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Consumer Outlook 2026

cloudy with a chance of hurricanes

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A year of two halves

- 2025 began with **more than usual uncertainty**: Trump, tariffs… and Trump.
- People and businesses have adjusted, and there is a strong sense that '**we can get through this**' – whatever 'this' is or will be in the foreseeable future.
- The growth outlook for Ireland is considerably more positive than for most other countries: **we have been lucky… so far**.
- But Irish consumers still feel uncertain and external realities **cast a shadow** over retail prospects in 2026 that shouldn't be ignored.

The outlook for growth…

Slowing but (still) growing

Irish Consumer Spending Forecasts

Real Growth	2025	2026
Central Bank	2.9%	2.1%
ESRI	2.9%	2.5%
EY	2.9%	2.5%
Ibec	2.8%	2.4%
Average	**2.9%**	**2.4%**

More people at work + more income from work will drive **consumer spending higher** this year and next.

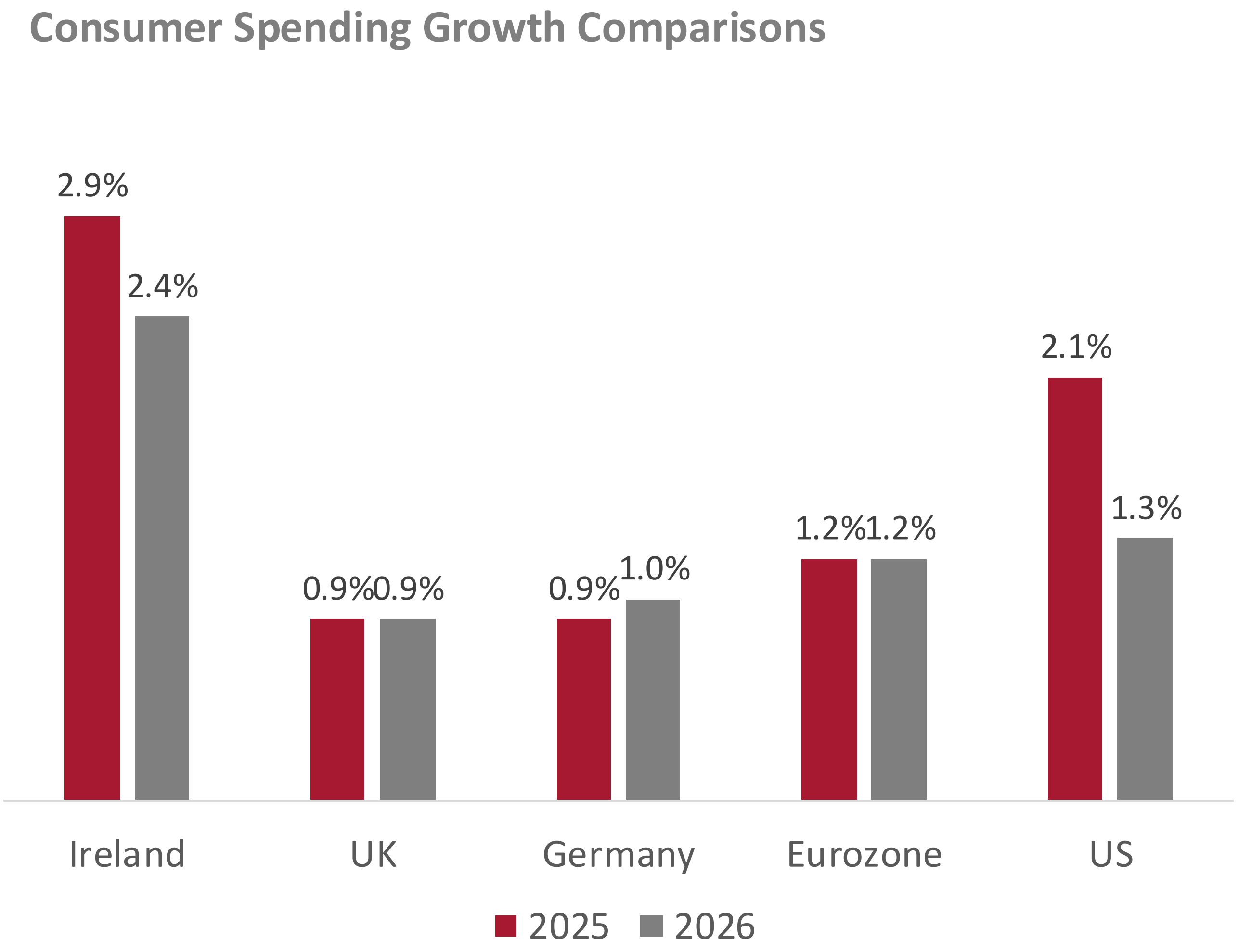
But a great deal of that extra income is being squirrelled away in **higher savings** (we have one of the highest savings ratios in Europe).

In five years' time – 2030 – we will reach **the 50/50 Future**, i.e.: half the adult population (18+) will be aged 50 or older.

Older adults tend to **save rather than spend**, and save rather than borrow: this will have implications for medium term retail spending prospects (and opportunities).

Source: most recent forecasts up to end September 2025

Spot the anomaly



Source: OECD forecasts (except Ireland)

Irish consumer spending prospects are far **more positive** than for other, key markets.

