

Profit Through Research



# South East Business Confidence Study

## Executive Summary

November 2013

[www.marketdynamics.ie](http://www.marketdynamics.ie)





# Key Findings 1

- All sectors have seen a net sales increase in 2013 with even two-thirds of construction firms seeing higher sales
- Outlook for 2013 is quite positive with 55% expecting a sales increase and just 21% a decrease – more positive than previous survey
- Most positive sectors are Agriculture, Financial Services and Manufacturing as in previous survey but now joined by Construction and Business Services – Retail continues to be hardest pressed
- While the profitability outlook has improved it is not keeping pace with sales growth
- Nearly a quarter of businesses say they will be employing more people at the end of 2013 than a year ago
- Expectations for sales in 2014 are higher than ever before in the SEBS survey – 59% expect a rise (9% a fall)



## Key Findings 2

- The retail / wholesale sector expects a significant improvement in the business environment in 2014 with well over half expecting higher sales
- 60% of businesses are seeing more customer activity than 12 months ago while just 19% are seeing less
- A similar proportion of respondents are more positive about their businesses compared to 6 months ago
- A majority think the government got the budget adjustment of €2.5 bn about right
- Quite a few respondents (29%) consider the government could have done a lot more to help businesses like theirs
- A fifth of business consider that credit is even less available than a year ago while just 4% claim it is easier to access

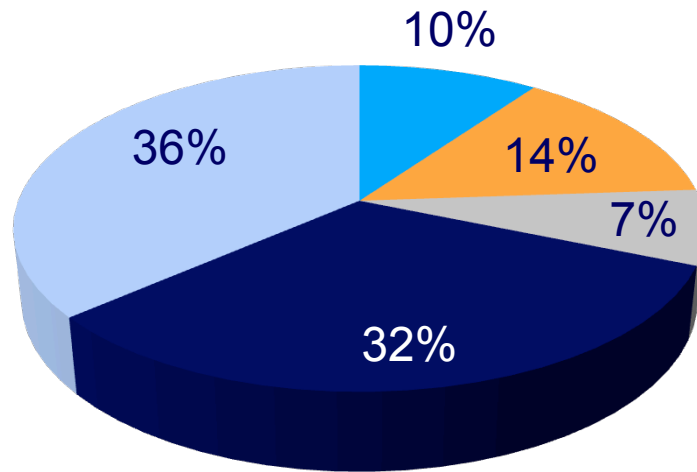


# Background

- 12<sup>th</sup> iteration of survey – previously each May and Oct since May 2008
- 273 respondents completed online survey
- Distributed to over 2000 businesses including the top 300 companies in South East
  - in co-operation with business organisations e.g. Chambers of Commerce, Enterprise Boards, etc
- Incentive:
  - €100 One4All voucher raffle
  - Executive Summary of Results

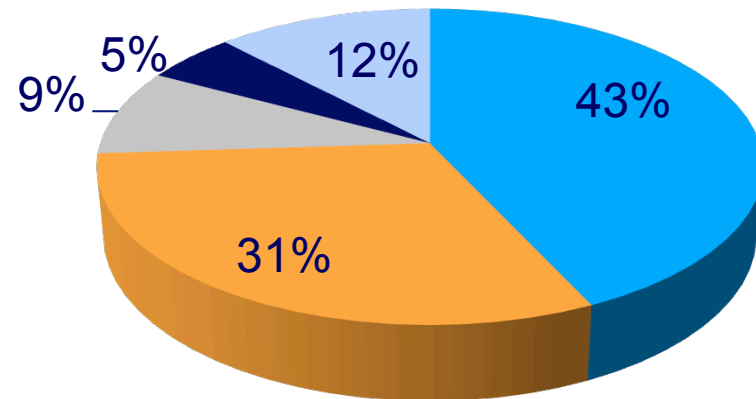
# Location and Company Size

## County



- Carlow
- Kilkenny
- South Tipperary
- Waterford
- Wexford

## Company Size

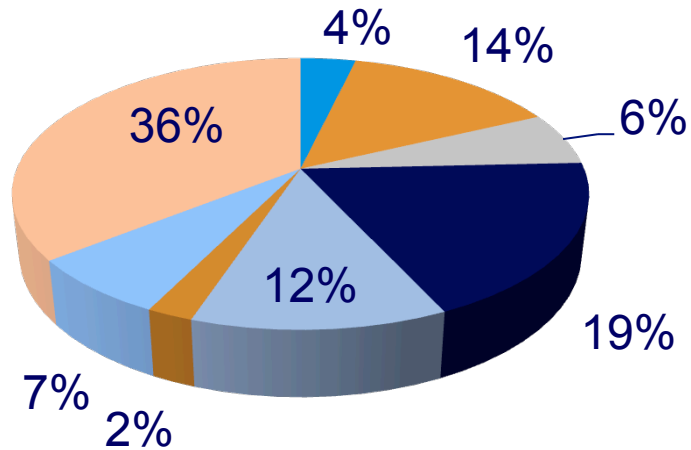


- 1-4
- 5-24
- 25-49
- 50-99
- 100+

Good mix of businesses by county and size

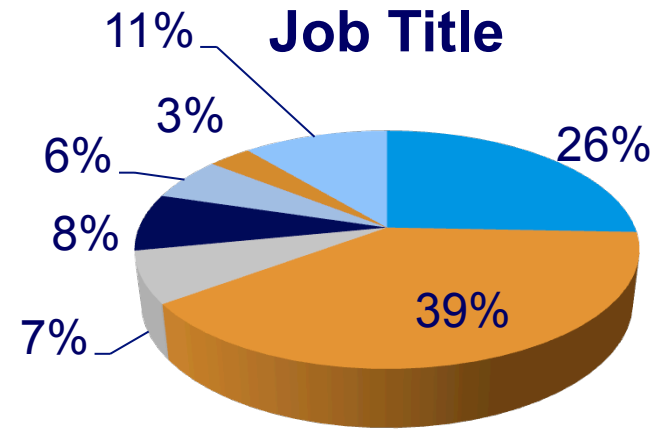
# Business Sector / Respondent Profile

## Industry



- Agriculture
- Manufacturing
- Construction
- Retail / Wholesale
- Hotels / Restaurants / Tourism
- Transport / Distribution / Telecoms
- Financial Services
- Business Services / Real Estate / Other Services

## Job Title



- Managing Director/CEO
- Owner/Proprietor
- Operations Manager/Director
- Sales and/or Marketing Manager/Director
- Finance Manager/Director
- HR Manager/Director
- Other (please specify)

