

SA consumers forge a new shopping path

According to NIQ, 99% of South African consumers have changed the way they shop for FMCG (95% globally) and have adopted a range of strategies to manage their spending. The three top saving strategies are buying whatever brand is on promotion (34%), shopping more often at discounters (40%) and focusing on essentials. (46%).



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These findings appeared in “NIQ’s Mid-year Consumer Outlook 2023”, the latest NielsenIQ Thought Leadership report capturing the mindset and sentiment of consumers around the world.

According to the report data, consumers have adapted by developing innovative coping strategies and becoming accustomed to unceasing challenges.

NIQ South Africa MD Zak Haeri comments, “In the upcoming year, we can expect a sustained and intensified emphasis on budgeting, value, and trade-offs as resilient consumers redouble their efforts and refine the tactics that have proven effective for them thus far.” He attributes this to the demanding economic landscape of the past three years that has paved the way for a resurgence in consumer resilience.



Consumers are tightening their belts in the fast-moving consumer goods sector

Georgina Crouth 20 Sep 2023



The NIQ Consumer Outlook analysis also highlighted the staying power of private labels also known as ‘Store Brands’. Many consumers are managing costs by turning to these store brands:

- 52% think store brands usually are good value for the money
- 48% of South African consumers state that store brand products are a good alternative to name brands.
- 39% think some store brand products are higher or equal quality than name brands.

Haeri adds, "Industry participants must acknowledge the growing significance of private label products in the grocery sector over the long haul. The optimal path forward hinges on the dynamics within your product range. One viable approach involves differentiation, innovation, and the quest for a distinctive niche that sets you apart from being perceived as a mere "budget-friendly alternative." Collaborative efforts with retailer-owned private labels offer several advantages, including the potential for category leadership and early insights into alterations in product assortments and categories."

Adding a broader perspective, NielsenIQ Thought Leadership global director Lauren Fernandes comments, "Private label staying power has been evident across the last 24 months as they have in most cases outpaced the sales growth of other brands in the market. Consumer perceptions of the quality of private label products have warmed over the years, and the value offered has made them an increasingly viable option on the shelf. At the current trajectory, private label share capture could be 25% of all grocery sales within 10 years, presenting unique challenges and opportunities to those who recognize this emerging tectonic shift."

Further information can be found on <https://nielseniq.com/global/en/insights/analysis/2023/5-cost-of-living-trends-to-know/>

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