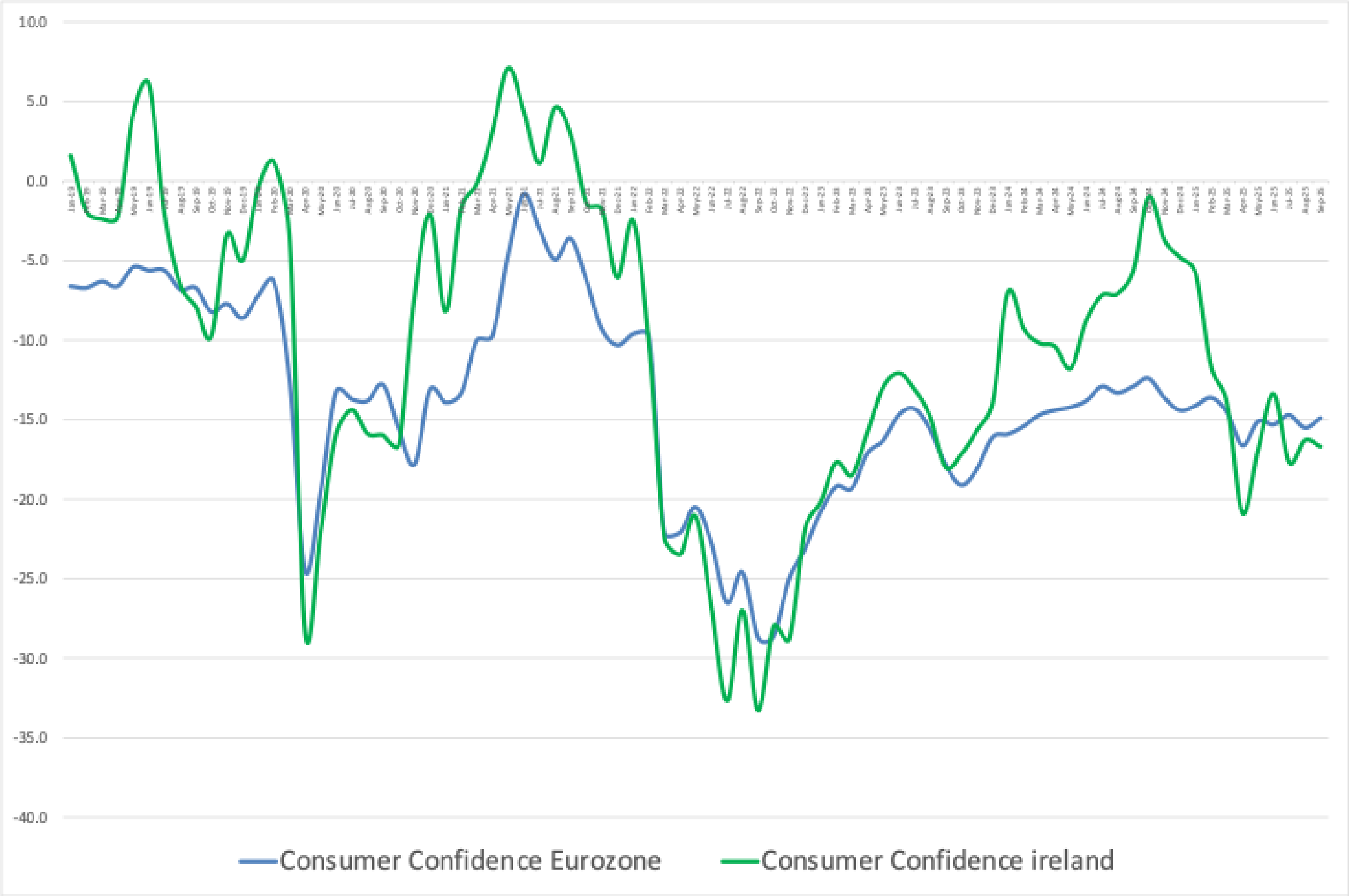
Growth **prospects for the UK** are very vulnerable to even slight changes in inflation, personal taxes and consumer confidence.

But our economic fortunes are tied to the eurozone, and again, **Ireland stands out as an anomaly**: consumer spending here is clearly less vulnerable than elsewhere.

Even the United States will see a sharper downturn in consumer spending growth next year as their own **domestic pressures** and uncertainties impact confidence.

But consumers are less confident than forecasters

Consumer Confidence: January 2019 to September 2025



A year ago, Irish consumers were considerably more confident than the eurozone average, but we have since **converged** to a lower level.

A key factor in the convergence is **the 'cost-of-living crisis'** – which hasn't gone away and threatens to come back as food and energy inflation picks up.

However, consumer confidence is **an emotional rather than financial driver** of spending habits and intentions: there is some evidence that (some) consumers are becoming numb to constant uncertainty and volatility – so they're happy to keep spending.

Source: European Commission

Is inflation driving spending more than income growth?

Amárach Consumer Spending Index Q4 2025

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Key Findings

Going into Q4, the highest spending quarter for consumers, we find that spending on groceries is showing even higher spending growth prospects than in previous quarters.

Similarly, motor fuel is also expected to see significant increases in spending, no doubt tied to shopping and family/socialising commitments.

However, we will see continued decreases in consumer spending in several other categories in Q4, driven by cost-of-living pressures, including painting/decorating/DIY, eating out and furniture expenditure.

For the second quarter in a row, we have seen significant increases in car purchase intentions, with 23% intending to buy a second-hand car in Q4, up from 18% in Q3, while demand for new cars remains strong (both EV and ICE).

There has also been an increase in the percentage intending to take out loans: up from 19% in Q3 to 22% in Q4.

We have seen a significant shift in the share of financial segments in the population going into Q4, with a big increase in the largest cohort – those who are 'keeping up with the cost of living but there's very little extra': up from 40% in Q3 to 46% in Q4.

NEW: Over two thirds of consumers intend switching at least one of their providers (energy, mobile, insurance) measured in a new section in the ACSI report.

Welcome to the Q4 2025 edition of the Amárach Consumer Spending Index (ASCI).

As we enter the last quarter of 2025, the biggest spending quarter with Christmas at the end, our research finds both positive and negative forces driving Irish consumer spending. We're seeing marked seasonal shifts in spending in this, our third ACSI report. For example, holiday spending intentions shot up in Q3, not surprisingly, and have fallen back sharply in Q4. Other categories show little or no seasonal variation.

