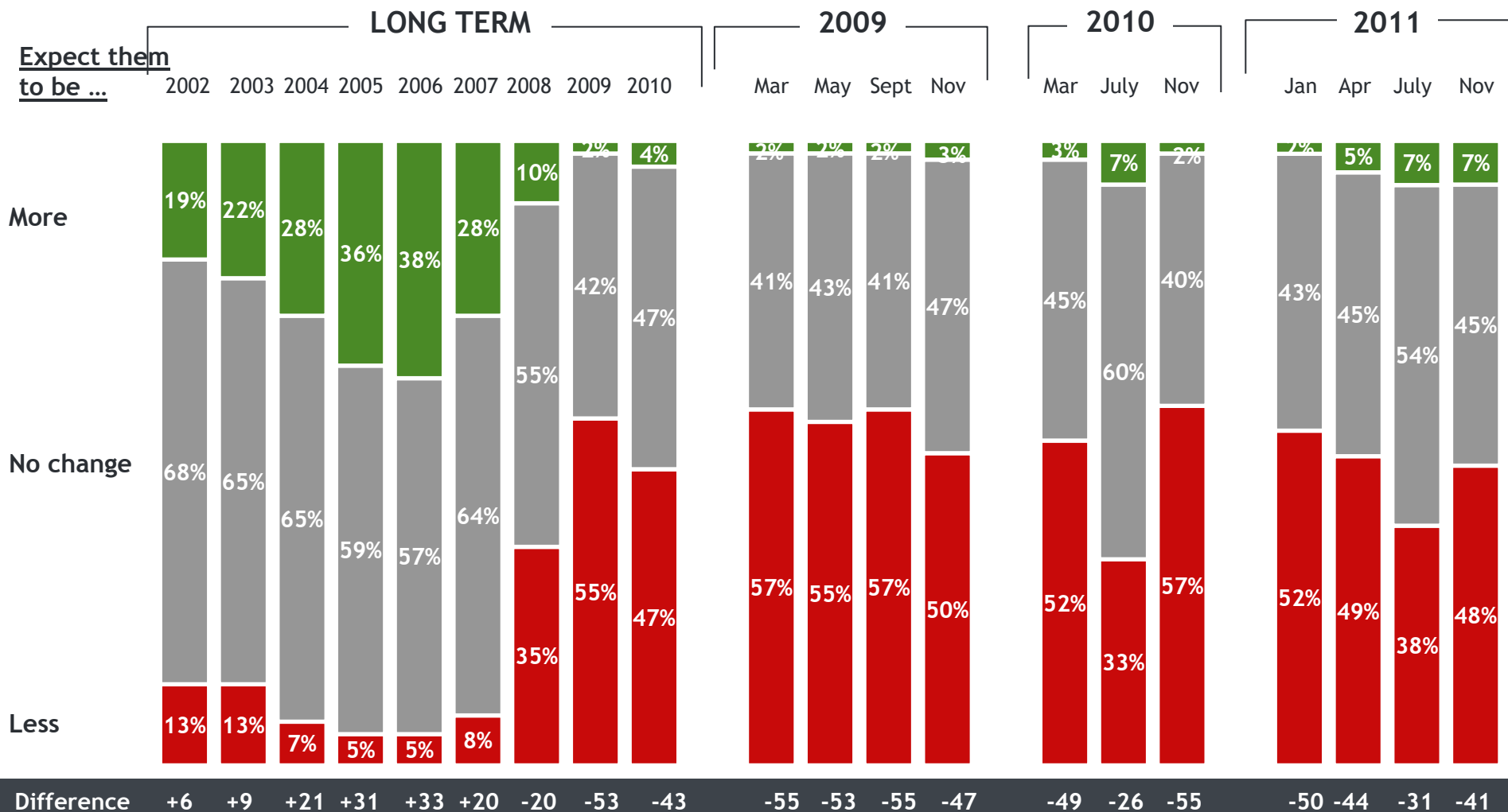
Concerns related to personal finances continue to increase. The impending austerity budget, further indirect taxation and increases in VAT and direct household expenditure (carbon tax, electricity, gas) without a reciprocal rise in average income levels, will see further deterioration in the personal financial stability of consumers. While the majority are now on less real income compared to this period last year there is an anticipation that this will fully reduce by the next year. This bodes ill for the return of domestic demand.

# Savings - Looking Forward



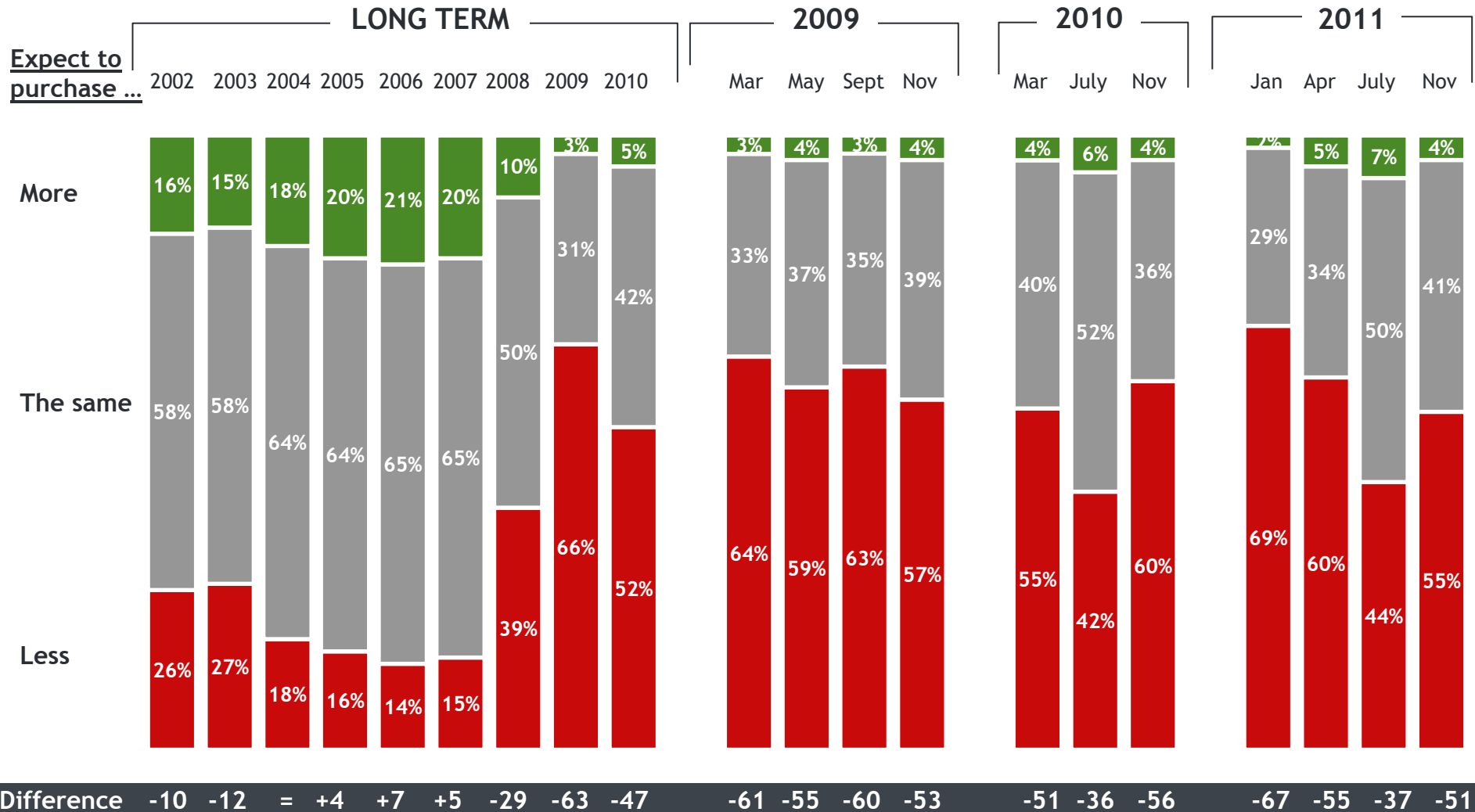
Q.8 Do you expect to save more, less or the same amount in the year ahead compared with the last twelve months?