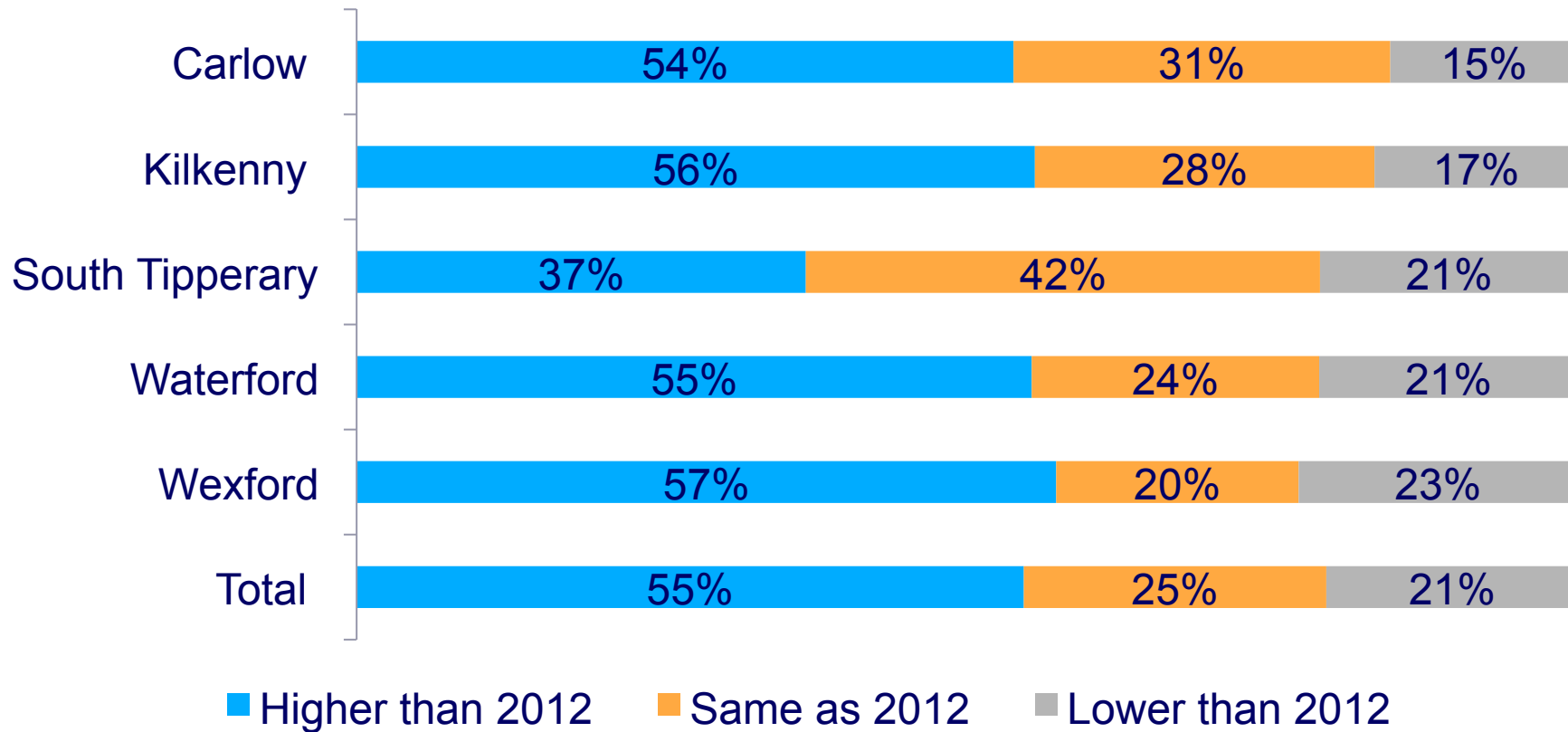


# Situation in 2013

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# Sales / Turnover 2013 – by county

Do you expect your sales / turnover in 2013 be higher, lower or the same as 2012?

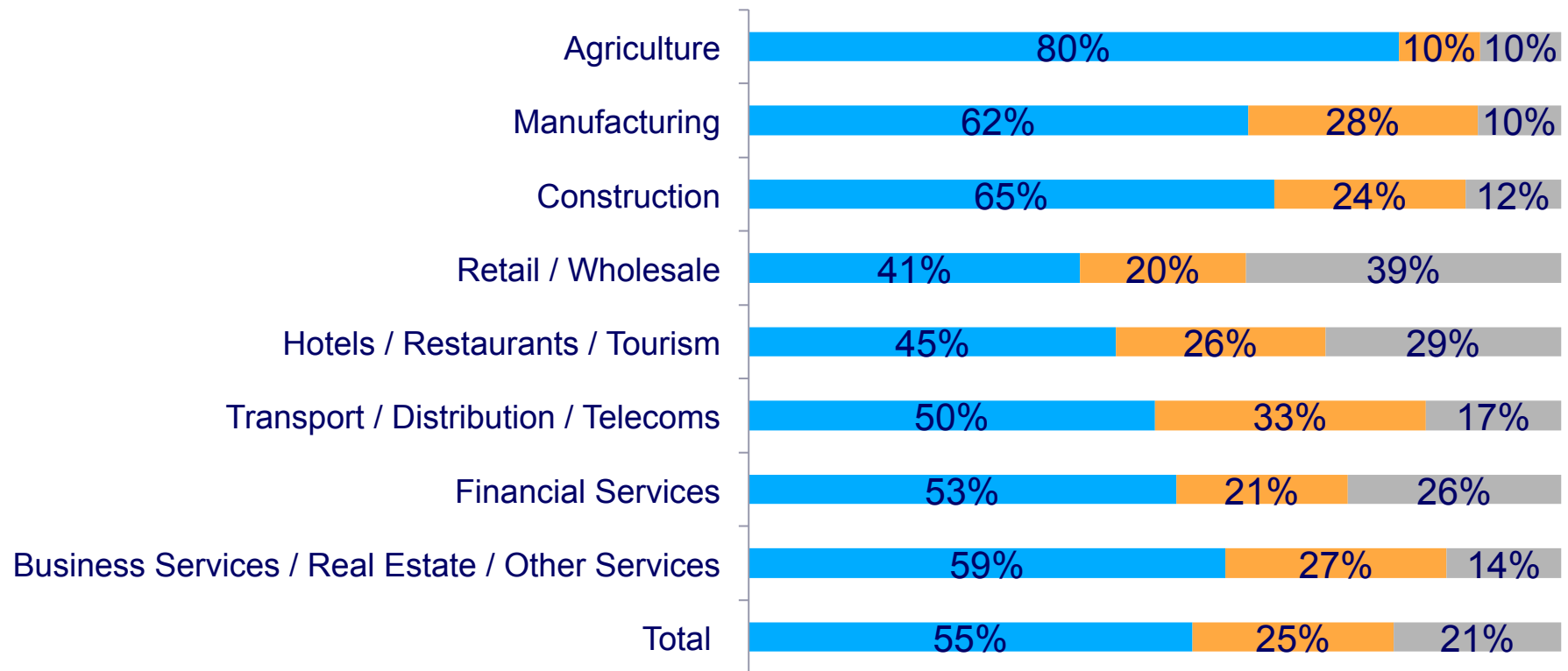


- 2013 looks like turning out better than expected in May 2013 when just 45% thought sales would be up this year



# Sales / Turnover 2013 – by industry

Do you expect your your sales / turnover in 2013 be higher, lower or the same as 2012?