But the overall mood is still cautious: rising prices are 'forcing' consumers to spend more in some categories (e.g.: groceries), while rising incomes are encouraging others to spend more on things like solar panels and even EVs. We hope you'll find much to inspire you as you work on success over the remainder of 2025.

Spending Category	% shop each category Q4	ACSI Score Q2 2025	ACSI Score Q3 2025	ACSI Score Q4 2025
Groceries	92%	86	91	98
Motor Fuel (Petrol/Diesel)	73%	78	79	84
Health And Medical	65%	62	68	65
Pets	41%	59	61	55
Donations To Charity	38%	43	44	48
Books/Stationary	53%	37	41	40
Holidays	66%	72	57	39
Beauty/Cosmetics	50%	37	41	38
Alcohol	63%	36	39	38
Clothes/Shoes/Fashion	80%	42	38	37
Subscriptions	48%	38	33	37
Painting/Decorating/DIY	47%	49	43	33
Eating Out	70%	42	40	33
Games/Gaming	21%	34	30	33
Betting/Gambling	28%	28	21	26
Electrical Goods	55%	20	19	22
Furniture	38%	22	22	17

Source: Amárach ACSI, Q4 2025

Bad Mood, Good Mood

Thinking about your spending plans and priorities over the next few months, which of the following feelings come to mind?

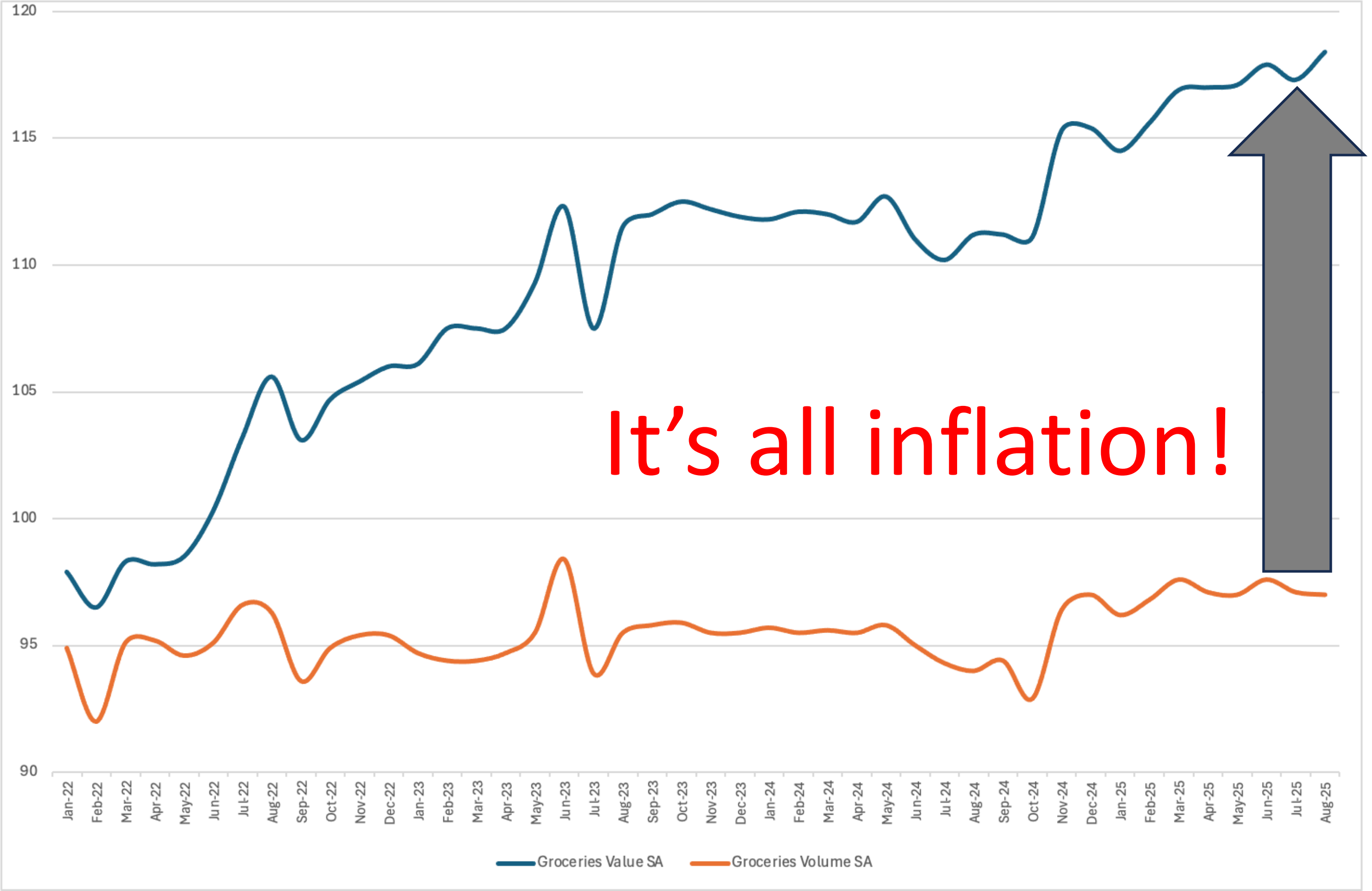
Feeling	Q2 2025	Q3 2025	Q4 2025
Cautious	57%	58%	53%
Stretched	37%	35%	34%
Worried	35%	33%	35%
Hopeful	24%	23%	20%
Comfortable	23%	24%	20%
Frustrated	22%	22%	22%
Relaxed	17%	15%	15%
Happy	15%	12%	12%
Excited	12%	9%	9%
Annoyed	12%	12%	13%
Confident	11%	13%	13%
Guilty	8%	8%	9%
Bored	3%	4%	4%

■ Q2 2025 ■ Q3 2025 ■ Q4 2025

Source: Amárach ACSI, Q4 2025

Inflation boosts spending, but not volumes

Grocery Sales Value & Volume Indices: January 2022 to August 2025



Source: CSO Retail Sales Index

Grocery sales volumes (NACE code 4711) have **barely increased** over the past three years, and have been flat since the start of the year.

