



Positive Outlook but Cautious Spending Remains...

Credit Crunch
Tracking
January 2013

Consumer Confidence is Up!



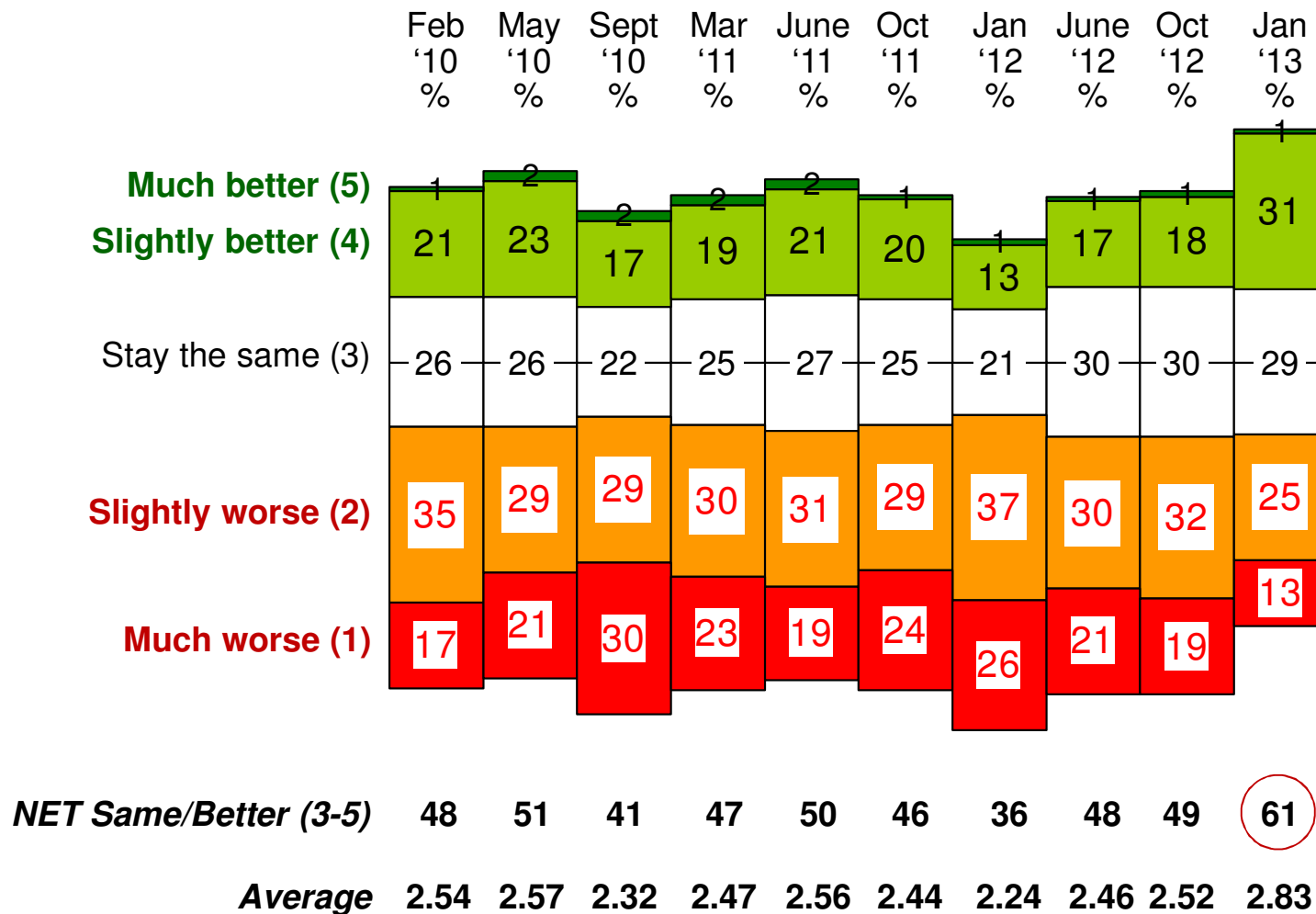
- ✓ The consumer outlook for the Irish economy is at its highest level since the onset of the recession – possibly driven by expectations of a deal on Ireland's bank debt.
- ✗ Yet, consumers still feel impacted by the recession personally and are reluctant to increase spending in the short term.
- ✗ Good news is required to kick-start both consumer spend and the housing market – but we see a general sense of optimism and increased job security.



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Consumer expectations of the Irish economy are at the highest level since the onset of the recession!

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



✓ 1 in 3 feel that the Irish economy will improve over the next 6 months

✓ Yet, over one third still believe that the Irish economy will fare worse.

