

## Redefining Value for Global Consumers in 2011

A New Year dawns, but for many consumers around the world, particularly those in developed markets, the forecast is somewhat overcast. Many governments in the Eurozone, UK and elsewhere are bringing into force austerity programmes that are likely to dent consumer confidence. Marketers and retailers will be responding with promotions and deals to entice customers to part with their valuable cash, but is lowest price always best? And how best to target the most budget conscious consumers? This issue of Roper Snapshot explores both of these topics.

### Value in Any Currency Spells Brand Choice

Whether they make purchases with euros, dollars, yen, or rupees, global consumers love getting the most for their money. "Value for money" is one of the leading factors in brand decisions worldwide, according to the 2010 Roper Reports® Worldwide study of 25 major global markets.

Value for money has the most commanding lead in the food/drink category; nearly half of global consumers - 47% - say this is the single most important factor in food and beverage brand decisions. It ranks first in 21 of 25 countries. Value also ranks comfortably ahead of other factors in the areas of health/personal-care products and clothing.

Value is not the only factor to consider, however. Durability/reliability is the top-ranked factor in brand decisions for the

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other three categories measured – namely, vehicles, home/personal electronics, and furnishings – followed by value.

### Marketing tip:

If nothing else, these findings serve to underline the dangers of competing solely on price in today's global consumer marketplace, neatly encapsulated by author Michael Soon Lee in his blog posting, *Compete on Value, not Price*: "There are a couple of problems with competing on price. The first is that you cannot have the lowest price all the time. Somebody can undercut you in a heartbeat.... The second problem with competing on price is that people do not necessarily buy the cheapest product on the market."

### Budget-Minded Consumers Are Unexpected

While low price is not the be all and end all for brand choice, it's worth noting that there are consumers around the world for whom thrift is a very or extremely important personal value, according to the Roper Reports® Worldwide study. The size of this Budget-Minded group ranges in size around the world, but what is perhaps most interesting about them is that they do not always fit the stereotype of a penny-pinching miser.

On the predictable side, Budget-Minded Consumers are a little more likely than average to be women and homemakers. This helps explain their slightly greater emphasis on domestic issues such as time spent doing housework, frequency of grocery shopping, and interest in food and cooking.

Yet the majority are not coupon-clipping housewives. In addition, Budget-Minded Consumers are not disproportionately low-income in many countries. They are also not older or less employed than average.

Moreover, just because people have an eye on their budgets does not mean they are sad or miserly. For instance they are as likely as average to indulge themselves by eating out, taking trips, buying things, and so on.

### Marketing tip:

Just because people value thrift and worry about paying bills does not mean they are sad, miserly, or poor. In many cases, the opposite is true. Marketers should bear this in mind, and not make their VFM campaigns too one dimensional. ■

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