



**national consumer agency**  
gníomhaireacht náisiúnta tomhaltóirí

putting consumers first

**National Consumer Agency**  
**Market Research Findings:**  
**Money Resolutions for 2011 and**  
**Coping with the Recession**

February 2011



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## 1 Introduction and Methodology

In November/December 2010 Amárach Research continued the programme of consumer research conducted by the National Consumer Agency to monitor, record and analyse patterns of consumer behaviour and experiences in Ireland.

A key feature of the research is comparison of data collected in previous “waves” of market research with the current consumer landscape. This comparison provides a valuable time-series. Details of the Agency’s comparable market research are as follows:

**Table 1 Previous Waves of Market Research**

Survey	Conducted
Benchmark	November/December 2007
Wave 1	August 2008
Wave 2	November/December 2008
Wave 3	May/June 2009
Wave 4	November/December 2009
Wave 5	June 2010
Wave 6	November /December 2011

The research, consistent with previous surveys, was conducted by means of face-to-face interviewing with 1,000 people between the ages of 15 to 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 four-week period in November/December 2010.

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



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- The level of consumer empowerment, awareness of consumer rights and the propensity to complain,
- Consumer behaviour with regard to shopping and pricing,
- Consumers' money resolutions and response to the recession,
- Trends in switching goods / service providers.

The results of this latest wave of market research are compiled across four volumes, corresponding to the topics mentioned above. This report presents results relating to Irish consumers' experiences and attitudes with regard to Money Resolutions for 2011 and the Impact of the Recession.

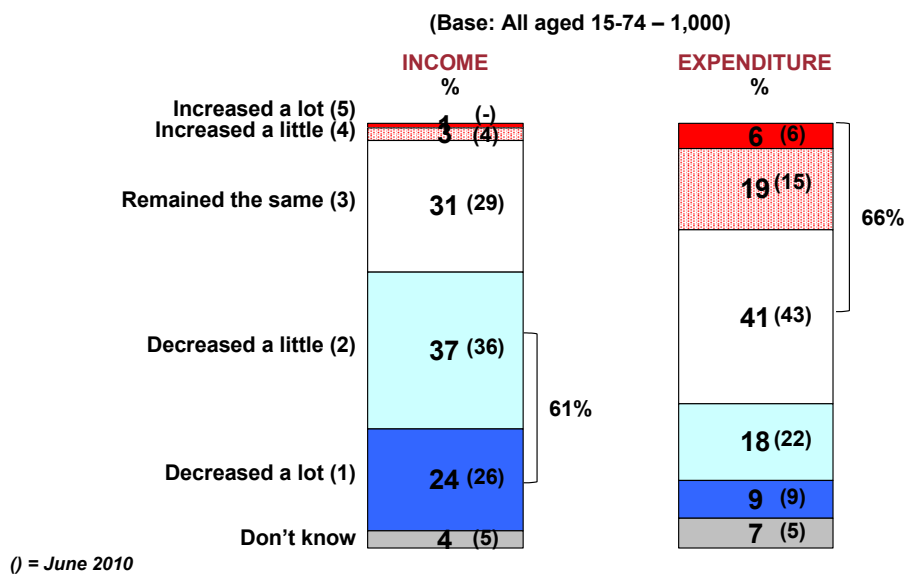
PowerPoint versions of the slides in this report, in addition to details of all of the Agency's research activities, are available at

[http://www.nca.ie/eng/Research\\_Zone/Reports/](http://www.nca.ie/eng/Research_Zone/Reports/).

## 1 Money Resolutions for 2011 and Coping with the Recession

Figures 1 and 2 present data relating to household income and expenditure. The figures in brackets, in Figure 1 and throughout the report where data is comparable, refer to the wave of market research, which was conducted in June 2010.

**Figure 1 Household Income and Expenditure – I**



When asked how household income and expenditure levels had changed, compared to this time last year, 3 in 5 (61%) consumers stated that their household income had decreased; 2 in 3 (66%) stated they had experienced either no change or an increase in household expenditure in the previous 12 months.

As can be seen from Figure 2, for the 61% of consumers who reported decreased income, 31% of this group experienced a parallel increase in their household expenditure and a further 29% reported constant levels of expenditure, year on year.