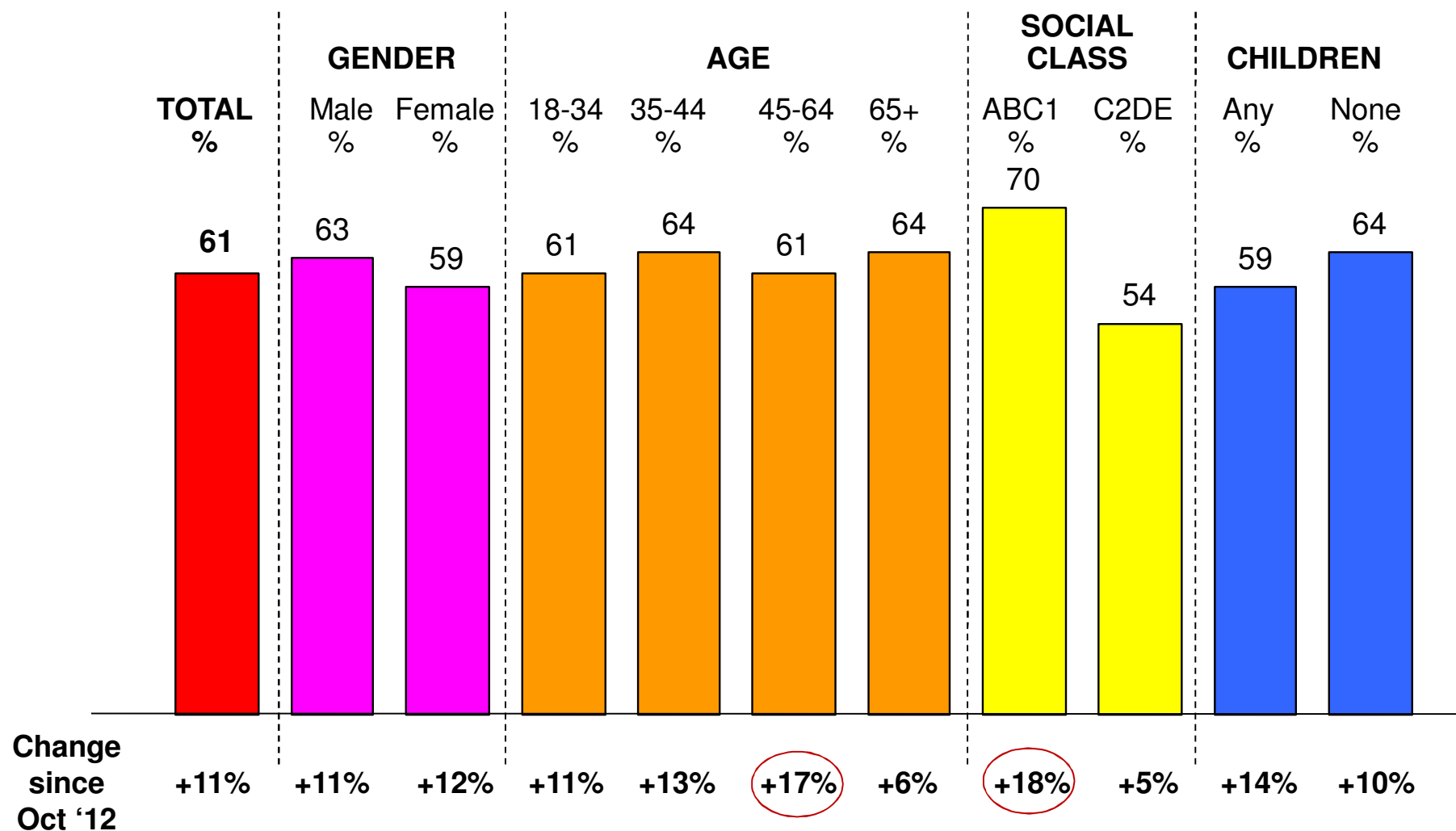


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The more
positive outlook
for the Irish
economy is
shared across all
life stages

