Abstract and Keywords

This chapter investigates changes in consumption during the years of the recession and the subsequent recovery. Drawing on national statistics, attitudinal survey data, and in-depth qualitative interviews with Irish consumers, the chapter provides insight into how people adjusted their consumption and spending habits. Importantly, the study goes beyond macro-trends and seeks to shed light on the personal experiences and behavioural changes that Irish consumers adopted during this time. The research shows that consumption patterns and consumer values have experienced significant changes. Importantly, findings suggest that many spending habits and consumption practices that altered during the recession have been ‘normalized’ for consumers and are likely to influence consumption in the years to come.

Keywords: attitudinal survey data, consumers, consumption patterns, consumption practices, recession

Introduction
The extent to which the recession affected Irish consumers across all social strata and socioeconomic backgrounds took most people by surprise. While the effects of the recession are well documented on the macro-level, there has been little exploration about the impact the downturn has had on consumers and consumption practices. This chapter addresses this theme, and aims to shed light on how Irish consumers adjusted to this new austere reality. In particular, the chapter summarizes key consumer indicators that reflect changes in spending and consumption habits during the years of recession and subsequent recovery. While much has been written on impoverished consumers and the strategies people have utilized to cope with poverty (Hamilton 2009; Hill 2001; Hill and Stamey 1990), little is understood about how (previously affluent) consumers adjust their consumption practices when their disposable income is suddenly reduced. Further, this chapter discusses whether the observed changes in consumption patterns and consumer values brought about by the recession are likely to continue during the recovery and beyond. The chapter draws on national statistics, attitudinal survey data, and in-depth qualitative interviews to provide insight into how people adjusted their consumption and spending habits.

Consumption: The Recession and Recovery

During the so-called ‘Celtic Tiger Years’ (1994–2007) the Irish economy had grown at an average annual rate of 6 per cent, while unemployment fell from 14 per cent in 1994 to 4.7 per cent in 2007. During the same period, the average disposable income increased by 132 per cent, while poverty levels (p.125)
dropped from 14.5 per cent to 5.1 per cent of the population (CSO 2014). As a result, consumption during the Celtic Tiger years increased dramatically.

In 2008, the collapse of the Irish economy led to a drastic reversal of these trends. A study conducted by the National Economic and Social Council (NESC 2014) showed that most households experienced a drop in wealth and/or income, while data from the Central Statistics Office (CSO 2014) suggests average disposable income fell by about 16 per cent between 2007 and 2012. These figures closely coincide with a drop in consumer spending. Specifically, data from the quarterly consumer market monitor (Lambkin 2016) shows that, for the same period, personal spending declined by almost 13 per cent in current terms (Figure 7.1).

According to the CSO, in 2011, 79 per cent of Irish households cut back their spending (CSO 2012). In particular, these cutbacks happened mainly in areas such as clothing and footwear (64 per cent), socializing (57 per cent), groceries (56 per cent), and/or holidays abroad (48 per cent). Moreover, people made cutbacks in areas such as health insurance (15 per cent) and pension contributions (11 per cent). The decrease in spending is most notable in the Irish Retail Sales Index (Figure 7.2), which shows a 13 per cent decline in volume and 17 per cent decline in value between 2007 and 2012.

Figure 7.2. Retail sales index: 2006–15 (Base 2005=100)

