



Towards Recovery
An Amárach Research Presentation
February 2010



1. Reality Check
news from the front
2. Psychological Recovery
when will we know?
3. This Time Isn't Different
back to basics



1. Reality Check

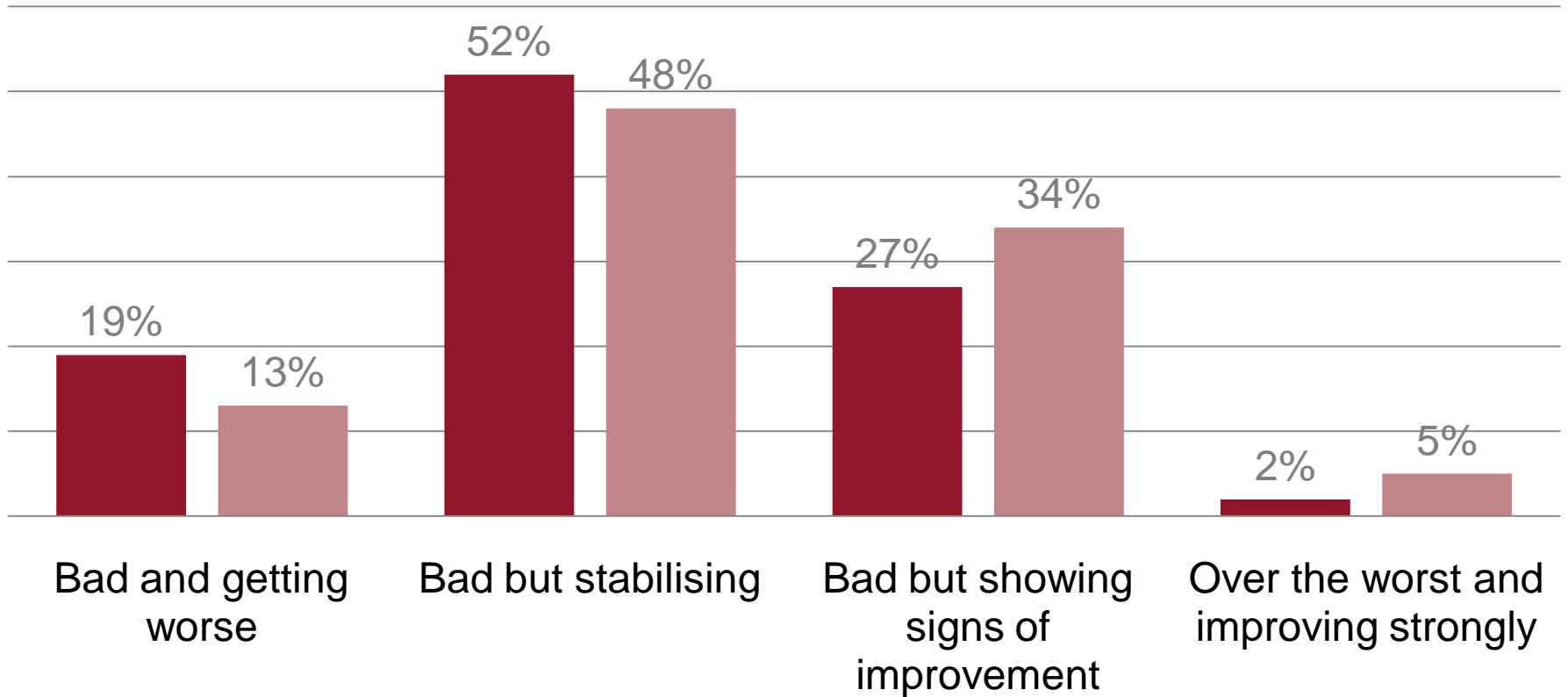
news from the front



The Sales Institute of Ireland
Promoting professionalism and standards of excellence

- Online survey of SII Members
- February 2010
(previously September 2009)
- Current experiences in Ireland
& future expectations
- 149 responses –
all sizes and sectors

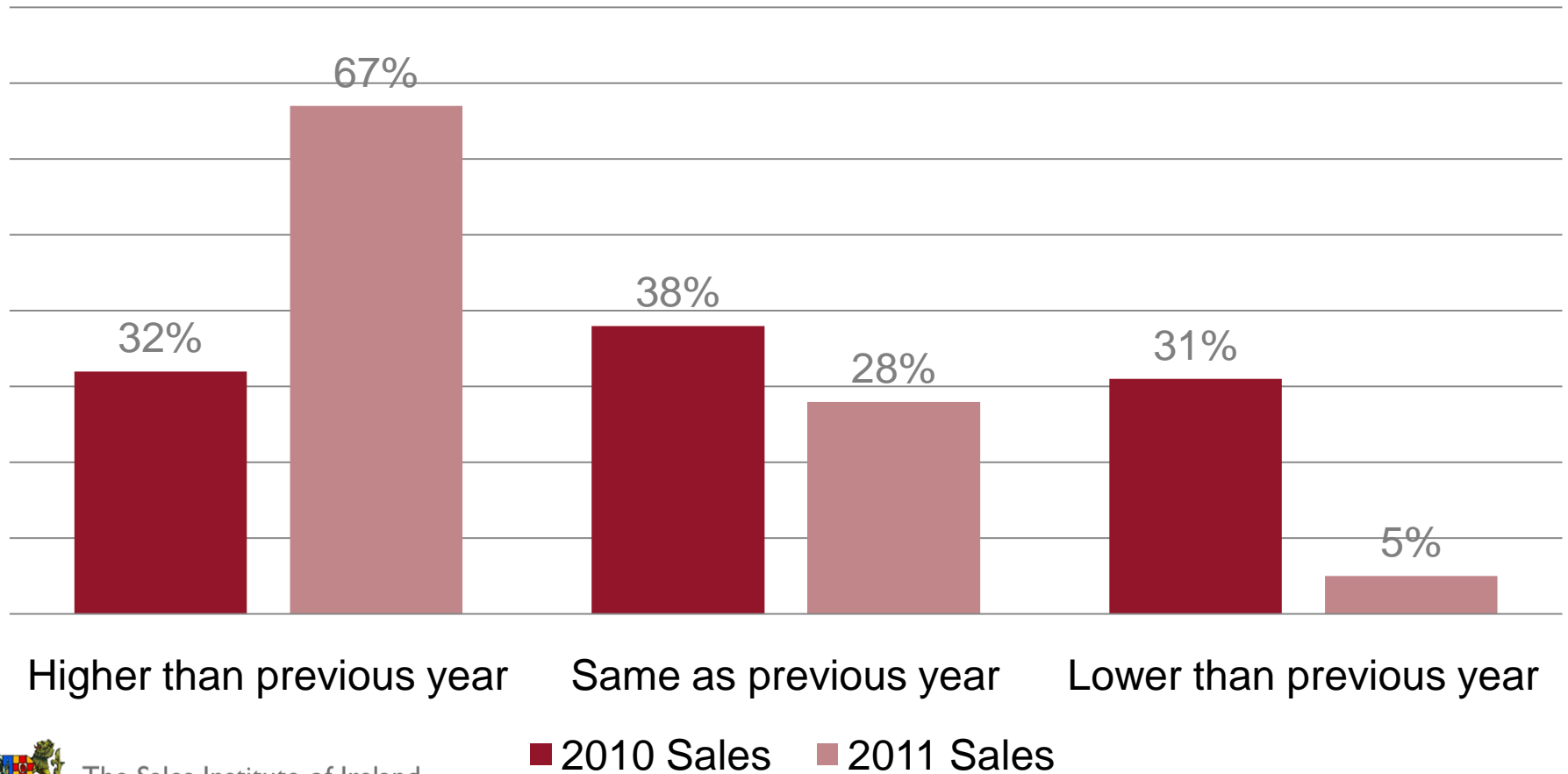
Current Perceptions of the Irish Market



The Sales Institute of Ireland
Promoting professionalism and standards of excellence

