

There is no going back for the Irish consumer

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MEC UPDATE

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Since the onset of the recession, consumers have made some profound adjustments and modifications to their lifestyles. We are constantly reminded of how the savvy Irish consumer are returning to their roots. Scaling back, paring down and cutting out seems to be the perceived mantra of the post recession consumer - but are we really doing this?

It seems that we are not capable of going back. Now that we have had a taste of the good times we still want to 'have our cake and eat it too'. Like Darwin's species, we have simply adapted to our circumstances without compromising the advances made. So, whilst we may be steeping our green fingers in newly acquired allotments, we are probably using one of our many smart phone apps to see how best to "grow your own".

If we delve into cultural, social and technological areas of Irish life, it becomes apparent that we are not willing to go back; we may have cut back but we have not cut out.

A soya skinny latte please

Meal deals such as those on offer in Tesco and M & S "dine in for €12" etc. played a major role during the onset of the recession as consumers temporarily swapped their dining out experience. These meal deal offers have now transferred to restaurants as they struggle to survive and respond to consumers needs to retain some of life's luxuries. In fact the take-away foods business grew dramatically in 2010, reflecting consumer desire for comfort food during a recession.

An Bord Bia recently released a statistic, stating almost 50% of Irish consumers eat out at least once a month and over 15% at least once a week.

Spending Steams Forward Perceptions Revert Back



More Irish now consider themselves as working class than back in 2005. There seems to be a blurring of the lines between perception and reality.

Source: Amárach, Feb 2011



Bye-bye bacon and cabbage

The 2011 Irish larder is a far cry from the un-adventurous days of bacon and cabbage. Pesto, chorizo and goats cheese, shunned in the past, have become the norm in most Irish households. During the boom years, our travel and food horizons expanded, and we now seem to have an unquenched appetite for all things international. To satisfy this demand for all things food, RTE and TV3 have dramatically increased their output of food and culinary programmes. The days of Darina Allen's simple Irish home baking monopoly have become numbered. The audacious Irish consumer is responding to diverse dishes by Catherine Fulvio, Neven Maguire and Kevin Dundon. The competitiveness of Masterchef and Come Dine with Me has created a culture of versatile chefs - clearly, despite economic difficulties, the social and cultural revolution will not allow us to go back to the days of simple meat and two veg.

Can you haggle? Yes, you can!

With the value available, Irish consumers can still have their cake - they are just eating it smarter. They have become astute in their research and hyper-sensitive to offers-acknowledging those that are responding to their current economic situation. We are availing of offers, 2 for 1 deals, BOGOL (Buy one get one later) and even haggling.



(Continued from page one)



Online is providing an competitive alternative network for retailers to channel their market. Last December, 82% of Irish people visited an online retail site.(Comreg).

According to research conducted by Millward Brown in 2010, the biggest single change to shopping habits in Ireland was the growth in numbers of people opting to shop in discount retailers, with over 50% of Irish consumers no claiming to do so.

Tesco has taken advantage of the recession with its very successful F&F clothing range, proving that Irish people are not embarrassed to shop in the supermarket. A recent Mintel report observed that "ROI consumers were especially attracted by the price tag of supermarkets' non-food ranges, with price-sensitivity heightened among women and those aged 25-49".

Come on, entertain me!

Whilst we have established that the weakened economy is placing pressure on Irish consumer's spending power, it has also become apparent that we are spending more money on entertainment. We have become a society of people who are perpetually "on" and "connected" – we are entertainment junkies constantly looking for the next fix.

The sale of smart phones continue to soar. 600,000 Irish consumers now own a smart phone. A staggering 8.4 million apps have already been downloaded by almost one quarter of Irish consumers.

There are 656,000 Sky boxes in Ireland and they are currently selling an average of 1000 boxes a week. Irish consumers are not prepared to sacrifice their 'right' to hundreds of channels.

A new highpoint has been reached in Irish Broadband adoption, with the number of subscribers exceeding 1.5 million. Comreg data for 2010 reveals that Ireland has an annual growth of 19.3%.

As with our eating habits, there is no returning to days before internet on our mobiles, no return to slow dial up, and certainly no return to two channels and one TV.

Efficiency is the new effusiveness

So whilst we are determined to keep up our entertainment, shopping and dining out habits, where are we making the cuts? It seems we are not cutting out. It looks like, in a defensive move, we have developed a lifestyle that allows us to be premium and budget shoppers – and efficient ones at that.

