Trinity College Dublin
Coláiste na Tríonóide, Baile Átha Cliath
The University of Dublin

The Affordability Economy

How Cost-of-Living Pressures are Reshaping Consumer Behaviour in Ireland

Contents

SHEIN

This report was commissioned by SHEIN and independently conducted by Trinity College Dublin. SHEIN is a global online fashion and lifestyle retailer, offering SHEIN branded apparel and products from a global network of vendors, all at affordable prices, to our customers around the world. SHEIN remains committed to making fashion accessible to all, promoting our industry-leading, on-demand production methodology for a smarter, future-ready industry.

Executive Summary

Affordability is shaping how Ireland shops

The cost of living remains the defining issue for Irish consumers. While inflationary pressures have eased from recent peaks, households continue to feel the impact on their day-to-day finances, savings and spending decisions.

This research, conducted by Trinity College Dublin and commissioned by SHEIN, explores how Irish consumers are responding to ongoing affordability pressures. Based on a nationally representative survey of 1,000 adults, the findings show that financial concerns remain widespread and continue to shape consumer behaviour in meaningful ways. Consumers are spending more carefully, prioritising value for money and adapting their shopping habits to make stretched budgets go further.

Financial concern is now a mainstream consumer experience. More than eight in ten people are concerned about their personal or household finances, while half expect they may struggle to pay essential bills over the next year. Savings are also under pressure, with almost two-thirds of consumers saving less than they were a year ago or no longer saving at all.

This pressure is driving behavioural change. Consumers are reducing discretionary spending, cutting back on categories such as eating out, clothing and holidays, and increasingly adopting practical strategies to manage household budgets. At the same time, value for money has emerged as the dominant purchasing consideration across all demographic groups.

Importantly, the data modelling highlights that financial pressure does not affect all consumers in the same way. Some consumers are actively choosing affordable alternatives in response to financial constraints, while others remain financially secure but are still seeking better value in their purchasing decisions. This distinction helps explain why value-conscious behaviour now extends well beyond lower-income households.

The research also points to the growing role of online shopping in supporting affordability. Consumers increasingly view online retail as a practical way to access affordable products, compare prices and access a wider range of options. The modelling found that perceived affordable access is one of the strongest predictors of both online shopping frequency and online spending.

83%

Concerned about their **personal or household finances**

63%

Are **saving less than a year ago** or have **stopped saving altogether**

82%

Say **value for money** is extremely or very **important** when **making purchases**

86%

Say **online shopping** makes it **easier to access affordable products** where they live

01.
Cost-of-Living Pressure is Reshaping Household Finances

Financial pressure remains widespread across Irish households

While individual experiences differ, the survey suggests that financial pressure has become a mainstream reality for many Irish consumers. Concerns about household finances extend well beyond traditionally lower-income groups, highlighting the breadth of affordability challenges facing consumers today.

More than four in five consumers **(83%)** report being concerned about their personal or household finances. Looking ahead, half of consumers believe they are likely to struggle paying essential bills within the next twelve months. Meanwhile, one in five report already finding it difficult to afford essential living expenses, while a further group describe meeting those costs as only just manageable.

83% of Irish consumers are concerned about their personal or household finances.

Income remains the strongest dividing line

While affordability concerns are widespread, the data shows that income remains the clearest predictor of financial strain.