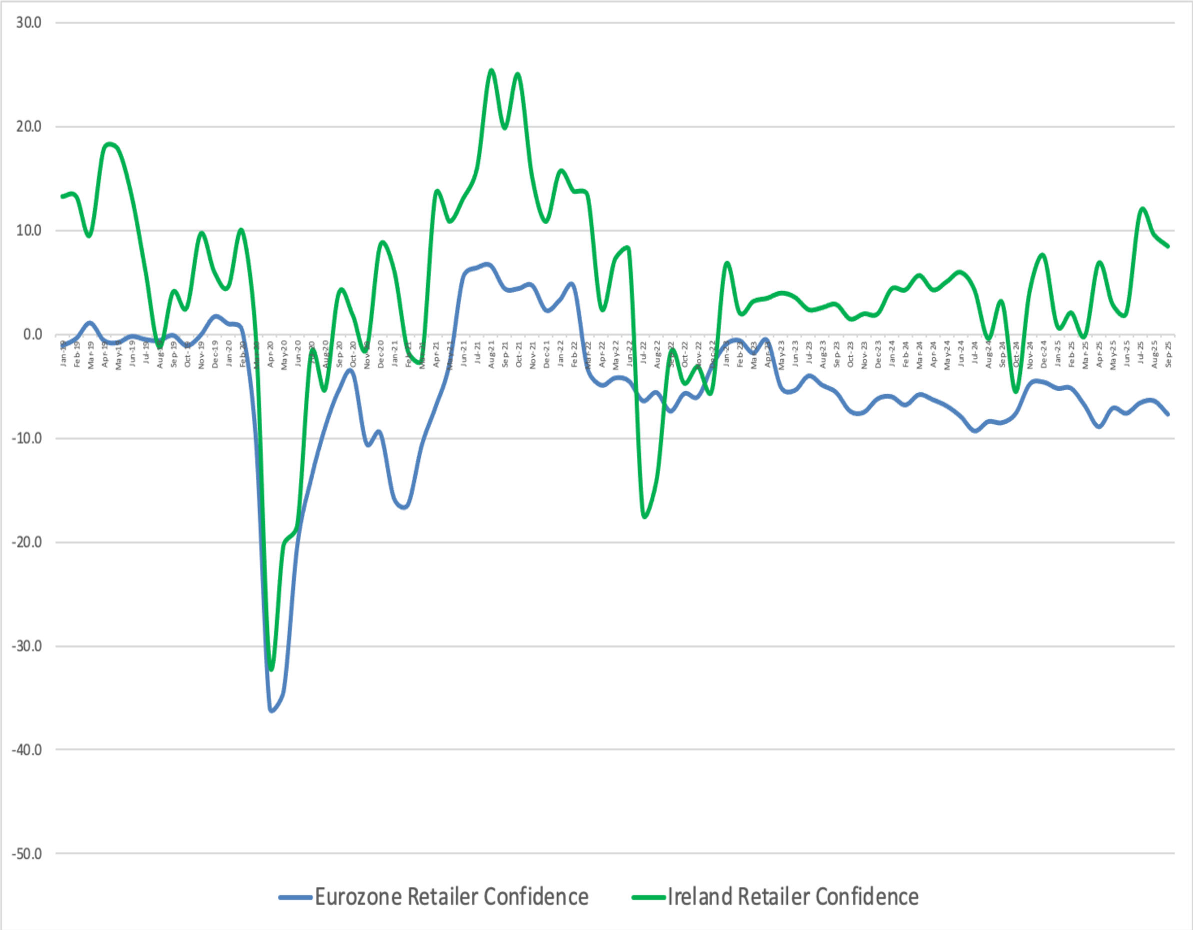
But the value of sales has increased significantly over the same period, almost entirely due to **inflation**.

Inflation has the same effect as a cut in incomes: money that might have been spent on **'discretionary' items** is now funnelled into non-discretionary/essential items.

