

Rising grocery costs are impacting shopper behaviour

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The perception amongst the majority of consumers is that the cost of groceries has increased since the lockdown was first implemented in South Africa in late March and this is having an impact on shopping habits.



According to the Ask Afrika Covid-19 Tracker study for the period end August to September 2020, 84% of respondents said they had noticed an overall increase in the price of food and 72% noticed an increase in the price of staple foods like maize meal and flour, amongst others. Overall, respondents estimate that food prices have increased by 15% in the past five months. Respondents also noted an increase in the cost of medicines, including vitamins and minerals (76%), household cleaning products (71%) and toiletries.

Ask Afrika's perception surveys are supported by fact through a rigorous research methodology. With 400+ weekly interviews, 11,600 interviews have been completed to date through the various lockdown levels. The sample structure aligns with the demographic profile of the general population.

All indications are that grocery prices are, in fact, on the increase. The Pietermaritzburg Economic Justice and Dignity Group – an NGO that releases a monthly food price barometer – food prices have gone up during the lockdown with the highest prices spikes occurring between March and April and another spike occurring between July and August. The NGO reports that over the past five months of lockdown, the cost of a food basket increased by 7.8%, with a year-on-year increase of 13.2%.

Exacerbating the challenge of higher grocery costs, the majority of respondents in the Ask Afrika Covid-19 Tracker study said that they are having to buy more groceries because more time is being spent at home. And while 49% said their income covers the additional requirement, the balances are dipping into their savings, borrowing money from family, friends or employers, or using loyalty card benefit points to help them cover the additional expenses.

Price increases have forced 69% of people to choose cheaper brands over their favourite brands, and while two-thirds of respondents said they will switch back to their preferred brands as soon as they recover financially, the reality is that price stability will be an important factor for some time to come as consumers continue to face economic constraints, points out Andrea Rademeyer, Ask Afrika founder and CEO. "The fact that cash strapped consumers are noticing higher prices may well reduce their trust in brands."

She says consumers are more likely to remain loyal to brands that have not hiked their prices during this period. "Retailers such as Shoprite are benefiting right now as they are perceived to be more loyal to their customers given that their customers don't think they have raised prices. Similarly, Pick n Pay is benefiting from good perceptions as they have been visibly distributing food parcels since the start of the lockdown."

Half of respondents say they are eating less nutritious foods because of the lockdown, with 60% concerned that cheaper foods contain unhealthy ingredients. As a result, brands need to be investing in consumer education around nutrition in order to ensure that consumers are not using price alone as a guide to quality, advises Rademeyer.

The higher cost of groceries is ensuring that consumers plan their shopping lists carefully to ensure they stick to their budgets with many asking the cashier to let them know when they reach a certain limit so that they don't overspend.

Numerous Ask Afrika research solutions enable marketers to diagnostically understand how their market has changed and they point to the brand personas required to be met in the market. Understanding consumer beliefs and how these have fundamentally shifted during Covid-19, will enable brands and retailers to be at the forefront of behavioural changes on brand and retailer levels.

The main aim of the Covid-19 Tracker study is to understand the socio-economic impact that the coronavirus, lockdown and gradual re-opening of the economy has on South Africans. Ask Afrika is the only research company in SA, which has consistently tracked Covid related fears, behaviours and beliefs with brand persona's and psychographics since the beginning of the lockdown, allowing marketers to compare consumer attitudes during the different lockdown phases.

For more information or to find out how your company can participate in the Covid-19 Tracker research to establish how the current situation is impacting their particular brands, contact Mariëtte Croukamp – 082 853 8919 – mariette.croukamp@askafrika.co.za or Maria Petousis – 083 260 4903 – maria.petousis@askafrika.co.za | www.askafrika.co.za

About Ask Afrika

*Ask Afrika is a **decisioneering** company. We support our clients' decisions through facts. Typically, our clients require information around social research and philanthropy, experience measures and consulting, and brand dynamics.*

Social research decisions are required around HIV/Aids and more recently, Covid-19. Educational and early childhood development, fair-trade shopping, media and financial research are some of the areas we love to work in. NGOs, public and private sector clients choose to work with us to get the pulse of the nation.

*Besides being **decisioneers** in brand and customer experience research, Ask Afrika is well known for creating some of the most useful, go-to industry benchmarks, including the Ask Afrika Orange Index®, the Ask Afrika Icon Brands®, the Ask Afrika Kasi Star Brands and the Target Group Index (TGI). Ask Afrika's knowledge of brands is extensive. The Target Group Index (TGI) survey, which measures psychographics, service, products, media and brands, has been used by the majority of the top 50 advertisers and media owners in South Africa for nearly two decades.*

Our clients operate across various industries, including retail, telecoms, finance, and the public sector. We offer tailor-made and ready-to-use offerings for all our clients regardless of the size of project.

In addition to being brave, agile, vibrant and experimental, we apply deep thinking to every research project. Our aim is to be great at everything we do and to make a meaningful impact.

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