

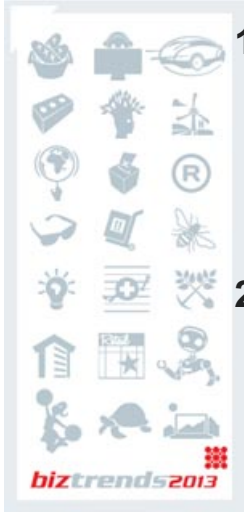
# Predictions for the retail sector



By [Gareth Pearson](#)

23 Jan 2013

A transformation is in motion amongst shoppers and retailers country-wide. Consumers are becoming more discerning and demanding, and retailers and manufacturers are under pressure to innovate, offer quality and savings - all in one eco-friendly package! Here are some interesting trends for the retail sector that I've identified for 2013.



## 1. Private labels - a tipping point for SA retailers

Private labels will continue to grow - not just as in-the-background, budget-friendly brands aimed at cash-strapped consumers but rather as significant players in the retail space. At the moment, South Africa's private label market share is in line with that of the US and above the global average.

## 2. Innovation: do-or-die time for brand owners

Product innovation has become a must for brand owners, especially in the light of private labels, and they are under pressure as they now compete with their own clients for customers. Brand owners will have to spend more on research and development, and constantly innovate, in order to remain ahead of the pack.

Sustaining customer interest and loyalty is difficult and manufacturers can no longer do the same old thing, the same old way, when consumers are already squeezed and looking for improved products that offer increased value. It's clear: manufacturers need to think out the box if they're going to grow their market share going forward, and clever packaging, labelling, branding and improved ingredients will hold the key.

## 3. The rise in the professional shopper

Professional shoppers will be seen more frequently in the aisles of large and boutique retailers. Consumers won't only make their purchase decisions based solely on price, but on value, too.

'Value-conscious' shopping is set to become the new buzz word and consumers will increasingly look for quality products at an affordable price. Expect more value combos to emerge as trip missions become more focal in clustering products together as value combos.

## 4. Consumers demand value

Special offers will be a key factor in ensuring retailers remain competitive and meet the growing demand by consumers for value-added shopping.

## 5. Bigger is better

Buying bulk is becoming an effective way for consumers to save and, in answer to this, some manufacturers have increased their pack sizes. Consumer demand for value increasingly creates a demand for bulk buying for at-home use, rather than purchasing premium priced on-the-go convenience packs.

## 6. Consumers grow a conscience

Consumers are expected to become increasingly demanding of brand owners, and probably retailers too, in terms of being more responsible from a sustainability perspective. This should extend to being environmentally friendly in manufacture concerns, logistics, packaging choices and merchandising options.

Equally, shoppers will be seeking more opportunity to practice responsible recycling and will typically look to municipalities, schools and retailers to be role players in solving current problem of relatively few recycling opportunities.

## 7. Packaging is going greener

PET packaging will continue to grow as it has over the past few years. The move from glass and metal to PET shows companies trying to reduce substrate and fibre content in their packaging. Packaging is also becoming smaller and more lightweight, making PET ideal, especially since it has evolved and huge improvements in its properties now exist.

## 8. Too many mouths to feed

Shortage of grain and ensuing rising price will impact some food and possibly beverage inflation. Particularly the protein category will feel this, most notably given the relatively high dependency on maize for production costs.

Growing fish-stock shortages are equally going to effect on shelf pricing and affordability. The significant hikes in tuna prices being paid globally resonate with this growing reality.

## 9. Print is here to stay

Print advertising and inserts into print media are set to follow their growth trend into 2013, particularly in broadsheet linked to the professional shopper trend - contrary to beliefs that spend will decline due to the online option. Spend on food grew by almost 5% during 2012, with the food category accounting for over 32% of the total print advertising spend.

### For more:



- Bizcommunity Download: [2013 Biz Trends Report](#) (pdf: 3MB)
- Bizcommunity Special Section: [Biz Trends 2013](#)
- Bizcommunity Search: [2013 trends](#)
- Bizcommunity: [Biz Trends 2013 twitterfall](#)
- Twitter Search: [#biztrends2013](#)

## ABOUT GARETH PEARSON

Gareth Pearson, CEO and shareholder of BMI Research ([www.bmi.co.za](http://www.bmi.co.za)), is a market research specialist with particular focus in the industrial and FMCG markets in various sectors, including the retail market. He serves as a member of the South African Institute of Packaging's Regional Committee and is involved with the South African Packaging Council. Gareth was responsible for the merger of BMI Foodpack and Adcheck Research during 2008. Contact Gareth on tel +27 (0)11 615 7000.

■ Customer data - the powerful competitive tool brand owners are overlooking - 12 Feb 2019

■ [BizTrends 2016] Evolving consumer landscape favours the bold - 18 Jan 2016

■ [Trends 2015] The power of the crowd - 4 Feb 2015

■ [2013 trends] Predictions for the retail sector - 23 Jan 2013

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>