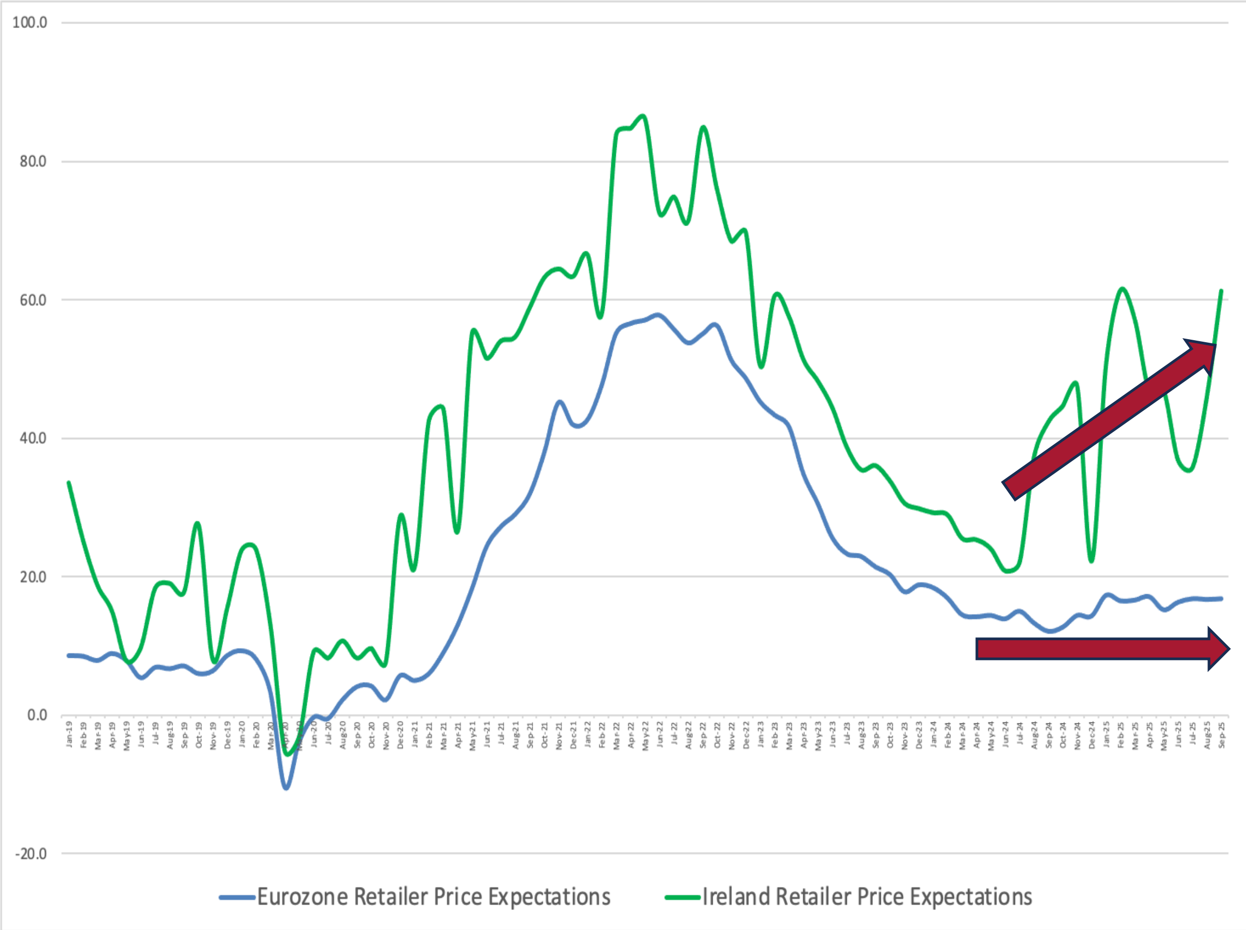
Consumers are **at the limit** of their capacity (and willingness) to tolerate price increases.

Irish retailers are assuming more inflation

Retailer Confidence: January 2019 to September 2025



Retailer Price Expectations: January 2019 to September 2025

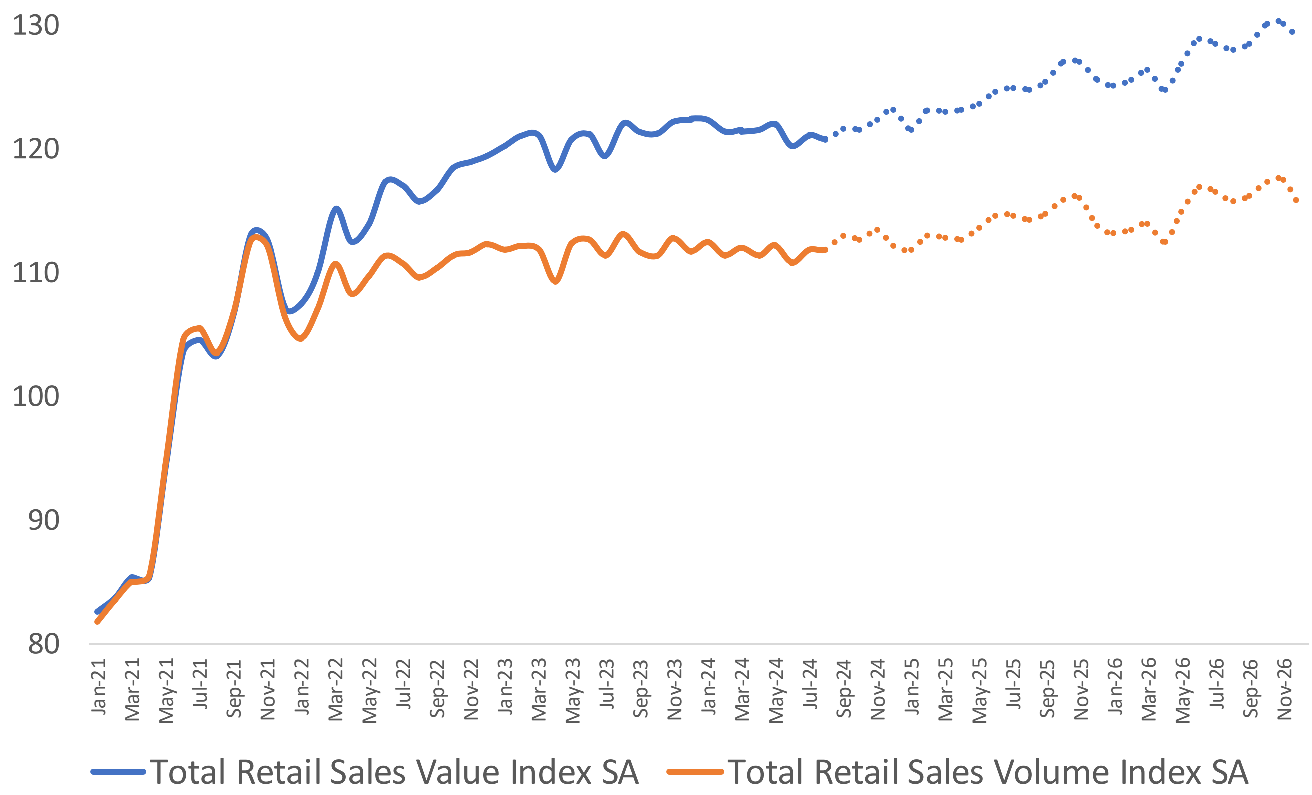


Q. How do you expect the prices you charge to change over the next 3 months?
They will increase/remain unchanged/decrease

Source: European Commission

More topline growth, but volumes flat

Total Retail Sales Value & Volume Forecasts (excl motors):
September-December 2026