A detailed breakdown of retail sales shows that some sectors were affected more than others. In line with the CSO data, sectoral retail figures (Lambkin 2016) show that the value of clothing and footwear sales declined by 29 per cent between 2007 and 2013. Interestingly, however, the volume of sales only declined by about 6.5 per cent, suggesting that people sought out value, and bought more products on discounts and promotions. Likewise, over half of Irish consumers stated they had reduced spending on socializing, which is most notable in the figures for Ireland’s bar trade. For the recession years, (p.126) volume sales of bars decreased by 33 per cent, while the value of sales dropped by over 30 per cent. Food sales were affected, but not as drastically as some other areas. According to Lambkin (2015: 26), ‘food sales increased steadily between 2005 and 2008 along with most other retail categories, increasing by 16 per cent in volume, an average annual growth rate of 5.3%’. However, sales only dropped by just under 3 per cent in both volume and value between 2007 and the end of 2012. Most notably, and not surprisingly, Irish consumers cut spending on big-ticket items such as holidays and private cars. For example, the overall number of outbound holiday trips made by Irish residents declined by 31 per cent between 2007 and 2012, while the average estimated spending per trip decreased by over 42 per cent during the same period (CSO 2015a). Likewise, sales of new private cars, which increased dramatically during the Celtic Tiger era, declined by more than 60 per cent.
While the emergence of the recession and the resulting rise in unemployment and fall in average disposable income would explain this dramatic fall in spending, it has been observed that the ‘decline in consumer spending is more pronounced than can be explained by changes in current income’ alone (NSDO 2009: 13). For example, data from the CSO (2015b) show that the level of net personal saving in Ireland increased from 0 per cent of personal income in 2007 to 9 per cent in 2012. Importantly, the net savings ratio has remained high, indicating that consumers have been concerned to restore their finances, and repay loans and credit card debts (Lambkin 2016). However, the most significant factor is the sharp decline in consumer confidence, which reached an all-time low in 2008 (Figure 7.3), and remained low throughout the International Monetary Fund (IMF)/European Union (EU) bailout in 2010, and the Eurozone crisis of 2011–12 (Lambkin 2016). The Consumer Confidence Indicator reflects (changes in) consumers’ assessment (p.127) of their: (i) personal financial situation; (ii) general economic situation; (iii) unemployment situation; and (iv) personal savings, over the next twelve months. Importantly, the steep drop in consumer confidence was directly attributable to the economic collapse, the subsequent rise in unemployment, and the corresponding decrease in income, including pensions. Further, the prospect of future tax increases and/or earnings reductions could have had a significant impact on consumers’ confidence (NESC 2009).

While most households made significant cutbacks in spending, estimates suggest that, in the case of 38 per cent of households, expenditure exceeded disposable income during the recession years (NESC 2014). Further, the same study suggests that 23 per cent of Irish households were in arrears with at least one bill or loan. While mortgage arrears of more than ninety days were practically zero in 2004, they stood at 12 per cent for principal private dwellings in 2012. People most likely to be in mortgage arrears included those who had lost their jobs, took out mortgages in the 2000s, and/or younger mortgage holders (NESC 2014).

Further, the proportion of people in consistent poverty increased from 4.2 per cent in 2008 to 7.7 per cent in 2012. The number of people who were deprived (i.e. lacking at least two basic necessities) increased from 11.8 per cent in 2007 to 26.9 per cent in 2012 (CSO 2014). According to the same
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study, the types of deprivation experienced most commonly related to consumers’ inability to replace worn-out furniture (24.5 per cent), afford a morning/afternoon/evening out (23.3 per cent), or to have family/friends over for a meal/drink (16.1 per cent).

However, it is important to note that the years of recovery (2012–15) have seen a slow reversal of some of these trends. For example, Figure 7.3 illustrates that consumer confidence is higher than at the peak of the Celtic Tiger in 2007, and that consumer spending (Figure 7.1) and retail sales value (Figure 7.2) have increased by 5 and 3 per cent, respectively. While these trends are positive signs for economic recovery, ‘much of this reflects “pent up demand” in the economy following a long period of stagnation, and this can be seen most clearly in growing sales of “big ticket” items—homes and home furnishings, new cars, clothing and other consumer durables’ (Lambkin 2016: 1). Another indicator that Ireland has not (yet) returned to the spending habits of the Celtic Tiger is the continuing decline in the number of personal credit cards and the value of credit card debt. The number of credit cards in circulation has fallen by 10 per cent since 2012, and over 27 per cent since its peak in 2008 (Central Bank of Ireland 2015). Concurrently, Irish consumers’ credit card debt peaked in 2009, and has since fallen by over 38 per cent (Lambkin 2016), suggesting that consumers continue to consume more prudently.