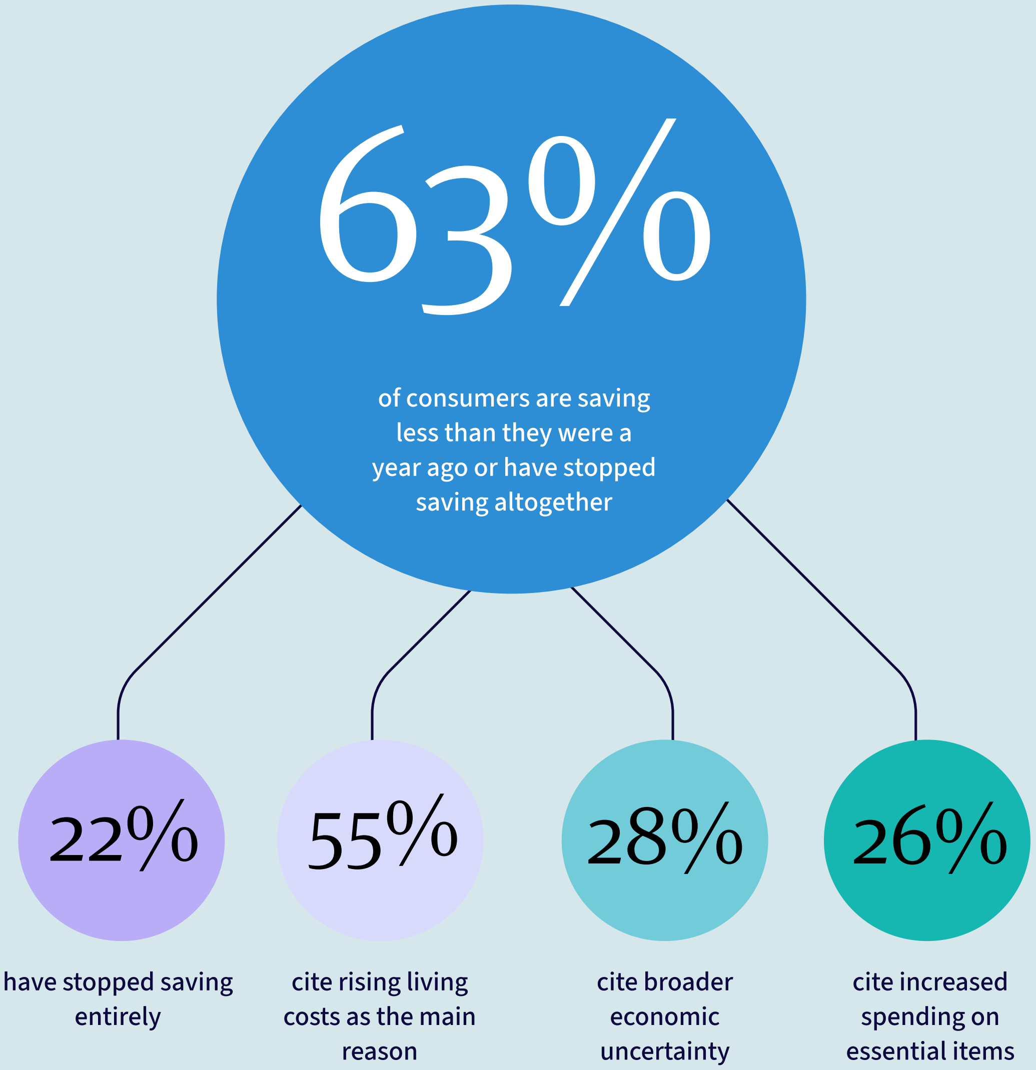
Consumers in lower-income households are significantly more likely to report concerns about their finances, reduced savings and difficulty covering essential expenses. Among households earning less than €40,000 per year, nearly nine in ten are concerned about their finances, while around one in four report difficulty affording essential expenses. By comparison, among households earning more than €100,000, while financial concern falls to **70%,** only **4%** report difficulty meeting essential costs.

While it is to be expected that pressure decreases track income levels, a noteworthy finding is that concern extends beyond the lowest-income groups, reinforcing the relevance of affordability to a much wider population.

Saving capacity is being eroded

Alongside concerns about day-to-day finances, the research reveals a decline in household saving capacity.

Almost two-thirds of consumers **(63%)** are either saving less than they were a year ago or have stopped saving altogether. More than one in five **(22%)** have stopped saving entirely. For most consumers, rising living costs are the primary driver of this change, highlighting the continued impact of affordability pressures on longer-term financial resilience.



Understanding Financial Pressure

The headline findings show that financial pressure is widespread across Ireland. However, not all consumers experience affordability challenges in the same way. To better understand the intensity of financial pressure, a combined financial-pressure score was developed using four indicators: financial concern, saving erosion, difficulty affording essentials and expected difficulty paying essential bills. Consumers were then grouped into lower-, moderate- and higher-pressure tiers.

The analysis found that **43%** of consumers fall into the higher-pressure group, while **26%** are classified as experiencing moderate pressure and **31%** fall into the lower-pressure category. Together, this suggests that affordability challenges extend well beyond a small or vulnerable segment of the population, with a significant proportion of households experiencing multiple indicators of financial strain simultaneously.

