MillwardBrown
Lansdowne

Project 2020

Public Sentiment
Autumn 2009

By

MillwardBrown
Lansdowne

October 2009

Survey details

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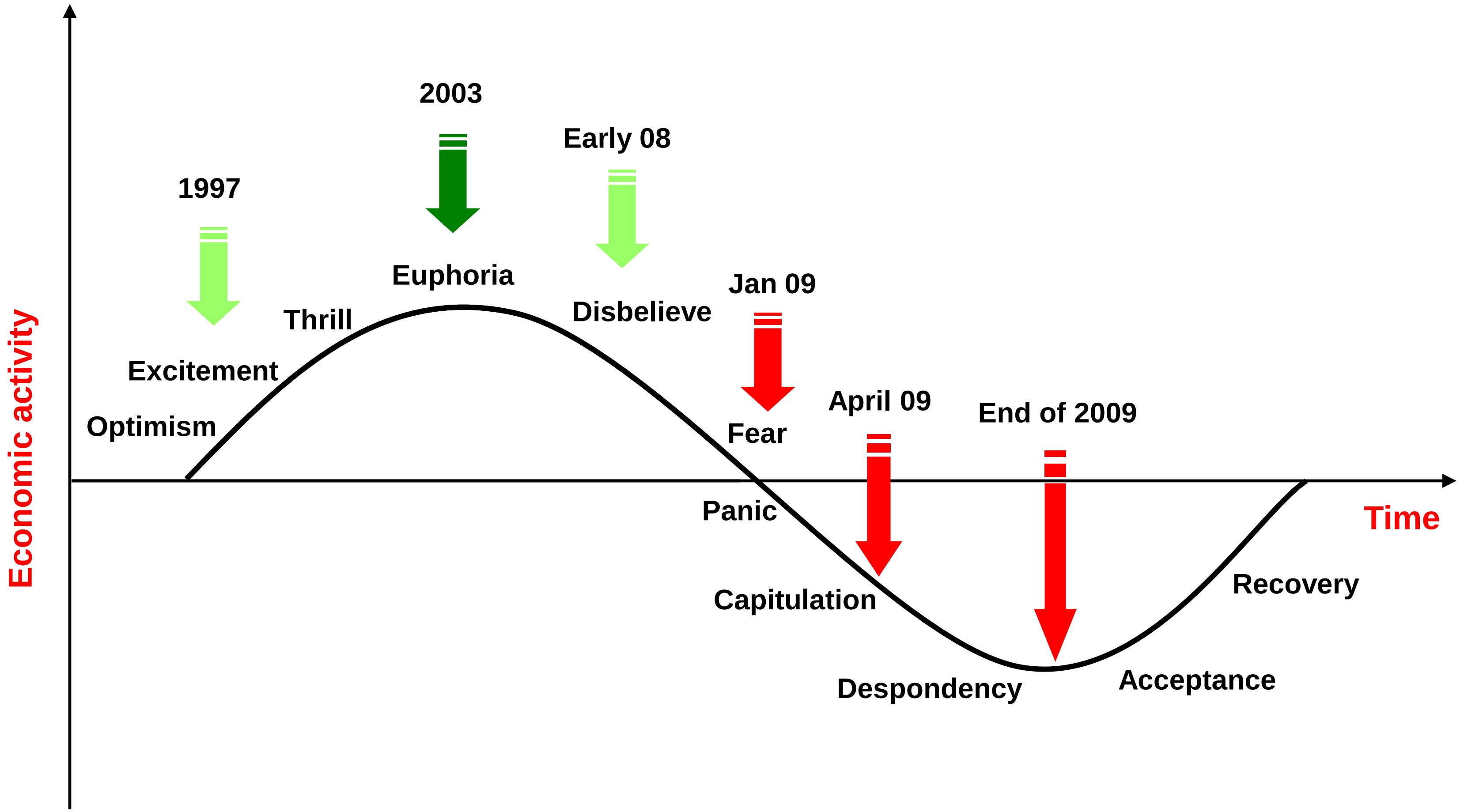
Interviewing was conducted between

<u>September 14th – 18th 2009</u>

amongst a nationally representative sample of 1000 aged 15+ via telephone. Quotas were placed on gender, age, social class and region. The estimated margin of error is +/- 3.2% at 50% with 95% confidence.

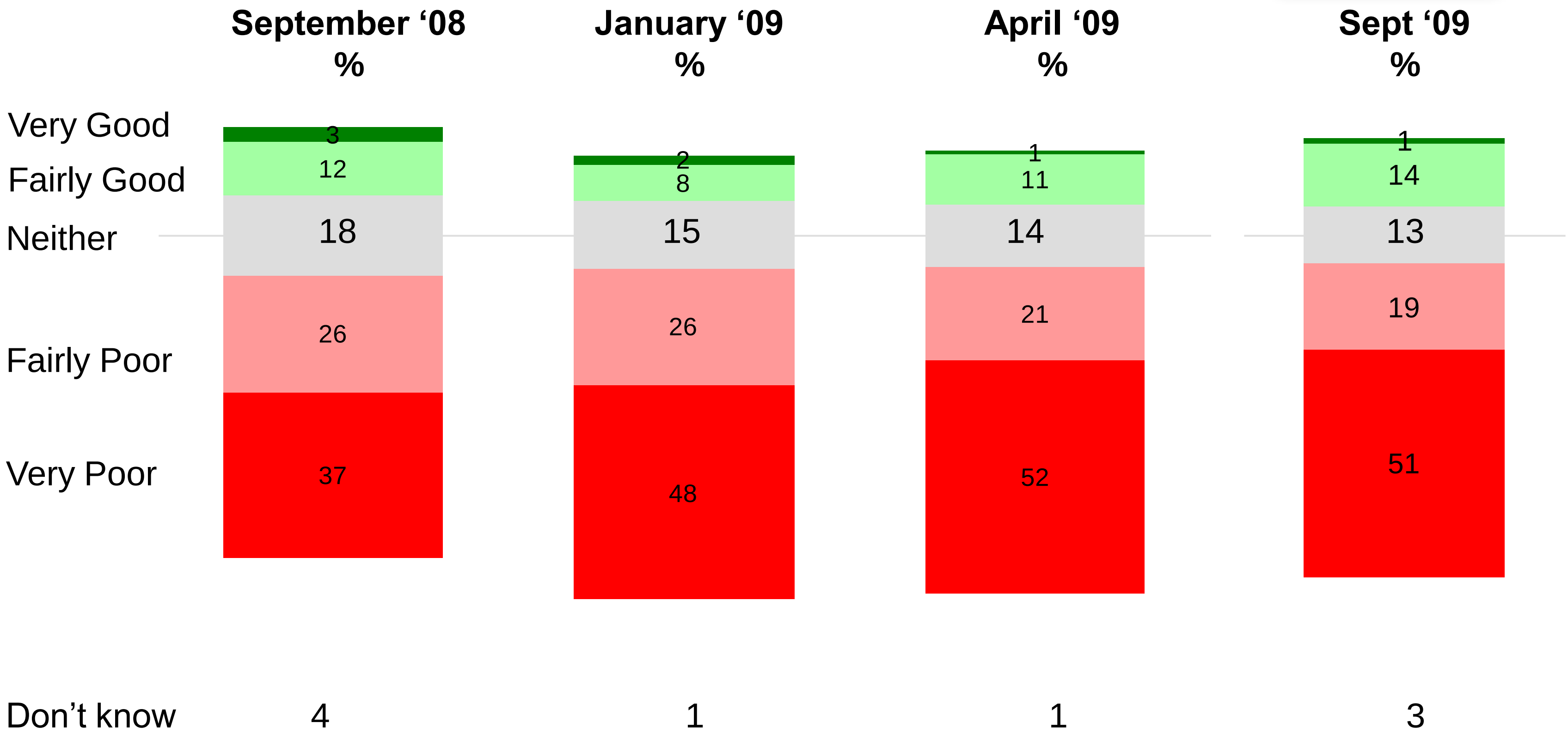
Emotionally we are entering the acceptance stage



-The Government-
-Just Before Lisbon II-

Perceptions of Government performance have changed little since April's budget

(Base: All Aged 15+)



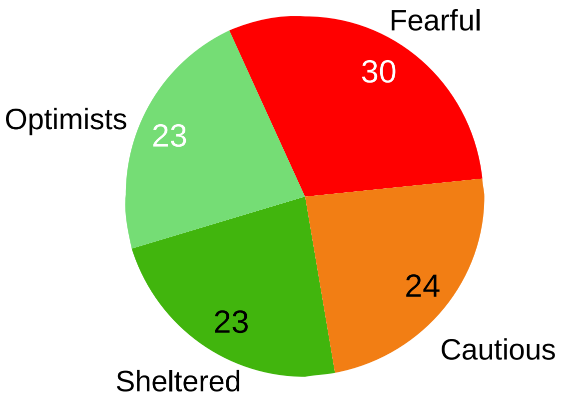
Q. How good or poor would you rate the government's handling of the current economic situation?

