



national consumer agency  
gníomhaireacht náisiúnta tomhaltóirí

putting consumers first

National Consumer Agency

Market Research Findings:

Shopping and Pricing

Household Budgeting and Impact of the Recession

January 2010



**national consumer agency**  
gníomhaireacht náisiúnta tomhaltóirí

putting **consumers** first

## **Table of Contents**

1	Introduction and Methodology .....	3
2	Shopping and Pricing .....	5
3	Household Budgeting and Impact of the Recession .....	19

## Table of Figures

Figure 1	Goods & Services Purchased in Past 12 Months – Primary.....	5
Figure 2	Goods & Services Purchased in Past 12 Months – Secondary.....	6
Figure 3	Goods & Services Purchased in Past 12 Months - Secondary 2 .....	7
Figure 4	Goods & Services Purchased in Past 12 Months - Tertiary .....	7
Figure 5	Shopping Around.....	8
Figure 6	Most Likely to Shop Around/Compare Prices....	9
Figure 7	Key Influencing Factors in Determining Where to Shop.....	9
Figure 8	Biggest Influencing Factors Across Sectors – 1 .....	10
Figure 9	Biggest Influencing Factors Across Sectors – 2.....	11
Figure 10	Price Comparison Sites.....	12
Figure 11	Overall Awareness of the Price of Everyday Goods .....	13
Figure 12	Main Reasons for Choice of Main Grocery Shop .....	13
Figure 13	Own Brands versus Regular Brands.....	14
Figure 14	Features of Convenience which Determine Choice of Grocery Shop.....	15
Figure 15	Change in Grocery Shopping Since the Start of the Year .....	16
Figure 16	Changes Made to the Grocery Shopping Since the Start of the Year.....	16
Figure 17	Price Cuts & Special Offers.....	17
Figure 18	Funding of Promotions & Special Offers- 1.....	18
Figure 19	Funding of Promotions & Special Offers- 2.....	18
Figure 20	Household Income & Expenditure .....	19
Figure 21	Spending / Thrift.....	20
Figure 22	Coping Behaviour.....	20
Figure 23	Lifestyle.....	21
Figure 24	Change in Behaviour as A Result of Recession – 1 .....	22
Figure 25	Change in Behaviour as A Result of Recession – 2 .....	23
Figure 26	Change in Behaviour as A Result of Recession – 3 .....	23

## 1 Introduction and Methodology

In 2009 Amárach Research continued the programme of consumer research conducted by the National Consumer Agency with a view to monitoring, analysing and recording patterns of consumer behaviour and experiences in Ireland.

A key feature of the market research is the comparison of data collected in previous waves of market research, i.e. the benchmark survey (conducted in November /December 2007), Wave 1 Survey (August 2008), Wave 2 (November /December 2008), Wave 3 (May/June 2009), with the current consumer landscape. This comparison provides a valuable time-series.

The research, in common with previous surveys, was conducted by means of face-to-face interviewing with 1,000 people between the ages of 15-74. To ensure that the data is nationally representative; quotas were applied on the basis of age, gender, social class and region. Interviews were conducted over a five-week period in November /December 2009.

The Agency's programme of market research explores a wide range of consumer behaviour and experiences in Ireland, including:

- The level of consumer empowerment, awareness of consumer rights and the propensity to complain,
- Consumer behaviour with regard to shopping and pricing,
- Household budgeting and the impact of the recession,
- Trends in switching goods / service providers.

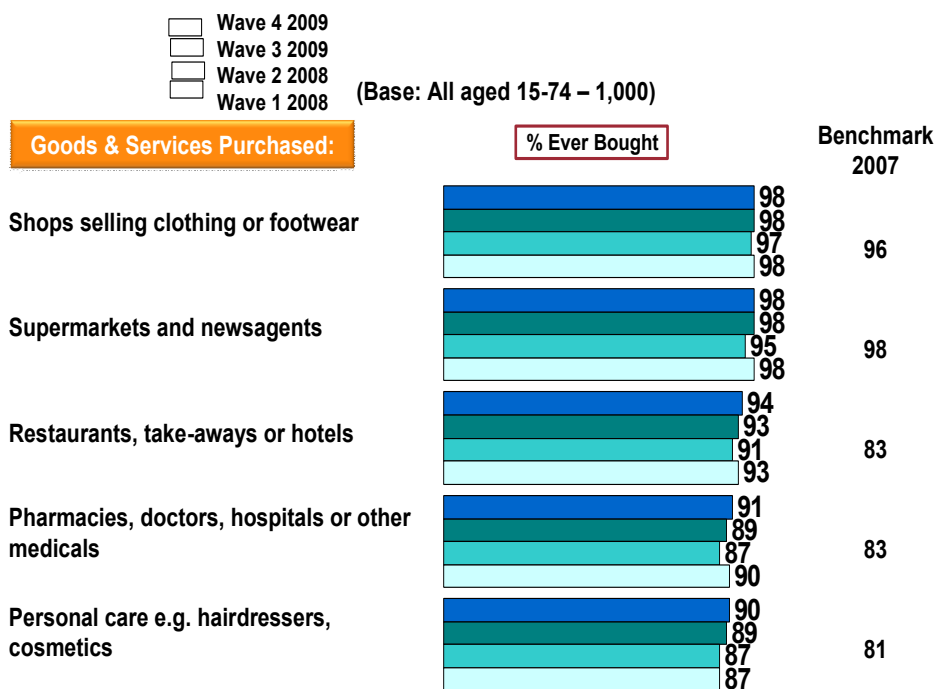
The results of the market research are compiled across three volumes. This report details the results relating to Irish consumers' experiences and attitudes with regard to Shopping and Pricing (Section 2) as well as Household Budgeting and the Impact of the Recession (Section 3).

PowerPoint versions of the slides in this report are available on the Agency's consumer website, [www.consumerconnect.ie](http://www.consumerconnect.ie).

## 2 Shopping and Pricing

Figures 1 to 4 illustrate where consumers have purchased goods and services in the last 12 months. It is possible to compare the data with previous waves to assess if consumers have changed their purchasing behaviours over time.

