



THE PLANNING AGENCY

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MCCPMonthly™ March

To see our '13 drivers of change predictions for 2013' go to:

<http://www.mccp.ie/wp-content/uploads/2013/02/MCCPTrendstream-13-Drivers-of-Change-for-2013.pdf>

Economic Overview

Confidence hit an all time high as job opportunities improved. The IBEC Business Sentiment Survey for the first quarter of this year shows that one in four managers indicated that they would be hiring new employees in the coming quarter. The figure was one in five in the last quarter of 2012

Basic pay rises for workers in private forms were forecasted to be around 2%

Figures from the CSO revealed that the Irish economy grew by just under 1% last year, marking two years of growth. Officials said 2012 was the second year in succession that GDP outperformed the previous year following three years of recession from 2008 to 2010

As many as 1 in 5 shops are now vacant, with a greater rate of business failures over the past six months than at any time in the history of the State, with 10.6% of shops empty in Dublin. However New figures show that 122 companies went out of business in February – 26% lower than the 166 that closed in February 2012

Davy lifted it's initial forecast for growth of 0.9% to 1.3%

Court orders for repossessions fall by 30% in 2012

Ireland is third most globalised nation

Consumer prices were 1.1 % higher in February 2013, than in February 2012

Record number of Irish avail of UK bankruptcy

Three-quarters of voters dissatisfied with government's performance



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Some Up... Some Down

- Nike's quarterly net income rises 16%
- Fossett's circus on a roll as it posts profits of €44,231
- Pre-tax profits at BT's Irish firm rise to €43.9m
- Profits at 'highest pub' Johnny Fox's hit a record €334,916
- Paddy Power boss pockets €6.8m win
- Fyffes enjoys fruitful year as turnover tops €1bn
- BMW sales rose 4.7% in February
- Paddy Power profits rise 14%
- Insurer FBD sees 5.3% jump in profits
- Record high for Kerry, Glanbia and Aryzta

- Permanent TSB records €922 million loss for 2012
- Profits at IKEA's Dublin outlet take a hammering despite sales of €102m
- AIB records full year loss of €3.6bn
- New car sales down 7.6% last month
- Number of pub licences issued last year down 273 on 2011
- HSBC reports 6% fall in profits

What we are seeing

Although efforts were made in Ireland to capitalise on the London Olympics tourism in 2012, Irelands efforts were in vain. Ireland tried but couldn't defeat the inevitable fact that with the hype of the London Olympics would come the hike in air fares. The increase air fares meant that anyone contemplating visiting Ireland around that time was swiftly turned off the idea as it was cost prohibitive.

However, St. Patricks Day helped revive Ireland's hopes with a little help from The Gathering. 120,000 tourists flocked to the Emerald Isle to help with the celebrations and were joined by another 680,000 people when they got here. The Irish charm and spirit of the visitors made for a cash injection of 50m into the Irish economy. The Gathering is being credited for bringing a 30,000 increase in visitor numbers, a 2.6% increase.

The cash injection was helped along in value by the increase in Dublin hotel prices of 174% and it wasn't only the tourist whose pockets were taking a hit, 55% of the searches made were made by Irish internet users. Ireland's ongoing relationship with the US hasn't hindered our tourism profits either. Trips by residents of North America are up 10%.

So What?

Ireland may have neglected our reputation of the island of 100,000 welcomes during the boom but we now have an increased emphasis on what makes Ireland unique. Our people and our heritage. The Regen'eire'ation trend we've experienced nationally in recent years is turning outwards as we show the world the best Ireland has to offer



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Brand Ireland is seeing a revival



What's next?

The one year emphasis on the Gathering is bringing an increase in tourism but we predict efforts will move on to marketing Irish goods and services abroad in the coming months and years. This is our year to sell the value of Irish provenance. Seeds sown now will be reaped for years to come.

For more see MCCP's Regen'eire'ation video

<http://www.youtube.com/watch?v=nS70ZsZhOz4>

Contact claire@mccp.ie or visit www.mccp.ie to find out more

What we are seeing

The recession has reformed some copper fastened habits and not just for lack of money. Traditions that saw a resurgence when the financial crisis first hit are now on the out and out.

The once obligatory 'Sunday lunch' has now become optional. A poll conducted by the Government of 2000 UK mothers saw just 12 of them report that they and their families don't eat foods such as chicken nuggets, chips or pizza. This is compared with 71% who admitted to using convenience foods because they are easier to prepare. This reliance on convenience foods has meant that three-fifths of mothers admit they no longer prepare and eat a meal with their families on Sundays.