For the 31% of consumers whose household income has remained the same, 16% recorded an increase in household outgoings. The majority, 73%, have retained the same level of expenditure with 1 in 10 reporting decreased expenditure.

**Figure 2 Household Income and Expenditure – II**

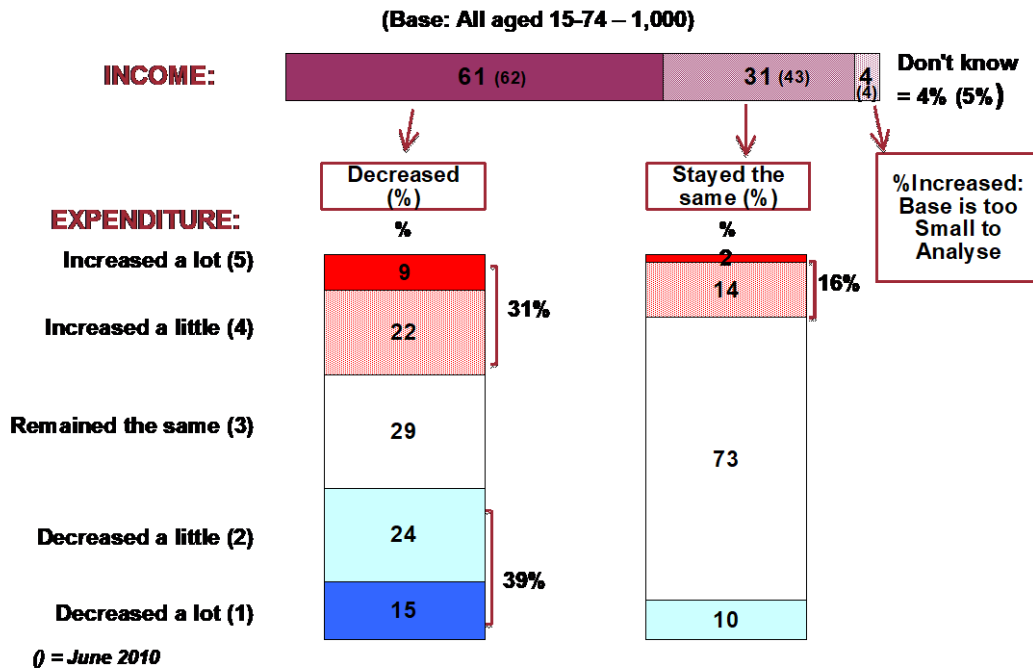
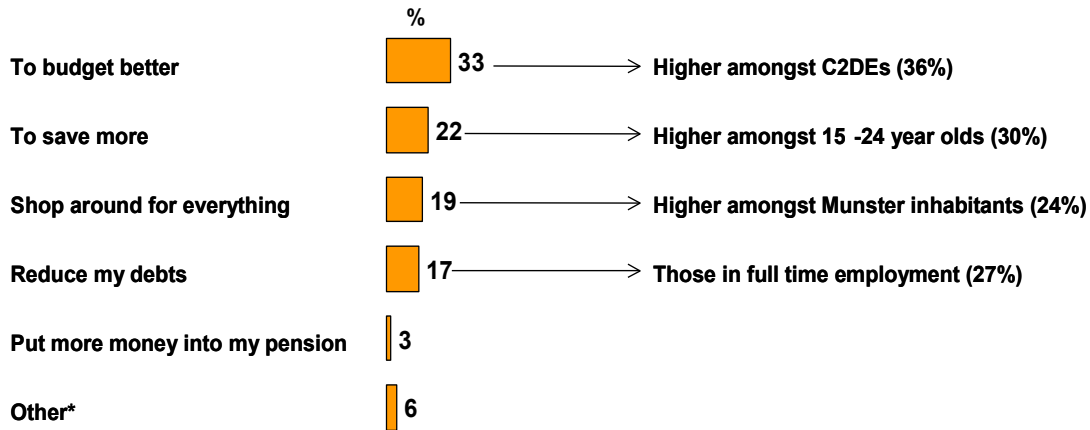


Figure 3 presents responses in relation to consumers' number one money resolution for 2011. A third of consumers (33%) cited "budget better" as their number one resolution for 2011. 22% of consumers resolved "to save more". This was the number one money resolution for 30% of 15-24 year olds. Nearly 1 in 5 (19%) said that "shopping around for everything" was their main money resolution for 2011.

