



Consumer Confidence Tracker

June/July 2010

Prepared by Luke Reaper

J.1814



Introduction

- This report presents the findings of the latest phase of the Behaviour & Attitudes' Consumer Confidence Tracker.
- Survey results for each phase are based on a sample of 1008 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 24th June - 5th July 2010.
- At the end of this report we have also included some of the latest CSO data on GNP, retail sales, unemployment and inflation.
- The figures contained within the B&A Consumer Confidence Barometer have an estimated margin of error 3.2%.

Summary

- In the last Behaviour & Attitudes Consumer Confidence Barometer in March 2010, we saw indications that consumer pessimism was easing. This 'settling down' previously noted has now changed to a degree of optimism.
- At last consumers are more hopeful about the economy for the year ahead. After a consistent period of easing of negativity we now see a degree of positivity emerging. This is the most positive sentiment since 2007. It should be noted that there has been more positive pick-up in sentiment amongst Dubliners, compared to those outside the capital.
- While people are still displaying concerns for their own personal financial position in the year ahead, which is not surprising given the impact of the government levy and salary cuts over the last year, personal finance perceptions have improved for the fourth consecutive wave.
- Similar to personal finances, purchasing intentions in the year ahead are showing a small improvement over the last number of waves. In reality while unemployment continues to rise, this measure will be suppressed.
- The fact that half of the adult population will still save the same amount in the year ahead compared with the last 12 months means we are not out of the woods yet.

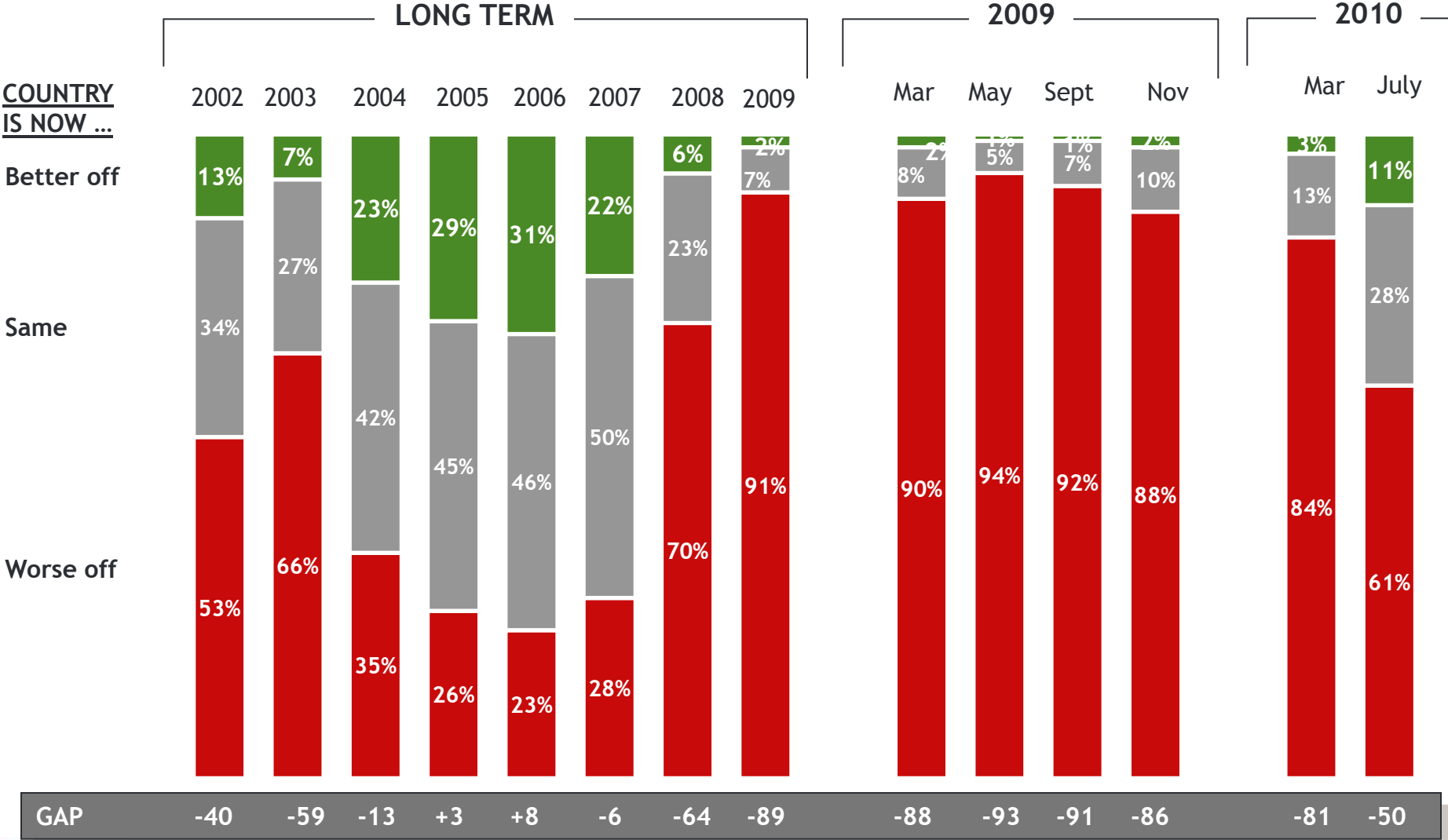
Summary

- The table below summarises the net scores for each element of the June/July survey compared to previous waves.