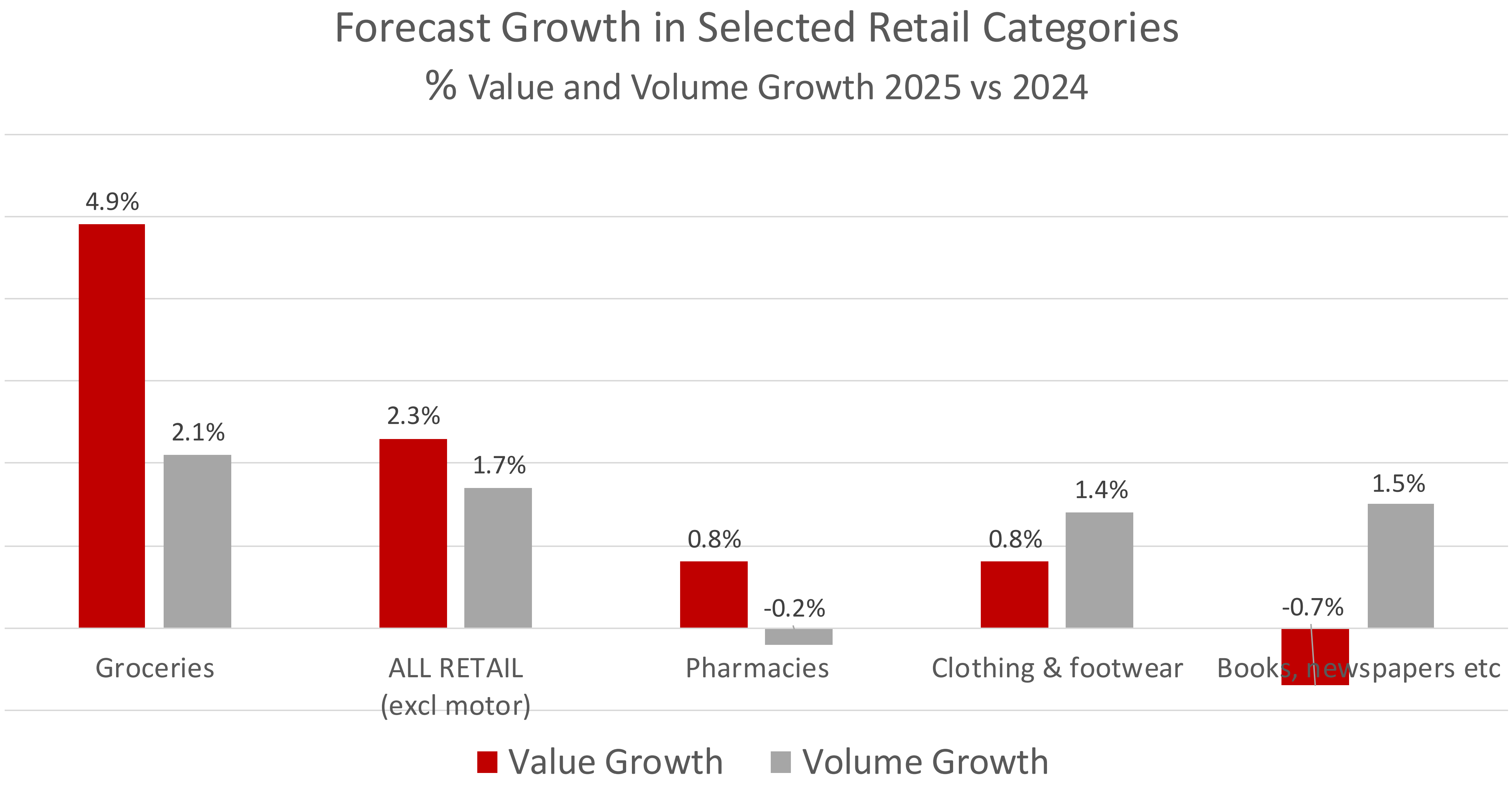
Despite the ‘vibecession’, there is enough **momentum** in Ireland’s economy and consumer spending to support modest growth in total retail sales values and volumes over the rest of 2025 and even to the end of 2026.

But a lot of the **topline growth in the value of sales** will continue to be driven by higher prices than higher incomes.

Some retail **categories** will benefit more than others from consumer sentiment and spending trends: but inflation will remain a key driver of topline/value growth through to 2026.

Source: CSO data/Amárach forecasts

Inflation, like stagnation, is not evenly distributed



Source: CSO data/Amárach forecasts

Growth Drivers in 2026…

Cost-of-Living Segments

Which of the following is closest to your current financial situation? Q4 2024

- I am struggling to keep up with the cost of living
  - 24% (25% Q1)

- **Megan**: 34, single mother, renting, retail assistant

- I am keeping up with the cost of living but there's very little extra
  - 46% (41% Q1)

- **James**: 49, teenage children, civil servant, mortgage

- I am keeping up with the cost of living and trying to save more if I can
  - 24% (22% Q1)

- **Emma**: 28, cohabiting, renting, tech support

- The cost of living isn't really a problem for me right now
  - 8% (10% Q1)

- **Patrick**: 58, empty nester, home owner, senior manager

Source: Amárach ACSI, Q4 2025

Feeling the pinch

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79% disagree

'my income is rising faster than inflation at the moment'

September '24: 82%

77% agree

'I have stopped buying certain brands that I used to buy because they are too expensive now'

September '24: 72%

71% disagree

'the economic outlook for Ireland makes me more relaxed about spending'

September '24: 67%

Source: Amárach Research, September 2025

Switching Intentions

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33%

Energy Provider

24%

Car Insurer

18%

Home Insurer

18%

Main Super market

17%

Mobile Network Provider

Which of the following do you think you will change or switch in the next few months? % selected

Source: Amárach Research, September 2025

Bigger concerns

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39% agree

'I regularly give money to other family members and relations to help them with financial issues'

September '24: 40%

82% agree

'It seems there is a lot more inequality between the rich and poor in Ireland than before'