■ Sept '09 ■ Feb '10

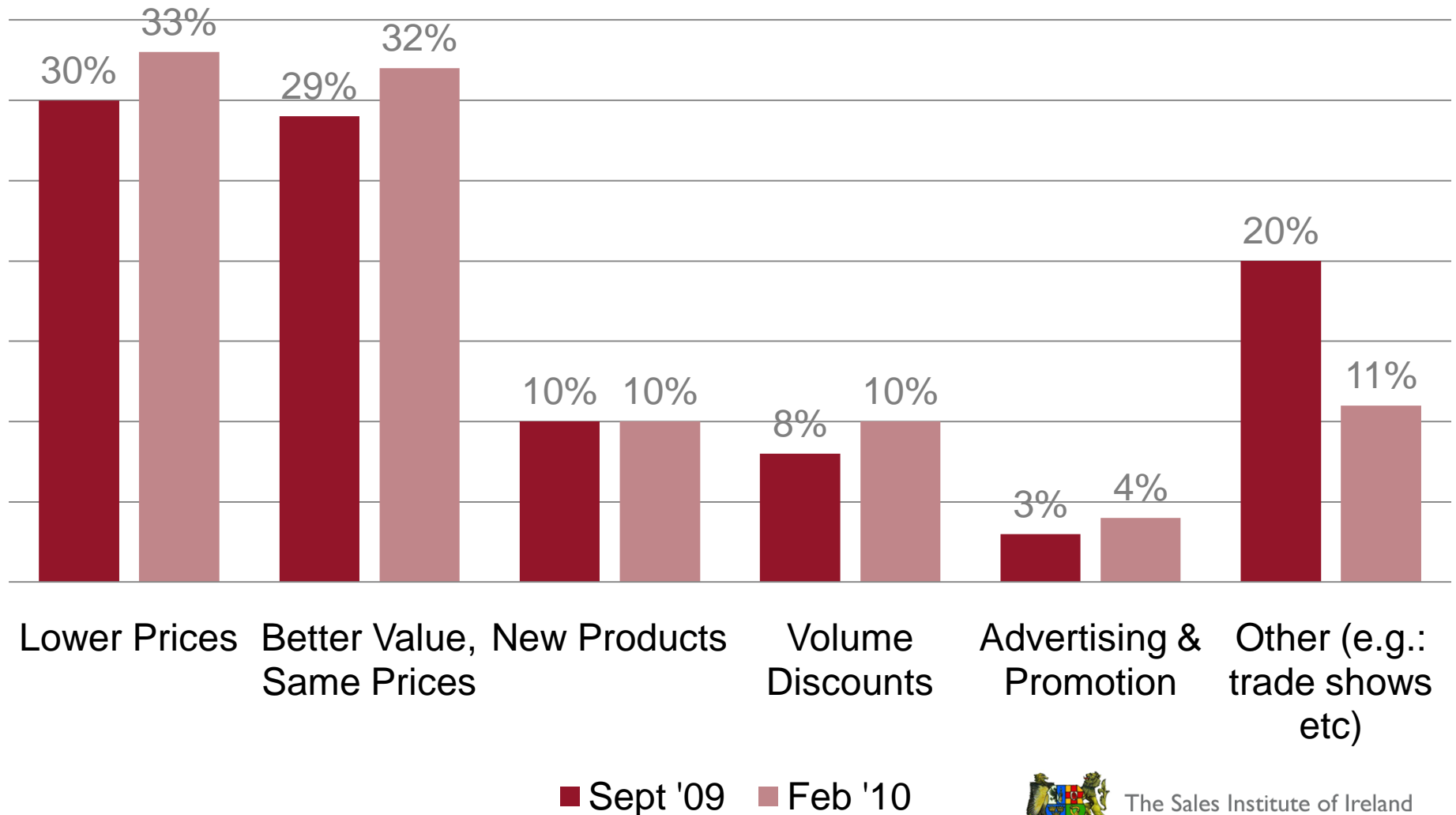
Irish Sales Outlook: 2010 and 2011



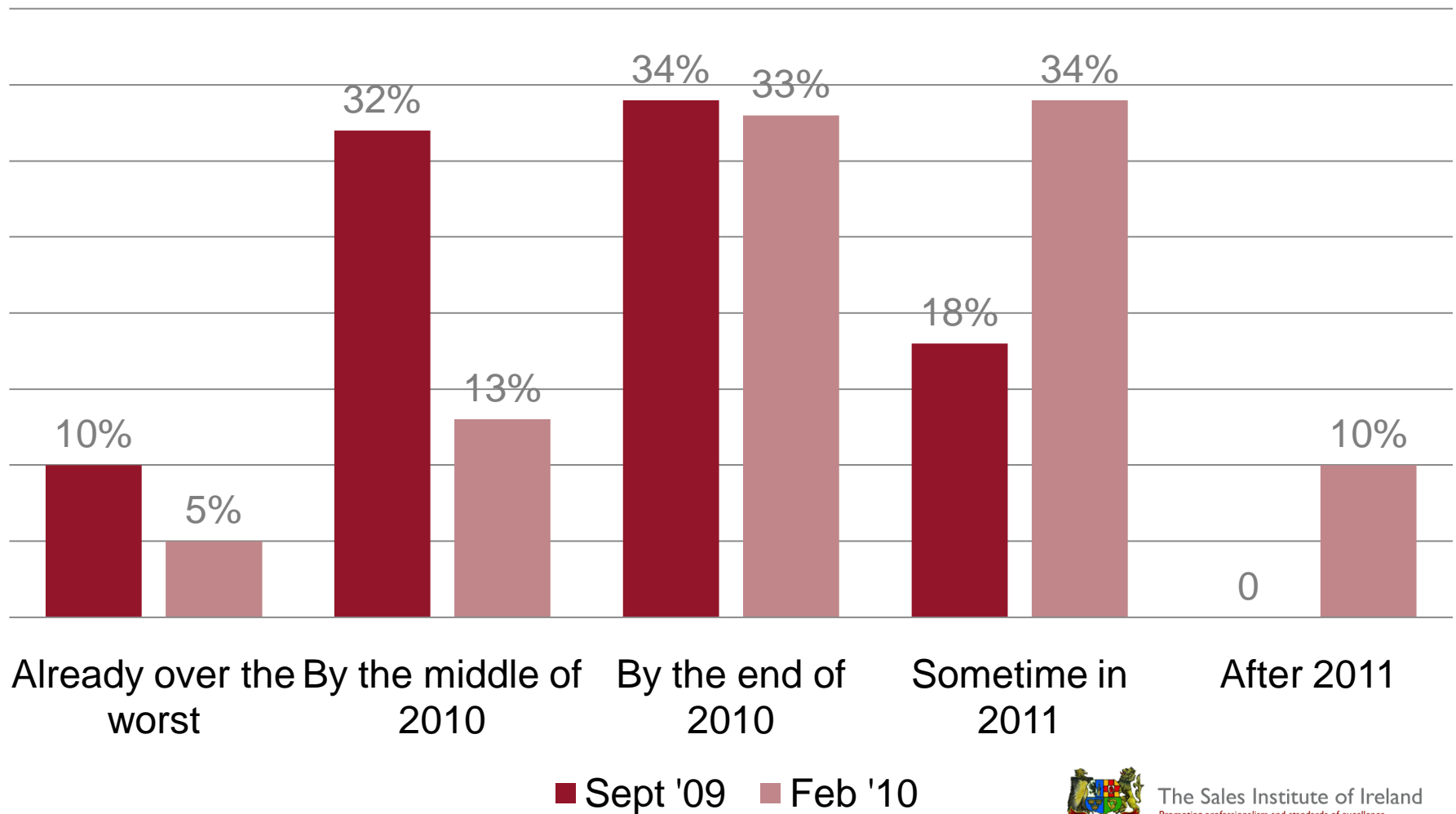
The Sales Institute of Ireland
Promoting professionalism and standards of excellence

