Consumption and the Irish Recession: Tiger Tales of Consumer Abundance and Recession

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This paper explores the coping strategies used by Irish consumers in moving from a time of abundance to an era of austerity. Utilizing an interpretive method we explore the emotional and behavioral coping strategies adopted by our participants, and the individual and macro forces which impact these strategies.

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EXTENDED ABSTRACT

In 2007 the global financial crisis led to a collapse of the Irish economy and ended the Celtic Tiger years (1995-2007). The recession took most people by surprise, and affected Irish consumers across all social strata and socio-economic backgrounds. While the economy had grown on average 5.8% annually (2000-2007), real GDP shrunk by 4.8% annually from 2008-2011 (ESRI, 2012). While the effects of the recession are well documented on the macro-level, little is understood about the impact these have had on consumers’ identity and consumption practices. This study addresses this gap.

Much has been written on impoverished consumers and various strategies they have utilised to cope with this (Lewis 1959; Hill and Stamey 1990; Hill and Stephens 1997; Lee, Ozanne and Hill 1999, Hill 2002; Baker, Gentry and Rittenberg 2005; Hamilton 2009). This study builds on this by focusing on consumers who have gone from living prosperous lives to their standard of living being negatively affected by the collapse of the Irish economy.

To explore consumers moving from a time of abundance to recession the researchers interviewed 12 Irish consumers during 2012-13. The participants were interviewed about their experiences, thoughts and feelings and the impact this had on them, their friends and families. Utilizing a phenomenological interviewing practice (Thompson, Pollio and Locander 1994), the focus was on eliciting accounts of experiences of life and consumption pre-recession and during the recession itself. Our participants were Irish citizens (26-63 years old) and had suffered some form of impact during the recession. Data was analysed using the hermeneutic circle method (Thompson, Pollio and Locander 1994) which lead to the identification, development, and refinement of themes focused on coping strategies.

In the findings it emerged that during the Celtic Tiger years, for many, spending and consumption was an activity that enriched their lives, it gave them meaning (Belk, 1988), and helped construct their identity (Arnould and Thompson 2005), but transitioning from a sense of wealth to a reduction in income led to a number of problems in what and when our participants could consume and also in their identity construction. Similar to existing literature on coping (Hamilton, 2009; Baker, Gentry and Rittenburg, 2005; Hill, 2002; Hill and Stephens 1997; Hill and Stamey, 1990) we found that participants used both emotional and behavioural strategies to cope with these changes, and a number of new categories also emerged. It is important to stress that each category is not necessarily mutually exclusive, and an emotional coping strategy can impact on behavioural responses and vice versa.

Within the emotional coping strategies there were five types of coping that emerged. These included disaffeting, distancing, and fantasy (all previously considered in existing literature), and new categories of resignation, and remembrance of times past. For example, in the emotional coping strategies participants discuss how the circumstances they find themselves in were not their fault and therefore beyond their control at both the macro and the micro level (resignation), which for some helped remove themselves from any blame. For example, a number of participants discussed how their circumstances would be have been radically different if they had qualified for their jobs a year prior. Other participants coped by reminiscing about the the good times they had during the Celtic Tiger boom including unique or peak experiences such as exotic holidays and weekend breaks, exorbitant nights out, and the purchase of high ticket items. Negative aspects were recalled, such as the over consumption and wastefulness participants felt had occurred and the detrimental impact the Celtic Tiger had on Irish identity. For some participants, the recognition of this they felt was leading to positive changes for themselves and Ireland.

Within the behavioral coping responses we identified nine different strategies. These included controlling potentially harmful behaviour, shedding oneself of reminders of an experience, seeking support (social and economic), engaging in deception (all previously discussed in existing literature), and new categories of economic cutbacks, making do with what you have, keeping creative/innovative, reconnecting (moving from the material back to the social), self-gifts, and understanding vs ignoring. To give a flavour of some of these new strategies we outline brief examples below. Participants discussed the economic cutbacks they made including changes in where, what, when, and how much they consumed. Some discussed the prioritization of, and discontinuing the use of certain goods (e.g. insurance, cars, groceries). Others mentioned how they had reconnected with their social environment by looking for new ways to spend time; instead of going shopping or for lunch they took up sports, began to reconnect and spend more time with their extended families and/or friends, and/or engaged in local community activities. Finally, some participants became innovative or creative in their consumption. For instance, one participant bought a sewing machine to refashion and rework her clothes, thus extending the life and uses of these objects.

This study shows that going from a brief era of mass consumption and seeming abundance to one of austerity was difficult for participants, and the transition was exacerbated because they did not have the financial resources to consume their way out of the problem, as is typical within a consumer society (Baudrillard, 1998). Participants utilised a number of emotional and behavioral strategies to cope with new circumstances; sometimes these strategies had positive impacts on participants and their emotional well-being, other times they did not. While existing literature (briefly mentioned above) on impoverished consumers considers various coping strategies, our study includes additional strategies and adds to this literature by exploring consumers who suddenly find themselves with reduced financial resources. Our research focuses on the individual coping strategies of participants, and examines these within a wider institutional framework – by considering national and international events, which had a significant impact on behavior. During the Celtic Tiger this was seen through an era of “Consumption on Steroids” and was, almost overnight, turned to an “Age of Austerity”, shifting to an era of restricted and restrained consumption.

REFERENCES