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

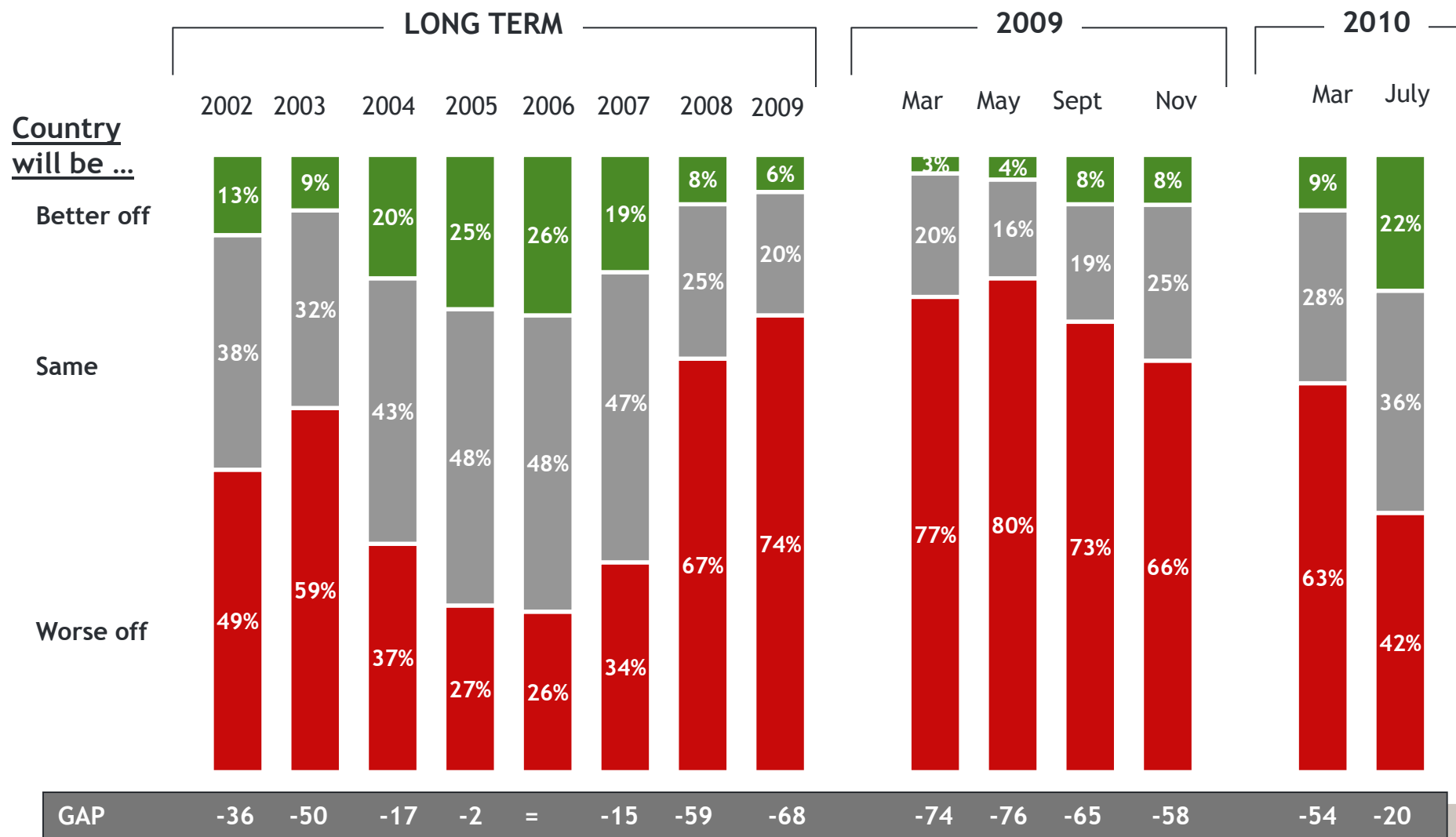
For example in relation to the perceptions of economic performance over the past year, a reduced differential between 'better' and 'worse; (-81 to -50) indicates reducing pessimism.

Economy - Looking Back



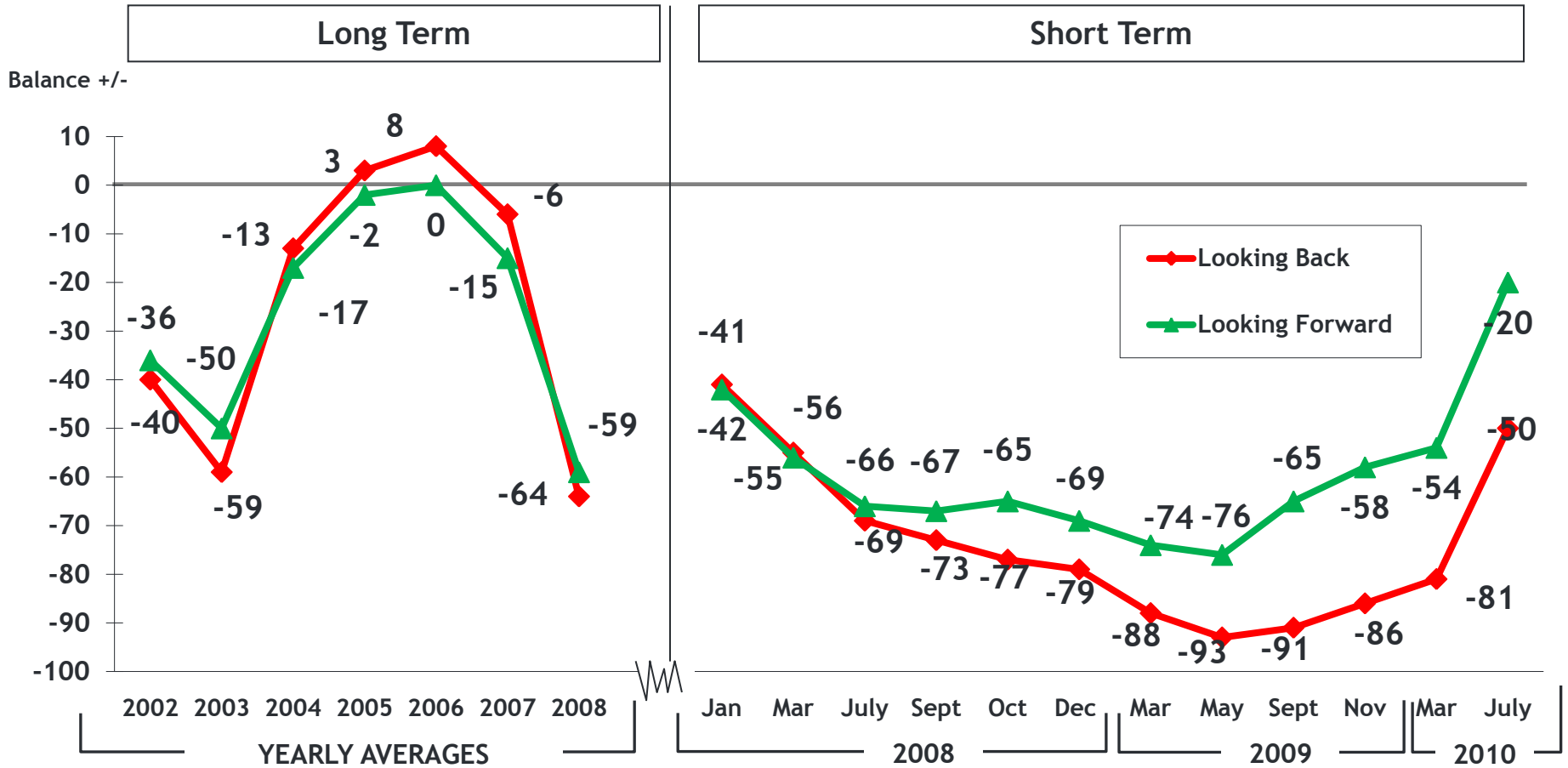
Q.1 Thinking about the economy as a whole, do you think that the country is better off, worse off, or about the same as last year?