Consumers’ Experiences and Coping Strategies During the Recession
While the statistics provide a detailed profile of the extent to which the recession and subsequent recovery affected spending and consumption, they say very little about how Irish consumers coped with these changes. In industrialized countries, consumption is an activity that enriches people’s lives, gives them meaning (Belk 1988), and helps construct their identity (Arnould and Thompson 2005). Consumer research has emphasized that consumption plays an important role during periods of transition, and suggests consumption may help people to cope with and reduce uncertainty (Andreasen 1984; Schouten 1991; Price, Arnould, and Curasi 2000). It is less clear what happens when people transition from a period of personal affluence into one of material deprivation, and by definition, cannot use consumption as a strategy of coping in the same way due to their new circumstances. Research has shown that transitioning into deprivation, or worse into poverty, is often accompanied by a feeling of ‘losing control’ over a situation (Hill 2001; Baker, Gentry, and Rittenburg 2005), and of people feeling ‘trapped, alone, and unable to manoeuvre their way back to their previous consumer lives’ (Hill 2001: 375). The literature has identified different coping strategies (Adkins and Ozanne 2005; Baker, Gentry, and Rittenburg 2005) that consumers have availed themselves of in situations of impoverishment and/or deprivation. It is apparent in the Irish case that many consumers were forced to significantly change their spending and consumption habits. The second half of this chapter seeks to shed light on the personal experiences and behavioural changes that Irish consumers used to cope with their changed circumstances. Furthermore, it addresses the question of whether the recession is likely to have altered patterns of consumption in more lasting ways that will prevail beyond economic recovery.

In order to explore how Irish consumers managed the transition from abundance to austerity at a more micro-level, twenty-six people were interviewed between 2012 and 2013. During the in-depth interviews, which lasted on average between sixty and ninety minutes, participants gave detailed accounts of their personal experiences and consumption practices before and during the recession. All had been adversely affected by the recession by, for example, reductions in wealth or income, significant mortgage debt, and/or negative equity. Furthermore, close to half of the participants
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(twelve) were affected by sustained periods of unemployment and job insecurity. All were Irish citizens who had lived in Ireland throughout the Celtic Tiger years as well as the recession. The participants’ age ranged from 28 to 65 years old, and, according to their education and occupation, the majority (twenty-one) could be classified as middle class, while the remaining five were working class. The participants interviewed were drawn from the four provinces of the Republic of Ireland. The majority (sixteen) lived in towns or cities, while ten lived in villages or isolated rural areas.

While all participants had experienced some loss of income and/or wealth, consumers’ coping strategies differed significantly. In the following we outline the most commonly mentioned adjustments in consumption and spending practices that occurred during the transition from (relative) prosperity to austerity. When asked about their experiences and feelings towards the Celtic Tiger years, all consumers vividly recalled their personal expenditure and consumption habits during that time. Many remembered and reminisced about unique experiences such as exotic holidays, expensive nights out, and/or the purchase of big-ticket items such as houses, luxury cars, or designer clothing. A common theme was that most participants did not used to worry about the consequences of their consumption habits. As one recalls: ‘I didn’t care, I had the money…it was there for the spending.’ However, it needs to be noted that, for many, expenditure and consumption were partly financed by borrowing.

Despite a sense of material excess and indulgence that many interviewees engaged in during the Celtic Tiger era, the majority stated they felt comfortable but not wealthy during that period. Most recalled that they experienced a sense of material security, absence of financial worries, and a feeling of freedom and limitlessness in regard to buying and spending. As one participant recalls, ‘I would never have been worried about not being able to pay a bill (p.130) or not being able to pay my rent. I was never concerned that we didn’t have enough to get by on.’