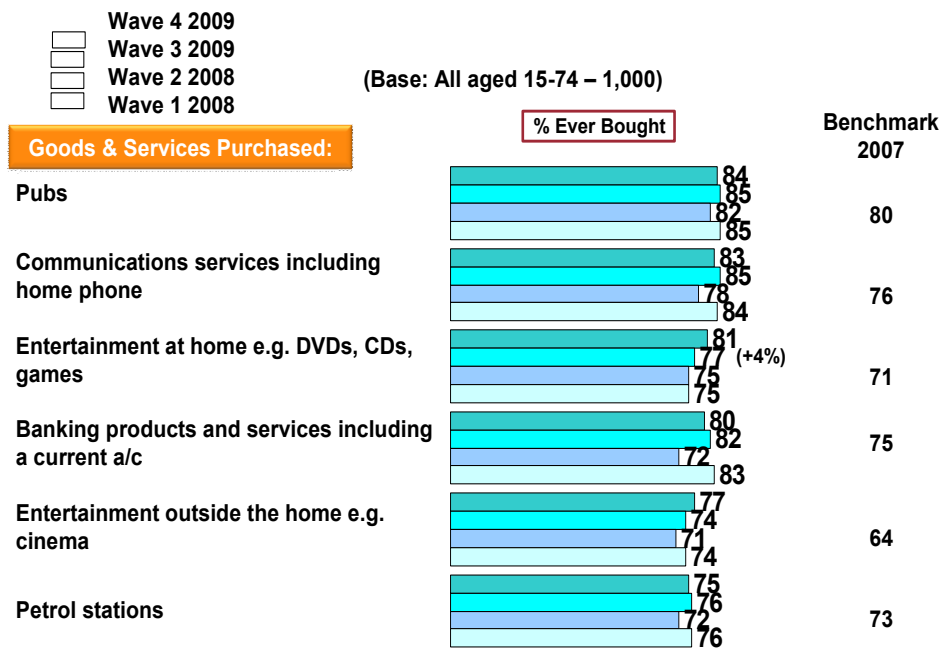
**Figure 1 Goods & Services Purchased in Past 12 Months - Primary**



Looking firstly at Figure 1, it can be seen that the results are relatively consistent with previous iterations of market research across all categories.

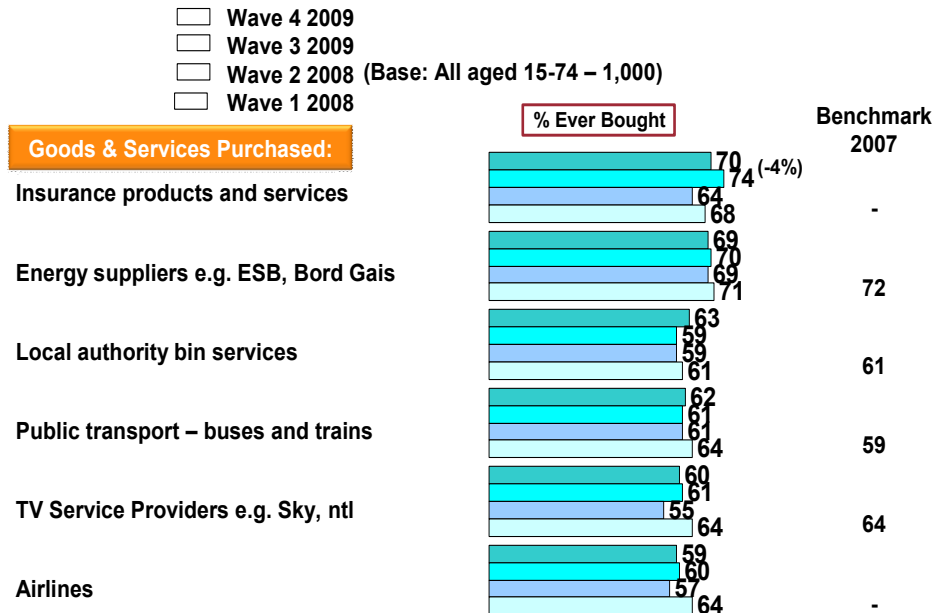
The data in Figure 2 shows that an increase is evident in the number of Irish consumers who have purchased DVDs, CDs and games for in-home entertainment in the last 12 months.

**Figure 2 Goods & Services Purchased in Past 12 Months - Secondary**



In Figure 3 it can be seen that after an increase between Wave 2 (November /December 2008) and Wave 3 (May/ June 2009), the number of consumers taking out insurance products has fallen back slightly between May/ June and November /December.

Figure 3 Goods & Services Purchased in Past 12 Months - Secondary 2



In Figure 4, it can be seen that there has been a decrease in the number of consumers who have purchased from a travel agents or a car dealership since Wave 3 (conducted in May/June 2009).

Figure 4 Goods & Services Purchased in Past 12 Months - Tertiary

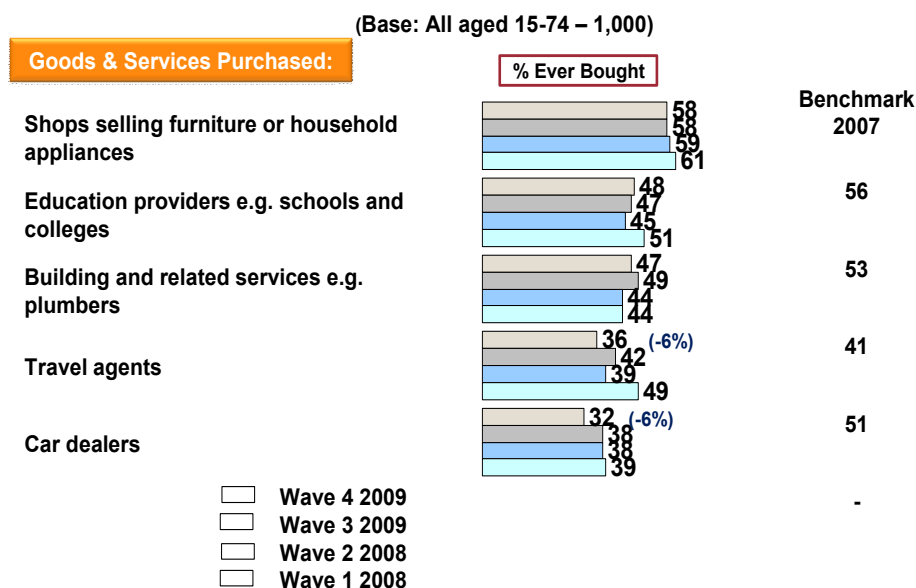


Figure 5 examines consumers' propensity to shop around. It can be seen that the number of consumers who shop around for better prices has fallen since the last iteration of market research from 75% to 67%. The numbers who rarely or never shop around has increased over the same period.

