

# Employment status and income economics essay

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The group were asked to evaluate whether the female market in Ireland aged 20-30 years would be a viable market in which to sell carbon monoxide alarms. In order to determine if this product would suit this market segment, the group undertake a large amount of primary and secondary research in order to fully understand the products position in the market. The group conducted secondary research through finding general information on the product. The primary research consisted of contacting separate bodies who would have relevant information on the product and other variables. Also an interview was conducted with the sales manager of EI Electronics. The variables were made up of demographics, Geographic's, benefits sought and product usage. A questionnaire was also conducted of 60 females in order to gain real personal information from the target segment.

### **Findings:**

From the research of the variables, the group decided to analysis the research undertaking, in relation to 5 topics.

### **Decision making**

Research suggests women in Ireland are more likely to make decisions about the home. They are reported to be more highly qualified than men. Over half of the women aged between 25 and 35 years have gained a third level degree. From the research, it was assumed the females of the household would have more consumer power in certain situations.

### **Price**

Ireland is currently experiencing an economic downturn, which leads to limited household spending power. The average weekly household

expenditure in Ireland is €810. The price of the carbon monoxide alarm is relatively cheap and falls into the price bracket of households of all income levels. The price has positioned the product to become a necessity rather than a luxury item in the market, therefore making them affordable and attractive.

## **Legislation**

With the introduction legislation imminent, the country should experience a sharp increase and demand for Carbon monoxide alarms. 93% of respondents from the group's questionnaire stated they would like to see legislation introduced.

## **Safety**

Smoke alarm and carbon monoxide alarm advertisements are commonly seen on Irish TV screens. The Irish government has taken up the initiative of creating Carbon Monoxide Awareness Week to promote the dangers of carbon monoxide. This has proven to be successful however the latest recorded carbon monoxide death was on January 2013 thus suggesting there is still room for improvement.

## **Product Awareness**

Some people can mistake smoke alarms for carbon monoxide alarms which can mislead them into thinking that the smoke alarm also detects carbon monoxide. If people do not realise that smoke alarms cannot detect the carbon monoxide then they are not prepared to prevent the danger from occurring. These people need to be educated on how the alarms work.

Questionnaire results proved that some people do not know the difference between a smoke alarm and a carbon monoxide alarm.

### **Conclusion:**

After researching the given segment, the group decided it would be viable to launch the carbon monoxide alarm in the Irish market for the desired segment, females 20 - 30 years of age. The group have identified that this segment is ripe for penetration as people are becoming more aware of the need and benefits for the specific product.

### **Recommendations:**

The group would recommend advertising using the ID approach as it is a personal subjective matter which could connect with the potential customer personally and emotionally. The group would recommend the targeting of promotions to areas which have had fatalities in relation to carbon monoxide in previous years while also trying to not appear as capitalising on people's misfortune. The group would recommend widening the target to include other segments as there is a potential to expand the customer base and incur more sales.

### **Introduction**

For the purpose of this project, the group were allocated a product, Carbon Monoxide Alarm, in order to conduct research within the Irish market in relation to the segment market of females aged 20 - 30 years of age. The main objective of this project is to determine if it would be feasible for the selected segment market to be targeted by the product manufacturers. In order to gain more information, the group conducted primary and secondary

research in relation to the product, the Irish market and the segment. The primary research consisted of an interview with a carbon monoxide alarm manufacturer located in County Limerick and a questionnaire which was distributed to females. The secondary research involved the gathering of information in relation to the industry, the country and the segment market. Carbon monoxide alarms have been selling in Ireland since 1995. Main distributors are small electrical shops, Woodies and Homebase. The industry surrounding carbon monoxide alarms has grown recently as a result of the deaths occurring from carbon monoxide poisoning. An increased awareness in relation to the product has occurred as a result of Government awareness campaigns and increased publicity regarding the deaths that have occurred to date. In January 2011, Irish manufacturers of carbon monoxide alarms experienced a very noticeable increase in the sales of the products. El Electronics, an Irish manufacturer, noted that their recorded sales increase in January was greater than the total number of units sold in the whole of 2009. The introduction of the Carbon Monoxide Awareness Week, by organisations associated with energy and related industries, has promoted the dangers of carbon monoxide and the preventative steps which can be implemented to reduce the risk of carbon monoxide poisoning. The increase in awareness has driven the necessity to own a carbon monoxide alarm, in order to keep families together, safe and healthy.