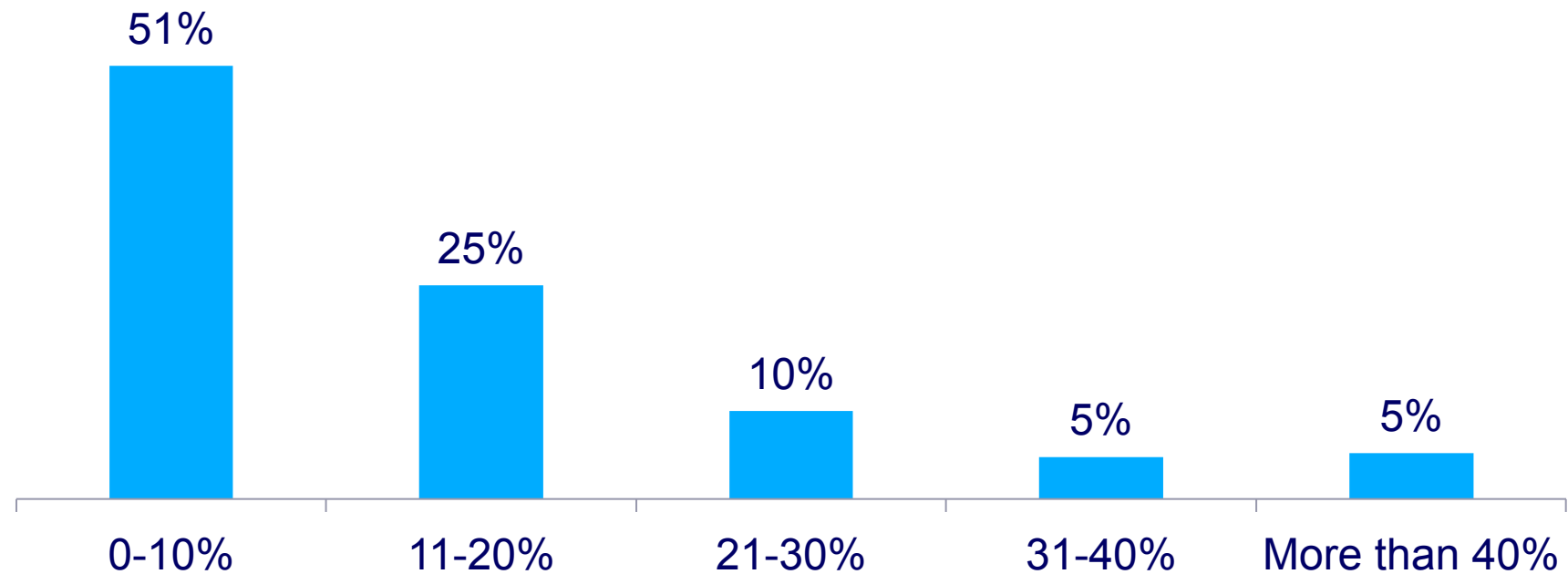


■ Higher than 2012   ■ Same as 2012   ■ Lower than 2012

- All sectors in positive territory though retail/wholesale only just

# Amount of Increase – How much do you expect sales / turnover to increase in 2013? (n=72)

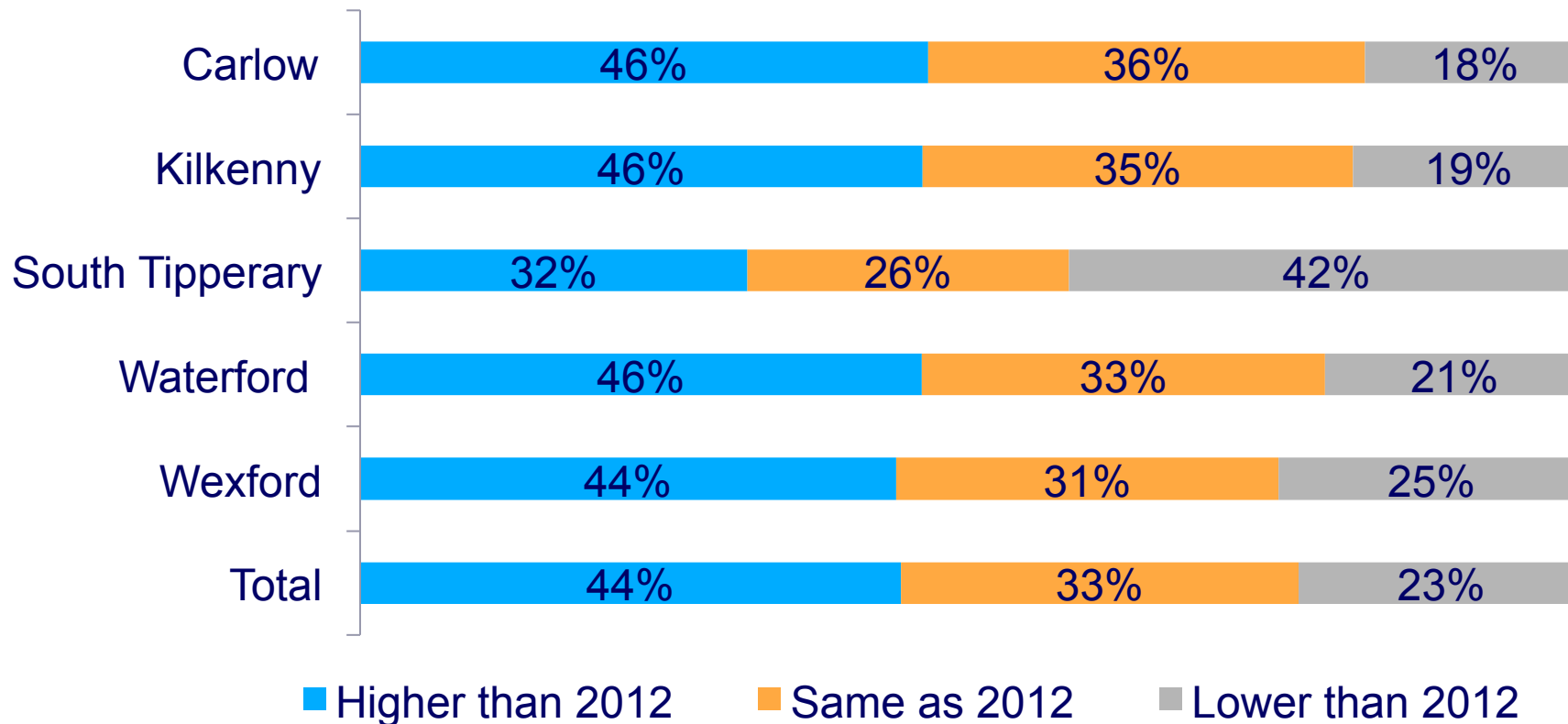
## Businesses Expecting Sales / Turnover Increase



