

Consumer loyalty dies as shoppers swap shops for just £5, says research

Written by 3K Admin

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 Feb 18 2010 by Sarah Miloudi, Western Mail

FICKLE shoppers will switch from their usual supermarket to save as little as £5, it was claimed today. Fierce competition among the so-called 'big four' grocery giants has eroded brand and chain loyalty, industry figures said.

New research has found around seven out of 10 consumers will scour the internet in search of vouchers to cut the cost of their weekly shop. While one in 10 will ditch their favourite food store if handed a £5 coupon to take their custom elsewhere.

The study by mySupermarket.co.uk has shown consumers' thrifty habits have persisted beyond the recession, and that grocery stores are now offering more special offers and rewards than ever before.

Retail experts believe the strength of the economic downturn has triggered a 'general election-style' fever on the high street where shoppers will vote with their feet if discounts are not offered.

And even though the country emerged from its financial crisis in January, the price comparison website claimed its one million users have remained cautious about their spending.

Spokesman Jonny Steel said: "Shoppers are proving that they have learned to be money-saving experts over the past year, and even though things are slowly starting to improve, they're showing little sign that they ever plan to go back to their old ways."

Should there be a double-dip recession as many economists are predicting, consumers will be well prepared.

The website's investigation discovered an unprecedented amount of special offers were now available to shoppers, and counted around 12,000 deals across chains Tesco, Asda, Sainsbury's and upmarket Ocado.

The British Retail Consortium (BRC) said competition has grown so great for a slice of the typical family's £10,400 annual supermarket spend it had led to a heated rivalry among the nation's top food shops.

The spokesman for the group told the Western Mail: "Conditions have remained tough for people and in this country retailing is a very competitive industry."

People need to be offered good prices and quality as it is not always about getting the goods for the cheapest amount.

Because of this, everyday is like a general election day for retailers. Shoppers will simply vote with their feet and head to a rival if they are struggling to find both in one store.

However, Welsh marketing guru Dr Said Al-Hasan said that a tendency to switch supermarkets may reflect a feeling among customers that their demands are not being met.

The senior strategic marketing lecturer at the University of Glamorgan said: "Usually customers are looking for availability of goods, so is the £5 voucher or saving really their reason for switching?"

People have to go into certain stores out of convenience. The economic reality that we now live in may matter, but in marketing there is a group of shoppers who are known as 'switchers' who don't display loyalty to any one store.

One in 10 people is about the right measure for this, so part of the research could account for this.

But over the past year mySupermarket.co.uk has found shoppers are spending more of their time looking at discount pages on the internet before they commit to shelling out cash. Its researchers said customers want to buy as many goods as they can at a reduced rate and like to take advantage of money-off tokens and three for the price of two deals.

They claimed customers aim to purchase around half of items on their grocery list from the 'offers' aisle of the supermarket, compared to around a third of their groceries in 2009.

A record 12,000 special offers are now available across the country's biggest grocery chains, mySupermarket.co.uk has found.

Here are three of the best deals

Waitrose

New customers can get £15

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off a £60 bill by placing an order through the WaitroseDeliver online shopping service.

Tesco
Shoppers new to Tesco Wine £ separate from the chain's grocery arm £ can collect 500 extra clubcard points if they spend £50 or more on wine.

Asda
The chain is offering a series of four for £3 offers on frozen foods and health and beauty products.

Source: http://www.walesonline.co.uk/news/wales-news/2010/02/18/consumer-loyalty-dies-as-shoppers-swap-shops-for-just-5-says-research-91466-25858903/2/</p>