

Synovate Survey 'Checks Out' Global Grocery Shopping

Contributed by Synovate
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Global market intelligence firm Synovate today released data from its global grocery shopping survey.

Revealing six in ten grocery shoppers across 10 markets would go out of their way to shop 'green', 36% of shoppers want nothing more than to 'get in and get out' and three quarters of grocery shoppers think items are over-priced.

Forty percent are spending less than they were 12 months ago.

Mark Berry, Synovate's Executive Vice President of Shopper Insights research in the United States (US), said grocery shopping is something most people have to do, some reluctantly and some with a sense of anticipation and pleasure.

"Grocery retailers need to take into account myriad attitudes and approaches, and make the experience satisfying for customers and profitable for the company. Like all marketers, to get that balance right, they need to know how people feel, their habits and what they like."

Synovate asked more than 6,700 people across 10 markets to spill the beans on their grocery shopping approach.

Aisle style

Even seemingly simple questions like 'how often do you shop?' and 'where?' inspire vastly different answers from market to market, culture to culture.

Overall, a big weekly shop in the supermarket is the 'norm' but generalisations across markets are of less value than looking at each market separately.

Nonetheless, the overall results showed 39% of respondents across the 10 markets are most likely to do 'one big weekly shop plus extras'.

Results were then evenly split at 17% apiece across 'one big shop a month plus extras', 'every day' and 'whenever I have time'.

The markets most likely to do a big weekly shop supplemented with extras were France (64%) and the Netherlands (62%). Those who do a big monthly shop plus extras are found in Brazil (50%) and Malaysia (30%).

Ari Gonzalis, New Business Director of Synovate in Brazil, said:

"One big shop just after pay day is common here. Historically, the frequency was the same but it was because of high inflation. So this shopping style is an ingrained habit here."

Daily shoppers were found in Serbia (48%) and Russia (37%), and those most likely to shop 'when they have time' were those from Hong Kong (32%) and people in the United Arab Emirates (UAE).

Eliza Wong of Synovate Aztec – the company's scan data specialists – in Hong Kong, said there's no surprise that Hong Kong people operate in this fashion.

"Life is fast here and it's a national sport to be busy and feel time poor. When you couple that with the population density of the city and the fact that there are grocery shopping options everywhere, no one really has to plan a trip to the supermarket."

Similarly, UAE residents consider themselves time poor. Synovate's Dubai-based Business Development Director Per-Henrik Karlsson said this has resulted in the popularity of community grocery stores.

"People in the UAE tend to live in 'communities' and grocery shop within these. Large malls are typically for entertainment and leisure rather than more transactional shopping."

Overall, most respondents chose the supermarket as the place they buy their groceries (64%), followed by big hypermarkets including large grocery chains (37%) and local (non-chain) grocery stores (29%).

Convenience stores get a big look in when it comes to groceries in Russia (25% shop there for groceries) and Hong Kong (21%).

It's about spending money...

Grocery retail marketing is specialised because the act of buying groceries is so necessary in most people's lives - they walk into the store with the intent to buy and at least some idea of what to buy.

Accordingly, price becomes a major differentiation point. Synovate's survey looked at attitudes towards the money spent in the world's supermarkets.

Overall, 40% of people say they are spending less than they did 12 months ago, led by the UAE (56%) and Malaysia (50%).

Forty-six percent of people agree they buy items in bulk to help save money, again topped by the UAE (77%) and Malaysia (61%).

And 54% tell us loyalty programmes are an important incentive when deciding where to shop... perhaps unsurprisingly also led by 80% of respondents in the UAE and 77% in Malaysia.

Berry said that what has transpired over the past year or so has been truly extraordinary.

"It's maybe only once or twice a decade - if that - when events occur that make the consumer rethink everything they do related to virtually all of the money they spend or invest. Of course this means they are rethinking or considering all the products they buy or don't buy. This runs the full gamut from big decisions like cars and TVs, all the way through to frozen food, water or coffee.

"Retailers' every little promotional decision become important in this climate. It has also reinforced how powerful the core proposition and positioning of a brand can be - take Wal-Mart's performance as an example."

Dubai-based Karlsson also credited the economic downturn for changing behaviour.

"People in the UAE are actively hunting for bargains. The global downturn is absolutely the reason for this new-found belt-tightening."

Intriguingly, the UAE and Malaysia were the places least likely to agree with the statement 'I think grocery items in my country are over-priced and should be cheaper'.

A non-sequiteur? Karlsson didn't think so.

"Well, for a start these are savvy, thoughtful shoppers who are happy with the bargains they are finding. But perhaps more importantly, it is cultural and aspirational. In both of these cultures people do not like to admit that they cannot afford items."

Other money-related attitudinal findings on grocery shopping were:

- 58% across 10 markets always go to the supermarkets, hypermarkets or grocery stores that offer the biggest discounts, led by Malaysians at 76% and Brazilians at 74%;

- 62% say they will switch food brands if they find a cheaper alternative, topped by the French at 81% and Americans at 78%;

- Three quarters of the people surveyed agree that grocery items are over-priced and should be cheaper, with Serbians (90%), Brazilians (89%) and Russians (88%) most likely to agree; and

- Eight in ten people think the government in their country should do more to monitor food prices, led by 94% in Serbia, 93% in Malaysia and 90% in France.

But it's also about spending time

Even if you only grocery shop for one hour a week during your adult life, you're spending way in excess of 3,000 hours of your life in the supermarket.