- Nearly half expecting 10% or more increase in sales this year

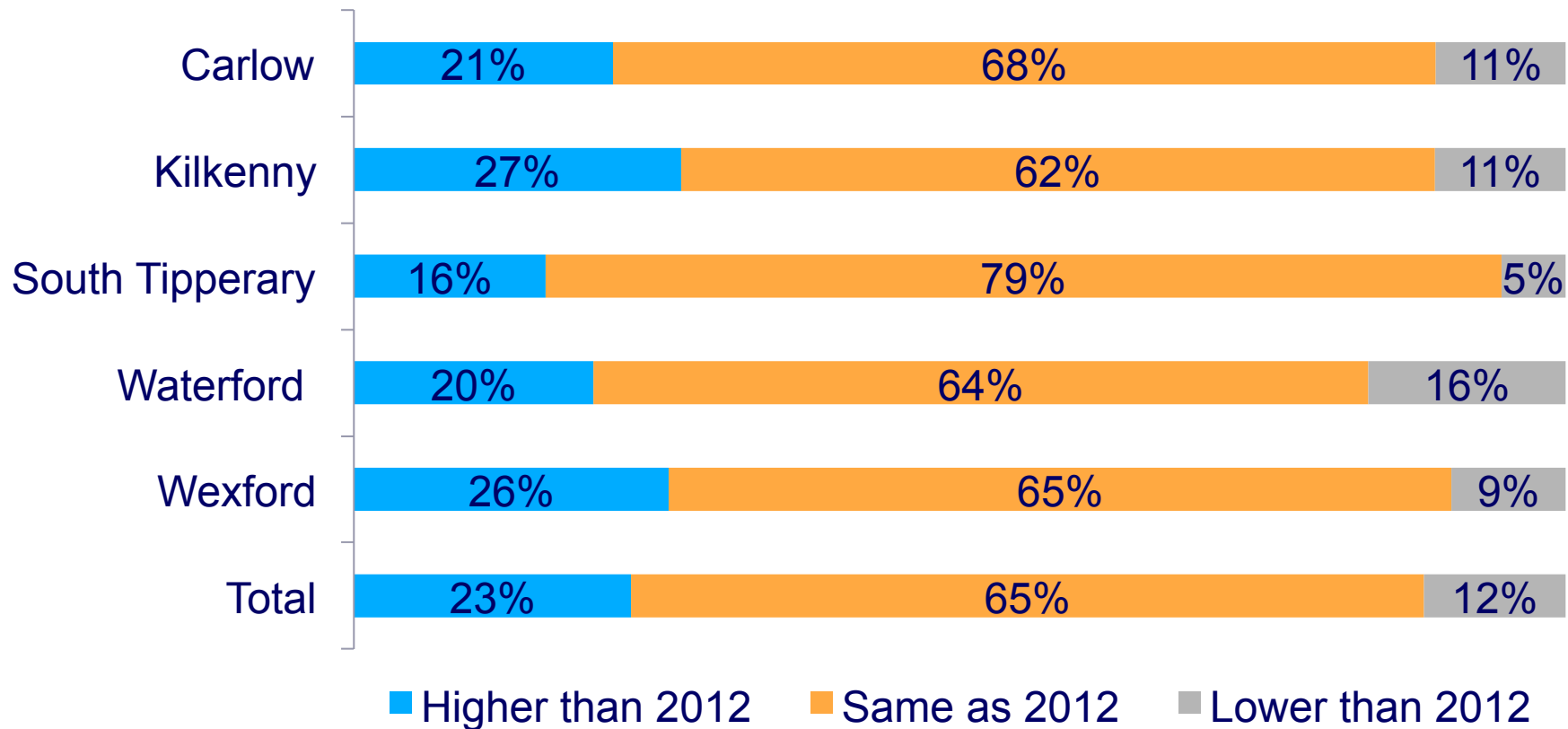
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# Profitability 2013 – Do you expect profitability in 2013 to be ...?



- Businesses continue to see profitability failing to track sales increases – however some predictability returns – regional findings very similar to expectations expressed in May 2013 survey

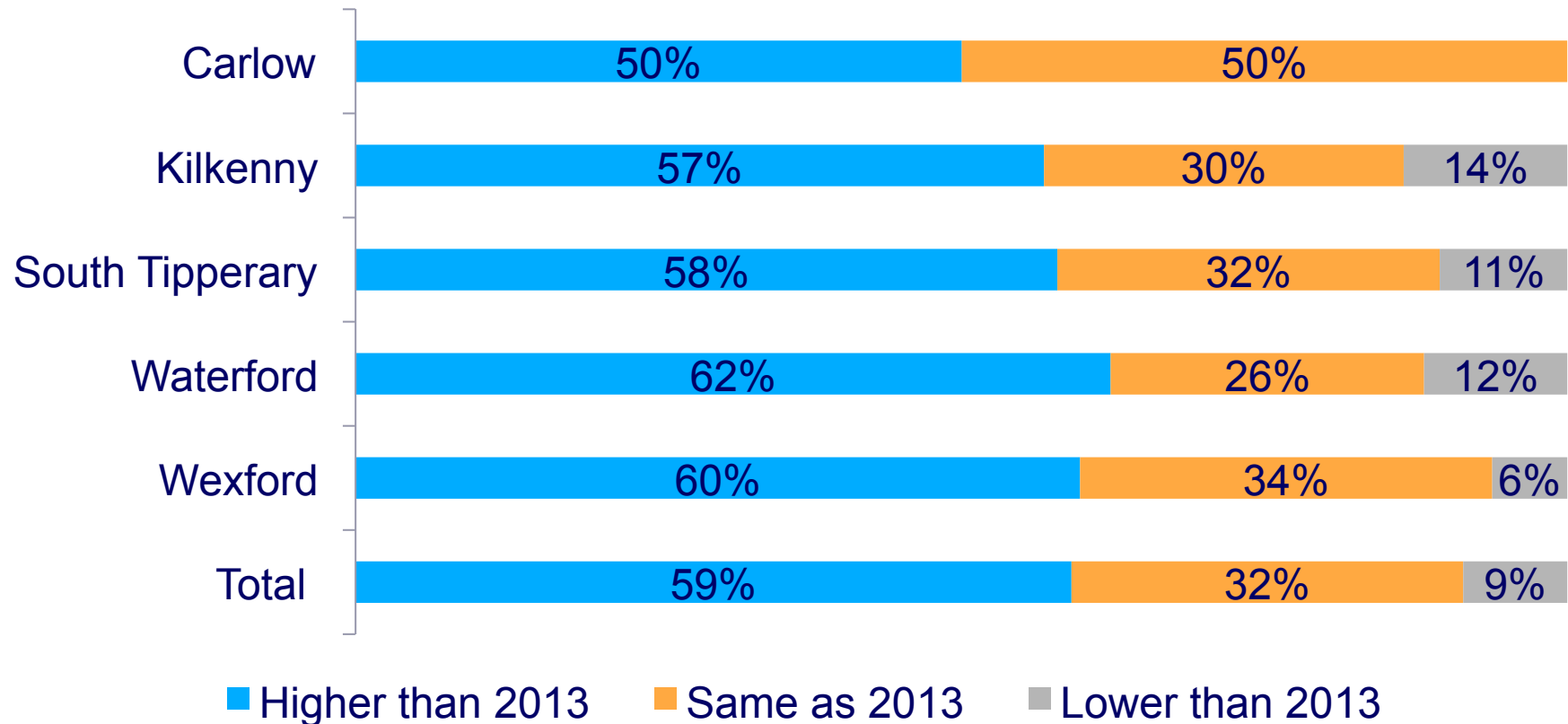
# Workforce 2013 — Will your workforce at the end of 2013 be...?