Expectations for the Irish economy 6 months from now

% Stating they believe it will be the same or better

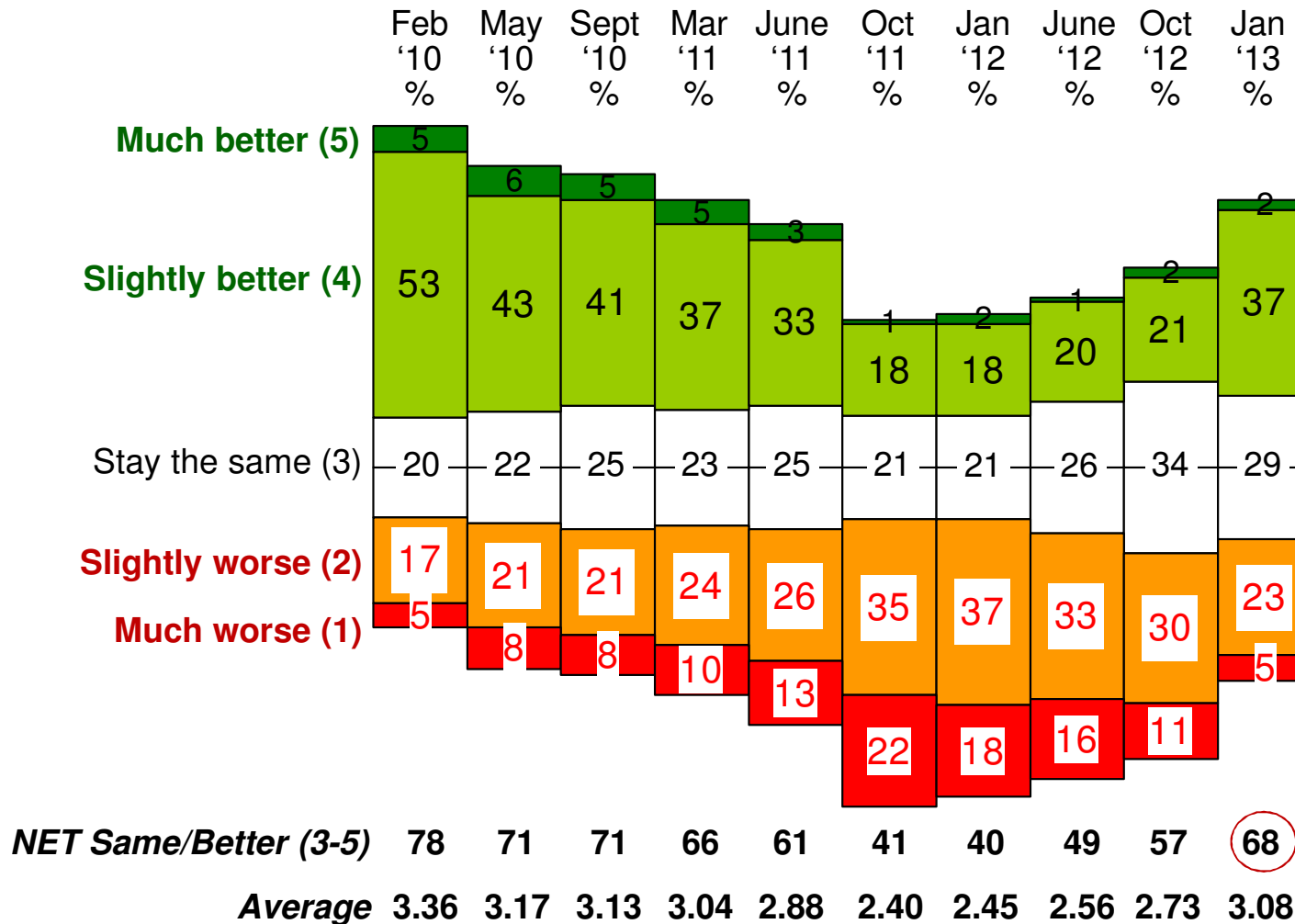




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The outlook for
the World
economy
continues to
improve and is at
its highest level
since September
2010

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



✓ 4 in 10 5 feel the World economy will improve.

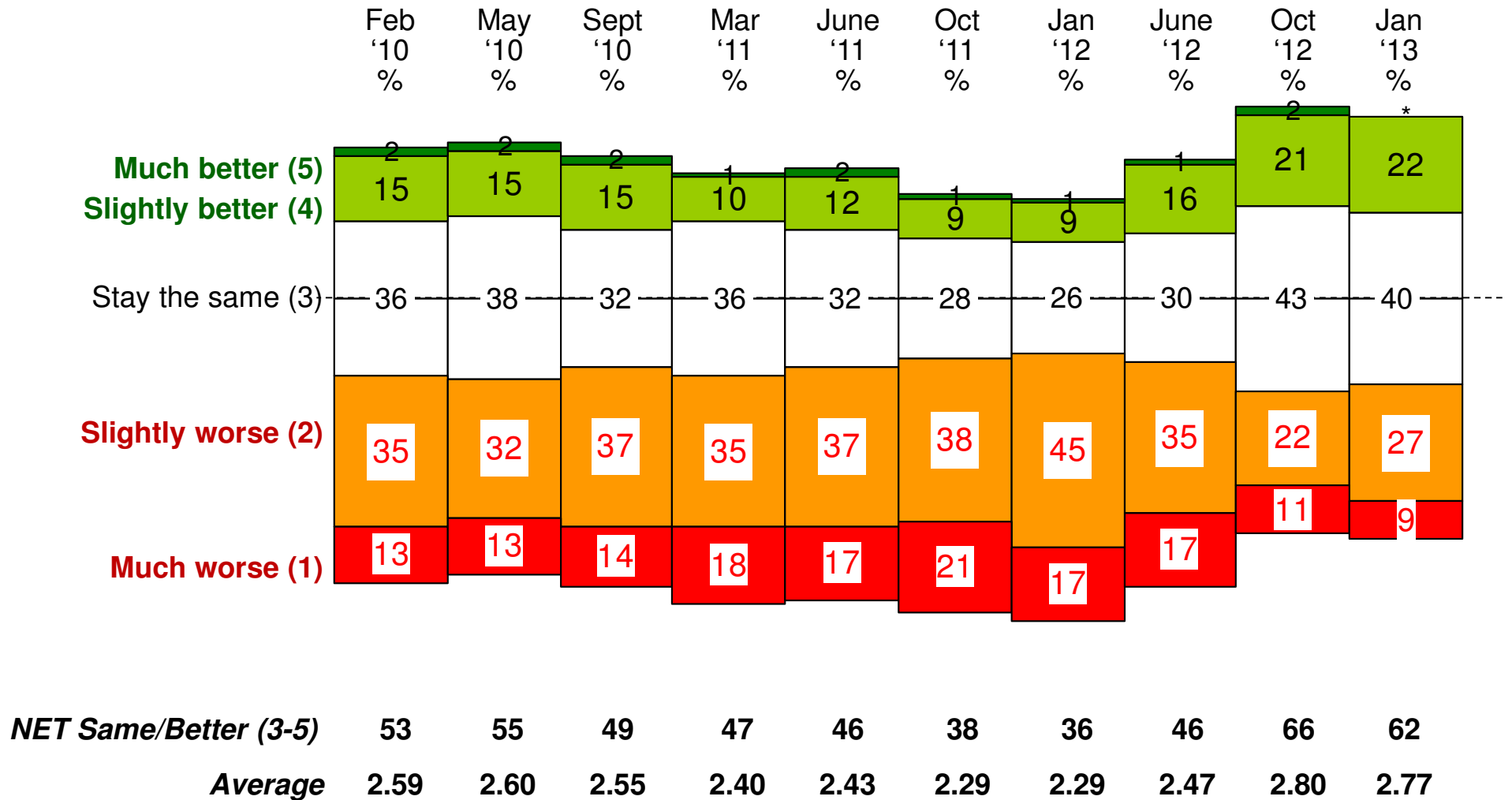
✓ This is the highest level of expectation since September 2010.



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Yet, we do not
see more
optimism in the
outlook for the
housing market...

How do you expect the Housing market to fare in the next 6 months?