**Figure 5 Shopping Around**

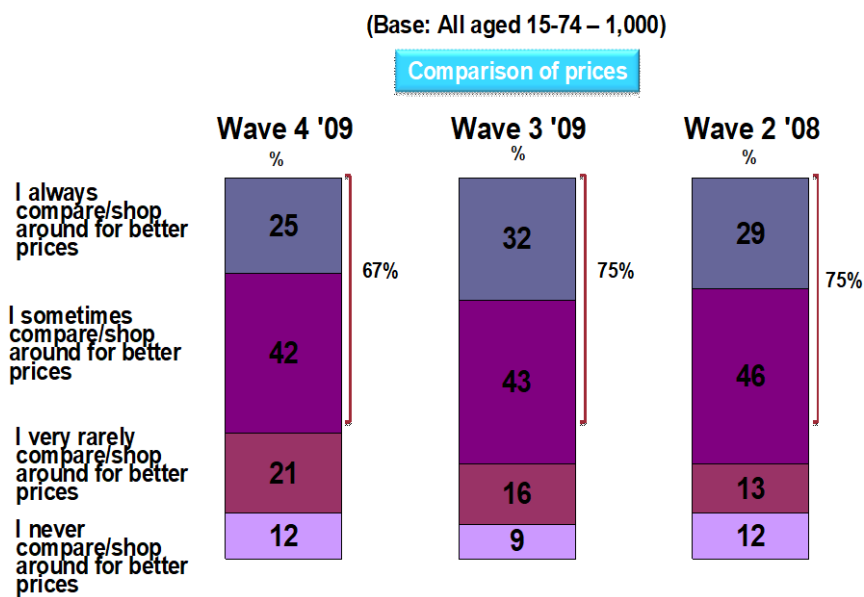


Figure 6 shows that almost 3 in 5 consumers shop around and compare prices in supermarkets and newsagents. The next highest category where consumers shop around is shops selling clothing and footwear.

Figure 6 Most Likely to Shop Around/Compare Prices in....

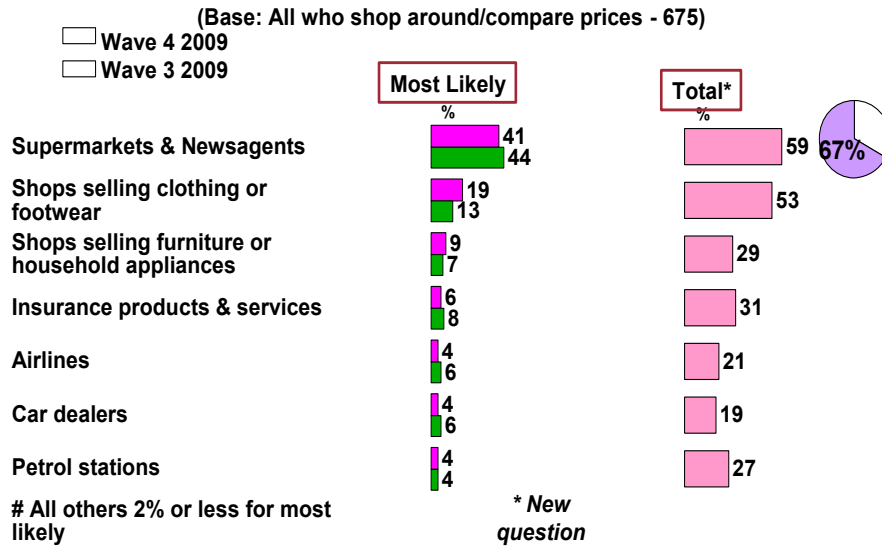
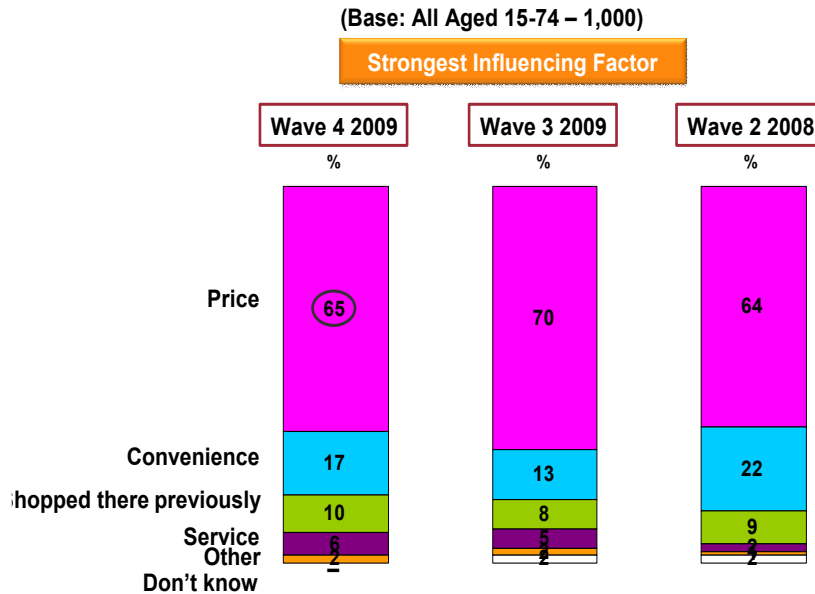


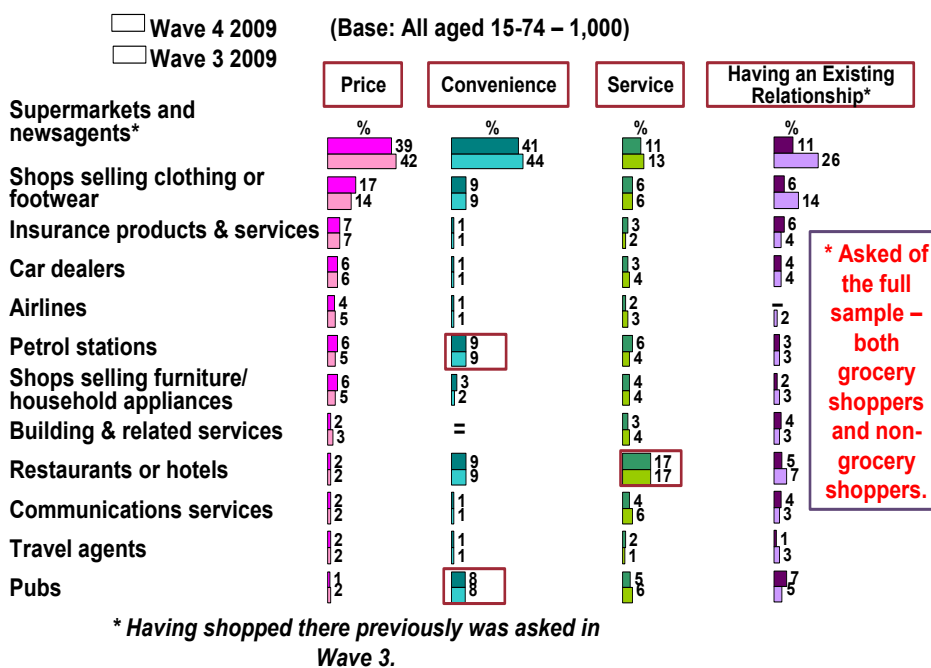
Figure 7 presents data relating to the key influencing factors for consumers when determining where to shop. Although price remains the most important influencing factor, it has fallen back between Wave 3 (May/ June 2009) and Wave 4 (November /December 2009). It can be seen that convenience has increased slightly as a determining factor.

