SHOPPER BEHAVIOUR DURING THE COVID-19 PANDEMIC IN TURKEY

GAME CHANGERS

Ipsos

“PROVERBS” DESCRIBE US THE BEST…

It is an undeniable fact that the pandemic led to important changes in many aspects of life; while these changes are temporary in some areas, they became permanent in some. Since the beginning of this period, people from all ages tried to understand the attitudes and behaviors in this era; both individuals and many organizations (NGO’s, WHO, various organizations, consultant firms, etc.) including research firms published reports about this subject.

In consideration of all these, there is one fact which is although global and local sources show similarities in the headlines of general attitudes, in reality, internal dynamics of each country/society differed prominently.

This situation is not only peculiar to research science but also present in every area of science. In Psychiatry, years ago, Dr. Irvin Yalom wrote about his psychotherapy sessions with his patients with great transparency and detail, and created awareness in a lot of people. Nonetheless, since when famous Turkish psychiatrist Gülseren Budayıcıoğlu talked about our society, talked about the sessions she had with our people, became subject to various TV series, then she made a tremendous impact. Because she talked about “us”. For this reason, our attitudes during the Covid-19 pandemic are peculiar to us. The most accurate sources to describe us to us, in addition to the general headlines below, are in fact “proverbs” which describe us, our society the best…

“PASSERS PASS, SETTLERS MOVE”

Generally, when we analyze our before and after FMCG shopping behaviors during the Covid-19 period, we can summarize it with the proverb ***“passers pass, settlers move”*** which tells us that every change is temporary.

We analyzed the second half of March which includes the pandemic period, April and May as “Covid Period”; previous months January, February and first half of March as “Pre-Covid” and June and July in which restrictions were relatively removed as “Post-Covid”. We calculated all category changes neutralized from seasonality effects and changes in trends. *For instance, ice cream category was expected to show growth in the beginning of summer in which Covid appeared. We evaluated and interpreted this effect neutralized from previous years.*

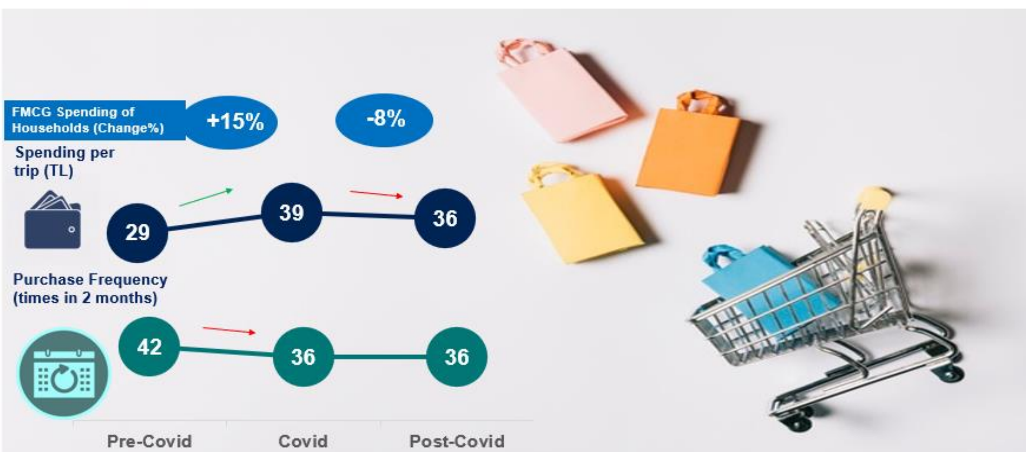
“SAVE THE HAY FOR A RAINY DAY”

During Covid period, with the impacts of the restrictions households went shopping less frequently, purchased more items per transaction and spent more. An average basket cost 29TL Pre-Covid, it rose to 39TL during Covid period. Purchase frequency which was 42 times in 2 months dropped to 36 times and resulted in households spending 15% more.

In Post-Covid period, household spending shrank by 8%, which was affected by the decrease in value spent per transaction. Because during the Covid period product inventories were high in amount, and households started to spend less due to loss in their income.

As shown in Graph 2, in categories that grew the most cologne, yeast and vinegar which were influential during Covid period, are placed at the top. Moreover, cleaning products were on the list due to households attaching more importance to house cleaning. However, growth of these categories did not continue in the Post-Covid period and households decreased their purchasing behaviors in these categories to Pre-Covid level. Most shrinking categories in this period were hair styling products, deodorants, and shaving products that individuals use more when they are socializing. After June, these products started to increase again.