September '24: 79%

71% agree

'I worry about the impact of immigration on housing in Ireland'

September '24: 74%

Source: Amárach Research, September 2025

Zeitgeist Shift

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71% agree

'I'm at a stage in life that I'm just less interested in buying stuff I used to enjoy buying'

September '24: 72%

61% agree

'I feel I have enough stuff these days and I'm more interested in paying for new experiences instead'

September '24: 65%

Source: Amárach Research, September 2025

Shopping behaviour continues to change

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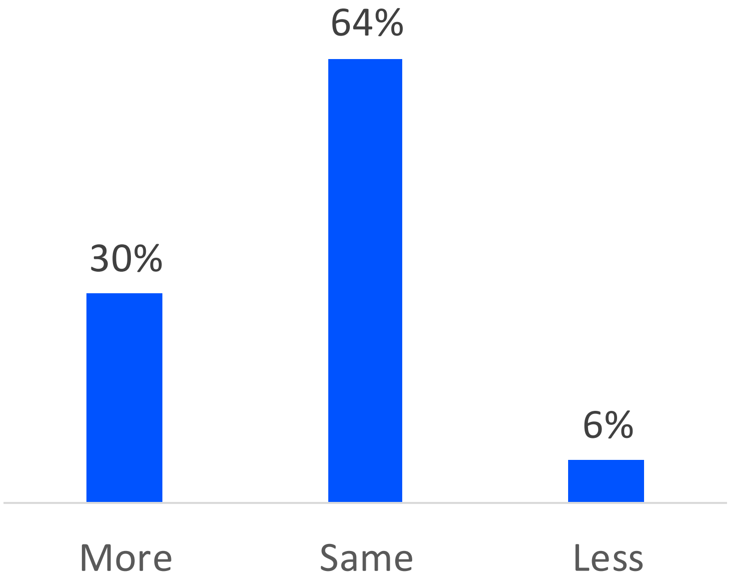
Re-turn

88%

have recycled any plastic bottles or cans through the Deposit Return Scheme

When you return bottles or cans, which option do you usually go for most often?

In the past few months, have you recycled more, the same or less plastic bottles or cans than before?



Source: Amárach Research, September 2025

Potential Upside 'Shocks' in 2026

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Falling Interest Rates → Cheaper Mortgages

Lower Savings
(€150bn+ on deposit) → Higher Spending

Stronger Euro → Cheaper Imports
(and $ energy)

A chance of hurricanes…

Storm Names 2025/26

IN PARTNERSHIP WITH

Met Éireann

Royal Netherlands Meteorological Institute
Ministry of Infrastructure and Water Management