Experiences during the recession provided a stark contrast to consumer spending habits during the Celtic Tiger years. Feelings of security and exuberance were replaced by anxiety and frustration, often accompanied by (involuntary) shifts in consumption practices. One participant explained that ‘it’s
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frustrating not having disposable income—the frustration
would be lack of job prospects, lack of money in my pocket’.}
Another voiced similar feelings: ‘I’m resigned to sort of
existing for the next five years, rather than living, you know.
That’s probably the sad thing for me.’
Cutting Back and Changes in Shopping Habits

A common theme that emerged was the immediate change in spending habits as a result of reductions in wealth and income. The extent of cutbacks ranged from discontinuing certain consumption practices completely, to reductions in spending, and/or availing of alternatives. Across almost all forms of consumption, participants reported some level of change or modification in overall expenditure, in frequency of consumption, in amounts consumed, and in types of consumption.

Cutbacks in spending ranged from essential items such as food or utility bills, to discretionary/luxury items like holidays or beauty products. In regard to the former, for most participants one of the first and most lasting changes in consumption habits occurred in grocery shopping. Almost all interviewed consumers mentioned low-cost multiples (Lidl and Aldi), and described how they had partially or fully transferred their shopping to discounters. For example, one participant declared that ‘we do all our shopping in Aldi now. Without them we’d be starving because you couldn’t afford to buy food in the likes of Superquinn [a high-end retailer that was taken over in 2014 by the Supervalu chain] now.’ The personal accounts thus mirror market trends, which show that discounters’ share of the Irish grocery market grew from 5.4 per cent in 2005 to 11.6 per cent in 2013. Importantly, this trend seems to be continuing, with latest figures showing that, as of August 2015, Aldi and Lidl’s market share accounted for about 17.8 per cent (Kantarworldpanel 2015).

Consumers’ behavioural changes also affected the shopping process. A large proportion of participants reported they had changed from an ad hoc, spontaneous shopping behaviour, towards more carefully planned shopping, which often included detailed shopping lists, the collection and use of coupons, as well as actively seeking special offers. A 2014 shopper survey, which was conducted with a representative sample of the Irish population, revealed that 52 per cent of consumers claimed they buy more goods on special offer than they did before the recession (Beere 2014). The same survey revealed that 66 per cent of shoppers plan their grocery shopping more, while 71 per cent claim to purchase more own brand/private labels than they did before the recession. For example, one participant stated that: ‘you go to the reduced section first...because you can pick up a salad and...’
it’s like two euro and then you go over the reduced section and
it’s like thirty cent and you know you’re going to consume it
within that night’. A number of those interviewed also
explained how they had cut back expenditure on clothing and
shoes, and that impulse purchases had been drastically
reduced. Most claimed they had reduced overall spending, but
also had shifted towards cheaper retailers like TK Maxx,
Penneys, or H&M, as well as doing more of their shopping
online and/or only during the ‘sales’. For example, one
participant said, ‘I would try and wait until they have some
sort of mid-season sale or a Christmas sale…summer sale.’
Again, these personal accounts correspond with survey data,
showing that 78 per cent of shoppers actively sought out
cheaper ways of living (Beere 2014).

Cutbacks also affected personal transportation and travel.
While many delayed buying new cars, or rationed their use to
cut petrol consumption, others traded down or sold their
car(s) altogether. For example, one participant explained how
she had to give up her car, and was now no longer able to
drive her elderly father to church on Sunday. Others reported
they had switched completely or partially to alternative modes
of transport such as cycling or buses. Similarly, most
participants gave up or scaled back on holidays abroad. For
example, one stated: ‘2007, 2008 was a very, kind of,
financially restrained time. We didn’t have any holidays for
four years. The whole travelling thing stopped.’ Survey data
reveals that, in 2014, a large proportion of consumers (46 per
cent) claimed they were unlikely to make a big-spend purchase
in the next twelve months (Beere 2014).
Shifting from Public Spaces and Being More Thrifty

The majority of participants reported they were forced to make cuts that affected their social lives. While some, mainly the younger group, reduced the frequency of their nights out with friends and/or family, almost all reported they had cut down on eating in restaurants and/or visiting pubs. For many, their social life had shifted from public spaces (e.g. restaurants, bars, nightclubs) into their private homes or those of their family and friends. As one of our participants explains: ‘I wouldn’t deny myself a bottle of Pinot Grigio on a Friday night, with a DVD. So, that would be my idea of socializing, as in getting my friends up or go to theirs…but nothing like going to a club.’ Again, the personal accounts of consumers mirror trends in the market, which, as a result, forced many bars and pubs in Ireland to close. Data from the Irish drinks industry indicates that the number of pub licences plunged by 13 per cent between 2007 and 2012 (Lambkin 2016).