- Better outcome than was expected 6 months ago (18% thought it would be higher)

# Sales / Turnover 2014 – by county

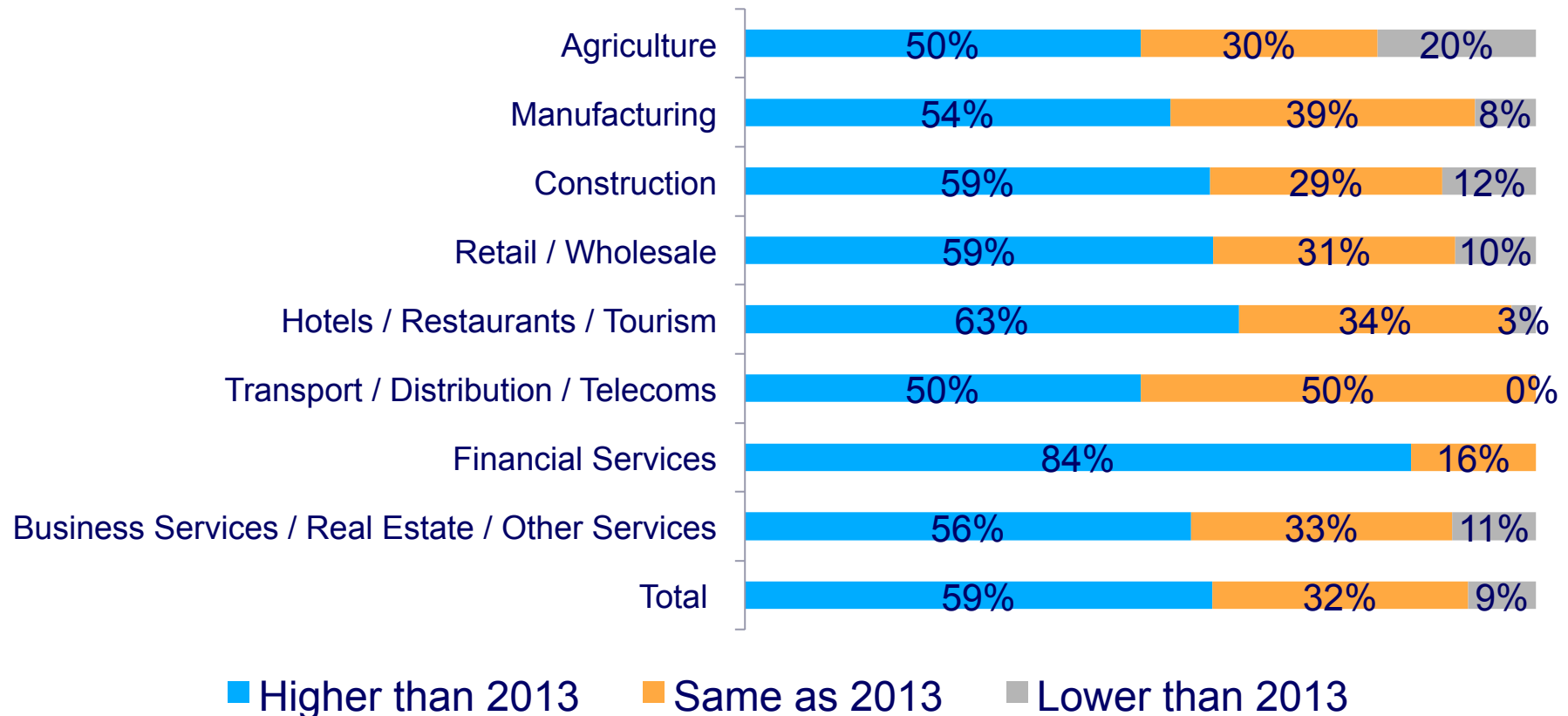
Do you expect your sales / turnover in 2014 be higher, lower or the same as 2013?



- Most positive outlook for the coming year since survey began in May 2008

# Sales / Turnover 2014 – by industry

Based on the current economic situation and the outlook for your business, do you expect your sales / turnover in 2014 to be...

