

# Fabric of the Nation: **Consumer Mindset**

• Monthly tracker of Irish culture,  
sentiment and consumer mindset. •

**May 2022**



## A Moment of Adjustment

The combined shock of a war in Europe, rising inflation with an on-going pandemic resulted in declining consumer confidence since the start of the year, underpinned by a high level of emotions experienced by the public, including anxiety, stress and fear.

However, in May, it appears that people may be adjusting again to another period of the unknown, and re-designing their expectations about the short-term and long-term future. While anxiety has declined, and happiness has risen as a result of less pandemic breaking news, people are now figuring out their plan for managing rising costs while also engaging in a more diverse news cycle.

## The Ups and Downs of News

For two years, the Core Cultural Index has been dominated by the pandemic, but this month only one story related to COVID-19 appeared, and was quietly sitting in the shadows of others. Less than half the population were aware of a new variant, and as a result, only 20% of people say they are concerned about COVID-19, down from 41% this time last year.

The war in Ukraine is now a key story amongst the Irish public, but so too are local stories – both tragic and joyous. As a result of this more diverse news cycle, the public are more in control of what matters to them, while managing rising costs is a key concern.

## Consumer Intent versus Reality

In March, Core began to ask people how they were responding to rising inflation, and in May when inflation is at 7%, we now have a good sense of what tactics people are employing.

Central to this, is the intent of consumers, compared to their actual behaviour. For three months, consumers have stated that they intend to drive less (to save fuel), spend less on socialising (maximising disposable income) and shop for less expensive items in stores.

However, behavioural data suggests that car owners continue to drive as much (despite annual fuel inflation of 31.6%), and people have returned to retail and hospitality spaces, as much as they were pre-pandemic. While we have yet to see spending patterns across multiple categories for this period, many are not cutting back as much as they have said they intend to.

## Perceptions of Value Matter

That said, value will matter in 2022. Choices that people make will be a reflection on what they derive in benefit from their purchases, compared to what they can save. Promotion of discount may seem like an explicit way to promote value to a more cost conscious consumer, but for many, they still want to enjoy products and experiences, as long as the provider is offering a 'fair' price.

It would seem that in May, consumer confidence will not decline further in to the summer, but consumers will be considering how and why they are spending their income. Good health, socialising, and moments of joy will all be key benefits which the public now demand.

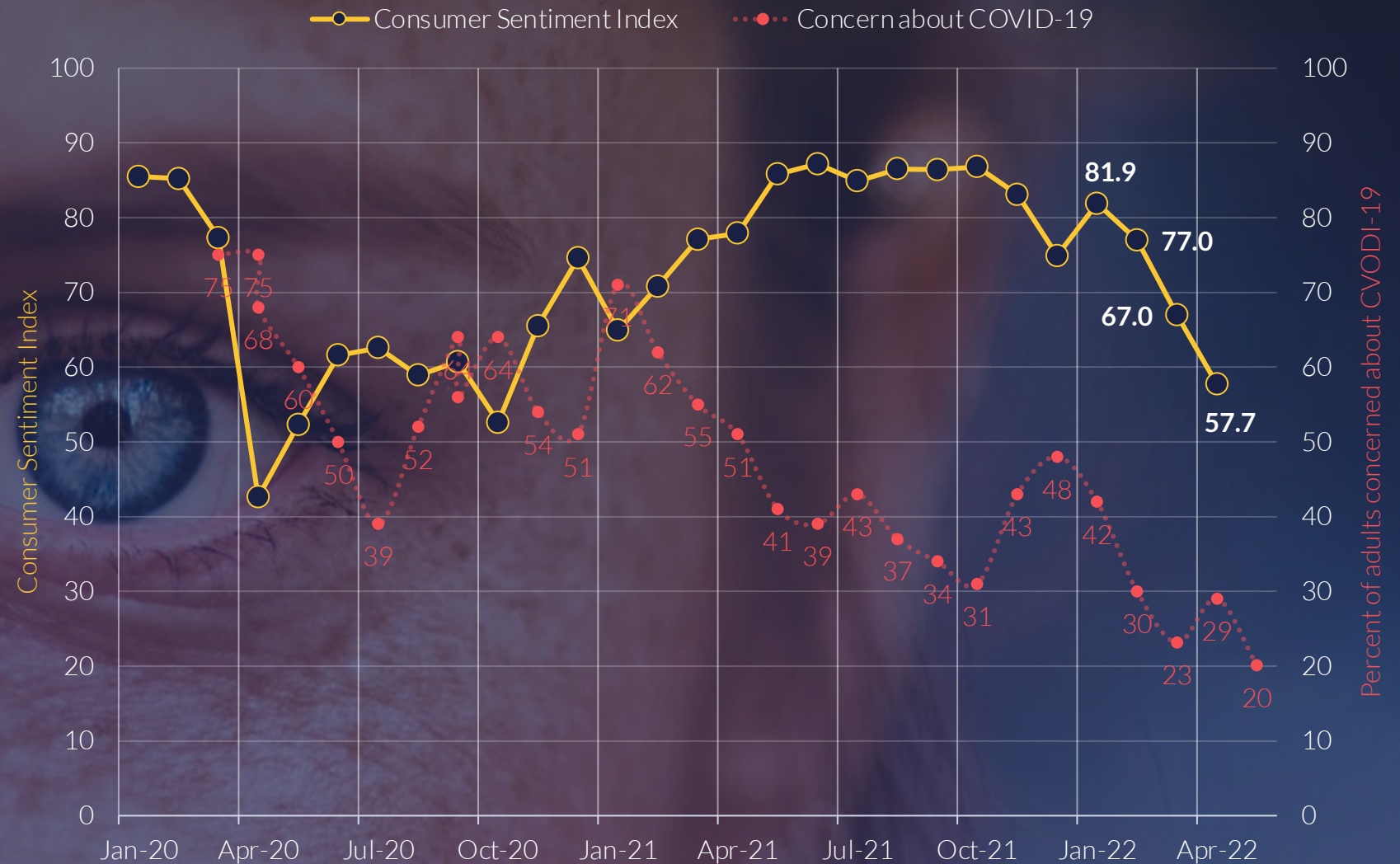
**Finian Murphy**  
Marketing Director



# Consumer Confidence should return in May.

This report reveals the consumer confidence for April at 57.7, but we would expect no further decline in May, as people adjust to new budget managing.

Concern about COVID-19 is again at an all-time low, with only 20% of the public saying they are very or extremely concerned.





# RUSSIA

## WAR ON UKRAINE REMAINS MOST IMPORTANT.

The war in Ukraine remains to be of high importance to the people of Ireland. **The European Union's moves to cancel oil supply from Russia was the most significant story in this month's Core Cultural Index list.**

69% of adults in Ireland said this was the most important news story. There is an understanding that this is an impactful sanction against Russia's military actions but will also influence the rising costs of living.

