

Top 10 Consumer Trends For 2012: Green Thrift

Contributed by Euromonitor International
Wednesday, 25 April 2012

Future SevenWhile frugality is celebrating all the tech-led innovations at its disposal, its marriage with sustainability is thriving.

This piece is the fifth in a weekly series of consumer comments exploring each of the trends Euromonitor International identified in the recent Top 10 Consumer Trends for 2012 article .

Green thrift: A good marriage of needs and ideals

Thrift is daily life for millions of consumers, even in developed markets, where it is common for people to boast of how little something cost them. For many, thrift is not just a way of life; bargain hunting is the new shopping therapy for many who channel the thrill they used to get from shopping into a quest for bargains. 2012 will push consumers into a deal ecosystem in which the chase, the control and the perceived savvy, combined with novel tech-led thrift-alerts make up a good deal in what has been termed 'smart shopping'.

Today, value for consumers means striking a balance between quality and cost. In Euromonitor International's Annual Study 2011, quality was named by 91% of respondents as "every important" or "important" as a purchasing driver, followed closely by price, which resonated with 87%. [Click to tweet!](#) The UK and USA show greatest price sensitivity, with 93% of respondents from each of these markets ranking price as important. Today, value-aware consumers are often buying quality with an eye on resale value.

As Euromonitor International pointed out in Top 10 Consumer Trends for 2011 : "Green concerns, well documented in consumer surveys, seem to fizzle out at the checkout where they compete with the budget constraints of shoppers. Consumers worldwide are readier to part with cash if products are worthy AND cheap". 23-year old Beijing resident Yang Xin offers his take on this on-going trend: "The environment belongs to all of us. Everyone wants our environment to be better. So if the price is lower, I will choose the environment-friendly stuff."

As thrift has become more universal, brands with green credentials who still manage to offer competitive prices have performed best. This has been particularly apparent in the greater aisle space consumed by own-brand green products in supermarkets, but also in the greater portion of land cultivating organic produce. This is a response to consumer demand for healthier and more local produce and the popularity of farmers markets and enterprises offering direct producer to consumer services. Consumer environmental awareness linked to the quest for saving takes in higher income consumers. Meredith Bowles of Mole Architects in the UK describes her clients as self-taught experts on green technologies that are happy to invest to get energy-saving results.

Note: This category includes food and beverages that are certified organic by an approved certification body. Depending on the country, such products are called "organic", "biological" or "ecological": For organic products to be included in Euromonitor definitions, the organic aspect needs to form part of positioning/marketing of the product. Organic and Discounters data is forecast for 2012. In constant 2010 fixed prices and fixed 2012 exchange rates.

With the economic outlook still wobbly, downsizing will change from being a lifestyle choice to reality. A Spanish consumer says: "In the past we have been lured into buying the latest and best computers and gadgets, even though we might not really use their full capacity. Today, I only buy what I need, which is always half the price of what I would like."

Recommerce as sustainability

The consumer interest in trading pre-owned goods is in full swing, fuelled by greater acceptance of used, also called 'pre-loved' items by consumers affected by the economic downturn. eBay reported strong fourth quarter and full year results for 2011 in January 2012. They also revealed that more 60+ users are customers (with purchase values up 33% for instance on South Korea's eBay-owned Auction site). In the UAE, more cash-strapped locals are opting for second-hand technology.

According to a spokesman for telecoms at Emax in the UAE, mobile phones, laptops and kitchen appliances are the best-selling second-hand consumer electronics in the Emirates. Spanish used goods sites such as secundamano.es reported significant growth in visitors too. This trend for durable possessions, also referred to as 'heirloom design' and based on the assumption that objects should last beyond a single user, resonates with green concerns.

Consumer reasons for selling their things and unlocking the value in their past purchases vary and include the desire to upgrade or update their fashion or technology items. They are indulging their love of shopping while controlling spending "which feels guilt-free in recessionary times .

In 2012, growing numbers of consumers will become increasingly aware not just of the financial value of their old 'stuff', but its material and ecological value too. This will create opportunities for brands such as Dell that can collect and recycle old purchases, especially if they can do something constructive with them.

Money Jitters are chipping away at consumer loyalty to brands

In the consumer hunt for a good bargain, consumer loyalty has increasingly fallen by the wayside turning more consumers to the internet for bargains. Click to tweet! They may also buy in affordable chunks. In September 2011, The National Louis University in Chicago became the first educational establishment in the world to sell a course on a daily deal site.

Coupons have traditionally been retailers' most popular loyalty devices and are still used by many of them with trends like "extreme couponing" in the USA covered in the eponymous reality TV show. Discount coupons were popular gifts during recent Tet celebrations in Vietnam.

Some clothing and footwear retailers in Australia are charging "fitting fees" to stop shoppers from using their changing rooms to try on garments that they then buy from online competitors.

Bargain hunting is the new shopping therapy for 'mission shoppers'

Frugality has turned many former leisure shoppers into mission shoppers. Not only are many more consumers comfortable shopping in discount chains "now bargains are everywhere" illustrated by the opening of a menswear concession by discount chain Primark in two Selfridges department stores in the UK.

In New Zealand: "Consumer attitudes to discounts and deals have changed dramatically over the last five years," says Tony Vercauteren of Ezypeezy, makers of an app offering users coupon offers from their mobiles. "There's a certain pride or bragging rights attached to getting a good deal, whereas in the past saving money was something you hid" it's now about cleverness, rather than thriftiness," he adds. The most popular web activity in the UK is searching for discounts and deals on products, said a report compiled by electronics shop Comet.

There is a sense that in today's economic climate, consumers who do not actively hunt bargains are foolish. For instance, according to UK motoring writer Quentin Wilson in the UK's Daily Telegraph newspaper: "I never pay a quoted price from a hotel" that's for muppets."

In 2012, the consumer quest for value will extend beyond products to services and a greater interest in value tourism, fitness and wellness. Mark Lankester of Australian Tune Hotels, which operates like budget airlines with fees for all extras, says the thrift behind value tourism allows consumers to splash their hard-earned income on selected things like dining.

Look out for the sixth in the series: Top 10 Consumer Trends for 2012: Reality Culture and Consumers

About Euromonitor International's Annual Study, Global Youth Survey and Quick Pulse Surveys

Euromonitor International's Annual Study surveyed 16,000 consumers of all ages (15-65+) in eight mature and developing markets in July and August 2011, questioning respondents on the following themes: health and wellness, food and drink, technology, shopping and leisure, personal traits and values.

Euromonitor International's Global Youth Survey reached out to young consumers living in 15 countries with the largest and fastest-growing youth populations. Fielded August-September 2011, the survey questioned 16-24 year olds on the following themes: financial expenditure, food and drink, technology, leisure activities, personal traits and values.

In Quick Pulse surveys, Passport Survey reaches out to Euromonitor's network of in-country analysts and in-house researchers around the world in order to find out more about current consumer attitudes and habits on a wide variety of topics, from economic outlook to daily activities.

Note: Euromonitor surveys are online surveys ; all respondents are drawn from the online population in any given country, not its population as a whole. This means that in emerging markets, respondents tend to be more educated, affluent and urban.

Republished with permission from Euromonitor Market Research Blog, originally posted on 24 April 2012