■ 2010 Sales ■ 2011 Sales

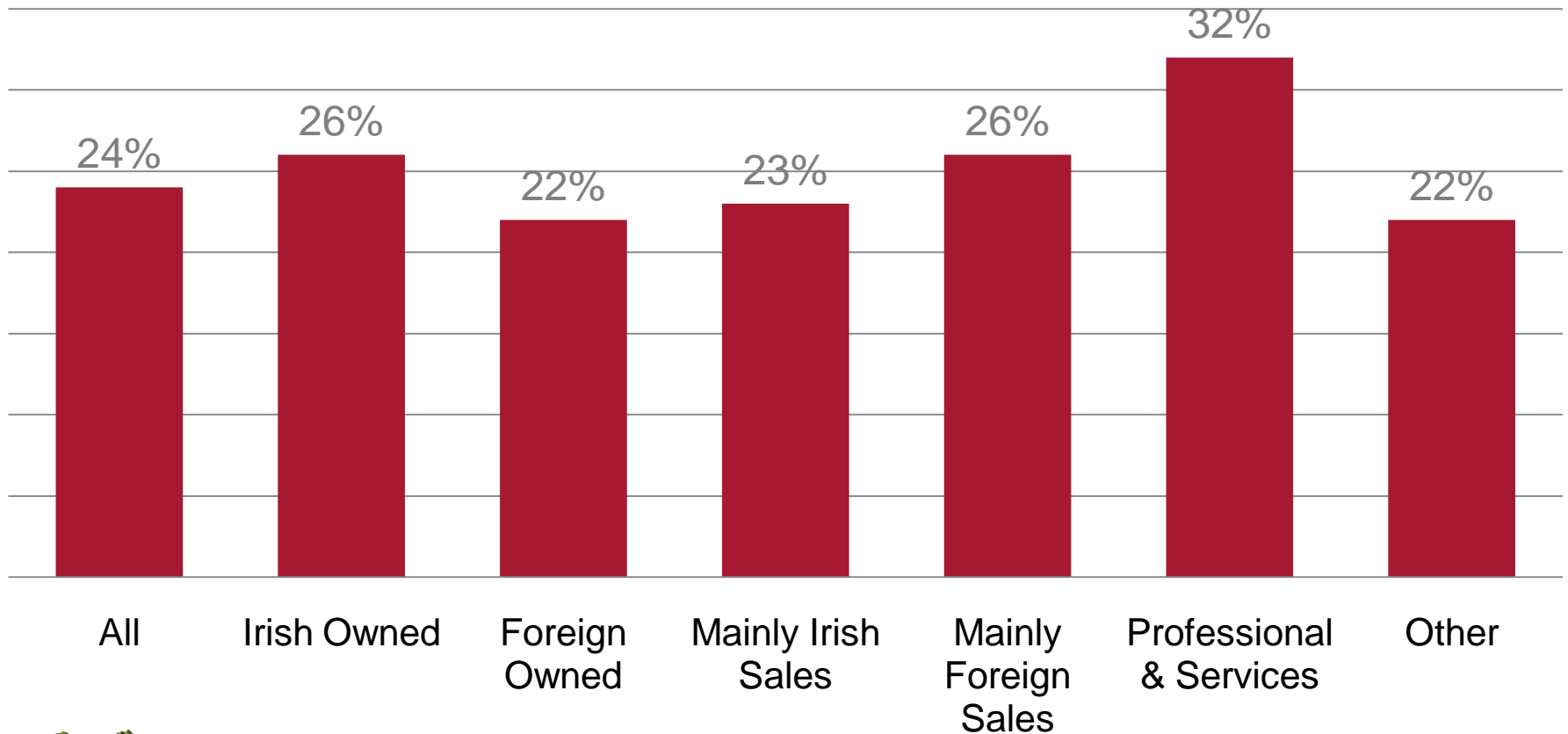
What Sales Approach is Currently Successful?



When Will The Worst Be Over In Irish Market?



Do You Expect To Hire More Sales Staff in 2010? % Yes



The Sales Institute of Ireland
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■ Feb '10



2. Psychological Recovery *when will we know?*

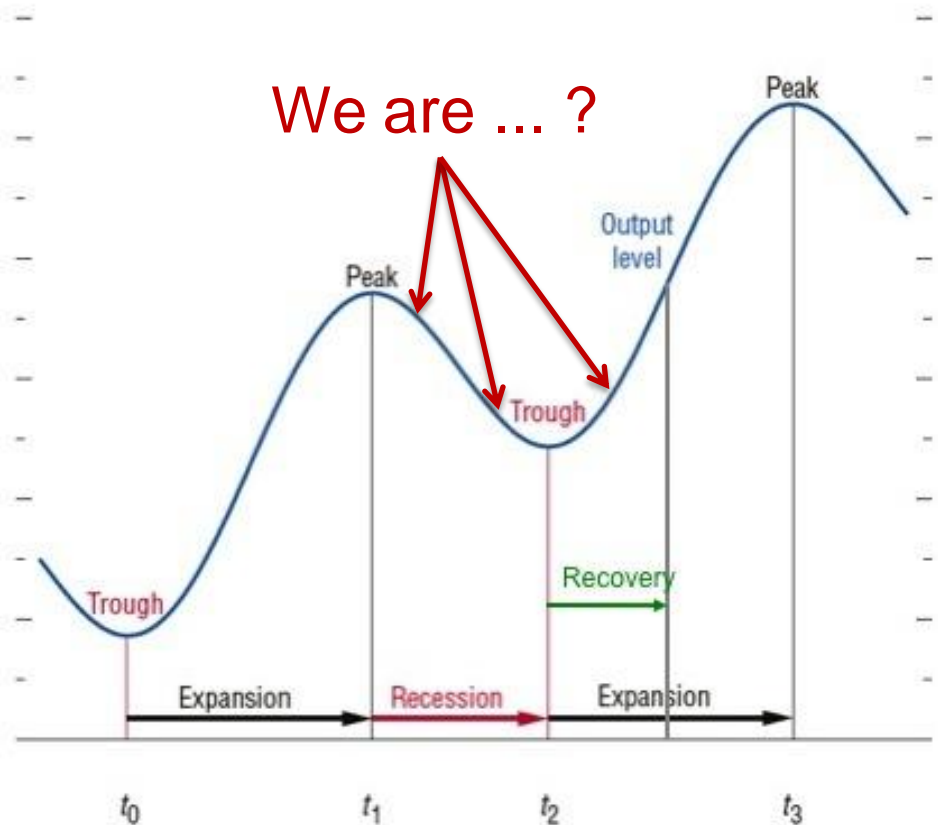


Value of Retail Sales in 2009	Fall from peak*:
Cars	54.3%
Furniture	42.3%
Electrical	29.1%
Hardware	25.5%
ALL RETAIL SALES	21.6%
Clothing and footwear	20.1%
Department stores	19.6%
Books and newspapers	19.3%
Bars	11.6%
Supermarkets	6.4%
Pharmacies	3.6%
* 2007 in most categories, 2008 in a few others	

