

Bureau for Food and
Agricultural Policy

BEAP

*Consumer trends
&
analyses*



Outline

- The SA consumer & class mobility
- Global consumer food trends
- SA consumer food trends
- Consumers and the economic recession



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Outline

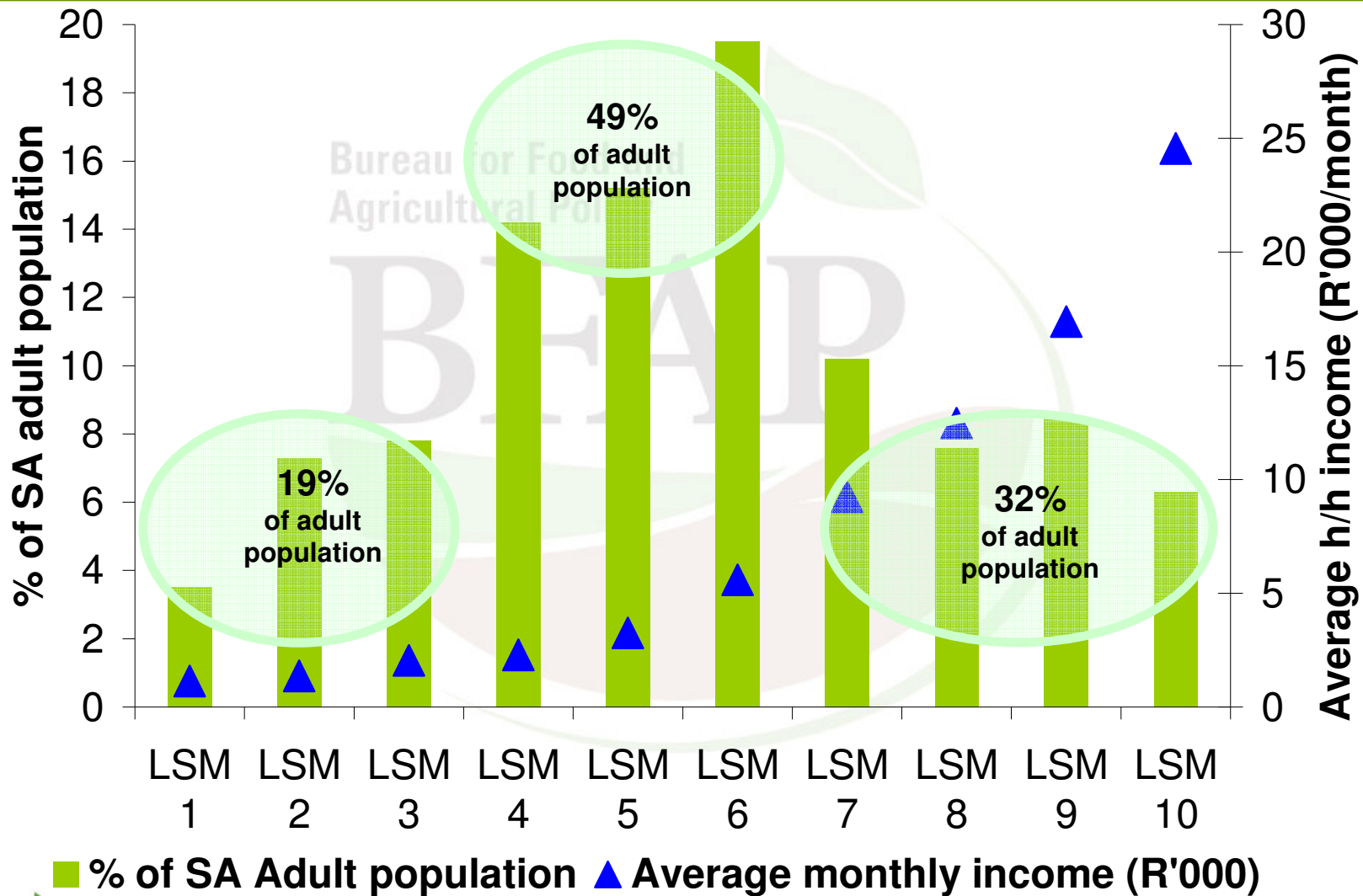
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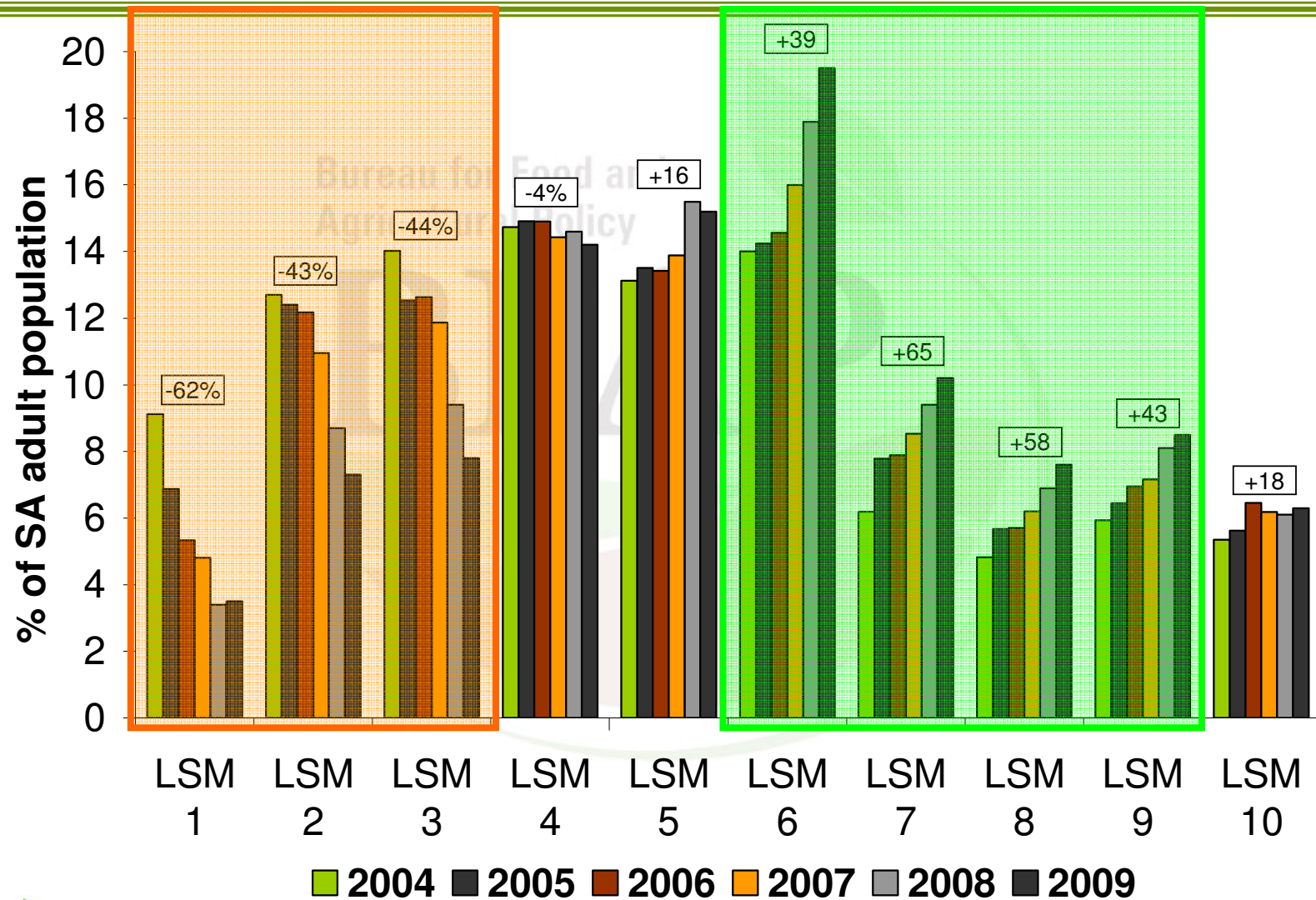
Introducing the SA consumer