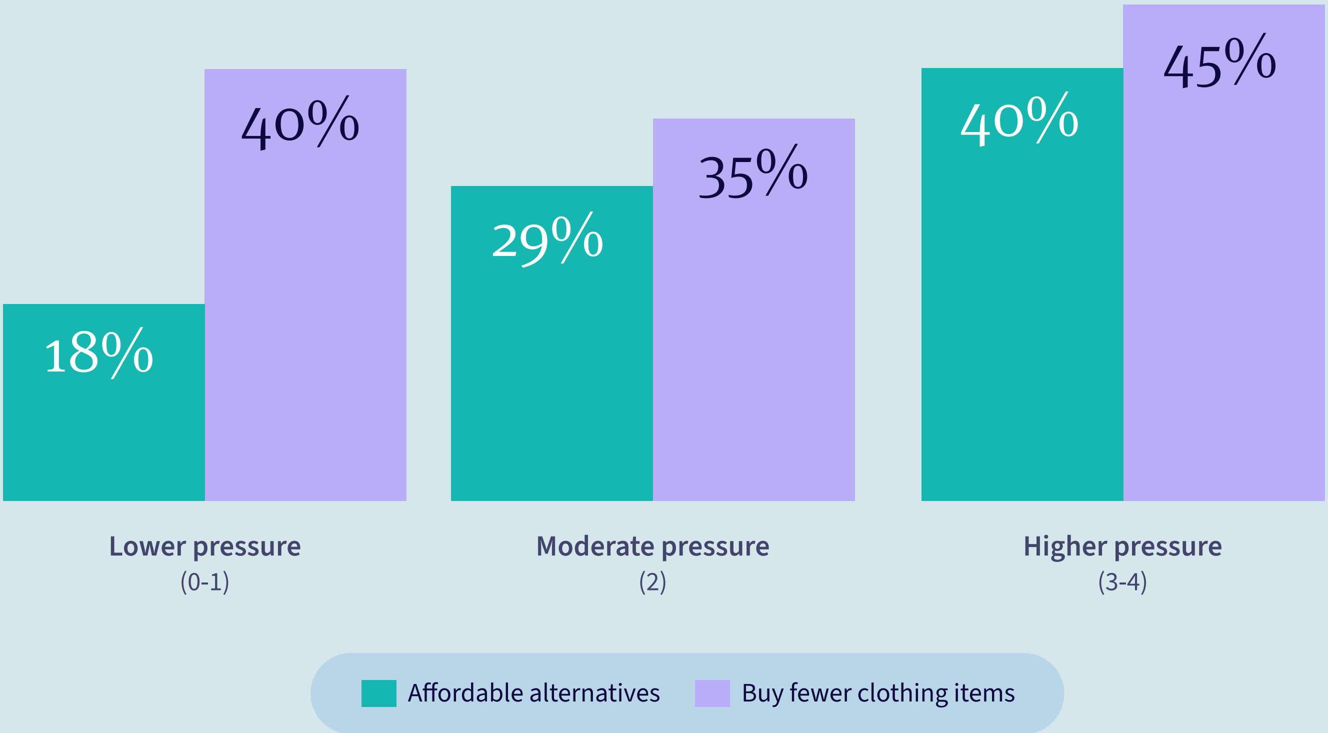
Importantly, these pressure tiers were used to examine how financial pressure influences consumer behaviour. The results show a clear relationship between financial pressure and opting for lower-cost options, particularly in clothing and fashion purchases. Consumers experiencing higher levels of financial pressure are significantly more likely to choose affordable alternative clothing brands than those under less pressure.

Among consumers experiencing lower financial pressure, **18%** report moving towards budget-friendly options. This rises to **29%** among those experiencing moderate financial pressure and increases further to **40%** among consumers in the higher-pressure group.

These findings are important because they help distinguish between two related but different behaviours. Seeking value for money has become a mainstream consumer mindset that extends across income groups. Choosing affordable alternatives, however, appears much more closely linked to financial pressure. In other words, many consumers actively seek value regardless of their financial circumstances, but consumers facing greater affordability challenges are considerably more likely to change purchasing behaviour in response to those pressures.

This distinction provides an important foundation for understanding the consumer behaviours explored in the following sections of this report. While affordability has become a widespread concern, consumers respond to that pressure in different ways depending on their financial circumstances and the level of pressure they are experiencing.

Financial pressure and clothing behaviour



> Consumers experiencing higher levels of financial pressure are more than twice as likely to seek out more affordable clothing brands than those experiencing lower levels of financial pressure

02.