For the majority of people, economic cutbacks meant they had to be more frugal and make do with limited financial means. However, some participants said they had fully embraced the new lifestyle, and found some gratification in saving money across different consumption contexts. For example, one participant stated that ‘even if I’d had the money, I wouldn’t have gone out and replaced it...no, I just don’t think you have to...sell on or replace something which is still working’. Many said they had delayed replacing cars or electrical and home entertainment equipment as well as mobile phones or clothing. The interviews also pointed towards some potentially longer-lasting changes in people’s mindsets, which in some instances had changed from a ‘throwaway mentality’ to a more frugal approach.

The trend towards simpler forms of consumption has been popularly termed ‘voluntary simplicity’ (Shaw and Moraes 2009). While many Irish consumers were ‘forced’ to adopt more prudent and frugal consumption decisions, others said that it was a deliberate lifestyle choice. The findings seem to tie in with findings from a nationally representative online survey (n=600), which was conducted by the Irish Food Board, suggesting that 66 per cent of Irish consumers are now actively looking for ways to simplify their lives (Bord Bia 2015).

Being Creative and Innovative
While embracing a more frugal lifestyle was one way of coping with involuntary cutbacks, some participants actively explored different ways to consume. Indeed, many of these aimed to be (financially) ‘less dependent’ on their consumption habits. For example, one participant explained how she had bought a sewing machine in order to alter her existing clothes: ‘I’m saving all that money on, you know, altering clothes...Instead of bringing them to the dressmaker and paying twenty euro a pop, to get a hem turned up.’ Others explained how they had begun to invest more effort and time ‘sourcing’ (cheaper) alternatives, like one individual who described how he replaced oil with wood: ‘So, I have been cutting down the forest bit by bit and that’s my source of heating.... I’m saving probably...forty euro a week by not having to buy oil.’ This trend towards more self-reliance has been partly driven by a growing decline in trust towards businesses. Survey findings suggest that 72 per cent of Irish consumers are sceptical of claims made by big brands (Bord Bia 2015).

While many of the changes made by consumers involved avoiding and being less dependent upon big institutions, such as brands, retailers, and/or utilities, other consumption practices appeared to verge towards the unlawful. One (p. 133) participant explained that she was no longer able to afford the subscription fees for her cable network. However, instead of reducing television consumption, she downloaded codes from the Internet, which unscrambled all signals ‘for free’. Likewise, some participants talked about downloading and streaming of music, television series, and movies for ‘free’. For example, a widely reported study by Ignite Research for Core Media suggests that, on average, about 36,806 Irish adults illegally download media content every day (Taylor 2015).

Many alternative ways of consumption developed in social contexts, and involved an element of sharing. For example, some female participants took part in clothes swapping parties with their friends in order to update their wardrobes, and exchanged outfits for work, day-to-day wear, and special occasions, which they otherwise could no longer afford. As one participant stated ‘I don’t worry about my clothes anymore because...we’re swapping all our clothes around...’ The personal accounts of participants seem to reflect a more global trend, which has received growing attention in the media and has been widely labelled as ‘the sharing economy’ (Friedman...
2013). Further, the in-depth interviews tie in with the nationally representative survey data, which suggests that a growing proportion of Irish consumers are seeking fulfilment from things other than (materialistic) consumption (Bord Bia 2015).