# Personal Assets- Looking Forward



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?

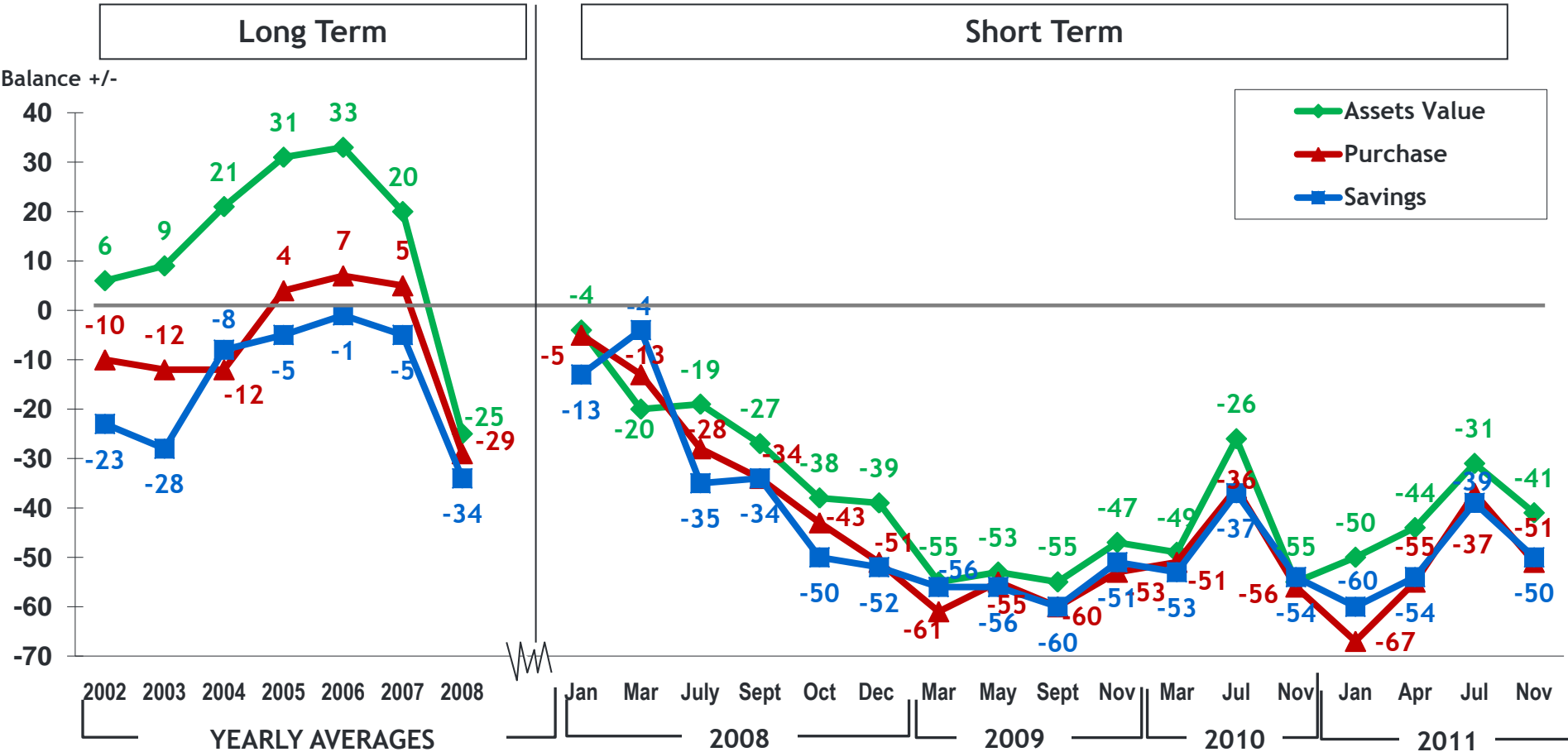
# Purchasing Goods And Services - Looking Forward



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?