Figure 7 Key Influencing Factors in Determining Where to Shop



Figures 8 and 9 present data for the key influencing factors for consumers when determining where to shop, across a wide range of sectors.

Figure 8 Biggest Influencing Factors Across Sectors - I



In Figure 8, it can be seen that service remains the biggest influencing factor in determining what restaurants or hotel to visit. Price and convenience are most important when choosing a supermarket or newsagents.

Figure 9 Biggest Influencing Factors Across Sectors - II



\* Having shopped there previously was asked in Wave 3.

It is clear from Figure 9 that having an existing relationship is most important when taking out banking products and services, purchasing from pharmacies and when choosing personal care services, such as hairdressers.

Figure 10 looks at the use of price comparison sites. A third of Internet users use price comparison sites on a regular basis. Of those who use these sites, over 1 in 3 use them for looking up flights and comparing prices of products in shops selling clothing or footwear.

Figure 10 Price Comparison Sites

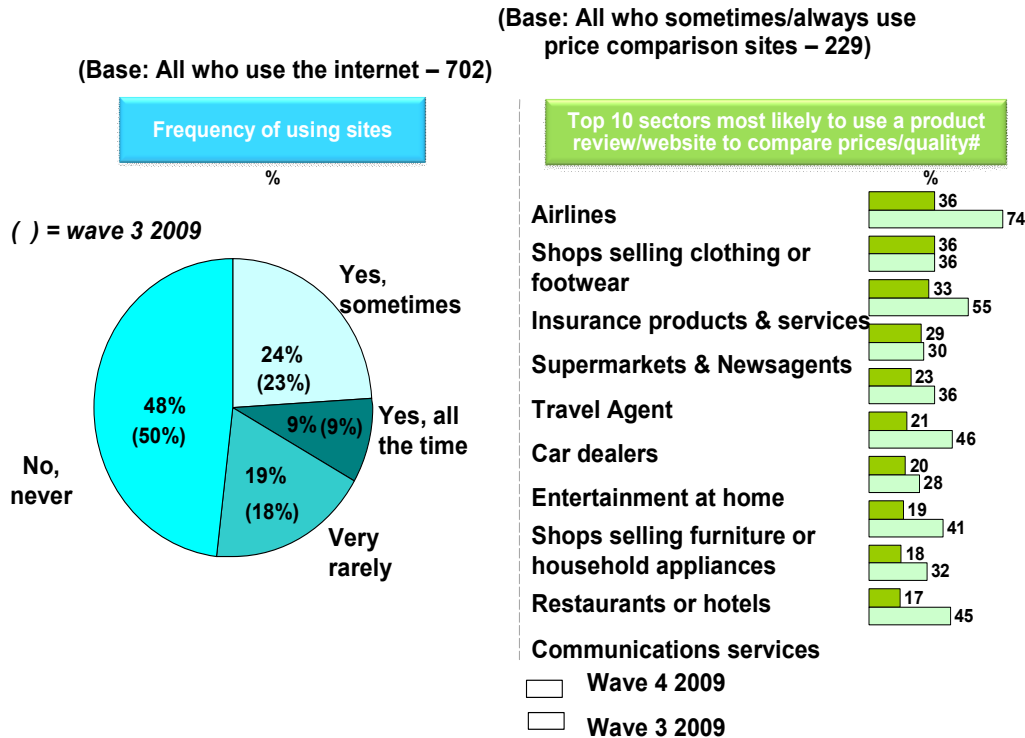


Figure 11 presents the results of questions which assessed the level of awareness of the price of everyday items. 70% of Irish consumers claim to be aware of the prices of everyday goods such as bread, milk and a litre of petrol (a slight increase since the last Wave). The majority of those responsible for the main grocery shop within the household are more likely to be aware of prices (89%).

Figure 11 Overall Awareness of the Price of Everyday Goods

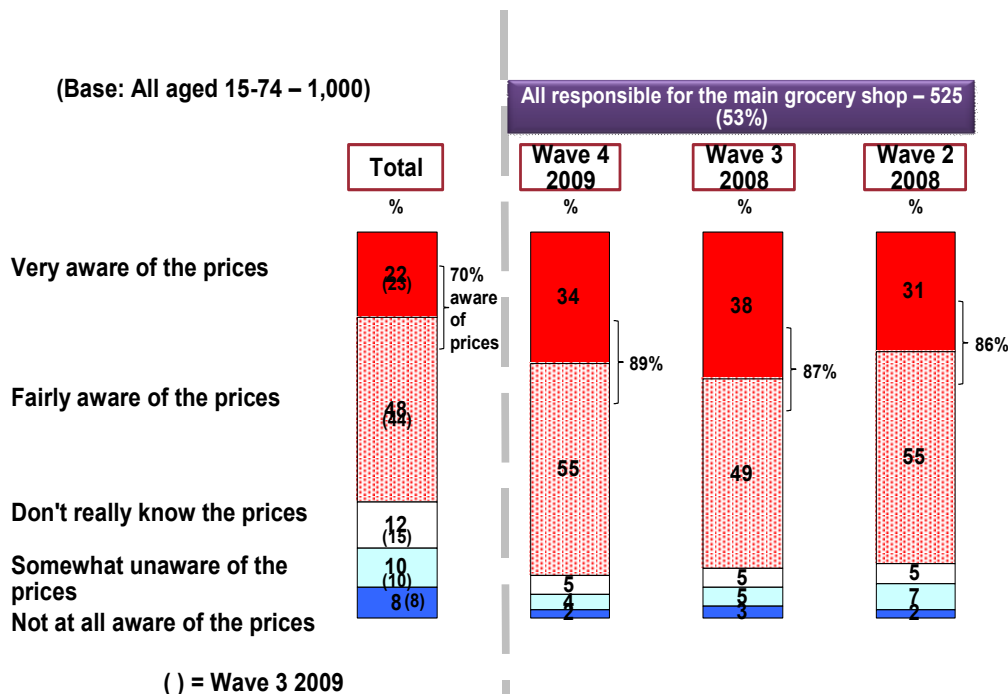
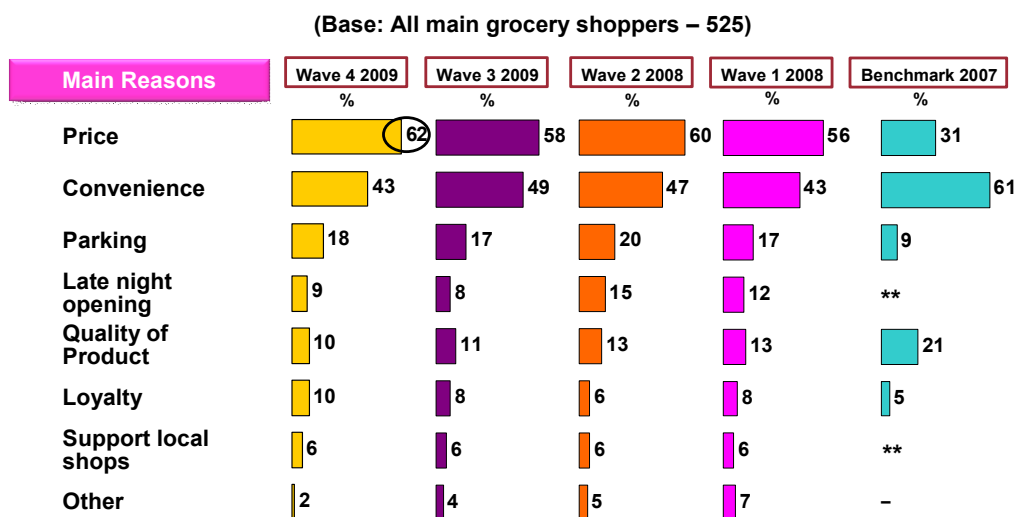