**Figure 3 No. 1 Money Resolution for 2011**

(Base: All aged 15 -74 – 1,000)

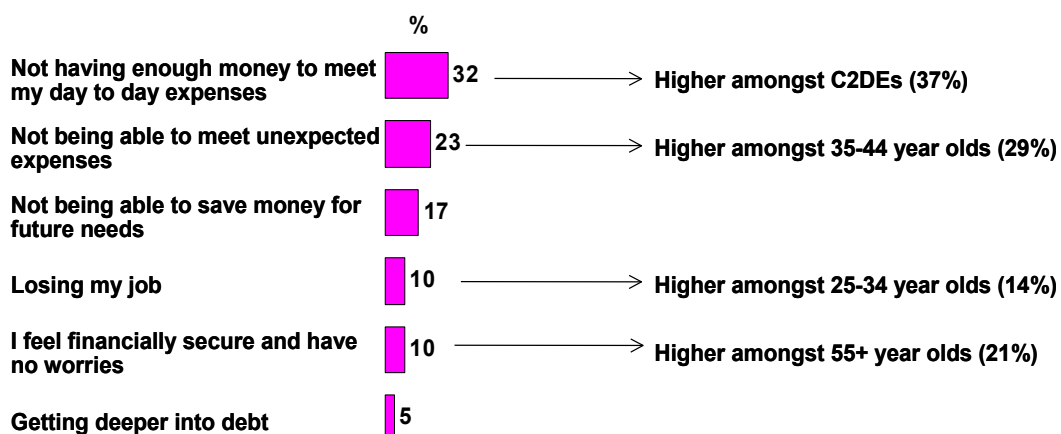


\* All others 1% or less examples include enjoy life more, earn money, work more, continue same as last year.

Figure 4 details consumers' responses when asked about their biggest financial worry for 2011. 32% cited "not having enough money to meet day-to-day expenses" as their biggest financial worry. This response was more frequent than the overall average amongst the socio economic group C2DE, at 37%.

**Figure 4 Biggest Financial Worry for 2011**

(Base: All aged 15-74 – 1,000)



All other mentions 1% or less

\* All other mentions less than 1% examples include: paying my mortgage, pay cuts, family members, losing jobs, not being able to afford to go to college, having to work

23% of consumers reported that “*not being able to meet unexpected expenses*” was their biggest financial worry for 2011 and this was higher (29%) for the 35-44 year old age group.

17% of consumers’ biggest financial worry is “*not being able to save money for future needs*” and 1 in 10 (10%) are also worried about losing their job, which is higher amongst the 25-34 year old age group (14%). Just 1 in 10 (10%) feel financially secure and this rises to 1 in 5 (21%) for the over 55 year olds.

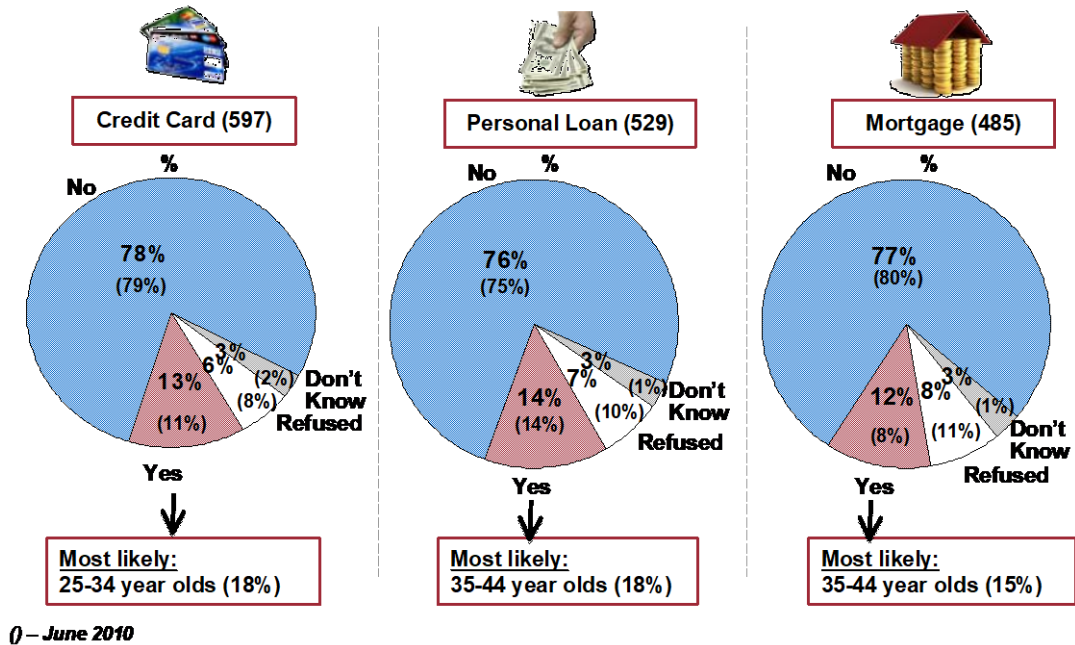
In trying to gauge the extent of financial difficulties being experienced in the population, consumers were asked if they found themselves in financial difficulty, defined as being three months or more behind with their payments (if applicable) for a credit card, personal loan or mortgage, the results are shown in Figure 5.