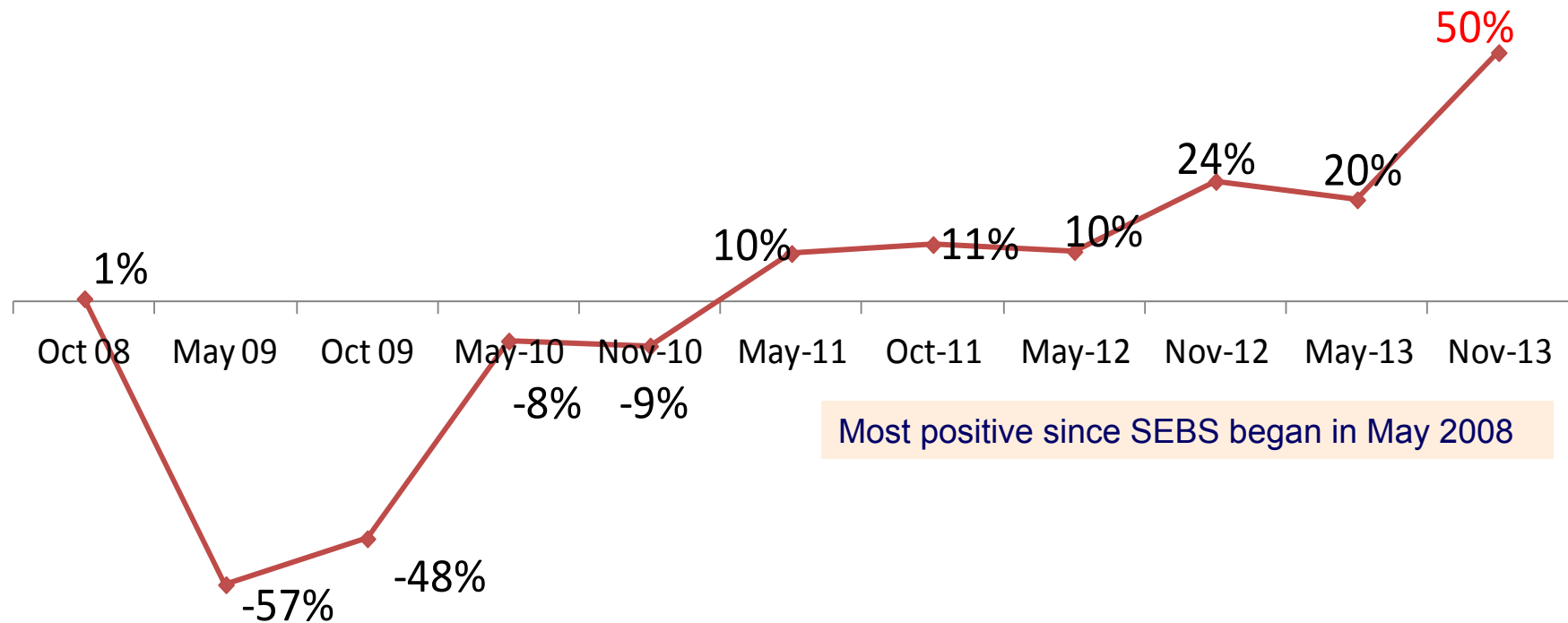


- Retail / wholesale sector optimistic about 2014 considering current situation

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# Sales / Turnover Index – Do you expect your TURNOVER in 2014 will be higher, lower or the same as 2013?

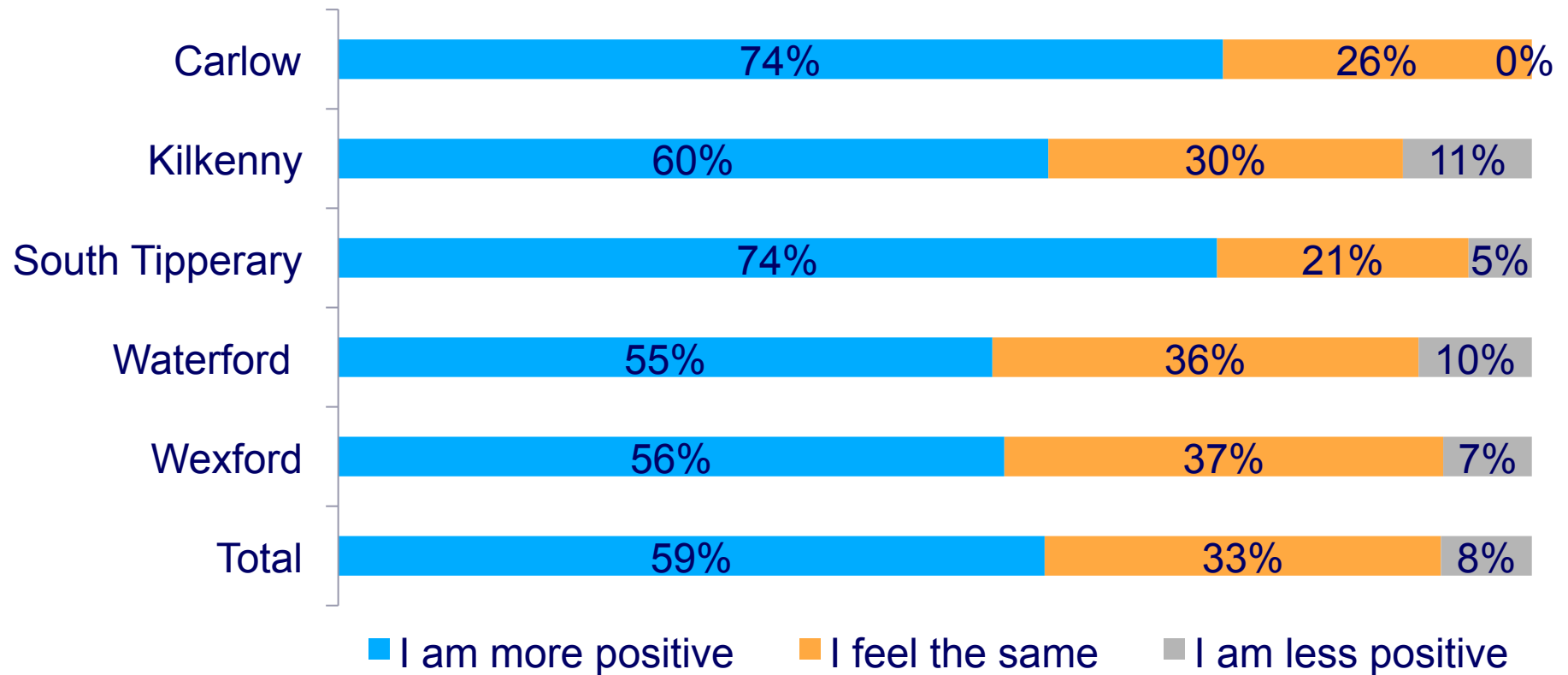


Most positive since SEBS began in May 2008

Index calculated as % of businesses expecting sales to increase in the coming year minus % who expect sales to fall

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# Do you consider yourself more or less positive about the prospects for YOUR BUSINESS compared to 6 months ago?

