

# Irish Lifestyles: 28% of ROI consumers broke after bills each month

By [Mintel Oxygen](#)

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DUBLIN, IRELAND: Despite a high level of confidence and faith in institutions, consumers are still feeling the pressure of the economic downturn and according to latest research from Mintel's flagship report, Irish lifestyles 28% of ROI consumers say that they have no money left after paying bills each month.



According to Mintel's research, 38% of Irish consumers worry about rising grocery bills while a further 32% worry about rising utility bills. Today some 13% of Irish consumers have bills in arrears. It is the unemployed who appear to be struggling the most with 41% claiming to have no money left after paying bills, closely followed by part time workers at 39%. To add to these pressures, 11% of Irish consumers claim to be concerned about not being able to keep up with mortgage repayments.

David Pasley, research manager, Mintel Ireland comments: "By comparison to their Northern Irish counterparts, consumers in the Republic are less concerned with rising utility and food bills in the future. Their problems are very much in the present, with more consumers south of the border finding it difficult to keep up with bills and to make their income stretch."

## Big ticket items restricted

Moreover, it appears purchasing big ticket items such as cars, houses and smart phones are restricted to a small minority of consumers who can afford such things in the coming year. Some 4% are planning to buy a car, 6% are planning to buy a second hand car and 3% are planning to buy a smart phone.

In order to cope better with their financial situation, now more than four in every ten (46%) consumers spend more time looking for special offers. Furthermore, some 51% of Irish consumers now shop at discount retailers with 47% of consumers claiming to do so to pick up bargains.

Banks are facing a challenging time following the banking crisis and as a result consumers have shifted their faith to other institutions. Indeed, some 37% of Irish consumers look to alternatives for financial services, such as An Post or Credit

Unions, compared to 15% who have faith in the banks. There appears to be some faith in the new government, with 26% of adults believing it will aid economic recovery. Support for the EU is quite strong among Irish consumers with 64% believing that being part of a single currency is good for the economy, and a further 22% believing that being part of the EU will help economic recovery. Additionally, 24% have faith in Irish businesses to lift the country out of recession.

## **Banks will have to work hard to regain trust**

Pasley adds: "Banks will have to work hard to regain the trust of many segments of the population and may face increased competition from alternative financial institutions." While the economy has taken quite a battering, Irish consumers are showing a high degree of confidence in themselves to weather the economic downturn. Today, some 35% of Irish consumers have confidence in themselves to get through the economic downturn.

Furthermore, 37% of 35-64-year-olds show this confidence in themselves; a higher level compared to other age groups. It is the self employed and full time workers who are most confident in themselves at 45% and 40% respectively. The lowest level of self-confidence is shown the unemployed at 29%, followed by part time workers at 27%.

Pasley adds: "The high level of self-confidence among the self employed is an encouraging signal of the "can-do" attitude of Irish entrepreneurs. On the other hand, the much lower levels of self-confidence among the unemployed shows a degree of demoralisation for this group. It is likely that this sentiment will continue until we see real and visible job prospects in sectors which suit the skill sets of those currently in unemployment."

Emigration is a major concern for the Irish population, and while 15% of Irish adults claim they are concerned that they may have to emigrate to find work or go to college, the level of concern increases to 51% of consumers for 16-24-year-olds.

## **Lessons learned**

It appears that Irish consumers want to get their finances in order with the top spending priority for the next 12 months being to save money, with 23% of Irish consumers wishing to do so. This is closely followed by clearing debt with 21% of consumers planning to work on this.

Today some 26% of Irish consumers agree that they are more careful about how they use their credit cards. This is especially prevalent among full time workers, of which 41% state that they are exercising caution when using their credit card.

Irish consumers are watching their expenditure in other ways, through looking for the best deals available. Women show the highest level of bargain hunting with some 54% of Irish women claiming to look more often for special offers and lower prices than they did in the past. This compares to 38% of Irish men.

## **Health**

Health is the biggest worry for Irish adults with 42% of Irish consumers claiming to be concerned about their health. Furthermore the rising cost of health care is worrying a significant segment of Irish consumers with 15% of consumers concerned that they cannot afford adequate healthcare, on the back of rising health insurance premiums. Furthermore, only 15% of the Irish population have confidence in the health care system to provide adequately for themselves and their families.

The over 65's have the highest level of trust in the system at 39% while the youngest show the lowest level of trust at 15%.

## **Grocery retailing**

Branded goods face stiff competition from our own-brand goods, with Mintel estimating that own-brand products now account for approximately one third (35%) of all grocery sales in the island of Ireland. The recession has allowed discounters to capture a greater share of grocery spending. Today some 51% of Irish consumers claim to shop in discount

retailers to help save money.

As a result, competition between retailers has intensified as the recession has seen the all-Ireland grocery market contract from €15.7 billion in 2009 to an estimated €14.7 billion predicted for 2011. It is estimated that all Ireland sales of discounters will grow from €705 million in 2004 to €816 million in 2011. In 2010, 48% of Irish consumers felt that the quality of goods available in discounters was as good as those in main supermarkets. Furthermore, only 4% of Irish consumers felt it was embarrassing to shop in discount retailers.

## **Alcohol**

Alcohol consumption rates in Ireland have dropped from 85% to 83% between 2009 and 2010, with those aged 18-34 and men being the most likely to drink alcohol. Concerns about health and the negative associations with alcohol, further highlighted by government health initiatives, are helping to drive the decline in consumption. Today some 48% of NI consumers are concerned with the long term effects that alcohol might have on their health.

## **Tourism and leisure**

Almost three quarters of Irish consumers took a holiday in 2010 with Ireland and the UK being the most popular destination for Irish consumers, compared to 2007 when travelling overseas was the most popular option. Mintel's findings indicate that there will be a return to higher levels of overseas travelling when the economy recovers, as 73% of consumers agree that they like the idea of travelling abroad. Furthermore, 20% of Irish consumers would like to take a foreign holiday in the next 12 months.

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