Graph 1 Stocking Trend



Graph 2 Categories That Increased the Most during Covid Period

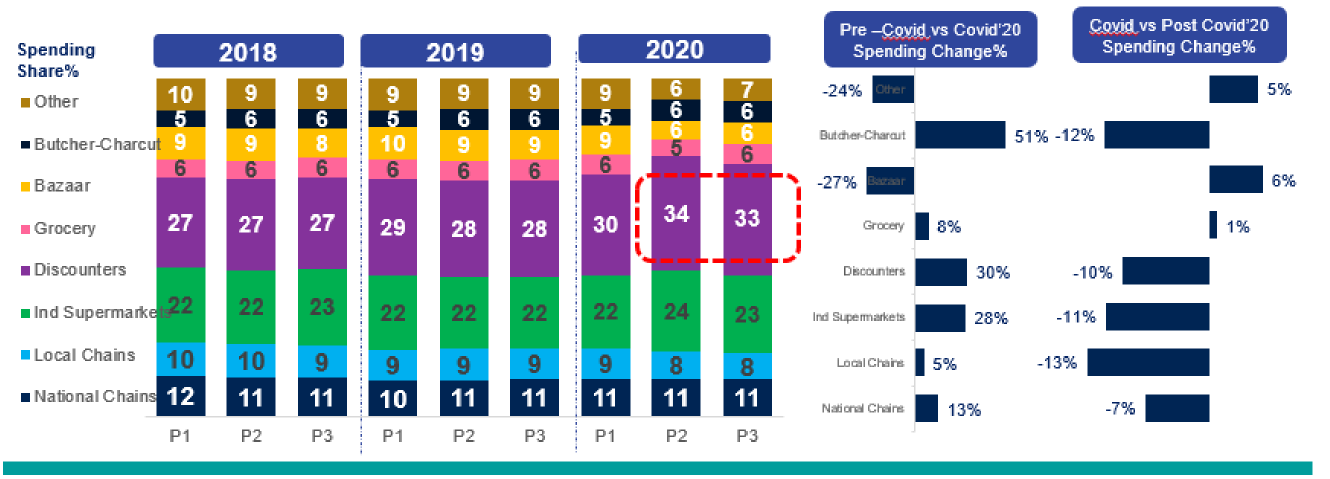
“OUT OF SIGHT, OUT OF MIND”

One of the most talked about topics during the Covid period was “the growth of e-commerce”. According to the USA Retail Index by IBM, e-commerce, which was expected to grow by 20%, made a spike of 5 years. This situation was clearly seen also in the data of E-Commerce Panel which was founded by Ipsos in March 2020. When each week of March was analyzed, it was seen that total e-commerce rose from 10% to 22% of total FMCG spending in the second half of March.

Another spot that we preferred was Discounter Chains which are closest to our homes. In other words, “Out of Sight, Out of Mind”.

Growth speed of discounters which was observed the most in recent years also showed an impact during the Covid period. Due to being present in almost every street, product variety and affordable prices; Discounters were heavily preferred during the Covid period as well. If an average family has 100 TL, they spent one third of it at Discounters and although there was a slight decrease in this amount in Post-Covid period, it still remained its high level. The share of Private Label products which was influenced by Discounter growth rose to 22% in total FMCG (It was 20% Pre-Covid) and later regressed to its past position.

Graph 3 Change in Shopping Channels

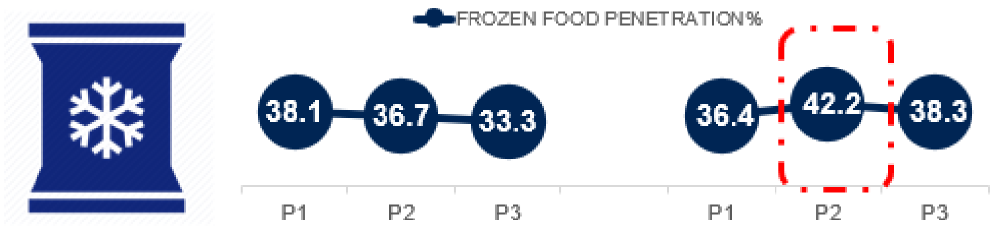


“GIVE THE BREAD TO THE BAKER, AND GIVE ONE MORE BREAD”

In the end of the year 2019, the general trend was ready-to-consume products to decrease and staple food products to increase. This was in consequence of economic problems and high unemployment rates since August 2018. As Covid period started in 2020, all ready-to-consume products indicated a growth and frozen foods reached their highest penetration level. While almost all kinds of frozen foods such as vegetables, meat, fish influenced this category’s growth, the only sub-segments that did not grow were börek, cake and mantı. This was because of the increased flour and sugar purchases of households in this period and their tendency to make these products at home.

