



A new breed of shoppers – are UK retailers ready?

Consumer reactions to the economic crisis are likely to be very different this time round. New research by Ipsos MORI's Retail & Shopper division shows that the online revolution has created a savvier shopper generation of price checkers and deal hunters. Price comparison sites are used by 47% of respondents before making a purchase whilst 51% routinely check online prior to purchasing. The retail landscape has also been transformed, with grocery discounters and fashion value retailers becoming increasingly acceptable places to shop. Grocery retailers are also now firmly established in the non-food sector.

Reducing consumer spend?

Moving towards Christmas and 2009, the question on everybody's mind will be whether consumers are likely to reduce their spending or continue to borrow. The study shows that 30% are likely to maintain their lifestyle by spending on their credit card and deferring payment. A sizeable proportion is also willing to reduce spending on everyday items to subsidise the purchase of luxury goods, hence trying to make their money stretch further. Going forward, tighter lending criteria on the part of banks and credit card firms may well encourage greater saving as we enter 2009.

The rise of discount and value retailers

The stigma attached to using discount or value retailers has converted into being a smart choice. Nine out of ten consumers do not reject these types of stores and one in ten is now proud to shop there.

The appeal appears to be more about value for money than price. Half of shoppers believe that products sold in Primark and Matalan look as good as those from more expensive shops, hence making it the sensible choice.

The end of the green shopper?

Whilst some green products may be under threat, those that shoppers associate with clear benefits are likely to survive, e.g. free range. Products which appear to have less clearly defined benefits, such as organic products, are likely to face a more difficult future. The research shows that only 31% of consumers think that organic is important to them compared with 62% for free range. Furthermore, organic products are considered too expensive to buy in the current economic climate by 64% of shoppers compared with 45% for free range products. While it's not the end of the green shopper, for organic producers the development of clearer, more focused communication could go some way to encourage purchase against the tide of economic concern.

So are you ready for the savvier shopper?

What will you do to avoid being squeezed in the middle? Our research experts can help you develop the right brand portfolios and ranging in-store to cater for the new breed of shopper. We can also help to develop winning multi-channel shopper strategies to ensure your brand is capitalising on a fast evolving trend.

Why not simply give us a call or drop us a line to find out more?

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