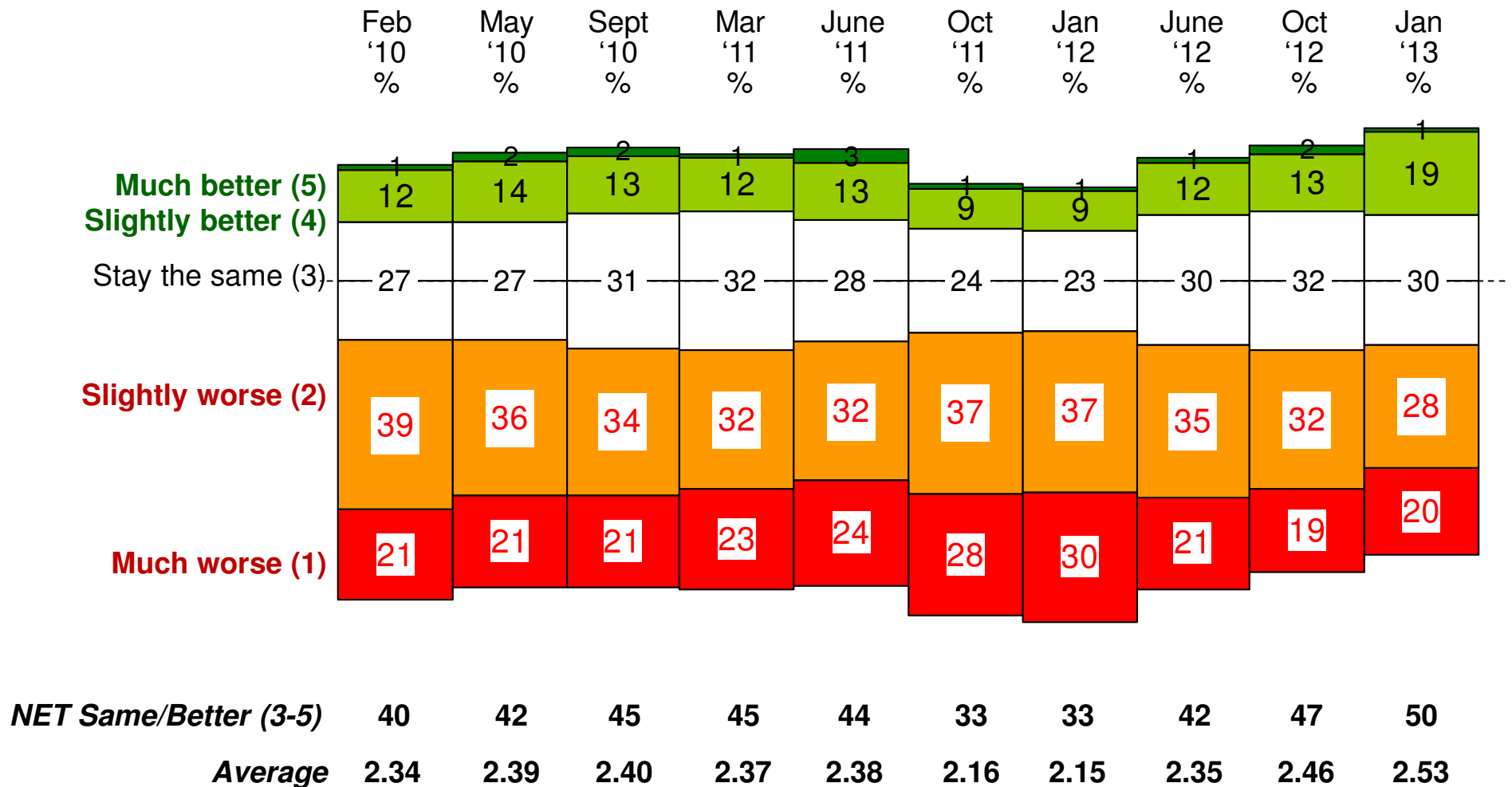




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But we see a
slightly more
positive outlook
for the job
market...

How do you expect the Job market to fare in the next 6 months?