Households are Adapting Their Spending Behaviour

Consumers are actively changing how they spend to manage financial pressure

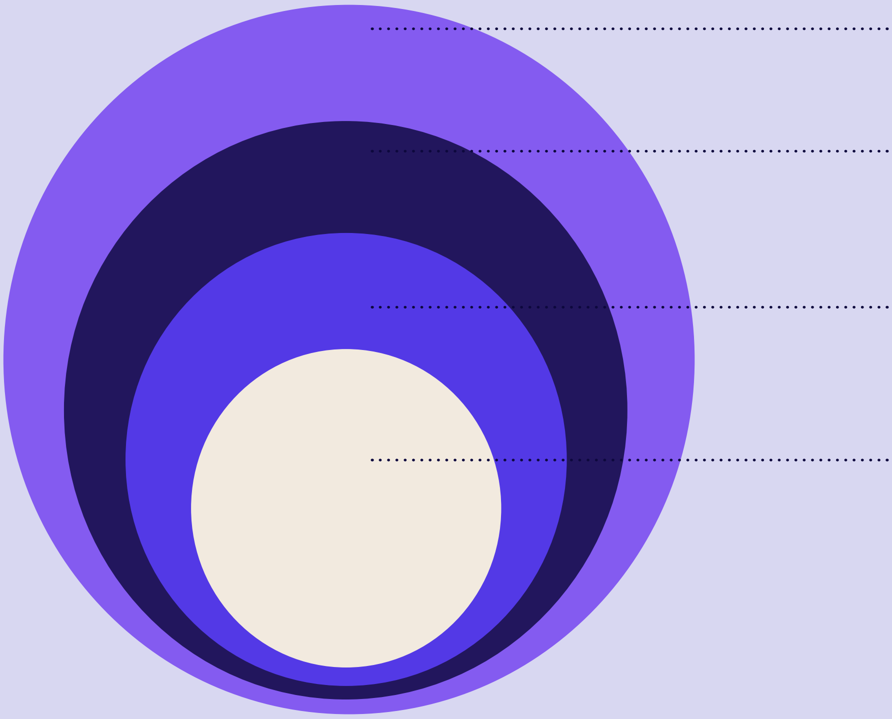
The findings suggest that affordability pressures are reshaping everyday consumer behaviour across Ireland. Rather than simply reducing spending across the board, consumers are making deliberate choices about where they spend, where they cut back and how they manage household budgets. These adjustments reflect a desire to make household budgets stretch further where possible while responding to ongoing financial pressures.

Spending reductions are concentrated in discretionary categories

Four in ten consumers **(42%)** report reducing discretionary spending compared with a year ago. Among those who have reduced spending, rising living costs are by far the most commonly cited reason, identified by **59%** of respondents.

The largest budget reductions are occurring in categories that consumers are more easily able to postpone or reduce. Eating out has seen the greatest level of cutbacks, with **58%** of consumers reducing spending in this area. Clothing and fashion follows at **48%**, while **43%** have cut spending on holidays or major purchases and **41%** have reduced spending on recreation and entertainment.

The pattern suggests that consumers are prioritising essentials and making targeted adjustments elsewhere.



58%

Have reduced budgets for eating out

48%

Have reduced budgets for clothing and fashion

43%

Have reduced budgets for holidays or major purchases

41%

Have reduced budgets for recreation and entertainment

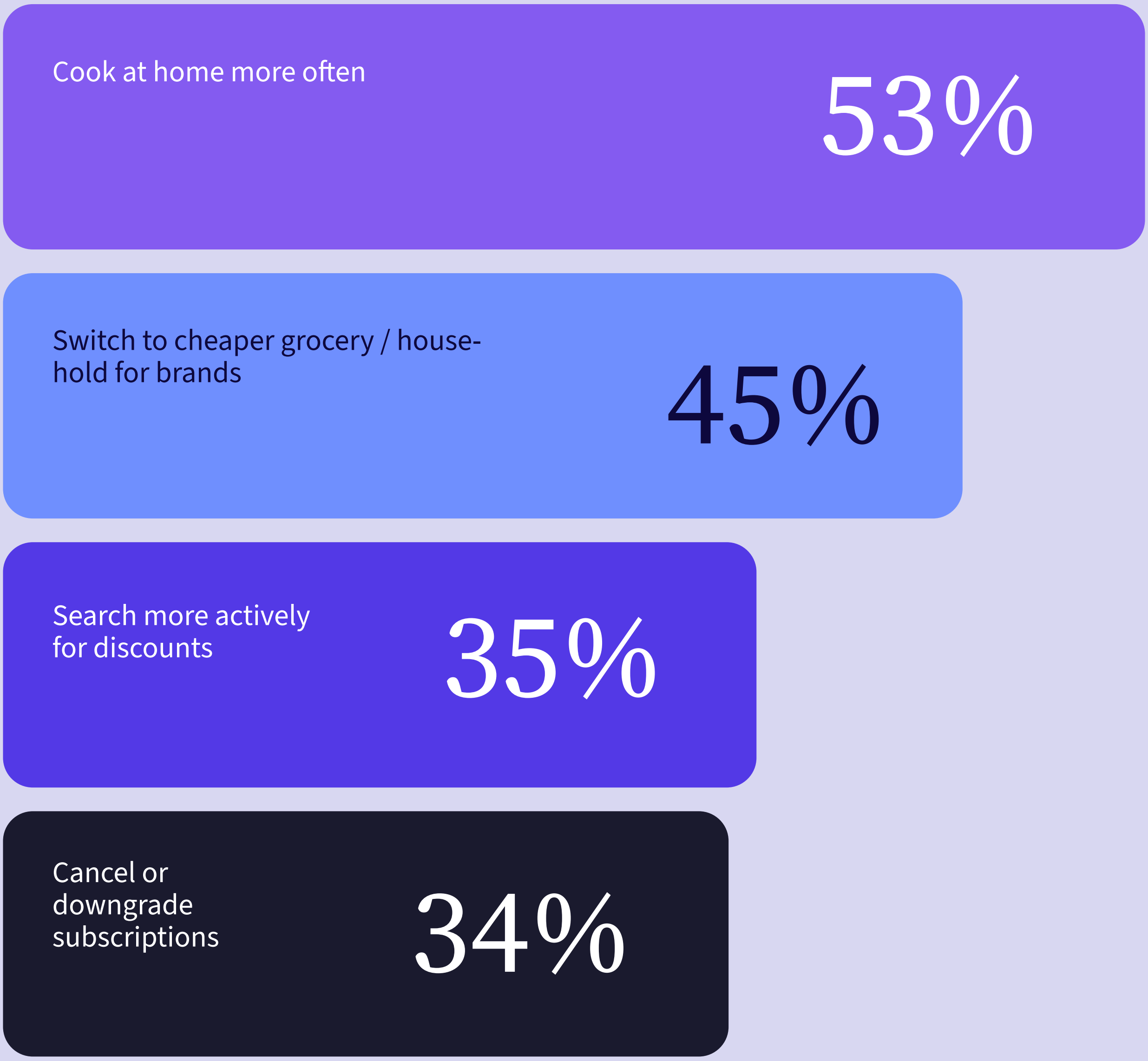
Consumers are changing routines to stretch household budgets