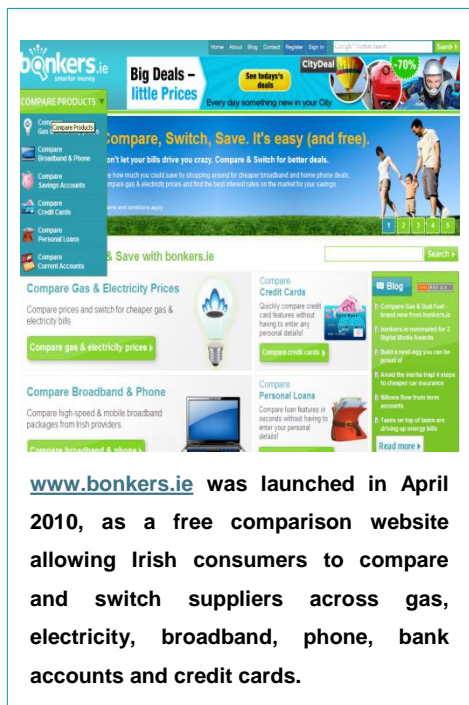
If we look at the Irish car market, since 2008 there has been a 973% increase in the low emission car category (Division A 0-120 Co2 band). In terms of car sizes, again there has been an increase in economical small engine cars and a decrease in the SUV/prestige group.

Irish homes are becoming more efficient, recycling and composting of domestic waste in Ireland is heavily promoted and on the rise. The de-regulation of the electricity market in 2007 has meant providers are getting increasingly competitive and consumers have responded to the cheaper alternatives.

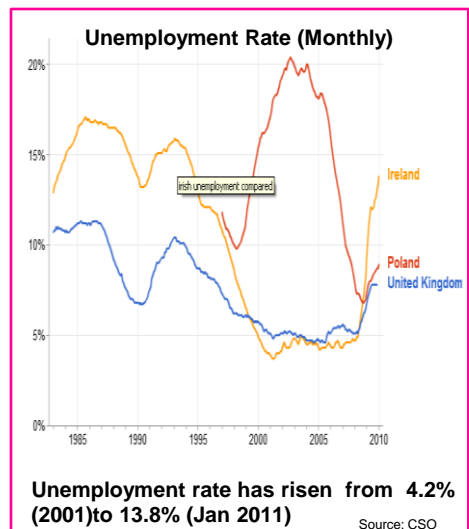
In terms of personal finance, we are now only buying what we can afford, consumers remain cautious in light of weak labour markets and credit card spending has reduced, Mintel reports that monthly credit spending in Jan 2010 had dropped by 16% on the previous year and total loans to households have fallen by 4.8% on annual basis (Central BOI).

Emigration

Unfortunately for all too many Irish people these days the ultimate expression of no going back is emigration. An estimated 70,000 people emigrated in 2010 and 100,000 people are projected to emigrate in 2011. Recessions are all part of a cycle and let's hope when Ireland emerges from the current downturn that this wave of Irish diaspora will return. In the meantime for the rest of us there is no going back, it's just onwards and upwards.



www.bonkers.ie was launched in April 2010, as a free comparison website allowing Irish consumers to compare and switch suppliers across gas, electricity, broadband, phone, bank accounts and credit cards.



MEC Media Owner Market Confidence Survey

- **48% said their advertising revenue performance was as expected in 2010**
- **52% believe that their advertising revenue will increase in 2011**
- **Only 10% believe that their advertising revenue will decline in 2011**
- **However 40% believe that the overall advertising market will decline in 2011**

Q1. What media sector are you mainly employed in?

	Response %
a) Newspapers/Magazines	17.20%
a) Radio	24.10%
a) TV/Cinema	20.70%
a) Online	24.1%
a) Outdoor	13.80%

Q3. Looking back at 2010 how would you describe your company's performance in terms of advertising revenue?

	Response %
a) Better than expected	37.90%
a) As expected	48.30%
a) Worse than expected	13.80%

Q5. Has your company implemented a rate card increase in 2010?

	Response %
a) Yes	10.30%
a) No	89.70%

Q7. In your opinion how will overall (all media) advertising expenditure perform in 2011?

	Response %
a) Increase	20.70%
a) Remain the same	37.90%
a) Decrease	41.40%

Q9. Do you think the IMF bailout has been a good thing for Ireland?

	Response %
a) Yes	75.90%
a) No	24.10%

Q2: Which of the following bands does your advertising revenue fall into?

	Response %
a) €0-5m	34.50%
a) €6-10m	10.30%
a) €11-25m	24.10%
a) €26-€50m	20.70%
a) €51-100m	6.90%
a) 100m+	3.40%

Q4: Looking forward to 2011 how do you think your company will perform in terms of advertising revenue

	Response %
a) Better than 2010	51.70%
a) Same as 2010	37.90%
a) Worse than 2010	10.30%

Q6: Do you have any plans to implement a rate card increase in 2011

	Response %
a) Yes	31.00%
a) No	69.00%

Q8: When do you think Ireland will emerge from recession?