The 'Fear Factor' has reduced since April

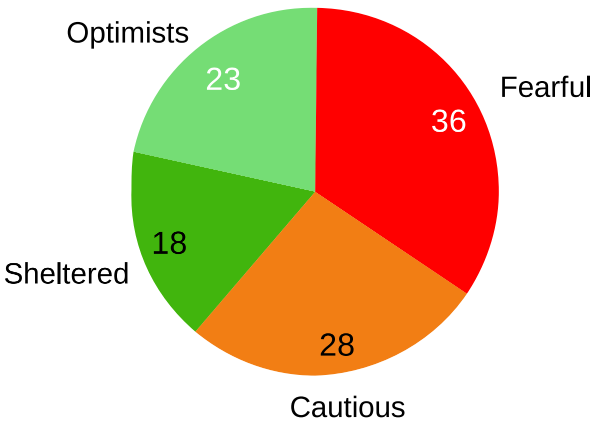
(Base: All Aged 15+)

The height of the economic fear

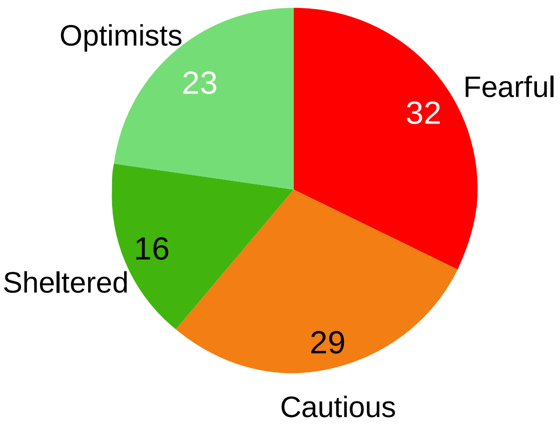
January 09
%



April '09
%



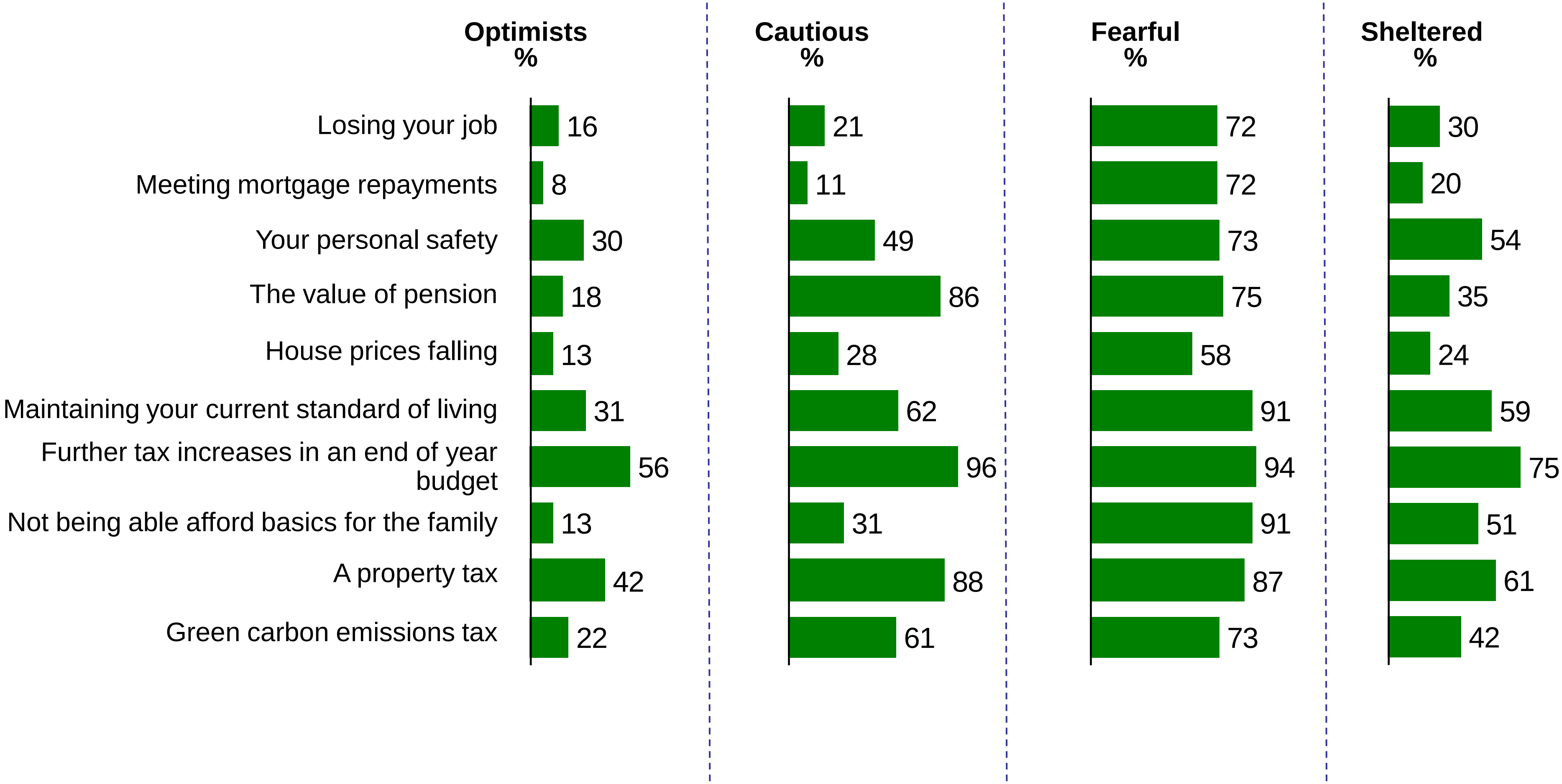
September '09
%



In 2009, attitudes segment into 4 distinct groups

The Fearful have multiple concerns to content with

(Base: All Aged 15+)

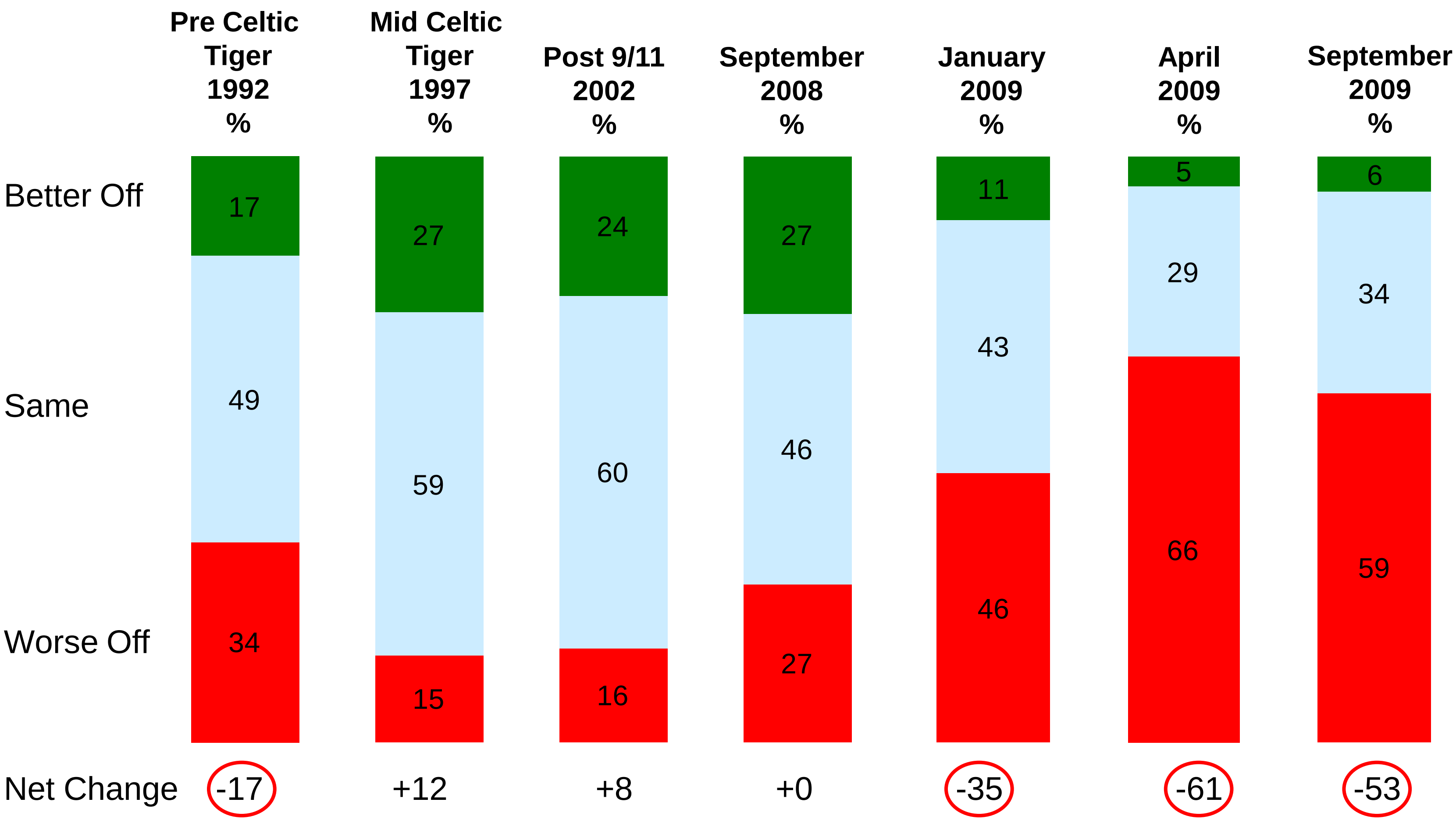


Q. For the year ahead, please tell me how concerned, if at all, you are about each if the following?

- National Sentiment -

Is the worst over? Did sentiment bottom-out in April?