Additionally, baby food, toast breads-burger buns, instant soups, instant foods (cans, jars) were amongst growing segments.

Graph 4 Increased Interest in Comfort Products



In this period, as can be understood in the proverb, people thought every job must be done by its master even though the price paid is high, and even the categories which are usually never bought ready-to-consume were purchased for the “rainy days”.

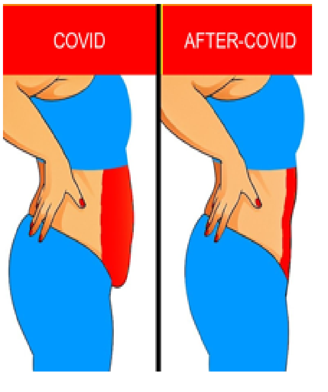
“HEALTH COMES FIRST”

In the presence of a virus like Covid, individuals sought to strengthen their immunity by choosing healthier products. As a result, interest grew towards products that also featured heavily in advertising: herbal teas, lemon and ginger. Furthermore, while all spices showed an increase, the highest growth rates were seen especially in cloves and turmeric.

As in every topic in which health trend is on the agenda, questions about sugar category arose and it was seen that granulated sugar increased in Covid period due to households’ baking cakes and other sweet pastry at home and later decreased again in the post-Covid period. This decrease was influenced by the fact that individuals started weight loss/diet programs to lose the weight that they gained during the Covid period and therefore, growth was seen in cereal bars, form teas and muesli categories during the Post-Covid period.

Graph 5 Increased Interest in Healthy Products

		Covid vs Pre-Covid		Post Covid vs Covid
	P2 vs P1 19 Vol Change%	P2 vs P1 20 Vol Change%	P3 vs P2 19 Vol Change%	P3 vs P2 20 Vol Change%
CEREAL BAR	2%	-2%	-21%	14%
FORM TEA	-11%	-7%	-17%	98%
MUSLI	-25%	-18%	-6%	38%



"HUNGRY DOES NOT KNOW MERCY, CHILD DOES NOT KNOW TIME"

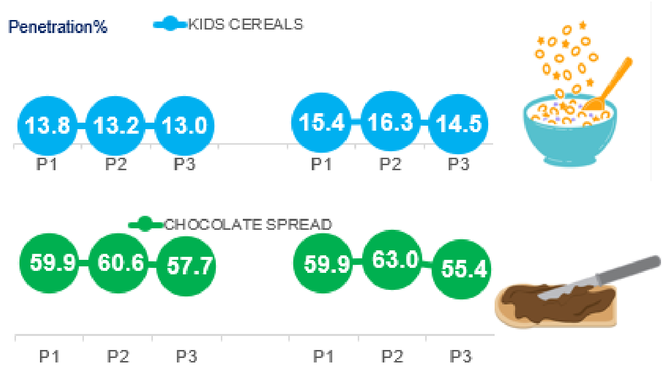
While in European countries child is "an individual" in the family, in Turkish society child is the center of the family.

During the pandemic period, as children were studying from home, working mothers and fathers looked for simpler solutions such as ready-to-eat, practical food and bought food products that are aimed at children's joy and nutrition.

Cereals and Chocolate Spread categories reached their highest growth and penetration levels during the Covid period. In addition to that, **snack category** also showed a significant increase and decline later on.

While in snack category, chocolate, chocolate coating, crackers, candies grew; cake category on the other hand decreased as cake is a category that can also be made at home.

Graph 6 Changing Consumption Behaviors As Children Stay Home



HOW WERE FMCG SHOPPING BEHAVIORS OF HOUSEHOLDS IN TURKEY AFFECTED DURING THE COVID-19 PANDEMIC?

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