Just over 1 in 10 of all those who have a credit card (13% up 2%<sup>1</sup> since the previous wave of research), personal loan (remains the same at 14%) or a mortgage (12% up 4%) have found themselves in financial difficulty within the last year.

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<sup>1</sup>The percentage changes mentioned in this report refer to an increase or decrease in percentage points.

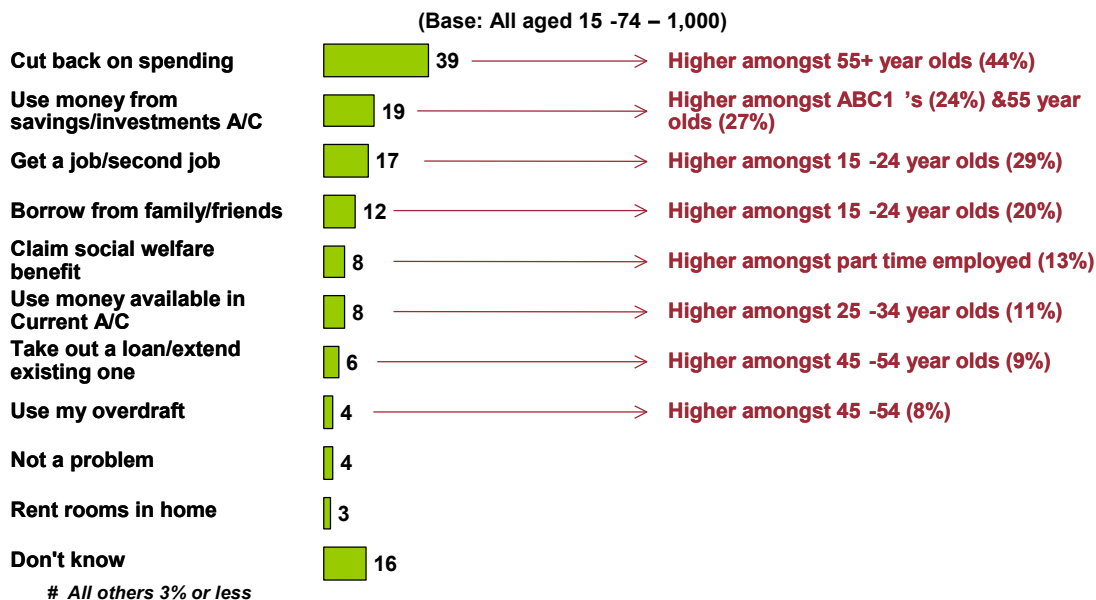
**Figure 5 Experiencing Any Financial Difficulties**  
 (Base: All account/product owners)



The 25-34 year old age grouping is most likely to have experienced financial difficulty with credit card payments (18%). For personal loans and mortgages 35-44 year olds were most likely to have had difficulty, the figures being 18% and 15% for this particular age group respectively.

Figure 6 presents responses to the question “what would consumers do in order to make ends meet if household income was to drop by a quarter?” Almost 2 in 5 (39%) consumers would cut back on spending, with the over 55’s (44%) most likely to do this. The next most commonly mentioned option was to use money from savings or investments accounts at 19%; with the over 55’s (27%) and the ABC1 socio economic grouping (24%) the most likely to follow this course of action.