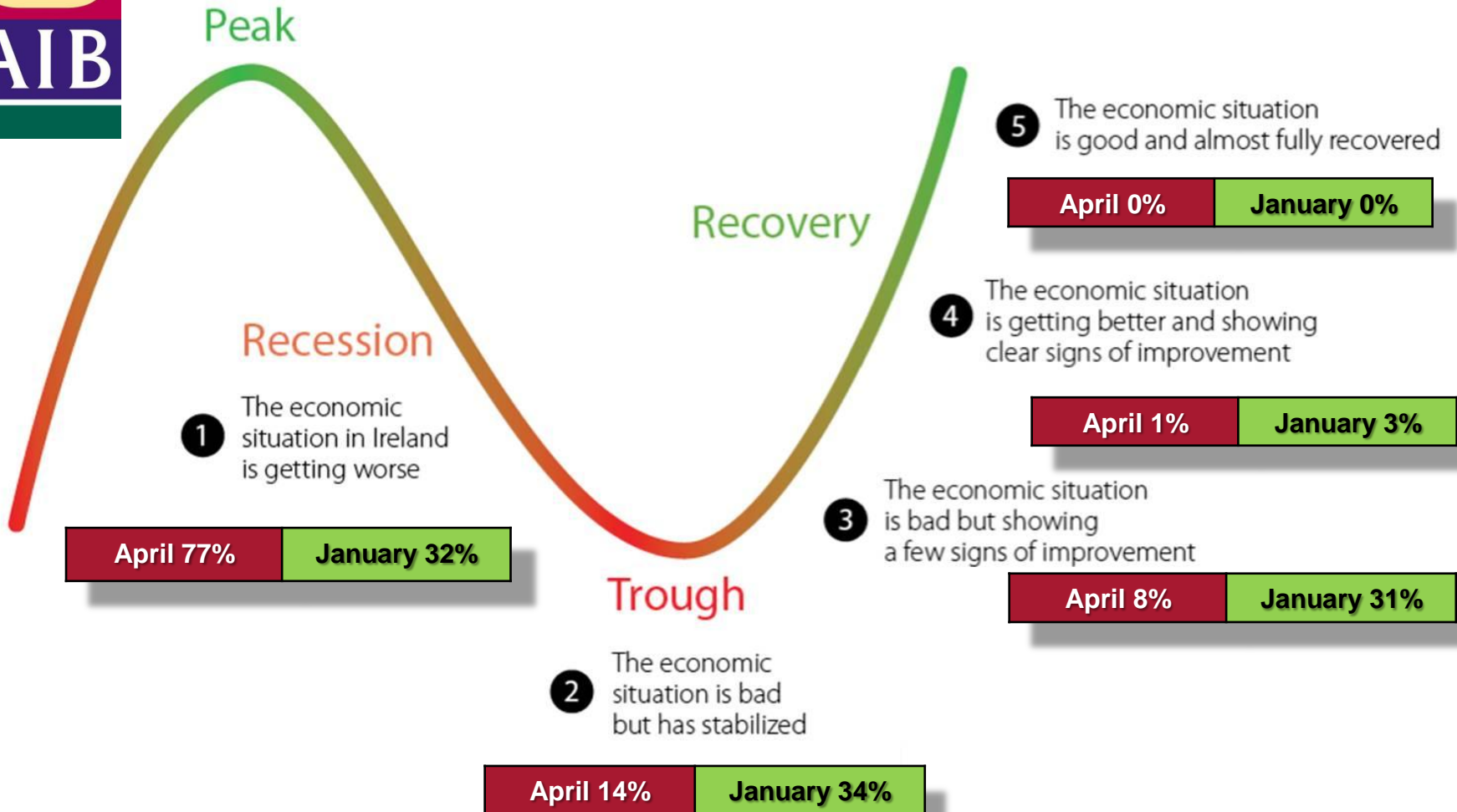


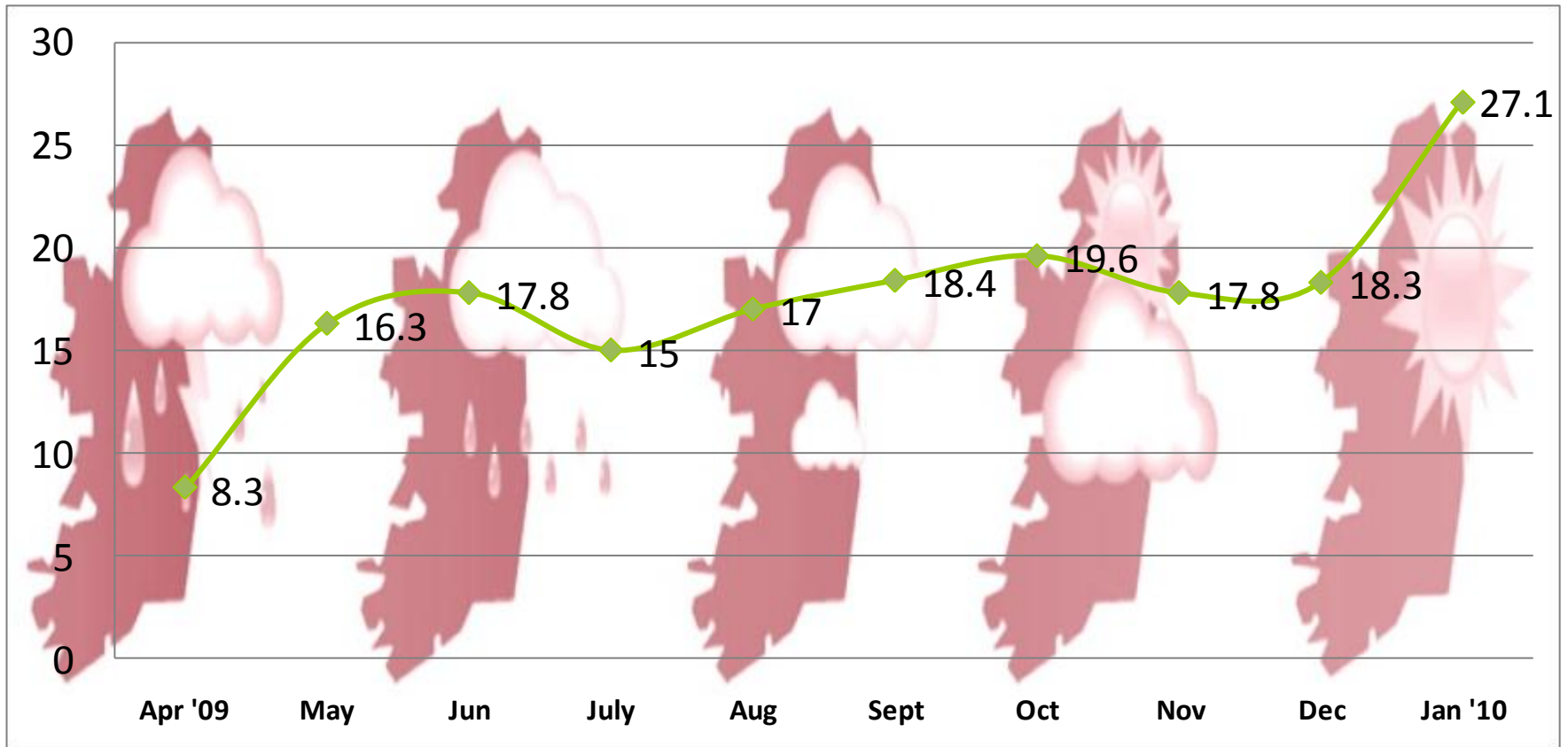
Business Cycle Peaks and Troughs

Each cycle has two phases: a recession phase (from peak to trough) and an expansion phase (from trough to the next peak).

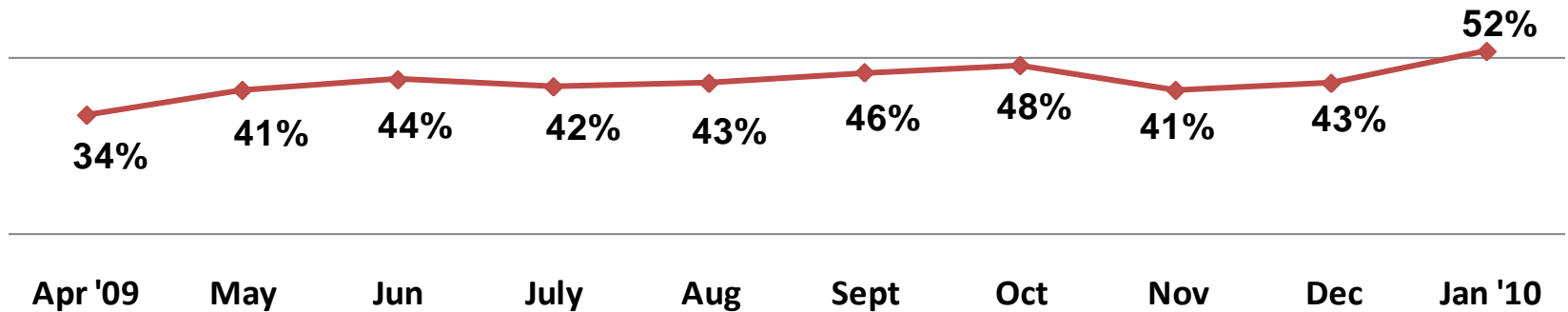


Source: IMF staff calculations.