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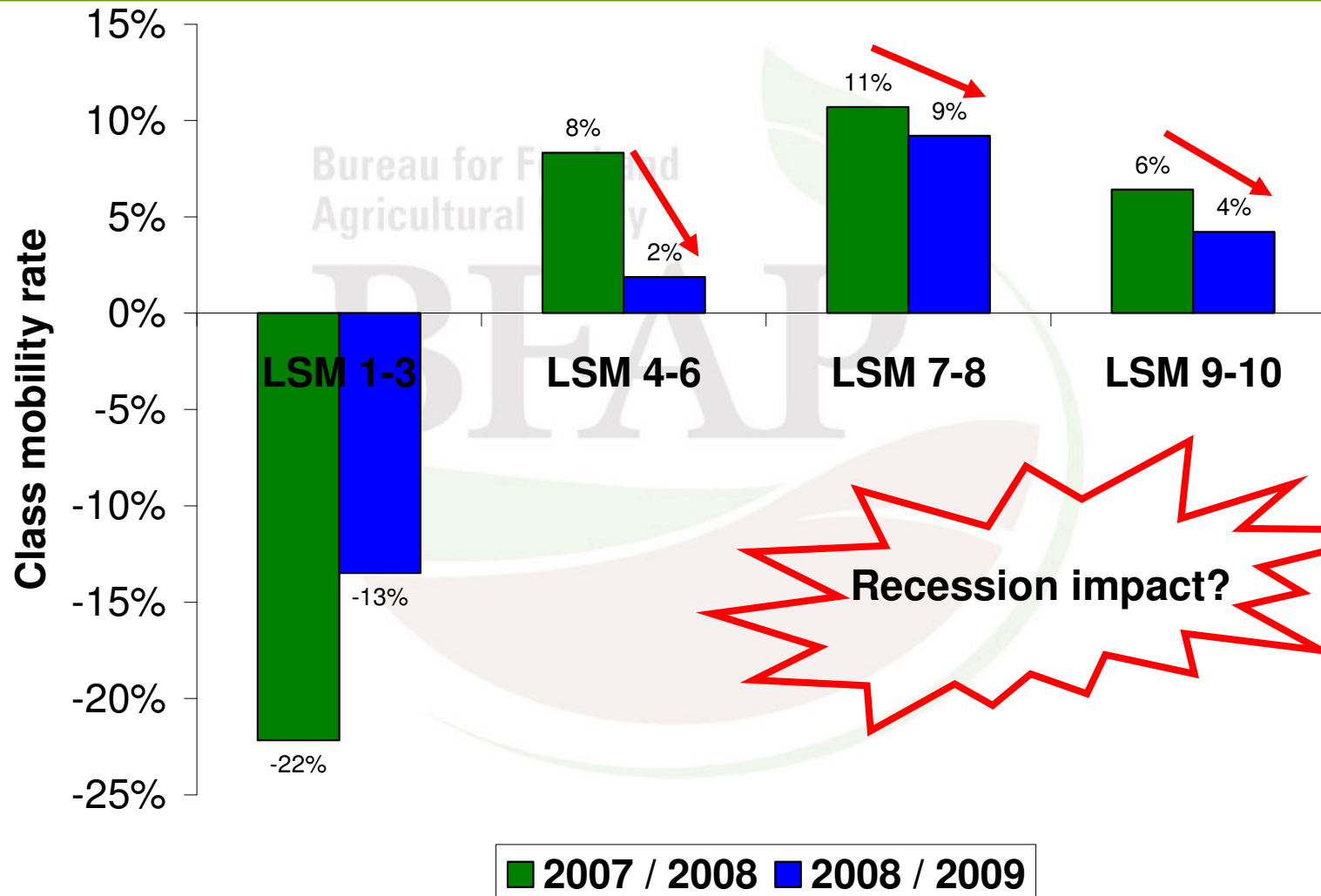
Class mobility (2004 to 2009)