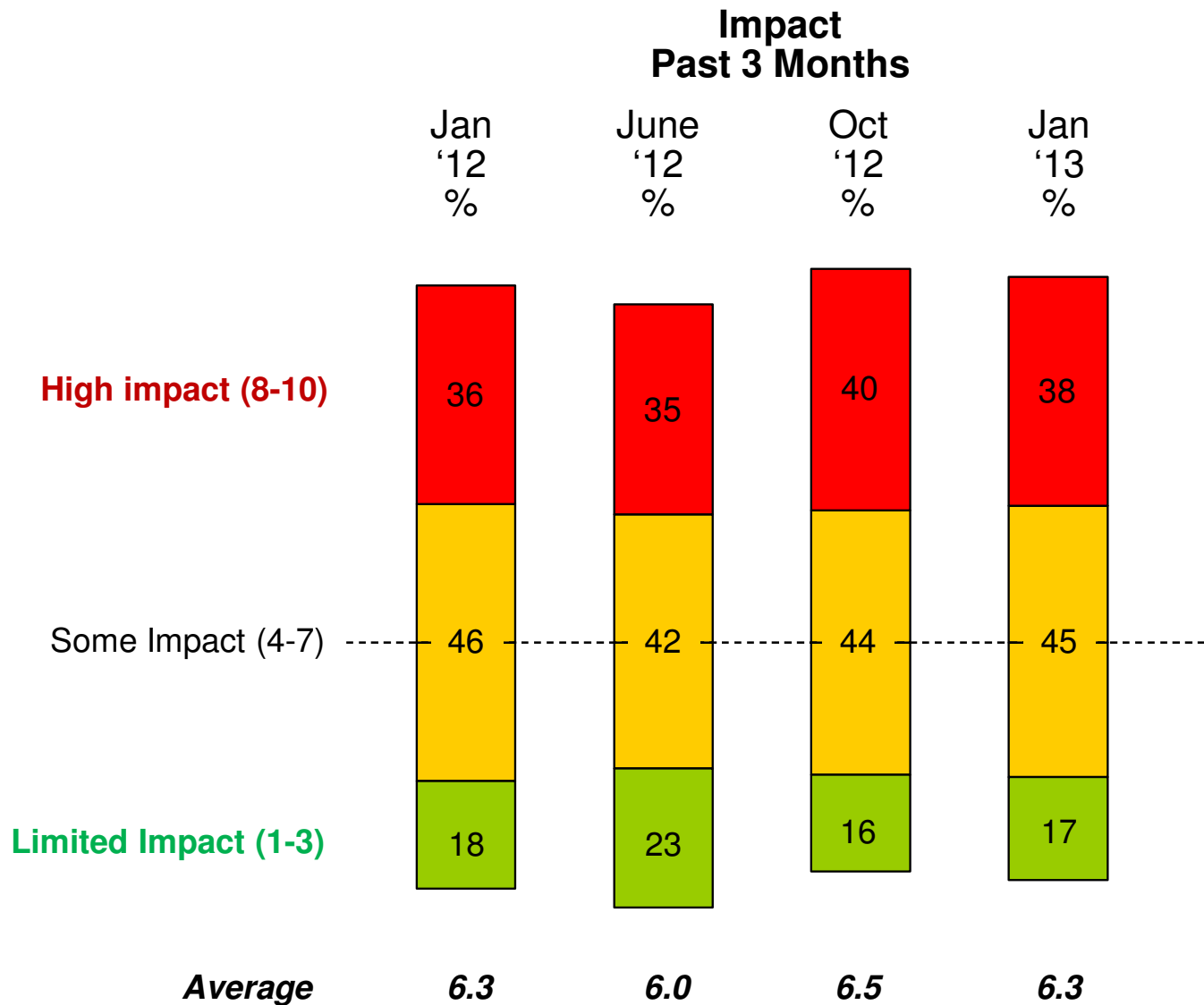




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In spite of the more positive outlook, most of us still feel personally impacted by the recession in the past 3 months...

Personal Recession Impact – Overall

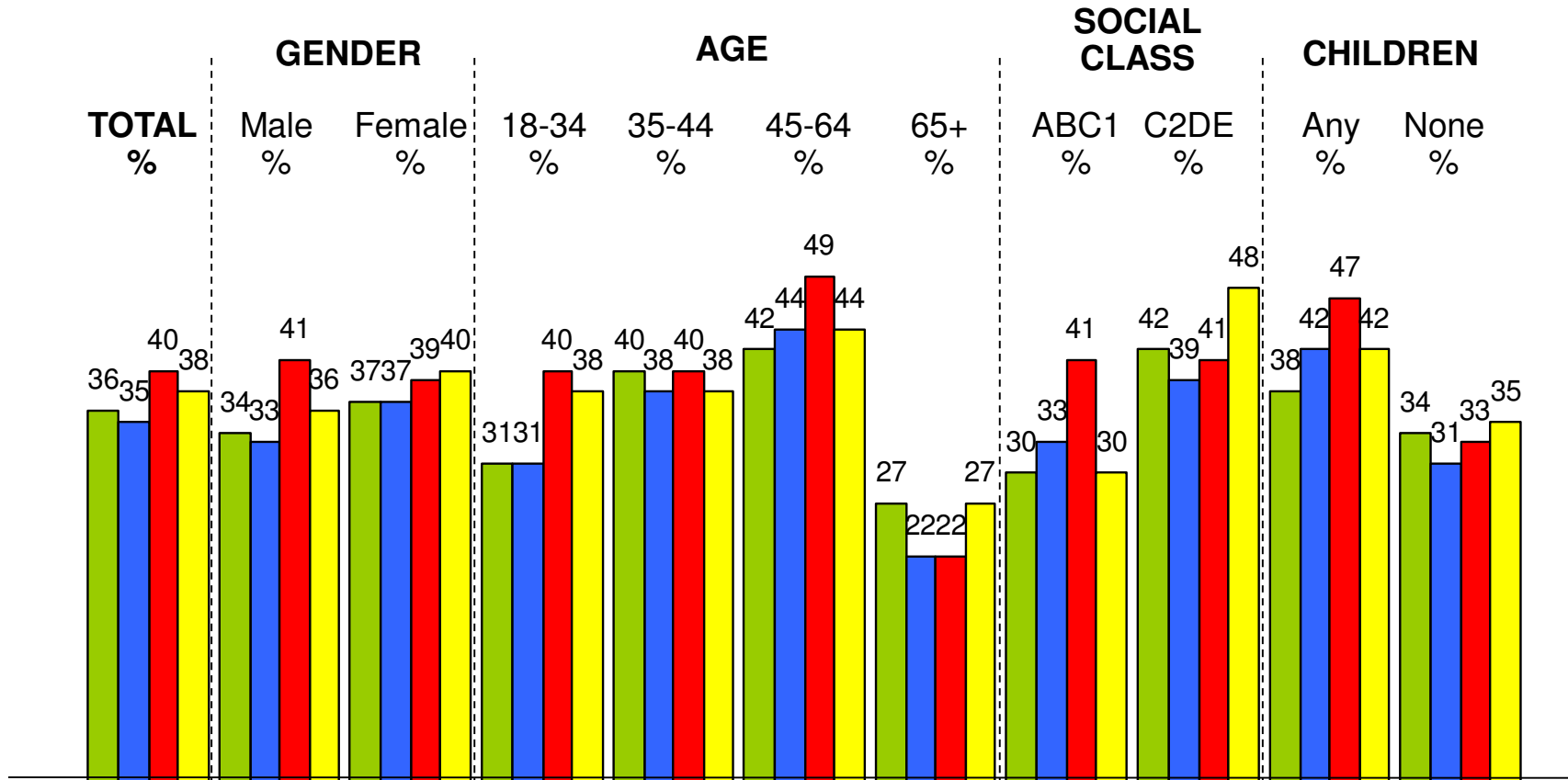


✗ Almost 4 in 10 consumers feel that the recession has had a high impact on them in the past 3 months.