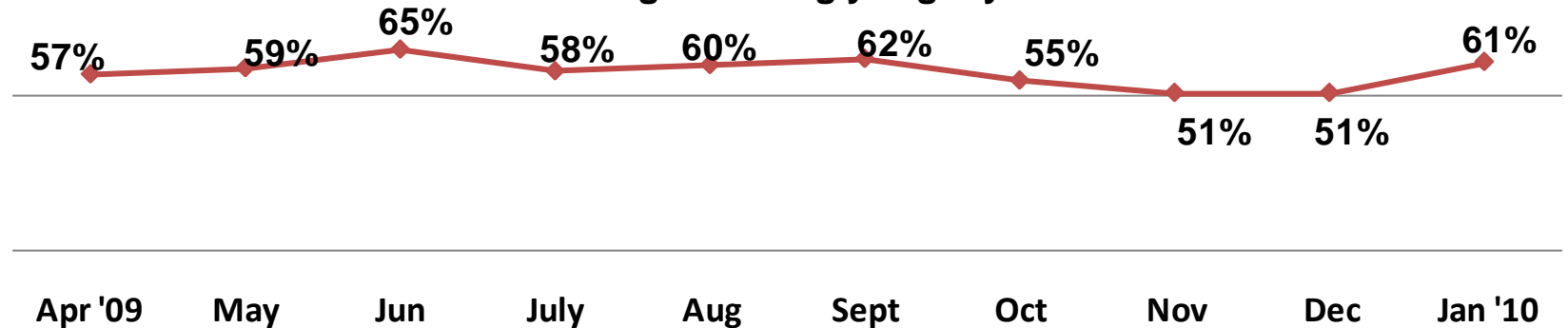




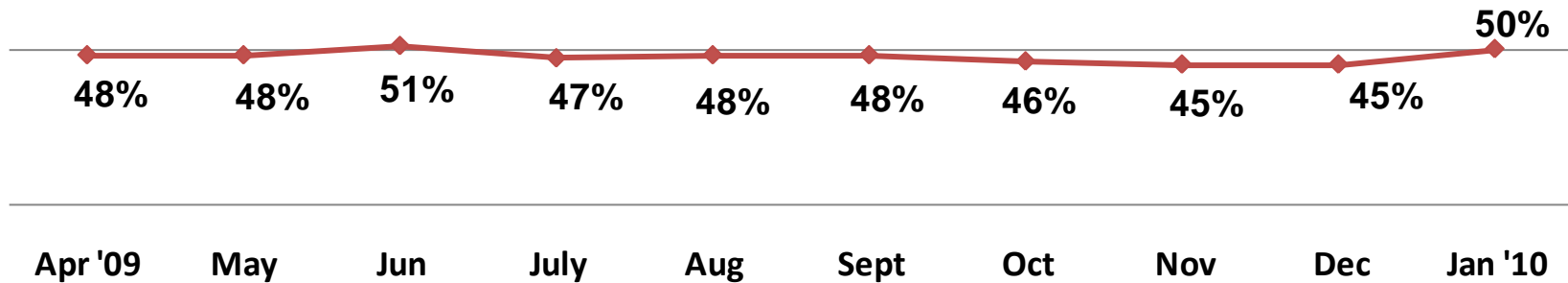
**Ireland will be through the worst of the recession in 12 months time:
% agree strongly/slightly**



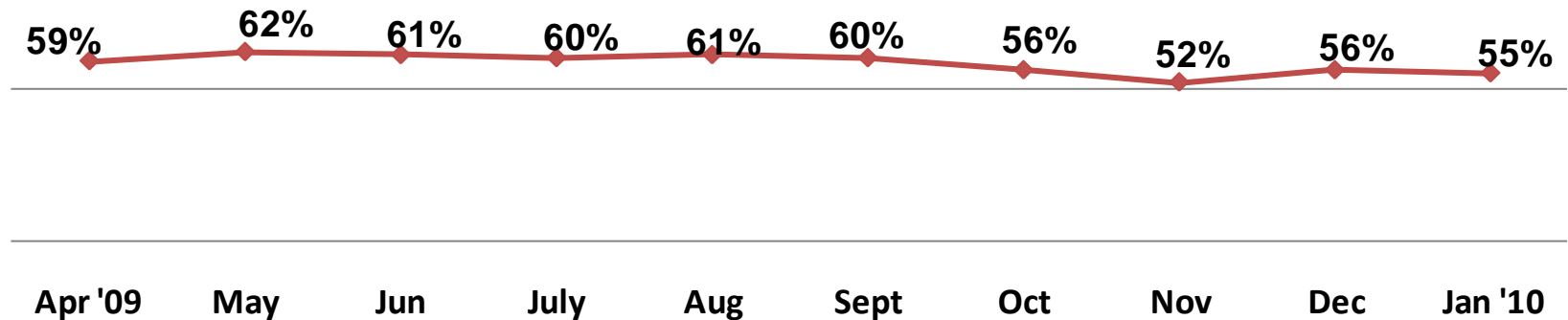
**I am optimistic in spite of the current economic situation:
% agree strongly/slightly**



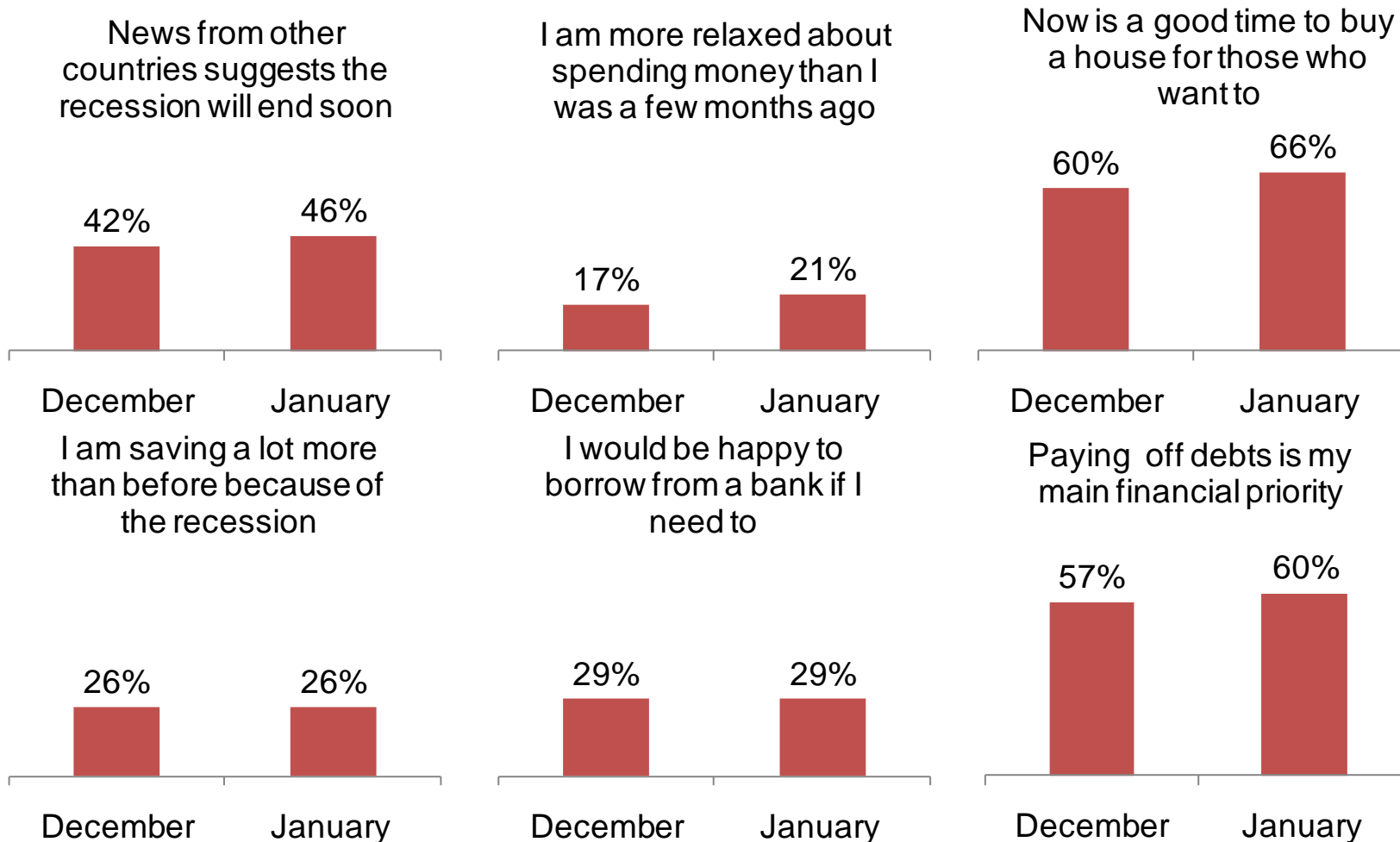
**I feel I am financially comfortable enough to make it through the recession:
% agree strongly/slightly**