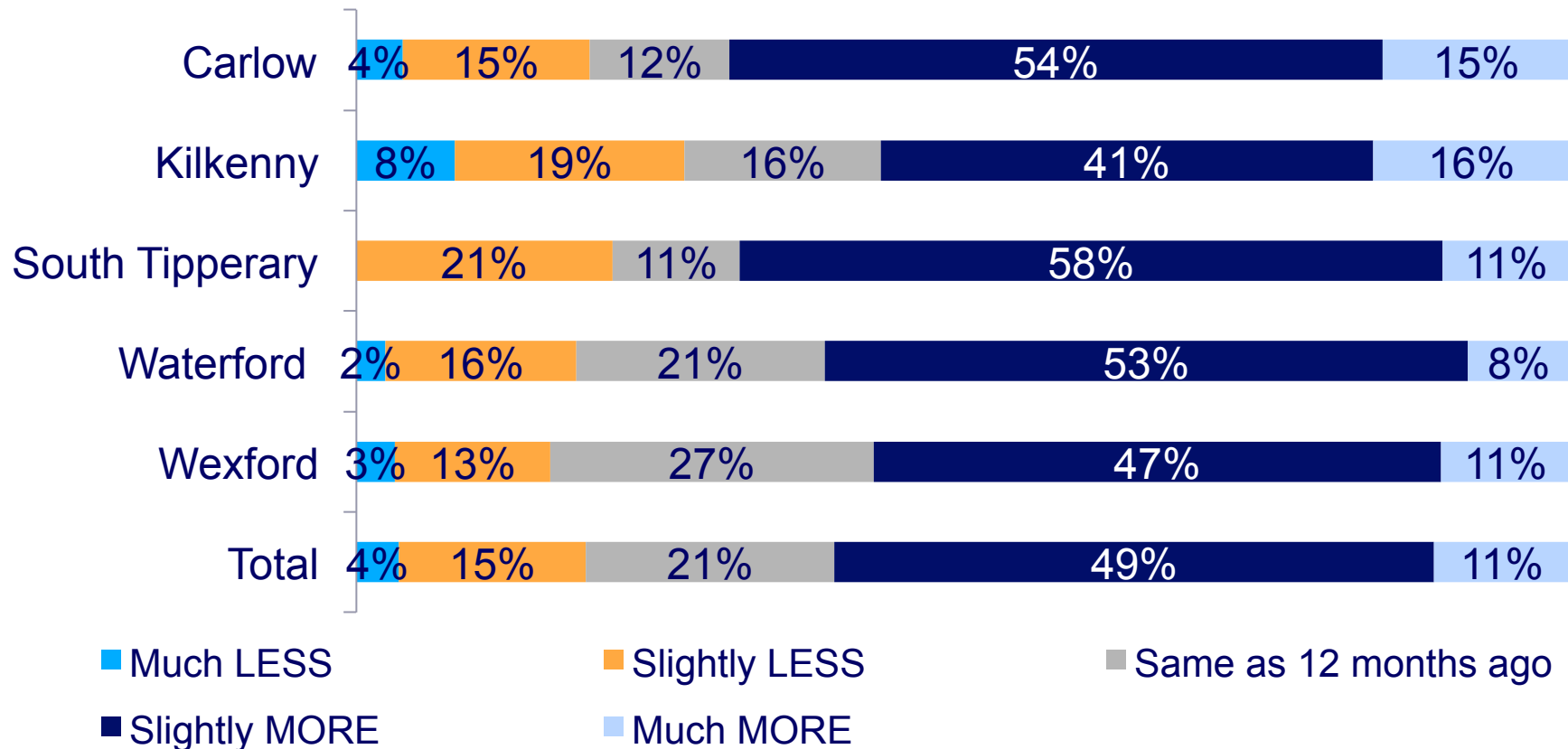


- After seeing no improvement in the previous three surveys now things are more positive



# Customer Activity

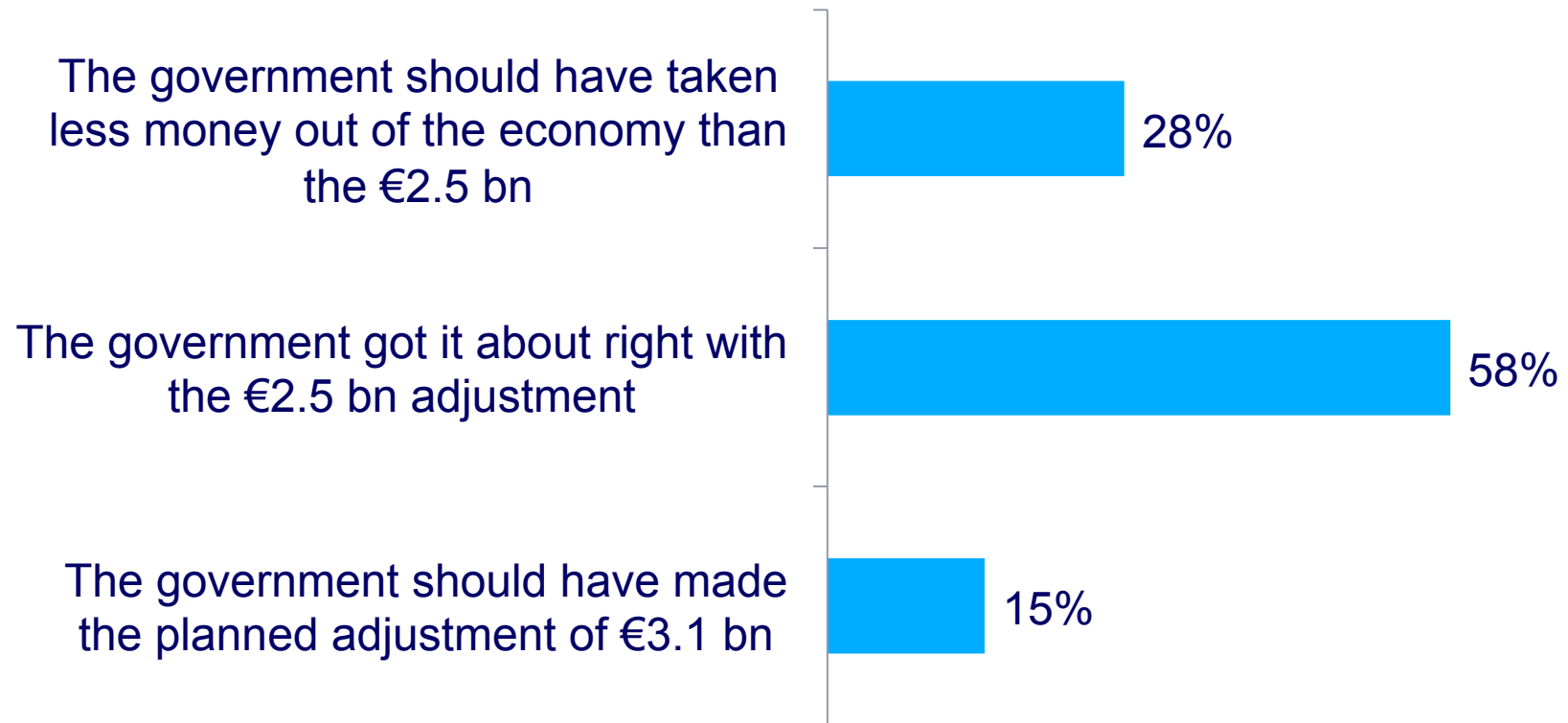
- Has there been any change in the level of your customers' activity compared with 12 months ago? (change is measured by sales, orders, enquiries, etc.)