Economy - Looking Forward

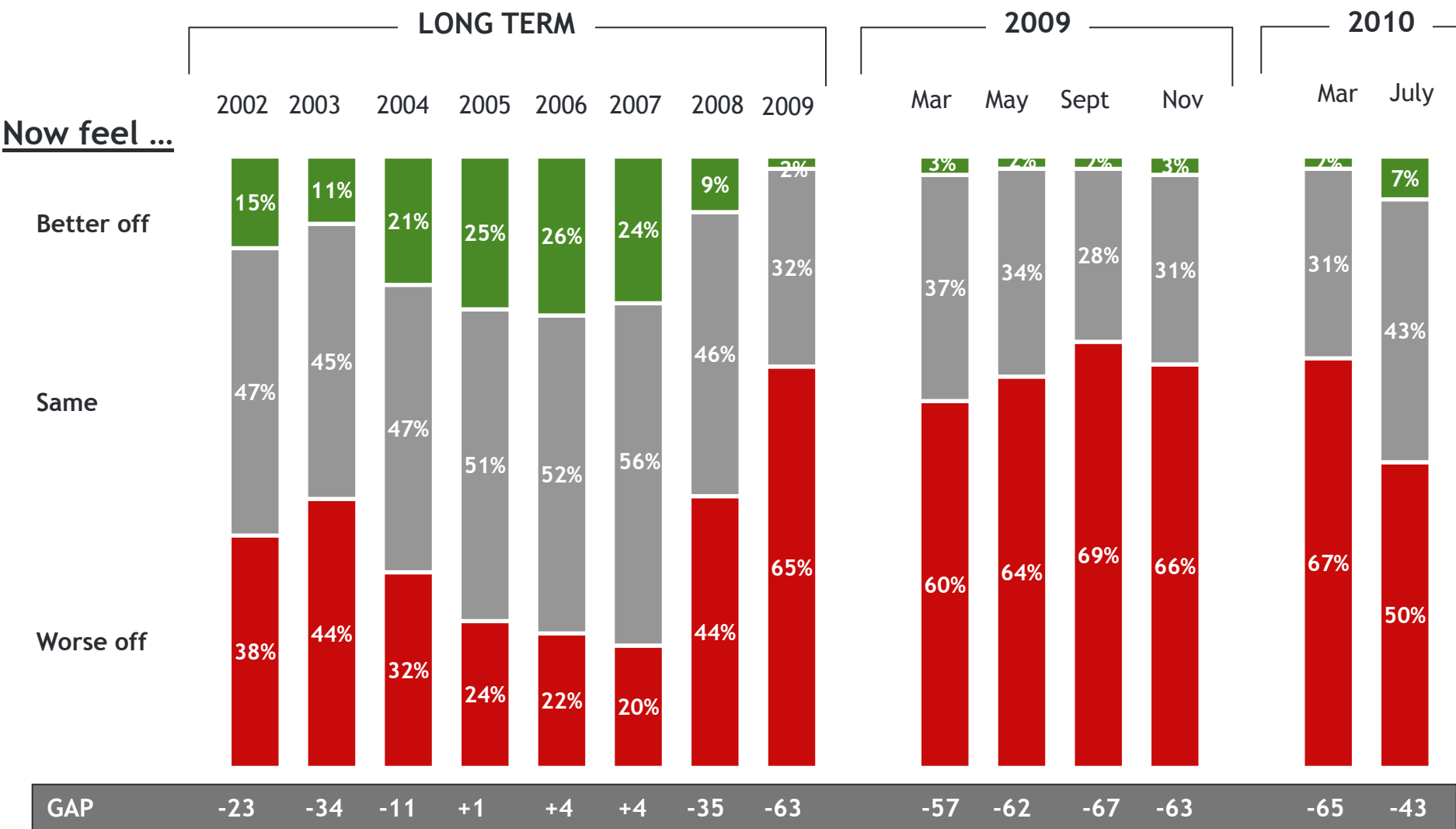


Q.2 And what about the coming year, do you think that the country will be better off, worse off or about the same as this year?