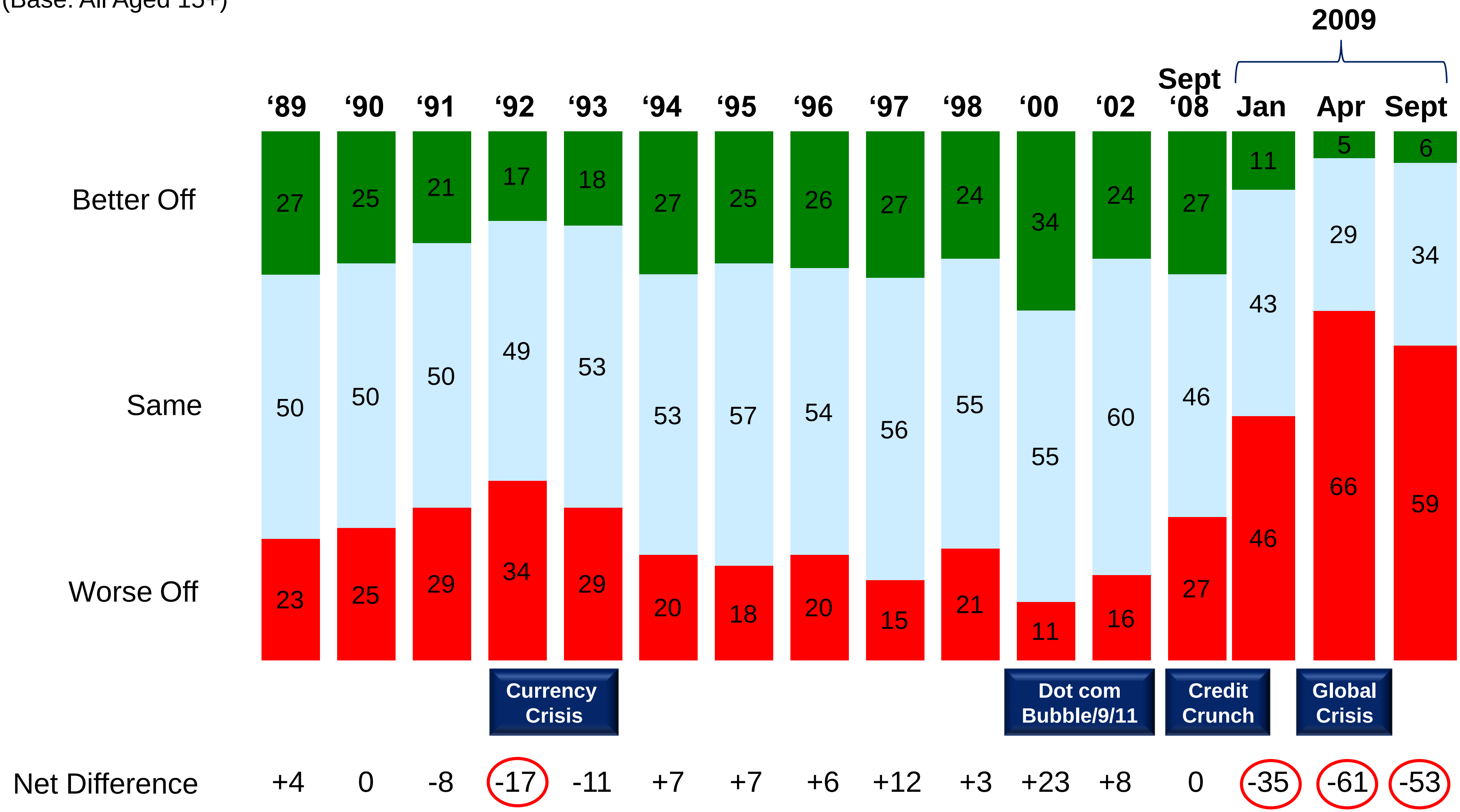
(Base: All Aged 15+)



Q. How is Your Personal Situation compared to This Time Last Year?

Financial situation is slightly better – but still historically bad.

(Base: All Aged 15+)



Q. How is Your Personal Situation compared to This Time Last Year?

Unemployment 2009

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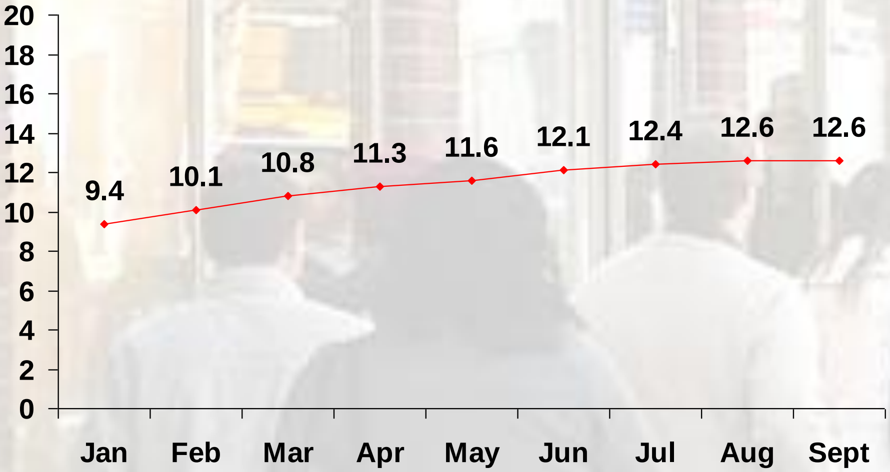
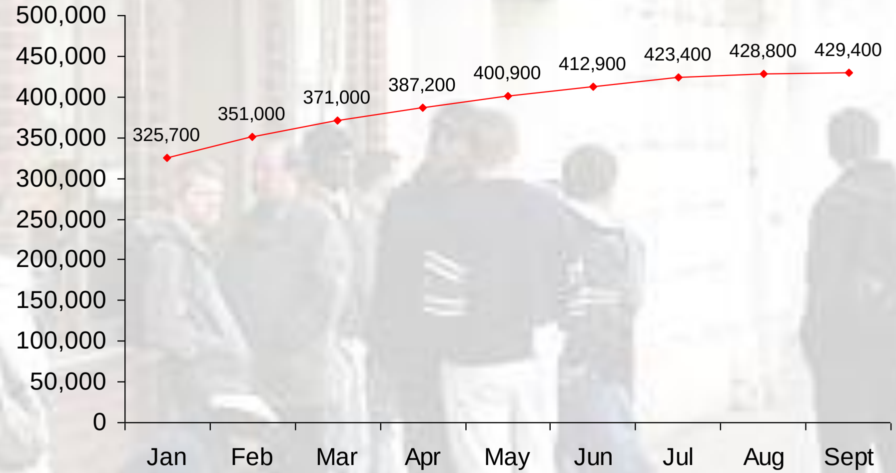
Unemployment Rates



Total Persons on the Live Register 2009



ESRI forecast unemployment 14.8% in 2010

Source: CSO

Under 35's are actually the worst affected group AB's also being squeezed.

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(Base: All Aged 15+)

	%	Age: 15-24 %	25-34 %	35-49 %	50-64 %	65+ %	Social Class: AB %	C1 %	C2 %	DE %	F %	Clusters: Optimist %	Cautious %	Fearful %	Sheltered %
Had a pay cut in work	50	47	55	58	50	33	63	54	58	39	33	36	52	61	48
Had a pay freeze in work	36	24	43	41	40	23	48	36	40	29	25	25	39	43	30
Employer has cut working hours	32	42	43	29	27	16	30	32	37	33	24	24	27	42	35
Made redundant	30	31	38	30	27	20	26	28	34	32	25	19	22	41	38
Any of the Above	73	74	82	81	73	48	82	78	83	63	55	59	72	85	74

Good reason to be fearful

Q. Which, if any, of the following have happened to you or someone in your household recently?

Outlook slightly better for year ahead. Further evidence that sentiment hit rock bottom in April.