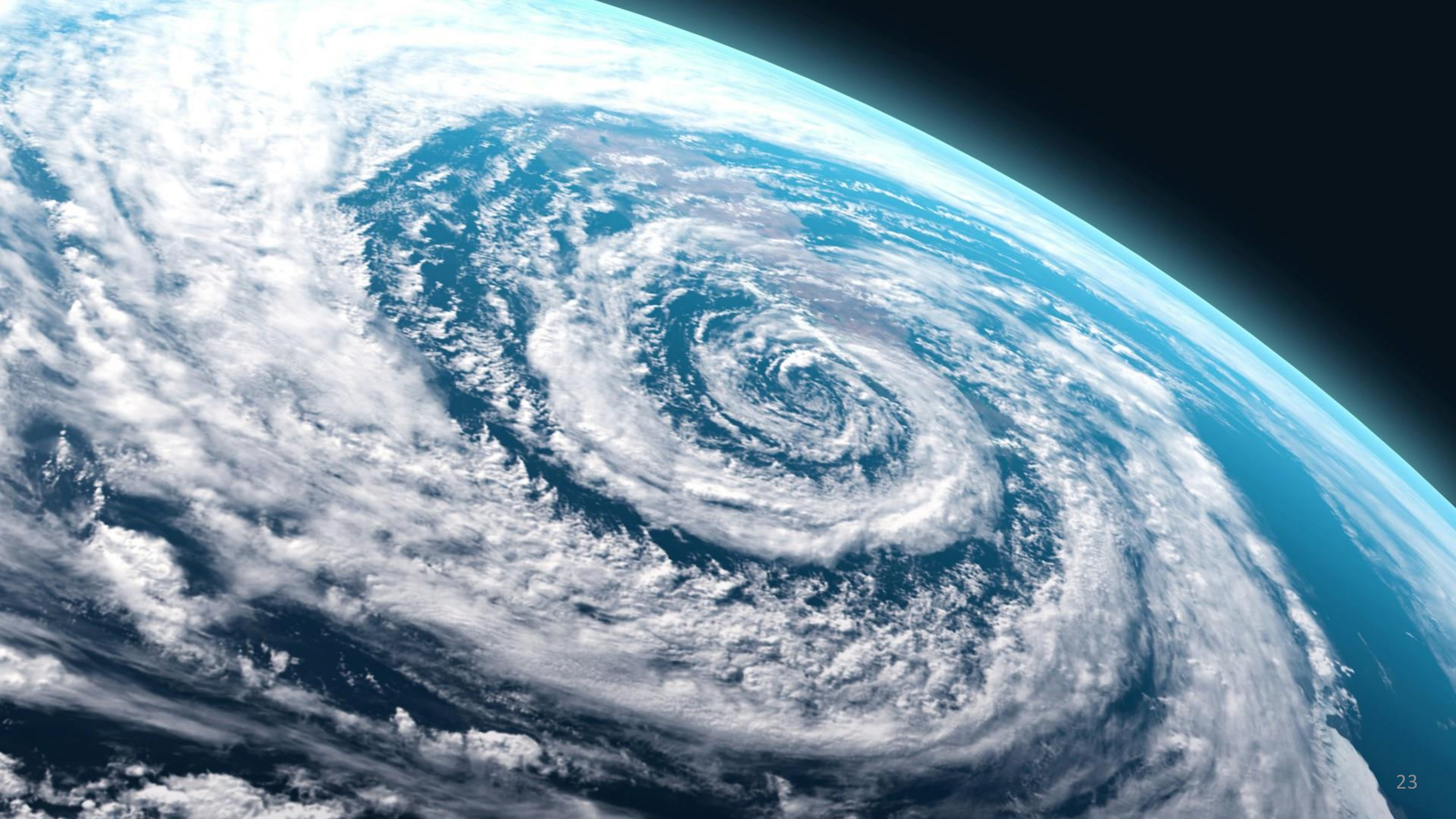
Met Office

A	Amy	H	Hannah	O	Oscar
B	Bram	I	Isla	P	Patrick
C	Chandra	J	Janna	R	Ruby
D	Dave	K	Kasia	S	Stevie
E	Eddie	L	Lilith	T	Tadhg
F	Fionnuala	M	Marty	V	Violet
G	Gerard	N	Nico	W	Wubbo

!!!

@meteireann
met.ie/warnings
#StormNames
winterready.ie

Rialtas na hÉireann
Government of Ireland



US global share
51%
67%
19%
15%
2005
2025
World index share
GDP share
UK vs US Productivity
Index of labour productivity, output per hour, 2007 = 100
140
130
120
110
100
90
80
70
1997
2001
2005
2009
2013
2017
2021
2025
UK
US
German Manufacturing Growth
%
6
3
0
-3
-6
-9
Sep
2023
May
Sep
2024
May
Sep
2025
May
Federal Statistical Office
Value
Chg
Chg%

Navigating Uncertainty

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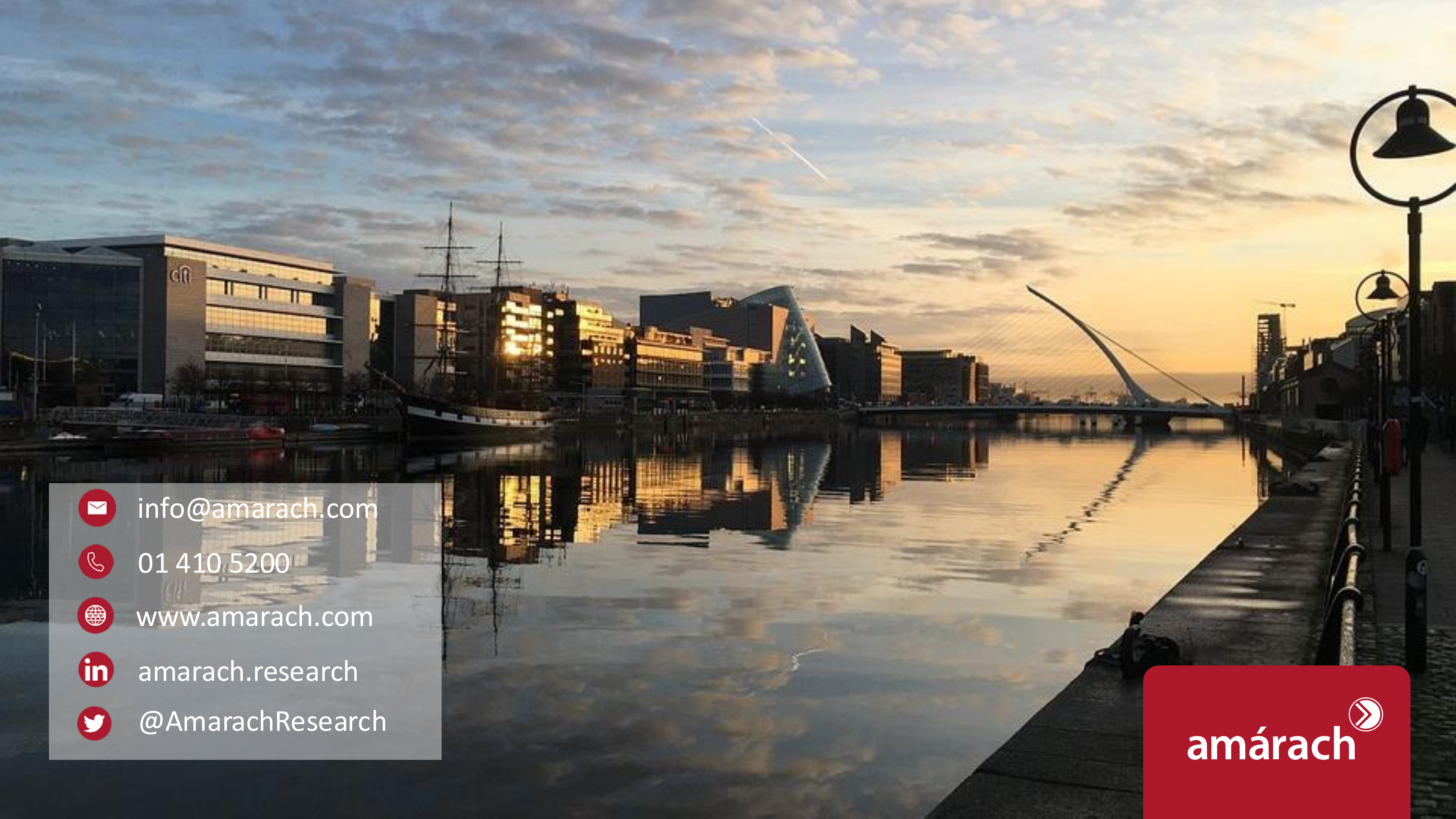
- Enjoy the **momentum**: Irish consumers going into 2026 are a world apart from other markets.
- Be very careful about price increases and **tipping points**: consumers are increasingly happy to ‘not spend’ (i.e.: save).
- Different segments respond differently: dust off your **segmentation strategies** and target accordingly – segment by mood not just money.
- Always, always invest in your **brand**: it is your best insurance against a cost-of-living backlash when things turn stormy (as they inevitably will).



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