Figure 12 Main Reasons for Choice of Main Grocery Shop



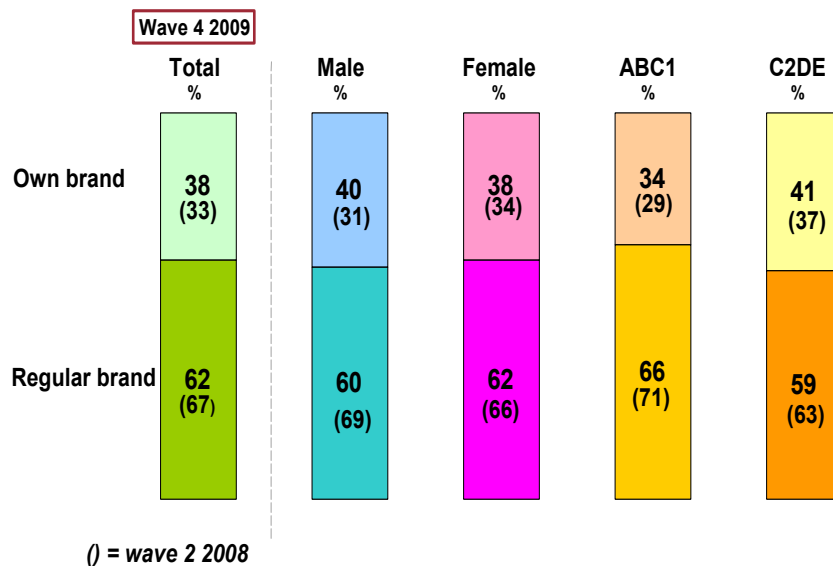
\*\* Not asked in Benchmark

Figure 12 illustrates that price continues to be the key driver of choice of main grocery shop, followed by convenience.

Figure 13 presents the results of questions regarding the purchase of branded and own brand items. Those responsible for the main grocery shop are buying more own branded goods than in the previous 2 Waves; 38% of the main grocery shop now consists of own brand goods.

**Figure 13 Own Brands versus Regular Brands**

(Base: All main grocery shoppers – 525)



As with previous iterations of market research, the location of the store accounts for the largest share of the element of “convenience” when choosing main grocery shop (Figure 14).

**Figure 14 Features of Convenience which Determine Choice of Grocery Shop**

(Base: All choosing their main grocery shop for convenience – 225)

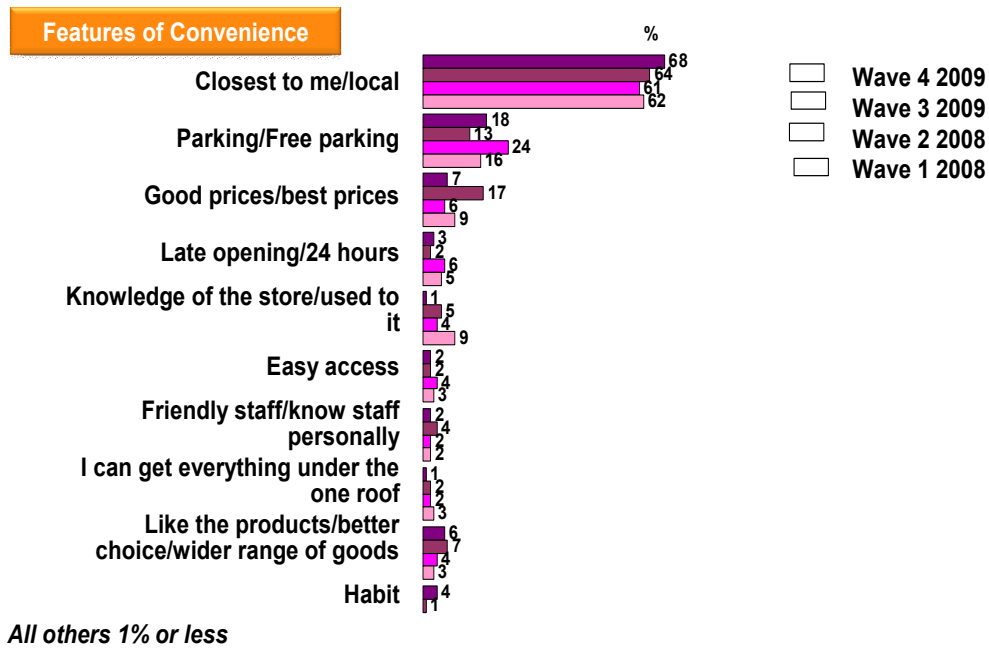
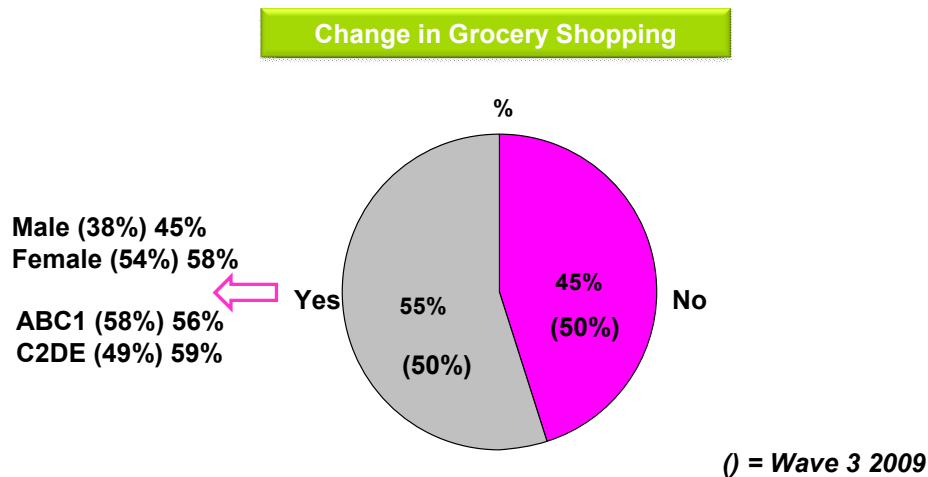