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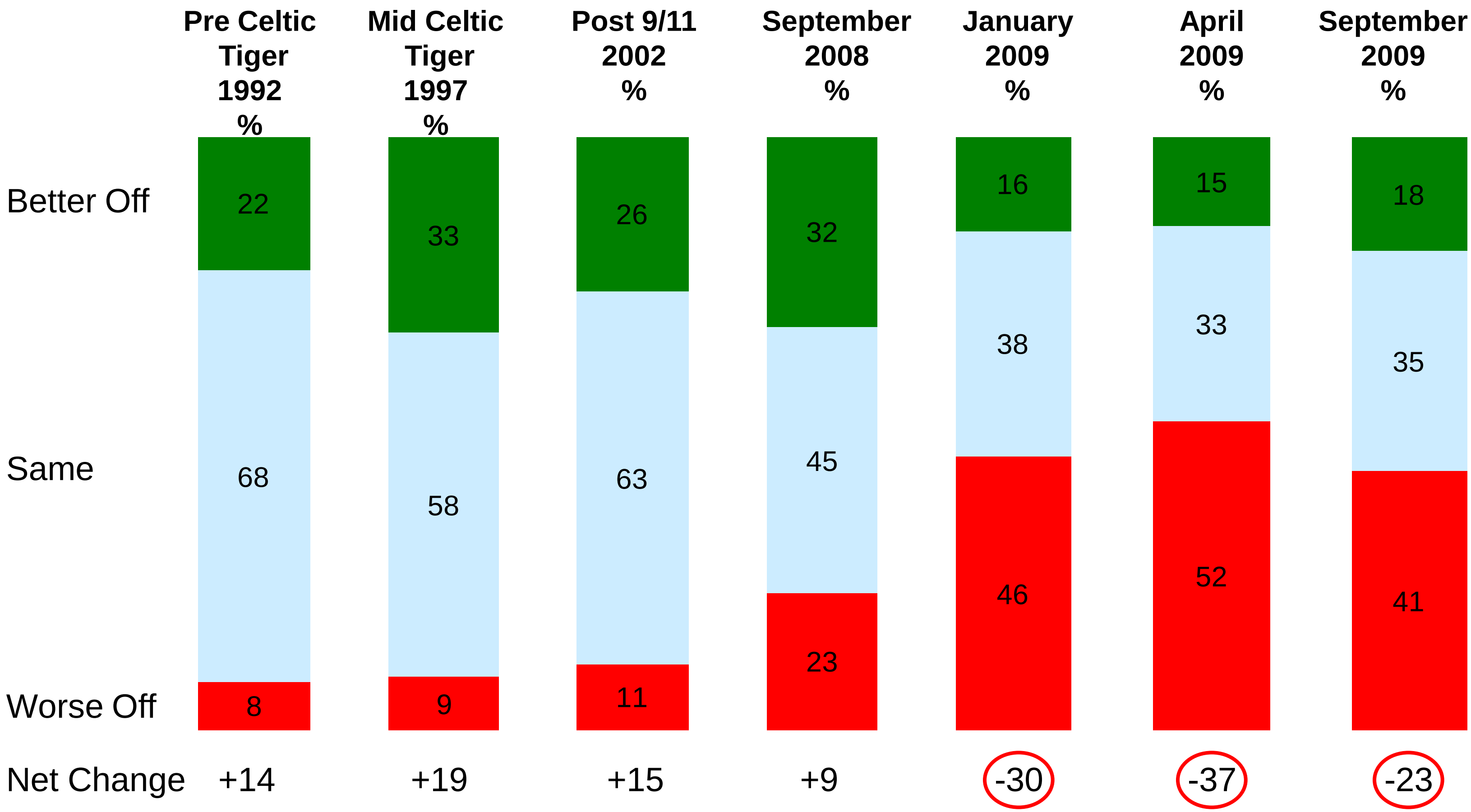
(Base: All Aged 15+)

This time next year?



Have we turned the corner?

Q. How do You Think Your Personal Situation Will be This Time Next Year?

Slowly turning the ship of state?

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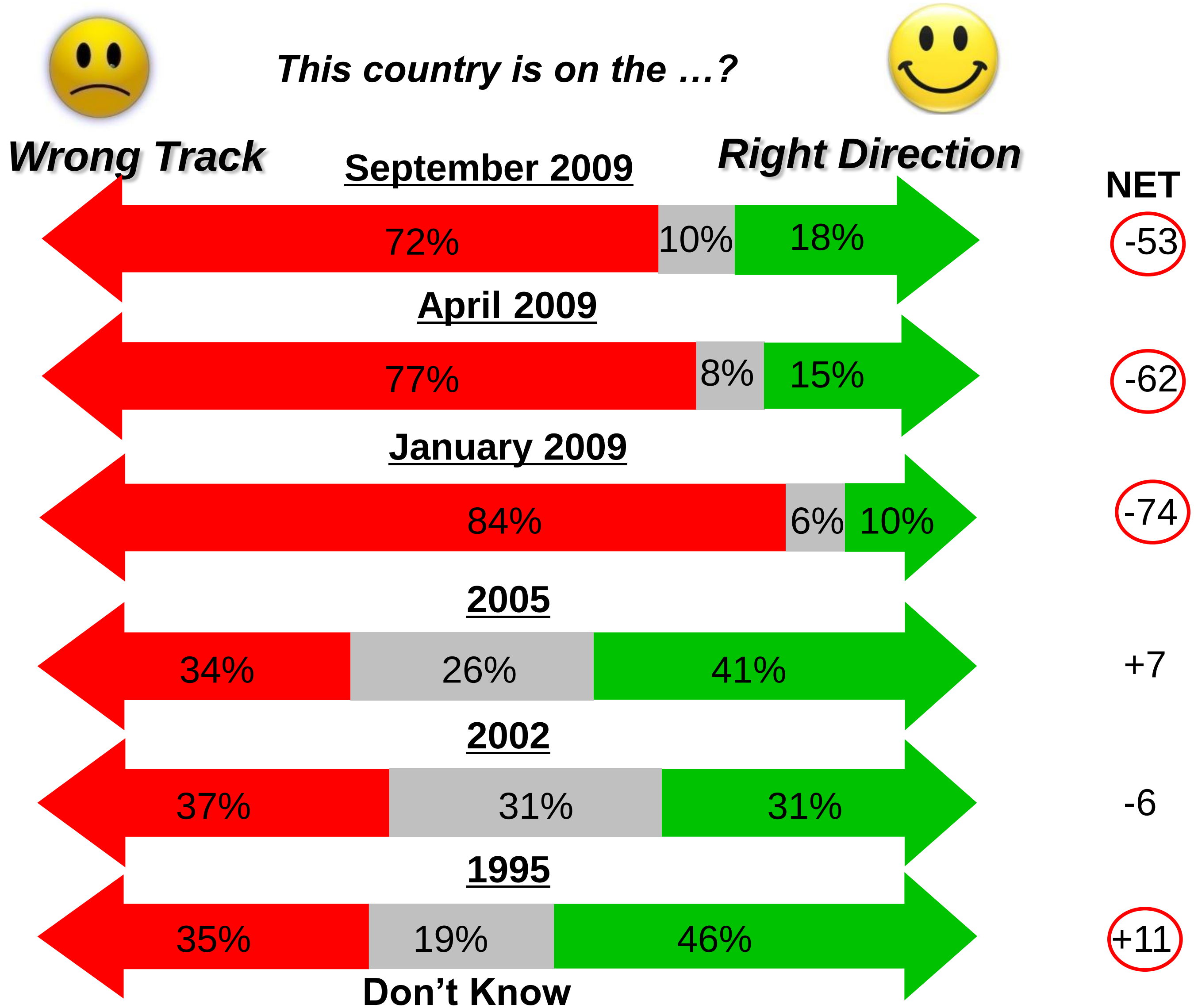
(Base: All Aged 15+)



Q. Do you feel things in this country are generally going in the right direction today, or do you feel that things have gone on the wrong track?

Sentiment is highlighting a regional divide.

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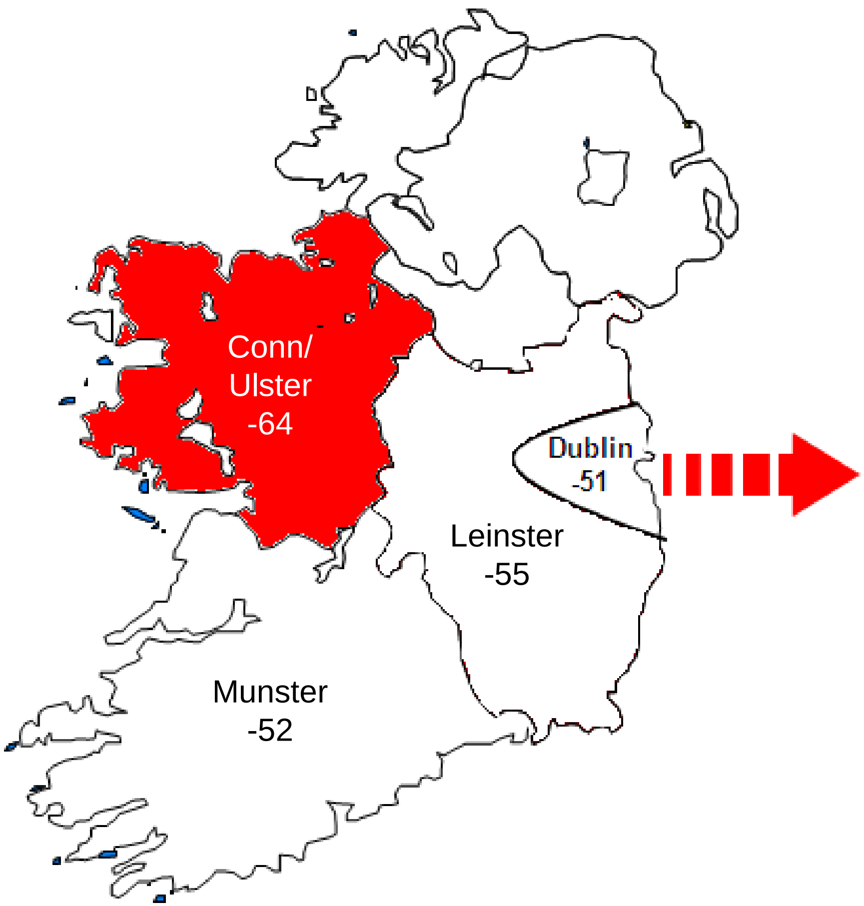