# Balance Of Opinion - The Year Ahead

Expectations in regard to assets value, purchases, and savings

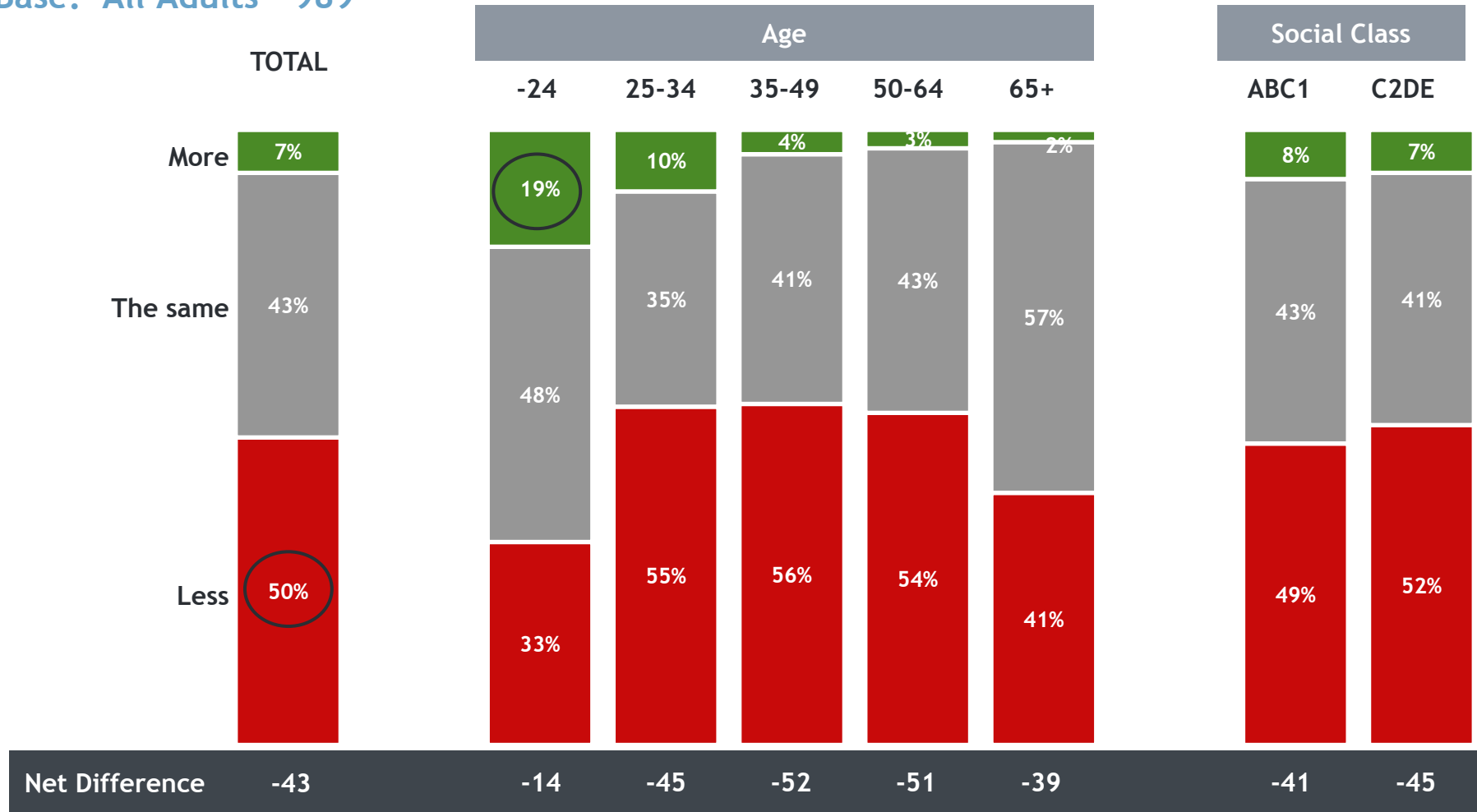


The decline again in anticipated savings and spending levels indicates that 'real incomes' are reaching a tipping point in relation to household balance of expenditure. The degree to which attrition in anticipated savings mirrors that of anticipated purchases indicates that overall 'real income' levels have declined inordinately as have expected disposable income levels.

**Christmas 2011**

# Perceptions of Likely Christmas Spending Compared to Last Year

Base: All Adults - 989



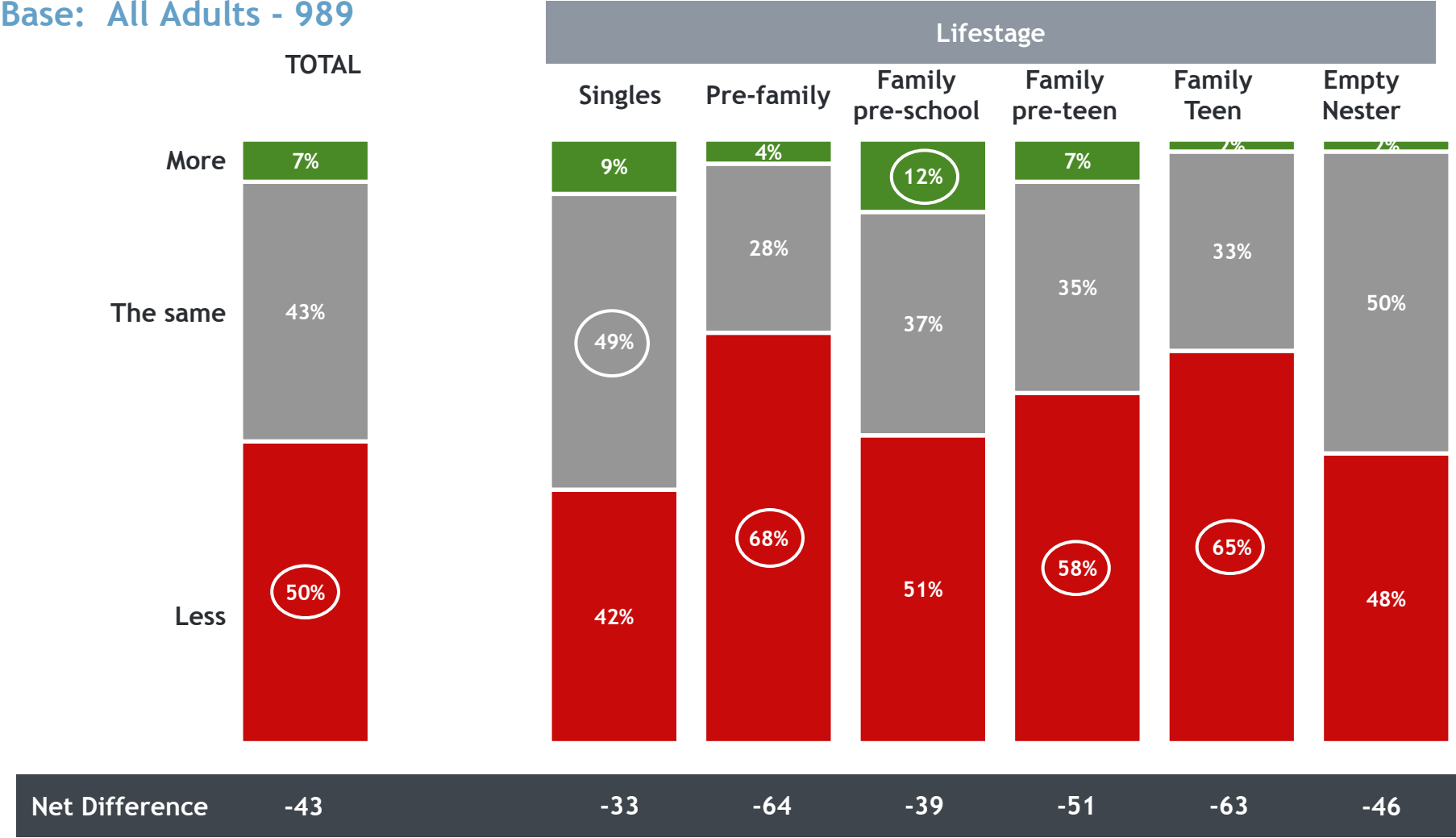
Half of consumers expect to spend less this Christmas versus last year (net diff = -43%). While young adults, perhaps without commitments, are the only cohort with some spending power.

Q.10 Do you expect to spend more, less or the same amount this Christmas compared to last Christmas?



# Perceptions of Likely Christmas Spending Compared to Last Year

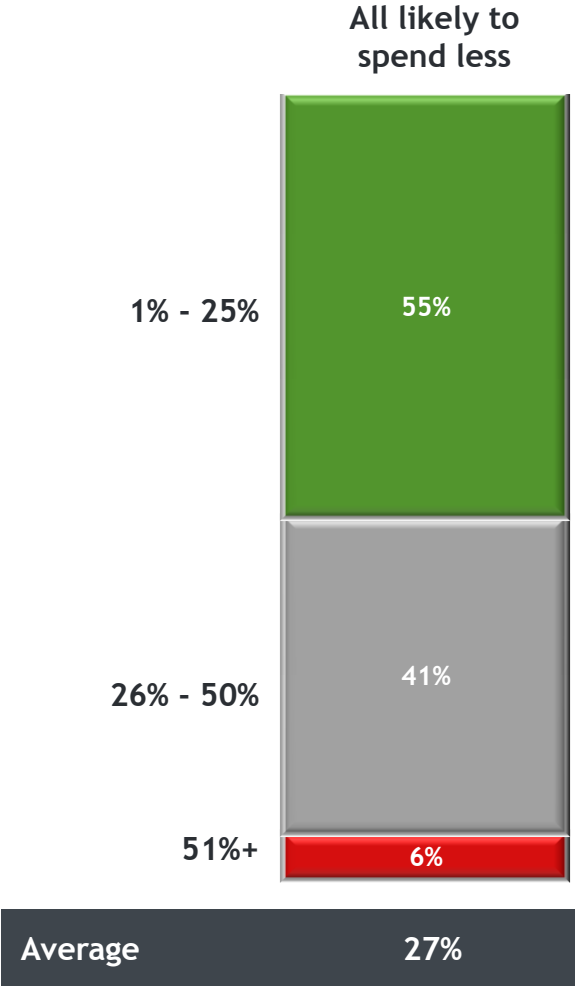
Base: All Adults - 989



Q.10 Do you expect to spend more, less or the same amount this Christmas compared to last Christmas?