**Figure 6 In Order to Make Ends Meet**



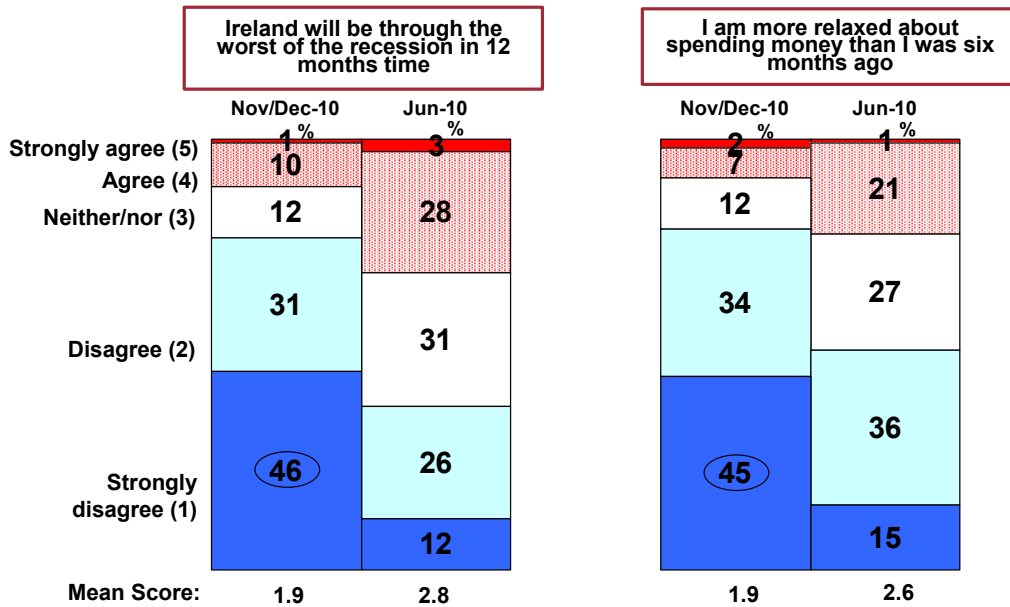
17% of consumers stated that they would get a job or second job and 12% said that they would borrow from family or friends in order to make ends meet. These options were cited more frequently for the 15-24 year old age cohort, at 29% and 20% respectively.

16% of consumers do not know how they would make ends meet if their household income was to drop by a quarter.

Figures 7, 8 and 9 present data in relation to the economic outlook of consumers. Respondents are asked to indicate their level of agreement or disagreement with a number of statements. As illustrated in Figure 7, nearly 4 in 5 (77%) disagree with the statement: *“Ireland will be through the worst of the recession in 12 months time”*; an increase of 39% in comparison with the last wave of research, conducted in June 2010, when 38% disagreed with the statement. The level of agreement with this proposition has dropped from 31% in the previous wave to its current standing of 11%.