When asked about how people felt about this story, 43% were 'happy' or agreed with the EU's direction, while 15% were afraid, 7% were surprised and 6% were angry.

This mixed emotional response goes to show the challenges the political system will face when trying to combat Russia's war.

Other significant stories included **President Biden's view that Putin should be tried for war crimes**, with 59% of the adult population saying this was significant, and 51% of adults saying that **the refugee crisis was important**.

While the war in Ukraine remains top of mind for people in Ireland, April and May has also been a busy period for other news stories influencing our sentiment and culture.



# Hate and Hope: Headlines of April and May.

As well as with Ukrainians, there was significant solidarity expressed with the LGBTQ+ community when two men were brutally murdered in suspected homophobic attacks in Sligo. 78% of adults were aware of this tragedy and of this, 83% agreed it was an important story to reflect on. It was a reminder to society that many communities continue to have hate directed at them.

In contrast, there were moments of hope including the Climb with Charlie event which scored 51.8 in the Cultural Index, slightly behind the Katie Taylor fight in NYC, scoring 52.9, which thousands were delighted about.

Other notable stories included Netflix share price, the retirement of Tony Holohan and Britney Spears announcing her pregnancy.

Culture Score	Topic	Awareness	Importance
69.1	<b>EU moves to cancel all oil supply from Russia.</b>	81%	85%
65.2	<b>Two gay men are murdered in Sligo.</b>	78%	83%
59.2	Biden says Putin should be tried for war crimes.	74%	80%
54.6	Government debate turf cutting legislation and policy.	73%	75%
52.9	<b>Katie Taylor beats Amanda Serrano in Madison Square Garden.</b>	83%	64%
51.8	<b>Climb with Charlie raises over €1 million in aid of Irish Motor Neuron Disease Association and Pieta House.</b>	67%	77%
51.3	<b>UNCHR confirmed that over 4.2 million refugees have fled Ukraine since February.</b>	64%	81%
47.2	Government delays decision on Maternity Hospital development on land owned by religious order.	63%	75%
46.2	Macron defeats le Pen in French Presidential election.	69%	67%
45.3	US offers up to \$15 million for information that brings three members of Kinahan Crime Gang to justice.	63%	72%
42.1	Elon Musk buys Twitter.	86%	49%
40.6	<b>Dr Tony Holohan to retire instead of taking up Trinity College Professor role.</b>	70%	58%
40.5	ESRI suggests inflation rate expected to exceed 6%.	47%	86%
39.2	New Covid variant Omicron XE in Ireland.	49%	81%
35.8	<b>Netflix share price plummets with loss of subscribers.</b>	67%	53%
35.5	Ulster Bank gives current and deposit account customers six months to switch notice.	55%	64%
28.2	40% of Leaving Cert marks to be based on non-exam assessment from 2024 in an effort to reduce student stress.	41%	68%
24.7	Ireland Women's Football team draw with Sweden.	39%	64%
22.1	Extended nightclub hours to be legislated for.	41%	54%
21.0	<b>Britney Spears announces pregnancy.</b>	53%	40%



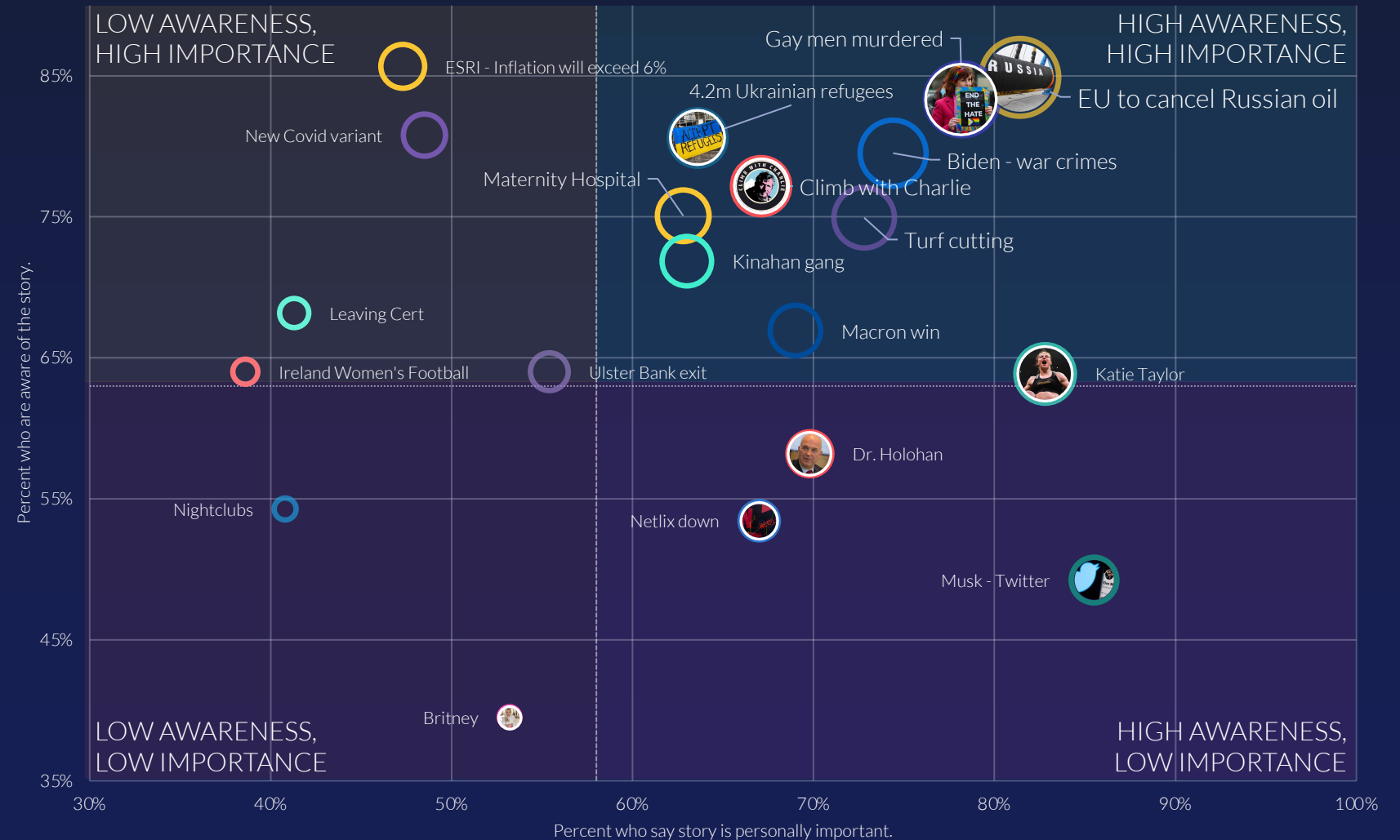
# Low awareness for COVID-19 and inflation analysis.