Personal Recession Impact Overall

– Net High Impact (8-10)

June '12
Jan '12 Jan '13
Oct '12



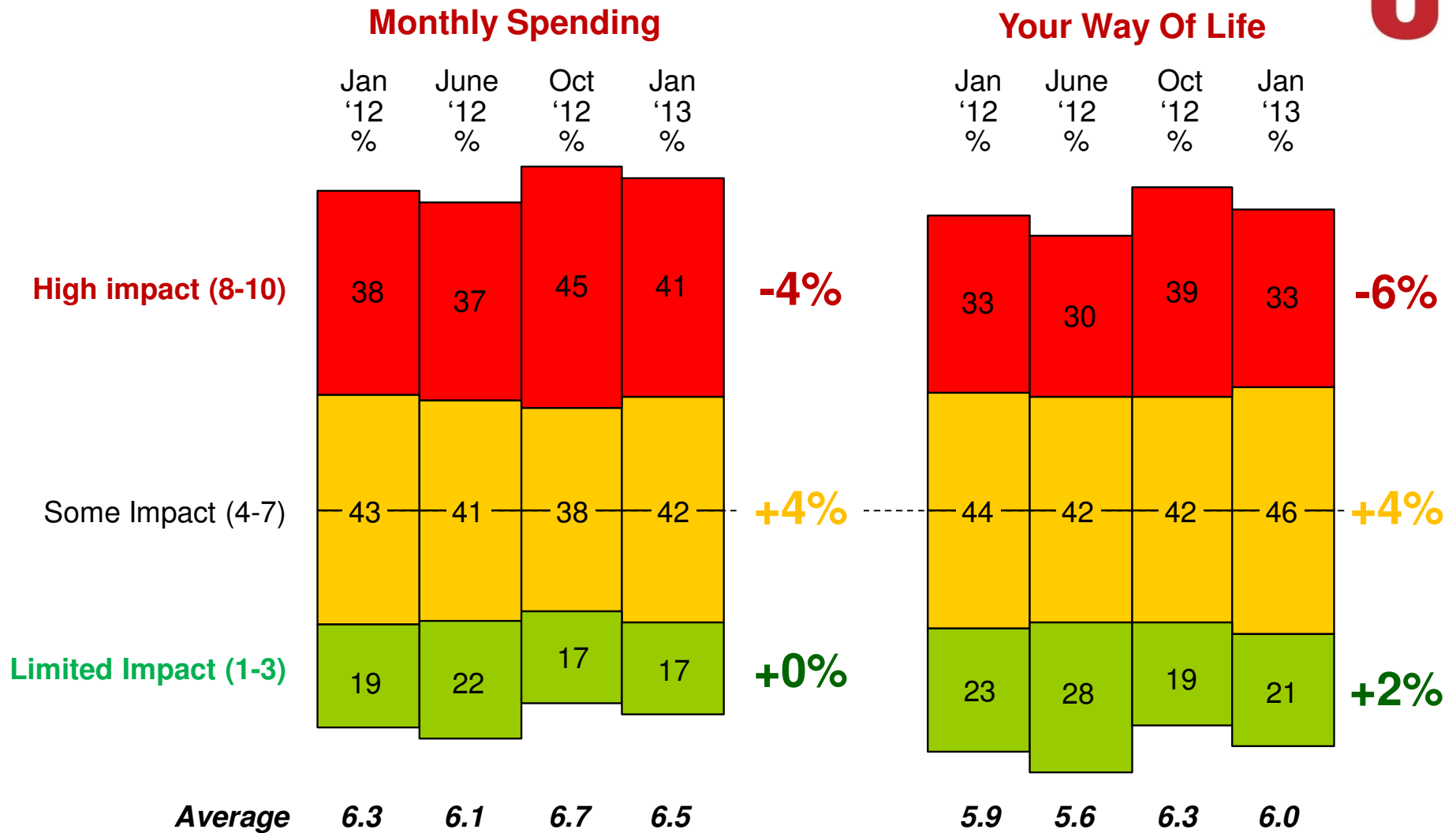
Those aged 45-64 years and those in the lower social classes feel more impacted by the recession in the past three months than any other demographic group.