Figure 7 Economic Outlook – I

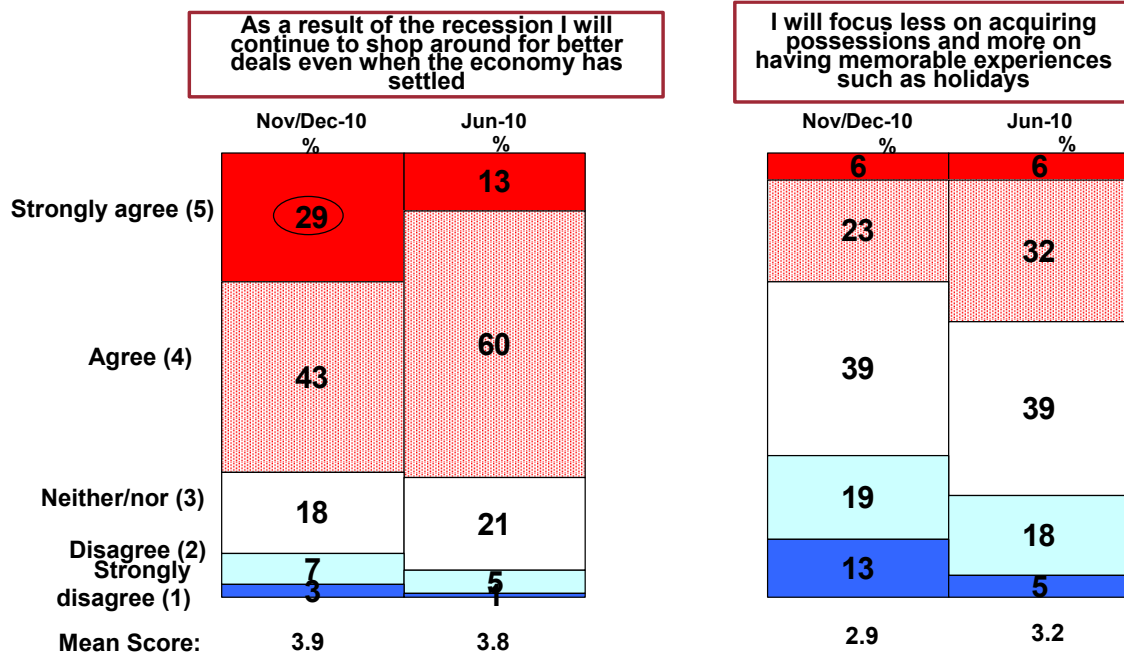
(Base: All aged 15-74 – 1,000)



Nearly 4 in 5 (79%) consumers are no more relaxed about spending than they were six months ago, an increase from the 51% recorded in June 2010. The number feeling more relaxed about spending has fallen from 22% to the latest value of 9%. The groups least likely to be more relaxed about spending are the 25-34 year old age group (85%) and those living in Munster (88%) and Leinster (excluding Dublin) (84%).

As shown in Figure 8, consistent with the previous wave, almost 3 in 4 (72%) consumers assert they will continue to shop around for better deals even when the economy has settled.

Figure 8 Economic Outlook – II



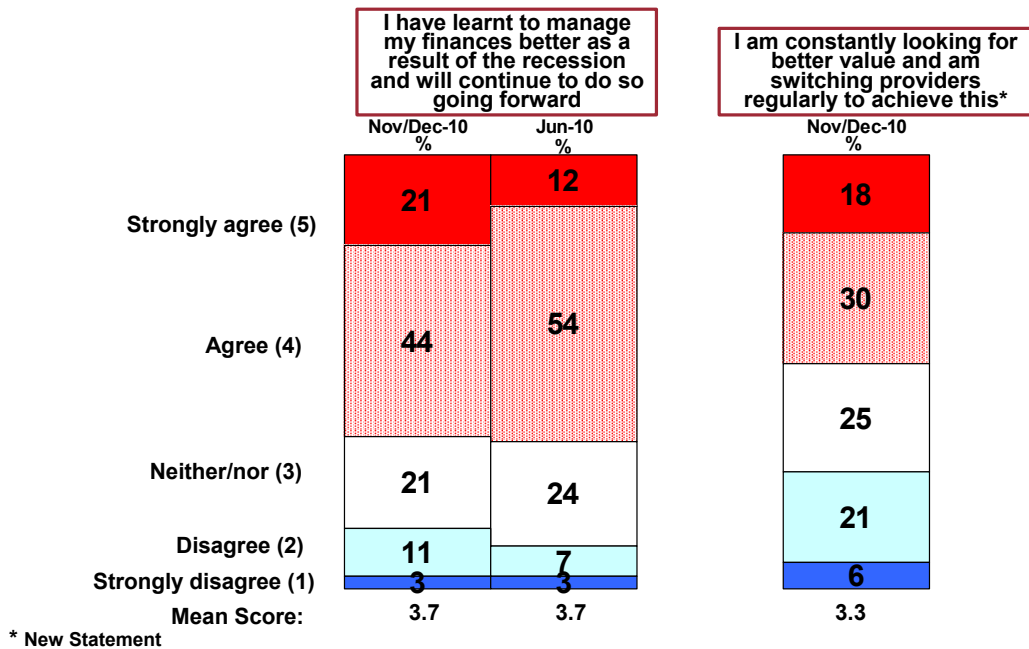
This increases to nearly 4 in 5 (78%) for the 45-54 year old age group. By contrast, 15-24 year olds (68%) and those aged 55+ (65%) are least likely to say that they will continue to shop around for better deals when the economic situation improves.