The slowdown of many lifestyles post-recession has also resulted in the death of the 'deskfast' or dash board dining the hurried breakfast in the car, a year ago 40% of us were guilty 'deskfasters'. More than 85% of us now make time for the hearty morning meal in the comfort of our own homes, up by almost 20% on 2011.

It seems also that the recession has had a part to play in our desire for a humble wedding menu. Having to pull the purse strings tighter has meant that couples headed down the aisle are avoiding the sometimes mundane menus and doing it for themselves. There has been, on average, a minimum €5,000 drop in wedding budgets which has contributed to the creation of fun menus such as 'fish and chips' to combat expensive menus.

The younger adults, it appears, have been taking notes on what not to do in the recession, and spending seems to be top of the list. People under the age of 35 are now saving harder than older cohorts. 50% of adults under 35 save monthly with 21% having increased their savings in the last year



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The structures of Life are moving Habits which survived or were strengthened by the Recession are being abandoned



So What?

Long established habits that in many cases were strengthened by the recession are now being reformed. In financial crisis people clung to what they knew but this wasn't sustainable. New habits are now emerging, this is not the new frugality we saw during the recession. This is a new imagining of life as people realise we don't have to do what's always been done

What's next?

Brands that are well established as part of consumers routine may be set for an upset. Habits are changing and people will seek out brands that fit their new modes of living. Post recession lifestyles are radically different from pre recession, or anything that has gone before.

What we are seeing

The youth of Ireland have undeniably suffered the most at the hands of the recession. With Ireland now having the highest number of Children per head of population across the EU member states this presents a major problem. There were 16 suicides among the child population in 2011 and the most common reason for children being admitted to psychiatric hospitals was for depressive disorders. The number of child welfare and protection reports made to the HSE have increased by 36% while the number of children in care has increased 16% between 2007 and 2011.

However how the youth have learned to deal with the recession and we are seeing a generation of Irish people emerge that are rejecting long established vices.

Teenagers have a bad reputation and are closely linked with the culture of today, however for generations this has been a cultural hangover. This generation of teenagers have begun to learn the perils of alcohol and as a result of the recession now Irish teenagers are smoking and drinking less. Almost 75% of pre-teens have never smoked and more than 50% of 10-17 year olds have never had an alcoholic drink and now Children in Ireland have one of the highest levels of physical activity among 40 WHO countries.

Irish children and teens have fought back against the recession and all that it brought with it and are beginning to come through at the other side. 90% of children between 10 and 17 are happy with their lives, 90% feel very safe in their area and those that say there are good places to spend their free time in their area have increased by 9% in 3 years.

Although the temptation's affecting youth are reducing in terms of traditional vices a new host of problems are affecting them. The pressure to engage in sexualised behaviour has come to the fore recently as has the effects of cyber bullying, a phenomenon that has not affected previous generations is afflicting this generation.



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A generation of new Vices for Irish Youth

So What?

Today's teenagers are outwardly more responsible but are dealing with a new set of pressures. The recession has eliminated the attraction of consumable vices but the pressures on this generation are immense and they are still looking for ways to release from them

What's next?

An increased focus on this generation's activities on and offline is inevitable as the negative effects that are not yet fully understood emerge. Brands will have to reshape their strategy to engage with this generation as the traditional hedonism is rejected. Who this generation are and the impact they will have is not yet understood. Brands aiming at teenagers are talking to a different creature that they have been for the past 50 years.

What we are seeing



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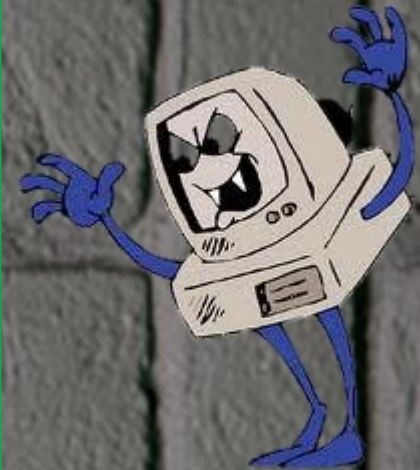
Whether technology is friend or foe is yet to be determined, but has the booming technology industry means that the Irish have reduced contact with actual people. Watching TV with friends and family will start to become a distant memory as Irish people begin to take their tablets up to their rooms and catch the latest series online. Tablet consumption grew by 14% in 2012. With tablets acting as a main median for online consumption it has most definitely contributed to the fact that illegal sources account for 35% of TV consumption by the under 25's. One in four stream TV content through websites such as PutLocker and 10% downloading TV shows through torrent sites like Pirate Bay. Smartphone usage also rose by 14% last year in Ireland, as it stands, there is a 68% ownership of Smartphones in Ireland, 82% of which are 18-34 and 47% are 55 and over.