Balance Of Opinion Economy

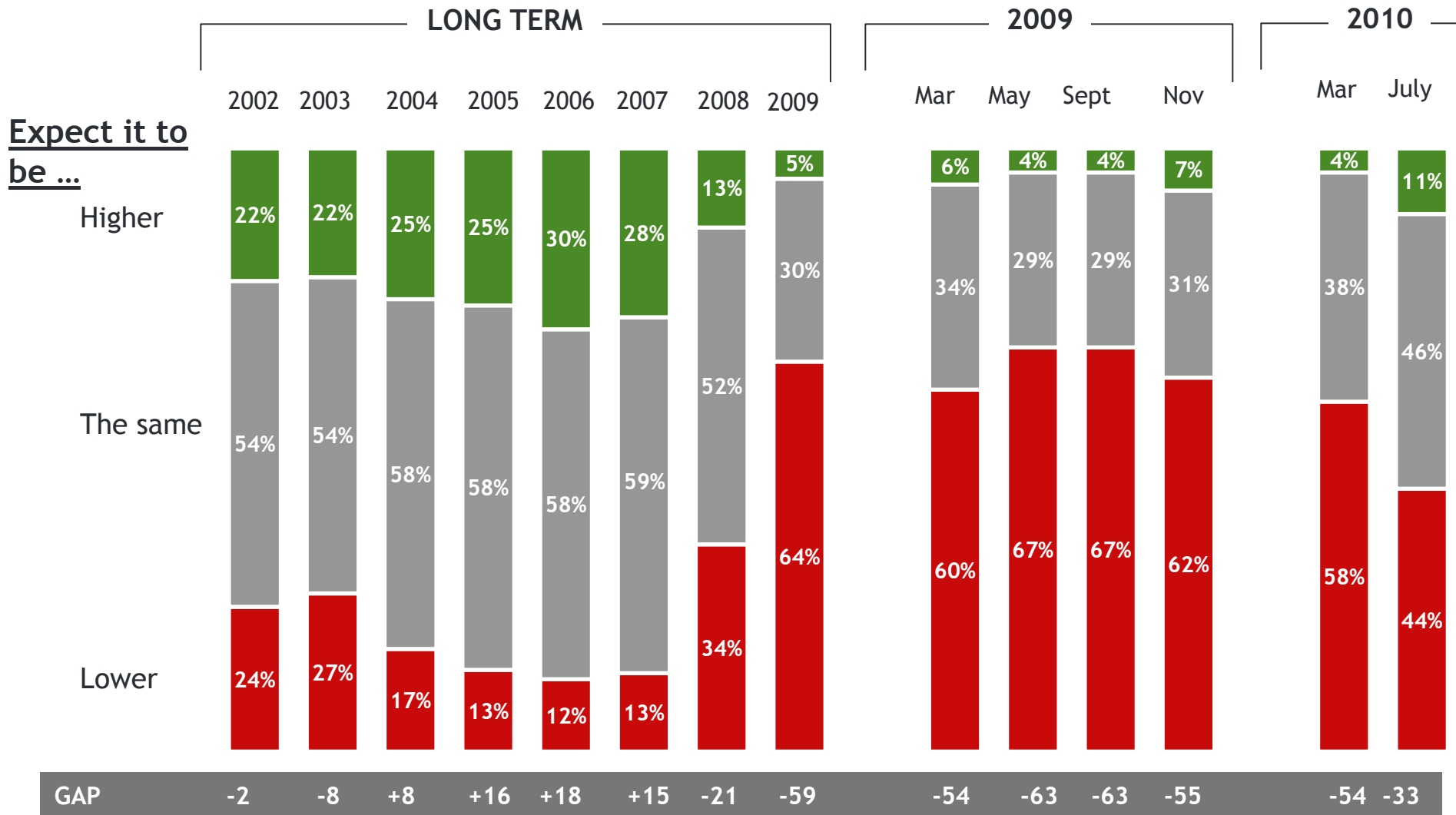


Personal Finances - Looking Back

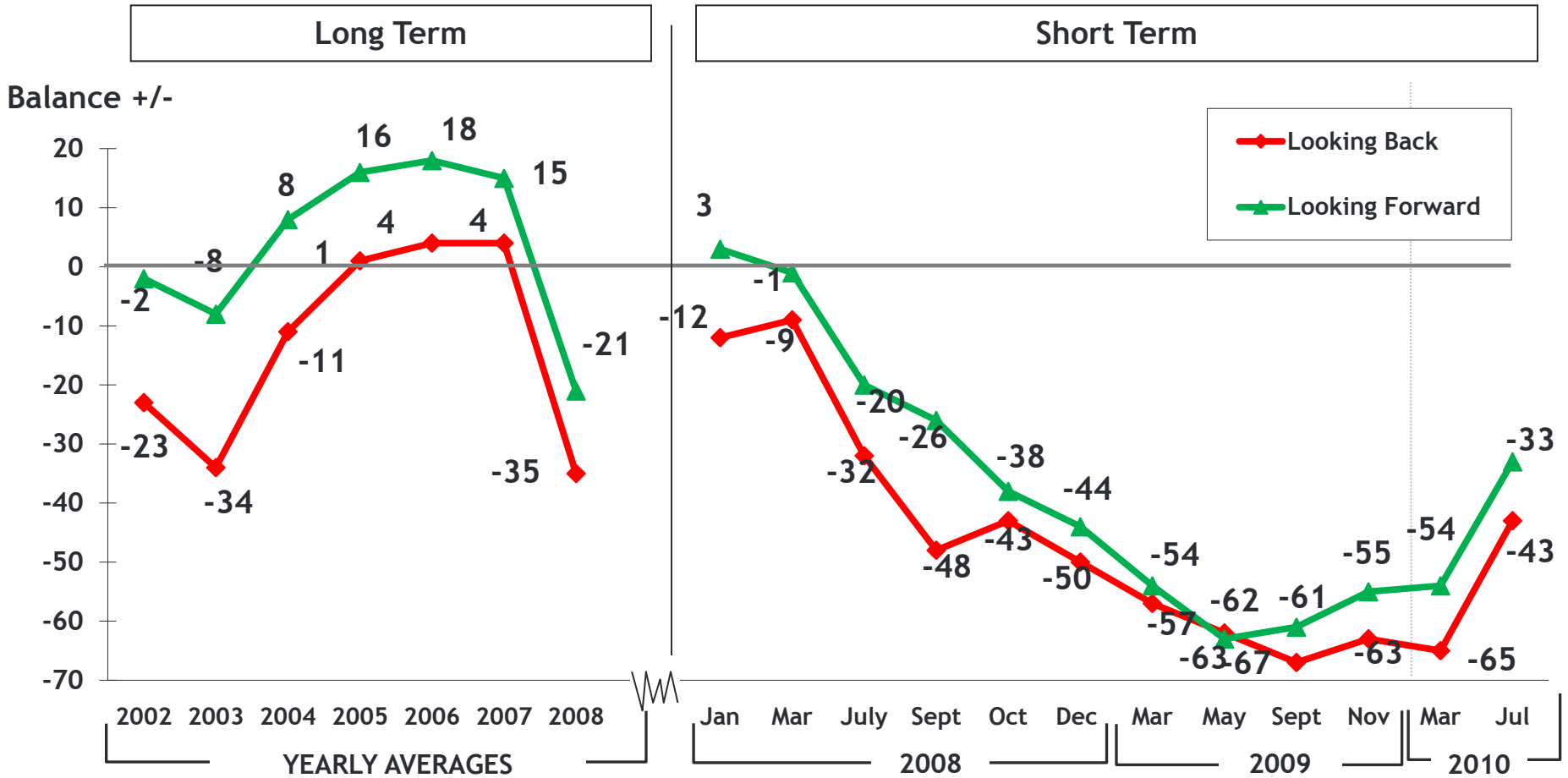


Q.3 Do you feel better off financially, worse off financially or about the same compared to last year?

Personal Finances - Looking Forward



Balance Of Opinion - Personal Finances



Personal Assets- Looking Forward

Expect them to be ...