Alongside spending reductions, many consumers are adopting practical strategies to help household budgets go further.

The most common response is cooking at home more often, reported by **53%** of consumers. Almost half **(45%)** have switched to cheaper grocery or household brands, while over one-third are searching more actively for discounts **(35%)** or cancelling and downgrading subscriptions **(34%).**

These findings suggest that affordability pressures are influencing everyday routines as much as purchasing decisions.

Everyday Adaptations Used to Stretch Household Budgets



Source: Trinity Consumer Researcy, 2026.

03.

Value for Money has Become the Dominant Consumer Priority

Value has become a mainstream consumer expectation

Affordability pressures are changing how consumers evaluate purchases. Across demographic and income groups, value for money has emerged as one of the most important factors influencing purchasing decisions.

The findings show that **82%** of consumers consider value for money to be very or extremely important when making purchases. At the same time, **82%** also agree that affordable retailers help them manage household budgets more effectively.

These findings suggest that value is no longer simply a factor considered by budget-conscious consumers. Instead, it has become a mainstream expectation that influences purchasing decisions across the wider population.

82%
Say value for money is very or extremely important

82%
Say affordable retailers help them manage household budgets

Value-seeking and choosing affordable alternatives are not the same thing

One of the most important insights emerging from the research is the distinction between value-seeking and choosing affordable alternatives. Financial pressure does, however, influence how strongly consumers change their purchasing behaviour. Those experiencing greater financial pressure are more likely to seek out lower-cost alternatives and make more significant adjustments to where and how they spend.

This distinction is important. Consumers across income groups are increasingly focused on getting greater value from their spending, while financial pressure increases the likelihood that they will actively change brands, retailers or purchasing habits to make household budgets go further.

The findings suggest that affordability is becoming a broader expectation of the retail market, rather than a consideration limited to lower-income consumers.

Value-seeking is widespread across the income distribution. Even among households earning €100,000 or more, **92%** rate value for money as very or extremely important.

Choosing affordable alternatives, by contrast, appears much more closely associated with financial pressure. When purchasing behaviour is examined across income groups and levels of financial strain, a clear relationship emerges between increasing pressure and a greater likelihood of switching to lower-cost alternatives.

Among households earning below €40,000, around four in ten report choosing affordable alternative clothing brands. This falls steadily as income increases, reaching around one in five among households earning €100,000 or more.

Taken together, the findings suggest that consumers across the income spectrum increasingly seek value, but meaningful changes in purchasing behaviour are more strongly associated with financial pressure than income alone. While value-seeking has become a mainstream consumer mindset, choosing affordable alternatives appears more closely tied to households experiencing greater affordability challenges.

Affordable retailers play an important role in household budget management

The research also highlights the role affordable retailers play in helping consumers manage budgets.

Over eight in ten consumers **(82%)** agree that affordable retailers help them manage household finances. This finding extends beyond consumers experiencing acute financial pressure and reinforces the idea that affordability has become part of a broader consumer definition of value.