Net Difference

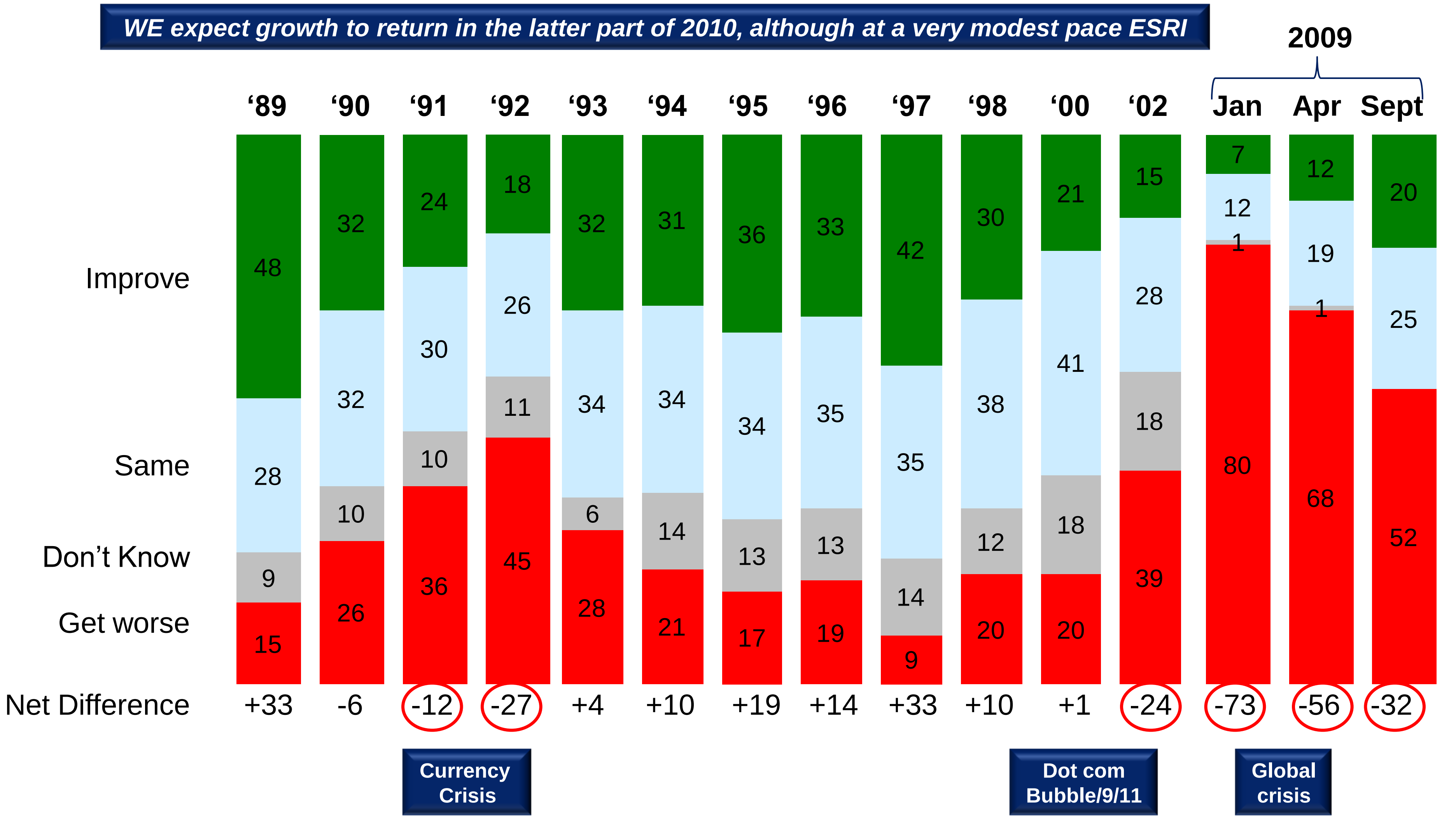
Who thinks we are on the wrong track?

	Jan 2009	Apr 2009	Sept 2009
Overall	-74	-62	-54
ABC1	-73	-59	-55
C2DE	-76	-64	-54
Farmers	-73	-69	-58
Under 35	-71	-72	-56
Over 35	-76	-57	-54
Dublin	-74	-58	-51
Rest of Leinster	-81	-64	-55
Munster	-70	-64	-52
Conn/P.Ulster	-71	-63	-64

Q. Do you feel things in this country are generally going in the right direction today, or do you feel that things have gone on the wrong track?

Outlook for the country has improved a little over the year.

(Base: All Aged 15+)



Economic Situation Over Next 12 Months (National)

- Purchase Plans -

Still no sign of a significant spending uplift
People are unsure where they stand.

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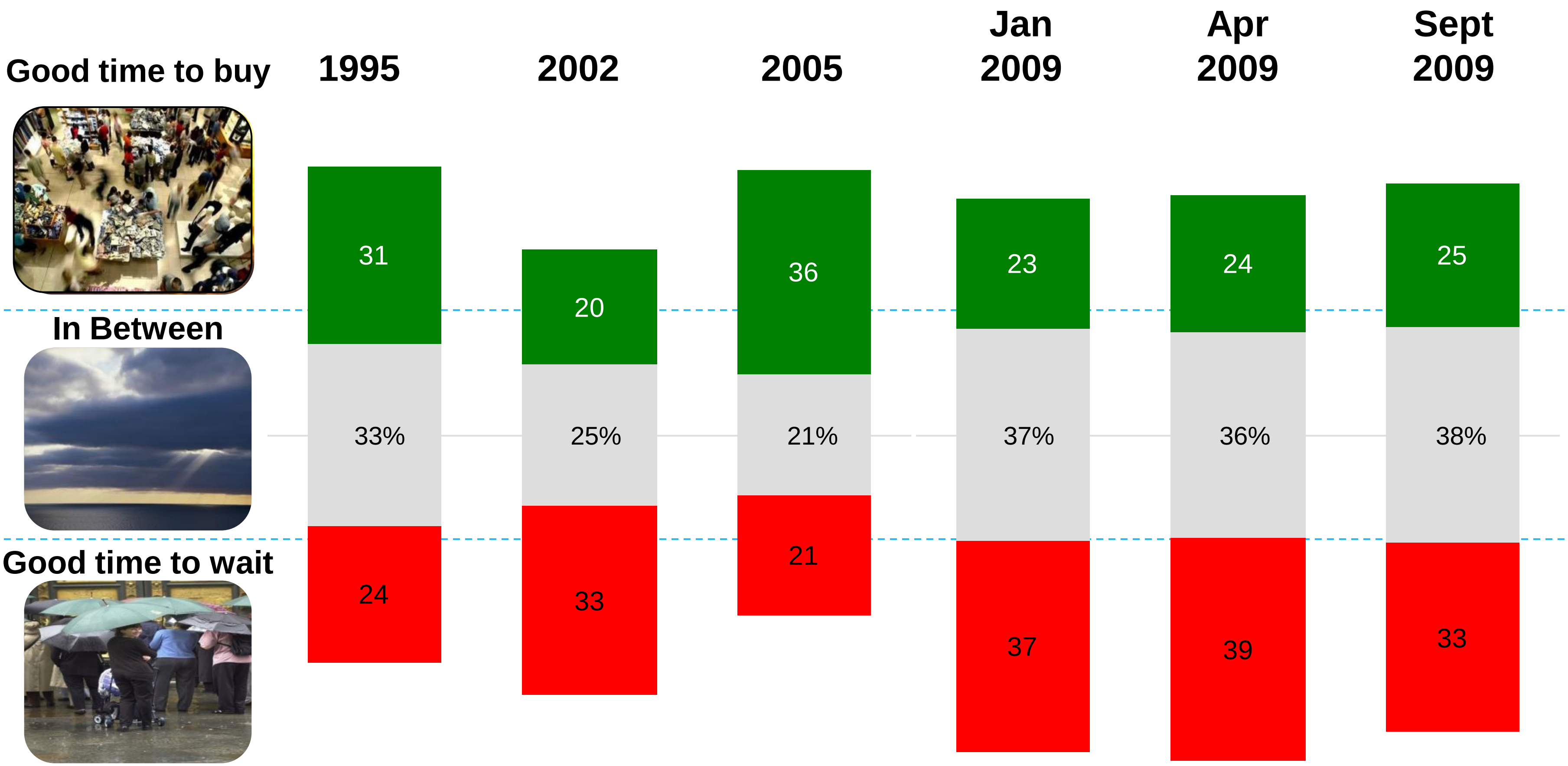
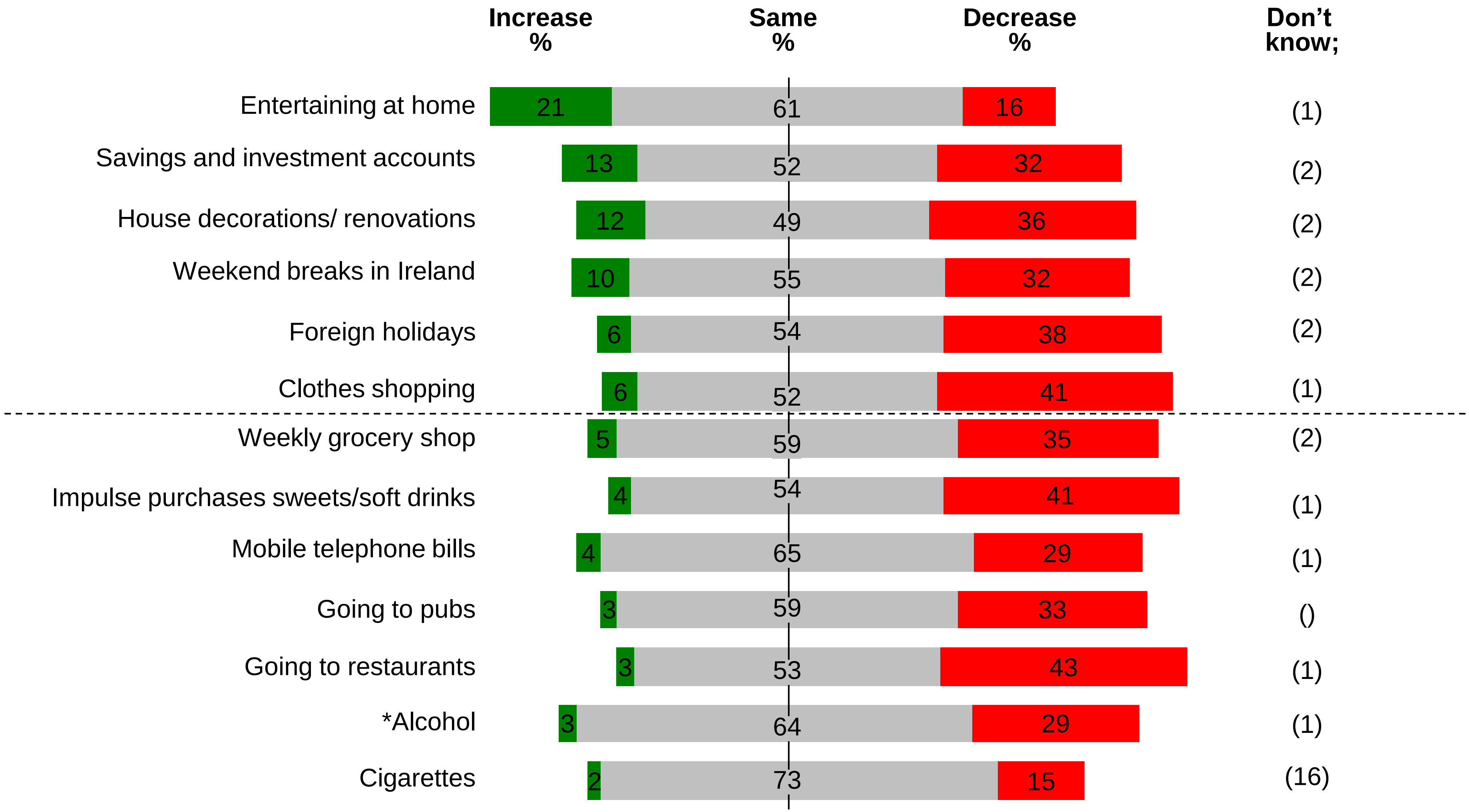


