

Australian Shoppers Forced to Re-Evaluate Shopping Habits: Two Thirds Reduce Purchase Of Non-Essential Grocery Items

Latest Nielsen research reveals

Australian shoppers are being forced to re-evaluate their shopping habits in the face of rising household costs, with two-thirds (66%) reducing their purchase of non-essential grocery items, 41 percent avoiding the purchase of certain items altogether, and more than one-third (38%) buying fewer items, according to a recent study undertaken by The Nielsen Company.

The Nielsen study, which surveyed 1,500 Australian consumers, found that fuel, home loans, groceries, utilities and dining out were identified as the top five services/products to have had a significant recent price change, ahead of other household expenses such as rent or entertainment.

“We are at an inflexion point in consumer spending – a time when new habits are being created in the face of the increasing cost of living,” says Gillian O’Sullivan, Executive Director, Customised, The Nielsen Company. “And while this is leading to more dollars being channelled into supermarkets and grocery stores as shoppers eat out of home less, not all supermarket categories are seeing increasing volumes as shoppers cut back on their supermarket impulse purchases, opt for cheaper housebrand/generic products and start looking for smarter ways to shop.”

Asked to indicate which changes they had made or intended to make to the way they buy certain supermarket items, more than half (56%) were checking shelf prices more carefully, 45 percent said they were waiting for specials before making their purchases and around 44 percent were reading supermarket catalogues to decide where to shop. A further 30 percent of

Australian shoppers said they had changed where they shop in an attempt to reduce their household grocery bill, while more than one quarter (26%) had switched to retailers’ own brands. Only six percent of Australians surveyed said they had not made any changes to their shopping behaviour.

The impulse aisle appears to have been the hardest hit by the current economic climate, the Nielsen study reports. Nearly three-quarters of shoppers (73%) said they were cutting back on confectionery purchases, 67 percent were buying less biscuits and potato chips, and almost two-thirds (62%) had cut back on their soft drink purchases.

With the ABS reporting a shift in food expenditure away from cafes, restaurants and take-away back to supermarkets in the past six months, Nielsen’s data indicates this shift has seen growth in sales of ‘back to scratch’ cooking items such as dry pasta (up 5%), pasta sauces (up 4%), canned tomatoes (up 6%), packet sauces and gravies (up 5%), stock (up 6%) and rice (up 6%).

“Although we’ve had a couple of rate cuts by the RBA now, consumers are still having trouble making ends meet, and for the grocery sector, this means we could be seeing reduced sales across a number of categories which consumers view as being ‘non-essential items’,” observes O’Sullivan. “On the flip side, however, DIY cooking products are enjoying a resurgence in popularity as families opt to eat in.”

- 66% Buy certain non-essential items less often
- 53% Shop around to get the best price for most items
- 47% Writing a shopping list to avoid buying non-essential items
- 41% Stopped buying certain items altogether
- 41% Changed the place where I usually shop for my fresh fruit & veg
- 38% Buying fewer number of items
- 32% Changed the place where I usually shop for my fresh foods
- 21% Changed the place where I do my main shop
- 21% Purchase grocery items from convenience stores less often

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