LONG TERM

2009

2010

2002 2003 2004 2005 2006 2007 2008 2009

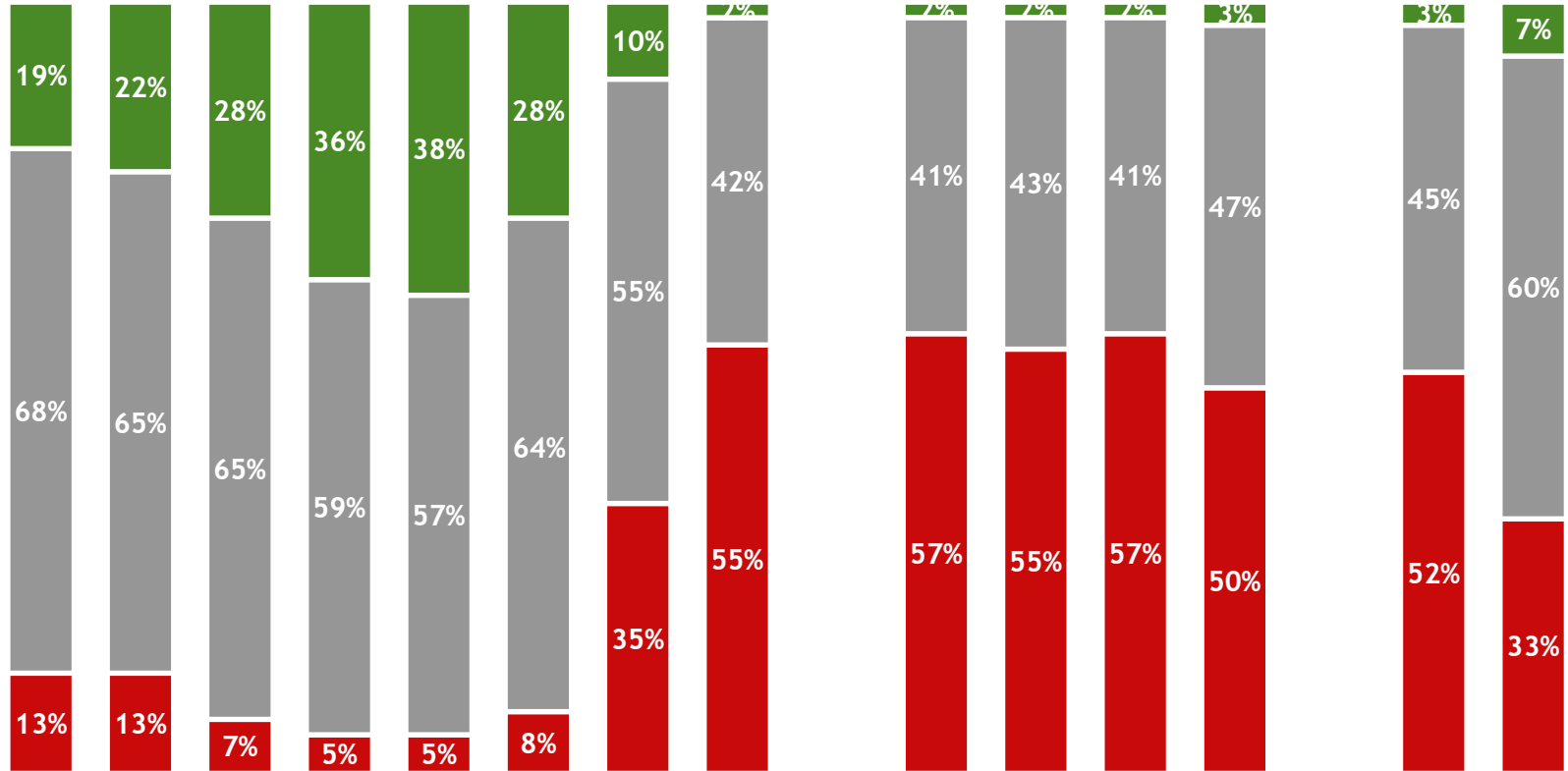
Mar May Sept Nov

Mar July

More

No change

Less



Difference

+6 +9 +21 +31 +33 +20 -20 -53 -55 -53 -55 -47 -49 -26

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? PROBE: A lot or a little

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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?