Figure 15 Change in Grocery Shopping Since the Start of the Year

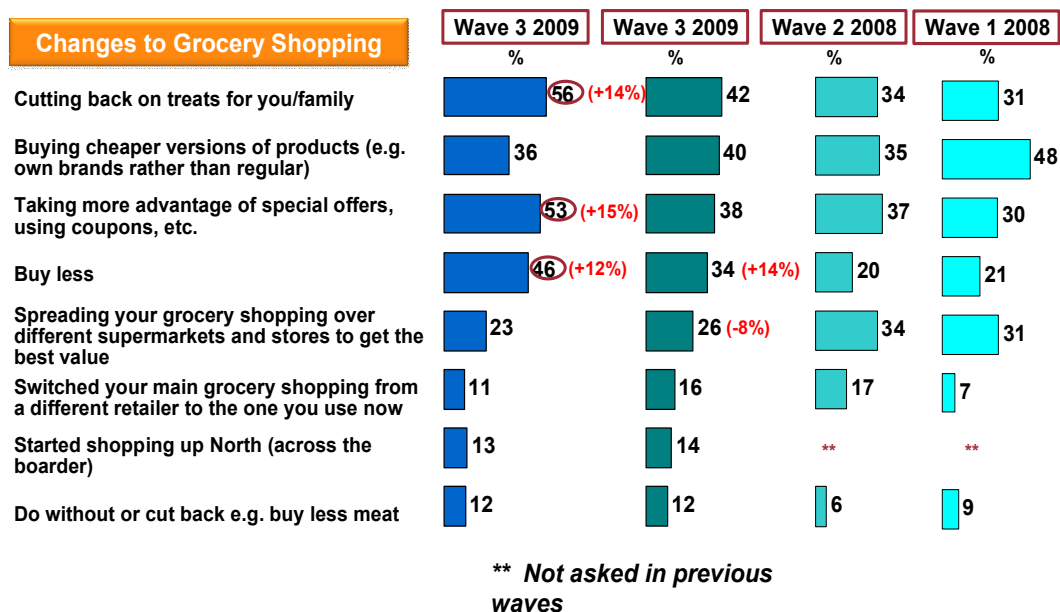
(Base: All main grocery shoppers – 525)



In Figure 15 it can be seen that there has been a slight increase since the previous Wave (May/ June 2009) in the number of grocery shoppers who have changed their shopping behaviour since the start of the year.

Figure 16 Changes Made to the Grocery Shopping Since the Start of the Year

(Base: All who changed their shopping behaviour since the start of the year – 291)

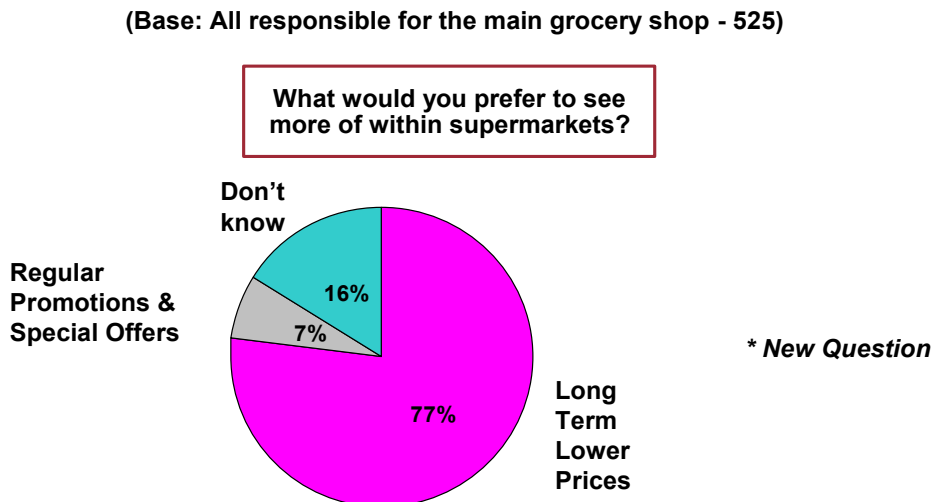


Cutting back on treats remains the number one change that those responsible for the grocery shopping have made since the beginning of the year, as illustrated in Figure 16.

This has increased by 14% since Wave 3 (May /June 2009). The greatest change, however, since Wave 3 is the number of shoppers who are beginning to take advantage of special offers and using coupons, up 15% since Wave 3. The proportion of those who are buying less continues to climb with almost 1 in 2 (46%) of shoppers now saying that they buy less.

Figure 17 shows that over 3 in 4 Irish consumers who are responsible for the main grocery shop would prefer to see supermarkets offering more long term lower prices rather than regular promotions and special offers.

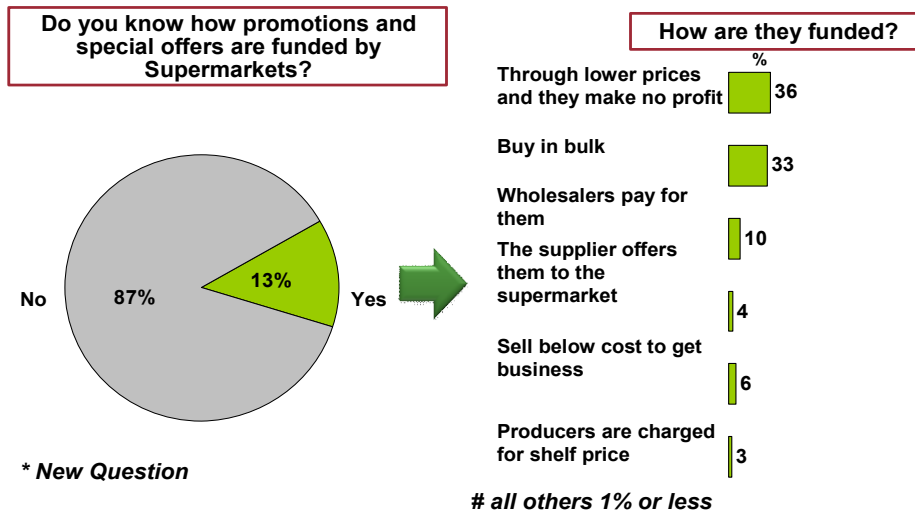
**Figure 17 Price Cuts & Special Offers**



Only 13% of consumers who are responsible for the main grocery shop believe that they know how promotions and special offers are funded (Figure 18). Almost 2 in 5 believe that grocery retailers make no profit on items offered as special offers.