# How Much Less Will People Spend?

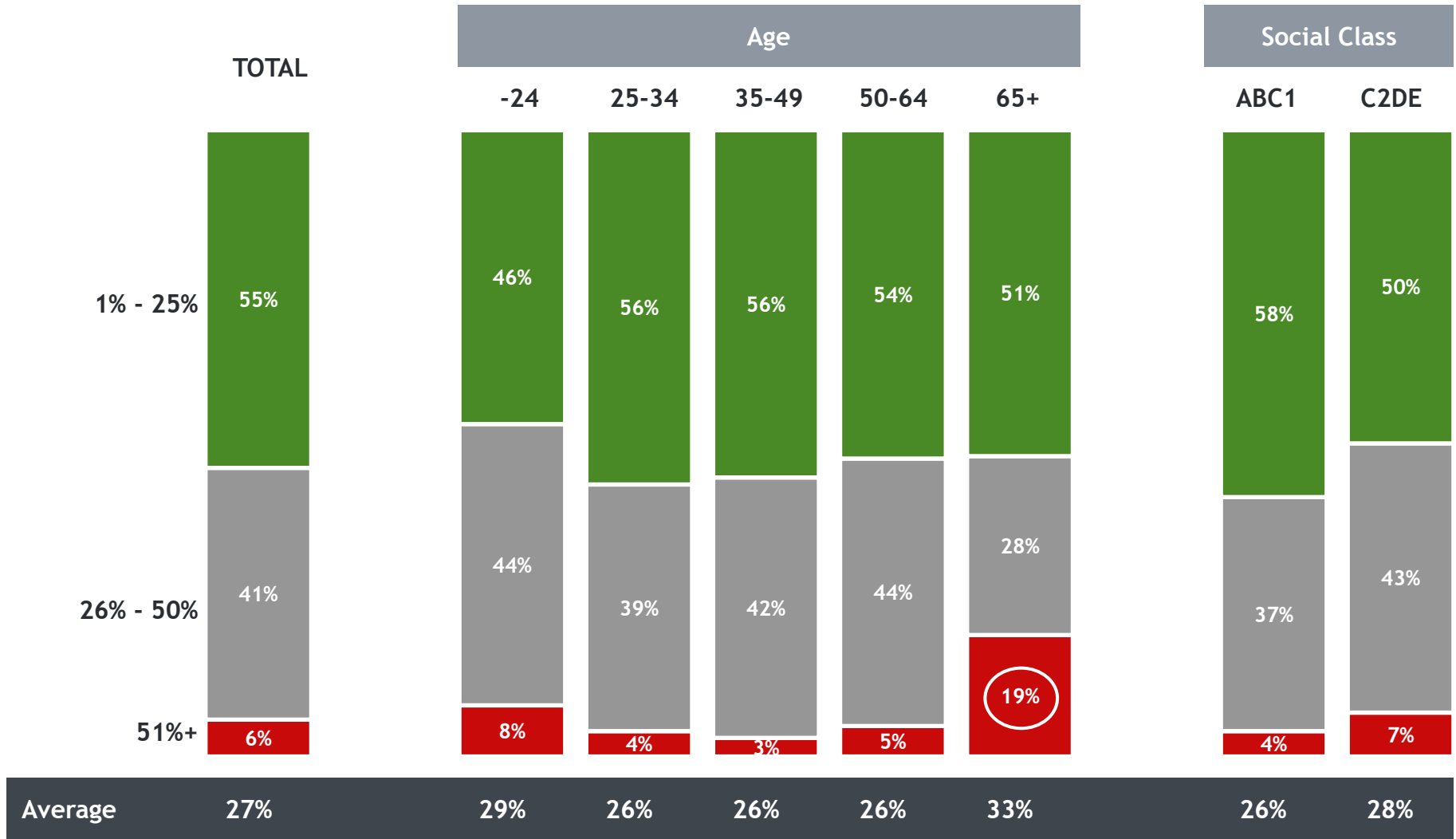
Base: All likely to spend less - 495



Q.11b How much less do you expect to spend this Christmas compared to last Christmas?

# How Much Less Will People Spend?

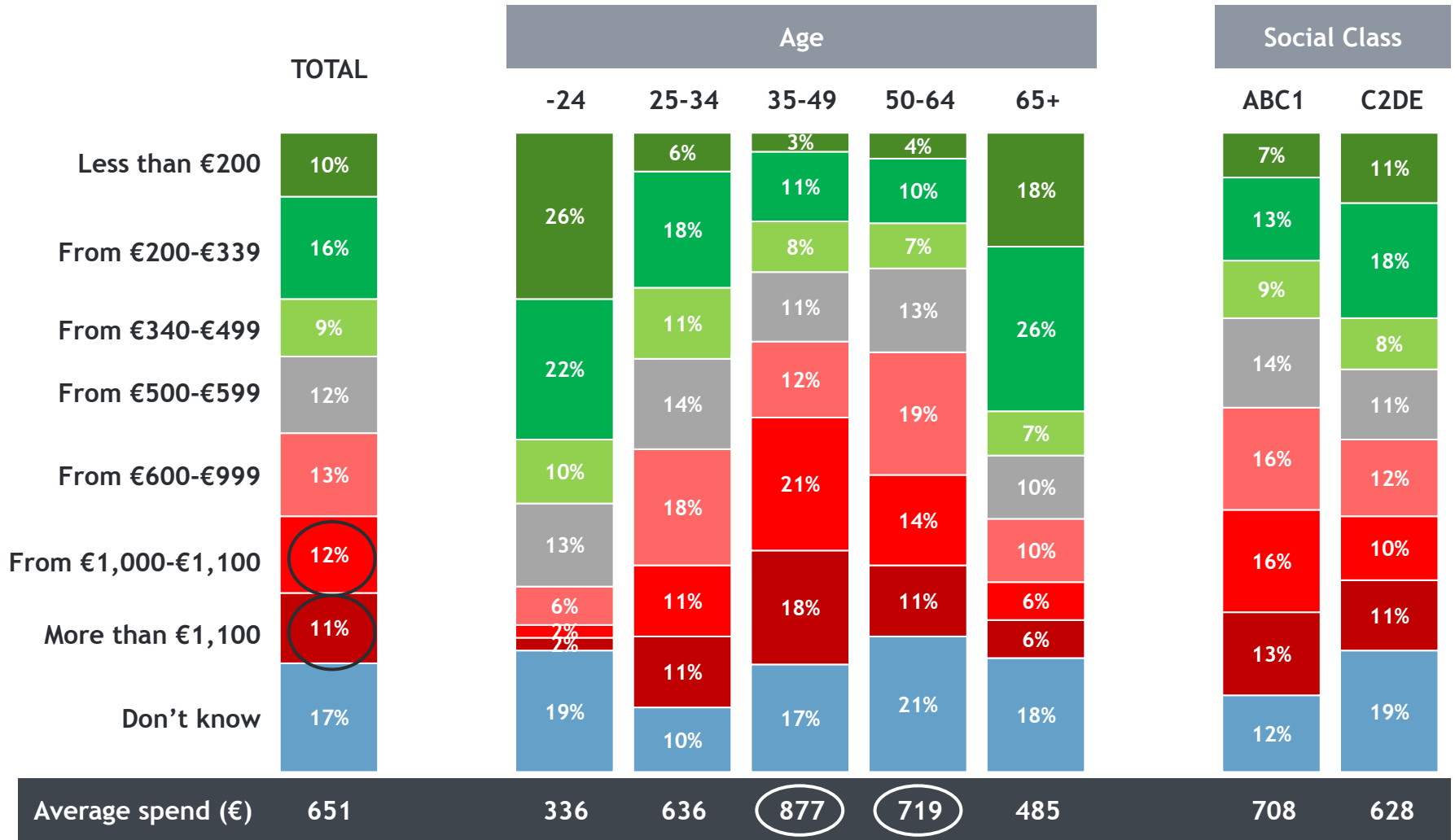
Base: All likely to spend less - 495



Q.11b How much less do you expect to spend this Christmas compared to last Christmas?