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Class mobility rate (2007 - 2009)



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Global consumer food trends

- **Health / wellbeing**
- **Convenience**
- **Indulgence**
- **Sustainability ('caring consumption')**
- **Simplicity**
- **Recession trends**

(Digital social networking for marketing communication)



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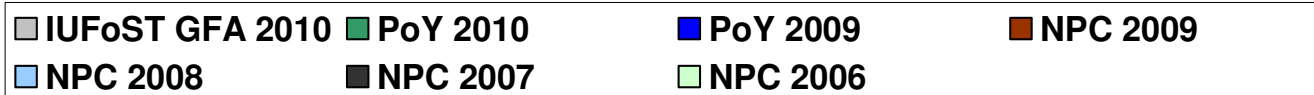
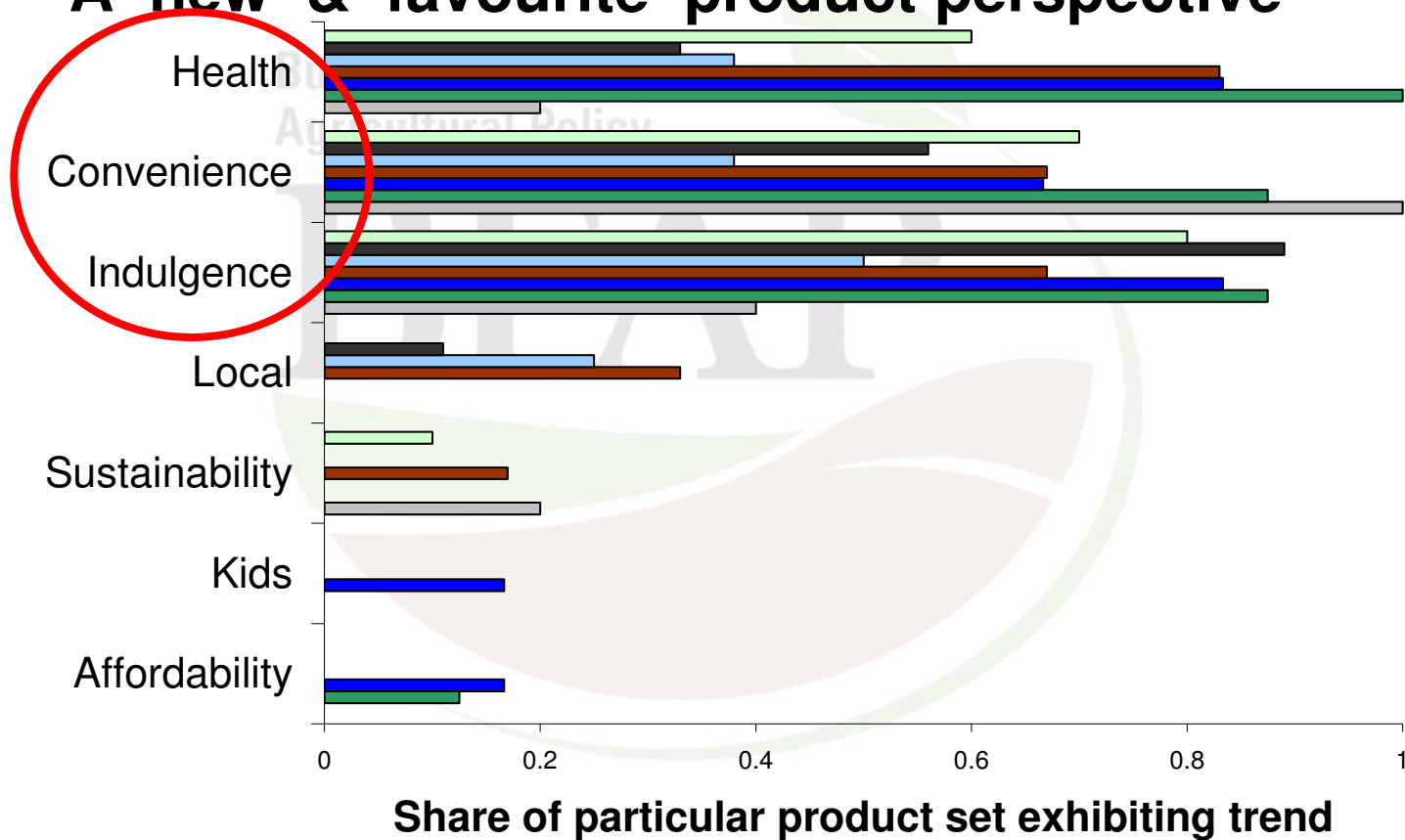