## **Research**

## **Product**

A Carbon Monoxide alarm prevents carbon monoxide poisoning to residents in a home by sounding an alarm when dangerous levels of fumes are

present. Carbon monoxide is a dangerous substance as it does not have a smell and cannot be seen, which makes it difficult to identify when toxins are present in the home. Carbon monoxide poisoning in homes can occur as a result of domestic heating and fossil fuel installation. Carbon Monoxide can be produced through any household appliance which burns natural gas, coal, oil, bottled gas, paraffin, wood, petrol, diesel or charcoal. If a person is exposed to carbon monoxide for a period of time, it can result in illness and sometimes death. In order to prevent carbon monoxide poisoning, one may carry out regular inspections and maintenance of domestic appliances such as vents, flues and chimneys. In addition to these tasks, carbon monoxide alarms may be fitted and installed into properties. The alarms should be fitted in any room which has a fuel burning appliance and any room with flue-less or open fluid appliances in rooms with high occupancy. It is an advantage to use more than one alarm in order to facilitate early detection. When more than one alarm is fitted, the alarms work interconnected. This creates the advantage that one alarm may be fitted near to a potential source of carbon monoxide and if sounded, the other interconnecting alarms will alert in unison with the first alarm to facilitate audible warnings of carbon monoxide poisoning. The alarm can be fitted either directly to the mains of the house, which is popular with local authorities, or fitted with batteries, which is popular with individual home owners. Carbon monoxide alarms must be compliant with the relevant European standard EN 50291.[1]The alarm should also carry the CE Mark (European Conformity) and display an independent certification mark.[2]Additionally the alarm will normally have an 'end of life' indicator. This alerts the occupants of the house, approximately 3 weeks in advance of the battery expiring. In addition to this

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the product may also have memory technology which will allow the residents to read, on a LED display, if carbon monoxide fumes were present while they were absent from the house. The National Guild of Master Craftsmen gave Honeywell the Safety Product of the Decade Award for their carbon monoxide alarm.[3]The main priority of this product is that it operates correctly by detecting carbon monoxide and provides sufficient warning in order prevent illness or death. The product is bought to serve the main function of preventing carbon monoxide illnesses or deaths in the home for the end user. Carbon monoxide alarms create a sense of wellbeing and reassurance for the end user as deaths and related illnesses in Ireland continue to occur.

### **Promotion:**

In recent years, carbon monoxide poisoning has been promoted on national television in Ireland in order to raise awareness to the general public. The advertisement is aired in addition to National Awareness Week, which is from 24th to 30th September, and raises the necessary awareness about carbon monoxide while better educating the country about its deadly traits.

Awareness can be raised by informing the public about ways to detect and prevent carbon monoxide poisoning, for example by looking for clues around the house and by purchasing the alarm. By creating awareness, there is a better chance of reducing deaths and related illnesses that have occurred.

There are also video clips on the Board Gáis website which explains the best locations to put the alarms within a home or property. The video clips also demonstrate how the alarms operate. These video clips help to further educates people who are willing to seek further information.[4]

## **Legislation:**

As a result of the increased awareness of carbon monoxide poisoning and deaths, people have become more concerned with the causes and the preventions of these deaths. An increase in media coverage relating to carbon monoxide deaths has led to people purchasing carbon monoxide alarms in order to ensure their homes are safe. Currently there is no legislation requiring that carbon monoxide alarms be installed in all dwellings. Also in the case of new buildings, there is no requirement for builders to install the alarm. However legislation stating that all dwellings must have carbon monoxide alarms installed has been passed in Northern Ireland, England and 24 states in America. Ireland has yet to introduce this legislation but the law may be passed soon as an amendment to current legislation. In 2011, a review was announced of the building regulations, in relation to heating appliances. The review would be carried out by a group, who were established in September 2011. The group would conduct a review of the section, part J, of the building regulations and draft regulations. This review would be expected to be made accessible for public consultation in 2012. In relation to the carbon monoxide alarm itself, a de facto Irish Standard was announced in August 2011. The standard was established as a result of the work and research conducted by experts within the gas industry, called the Gas Technical Standards Committee of the National Standards Authority of Ireland. This meant that carbon monoxide alarms for purchase in Ireland must be of an acceptable quality and must comply with the new standard.[5]The new standard also meant that the alarms must be installed properly.



