

Irish Lifestyles: 23% of Northern Irish consumers broke after bills each month

By [Mintel Oxygen](#)

4 Jul 2011

BELFAST, IRELAND: Irish consumers are still feeling the pressure of the economic downturn and according to the latest research from Mintel's flagship report, Irish lifestyles, worryingly, as many as a quarter of (23%) NI consumers say that they have no money left after paying bills each month.



Indeed, bills appear to be at the forefront of Irish consumers' minds with over half of (55%) NI consumers worrying about rising utility bills, while a further 52% are concerned about rising grocery bills. Almost one in ten (9%) of NI consumers have bills in arrears. Those in unemployment are almost twice as likely to have bills in arrears (17%) than those in employment (9%) and a worrying four in ten (37%) of unemployed consumers claim to have no money left each month after paying their bills.

David Pasley, research manager, Mintel Ireland comments: "NI consumers are more worried about what is around the corner. Rising electricity and gas prices are a certainty for the future and while most may be making ends meet at the moment, these price increases could force more consumers to go into arrears with their bills. By comparison, their ROI counterparts are experiencing real difficulties at the present. South of the border, a higher proportion of consumers are struggling to keep up with their current bills, and a higher number have bills in arrears."

Mortgage payment concerns

Furthermore, some 7% NI consumers admit they are concerned about not being able to keep up with mortgage repayments. In addition, 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 with their finances better, more than four in every ten consumers are spending more time looking for lower prices and special offers. Today, almost half (45%) of NI consumers spend more time looking for low prices and special offers. Furthermore, some 27% of NI consumers shop at discount retailers, with 40% 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 25% of NI consumers look to alternatives for financial services, such as the Post Office or Credit Unions, compared to 19% who trust high street banks.

Support for the EU is quite low among NI consumers, with just 6% believing that being part of the EU will help with economic recovery.

Banks will have to regain trust

"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. Encouragingly for banks, younger adults show a relatively higher level of confidence in banks. In the past, the banks have worked hard to secure the custom of younger clients through promotions. Such targeting strategies may need to be embraced once again." David continues.

While the economy has taken quite a battering, NI consumers are showing a high degree of confidence in themselves but less show faith in the government to weather the economic downturn. Today, some 36% of NI consumers have confidence in themselves to get through the economic downturn compared to 13% who are confident that the government will help economic recovery. This increases to 44% among 35-49-year-olds, who demonstrate the highest level of confidence in themselves compared to other age groups. Those aged 16-24 show the lowest self-confidence at just 21%. This degree of confidence is best seen in full time workers and part time workers at 47% and 40% respectively; while confidence is lowest in the unemployed at 29%.

Interestingly, NI consumers top spending priorities are concerned with the home and with escapism. Some 20% plan to redecorate their home and 20% are planning on taking a foreign holiday. A further 15% plan to take a short break in Ireland, while 14% plan to pay off debt.

Health

Health is NI consumer's third biggest concern, after rising utility and grocery bills, with 40% of NI consumers citing health as one of their top concerns. This level of concern is closely matched by the level of trust NI adults have in the health service, with 29% having confidence in the health care system to provide adequately for themselves and their families.

The over 65s have the highest level of trust in the health system at 39% while the youngest adults (aged 16-24) show the lowest level of trust at 20%. Just 7% of NI consumers were concerned with not being able to afford adequate health care.

Grocery retailing

Branded goods face stiff competition from own-label goods, with Mintel estimating that own-label products now account for approximately one third (35%) of all grocery sales in NI. The recession has allowed discounters to capture a greater share of grocery spending and today some 27% of NI 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 £14 billion in 2009 to an estimated £13 billion predicted for 2011. It is estimated that all Ireland sales of discounters will grow from £628 million in 2004 to £726 million in 2011.

Research shows that in 2010, 37% of NI consumers felt that the quality of goods available in discounters was as good as those in the main supermarkets. Furthermore, only 5% of NI consumers felt it was embarrassing to shop in discount retailers.

Alcohol

Alcohol consumption rates in NI have dropped from 77% to 74% between 2009 and 2010, with those aged 18-34 and men most likely to drink alcohol, at 82%. 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

Findings indicate that there will be a return to overseas travelling when the economy recovers, as 61% of consumers agree that they like the idea of travelling abroad.

Furthermore, 20% of NI consumers plan to take a foreign holiday in the next 12 months. This compares to 15% of NI consumers planning to take a short break or holiday within Northern Ireland.

For more, visit: <https://www.bizcommunity.com>