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South African food trends (1)

Global trends reflected in the SA food sector
A 'new' & 'favourite' product perspective



South African food trends (2)

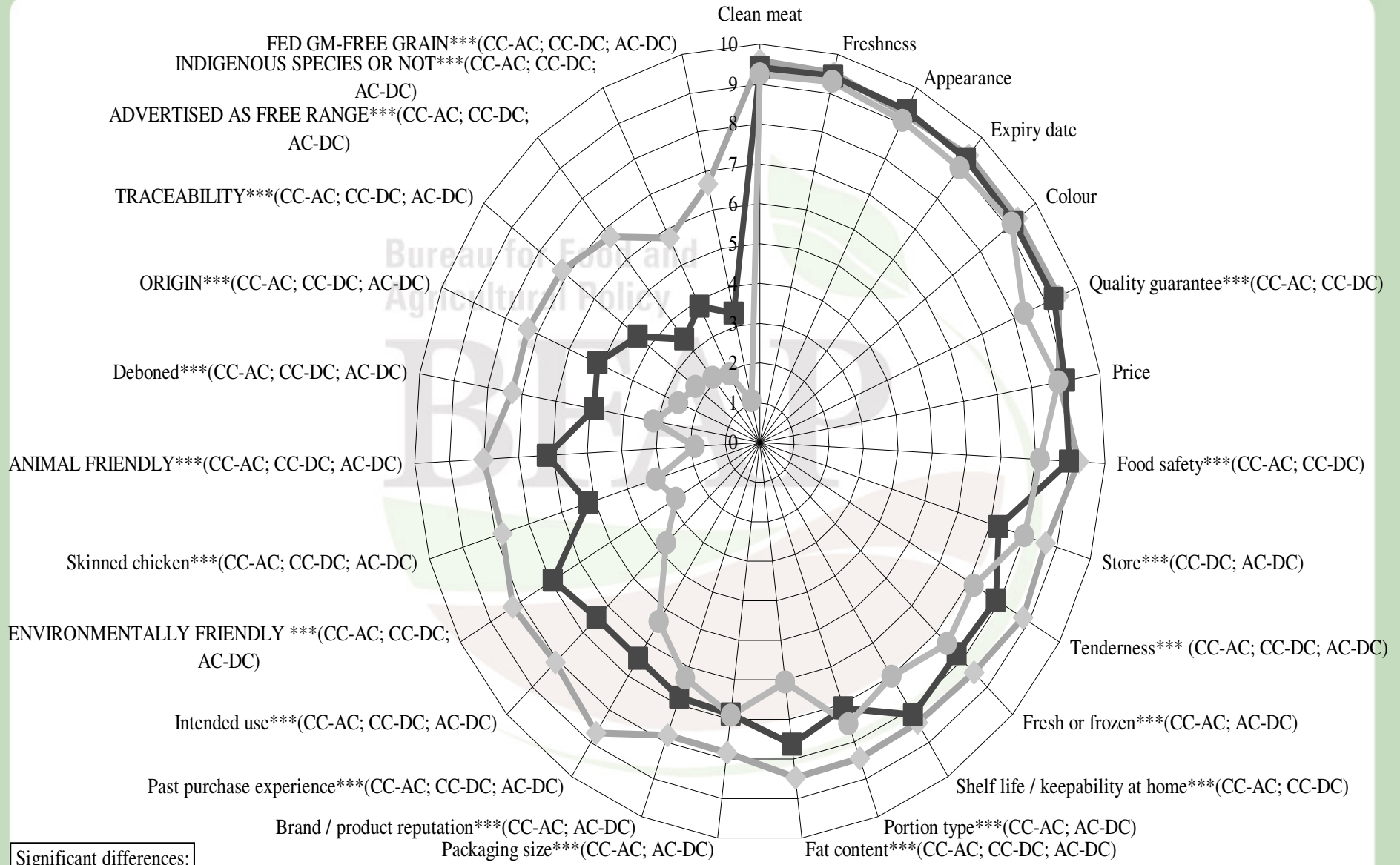
‘Fresh food’ perception of SA consumers

- Results from recent, comprehensive (*NAMC funded*) food quality survey
- Representative LSM 7 – 10 sample
- Food purchase outlet selection factors:
 - Good quality > Convenience > Affordable prices
- ‘Conventional’ product criteria still dominates:
 - Price, expiry date, appearance, quality guarantee
- ‘Advanced’ criteria still niche orientated



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Significant differences:
***=p<0.01

- ◆ Discerning segment (DC) (34%)
- Average segment (AC) (49%)
- Conventional segment (CC) (17%)

Rating scale:
0=Not important at all
10=Extremely important

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The recession diet (1)

Looking back to BFAP Baseline 2009

- Health, indulgence, natural, quality remain
- Affordable convenience
- Comfort in little luxuries
- Homing
- More affordable food, brands & outlets
- Better meal & grocery planning
- Food substitution (e.g. cheaper meat cuts, meat with vegetables / staples)



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The recession diet (2)

2010 Global consumer trends linked to the recession

- ‘New’ comfort foods
- Continued ‘homing’
- More conservative post-recession consumers
- ‘Something old, something new’
- The increased popularity of private labels