While both the new COVID variant and the ESRI predictions about inflation had a high level of importance attributed to them, less than half the population were aware of either story.

In fact, more people were aware of Britney's pregnancy, Macron's re-election, and Musk attempts at acquiring Twitter than they were about these two stories.

This highlights how COVID-19 is no longer dominating our news cycle as much as it was in 2021, and the news stories which gain a lot of attention are becoming more diverse.

In politics, there was a higher level of awareness about the debate about turf cutting than the location of the National Maternity Hospital.



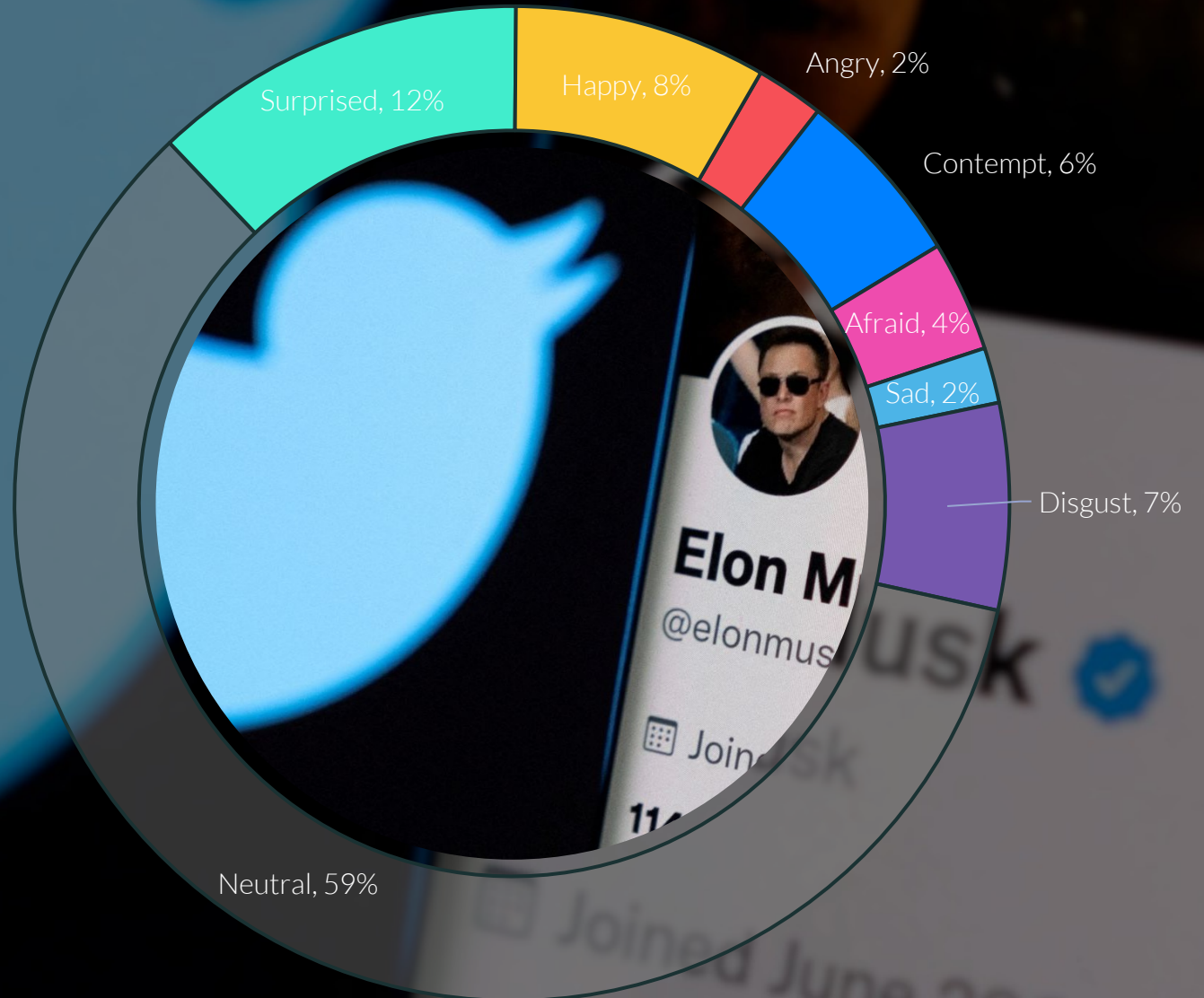


## Most people in Ireland don't care about Elon Musk.

While Elon Musk's intention to buy Twitter has dominated news headlines, resulting in a staggering 86% of people being aware of the billionaire's recent buying attempt (now on hold), only 35% of the adult population have any feeling towards it.

The majority of those aware of the story express no emotion towards this story, while 12% of those aware said they were surprised, 8% happy and 15% either disgusted or held contempt.

This suggests that in Ireland, very few people care about Elon Musk and there is an inflated amount of media coverage provided, taking attention away from more important stories.