# How will we spend on Christmas this year?

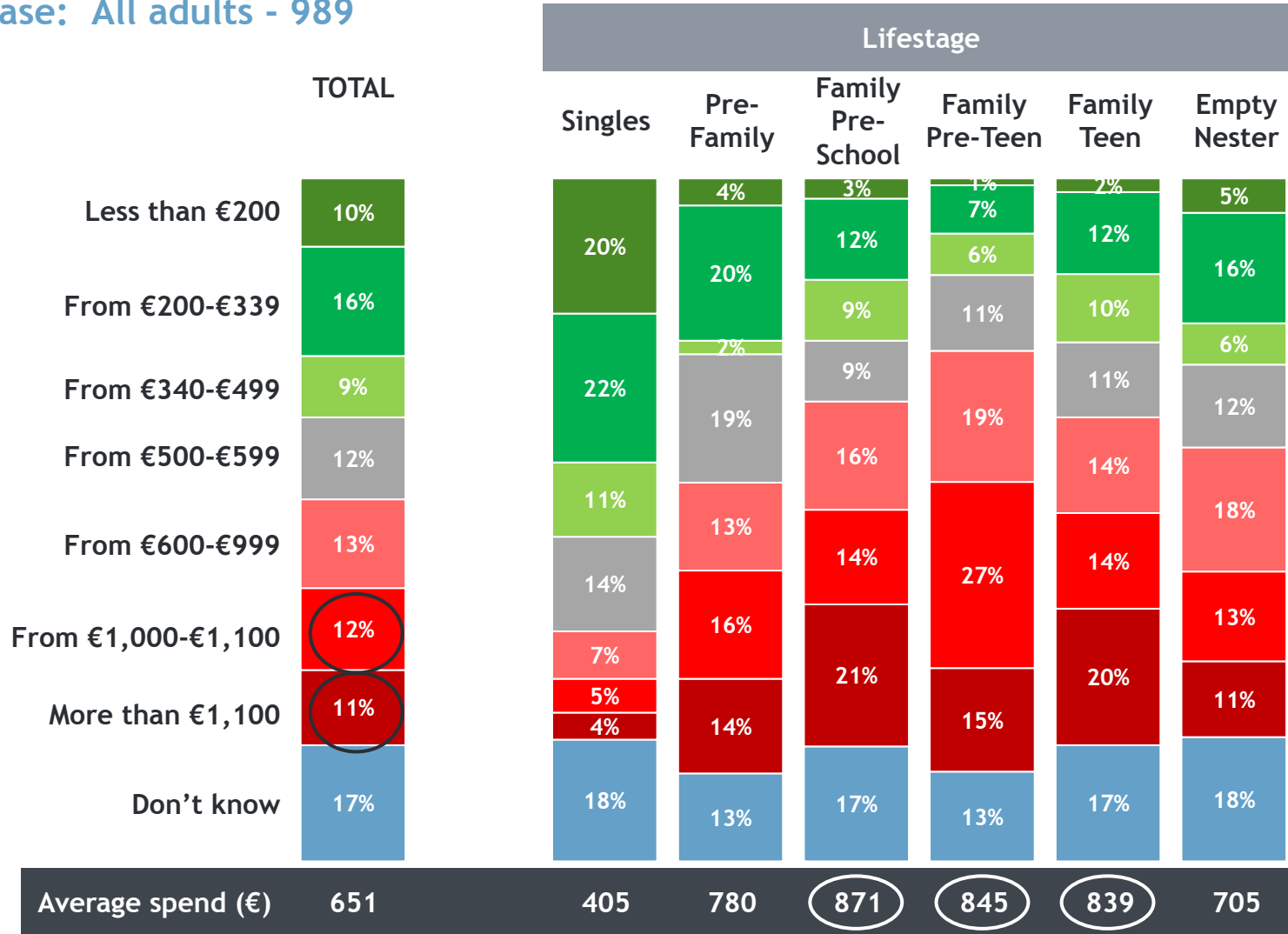
Base: All adults - 989



Q.12 Approximately how much do you think you will spend on Christmas this year (including presents, food, alcohol and entertainment)?