## Country

Ireland (Éire) is an island located in the North-West of Europe and has been a member of European Union since 1973. As part of the EU, Ireland adopted the 'Euro' currency replacing the old currency of the 'Punt'. Between the years 1995 and 2008, a period of rapid economic growth was experienced in Ireland known as "The Celtic Tiger". This transformed Ireland into a technologically advanced country. According to the Central Statistics Office (CSO), April 2012, Ireland's population currently stands at an estimated 4, 585, 400 people, with just over 1. 2 million people living Dublin, which is the capital of Ireland. There are 32 counties within Ireland, divided into four provinces - Munster, Ulster, Leinster, and Connacht. English is the official language of Ireland, although 'Gaelic' was originally the native heritage language of Ireland but has since declined.[6]Ireland is a very popular country in terms of tourism and attracts a large number of overseas visitors to the island every year as it is widely known for the scenic landscape and historical monuments. Agricultural lowlands make up most of the midlands, which is broken in places by low lying hills and includes significant areas of bogs and lakes. There are coastal mountains to the west, which rise to over 1, 000 meters in places such as 'Corrán Tuathail'. There are also many small islands off the coast of Ireland, most famously 'The Aran Islands', which features spectacular pre-historic forts which have attracted tourists since the 19th century. Ireland is described as having a temperate oceanic climate with abundant annual rainfall. It has been found that Ireland is the most car dependant transportation country in the EU, with roads carrying 86% percent of freight traffic and 97% percent of passenger traffic. There are also 3 international airports, which are Shannon, Cork and Dublin. There are also 6

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other independent regional airports. Ireland is ranked first in the European Union in human development; this is regards to GDP (Gross Domestic Product), education and life expectancy. In terms of freedom of press, Ireland ranks on par with Denmark, Finland, and Sweden - these were awarded as having the freest press in the European Union, and the world according to Reporters sans Frontières. Over 90% of the Irish population is exposed to radio advertising on a daily basis which makes different target audiences easily accessible for advertising.

## **Segment**

Market segmentation is a strategic tool to define markets and then allocate resources appropriately. The majority of companies can no longer depend on mass marketing as a practical option as niche markets have developed which reveal the unique needs and wants of consumers. The two potential market sectors available to companies are residential & commercial. In each sector, the marketer should be capable of identifying a competitive advantage while also recognising that each consumer is different and unique in relation to the product. Carbon monoxide alarms are considered to be a health and safety cautious product and some consumers may need educating in order to influence their decision making process. Companies need to determine a suitable way to target potential customers in an effort to ensure they purchase the product. For the purpose of this project, the carbon monoxide alarm is required to target the Irish female market aged between 20 - 30 years and to see whether it would be viable to launch this product into the desired market. According to CSO figures there are approximately 297, 961 females in Ireland aged between 20 - 29 years.

Census 2011 saw the number of private households increase by 12.6 per cent over 5 years to stand at 1,654,208. The number of people living in private households grew more slowly, by 9.4 per cent, to 4,510,409. There were a recorded 215,300 families consisting of lone parents with children, 87 per cent of which were lone mothers. The census also revealed that males leave school at an earlier age and women are more highly qualified. Over half of the women aged between 25 and 35 years have gained a third level qualification compared with men, which are less than four out of ten men. The European Union employment target rate for women is 60%. [7]

## **Application of Variables**

### **Demographics**

The groups chosen country for this project is Ireland. It was first necessary to conduct research on demographics in order to gain a better insight into the current situation of the country. The group chose to analyse the country under the following headings:

### **Population**

According to a recent census (April 2012), the population of Ireland has reached the highest level in 150 years with figures currently at 4.59 million. This number has significantly increased over the last 10 years as a result of Ireland experiencing the Celtic Tiger and the economic boom. Emigration from Ireland during the time period of April 2011 to April 2012 is estimated to have increased to 87,100 from 80,600, while the number of immigrants is estimated to have fallen marginally to 52,700 from 53,300 during the same period. These combined changes have resulted in an increase in the

net outward migration from 27, 400 in April 2011 to 34, 400 in April 2012. From the period of April 2011 to April 2012, Ireland recorded the birth of 74, 000 babies and also recorded the death of 29, 200 people. These numbers resulted in Ireland experiencing a natural growth for the year with a fall of 2, 600 on the previous year's figure of 47, 500.

