

Cash-strapped consumers seek value not 'specials'

South African consumers look beyond price when actively seeking value for money while grocery shopping, with their perceptions of physical characteristics and quality superseding price in making astute purchase decisions that deliver value.



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These were among the key insights that emerged from BMi Research's latest consumer shopping behaviour survey, which sought to qualitatively explore the impact of the current economic climate on South African consumers' lifestyle and shopping behaviour, specifically, what drove consumers to seek value when grocery shopping.

"It's an easy trap to fall into; believing that price alone will sway a consumer's decision to buy a product. However, the reality is, consumers are more perceptive than that and consider products and promotions holistically before deciding to buy a product or not. Price does not equate to value; what the product can offer the consumer for that low price, does," explains Gareth Pearson, CEO of BMi Research.

Consumers participating in the survey stipulated that the quality of products on special was particularly important. Products needed to satisfy their needs and expectations, last a long time, have expiry dates and quality checks and demonstrate all the characteristics of regularly priced items, ie have the right consistency, colour, taste and smell, while producing the same or an equivalent result.

Not swayed by false economy

Another outcome that could perhaps surprise some retailers was that consumers were aware of the false economy related to specials, such as they paid more for smaller quantities. Because of this, consumers first evaluated promotional offers on a number of criteria to determine the true value before making a purchase commitment.

Consumers stated that an enticing special was of no value if the product on offer was:

- Not a quality product (if it was thinner than their regular brand, i.e., body lotion, cleaning liquid, toilet paper, etc. they needed to use more, so less value)
- Not convenient to obtain (they wouldn't go out of their way to buy it, i.e. if not on their route home);
- If it had a high unit cost when buying in bulk (what is the real saving per unit?)
- If it had a short expiry date

“This tells us consumers take the time to assess the value being offered. That is not to say that price does not play a role, it does, but consumer expectations of the price are very specific. The survey showed that consumers interrogated the price of products on special. ‘Is it worth the money and will I have any regrets after buying it?’; ‘Do I get more for less?’ and ‘Is there a big difference in the original and special price?’ were common questions consumers asked when evaluating the price of goods on special.”

Adding value

“It comes back to value. South Africans want the savings they are making at the till to add value to their lives. These savings are only perceived as being ‘real’ when there is a sizeable difference in price, when the saving relates to a product consumed on a regular basis, and when more is offered (i.e. a bigger pack size) for the same price.”

Supporting this notion, the survey also revealed that consumers were increasingly doing pre-shopping research, using the internet, mobile phones, promotional advertising material and broadsheets. These have all become major sources of information on shopping specials, comparative prices and shopper alerts by consumers' favourite outlets and were used by consumers before they left home to determine at which store to shop (even store-hopping, as a result of it) and to validate on-shelf prices when in-store. This was true across all LSMs.

Loyalty programmes and the lure of rewards or points also swayed store choice, whereas coupons had little influence over store and product selection, with a significant number of consumers saying coupons did not offer ‘real’ value or enough of a discount on regularly consumed products.

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