# How will we spend on Christmas this year?

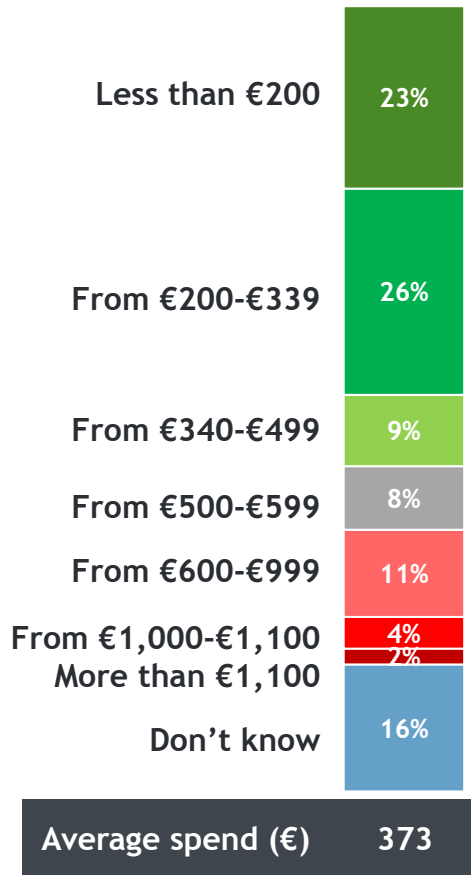
Base: All adults - 989



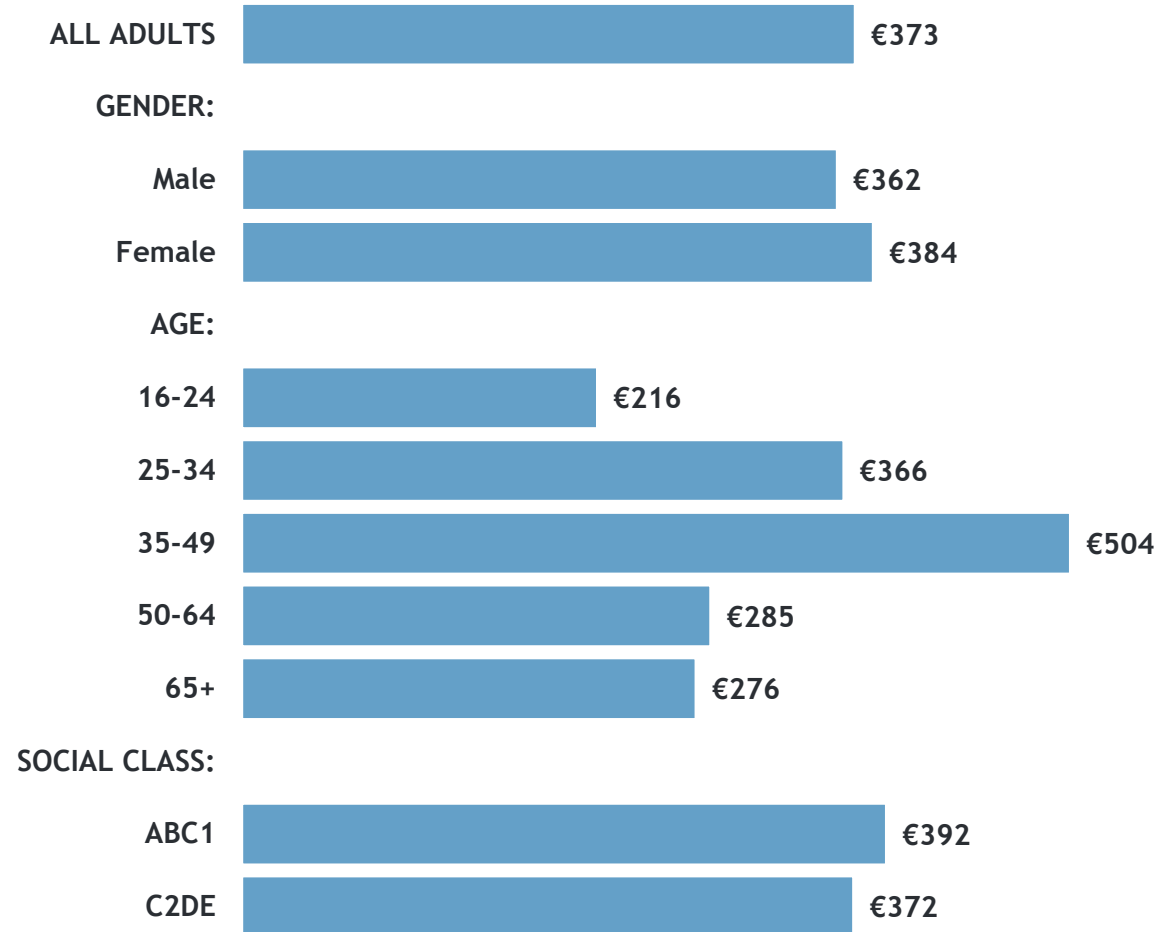
# How Much will we spend on Christmas presents?

Base: All adults - 989

## TOTAL



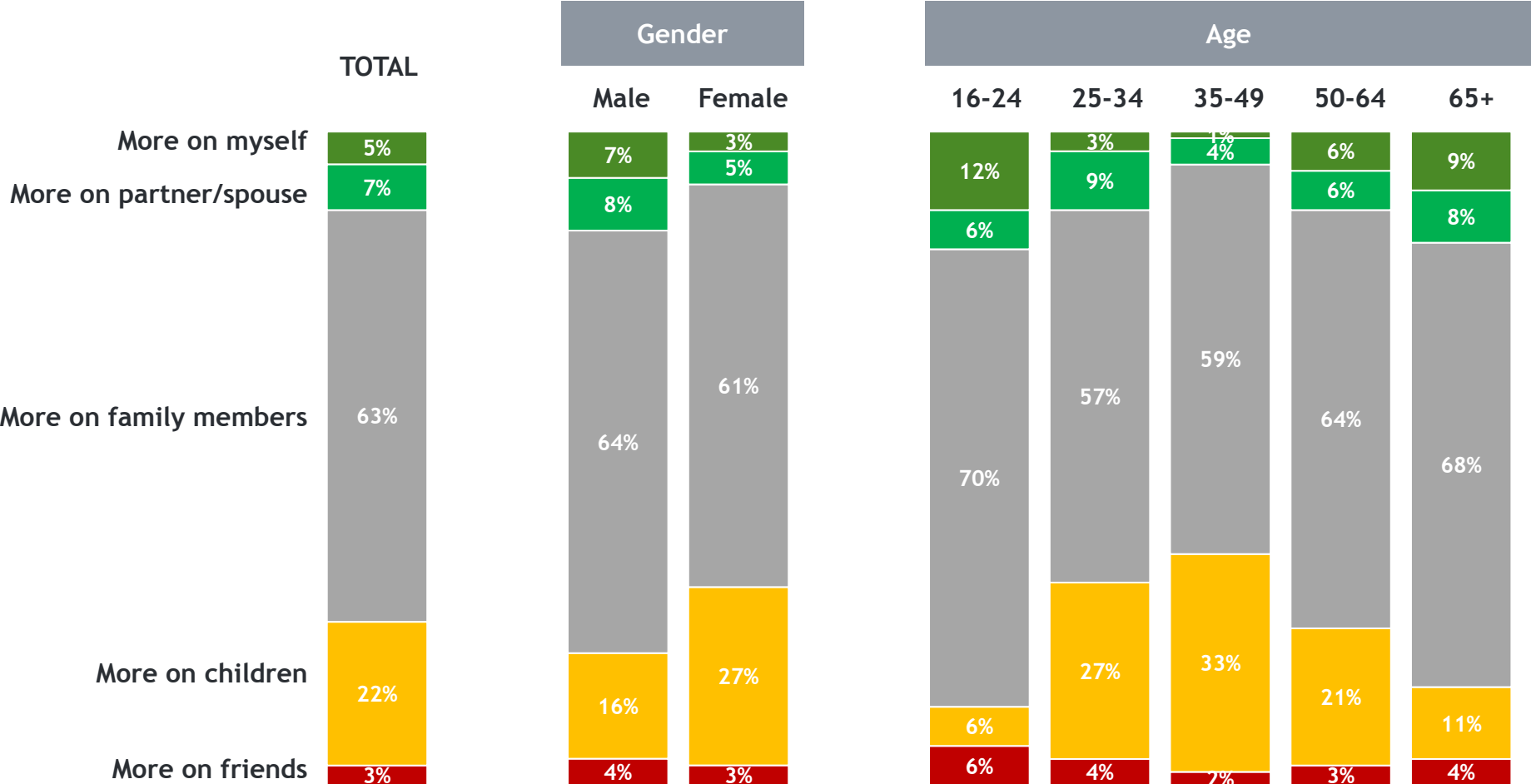
## Average Likely Christmas Present Spend



Q.13 Approximately how much do you think you will spend on Christmas presents this Christmas?