**Right now it seems like the recession is affecting other people more than
it is affecting me: % agree strongly/slightly**



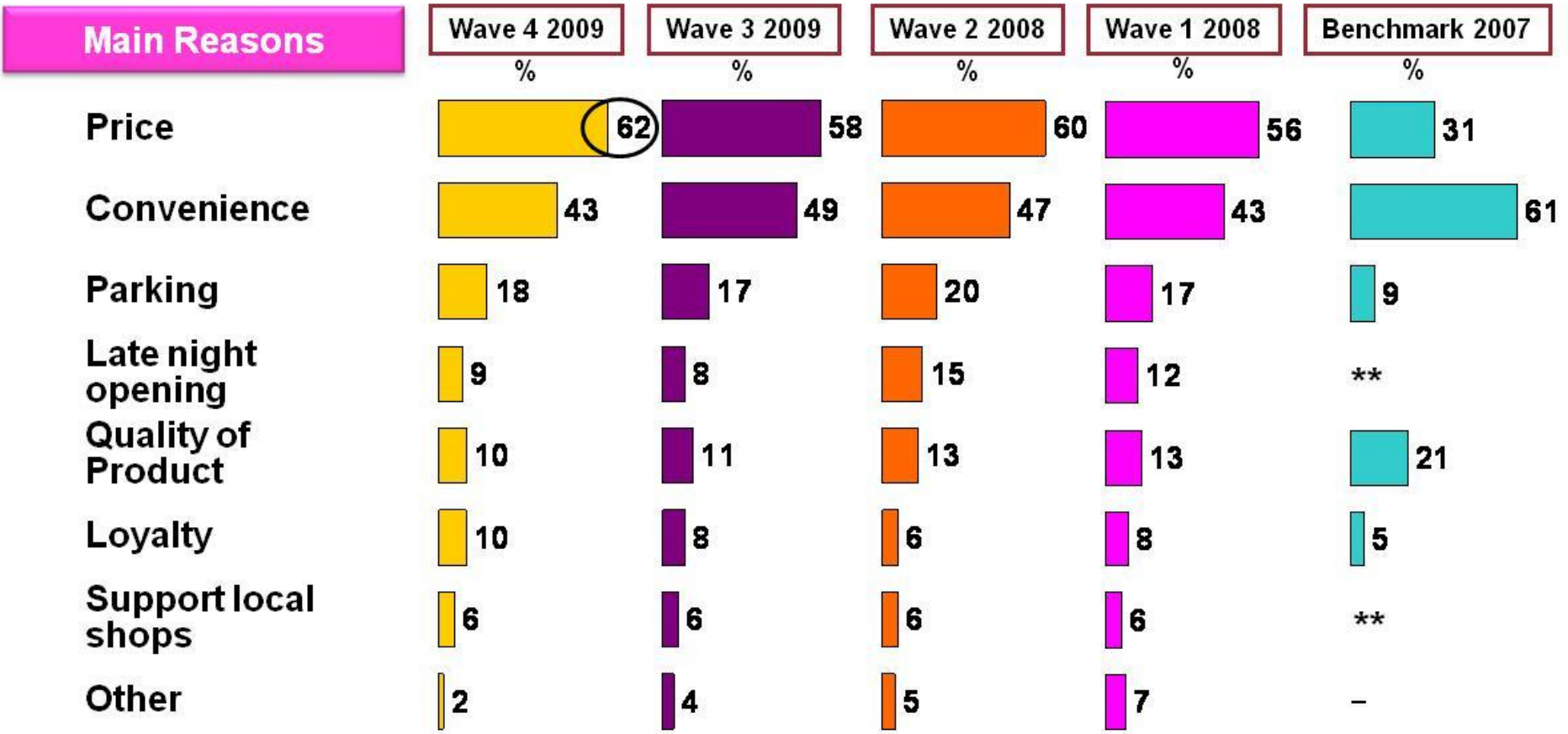
Percent of adults who agree with each statement: December 2009 & January 2010





Shopping Behaviour

(Base: All main grocery shoppers – 525)



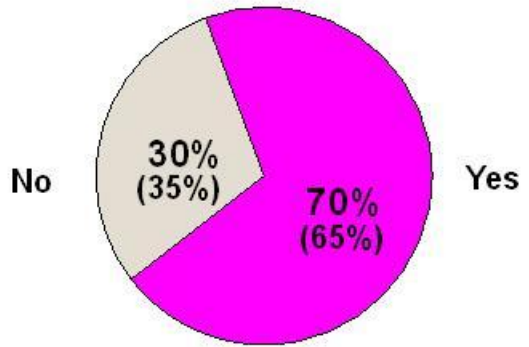
** Not asked in Benchmark



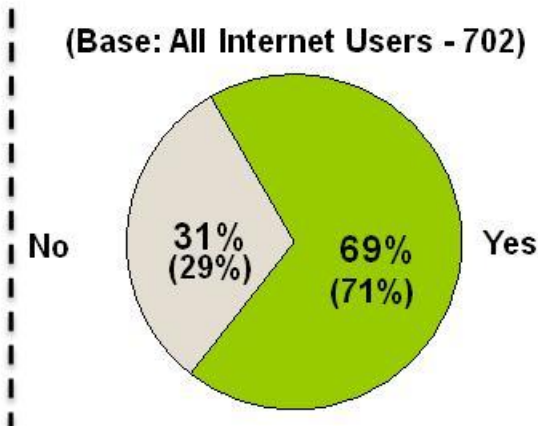
() = figures from wave 3 2009

(Base: All Respondents – 1,000)

USE INTERNET



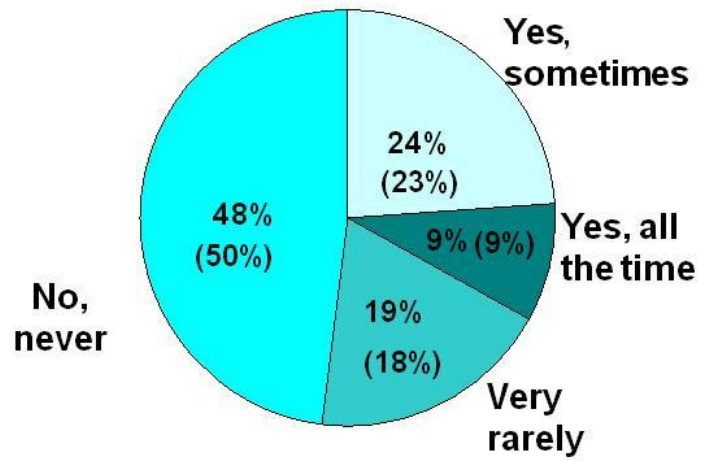
EVER PURCHASED ONLINE



(Base: All who use the internet – 702)