Reconnecting

During the interviews, many participants, particularly the older ones, explained how they felt they had lost touch with certain values, people, and activities throughout the Celtic Tiger era, and how the recession had given them an opportunity to ‘reconnect’. Indeed, many participants described how they had engaged in or experienced more altruistic and collaborative behaviours: ‘Everyone’s giving out a little bit to get by…everyone scratches everyone else’s back…’. In this way, participants explained how reconnecting with activities and people that they had valued, but had somewhat neglected throughout the Celtic Tiger years, helped them to cope during this difficult time of transition. For example, many emphasized the importance of reconnecting with family. One participant, for example, explained how his wife lost her job and how they struggled financially, but how he felt their circumstances had partially improved because they spent more time together as a family. Survey research shows that 92 per cent of Irish consumers now view being a dutiful member of their family as a sign of success in life (Bord Bia 2015).

Many participants said this feeling of reconnecting had extended into the wider community:

I think...that there’s a stronger sense...community. I can even see it with my brother, after his business failed... there were other people whose businesses (p.134) failed, as well but they...all go out of their way to help each other. Like, if something comes up or someone hears of someone looking for something, they’re more than willing to recommend or...they kind of go out of their way to help...

Again, the Bord Bia (2015) findings suggest that people have reconnected with their local communities, with 74 per cent believing that groups of individuals making small changes in their behaviour can make a big difference in the world.
Our qualitative research revealed that many participants had taken up volunteering roles in their local communities, for example, helping people who had been affected by the recession. One stated that: ‘I volunteer...in a mental health organisation...we go on retreats and take all the youths—the teenagers—out and we’re taking them up to Offaly, in a couple of months’ time and it was Killarney only recently, so...going for the whole weekend.’

According to survey research, 94 per cent of Irish consumers believe that being physically fit and in good health is a sign of success in life, compared to 17 per cent who believe they would be happier if they had more material possessions (Bord Bia 2015). One participant recalls: ‘I actually sat down and started to read books again, you know, something that had been lost on me.’ Another described how growing potatoes and reconnecting with nature had helped him cope with a drastic drop in income:

I suppose the growing of the potatoes is almost like a spiritual thing because the piece of ground that I decided to plant the potatoes in last year, is bog land, literally and we ploughed it last year and we turned it over and it was so rough and it was very frustrating and I was a lot heavier than I am now and I was unfit and in bad humour and so many things wrong...but we got potatoes in there and we got potatoes out of the ground, so the first day, it was like a big celebration here...

However, for others, the economic downturn had more detrimental effects on their social relationships with friends and family. One participant explains how many of his friends emigrated due to lack of job prospects in Ireland: ‘Our (GAA) football team has been damaged because of the players leaving...that actually makes me feel quite emotional about it because some very close friends of mine are in Australia now and I won’t see them for some time. Some of them may not return.’ Some participants found it incredibly difficult to cope at all, and either surrendered to their bleak circumstances or were actively seeking support.

Struggling and Seeking Support
People with particularly constrained financial circumstances and debt struggled to find ways and mechanisms to deal with their new circumstances. In particular, people who
felt they were being chased for outstanding loans, bills, mortgages, or other repayments often found it very difficult to cope. While some managed to negotiate smaller loan repayments, others were faced with giving up essential items such as health insurance or pension plans. For example, a participant who was in a very difficult financial position stated that: ‘the worst one, because I am a diabetic, was losing my VHI [private health insurance]’, while another participant described the worry he felt after having to give up health insurance even though his wife had a serious heart condition. Others described how being hounded by banks made them ignore most phone calls and bills, as they were simply unable to cope with the mounting pressure, particularly in situations where participants felt the looming threat of potential repossessions of family homes.

Continual economic cutbacks had serious implications for some people’s physical and mental well-being. Commonly mentioned symptoms were depression, depressive thoughts, anxiety attacks, strains and breakdown of personal relationships, and excessive use of alcohol. For example, one of our participants, playing on a well-known advertising slogan at the time for Orange Mobile, stated about his own future that ‘Well, I can say to you, my mantra, of late, has been the future is grim, the future is grey.’