- Optimistic outlook can be traced to the fact that so many businesses are seeing increased customer activity

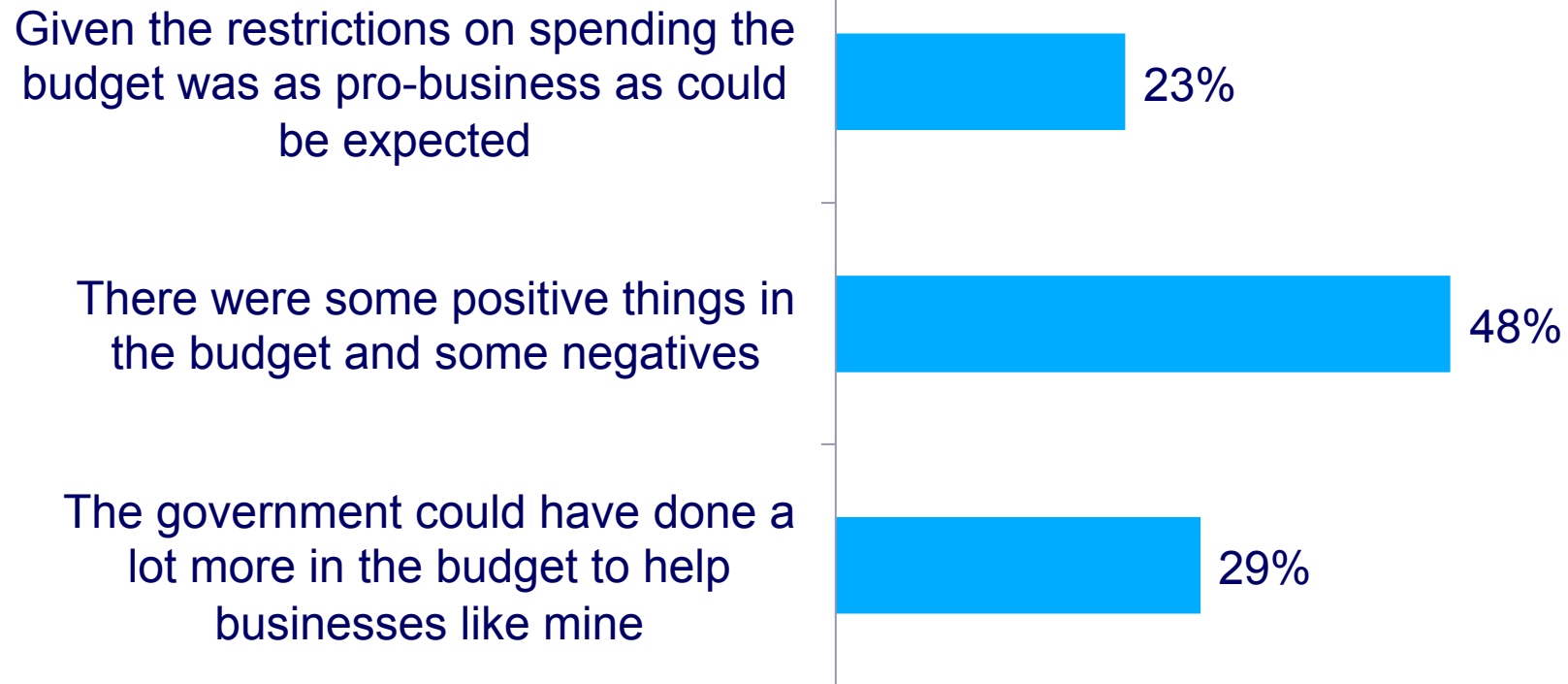


**Irish Economy** - In the budget the government eased back on "austerity" measures with an adjustment amounted to €2.5 bn rather than €3.1 bn. Please say which of the following best represents your view on this?



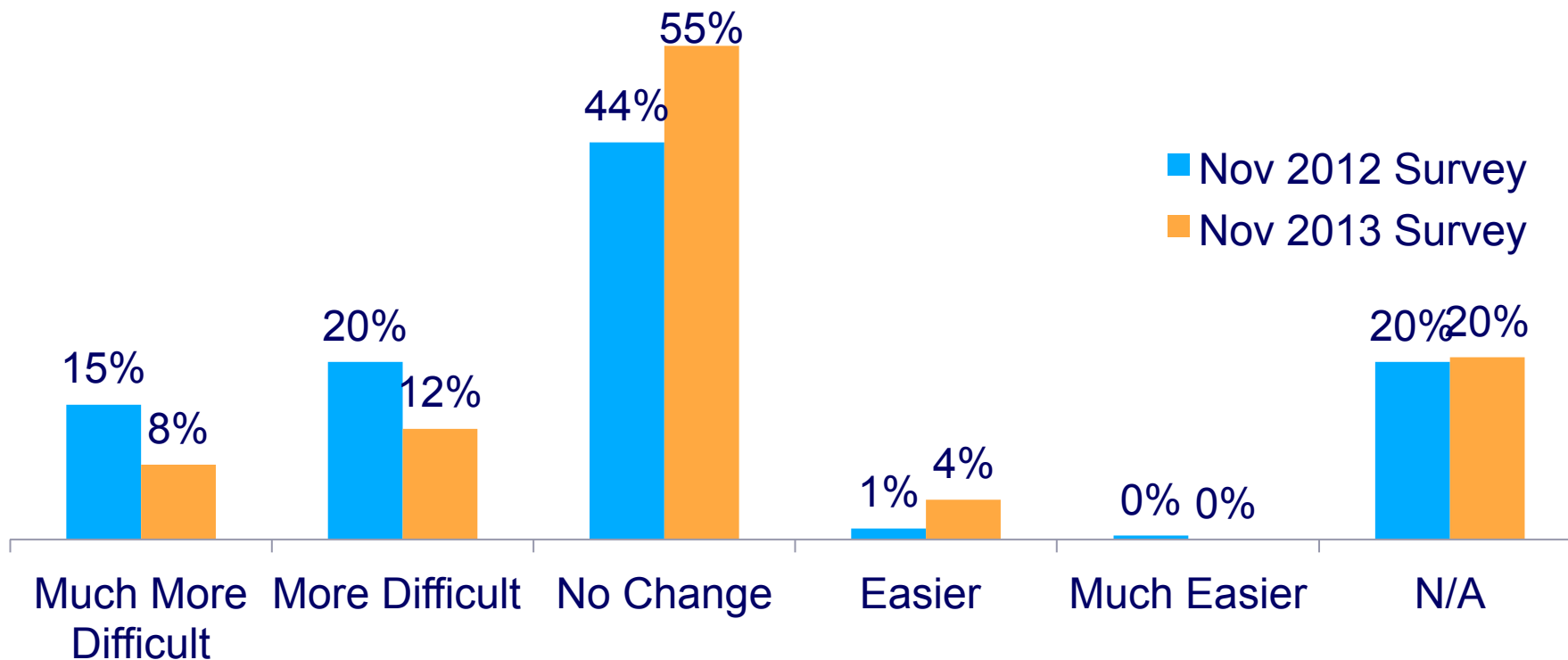
- Broad agreement that the budget got the balance right

# Budget's Impact - Which of the following best represents your view of the recent budget in terms of its impact on your business?



- Quite a high proportion consider the government could have done more for business

# Availability of Credit – Has the level of difficulty in accessing credit for your business changed in the past year?



- We asked this question a year ago and again in this survey – little change in the situation