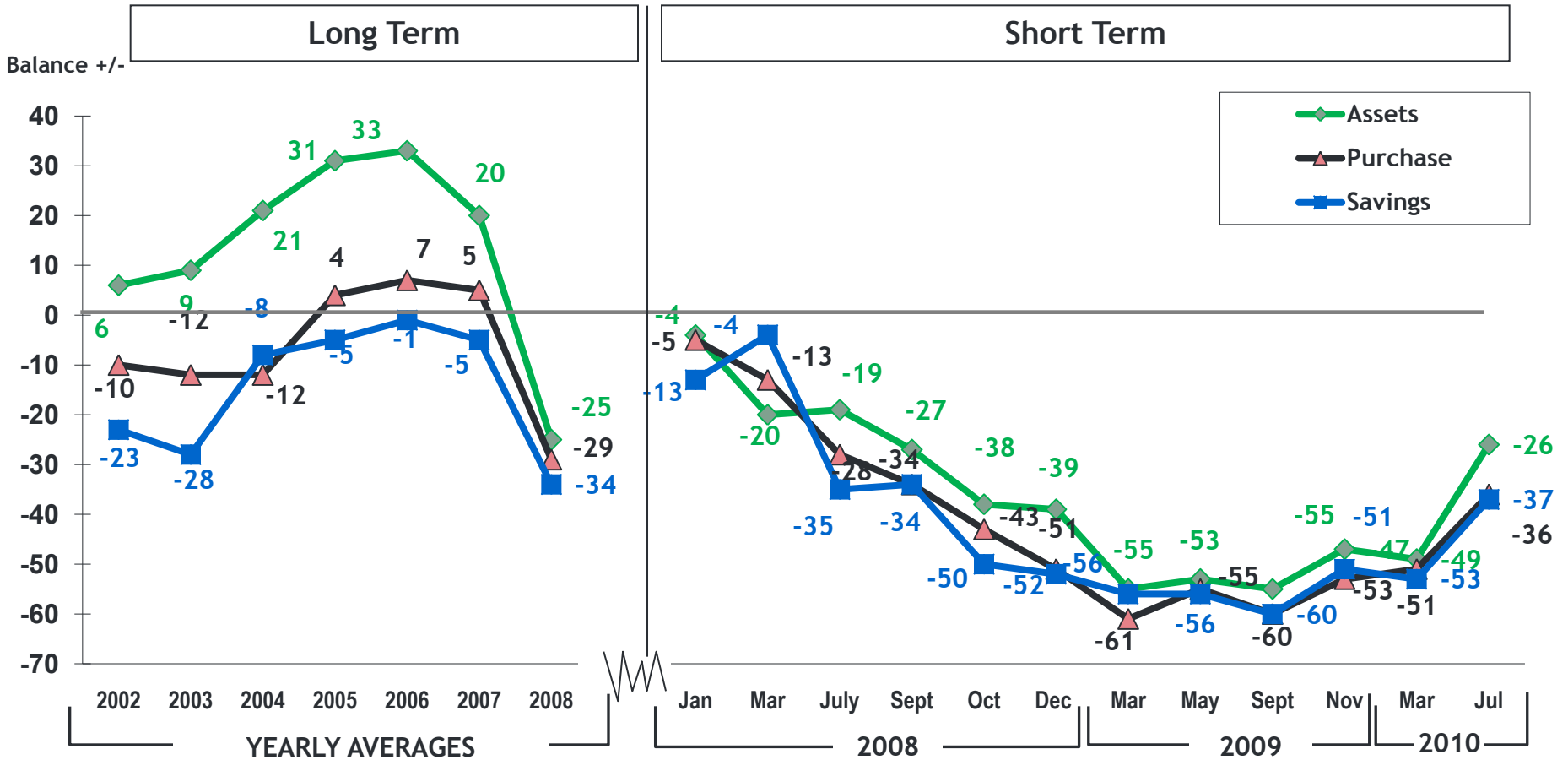
Savings - Looking Forward



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

Balance Of Opinion

Expectations in regard to Assets, purchases, and savings



About Behaviour & Attitudes

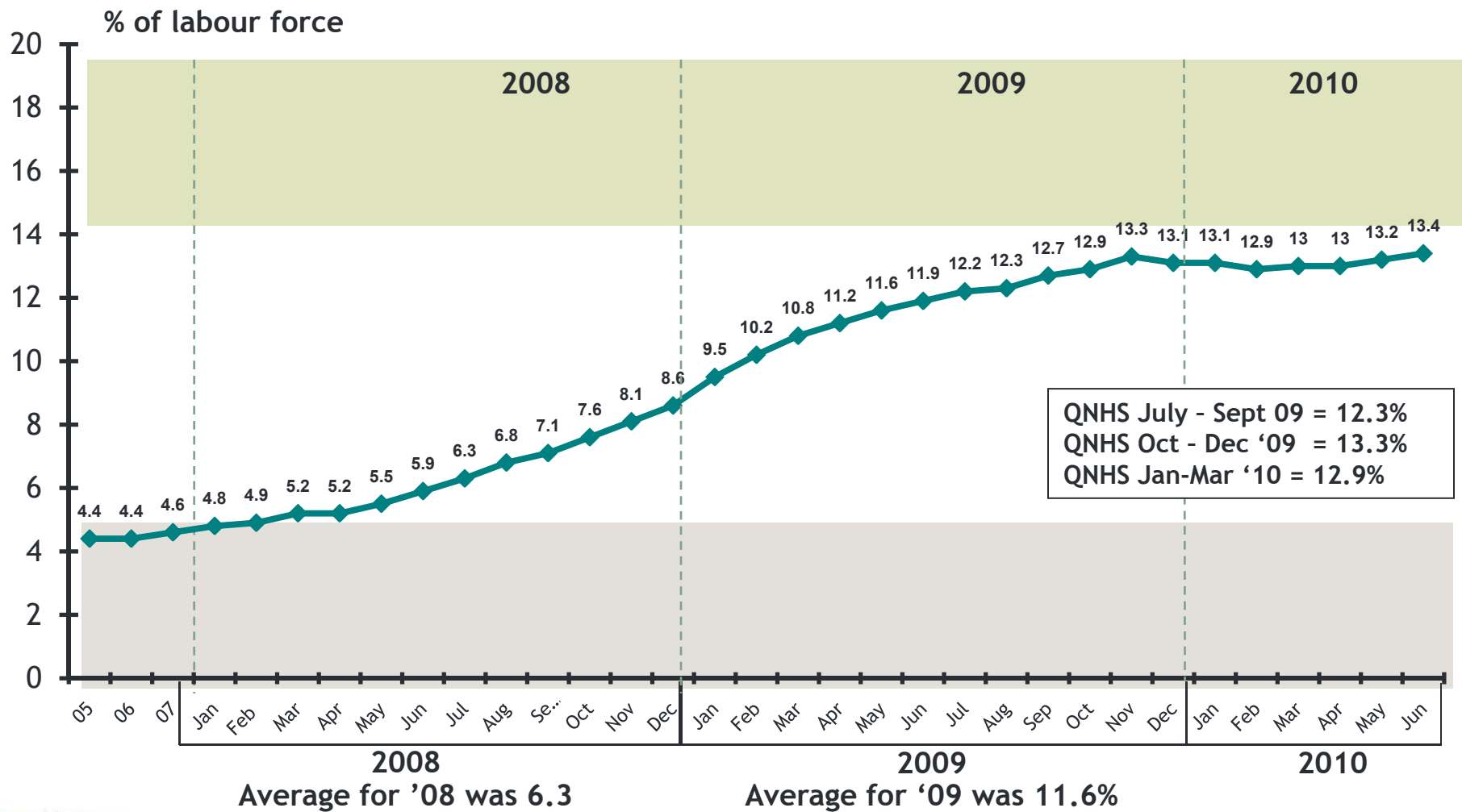
- Behaviour and Attitudes is Ireland's largest and most experienced independently owned research company. We have 30 permanent staff members which includes 10 directors, the most experienced team in the Irish market. In addition, we have a team of over 150 experienced, fully trained face-to-face interviewers 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.
- Despite being 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 10 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

CSO DATA

(latest estimates 2010)

Unemployment Rates

Seasonally adjusted



*Source: Line chart relates to CSO latest estimates published June 2010 (seasonally adjusted standardised unemployed rates (SUR))

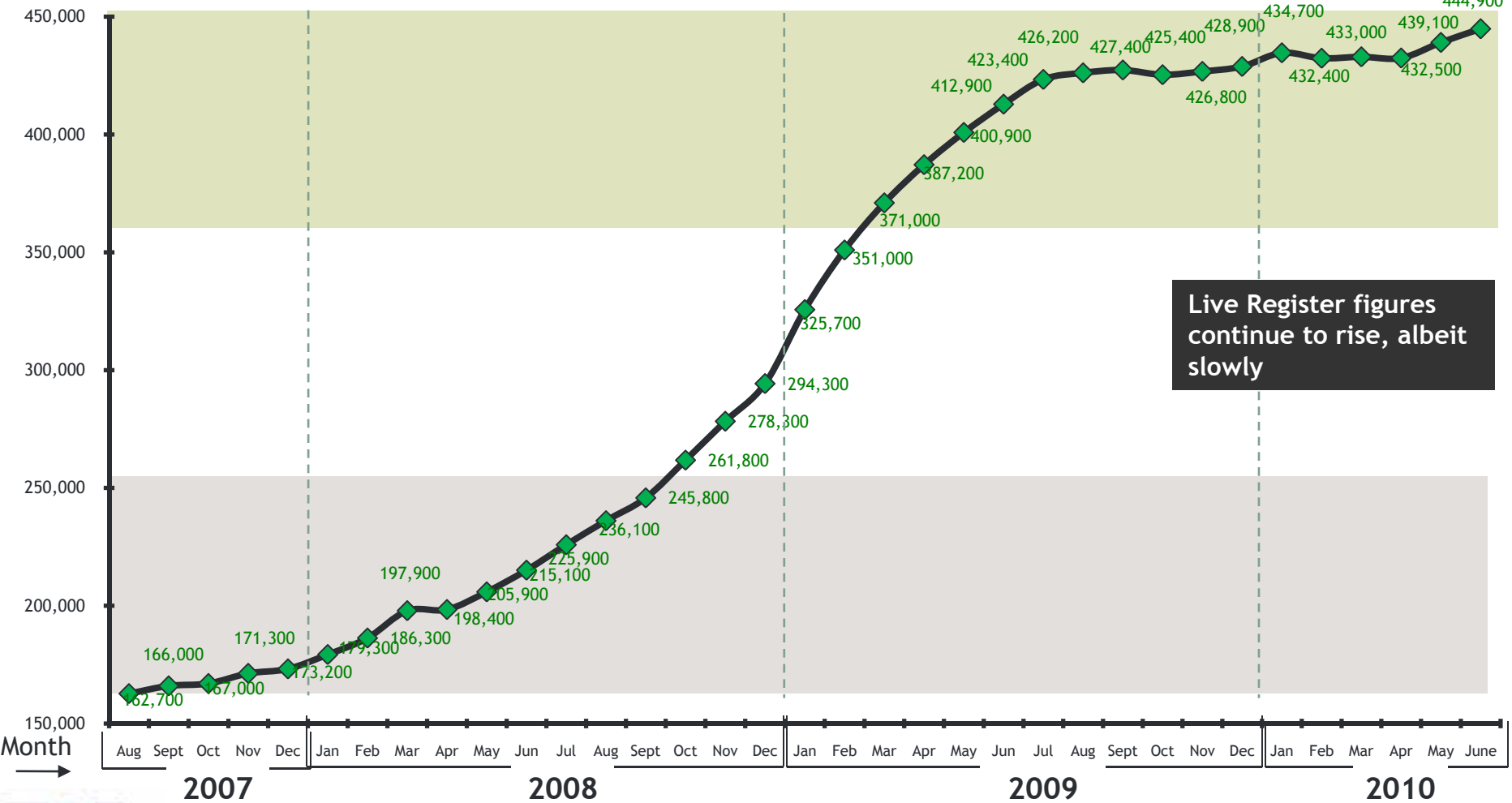
The unemployment rate does not take into account reduced working hours up to 3 days a week, etc as does the Live Register

