

The 'new normal' behaviour driving SA's retail environment

By [Giuliana Dias](#)

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The past few months have brought unprecedented uncertainty, complexity and change to the FMCG and retail industry across the globe. Interestingly, Covid-19 has accelerated fundamental trends that were already influencing the sector such as business model evolution, the value of purpose, the ruthless focus on reducing cost and the increased power of the consumer.



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In South Africa particularly, the retail environment is evolving to meet consumers changing circumstances and shifting priorities, and not only in the direction of e-commerce. Across the retail spectrum, consumers are increasingly in control, increasingly connected and increasingly looking for more convenient and enjoyable shopping experiences to suit their individual circumstances.

Furthermore, retailers are often judged on their prices and value they provide, with consumers referring to affordability – or the lack thereof – as reasons for both praise and criticism. Conversations about affordability are especially pronounced when consumers compare retailers.

After connecting with 618 individuals from different races and age groups who play an active role in household shopping, ViacomCBS has gleaned in-depth insights into the FMCG and retail market in South Africa and how it has been impacted by high country lockdown levels as a result of the Covid-19 pandemic.

Amongst other things, results from the survey explicitly show us the significant role played by pricing in customers' retail patronage decisions. Thirty percent of the people who were surveyed revealed that deciding where to buy their groceries is mainly influenced by pricing.

Due to this, Pick n Pay, Checkers, Spar, Shoprite and Makro are leading retailers in the country with a strong conversion to usage.

But that is not, in any way, an indication of the country's collective loyalty to those retailers. According to the report, most shoppers (56%) are willing to switch retailers at any time for cheaper prices.



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Interesting to note is the fact while the mode of grocery shopping has evolved over the last few months with e-commerce experiencing a noticeable spike, in-store shopping is still the predominant and preferred way for consumers in South Africa to buy groceries, if our findings are anything to go by.

Despite this, the digital age is increasingly disrupting the retail industry globally and redefining the role of the traditional store. Although online retail is still in its infancy in the country, the industry is certainly showing promising potential.

As a catalyst for digital transformation, Covid-19 had a notable impact in pushing more shoppers to the web. Our findings indicate that there is a significant amount of people who are reluctant to go into grocery stores due to being doubtful about the health and safety protocols that retailers are strictly instructed to apply.

ABOUT THE AUTHOR

Giuliana Dias is the Senior Director: Research and Insights at ViacomCBS Networks Africa. Dias is an experienced Senior Director with a demonstrated history of working in the broadcast media industry. Her skills include analytics, research design, qualitative and quantitative approaches, online insight community development, digital analytics and consumer insights all to drive business strategy. She is a strong research professional with a Master's degree focused in Research Psychology from the University of South Africa (UNISA).

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