For some households, affordable retailers help manage financial constraints and maintain purchasing power. For others, they provide greater flexibility and choice within existing budgets. In both cases, affordability appears increasingly connected to perceptions of consumer value.

04.

Consumers Link Competition and Affordability

Affordability sits at the centre of how consumers think about retail competition

The research suggests that consumers increasingly view retail competition through the lens of affordability. While competition can deliver a range of benefits, lower prices and better value are the outcome consumers are most likely to associate with a competitive retail market.

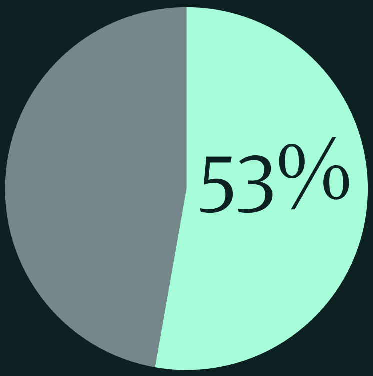
This reflects the broader findings throughout the report. As affordability has become a more prominent feature of consumer decision-making, consumers are increasingly assessing retailers and retail policy according to their impact on household budgets.

Rather than viewing competition as an abstract economic concept, consumers appear to connect it directly to practical outcomes such as lower prices, greater value and improved purchasing power.

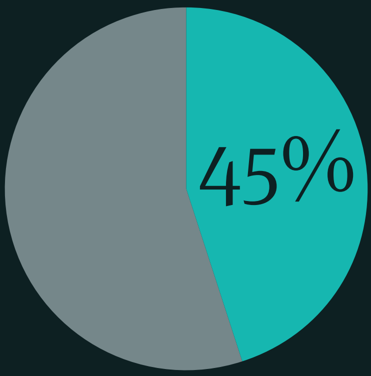
Competition is associated with lower prices and greater value

More than half of consumers **(53%)** say lower prices are the main benefit they associate with increased retail competition. A further **45%** point to greater discounts and promotions, while **32%** cite increased choice of products and brands.

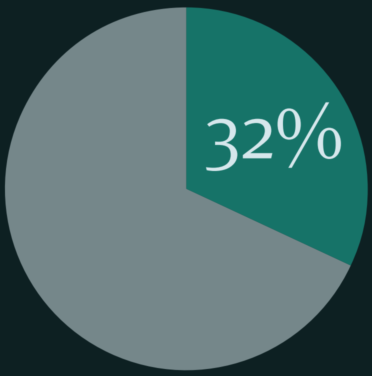
These findings suggest that consumers see competition primarily as a mechanism that helps improve affordability. While choice and innovation remain important, affordability appears to be the most tangible benefit experienced by consumers in the current market environment.



Say greater retail competition leads to lower prices



Associate competition with more discounts and promotions



Associate competition with greater product choice

Affordability is the leading retail policy priority

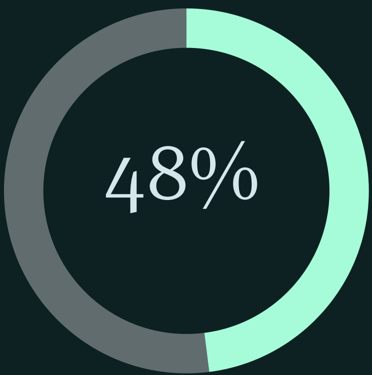
Consumers' views on future retail regulation reveal a similar pattern.

Nearly half of consumers **(48%)** say keeping prices affordable should be the priority for future retail policy. A further **31%** believe affordability and protecting local retailers should receive equal consideration. Only **18%** prioritise local-business protection ahead of affordability.

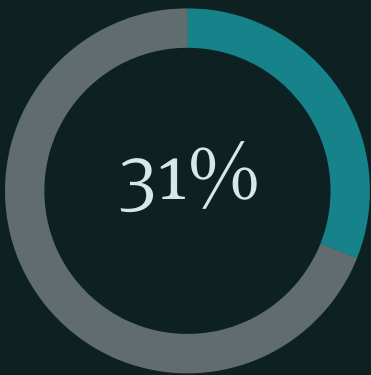
The findings do not suggest consumers disregard the importance of local businesses. Rather, they indicate that affordability remains the more immediate and pressing concern for many households. In the current environment, consumers appear to be looking for solutions that preserve competition and support affordability while maintaining a healthy retail ecosystem.