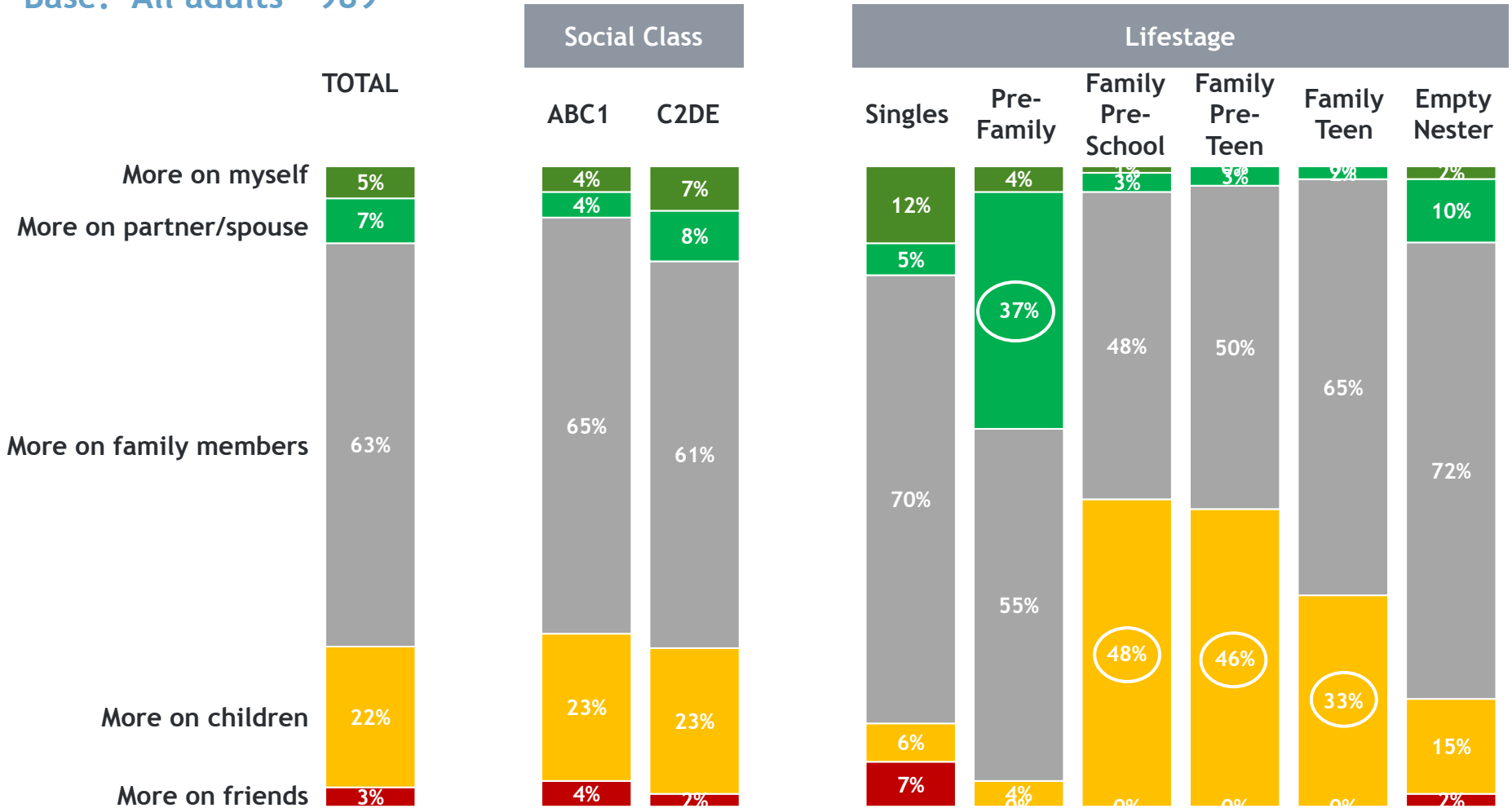
# Who Will We Be Focussing Our Spending on This Christmas?

Base: All adults - 989



# Who Will We Be Focussing Our Spending on This Christmas?

Base: All adults - 989

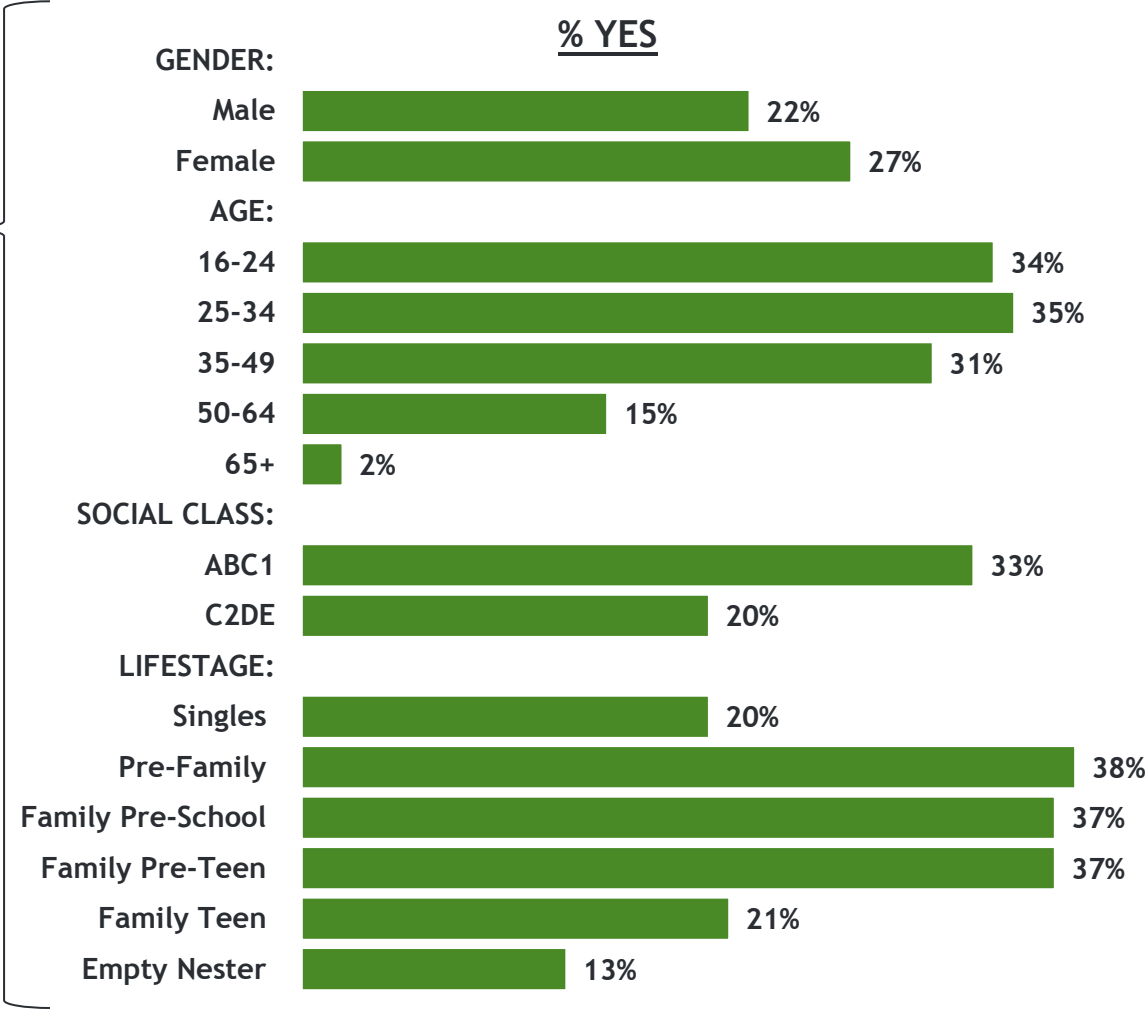
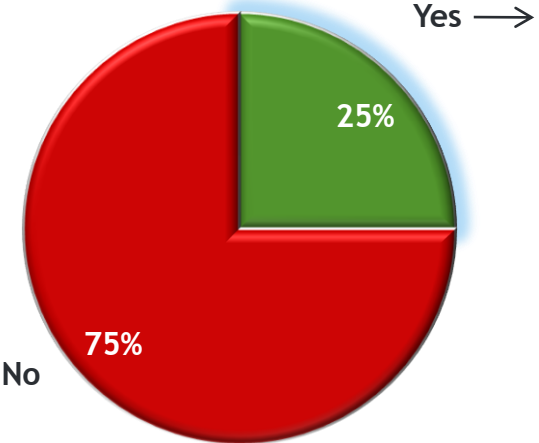


Love is still in the air for Pre-families!

Q.14 Where is your focus for presents this year compared to last year?