Overall, 29% of respondents indicated that they would focus less on acquiring possessions and more on having memorable experiences such as holidays, a 9% decrease from the 38% recorded in June 2010.

Figure 9 shows the results for agreement or disagreement with the proposition “I have learnt to manage my finances better as a result of the recession and will continue to do so going forward”. The numbers remain consistent with the previous wave, with variations being recorded for how strongly respondents agree or disagree with the statement. Nearly 2 in 3 (65%) consumers feel that they have learnt to manage their finances better as a result of the recession and will continue to do so going forward.

Figure 9 Economic Outlook – III

(Base: All aged 15-74 – 1,000)



48% of consumers agree that they are “constantly looking for better value and are switching providers regularly to achieve this”. From data, not shown, this is higher for the 35-54 years old (56%) and females (53%). The age group most likely to disagree with this statement are the over 55s, where 37% disagree with the statement as against 27% for the total sample.



of the country has become more negative. The most common response in June 2010 was “Better” whereas the most common response in this wave was “Worse”.

Figure 11 One Word to Describe: Ireland in 12 Months Time



Figure 12 presents the results to the question “what one word would you use to describe how you yourself feel right now?”





One in three consumers are collecting and using coupons more (35%) and using loyalty scheme points more (34%). 44% are eating takeaway foods less and 35% are preparing home made meals from scratch more.

**Figure 14 Change in Behaviour as a Result of Recession – I**

(Base: All aged 15-74– 1,000)

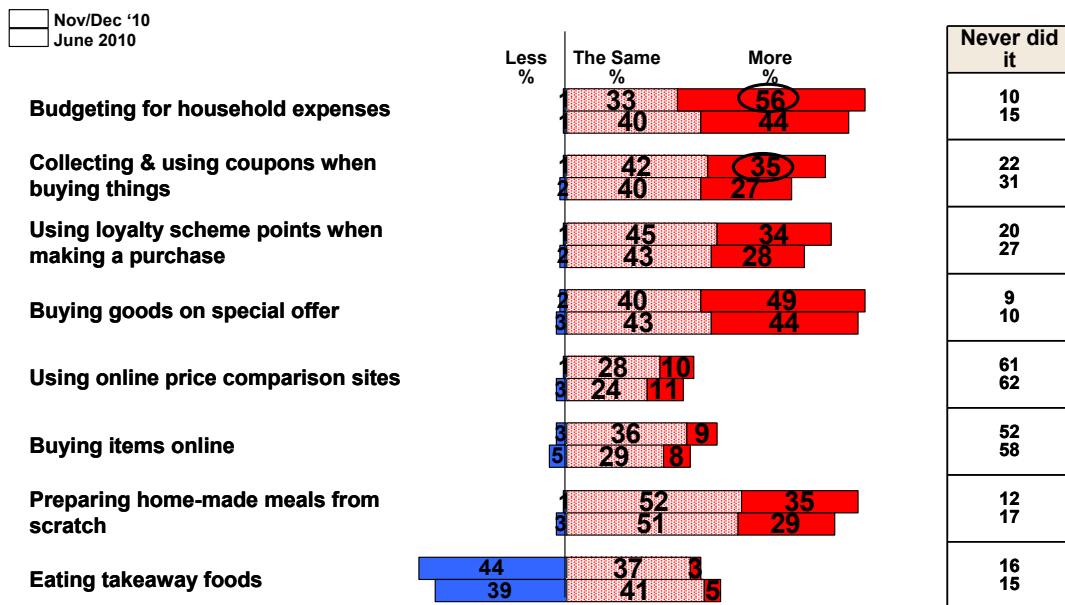
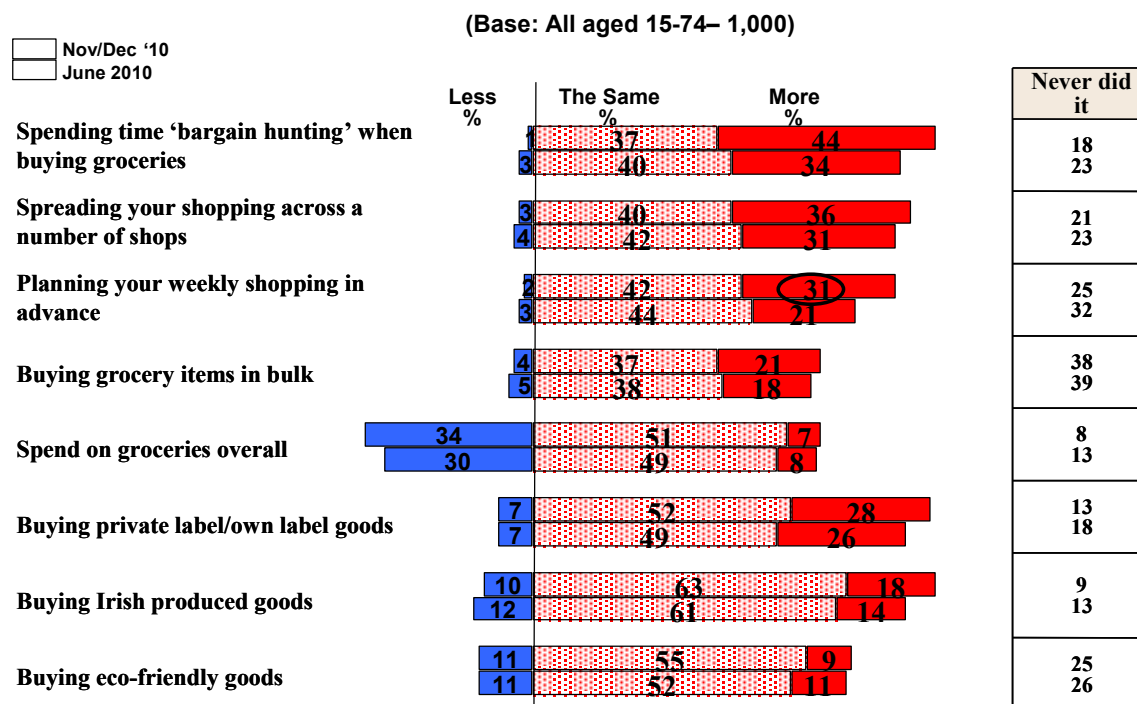