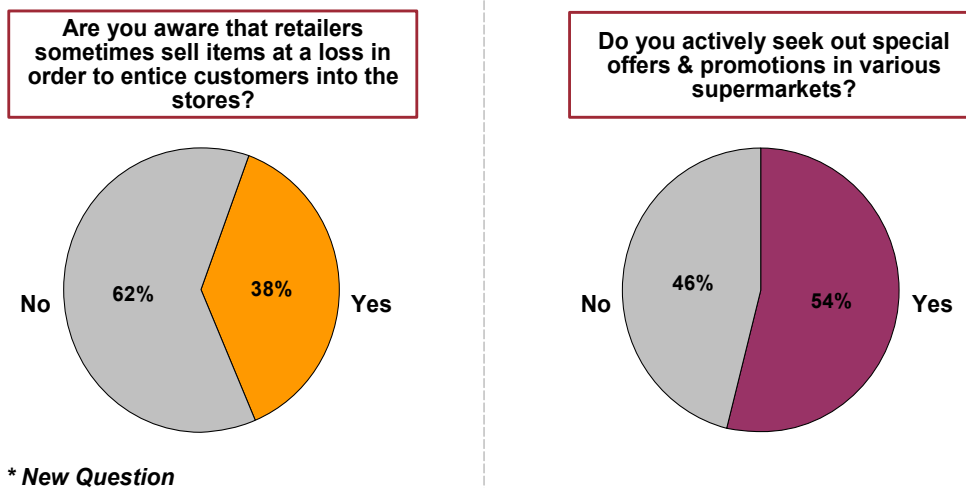
**Figure 18 Funding of Promotions & Special Offers- 1**

(Base: All responsible for the main grocery shop - 525)



**Figure 19 Funding of Promotions & Special Offers -2**

(Base: All responsible for the main grocery shop - 525)

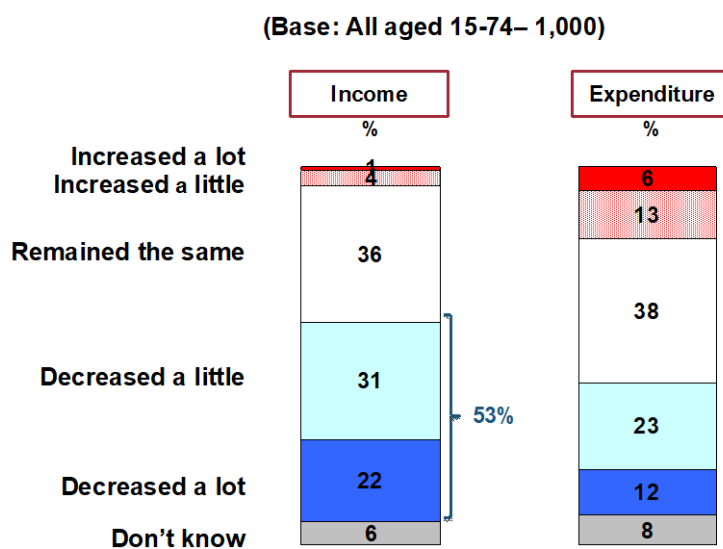


In Figure 19, almost 2 in 5 consumers claim that they are aware that retailers sometimes sell items at a loss in order to entice customers into their stores. Over 1 in 2 admit that they actively seek out special offers and promotions in supermarkets.

### 3 Household Budgeting and Impact of the Recession

Figure 20 shows that just over half of all consumers say that their income has decreased compared to the same time last year. However, almost 3 in 5 stated that their household expenditure has either remained the same or increased.

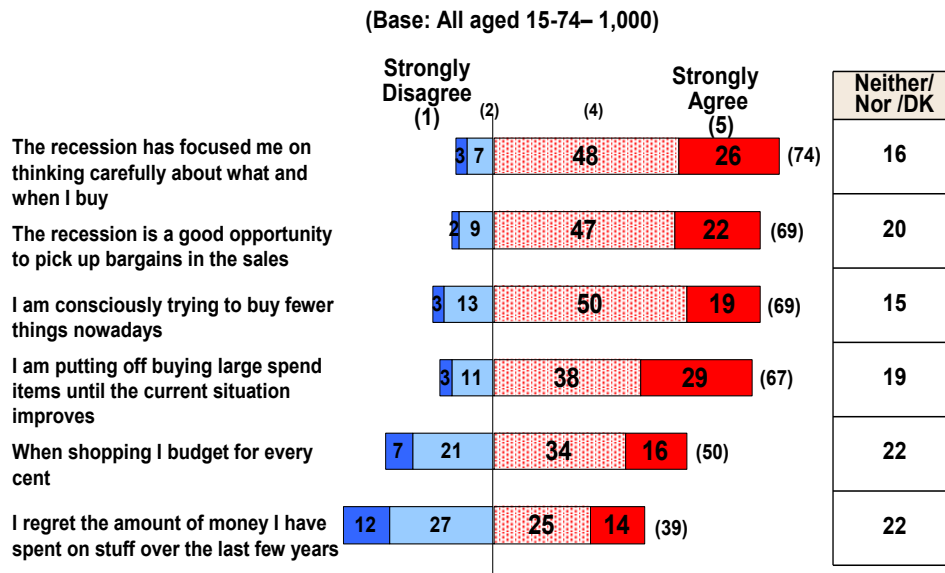
**Figure 20 Household Income & Expenditure**