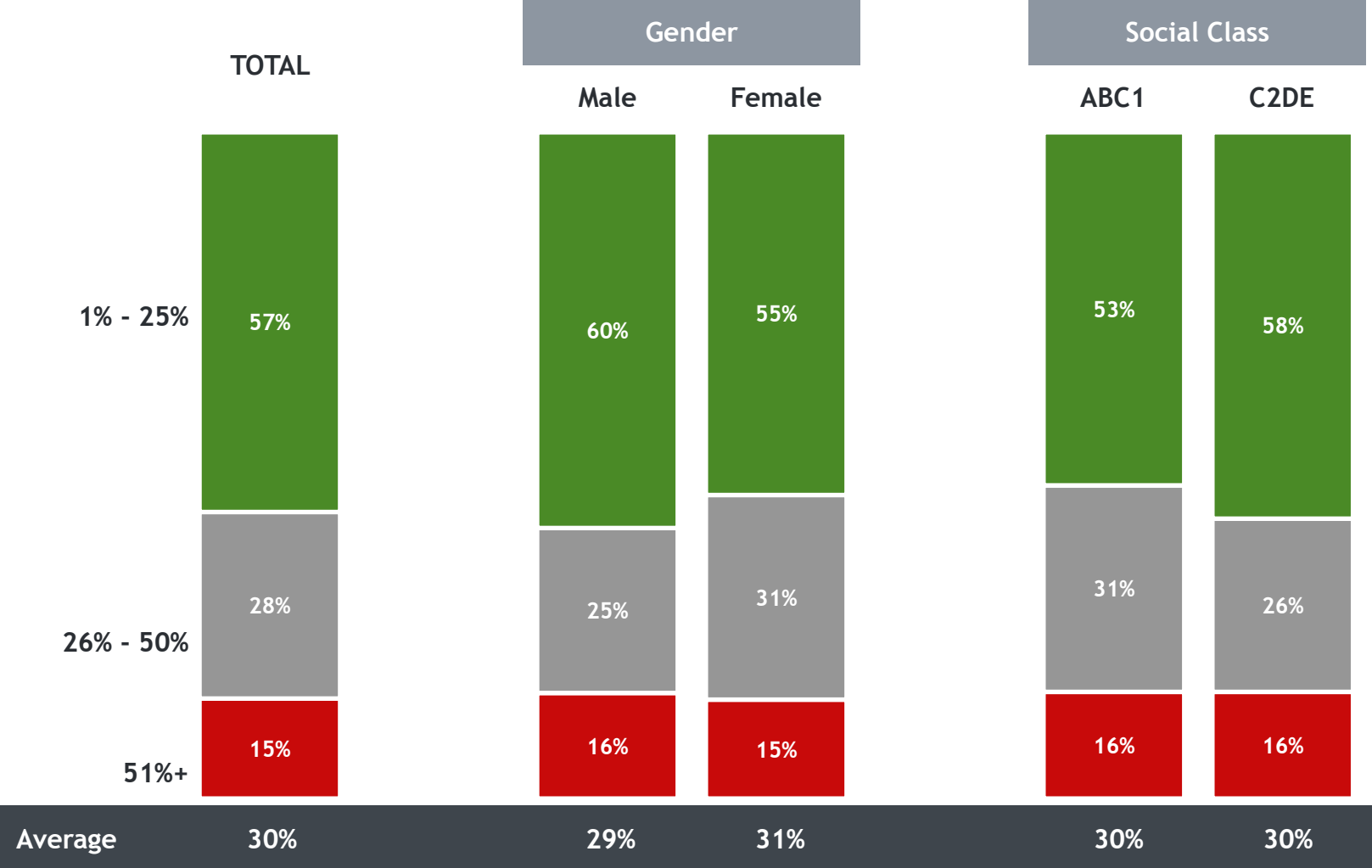
# Will we be Purchasing Any Christmas Presents Online This Year?

Base: All adults - 989



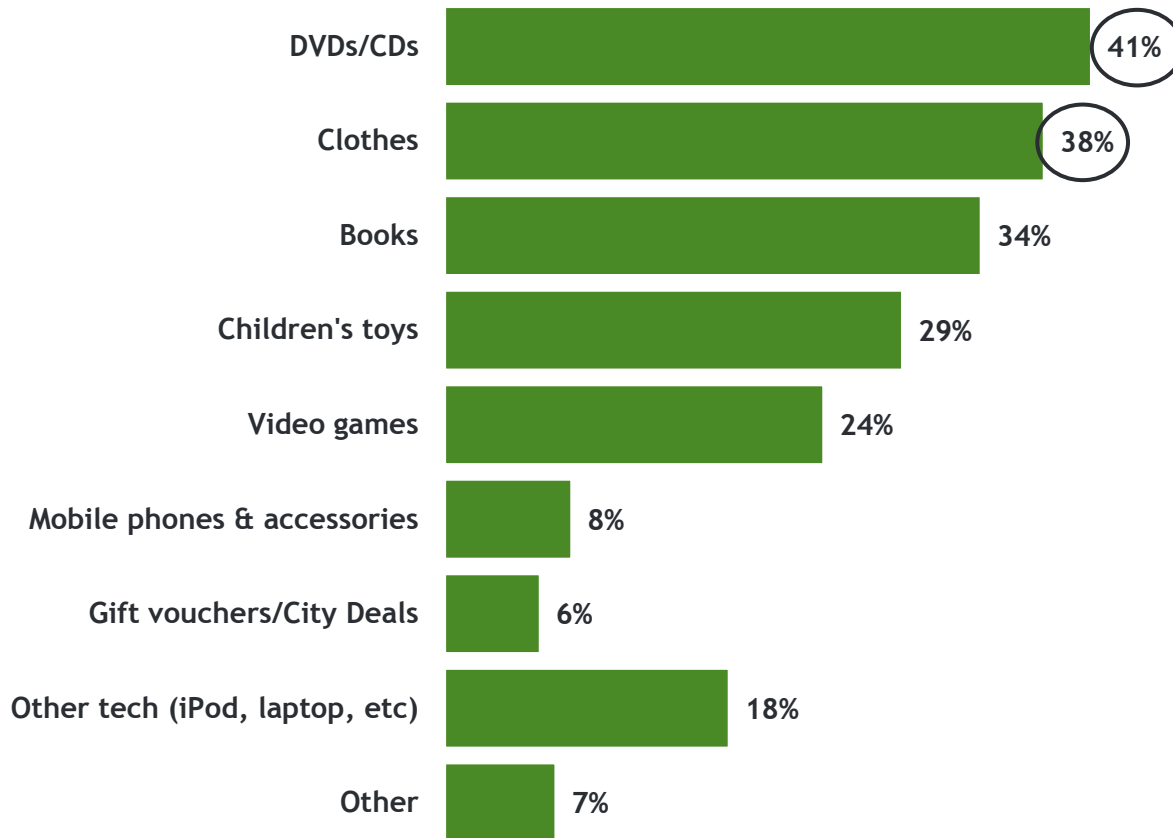
# Percentage of Christmas Gifts That Will Be Bought Online

Base: All intending to purchase gifts online - 253



# Products Which Will Be Purchased Online

Base: All intending to purchase gifts online - 253



Gender		Social Class	
Male	Female	ABC1	C2DE
%	%	%	%
42	40	47	33
28	47	35	44
32	36	38	31
25	32	24	34
25	23	19	28
8	8	10	5
8	5	7	5
23	14	21	16
5	9	10	4

# Thank you



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