	Response %
a) 2011	10.30%
a) 2012	34.50%
a) 2013	27.60%
a) 2014	17.20%
a) Longer than this	10.30%

Q10: In terms of the economy do you think the worst is over for Ireland?

	Response %
Response %	
a) Yes	44.80%
a) No	55.20%

MEC Stats Corner #1

Top Ten TV Programmes (Adults) 2010

PROGRAMME	TVRs Ads 16+	'000	SHARE
The Late Late Toy Show	34.1	1144	67.9
Weather /Six One News	27.1	907	65.6
The Sunday Game Live	26.9	901	70.7
Weather/Nine O' Clock News	26.1	874	49.2
The Rose of Tralee 2010	25.4	855	55.7
The X Factor: the results	23.5	786	43.9
Fair City	23.2	778	44.5
Prime Time Investigates: Carry On Regardless	22.7	760	43.3
Coronation St Live	22.1	741	42.8
The Eurovision Song Contest	21	705	53

- Once again the old favourites reign the top programme slots for 2010, including the Late Late, News and X Factor.
- Despite all the extra channels, modes of entertainment, and other distractions, The Late Late Toy Show has remained the most viewed show for Ads 15+ for the last five years running (2005-2010).
- TV3 and 3e had a particularly strong year, with both the X Factor (TV3) and the move in EPG (3e) helping largely towards this. The Live episode of Coronation Street celebrating their 50th anniversary boosted the programme into the top 20.

Top Ten Radio Programmes (Adults) 2010

STATION	TIMEBAND	SHOW	ADS L'SHIP ('000)
Radio One	0700-0900	Morning Ireland	449
Radio One	1345-1500	Liveline	392
Radio One	1300-1345	News at One	335
Radio One	0900-1000	The John Murray Show	332
Radio One	1000-1200	Pat Kenny	324
Radio One	1630-1900	Drivetime	234
Radio One	1200-1300	Ronan Collins	223
Today FM	0900-1200	Ray D'Arcy	219
2FM	0900-1100	The Tubridy Show	216
Radio One	1500-1630	Mooney	211

- While total impacts on TV increased by 5% overall (Ads), radio listenership continues its downward trend. All shows on all national stations (Mon-Fri 0700-1900) experienced a decline, ranging from 20% drop (Ian Dempsey) to a 3% drop (Ronan Collins). Moncrieff's show on Newstalk was the only national programme to experience an increase (2%)

Radio iPhone App Downloads

2FM	Radio One	Today FM	Spin FM	FM104	98FM	Newstalk	Q102
223,481	180,191	91,035	75,000	65,000	45,000	65,000	10,000

- Besides looking at radio listenership, we should start paying more attention to the number of consumers who download radio apps. There were 1,600 downloads of the Spin app on Christmas day alone. Radio isn't simply about 'listeners' anymore, consumers are connecting with stations through their phones, through Facebook and of course through station's own websites.

MEC Stats Corner #2

Ireland's top ten Facebook FMCG brands <small>(as of 25/2/11)</small>	
Page	No. Of fans
Mr.Tayto	99,344
Barry's Tea	30,468
Dublin Dr. Pepper	28,765
Lyons Tea	21,511
HB Ice Cream	21,426
Starbucks Ireland	21,425
King Crisps on Bread	18,782
Ben and Jerry's Ireland	15,693
Innocent Smoothies	13,292
Lynx Effect Ireland	13,085

Top Twitter trends globally 2010	
1	Gulf Oil Spill
2	FIFA World Cup
3	Inception
4	Haiti Earthquake
5	Vuvuzela
6	Apple ipad
7	Google android
8	Justin Bieber
9	Harry Potter & the Deathly Hallows
10	Pulpo Paul

- There are now over two million Irish consumers on Facebook. Besides traditional mass and niche marketing, it's ability to offer instant consumer feedback is a massive benefit to brands and marketers. It will be all about 'social recommendations' in 2011 as the trend show that consumers are four times likely to buy something that friends have recommended.
- Twitter has found it's niche as being the perfect microblogging tool. Commonly, consumers watch TV, comment on Twitter and allow the conversation to grow.