High ownership of these devices amongst younger cohorts has led some parents to fear for the wellbeing of their children, with one in five parents fearing that their children will be bullied online and 18% believing that their children already have been bullied online. 63% of people surveyed now feel it's necessary to ban smartphones and social networks in schools while 66% said they believe parents should police their children's internet use.

It's hard to ignore the possible correlation between the lower ownership of tablets and smartphones amongst older cohorts and the findings that were released this month, that older people value their friends more and feel a lot more part of the community than younger people. Overall, just three in five people aged over 16 said they valued having local friends, but this rose continually for the over 50s to more than four in five among the over-70s.

Is technology leading us away from friends and toward bullies?

Always on Always alone



So What?

As technology takes hold consumers are in an always on mentality. In a lot of ways it makes it easier for brands to reach consumers but the effects this will have on wider society are sweeping

What's next?

Brands that rely on people gathering such as pubs and traditional retails that can be replaced by online will suffer at the hands of this anti social phenomena. Really engaging consumers will require brands to rely on more innovative approaches and customer service will have to be reshaped to accommodate the absent spender.

What we are seeing

Using data published by the World Bank in 2010, the International Organisation for Migration has tracked migrants around the world. Unsurprisingly the top 5 destinations for Irish people are the UK, the USA, Australia, Canada and Spain.

These departures have had a lasting impact on communities, particularly smaller rural regions, where every departure is counted and felt. "Everyone has someone gone, and everyone knows someone who is gone" (Irish Times).

But emigration isn't all bad news. Recent emigrants are not reminiscing over the auld sod as much as the media would have us believe. 'I don't miss the bad news and I don't worry as much as I used to'. (Irish Times).

Emigrants are working hard 'Working here is tough with long hours and very little time off' but this is not a huge step change from their lives at home. Despite common assumptions 46% of people considering emigrating from Ireland are already in full-time employment, a new UCC EMIGRE project has suggested. The project surveyed over 500 potential emigrants at job exhibitions, and found that 46% of job seekers were already in full-time employment in Ireland. 73% of those surveyed were looking for better experience or advancement by moving abroad.

Generation Emigration as a choice



So What?

The view of emigration presented in the media is incomplete. There is a cohort emigrating by choice for personal and profession development – not out of desperation. This generation want to see the world. Establishing their Irish identity will be important to ensure this generation return to Ireland in years to come.

What's next?

Brands will lose a cohort or consumers as key audiences, who are affluent choose to leave. The important thing brands can do is establish a relevance and sense of home that will leave these emigrants seeking out their products. Brands association must be emotional and personal, not convenient or local. Tayto are a great example of how to do this.

What we are seeing

Women's roles in the workplace have been under increased scrutiny recently with the publication of Sheryl Sandberg's book 'Lean In' combined with Marissa Mayer of Yahoo's roll back on flexible working conditions for Yahoo employees. But despite the increased focus on women's roles Irish women are not progressing. According to a recent Grant Thornton Study 21% of senior business roles in the Republic of Ireland are occupied by women down from 4 years ago. This is 3% less than the international average.

Accenture's defining success research study revealed that 70% of Irish women believed work-life balance was the most important factor in terms of defining success. However Ireland and Greece are the lowest ranked countries in the EU for flexibility in working conditions. With both of our economies still in need of recovery Government and employers may have to look at ways to encourage women back into the workforce. Figures from Eurostat show 26.2% of Irish employed women (across the public and private sectors) with one child work part-time hours, with this rising to 48.3% with three or more children. The comparable figures for men are 7.9% and 7.7% respectively.

With mooted suggestions that debt write off conditions may stipulate that childcare costs are eliminated by one parent staying at home women's positions seem set to stay where they are.



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Trend Evolution: Cutaway Femininity



So What?

Women have undergone a huge change in roles over the last few years, from taking on all domestic responsibilities (women as generals) to becoming more empowered than men (cutaway femininity). However their jack of all trades status hasn't helped them increase in status. Now with a role back in workplace flexibility women's roles may become even more stretched.

What's next?

Women are under increasing pressure taking on more responsibility at work and at home, with little reward for their efforts. Brands that play mothers helper will become more essential than ever.



Every month MCCP Trendstream™ round up the ‘Seeds of Change’ as part of our ongoing observations of consumer behaviour.

Bi annually these seeds blossom into our Lighthouse Report

For more information please contact claire@mccp.ie or visit www.mccp.ie/trendstream-blog