## 66% were **happy** about **Katie Taylor** winning in NYC

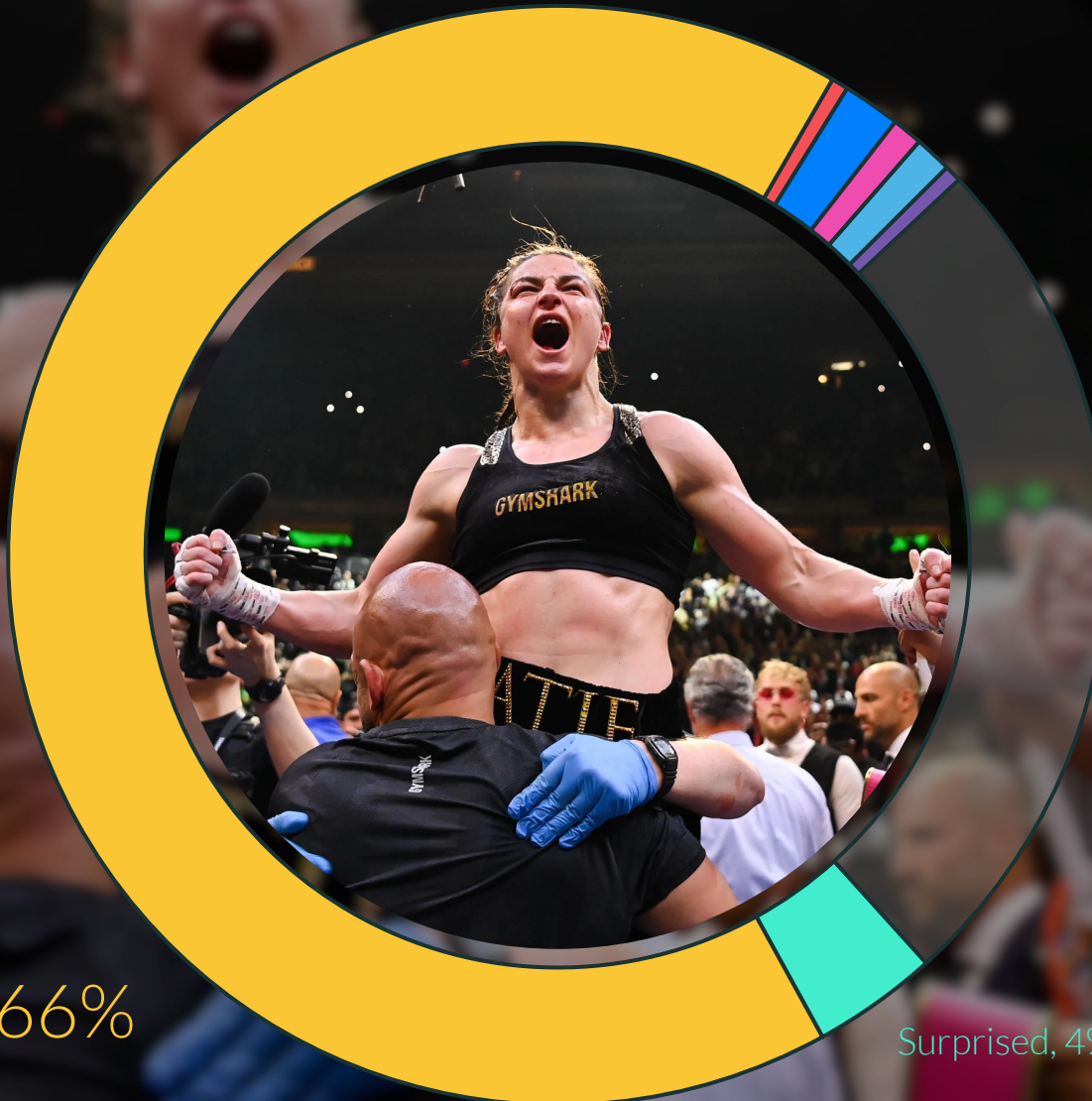
In contrast to Musk, a majority of the population were happy reading that Katie Taylor beat Amanda Serrano in Madison Square Garden.

Happiness towards this story was the dominant emotional response, with 66% of people aware of the fight win saying it brought them joy.

Happy, 66%

Neutral, 25%

Surprised, 4%

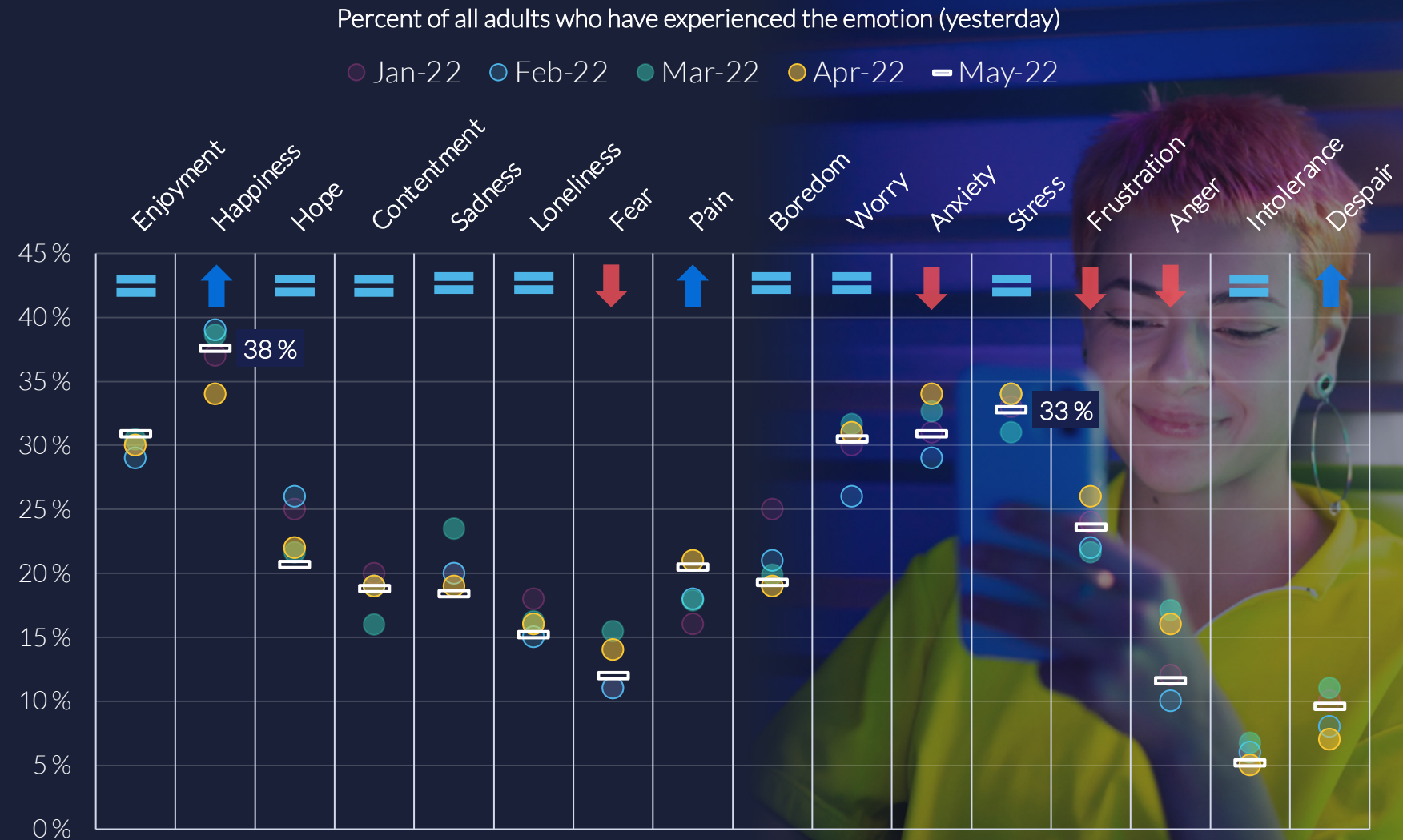


# Happiness rising again, outweighing negative emotions.

While there remains to be a war in Ukraine, rising costs and other challenging news stories, we are not seeing a further rise in negative emotions in the Core Emotional Tracker. Instead, 38% of people are saying they feel happiness up from 34% in April, compared to 31% who say they felt anxiety, down from 34% in April.