Ten things we don't want to hear in 2011

Touch Points	This really sounds like something you should do in the privacy of your own home, however these days it refers to moments with which you can connect with consumers.
Green shoots	This phrase was very much in vogue in the first half of 2010, don't expect to hear much of this again until the back half of 2011, at least.
360 Approach	Frequently employed by companies begging for people to believe that they have covered all angles but rarely do. All the rage in 2010.
The New Normal	This is phrase that has been coined to describe our new age of austerity. However we are secretly hoping that the new normal will soon become the abnormal and Ireland will return to normality
Elevator Pitch	This has been used a lot in 2010 to describe a short 30 seconds pitch, or to use more outdated language, an executive summary. The reality is that most people do not speak in the lift, generally avoid eye contact and play with their phone. Doesn't sound like the best way to pitch!
Deferred Success	Watch this one in 2011. This could very well be the phrase used to describe the period we are in now. Look on it as a type of purgatory between two booms.
Eyeballs	'Seen by X eyeballs'. Are people counted twice? Because most of us have two eyes..
Social	Have you gone social? Do you have a social strategy? How many fans do you have? If you don't understand these questions you should be worried.
Go Offline	Ironically, you can 'go offline' via email. Why not just say, 'We will continue this conversation privately later'.
At the end of the day	This one is banned in our office. I would have thought that the end of the day one goes to bed. What I want to know is how come a hackneyed six word phrase is used when it would be more appropriate just to say ultimately.

MEC Says

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Sitting Ducks

Marketers should literally be chomping at the bit when presented with opportunities like this..



Facebook revolutionises revolutions

I don't know about you but when you hear about revolutions around the world you think of grainy black and white films with people....



Why less is more with Twitter

When Twitter was introduced to the world way back in the dark ages of 2006, founder Jack Dorsey faced a barrage of criticism from technology experts....



Consumer Trends 2011: Let's Go Mobile

Consumer technology trends are swamped with everything mobile. Below is a list of the all that we are doing/and expect to be doing shortly on the go.

Apple will be fitting their ipads and iphones with technology that will allow users to swipe and buy later this year. Nokia will be bringing out a phone with similar technology, while Google already have this capability.

Moblogging: First Tunisia, then Egypt and now Libya. We no longer have to rely on journalists, or large organisations to spread a story. Facebook spread the word on the Jasmine revolution, while Twitter helped organise the biggest upheaval ever seen. While the Egyptian government tried to 'close down' the internet Google and Twitter joined forces to launch a service to allow Egyptian users to send Twitter messages via a speech-to-twitter service.

Mobile cash register: Sale representatives will now be able to complete consumer transactions on their ipad. This inevitably will mean less queuing and possibly more impulse buying - both the frustration of having to queue, along with the potential guilt of buying an expensive item are erased.

Mobile Money/Digital Wallet: It's much easier to react to appeal 'Text XXX' than fishing a euro out of your pocket for charities. Initially a massive success with the Haiti appeal in January 2010, many other charities have taken it on board since.

Personal Email: With 120% penetration of mobile phone , 1.5m consumers on Facebook and 21,000 on twitter, we can now FB, tweet or text in seconds. Surely the obliteration of personal email is neigh?

Facebook Deals: This already exists in many countries, including the UK, this phenomenon comes to Ireland in June. A consumer 'checks-in' (this facility already exists) and they are sent offers from stores and brands nearby.

QR codes: They've been visible on more and more products, but this as a trend should really come to fruition in 2011. Consumers will be able to scan the Quick Response (QR) code and view more information about the product. Expect to see more on outdoor, print and ambient media.

Group Buying: Many restaurants offer consumers early birds, money off vouchers etc., but the new 'money off' trend has come in the form of group buying The website www.Citydeals.ie launched in 2009, offers daily deals on golf lessons to massages, to haircuts and take away – on the provision that a certain % opt in to buy into the offer. Businesses themselves are learning the value of 'grouping', whereby a group with a common interest (e.g. arts and crafts) come together to rent a building, thus spreading the costs of overheads and any other expenses.



My Media: Holly O'Donnell

**View of Media by a TY Student,
Holly O' Donnell, Transition Year, Holy Child, Killiney**



Media today plays a huge part in everyday life. It is always expanding and being updated. For teenagers, working with different types of media is almost second nature as we are growing up with it as it is advancing. One of my favourite things about modern media is TV. One Sky+ , it is possible to record programmes, which means you can watch them any time you want and again and again if you like. Another new great thing about TV is that you can pause live TV, so if you need to answer the door, or make a cup of tea you can pause the programme without missing any of it. It also means that you if you pause TV you can fast forward the programme to real time to that you can skip the ads. This is my favourite part about it. This new technology is highly useful.