## **Gender and Age**

In 2010, Ireland had the highest fertility rate in the European Union at 2. 07, which was increasingly higher than the EU average of 1. 59. In 1980, women gave birth to their first child at the average age of 25 years but this figure rose to 29. 4 years in 2010. In 2008, Ireland had the most gender balanced population with 101 women for every 100 men. In relation to the 65 and over age group, Ireland had a proportion of 129 women for every 100 men which was higher. In 2011, Ireland had a proportion of 98 men for every 100 women in the population, which means there are differences in age groups. In relation to the younger ages, there are more boys (501, 189) than girls (478, 401). However for the 20 to 29 age group, there are fewer men than women and this can be attributed to more males emigrating in recent years. For the 65 and over age group, there are more women (292, 079) than men (243, 314) and this could be due to women living longer than men. In 2006, women in Ireland had a life expectancy of 81. 6 years which was nearly 5 years more than men who had a life expectancy of 76. 8 years. In 2009, men had a higher life expectancy of 0. 4 years than the EU average. For the same year, women had approximately a year less than the EU average. It is probable that men will die at a younger age than women, particularly in relation to the 15 to 24 years age group.[8]

## **Household**

Household final consumption expenditure is concerned with the market value of all goods and services, which includes durable products such as cars, laptops and dishwashers, which households purchase. Payments and fees to the Government in order to obtain permits and licenses are included in the household final consumption expenditure. However, the purchasing of dwellings is excluded from the household final consumption expenditure.[9]

## **Home Ownership**

The 2011 census in Ireland revealed that approximately 475, 000 households were being rented. This statistic has increased since the 2006 census, where approximately 300, 000 household were being rented. A question regarding the type of fuel used in home was created and the results showed that fossil fuels, oil, natural gas and coal are used.

## **Employment Status & Income**

Currently Ireland, which has a small and open economy, is listed as one of the wealthiest countries in the world in relation to GDP per capita. In 2011, Ireland ranked seventh in the world by the United Nations Human Development Index in regards to being the one of the most developed nations in the world. Ireland also ranks highly in the categories of press, political freedom and economics. The value of the goods and services traded internationally by Ireland in 2011 was equivalent to 188% of GDP and this amounted to €159 billion for the entire year. From 2000 to 2007, the average growth in GDP and GNP were 5. 8% and 5. 2% annually. During this time, the prices of properties in Ireland increased by an annual rate of 11% but the Irish property sector collapsed.[10]Ireland is ranked, by a new survey <https://assignbuster.com/employment-status-and-income-economics-essay/>

released by Grant Thornton, as the fifth most optimistic Eurozone country. The survey consists of 44 countries and the results show that 36% of senior Irish executives have an optimistic attitude in relation to Irish economic prospects, which is an increase on the 30% which was experienced last year. For many years, the employment rate for males was approximately 75% but it decreased rapidly in 2009 to 67.3%. In 2010, the employment dropped again to 64.5% and decreased again in 2011 to 63.3%. In 2011, women accounted for 46.7% of those in employment. Again in 2011, men were working on average 39.4 hours a week in comparison to women who were working on average 30.6 hours. Research revealed that men worked more hours than women. Approximately 44.5% of married men were found to working for 40 hours or more a week in comparison to only 14.7% of married women.