While the recession put additional stress on people with pre-existing mental health problems, those with no previous mental health issues were also affected. Other studies of how people coped during the recession reported similar conclusions: ‘Some of these individuals may have little previous experience of coping with hardship (some may have been quite well off materially) and may be at greater risk of mental health problems that others who are “inured” to financial insecurity’ (Mental Health Commission 2011: 9).

In response to such stress, some participants actively looked for emotional and material support. Some were, in part, being supported financially by family members, while others sought advice and support from debt agencies and support groups such as Money Advice and Budgeting Service (MABS), the Phoenix Project (support for distressed borrowers), and/or charities such as St Vincent de Paul. MABS reported: ‘a 10 per cent increase in the number of people accessing their service in 2010 compared to 2009 and figures for 2011 show a further
increase’ (Mental Health Commission 2011: 9). One participant recalls how she sought support when she had no other options left:

Well, my personal friends would say to me, ‘Why are you so proud? Why don’t you ask?’ and I said—at one stage, I was very much at breaking point and I did have to contact St Vincent de Paul’s myself. I did. I didn’t have a choice...everything was on top of me. The bills were on top of me. Everything was just out of control and I just couldn’t take it. (p.136)

Have Patterns of Consumption Changed?
While the recovery has seen consumer confidence in Ireland steadily returning, many spending habits and consumption practices that altered during the recession have been normalized for Irish consumers and are unlikely to change soon. On a general level, many of the participants interviewed, in retrospect, expressed ambivalent feelings towards consumption during the Celtic Tiger years, as well as during the recession. Participants felt positive about the boom years, particularly about having job security and disposable income. When thinking back on the Celtic Tiger years, one explains ‘Oh, I think it was a great time—I do. I felt great, purely because of financial reasons. If you lose a job, you’ll get another one tomorrow…’, while another recalled that the positive aspect of the pre-recession era was that: ‘you had money to spend...and the freedom to do whatever you wanted...but you’re actually trapped [in the recession]’.

However, consumers also saw negative features of the Celtic Tiger years, and many discussions revolved around how consumption and materialism had spiralled out of control, most notably in the property market. As one person recalls: ‘When property got more expensive in Dublin than in London or New York, you’d kind of see that there is something broken.’ Others recalled how even socializing had become lavish, and that excessive spending was driven by social pressures and conspicuous consumption, and one remembers that ‘there probably was an element of keeping up with the Joneses, people put pressure on themselves. I think Irish people kind of lost a bit of identity...’.
While losses in income and wealth, and the fear of losing their job, forced participants to cut their spending, this was mirrored by more general changes in consumption practices during the recession. These were most notable in a more price-conscious and measured approach to consumption and shopping, as well as a move away from ‘big brands’. For example, one person said that ‘[i]f we do, eventually, get out of this… I’ll always be more price-aware and always kind of look at little bit more at what the different prices are’. Another made a similar statement, saying that, ‘You’re more careful with consumption. So, you’re more conscious of what you spend, you’re more conscious of value for money, you’re more conscious of what you might have to sacrifice.’

Importantly, these austere shopping behaviours have been normalized. While, during the recovery, consumer spending has seen a significant increase, much of it reflects pent-up demand and market figures indicate that Irish consumers are unlikely to return to the conspicuous and lavish consumption patterns of the Celtic Tiger years. Findings from the Retail Ireland Shopper Attitude Survey (Beere 2014) show that consumers ‘remain very price conscious, with savvy shoppers buying more goods on special offers and “own brand” products’. For example, in the automobile market, mid-market brands like Kia, Hyundai, and Skoda, which are considered as ‘good value for money’ (p.137) by consumers, have seen the most substantial increase in market share (SIMI 2016). Likewise, budget retailers like Aldi and Lidl continue to grow their share in a post-austerity market environment (Kantarworldpanel 2015).