***"It was increased precautionary savings rather than a major turnaround in after-tax real income that caused spending to collapse"* Davy**

Q. Considering both the availability and cost of things today, as well as your present financial circumstance, do you think now is a good time to buy things you want and need, or a good time to wait, or is it someplace in between?

Value will start to replace price

(Base: All Aged 15+)



* Asked 18+ only

Q. Over the next 12 months do you think you will reduce, increase or not change the amount you spend on…?

15-24's seem most likely to spend on small ticket items. 25-34's entertaining at home.

(Base: All Aged 15+)

	Increase %	Change Vs Apr '09 +/-	Age 15-24	25-34	35-49	51-64	65+
Entertaining at home	21	-7	26	34	22	14	4
Savings or investment accounts	13	-1	28	17	10	6	4
House decorations/ renovations	12	-2	8	12	13	13	16
Weekend breaks in Ireland	10	-2	12	11	10	11	6
Foreign holidays	6	-1	7	7	7	5	4
Weekly grocery shop	5	-	7	6	5	4	4
Clothes shopping	6	+1	13	5	5	3	3
Alcohol	3	-1	9	3	2	1	1
Mobile telephone bills	4	-	6	6	3	3	1
Impulse buying of sweets and soft drinks	4	+2	7	5	4	1	1
Going to pubs	3	-	11	2	1	1	0
Going to restaurants	3	-	7	4	1	2	2
Cigarettes	2	-	2	3	2	1	0

Q. 5 Over the next 12 months do you think you will reduce, increase or not change the amount you spend on …?

Value of sales x Sector 2009 YTD

Annual % change x sector	Annual % change
Motor Trades	-50.0
Non-Specialised Stores (excl Department Stores)	-6.5
Department Stores	-9.6
Food beverages & Tobacco	-9.8
Fuel	-21.6
Pharmaceuticals Medical& Cosmetic Articles	-3.0
Clothing, Footwear & Textiles	-18.4
Furniture and Lighting	-36.1
Hardware, Paints & Glass	-20.6
Electrical Goods	-19.5
Books, Newspapers and Stationary	-13.1
Other Retail Sales	-17.7
Bars	-8.7
All Businesses excl. Motor Trades	-11.8
All Businesses	**-19.2**

Hammered by property crash

Source: CSO

Budgets are being cut everywhere.
25-34 year olds hardest hit, along with families.

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(Base: All Aged 15+)

	Decrease %	Change Vs Apr '09 +/-	Age 15-24	Age 25-34	Age 35-49	Age 51-64	Age 65+	Marital Status: Married with Children	Marital Status: Married no children	Marital Status: Single	Marital Status: Other
Going to restaurants	43	-11	50	50	46	39	23	48	39	47	25
Clothes shopping	41	-10	37	51	46	40	24	48	41	39	26
Impulse purchasing of sweets and soft drinks	41	-5	44	53	47	32	21	57	37	49	35
Foreign holidays	38	-6	43	48	41	33	16	43	34	39	29
House decorations/ renovations	36	-7	35	44	43	30	23	41	33	36	26
Weekend breaks in Ireland	32	-5	30	44	36	27	20	41	29	30	21
Weekly grocery shop	35	-2	29	46	36	34	22	47	34	34	29
Mobile telephone bills	29	-7	29	40	29	27	15	33	26	30	20
Savings and investment accounts	32	-2	24	41	40	30	15	43	25	29	25
Going to pubs	33	-1	33	51	37	23	15	39	29	37	17
Alcohol	29	-1	25	44	31	27	9	34	29	28	11
Entertaining at home	16	-	17	22	15	14	12	19	14	15	19
Cigarettes	15	-3	13	25	18	10	4	20	10	16	14

Q. 5 Over the next 12 months do you think you will reduce, increase or not change the amount you spend on …?

Rate of spending ‘decreases’ is slowing but ‘fearful’ are still not spending

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(Base: All Aged 15+)

		Decrease %	Change vs. Apr ‘09 %	Optimist %	Cautious %	Fearful %	Sheltered %
Non Essentials	Going to restaurants	43	-11	27	36	62	40
	Clothes shopping	41	-10	29	39	53	40
	Impulse purchasing of sweets and soft drinks	41	-5	31	35	57	35
	Foreign holidays	38	-6	27	32	56	30
	House decorations/ renovations	36	-7	23	30	54	32
	Weekend breaks in Ireland	32	-5	20	31	47	25
Essentials?	Weekly grocery shop	35	-2	24	32	45	34
	Mobile telephone bills	29	-7	19	25	42	24
	Savings and investment accounts	32	-2	16	31	50	23
	*Going to pubs	33	-1	26	27	47	29
	*Alcohol	29	-1	21	24	43	21
	Entertaining at home	16	-	9	13	25	16
	*Cigarettes	15	-3	9	12	26	9

* Asked 18+ only

Q. 5 Over the next 12 months do you think you will reduce, increase or not change the amount you spend on …?

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- Concerns For The Year Ahead -

Moving past the December budget is an important mile stone

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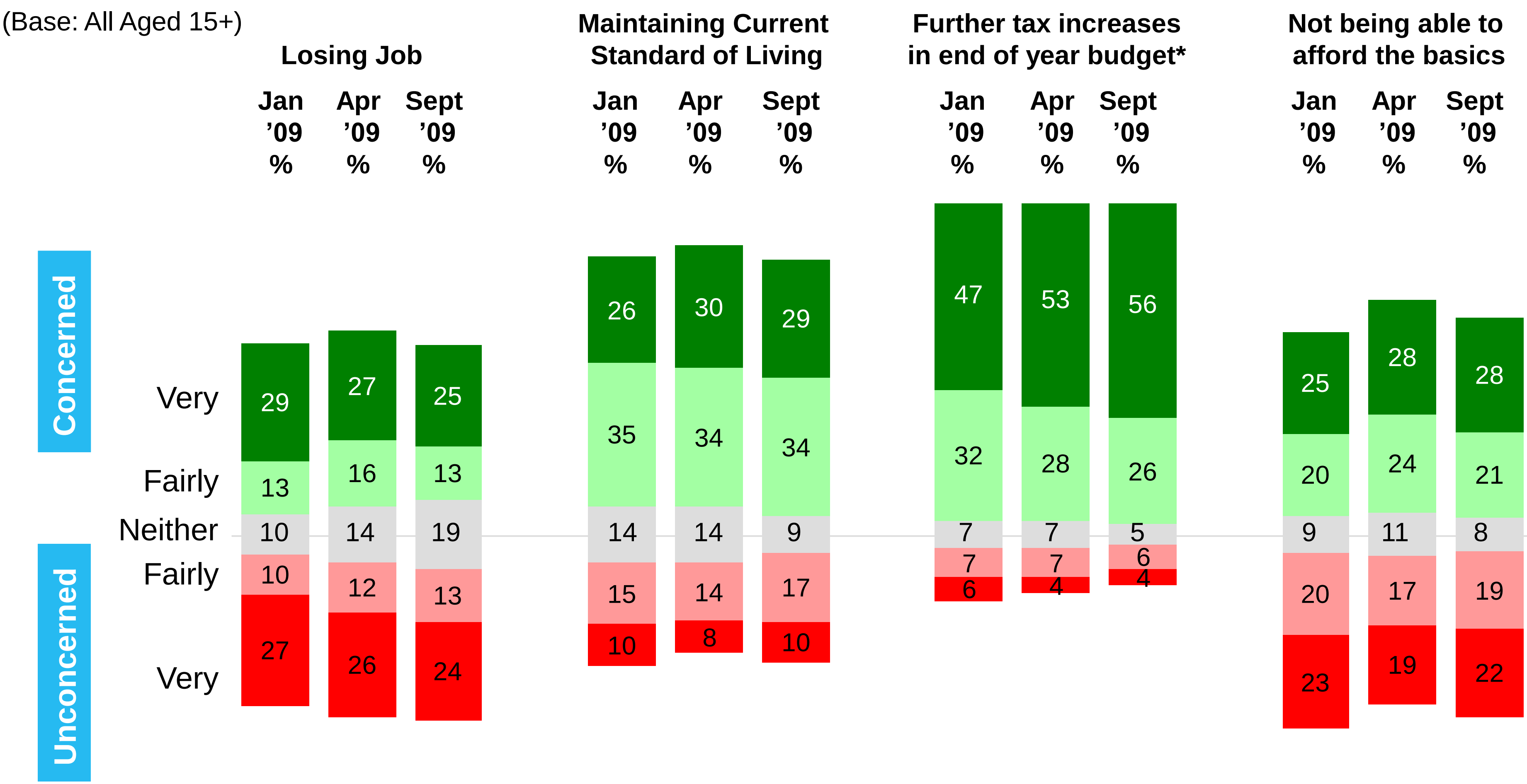