## **Education**

In Ireland, education is obligatory for children aged between six and sixteen. The education system in Ireland consists of first level (Montessori and primary schools), second level (secondary schools) and third level (colleges and universities). It has been identified that women in Ireland are more inclined to have a third level qualification in comparison to men. More than half of the women aged between 25 and 35 years have gained a third level qualification compared with men, which are less than four out of ten men. In relation to school, boys have been identified as being more likely to leave school, while girls have been identified as doing better in second level school.[11]In 2011, a higher number of girls received an A or B on honours papers for the Leaving Certificate in subjects such as English, Irish, French,

Biology, Chemistry, Art and Music. A higher number of boys received an A or B on honours papers for the Leaving Certificate in subjects such as Maths, Physics, Construction Studies and Engineering. Men accounted for an estimated five-sixths of third level Engineering, Manufacturing and Construction graduates. Women accounted for 82% of Health and Welfare graduates, 63% of Arts and Humanities graduates and 74% of Education graduates. Third level qualifications are more likely to be obtained by women.[12]

## **Religion**

The census for 2011 revealed that 3. 86 million people living in Ireland classed themselves as Roman Catholic and this represented 84. 2% of the total population of Ireland at that time. 129, 039 people (2. 8%) classed themselves as part of the Church of Ireland/Anglican Communion. Muslims living in Ireland accounted for 49, 204 people and 1. 1% of the population. However, 269, 811 people, representing 6% of the population, categorised themselves as part of the " No Religion" category. The nationality of the people associated with the various religious groups has changed as a result of in-migration. An example of this can be determined in the fact that 7. 3% or 282, 799 people of the declared Roman Catholics are non-Irish nationals. [13]

## **Geographic**

Ireland is a large island located in the north Atlantic and in the North West of Europe and borders northern land with the United Kingdom. It has a modest population of 4. 58 million which covers 68, 890 sq. km of land. Ireland consists of 32 counties which are divided into 4 provinces; Munster, <https://assignbuster.com/employment-status-and-income-economics-essay/>

Connacht, Leinster and Ulster. Bog land makes up approximately 5% of the Irish landscape. Forests in Ireland take up 25% of the land which is fairly modest in comparison to the EU. Irelands 4 largest cities ranging from size are Dublin, Cork, Dun Laoighre and limerick. The population of Dublin is 1. 2 million, almost a third of the overall population of Ireland. The smallest counties in relation to population are Co. Longford at 39, 000 and Co. Leitrim at 31, 798. From October 2003 to January 2013, there have been a total of 10 carbon monoxide poisoning fatalities recorded on national Irish newspapers.[14]This indicates that carbon monoxide poisoning is not limited to a certain geographic area. It can affect households and other properties regardless of the location. This could be anecdotal for potential marketers as it may be a highly relatable subject for potential customers who have experienced carbon monoxide losses in their lives. Ireland can be segmented geographically by province. Furthermore we can easily compare differences between the East and West of the country in regards to:

## **Weather and Climate**

Irish weather differs from East to West due to the different seas located on either side of the island. The Atlantic Ocean is located to the west of Ireland and the Irish Sea is located to the East of Ireland. The average number of wet days, the days with more than 1mm of rain, ranges from 150 days per year along the East coast to 225 days a year in Western parts of the country. [15]The southeast of Ireland experiences the highest periods of sunshine while the west and the far north are identified as the windiest regions in Europe. The windiest regions within Ireland can be a great source of wind energy generation. Ireland rarely experiences winter temperatures lower



than -5 °C and summer temperatures higher than 26 °C and this is a result of a temperate oceanic climate. Ireland's cold climate puts an increase on the amount of home heating required during the winter months. The increased use of home heating appliances makes the likelihood of carbon monoxide poisoning more susceptible to the country as a whole.

## **Construction**

Construction is more favourable in the East of Ireland as businesses and contractors are attracted to highly populated locations such as Dublin. The main disadvantage of setting up a business in a highly populated area, such as Dublin, would be very high rent and rates compared to that of the western region, such as Sligo.[16]Having reviewed the geographic segment variables available for carbon monoxide alarms, it was deemed that this was not the most suitable way for a brand manager to target Ireland. This has been established from the fact that Ireland is so small and lowly populated. It would not be beneficial to sell to just one region, and therefore Ireland should be considered as one geographical area to benefit sales.