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The recession diet

The impact of the economic recession: What do SA consumers say?

- Primary research, conducted late 2009, LSM 7 - 10
- Overall 72% perceive an impact (*LSM 7&8: 76%, $p < 0.1$*)
- Perceived luxuries:
 - Snacks (sweet, savoury) 50%
 - Dairy 26%
 - Meat 19%
 - Fizzy drinks 10%
 - Fruit/vegetables 9%
 - Take-away / restaurants 6%



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The recession diet

The impact of the economic recession: What do SA consumers say?

- Dominant recession coping strategies:

Eating home-prepared food (99%) LSM 7/8 > LSM 9/10	Shop around for specials (67%) LSM 7/8 > LSM 9/10
Plan meals, shopping (86%) LSM 7/8 > LSM 9/10	Consume more staple foods (57%) LSM 7/8 > LSM 9/10
More at-home entertainment (83%) LSM 7/8 > LSM 9/10	Maize meal > rice > pasta > bread
Consume more vegetables (71%) LSM 7/8 > LSM 9/10	Consume cheaper meat types (46%)
Consume less meat (68%) LSM 7/8 > LSM 9/10	Buy cheaper, lower Q food (44%)



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The recession diet (3)

The increased popularity of private labels *(Globally and in SA)*

- Consumers want... value and affordability
- Retailers want... protected footfall
- 3 levels – ‘Good, better, best’ – also in SA
- Double digit growth in SA retail ‘09 + new lines
- Future share of consumers’ Rand?
- Reactions from branded products?



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Thank you!



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