Frequency of using price comparison sites

() = wave 3 2009



national consumer agency



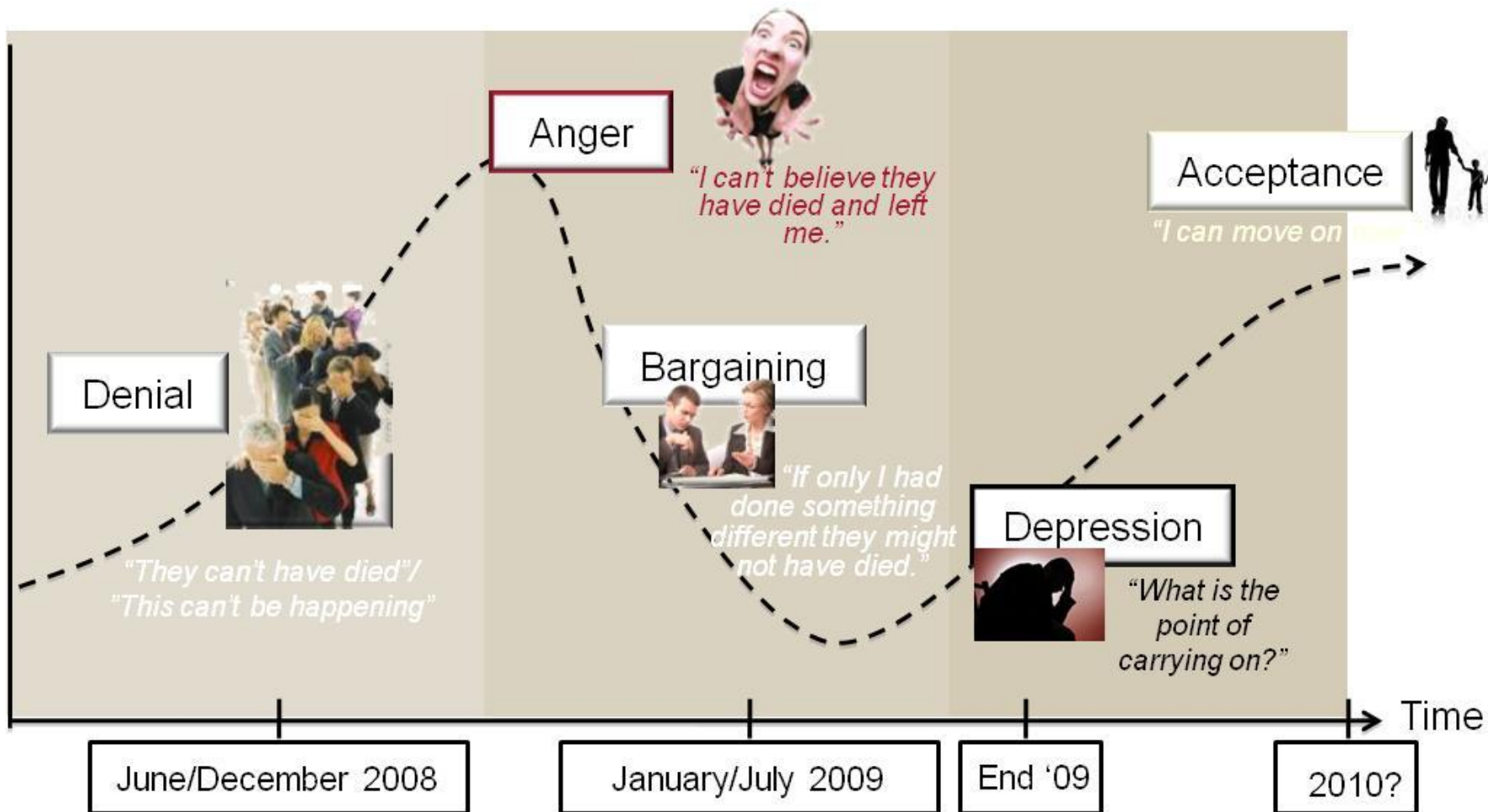
Consumer Spending Growth:	2009	2010	2011
Davy	-7.5%	1.0%	3.6%
ESRI	-7.0%	-1.0%	n/a
Goodbody	-7.5%	-2.0%	1.0%
Oxford Economics	-8.1%	-2.0%	2.5%
OECD	-7.5%	-2.2%	-1.4%
European Commission	-7.7%	-2.4%	1.8%
Department of Finance	-7.2%	-3.0%	2.6%
Central Bank	-7.6%	-4.0%	n/a

Consumer behaviour has changed permanently as a result of the recession: though their needs have not, nor will they ...

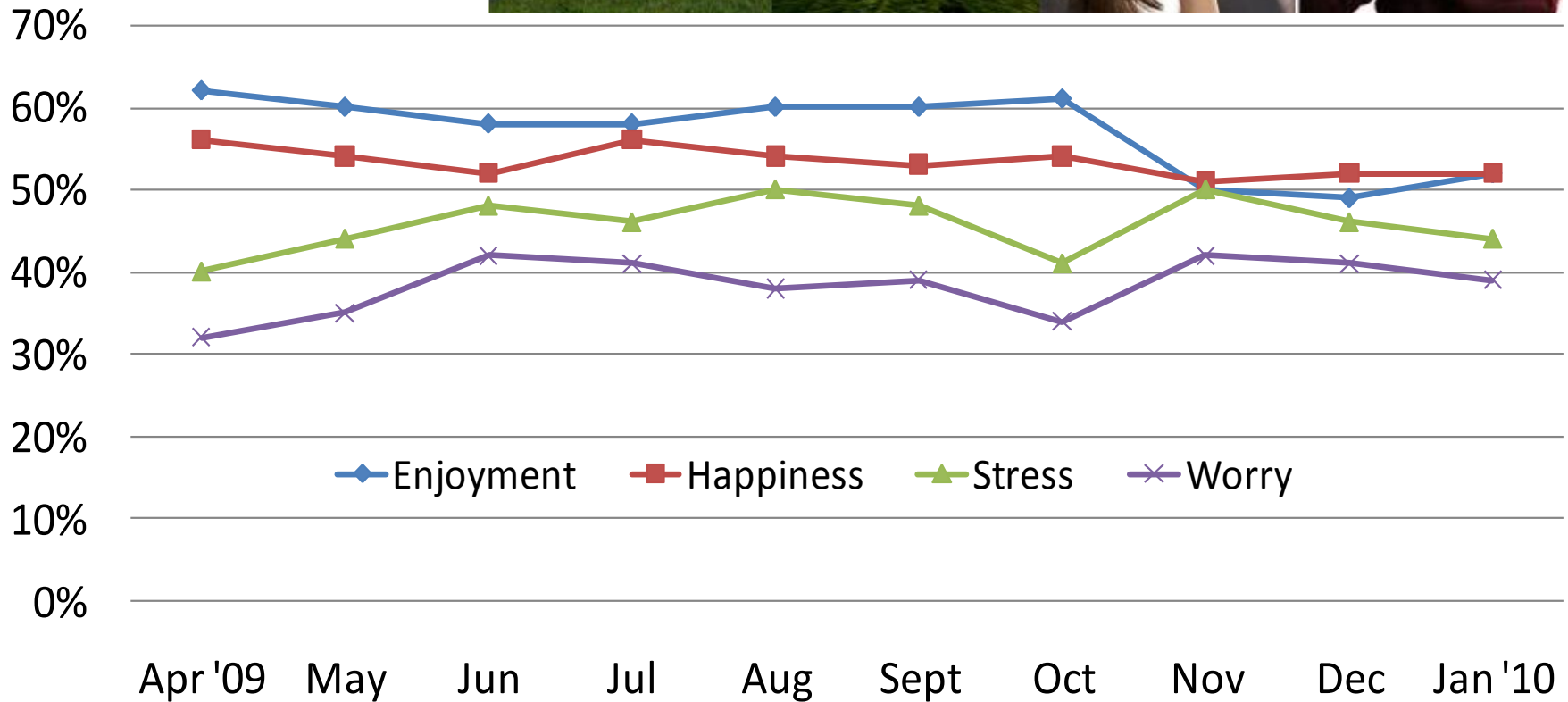
... nevertheless, a key challenge selling to Irish consumers in 2010 will be convincing those with money to spend now, rather than waiting for a better bargain.