The Live Register

Seasonally adjusted

Persons on live Register

Total Persons



Live Register figures continue to rise, albeit slowly

*Source: CSO latest estimates March 2010

* The Live Register is not designed to measure unemployment. It includes part-time work e.g. seasonal & casual workers who work up to 3 days per week



Population Gender x Age

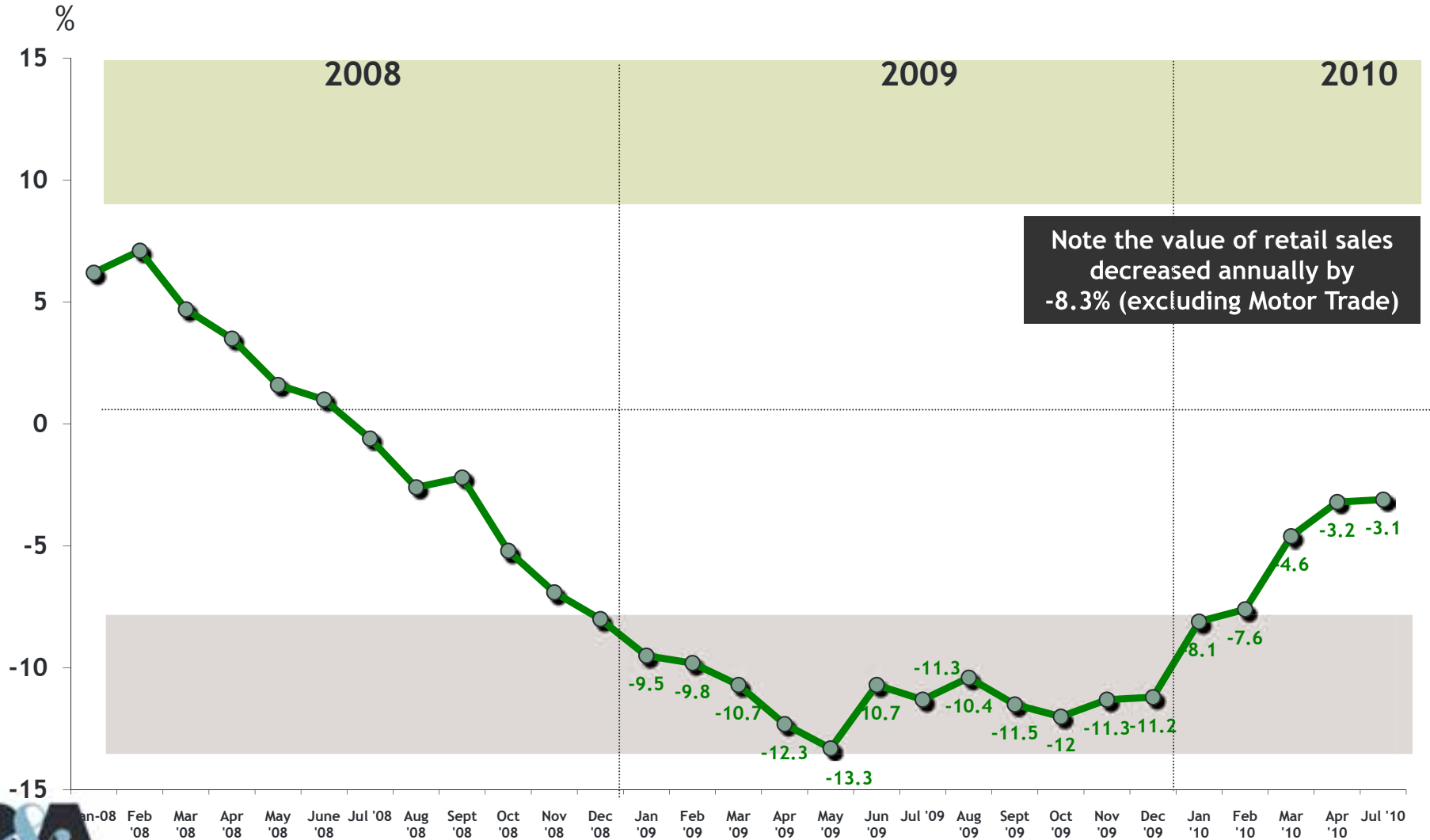
	<u>2009</u>	<u>2010*</u>	<u>2009</u>	<u>2010*</u>
TOTAL	(Govt. Est.)		% of Adult Pop	
0-14	938	938	-	-
15-24	584	569	16.6	16.3
25-34	785	770	22.3	22.0
35-49	954	954	27.1	27.3
50-64	705	705	20.0	20.2
65+	495	495	14.1	14.2
TOTAL	4460	4431		
Adults 15+	3522	3493	100.0	100.0
MALE			% of Adult Male	
0-14	481	481	-	-
15-24	290	283	16.7	16.4
25-34	391	383	22.5	22.2
35-49	480	480	27.6	27.9
50-64	354	354	20.4	20.6
65+	222	222	12.8	12.9
TOTAL	2218	2203		
Adults 15+	1737	1722	100.0	100.0
FEMALE			% of Adult Female	
0-14	457	457	-	-
15-24	293	285	16.4	16.1
25-34	394	387	22.1	21.9
35-49	474	474	26.6	26.8
50-64	350	350	19.6	19.8
65+	273	273	15.3	15.4
TOTAL	2242	2226		
Adults 15+	1785	1769	100.0	100.0

* Modified in light of ESRI Estimate

The figures recently reported in the media- a population drop of 120k by the end of next year is in fact a shift in net migration-movements in and out of the country. It did not take into account changes resulting from births vs. deaths (i.e. natural growth). In recent years this has been 40k+. The 120k dip (net migration) is made up of 70k this year and 50k next. If we allow for natural growth, the population change will then be -30k this year and -10k next, which is much less alarming. It is likely that most of the decline will be from the return of Eastern Europeans of working age as their economies pick up.