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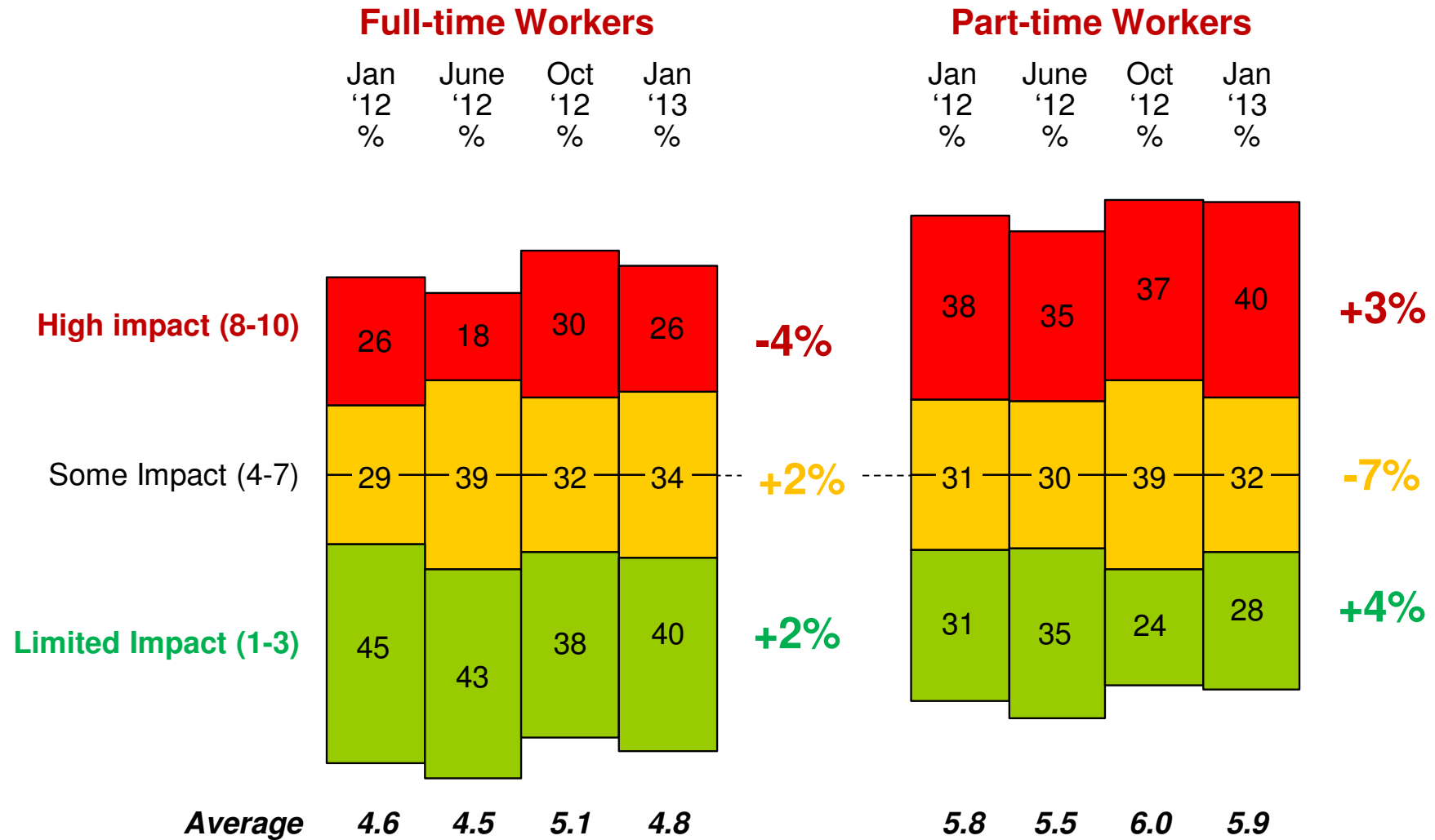
While the impact of the recession remains high, we see improvements in terms of monthly spending, lifestyle and job security for full time workers...

Impact of Recession on....



Impact of Recession on Job Security

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Our level of
happiness is
unchanged
from a year
ago...

Change Compared To Same Time Last Year in

Jan '12 Jan '13



Quality of Life %



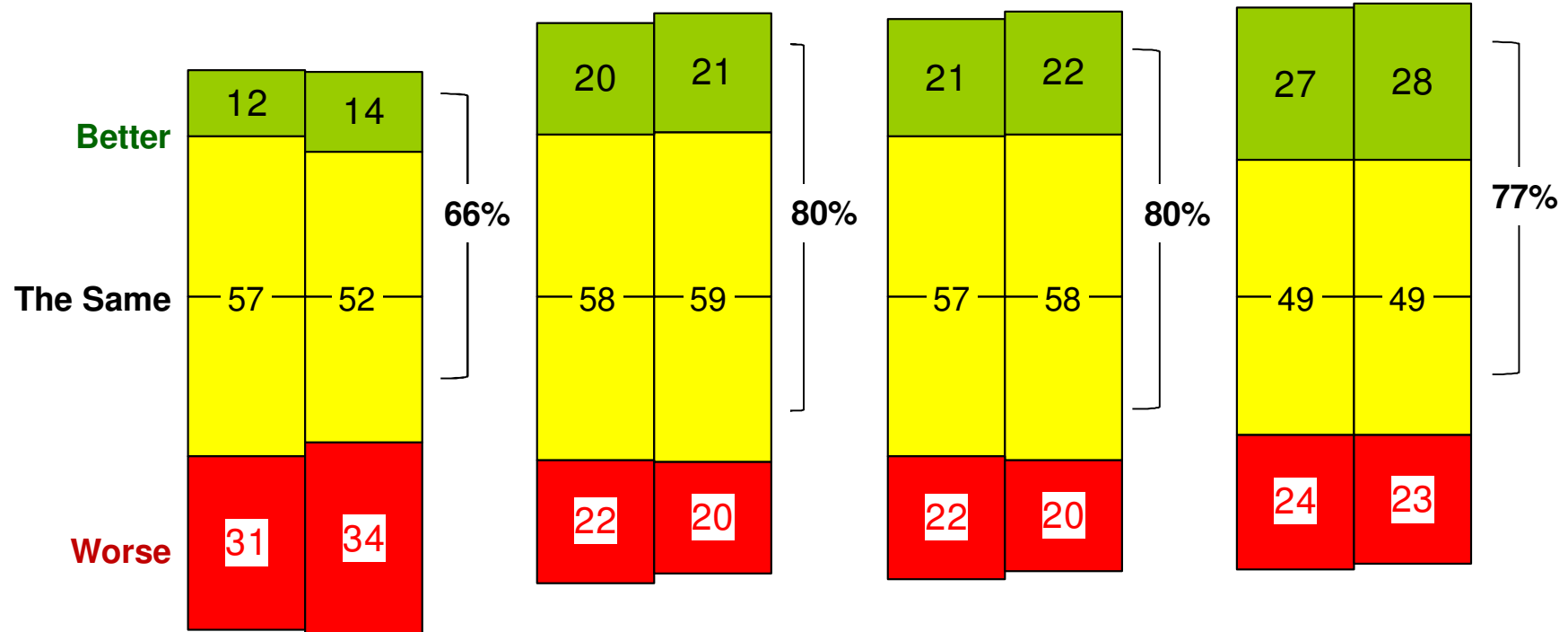
Your Happiness %



Your Energy for Life %







Your Motivation %



Change Compared To Same Time Last Year Analysed by key demographics

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% Better/Same as same time last year	 Quality of Life	 Your Happiness	 Your Energy for Life	 Your Motivation
Total	66	80	80	77
Gender				
Male	68	80	84	80
Female	64	80	76	74
Age				
18-34	69	80	80	80
35-44	62	81	81	80
45-64	57	75	77	71
65+	81	86	82	80
Social Class				
ABC1	70	84	79	80
C2DE	60	75	79	74