As other negative emotions including fear, frustration, and anger impact less people compared to last month, it would appear there is a greater level of contentment in society.

The sudden shock of the war in Ukraine, rising inflation and uncertainty about COVID-19 may have declined slightly as people adjust to this new reality.





# Personal Health remains top priority.

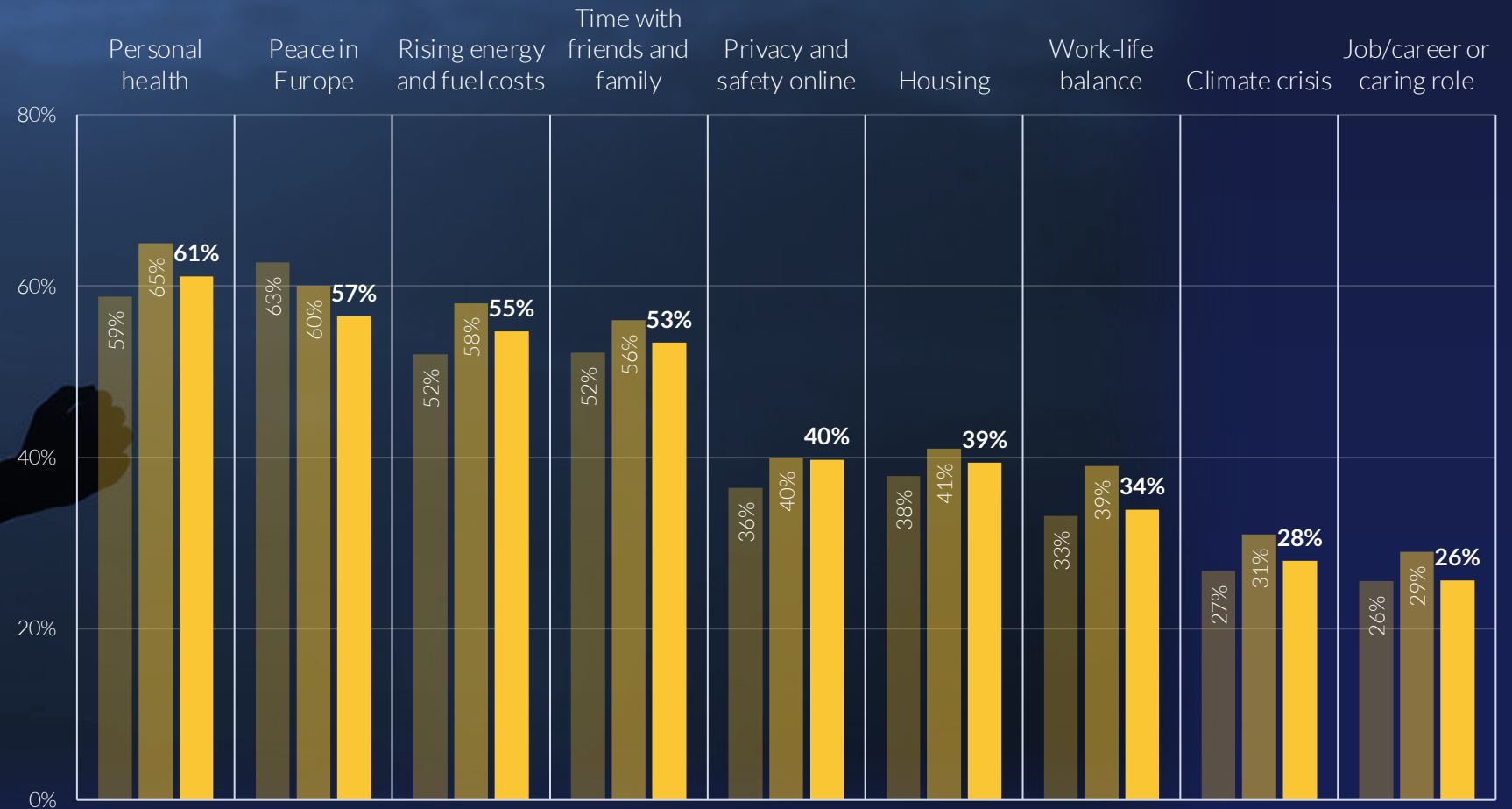
61% of people say their personal health is “very important to them personally,” compared to 57% who say peace in Europe and 55% who say rising energy and fuel costs.

Twice as many people say time with family and friends is very important compared to those who say job/career or caring role is very important, while 34% believe work-life balance is very important to them.

While rising energy and fuel costs are not the top concern, they remain higher than housing, climate crisis and digital privacy and safety.

Percent who say issue is “very important” to them personally.

■ March ■ April ■ May



# Inflation at 7% Year-On-Year

The CSO confirmed prices rose by 7% in the year to April 2022, with notable changes in the year within transport, energy and alcohol.