Future policy priorities

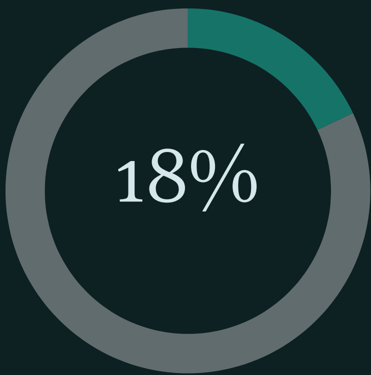
Keep prices affordable:



Balance affordability and local business protection:



Prioritise local-business protection:



Consumer expectations increasingly centre on affordability

Consumers are not solely seeking lower prices. They are looking for value that helps them manage household budgets while maintaining access to quality products, choice and convenience. However, affordability increasingly sits at the heart of those expectations.

Whether considering spending decisions, retailer choice or future retail policy, affordability continues to emerge as one of the strongest influences on consumer attitudes and behaviours.

05.

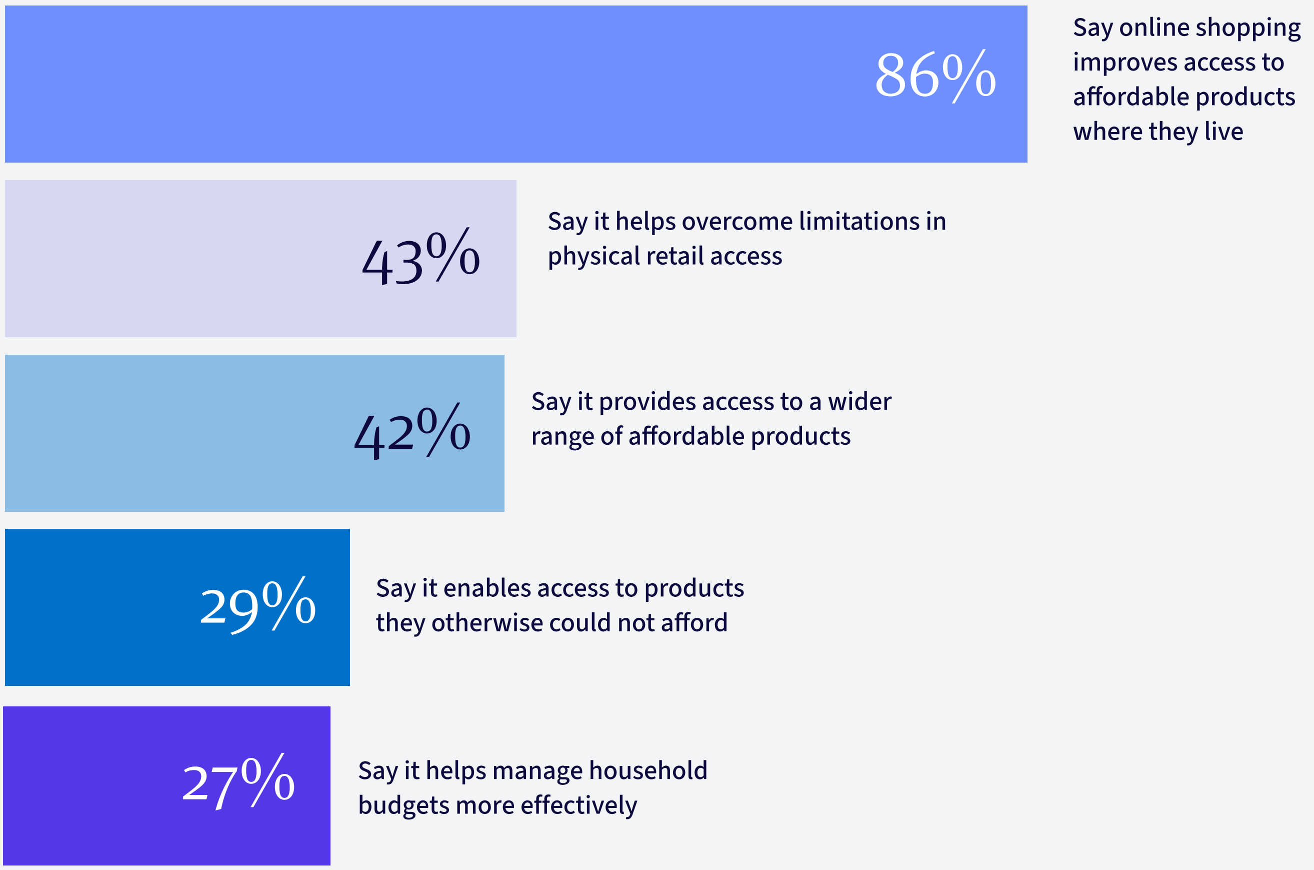
Online Shopping is Expanding Affordable Access

Online retail is improving access to affordable products

More than eight in ten consumers **(86%)** agree that online shopping makes it easier to access affordable products where they live. This perception is consistently high across age groups, income levels and regions, suggesting that affordability benefits are being experienced broadly rather than within a specific segment of the population.