How concerned, if at all, are you about each of the following?

The Celtic Tiger Generation – NO MORE...

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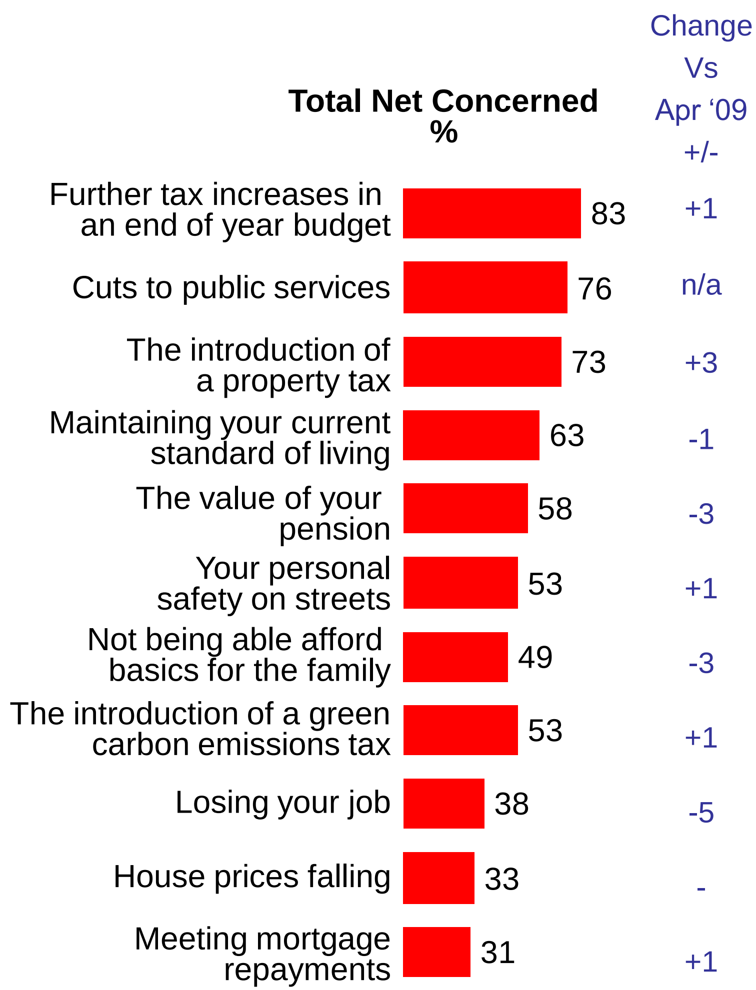
(Base: All Aged 15+)



Q.6 For the year ahead, please tell me how concerned, if at all, you are about each if the following?

The Celtic Tiger Generation – NO MORE...

(Base: All Aged 15+)

	Total Net Concerned %	Change Vs Apr '09 +/-	Age 15-24	Age 25-34	Age 35-49	Age 50-64	Age 65+	Married with Children
Further tax increases in an end of year budget	83	+1	72	88	89	83	77	90
Cuts to public services	76	n/a	68	77	80	76	76	80
The introduction of a property tax	73	+3	51	67	83	79	82	81
Maintaining your current standard of living	63	-1	58	71	74	57	49	74
The value of your pension	58	-3	29	52	70	69	68	70
Your personal safety on streets	53	+1	49	49	52	54	63	54
Not being able afford basics for the family	49	-3	45	58	55	43	39	59
The introduction of a green carbon emissions tax	53	+1	35	58	59	55	52	62
Losing your job	38	-5	42	52	45	30	7	48
House prices falling	33	-	26	42	34	32	30	39
Meeting mortgage repayments	31	+1	22	47	40	21	15	46

Q.6 For the year ahead, please tell me how concerned, if at all, you are about each if the following?

House prices are now the least of our worries!

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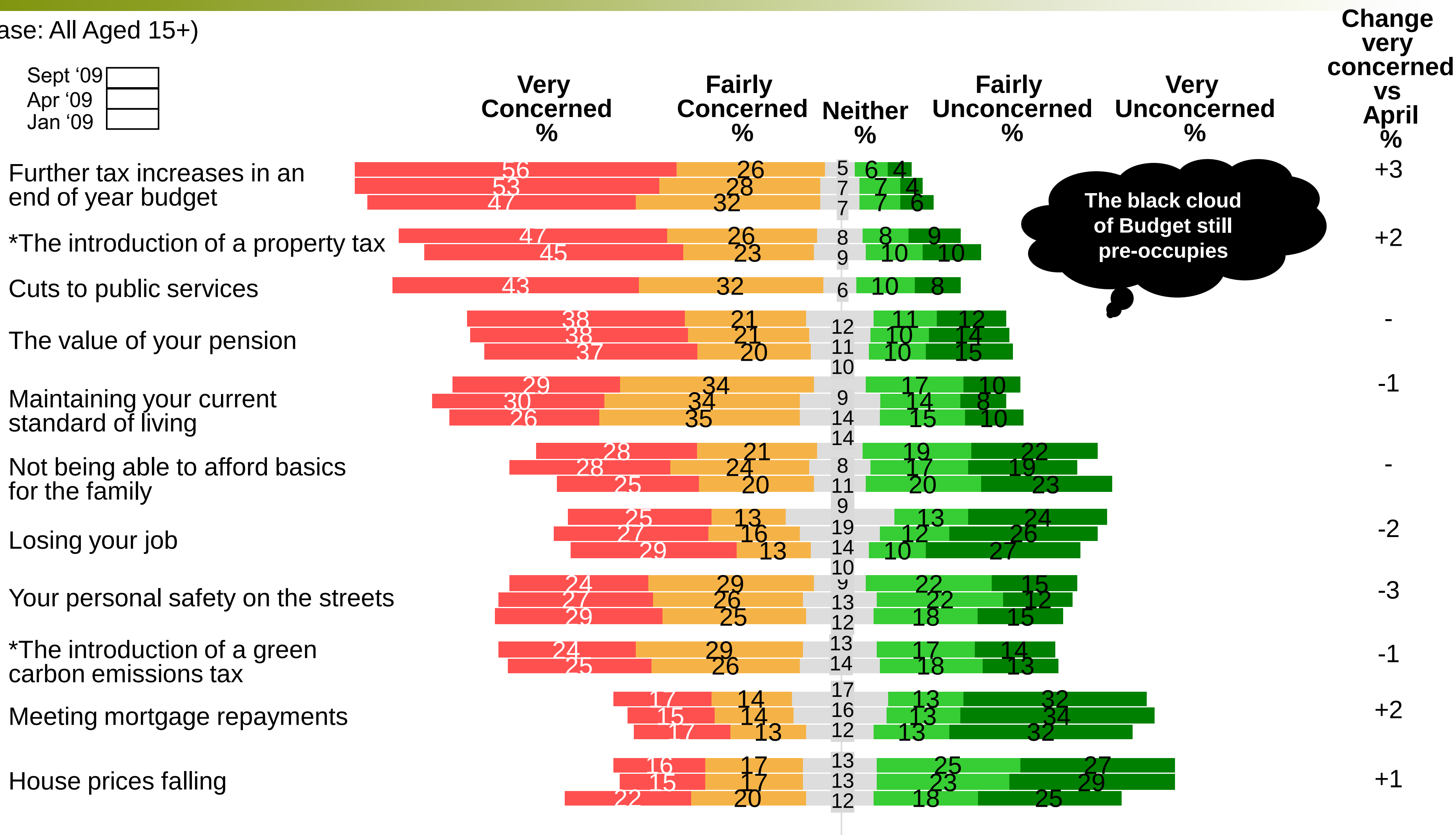
(Base: All Aged 15+)



Q.6 For the year ahead, please tell me how concerned, if at all, you are about each if the following?