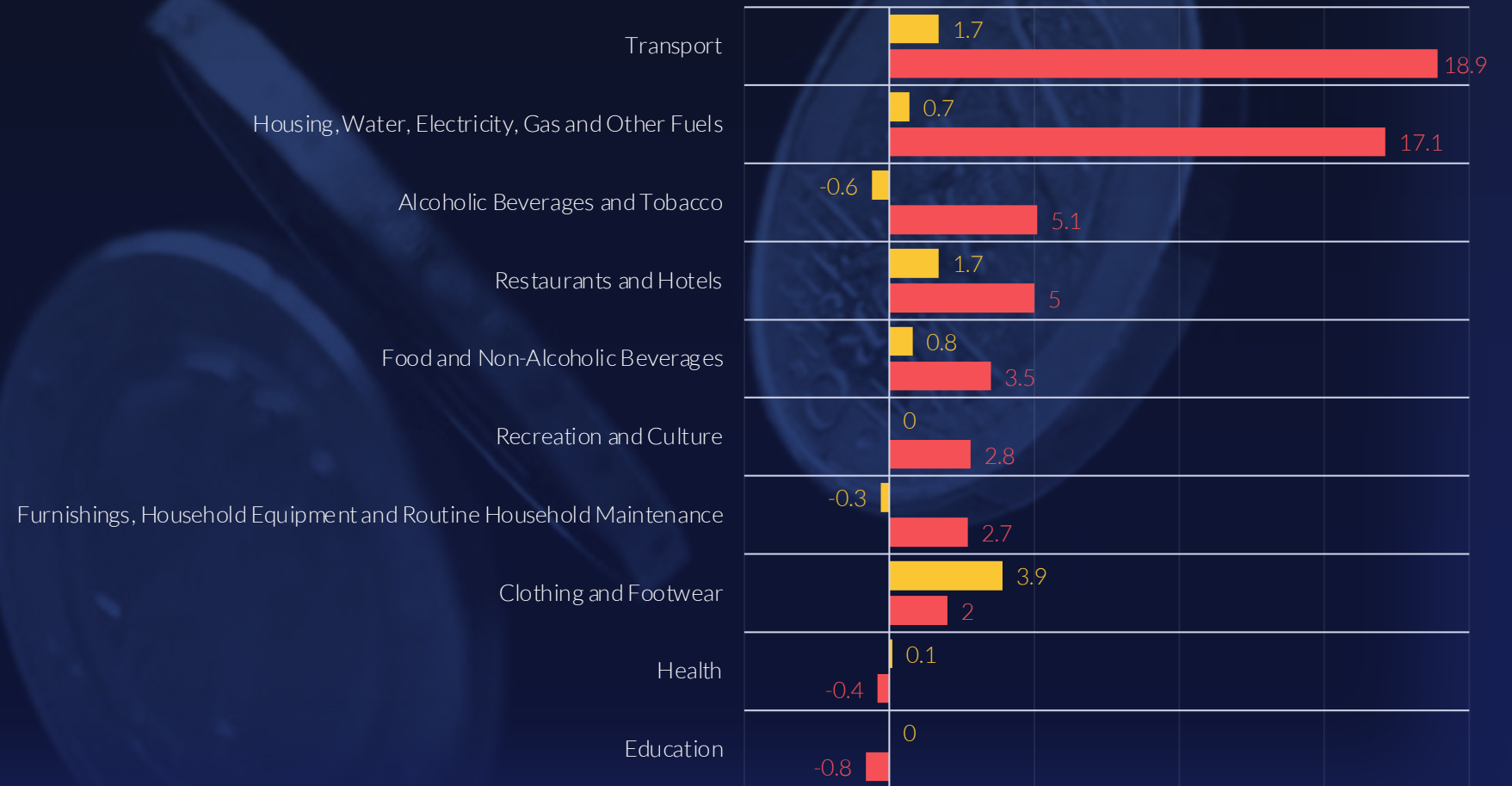
Housing, Water, Electricity, Gas & Other Fuels rose mainly due to an increase in the cost of home heating oil, electricity, gas, solid fuels, higher rents and mortgage interest repayments.

Transport increased primarily due to a rise in prices for diesel, petrol, motor cars, air fares and services in respect of personal transport equipment.

Restaurants and Hotels rose due to higher prices for alcoholic drinks and food consumed in licensed premises, restaurants, cafes etc. and an increase in the cost of hotel accommodation.

Consumer Price Index (inflation by category)

■ Monthly change ■ Annual change





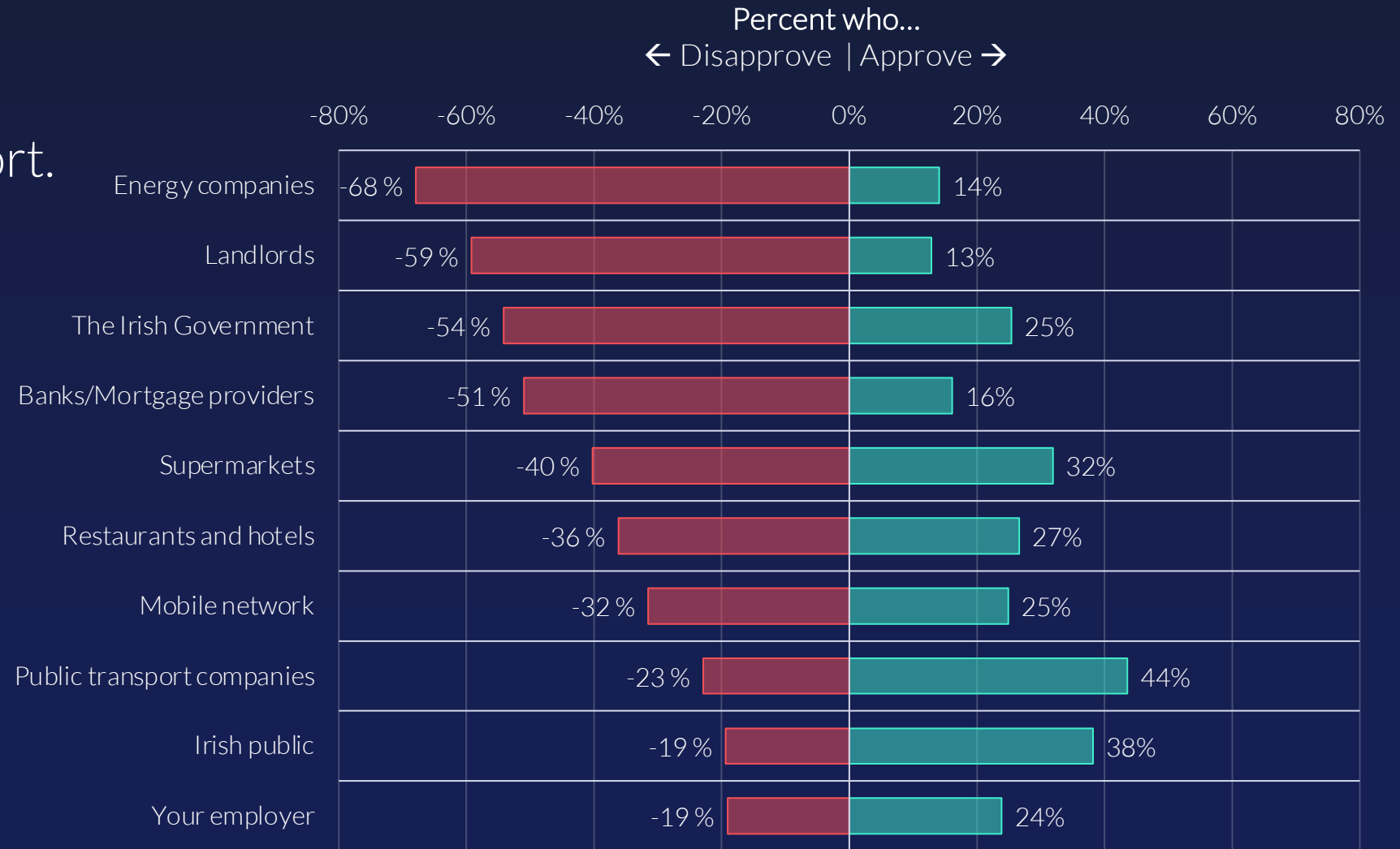
# Disapproval towards energy, while approval towards public transport.

68% of adults believe energy companies are not handling rising cost of fuel well, while twice as many people (54%) believe the Government is handling the situation poorly compared to those who believe they are handling it well.

Notably, 44% of adults believe public transport companies are handling rising costs well, which comes at a time when there has been a reduction in fares on public transport.

