



Marketing Messages

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Playing the value game is vital in new shift-to-thrift era

I recently worked with **Pollara**, a national public opinion and market research firm, to gather information on consumer habits across Canada. We were particularly interested in purchase pattern changes over the last year and attitudes towards value, price and quality. The findings revealed interesting implications for businesses and marketing professionals in particular.

We asked over 1,200 people across Canada if they were making fewer purchases now than a year ago, how likely they were to now delay purchases compared to a year ago, and the importance of price, quality and value when making purchases. The patterns and attitudes conveyed reinforced the emergence of a “shift to thrift” trend.

A shift to thrift emerges when a population collectively looks for good value and becomes increasingly careful with their money.

There will always be price sensitive shoppers, but as our study validated, they are likely to remain a minority. Overall, 38% of respondents agreed that price was the most important factor when purchasing consumer goods. Regionally 33% in BC agreed with this statement, while 46% in Atlantic Canada did. Only 15% in BC “strongly agreed” with the statement.

Of elevated importance was the issue of quality. Overall 66% of respondents agreed that quality was the most important factor when purchasing consumer goods. Regionally 63% in BC agreed with this statement, and 29% “strongly agreed”.

However, it was value that trumped the other two factors. Overall 72% of respondents agreed that they always looked for the best value for the price paid when purchasing consumer goods. Regionally 67% in BC agreed with this statement, while 76% in Atlantic Canada did. 37% in BC and 53% in Atlantic Canada “strongly agreed” with the statement. These are strong numbers.

When respondents were asked if they now make fewer purchases or are now delaying more purchases than they did a year ago, there were similar regional responses. Respondents in BC were among the nations most bullish consumers. Overall 29% felt they were making fewer purchases of consumer goods now than a year ago. In BC this was 24%, and in Atlantic Canada 39% of respondents agreed with the statement. Overall 34% of respondents felt they were more likely to delay purchases now than one year ago. In BC this was 30% and in Atlantic Canada 36% agreed with the statement. Age seemed a factor, with younger respondents feeling less likely to delay or make fewer purchases. The lower the education or income level, the greater the purchase apprehension. Urban respondents were decidedly more bullish in the purchase behaviours than rural respondents.

“Price is a factor, as is quality, but value is the most important factor. BC consumers appear to have a more bullish attitude about purchases, but even for them value is a key factor. You need to figure out what creates value for your target group to succeed in this market”, says **Michael Antecol, Ph.D., and VP Pollara**.

The study confirmed that although there are regional and demographic differences in shopping behaviour, perceived value was of great importance to all respondents. What we are now seeing, and will likely see a lot more in the future, if this trend continues, is an increase in the “smart shopper”, the one who seeks out the best value. This could mean increased consumer interest in getting the best deal on something desirable or wanting to get more for their money. It likely means an increase in consumers who want products that will last without paying a premium to get them. But a note of caution is in order. Value can mean different things to different people. Value can be determined by factors such as convenience, quality, selection, service or price. In an era of shrinking disposable income, value for money has become very important.

Playing the value game will become critical in this era of “shift to thrift”. For marketing it will be important to look at your target group and determine if there are specific offerings or services that would be of value to this group. Ideally, if you can isolate and offer something appealing not currently available in your competitive marketplace, you will boost your value equation significantly, and your overall business success.

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