## **Benefits Sought**

The core Benefits sought from carbon monoxide alarms are the reassurance of a healthy environment and a dependable alarm which will trigger at the time of the occurrence of carbon monoxide fumes so people can evacuate the area. Carbon monoxide alarms provide a sense of security for home owners as they know their home is free from any harmful fumes which can lead to carbon monoxide poisoning. This is especially important for dependable individuals, as carbon monoxide is an undetectable gas without the aid of an alarm.

## **Price**

The average price of a standard carbon monoxide alarm retails for €30 in Ireland. Many retail outlets, such as Woodies and HomeBase, sell alarms for as little as €12. This shows the product is available to all segments, regardless of income and status. Carbon monoxide alarms vary with price as features change, such as sensors. The product is also sold in discount baskets near check outs to encourage impulse purchases. Online retailers also offer a 'multi-purchase' option, enabling users to purchase multiple alarms at a discounted rate, allowing them to be placed in various rooms of the property.

## **Benefit**

It is advantageous to use multiple alarms in order to facilitate early detection. When multiple alarms are fitted, the alarms will interconnect. This creates the advantage that one alarm may be fitted near to a potential source of carbon monoxide and if sounded, the interconnecting alarms will alert in unison to facilitate audible warnings of carbon monoxide fumes. The alarm can be fitted either directly to the mains of the house, but requires a qualified professional body for installation, or fitted with batteries.

## **Specific feature**

A featured test/reset button is standard on carbon monoxide alarms in order for continuous user assurance that the product is constantly operational and in check. The product has a life expectancy of 5 - 7 years.[17] Alarms come equipped with a fully descriptive guide to how it operates, along with various features and how to retest the unit. The majority of carbon monoxide alarms have a memory feature recording any carbon monoxide emissions.[18]

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## **Ease of Use**

Carbon monoxide alarms should be fitted ideally in any room which has a fuel burning appliance and any room with flue-less or open fluid appliances in rooms with high occupancy. An LED display fitted onto the unit is a visual aid for end users, with colours indicating the status of the product, for example low battery power. Once the battery is fitted within the unit, the carbon monoxide alarm is immediately effective and continuously monitors carbon monoxide levels.

## **Product Usage**

Only carbon monoxide alarms can detect the presence of the poisonous gas. The alarms can be purchased from a variety of stores and can be either battery operated or directly installed into the property. There are also alarms which work as a smoke alarm and a carbon monoxide alarm. Carbon monoxide alarms are specifically designed to identify and measure carbon monoxide gas levels in the atmosphere. If the sensor detects gas, an electric pulse is sent to the alarm and produces sound to alert people before any carbon monoxide poisoning systems are experienced. It is recommended to replace the alarms every 7 years and to have at least one carbon monoxide alarm on each floor and in the sleeping areas of properties. Also ensure to keep the alarm approximately 15 feet away from cooking or heating appliances in order to prevent false alarms. The alarm should remain uncovered at all times and should have a test button which should be used to confirm that the alarm is operating correctly.

## **Discussion**

From the research conducted, the group analysed the research and established a number of findings.

## **Safety**

Carbon monoxide related deaths are reoccurring events of Irish history. Families have tragically died due to this silent killer. The Irish Garda reports show that ages range from young children to the elderly. Board Gáis have played a dominant role in raising awareness to the public about carbon monoxide poisoning and the ways in which to try to prevent it from occurring. However, carbon monoxide is extremely hard to detect for any individual. Correct ventilation appears to be the main prevention for carbon monoxide poisoning. Discolouration, condensation and soot around appliances are standard methods of determining whether a home may be susceptible of carbon monoxide poisoning. One prevention method is to purchase the alarm itself and ensure that it is correctly installed. With such different types of housing around Ireland, using the Carbon monoxide alarms provide reassurance to all types of end users. The maintenance of heating methods is important. Based on the results from the questionnaire, 68% of participants got their boiler/heater serviced yearly, 23% were every 18 months and the remaining 9% were every 2 years. It could be interpreted that people are safety conscious to a certain degree. In relation to the cleaning of chimneys, from the 35 participants who answered the question, 83% clean their chimneys yearly and the remaining 17% cleaned it every 18 months. It could be interpreted that people are aware of the dangers of not cleaning their chimney.