32% of people think supermarkets are handling the cost of living well, but 40% of people believe they are not.

Lastly, 38% of people believe other members of the public are handling the situation well, a high approval rating compared to other parts of society and the economy.



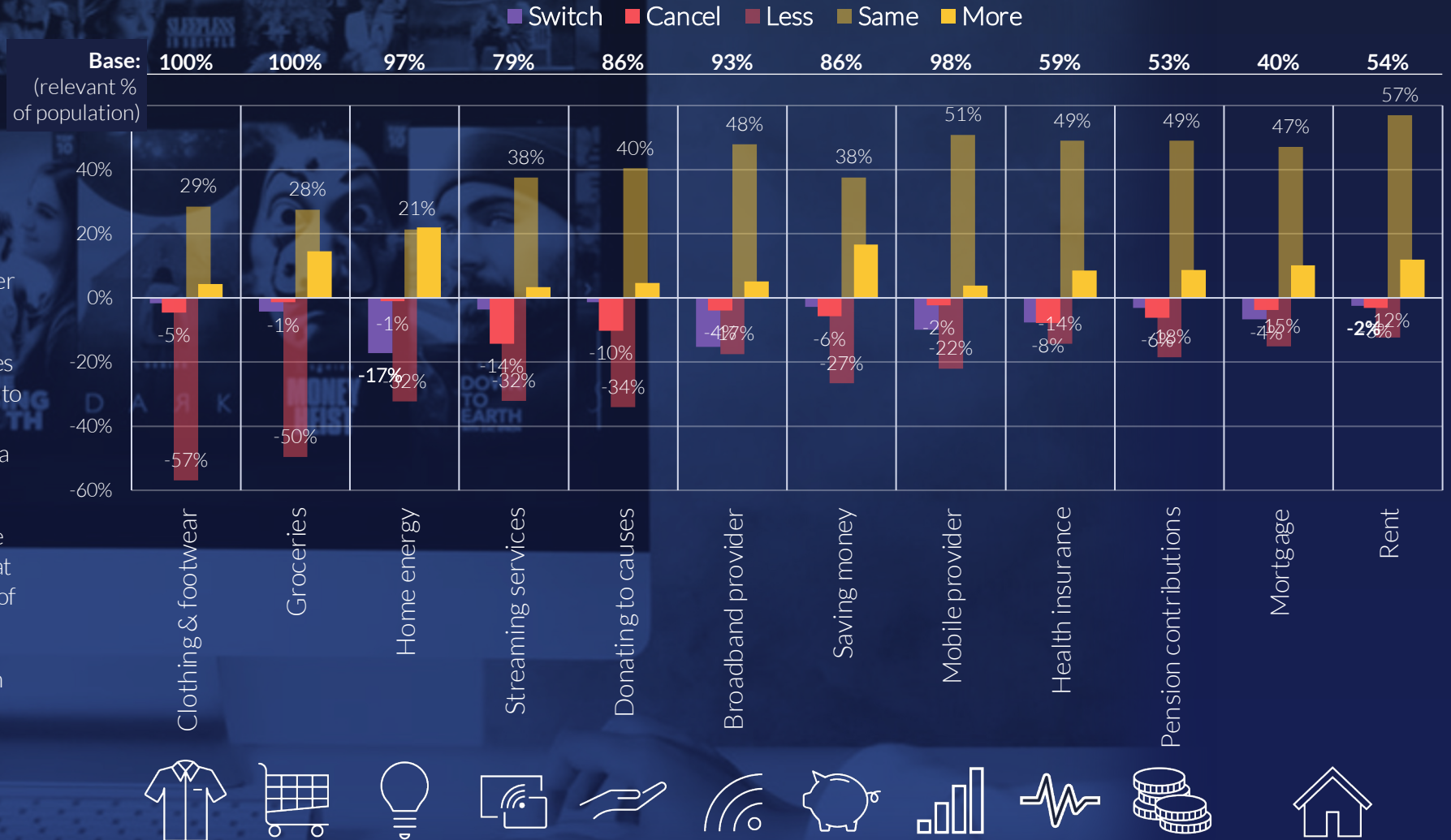
# Streaming services are scrutinized further.

Over half of adults (57%) say they plan to spend less on clothing and footwear, a further decline in demand month on month.

Similarly, 50% of those who use streaming services say they plan to switch, cancel or use less services to save money. This is up from 40% in the previous month, highlighting how streaming platforms are a key focus for household cost reductions.

Pension contributions and charity donations have also seen more people month-on-month state that they will contribute less to combat the rising cost of living.

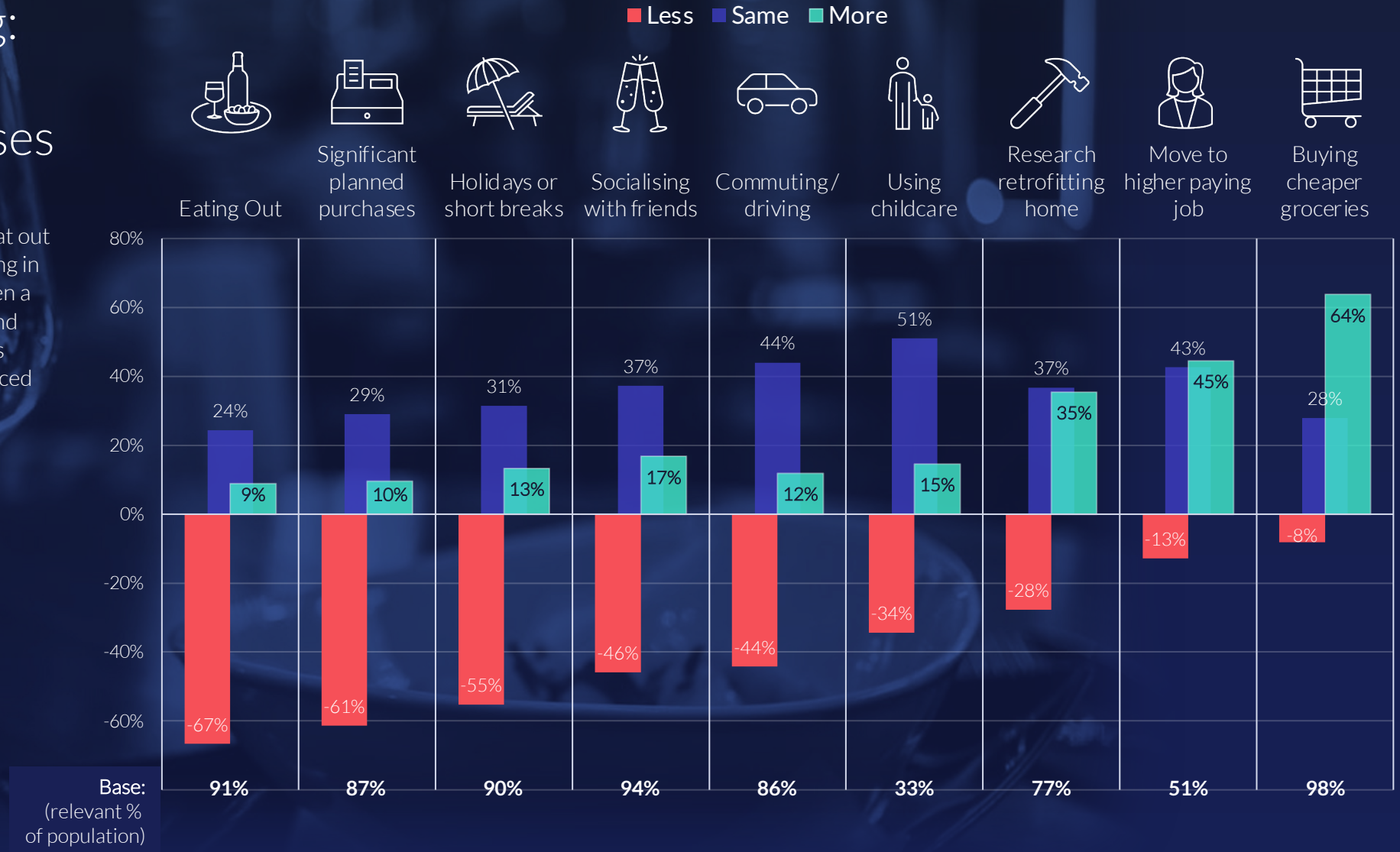
50% of adults also state they plan to spend less on their weekly groceries, which remains the same proportion as the previous month.