Figure 15 further examines changes to consumer behaviour as a result of the recession. It was found that 44% of consumers are spending more time ‘bargain hunting’ when buying groceries than they were pre-recession. 36% are spreading their shopping more across a number of shops and 31% of consumers plan their weekly shop in advance more now than

they did before the recession. 34% of consumers spend less on groceries overall and 28% of consumers are buying more private label/own label goods.

**Figure 15 Change in Behaviour as a Result of Recession – II**



## 2 Key Points

In November/December 2010 the National Consumer Agency conducted its 7<sup>th</sup> iteration of comparable consumer research with a view to monitoring, recording and analysing patterns of consumer behaviour and experiences in Ireland. This report detailed results relating to Irish

consumers' experiences and attitudes with regard to money resolutions for 2011 and coping with the recession.

The key findings are as follows:

- 61% of consumers reported that their household income had decreased since the same period in the previous year. Of those, 31% indicated that their expenditure had increased over the same period, and a further 29% indicated that their expenditure remained the same.
- 33% of consumers stated that their number one money resolution for 2011 was to *"budget better"* with 22% of consumers resolving *"to save more"*.
- The biggest financial worries for 2011 are *"not having enough money to meet day to day expenses"* (mentioned by 32%) and *"not being able to meet unexpected expenses"* (23%).
- In the past 12 months just over 1 in 10 experienced financial difficulty, defined as being three months or more behind with their payments (if applicable), in relation to a credit card (13%), a personal loan (14%) or a mortgage (12%).
- The economic outlook for consumers has become more negative since June 2010 with nearly 4 in 5 (77% up 29%) disagreeing with the statement *"Ireland will be through the worst of the recession in 12 months time"*. Nearly 4 in 5 (79%) of all respondents are no more relaxed about spending than they were six months ago, an increase from the 51% recorded in June 2010
- The majority of consumers (72%) state that they will continue to shop around for better deals when things improve.

- As a result of the recession, 56% of consumers are budgeting more for household expenses.
- 44% of consumers are spending more time 'bargain hunting' when buying groceries than they were pre-recession. 36% are spreading their shopping across a greater number of shops, while 34% are spending less on their groceries overall.