Value of Retail Sales (Excluding Motor Trade) Seasonally Adjusted Annual % Change

Base: Year 2005 = 100



Note the value of retail sales decreased annually by -8.3% (excluding Motor Trade)



* Source: CSO latest estimates July, 2010. Base year : 2005 = 100

Retail Sales

Value & Volume Growth: January 2010 vs 2005 (= 100). Seasonally adjusted.

March - May 2010	Value		Volume	
	Index	Annual % Ch	Index	Most recent % annual vol. Change
Motor Trades	62.3	22.4	64.7	26.9
Department Stores	87.4	-3.7	112.1	8.1
Food beverages & Tobacco	90.8	-8.4	90.3	-2.0
Fuel	107.3	9.3	88.0	-7.3
Pharmaceuticals Medical & Cosmetic Articles	108.9	-7.7	119.1	1.0
Clothing, footwear & textiles	87.9	-3.0	122.2	10.2
Furniture and Lighting	69.1	6.1	87.8	14.9
Hardware, Paints and Glass	86.5	-4.4	89.0	-1.3
Electrical Goods	78.9	-6.1	125.6	4.4
Books, Newspapers and Stationery	83.0	-8.1	76.0	-7.1
Other retail sales	91.1	-1.8	108.3	-0.7
Bars	81.6	-14.9	75.1	-12.1

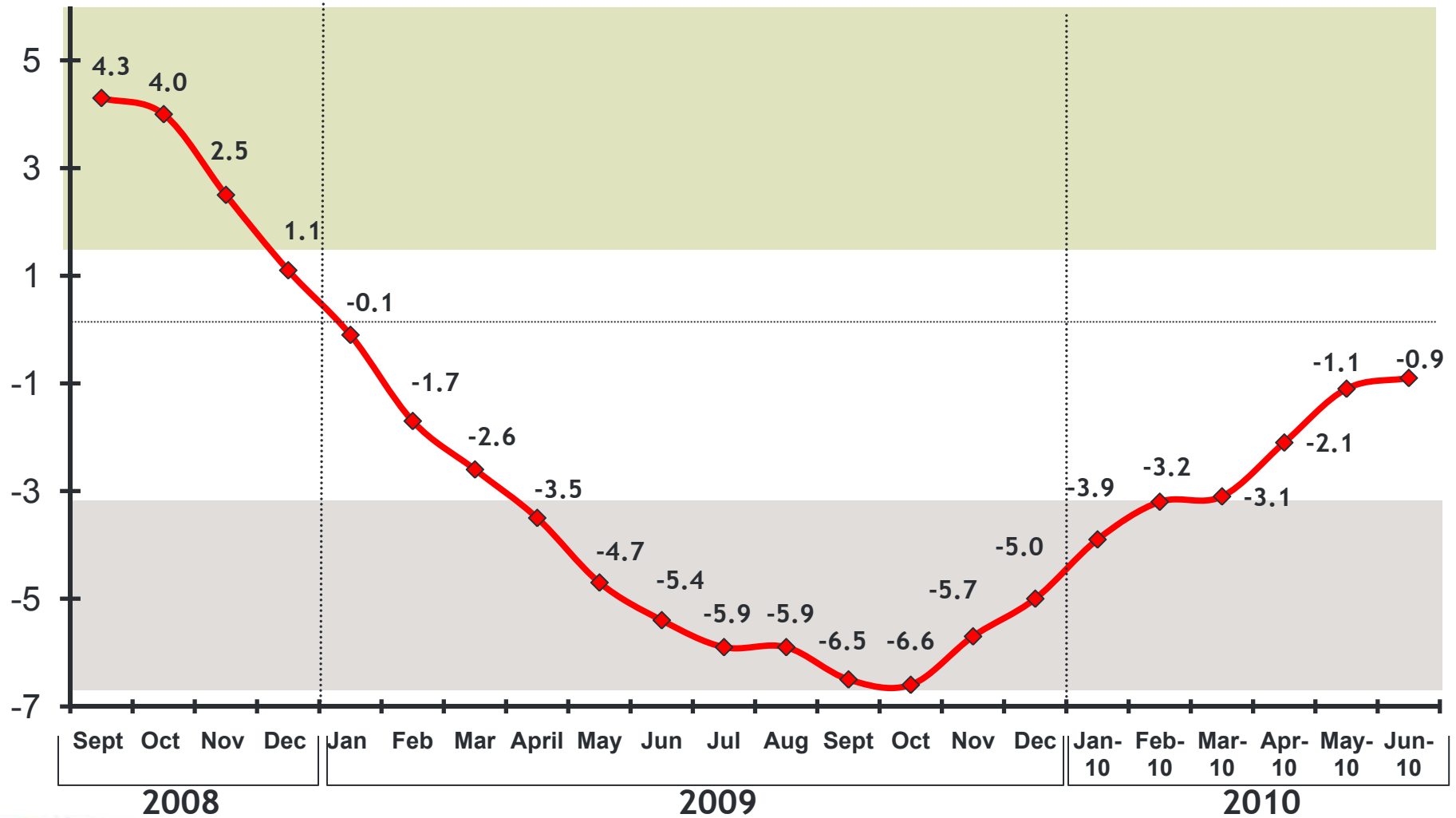
*Source: CSO latest estimates March 2010 (seasonally adjusted).

Retail Business - NACE REV 2

The bar trade has been hit this wave.

Rate of Deflation Reversing Towards Jan '09 Figures

% Annual Change



Prices fall by 0.9% in the year to June.

APPENDICES

The Questionnaire

SECTION 'F' - ECONOMY

ASK ALL RESPONDENTS aged 16+

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?

Better off	1
Worse off	2
The same	3

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?

Better off	1
Worse off	2
The same	3

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

Better off	1
Worse off	2
The same	3

Q.4 In terms of your own economic well-being over the year ahead, are you more confident, less confident or is your confidence about the same as last year?

More confident	1
Less confident	2
No change	3

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?

Higher	1
Lower	2
The same	3

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?

PROBE: A lot or a little

A lot higher	1
A little higher	2
No change	3
A little lower	4
A lot lower	5

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?

More	1
Less	2
The same	3

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

More	1
Less	2
The same	3