

Irish consumers happy to spend more on local products

Socially-conscious shoppers happy to spend more on locally sourced products, especially from brands that have responded well to the pandemic crisis, Deloitte reveals.

New research from Deloitte into Irish consumer habits found that half of those surveyed would be happy to spend a little more money on products sourced locally, up 6pc on previous research.

The research also found that 40pc agreed that they would purchase more from brands that have responded well to the crisis, up 3pc.

Deloitte's [State of the Consumer Tracker](#) is a monthly survey which tracks Irish consumers' attitudes towards personal wellbeing, financial concerns, travel and hospitality, transport and retail. The results are based on a survey of 1,000 consumers across 19 countries respectively (1,000 Irish consumers). The most recent data was gathered between 29 October and 4 November, immediately following the introduction of Level 5 Covid-19 restrictions nationwide.

Inside the mind of the Irish consumer

There is a slight increase in people's concern for their own physical wellbeing (up 1pc on the previous wave of research to 53pc) and concern for the health of family members also increased by 2pc (to 65pc). Interestingly, concerns over the prospect of job loss decreased by 2pc to 36pc, however concern over returning to the workplace was up 2pc to 36pc.

The survey also found that while anxiety levels decreased slightly in Ireland since the last wave, they have increased across Europe.

The survey recorded a significant decrease in Irish consumers' confidence in engaging in person-to-person services, down 5pc since the previous wave of research to 49pc.

There was also a large decrease in those reporting that they would feel safe going to a restaurant, down 11pc to 32pc. Confidence in visiting shops was down 3pc to 61pc – perhaps unsurprising, as Covid-19 case numbers were seeing a spike and Level 5 restrictions had been newly introduced.

“These latest findings show that Irish consumers are still concerned about a number of issues,” said Daniel Murray, partner and head of Consumer at Deloitte Ireland.

“This is not surprising – the country's return to lockdown brought with it many uncertainties. Consumer confidence levels saw an uptick during the summer months, when most businesses

were allowed to open and case numbers were comparatively low – now, conditions are not so positive, and so confidence is seeing another dip. This emphasises the sensitivity of consumer attitudes to external conditions.”

While there was no change in consumers’ willingness to shop online and pick up instore, increases were recorded in consumers’ intent to shop online and have goods delivered across various sectors, including for electronics (46pc, up 12pc), takeaways (33pc, up 6pc) and clothing (46pc, up 15pc).

There were increases in spending intention on utilities (up 7pc since the previous wave), groceries (up 9pc) and household goods (up 8pc). Meanwhile, spending intention on more discretionary items saw a decrease, including takeaways (down 7pc) and clothing and footwear (down 8pc).

The findings of the latest wave of research suggest that the rise of the socially-conscious shopper continues. 50pc reported that they would be happy to spend a little more money on products that are sourced locally, up 6pc on the previous wave. 40pc agreed that they purchase more from brands that have responded well to the crisis, an increase of 3pc.

Travel, Hospitality & Tourism

The survey recorded a decrease of 9pc in intent to spend on travel among Irish consumers. Those planning to stay in a hotel for leisure travel over the next three months decreased by 10pc; and confidence in staying in a hotel was down by 3pc. Confidence in air travel, meanwhile, saw a slight increase of 1pc.

Those wishing to purchase their next vehicle online saw an increase of 3pc since the previous wave of research. 60pc intend to keep their current vehicle for longer than originally planned, an increase of 2pc. Additionally, there was an increase in those intending to limit their use of public transport over the next three months (70pc, up 5pc) as well as those intending to avoid ride-hailing services (64pc, up 5pc).

“While the findings of this latest wave of research paint a picture of a concerned – and therefore, cautious – consumer base, there are still opportunities for businesses to engage with customers in meaningful ways.

“One conclusion we can draw with confidence is that digital adoption can no longer be seen as an added extra or something that is ‘nice to have’ – an online presence is now an essential component of any business. Even if restrictions are lifted, it is likely that the demand for delivery of goods will remain high and businesses should be prepared for increased online traffic and corresponding order processing and fulfilment. Those who fail to keep up are sacrificing a huge opportunity for customer engagement.”