\* **New Question**

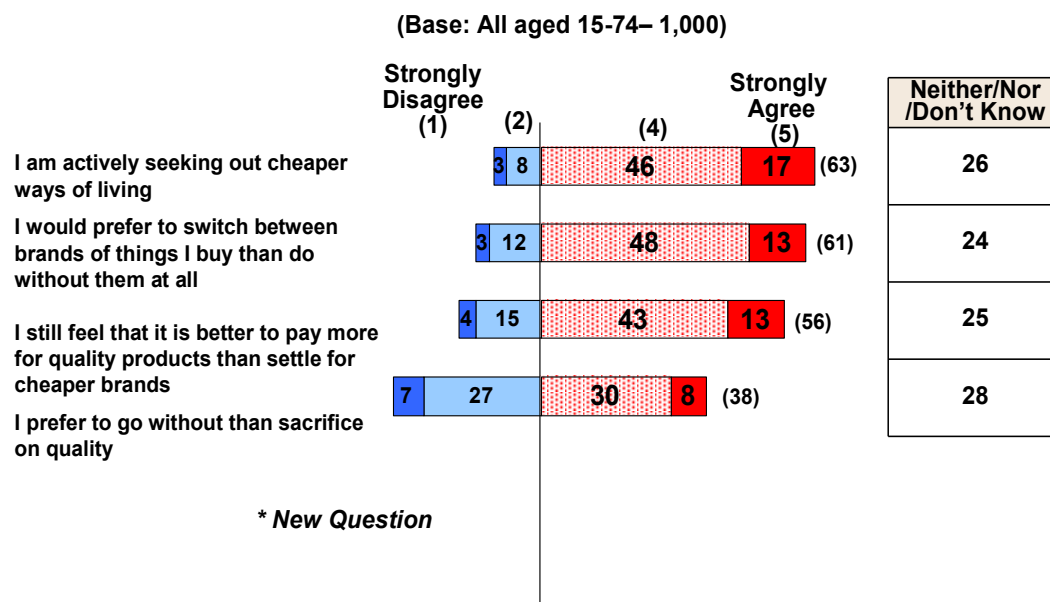
Almost 3 in 4 consumers believe that the recession has focussed them on thinking carefully about what and when they buy (Figure 21). As a result of the recession, almost 7 in 10 believe that it is a good opportunity to pick up bargains in the sales, and almost 7 in 10 are consciously trying to buy fewer things.

**Figure 21 Spending / Thrift**



\* New Question

**Figure 22 Coping Behaviour**



\* New Question

Figure 22 shows that consumers are trying to save money, with over 3 in 5 actively seeking out cheaper ways of living. 61% of consumers would prefer to switch between brands of goods rather than go without the item at all.

In Figure 23 it can be seen that just over 2 in 3 consumers are remaining positive; saying that despite the recession they are enjoying life as much as ever.

**Figure 23 Lifestyle**

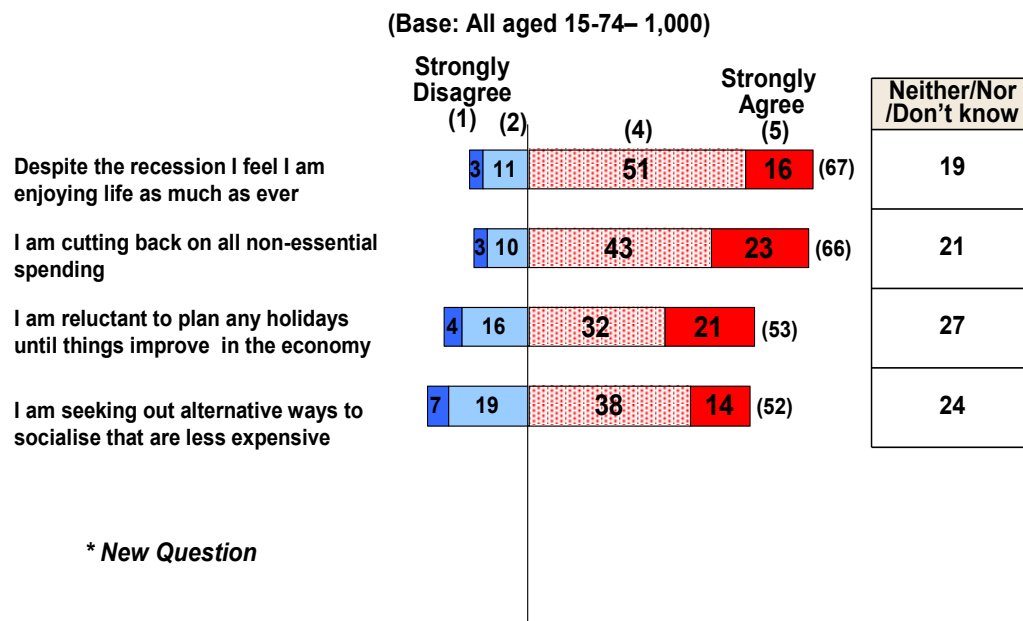
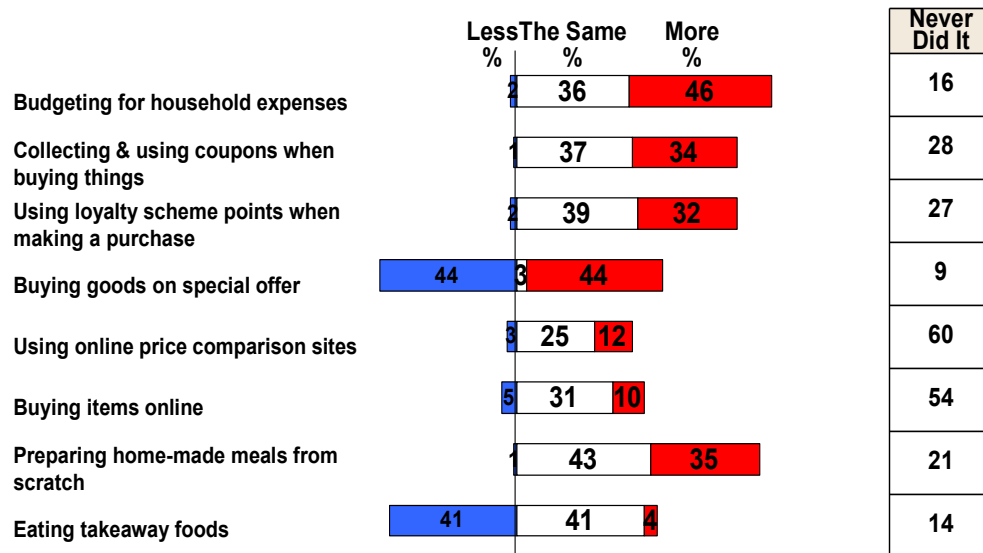


Figure 24 to 26 examines the change in consumer behaviour as a result of the recession. In Figure 24, 1 in 3 consumers are collecting and using coupons more when buying items; they are also more likely to be using loyalty scheme points when making a purchase.

**Figure 24 Change in Behaviour as A Result of Recession - I**

(Base: All aged 15-74– 1,000)



\* **New Question**

It can be seen from Figure 25 that consumers are more likely to be spending time ‘bargain hunting’ when buying groceries now, as cited by 2 in 5 consumers. Over 1 in 3 consumers are shopping at “discount stores” such as Aldi and Lidl more, whereas 1 in 3 are more likely to be spreading their shopping across a number of shops.

Figure 25 Change in Behaviour as A Result of Recession - 2

(Base: All aged 15-74– 1,000)



In Figure 26, as a result of the recession over 1 in 4 consumers are now more likely to plan their weekly shop in advance; a similar proportion (24%) are now more likely to be buying private/own labelled goods. Almost 1 in 3 consumers believe that they are spending less on groceries overall.

Figure 26 Change in Behaviour as A Result of Recession - 3

(Base: All aged 15-74– 1,000)