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National Treasury Management Agency
Managing Ireland's National Debt

Looking To The Budget

Looking to the Budget

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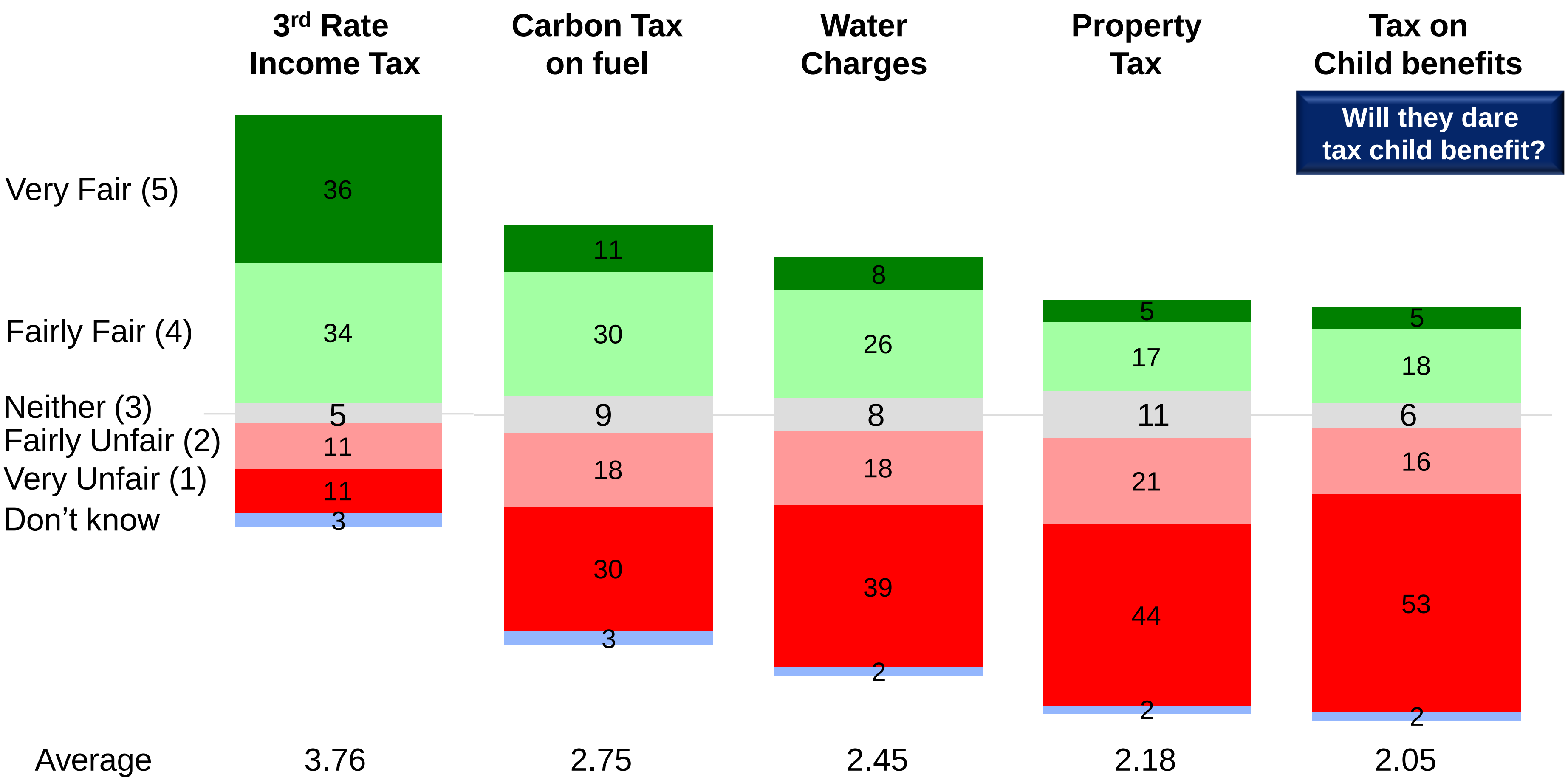
(Base: All Aged 15+)



Water charges would likely prove the most divisive

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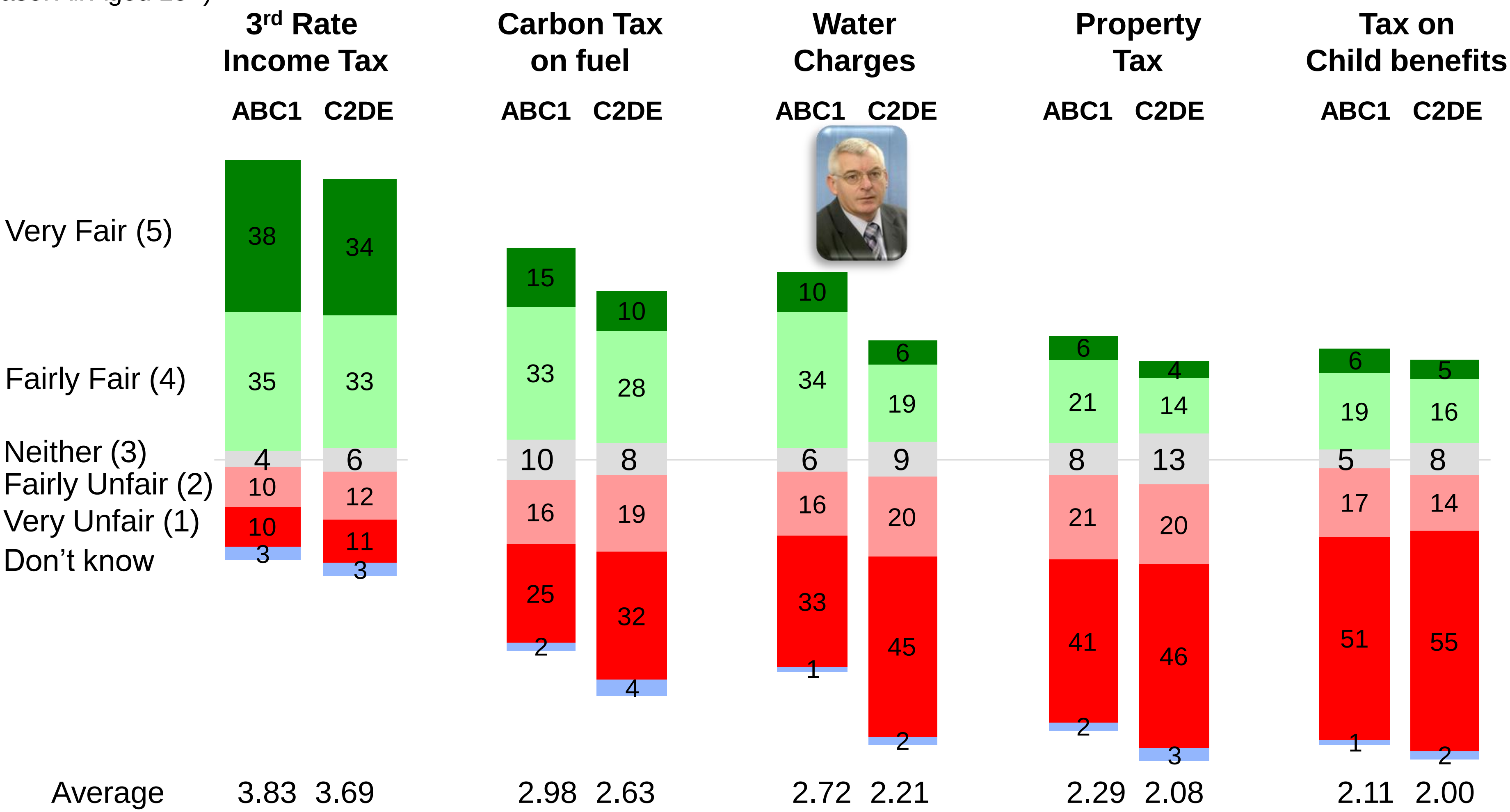
(Base: All Aged 15+)



What does this mean?

- A key part of recovering from any such event is acceptance, and this is the stage we appear to be entering as we turn the corner into 2010.
- 2009 was a year of radical adjustment in consumer spending, which brought with it a huge focus on price, even for the boom generation who had never experienced the threat of unemployment.
- Those most affected have been forced to forfeit their brands of choice for price. Others have alternated depending on what's in their purse, while bargain-hunters never had it so good as in 2009 as brand owners sprung to price defence actions
- While many of the excesses of the boom years may have gone for now, at the core of consumer behaviour is still the desire for brands.
- Therefore protecting equity is vital so that as we emerge from the recession you have a brand that is not judged solely on price. This is as true for any business as it is for any brand.
- As the intensity of the recession eases during 2010 and 2011, consumer focus is likely to be increasingly on value and this in itself presents great opportunities.
- Brands need however, to be careful that they do not over discount in the drive to deliver value. A brands intrinsic value is more than just price and volume.
- Brands choosing to fight on price alone are doomed to an eternal flight to the bargain basement – price premiums are hard to recover.
- The crystal ball is seasonally snow-filled after being heavily shaken by this recession. Yet, we can discern a revised future in which consumers may negotiate with brands more forcefully than during the boom years.

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THANK YOU

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