Whether you like or don't like being there, that's a big chunk of time. So what do people most want from a grocery shopping experience?

The overall top grocery shopping 'want' is to 'get in and get out as quickly as possible with what I need', with 36% nominating this as what they most desire from the experience.

These no-frills shoppers are led by the Dutch and Canadians (both 51%), and Americans and Brazilians (both 49%).

Managing Director for Synovate in Canada Rob Myers said grocery shopping is regular, usually weekly, for Canadians

and is often viewed as a chore.

"Given the hectic pace of life it makes perfect sense that the better set up the store has, the faster people can get in and out, and the happier they will be with their shopping experience."

Thirty percent of people are after a one-stop-shop where they can buy everything (over and beyond groceries) under one roof, led by Serbians at 43% (where the hypermarket is more of a novelty), Russians at 42% and the French at 40% (where hypermarkets are the norm).

An overall 20% of respondents want lots of time to themselves to browse and choose, topped by Hong Kong. Wong said this is probably because time itself would be the luxury in this scenario.

"Plus, there's no room in this crowded city and you are always getting bumped into by trolleys and other people... browsing with time to yourself is a novelty."

Go for groceries and gossip?

Would shopping be better if there were different facilities? For the in-and-out shoppers perhaps not, but people in some markets expressed interest in a variety of supermarket features.

Should supermarkets and grocery stores try to become more for more people? It clearly depends on where in the world they are located.

Forty-eight percent overall thought adding a community or gathering place for people to meet friends and family was an interesting idea, led by 80% in the UAE and 76% in Malaysia.

Least interested were the Dutch (85% disagree) and the French (68%).

Fifty-nine percent thought a playground was a good idea, topped by 86% in Serbia and 80% in Malaysia.

By contrast, the idea did not interest the Dutch (70% disagree) or the Americans (66%).

Seventy-nine percent of UAE respondents and 78% of Malaysians thought a place for men to relax and wait for shoppers was worth considering – the Dutch (86% disagree) and Canadians (70%) dismissed it.

And more than half (56%) thought a feeling of outside, even though you were inside would be interesting, yet the Dutch (65% disagree) and Americans (53%) were not moved.

Again, the results showed that shopping can be a leisure and family activity in places like Malaysia and the UAE.

Synovate Malaysia Managing Director Steve Murphy said:

"In very hot countries like Malaysia and the UAE, indoor shopping centres have become the place for family to spend time together and a large part of a day can be spent there. Consequently there are many diverse outlets and facilities to cater for all types of people and people respond to more and better ideas along these lines."

Karlsson added:

"Gender segregation could be a factor here too, not just leisure. A separate area for men makes more sense in the UAE than it would in other places. Also, Dubai has already embraced the bringing the outside inside idea by taking it to the extreme... there is a huge indoor skiing facility in one major mall here in the desert."

At the other extreme, the Dutch, Canadians and Americans are very 'no-frills' about their grocery shopping.

Laurel Ashbrook, Senior Vice President of Consumer and Business Insights for Synovate in the US, said:

"When it comes to grocery shopping the only kind of change Americans seem to want is the kind that goes in their wallet.

"They are not really interested in a modified format for stores and, in a still uncertain economy, the best bet for US grocery retailers are to keep prices and frills to a minimum."

Green groceries and sustainable supermarkets

Clearly all-things-green are a major consideration for any business. And with 62% agreeing they would go out of their way to shop at an environmentally-friendly supermarket, that consideration is not misplaced.

This drive-to-green is led by 86% of Russian respondents and 85% of Malaysians. Murphy says Malaysians react well to companies that are genuinely adopting environmental policies.

"In the last few years we have seen more efforts – and very public efforts – by retailers to bring in environmentally-friendly

products and policies like fewer plastic bags and so on."

Least interested were the Dutch but Anita Cox, Insights Director at Synovate in the Netherlands, said that's simply because it's a given in that country.

"These practices have been in place for ten to twenty years in small stores and around five years in chain stores, so Dutch grocery buyers don't have to go out of their way to buy green."

Across the 10 markets surveyed, 79% of respondents found the idea of recycling facilities in supermarkets and grocery stores interesting. Ninety percent in Brazil agreed it was a good idea, followed by 89% in Serbia and 88% in Malaysia.

Again, the Dutch were nonplussed (31% disagreed it was interesting, the highest score), no doubt because these facilities have been in place for years.

Curiosities

Online grocery shopping is still only practiced by a very small segment, only 1% across 10 markets. The French were most likely to buy online at 4%.

However, 42% agreed they would buy online if they were sure of security and that they would receive the highest quality food.

Six in ten people shop with a list, led by 75% of organised Malaysians, Americans and Canadians (both 74%).

Home-grown or jet-fresh? Two thirds prefer to buy local food brands over foreign brands.

Least likely are the Netherlands and Hong Kong where populations are very urban and dense, there is an international outlook and not a great deal of local choice.

Fifty-seven percent of American grocery shoppers do one big shop a week and 23% do their big shop on a monthly basis.

About the In:fact global grocery shopping survey

This Synovate In:fact survey on grocery shopping was conducted in July 2009 across 10 markets - Brazil, Canada, France, Hong Kong, Malaysia, Netherlands, Russia, Republic of Serbia, the United Arab Emirates (UAE) and the United States of America (US). It covered over 6,700 grocery shoppers.

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