3. This Time Isn't Different *back to basics*



The Mood of the Nation

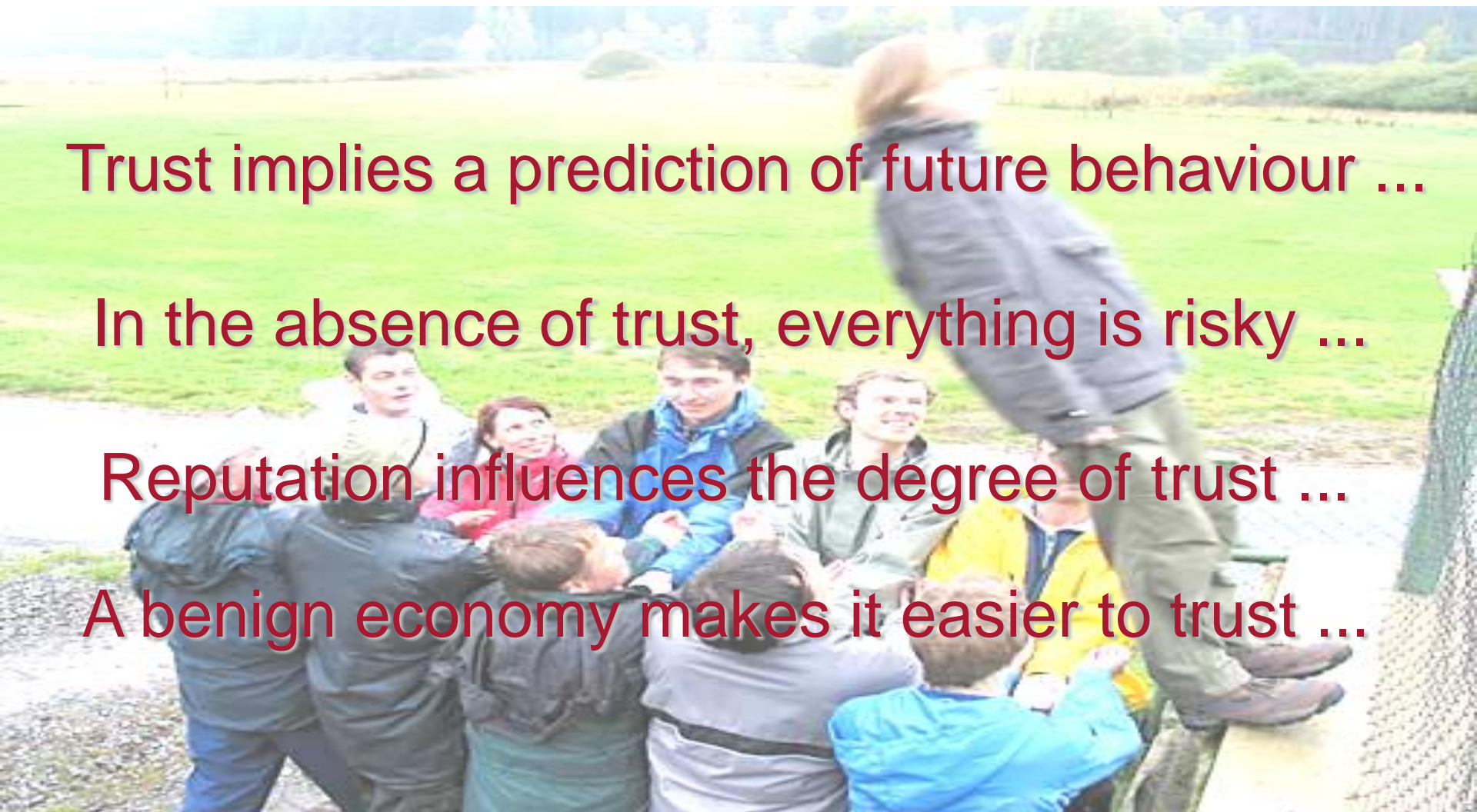


Trust implies a prediction of future behaviour ...

In the absence of trust, everything is risky ...

Reputation influences the degree of trust ...

A benign economy makes it easier to trust ...



Spectrum of Trust



Nobody's Trustworthy

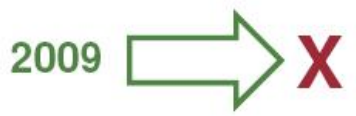
Some are Trustworthy

Everyone's Trustworthy

Distrust Without Evidence

Trust With Evidence

Trust Without Evidence





- Part of the resurgence in Irishness as a brand position is about building trust and forging deeper, emotional connections with consumers.
- Faced with increasing distrust and disloyalty, companies will have to look to trust building sales and marketing communications that reverse the damage so many have done.
- Irish consumers and businesses *will* loosen their purses and wallets as 2010 progresses – you just have to help them do so sooner rather than later – and in your favour of course!
- Yes, markets are smaller than they were at the peak – but that doesn't mean they have disappeared: Irish consumers will spend over €80 billion this year, and that's being conservative.
- The year is young – it's all to play for!



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Appendix: About Amárach

- We are Ireland's largest independent market research agency, in business since 1989.
- We focus on delivering two key benefits to our clients:

1. *Consumer Foresight*

– using research to say 'what next'.

2. *Business Insight*

– using research to make business decisions.

- We provide the full array of market research services including:
 - Quantitative: face-to-face, telephone, web
 - Qualitative: focus groups, in-depths, ethnographic
 - Field Only: for international & domestic agencies
- Register for our free fortnightly eletter **consumerforesight** at: www.amarach.com
- Read our daily blog: www.amarachresearch.blogspot.com

Unsubscribe from this Ezine

consumerforesight

business impact through market research


amárach research

3rd March 2009

Welcome to the latest edition of **consumerforesight** from Amárach Research. We have set out to make **consumerforesight** a more interactive and informative research and planning tool for subscribers. Feel free to invite others to register for our free eLetter on our home page.

Amárach's Perspective

Two months gone, ten to go. Like Keith Richards, we're all at the stage of "it's good to be here – it's good to be anywhere". But it is tough out there. Against a background of industrial unrest (even the Gardaí are protesting!), we shouldn't be surprised if consumers are on something of a 'go slow' themselves.



But it won't last. It's too early for green shoots, but as time goes by people will want to buy: especially those still in secure jobs who are faced with extraordinary bargains in shops, hotels and car showrooms. Irish consumers don't really do hair shirts. When we have money we can afford to spend then we're usually inclined to spend it: assuming we're getting good value and not being ripped off.

Don't forget: for every person in Ireland with a mortgage, loan or 'maxed out' credit card there is another person without any debt (at all). What are you doing to tap the 'worried well' market?

Amárach's Blog

- Before you embark on a new brand or business just remember Seth Godin's three things you need [read more](#)
- With the world all 'a-twitter' don't forget the future is on the TV [read more](#)
- It's all down to psychology – an Amárach presentation on how Irish consumers will lead us to recovery [read more](#)

Consumer Insights

- Business is about passion: so for that matter is the economy – check out some wise words on the role of passion in success [read more](#)
- How not to do food marketing: quite possibly the worst food in the world [read more](#)
- Optimistic people are healthy and happy – even when the economy is collapsing around them: what are you doing for optimism? [read more](#)

Amárach News

Amárach Research will present a paper on 'Life Online 2009' at Comreg's ICT Research conference on 12th