# Cautious spending: Leisure and significant purchases

There remains to be a strong intent to eat out less, spend less on holidays and socialising in order to save costs, but we have also seen a return to pre-pandemic levels in retail and recreation locations, suggesting that this intent has not quite translated into reduced demand.



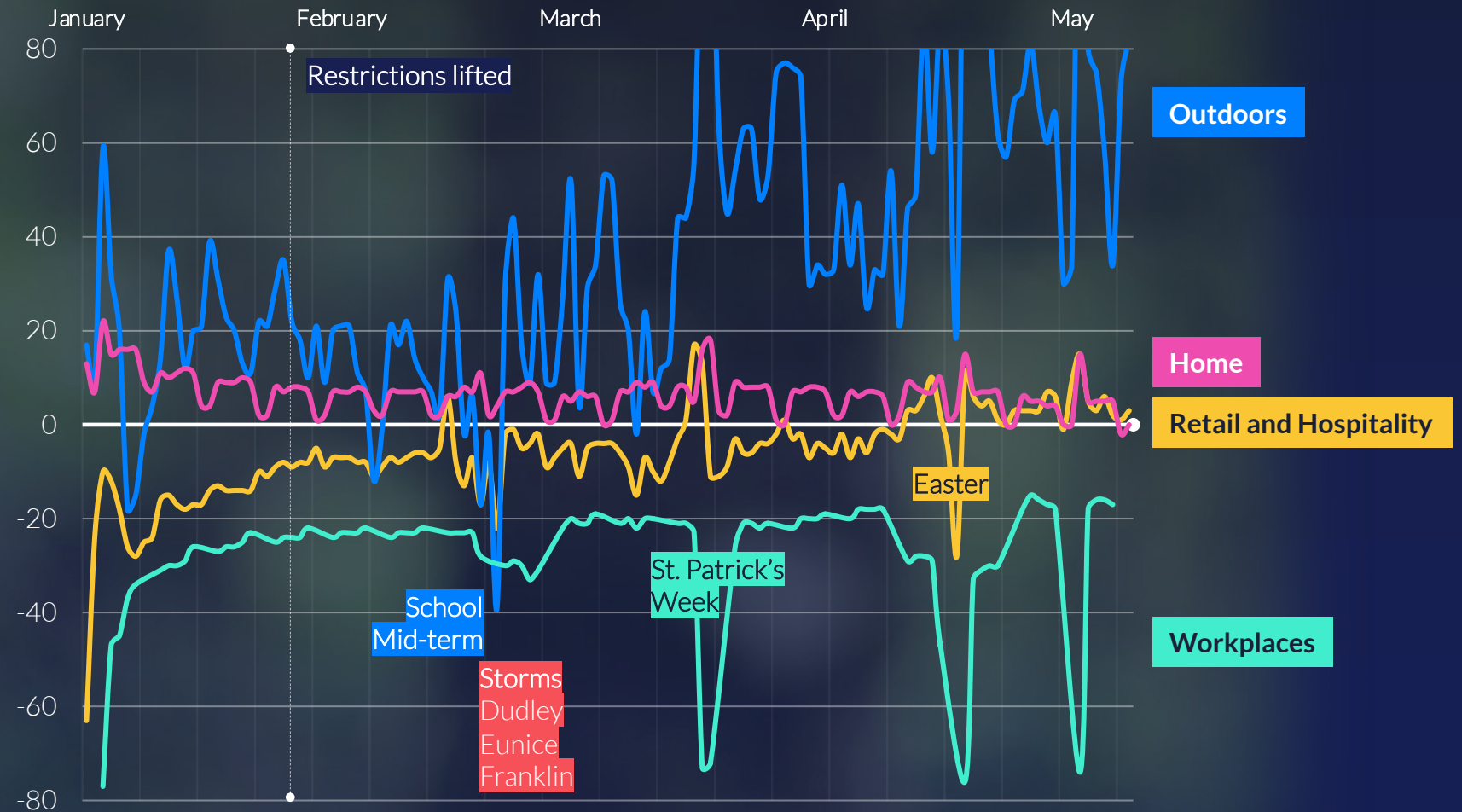
Source: Core Research, 1,000 adults representative of Irish population, May 2022

## Love of the outdoors.

As previously mentioned, despite an intent to dine out less and socialise with friends, in April and May, there was a return to retail and hospitality not seen since pre-pandemic.

However, there is also a significant sustained rise above pre-pandemic levels of time spent outdoors, indicating that many people remain to enjoy experiences and leisure in the open air rather than in shops and restaurants.

Volume of people in each location type – Index compared to pre-pandemic levels.





## About **Core** Research

There is a lot of noise in every market. We exist to navigate this noise. We believe business action should be driven by insight and contextual intelligence.

We work directly and independently with clients across every category and market focusing on business impact.

## About **Core**

Core Research is part of Core, Ireland's largest marketing communications company, collaborating across multiple practices, providing services in sponsorship, strategy, research, investment, media, creative, learning, and data.

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