Internet is a medium which is always growing and is hugely popular. Teenagers main use of internet is to keep in contact with people through social networking sites such as Facebook. If give you the opportunity to instant message people, it also have a type of email within the site which is great for talking to people and can be easier than email. I love Facebook because it's so simple to talk to friends and see what it going on . You Tube is another huge site that is commonly used by teenagers my age. I like it because it's so easy to find different videos and also music. People like Justin Bieber have become so famous from just putting videos of him singing onto the site and sharing it with the public.

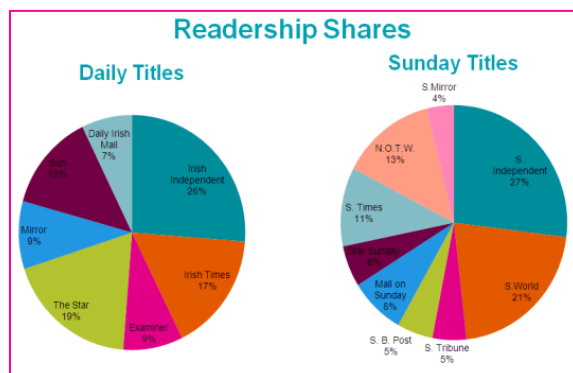
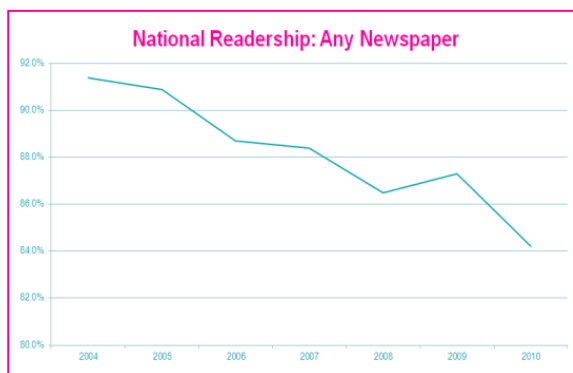
The mobile phone is also a huge form of media that is extremely popular with teenagers. With inventions like the iphone4, a computer is nearly not necessary as it gives you all the same options such as radio internet, etc. Access to Facebook from phones is very great and it's what I love about my phone.

In conclusion, I think that media is a very interesting and effective form of communication that is going to continue to advance. We use it in everyday life and without realising it, can't live without it.

Topline results from JNRS

Readership continues it's downwards slope, with almost all titles losing readers.

Since 2004, readership of Daily Newspapers has fallen by 7.2% with broadsheets suffering most and Sundays have fallen by a massive 9.7%. Newspapers are suffering heavily from the recession and cutting back on newspapers purchases is an easy ask in this age of free information. However, even more worrying is that most newspapers are struggling to attract younger readers and this has drastic long term implications. The Irish Daily Mail was the only title to gain readers in the latest survey and a spokesperson from their marketing department said "Our mission is to connect with our readers at a grass roots level, and over the past year we have continued to invest in content, sponsorship and promotions that are meaningful and relevant to them." This really testifies that in this more socially driven era connecting and engaging with consumers is vital for the future of the Newspaper industry. Sadly, 2011 has seen the closure of two newspapers, the Star on Sunday and The Sunday Tribune. We are undoubtedly entering into an age where the media landscape is in revolution, let's hope that we emerge with at least as strong a media industry in Ireland



MEC In Action



Make-A-Wish

MEC were delighted to accept a platinum award for our work on the incredible 2009 advertising campaign.

To view the TV ad once more, click on

<http://www.youtube.com/watch?v=iTa8AZJU6Vs>

Dickensian December

As if it needed reminding, December was one of the whitest we've seen in years. Despite the presence of cars on the road, I felt that I was immersed in one of Dickens novels leaving the office on a few particular evenings. Thank goodness for wellies and gloves.



Pretty in Pink

Congrats to Eimear Duggan and Jurate Virbukaite who both gave birth to baby girls last Autumn. Emma Duggan Keane and Theia Virbukaite Mohi were born 7 days apart. Must have been something in the water!



Theia



Emma

Spin Fever

In early December, days before the city was blanketed in snow, 98FM and Spin1038 hosted a night in the home of the black stuff, The Guinness Storehouse. We partied the night away amid spectacular views of the city to the sounds of X Factor contestants Diva Fever.



Hugs

The charity Hugs, co-founded by Sarah McDevitt, Anna Brannell and 6 others, continues its incredible work in Kenya. Funds raised from 2010 went towards building a greenhouses and vegetable garden. Below show images of both the garden and greenhouse literally develop from seedlings to full fruitarian. Funding for the next trip this April is underway. For more check www.facebook.com/hugsireland



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