Those aged 65 years or more are more likely to feel the same or better than last year.



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Cautious spending
remains while
waiting for good
news...

Expected Changes In Spend Over The Next 6 Months

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Entertainment
such as going out,
eating, drinking or
socialising



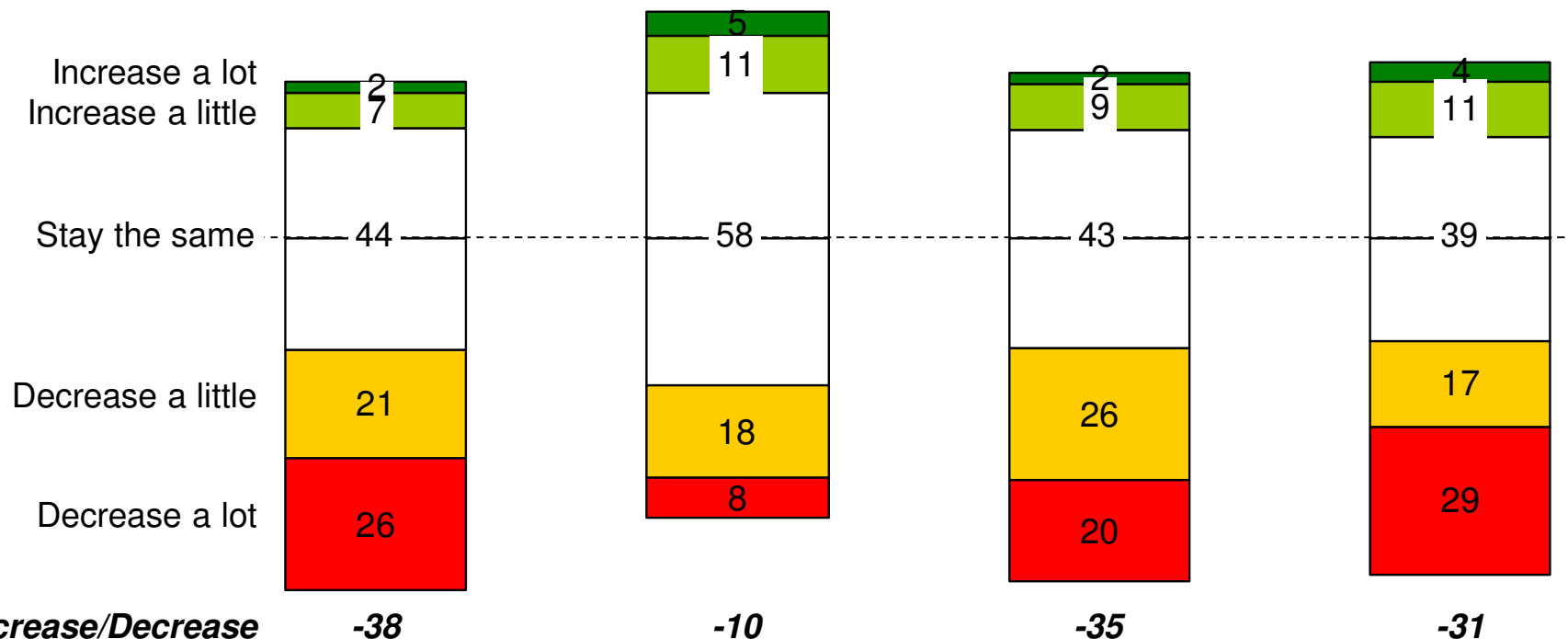
Grocery
spend



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



Holidays
and short
breaks



Consumers are cautious to increase spend, especially for discretionary spend such as entertainment and consumer goods.

The 18-34 year olds are most likely to increase spend in the next 6 months...

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% Likely to increase spend in next 6 months	Entertainment	Grocery Spend	Consumer Goods/ Services	Holidays/ Shorter Breaks
Total	9	16	11	15
Gender				
Male	11	16	13	17
Female	7	16	9	13
Age				
18-34	13	16	15	19
35-44	8	16	9	18
45-64	5	16	9	9
65+	9	16	9	17
Social Class				
ABC1	10	12	10	15
C2DE	9	19	11	15



Summary...



- Consumer outlook for the Irish economy is at its highest level since the onset of the recession.
- This is possibly due to an expected deal on Ireland bank debt – so achieving this deal is critical in terms of maintaining consumer optimism.
- The outlook for the World economy has also improved but we do not see major improvements in outlook for the housing or job markets.



Summary...



- In spite of the more positive outlook, many consumers still feel personally impacted by the recession in the past three months.
- Therefore, consumers are reluctant to increase spend in the short term.
- Good news is required to translate the more positive outlook into increased consumer spend.
- As a nation, we remains as happy as we were a year ago.



Methodology – RED Express



- 1,004 telephone interviews (CATI) 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 16th wave of the credit crunch tracking – fieldwork was conducted 21st – 23rd January 2013.