Some of these changes seem to be grounded in disillusionment and distrust in institutions, and a general strive towards consuming less (material things). In this way, it appears that not only spending patterns changed, but that the meaning of consumption may have significantly been altered over the course of the recession. For example, one of the older participants critically reflected that the recession had a positive aspect in that it forced people ‘to absolutely abandon that fast-lane, consumeristic lifestyle they were just getting a taste for…’. This sentiment was reflected in nationally representative survey research, which suggested a greater
desire among many (particularly younger) consumers for more simplified lifestyles and consumption.

This trend is most notable in the rapid growth of the ‘sharing economy’. For a growing number of consumers, temporary access to products and services is now (economically) more desirable than actually buying and owning them outright. The rapid diffusion of so-called ‘access-based solutions’ in entertainment (e.g. Spotify, Tidal, Netflix), accommodation and travel (e.g. Airbnb, Homestay, Couchsurfing), transportation (e.g. GoCar, Zipcar, Dublin Bike), or food (e.g. EatWith, Kitchensurfing) indicates that, for many people, the benefits of sharing and access-based solutions are greater than those of material possessions.

Finally, the qualitative research presented in this study suggests that the recession led many Irish consumers to reassess their values, and their relationships with material possessions. As a result, many consumers claim to have reconnected with the activities and people that they cherished but had neglected before the recession. As one participant reflects: ‘I think families become more important, a little bit because people, during the Celtic Tiger, were just becoming fixated on money and power and moving on and “where can we go next?” whereas now, they’re maybe looking more towards the family and things that count for them.’

The findings correspond with attitudinal research, which shows that 92 per cent of Irish people believe that being a dutiful member of their family is a sign of success, implying that a shift towards non-consumerist values is likely to continue (Bord Bia 2015). This is further supported by market data, which show that the sales of household goods like lighting (+18.7 per cent), electric goods (+10 per cent), and hardware, paints, and glass (+5 per cent) have increased significantly (Lambkin 2016), suggesting that people focus more on their ‘inner circle’ like family and home, and that they seem to care less about conspicuous aspects of consumption. While economic cutbacks, deprivation, and in some cases poverty had a significant and very painful impact on many participants’ lives, the refocus on values such as family and community might be one of the few positive aspects of Ireland’s recession which has continued into the period of recovery. (p.138)
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Conclusion
The aim of this chapter was to describe key changes in spending and consumption that were brought about by the recession, while also reflecting on consumption during the subsequent recovery. Therefore, it went beyond macro-trends and gave a voice to consumers affected by the recession, thus offering micro-level insights into changes in Irish consumerism. In particular, this chapter investigated the strategies that a cross-section of Irish consumers adopted to cope with significant losses in income and wealth. Some struggled during this time of transition, particularly when faced with significant problems such as repossession of houses, loss of health insurance, and the inability to purchase even basic necessities. Some experienced severe financial difficulties, and in some cases saw their physical and mental well-being suffer. However, many participants managed to cope via changes to their lifestyle and through the help of friends, family, and/or external organizations. Key changes often revolved around making economic cutbacks as well as finding more frugal and/or creative ways to consume. However, other behaviours that were adopted appeared to reflect a deeper re-evaluation of the ‘meaning of consumption’.

In particular, people reconnected with values that many felt had partially been lost during exuberant times. The findings presented in this chapter suggest that many spending habits and consumption practices that altered during the recession are now normal for Irish consumers. The observed shifts in shopping behaviour, as well as the trends towards non-consumerist and family values are continuing beyond the recession and are likely to influence consumption in the years to come. While the recovery has coincided with an increase in consumer confidence and spending, the surge in consumption is most likely attributable to pent-up demand. Indeed, consumers continue to be more prudent and less conspicuous in their consumption. Furthermore, consumers continue to save more and to repay loans and credit card debts, and it therefore seems unlikely that the lavish and excessive consumption patterns Ireland experienced during the Celtic Tiger years will return any time soon.

References

Bibliography references:


Notes:

(1) More details on the Consumer Confidence Indicator and how it is constructed can be found here: <http://ec.europa.eu/