Consumers identify several ways that online shopping contributes to affordability. The most commonly cited benefit is improved access where physical shopping options may be limited **(43%)**, followed closely by access to a wider range of affordable products **(42%)**. Almost three in ten consumers **(29%)** say online shopping enables them to purchase products they otherwise could not afford, while **27%** believe it helps them manage household budgets more effectively.

Together, these findings suggest that online retail supports affordability in multiple ways, extending beyond simple price comparisons.



Online shopping supports affordability across different consumer groups

Perceptions of affordable online access remain consistently strong across demographic groups.

While younger consumers are marginally more likely to report improved affordable access, agreement remains high across all age groups. Notably, Gen X consumers are most likely to identify practical benefits such as wider product choice, improved physical access and better household budget management.

The consistency of these findings reinforces the idea that online affordability benefits are not limited to a particular demographic profile. Instead, online shopping appears to support consumer needs across a broad cross-section of Irish households.

06.
Consumer Profiles

Consumers are responding to affordability pressures in different ways

While affordability concerns are widespread across Ireland, consumers are not responding to those pressures in the same way. Looking beyond demographic characteristics, two broad consumer profiles emerge. Both value affordability and recognise the benefits of online shopping, but they differ in the role affordability plays in their everyday lives.

One group views affordability as a way to maximise value and choice. The other relies on affordability as a more important tool for managing household pressures.

Two broad affordability mindsets are emerging among Irish consumers:

1. Financially Secure Value Optimisers

Value matters, but affordability is primarily a preference rather than a necessity

Representing **47%** of consumers, this group experiences relatively low financial pressure while remaining highly value-conscious. They actively seek value but are less likely to make significant changes to brands or purchasing habits in response to affordability pressures. Affordable retailers remain important because they offer flexibility, choice and convenience rather than acting as a response to financial strain.

47%	of consumers
1.2/4	average financial pressure score
23%	switch to affordable alternative clothing brands
6%	have stopped saving entirely
85%	believe online shopping improves access to affordable products

2. Financially Constrained Value Seekers

Affordability is an important tool for managing financial pressure

Representing 53% of consumers, this group experiences substantially higher levels of financial pressure. Affordability plays a more important role in helping them manage household budgets, maintain purchasing power and navigate cost-of-living challenges. They are considerably more likely to have reduced savings and to make purchasing decisions based on affordability considerations.

53%	of consumers
3/4	average financial pressure score
37%	switch to affordable alternative clothing brands
36%	have stopped saving entirely
83%	believe online shopping improves access to affordable products

Income is the clearest difference between the two groups

The two profiles are broadly similar across age, gender, geography and household composition. Income is the most significant point of difference.

Financially Constrained Value Seekers are more likely to be found in households earning below €40,000, while Financially Secure Value Optimisers are more heavily represented among higher-income households. This suggests the profiles reflect different affordability experiences rather than entirely different demographic groups

07.
Conclusions and Implications

Affordability is shaping consumer behaviour across Ireland

The findings point to a clear conclusion: affordability has become one of the defining influences on consumer behaviour in Ireland.

Financial pressure remains widespread, with consumers saving less, adapting spending habits and placing greater emphasis on value for money. At the same time, affordability is no longer solely a concern for financially vulnerable households. Value-conscious behaviour now extends across income groups, making affordability a mainstream consumer priority.

What this means for retailers

Consumers are not simply looking for the lowest prices. They are looking for ways to maximise value while maintaining access to quality, choice and convenience.

The research suggests that retailers that successfully combine affordability with a strong customer proposition will be best positioned in a market where consumers continue to scrutinise spending decisions carefully. The findings also highlight the importance of recognising different consumer needs, from households managing significant financial pressure to those seeking better value and greater flexibility.

What this means for policy discussions

Consumers continue to place significant importance on affordability when considering the future of the retail sector.

The findings suggest that consumers associate competition with lower prices and improved affordability, while also recognising the need for a healthy and diverse retail environment. Discussions around competition, affordability and consumer access are therefore likely to remain highly relevant in the years ahead.

Closing Reflection

The evidence suggests affordability will remain a defining feature of the Irish consumer landscape for the foreseeable future.

Consumers are adapting rather than retreating. They are reassessing spending priorities, seeking better value and making increasingly deliberate purchasing decisions. At the same time, online shopping is playing an increasingly important role in expanding access to affordable products and helping households manage budgets.

The result is a consumer environment where affordability matters more than ever before, but where value is increasingly defined by a combination of price, choice, quality and accessibility.

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