Value drives US food shopping decisions, though elsewhere in the world, not so much

Perhaps it is a sense that the economy is going to get worse before it gets better, or perhaps it is an inherent frugality that is demonstrated by US consumers. Whatever the reason six out of ten US consumers say that "good value for money" is the prime reason that they choose where to spend their food dollars. That is a big percentage, but it pales next to international attitudes toward value; 85 percent of global consumers say that good value is the reason they choose where to shop for food.

"Good value" also dwarfs other reasons that US shoppers choose a supermarket, compared to "better selection of high quality brands and products (28%), store proximity (23%), convenience and easy parking (14%), and the use by stores of recyclable bags and packaging (9%).

These revelations are contained in a new study done by The Nielsen Company, which ranks the most influential factors in determining where people shop for food in both the US and abroad.

At the same time, US consumers tell researchers that they determine "good value" using a number of factors. For example, 80 percent of US consumers said they use "frequent promotions and discounts" as a measure of "good value," while 72 percent depend on a store's reputation for delivering low prices. About seven out of 10 people pay attention to store circulars and flyers, while 63 percent depend on discounts delivered to loyalty or frequent shopper cardholders. Almost six out of 10 US consumers do price comparisons across retailers to determine value, while 53 percent depend on private label offerings, and 43 percent use friends' recommendations.

The likelihood that consumers' concerns about the state of the economy - and even the possibility of a recession in 2008 - are driving their dependence on value as a shopping determinant is heightened by the fact that consumers in nations with booming economies do not rank value as highly. In Russia, for example, 93 percent of consumers are more concerned about a "better selection of high quality brands and products," an opinion shared by 79 percent of India consumers, 78 percent of Chinese consumers, 78 percent of Latvian shoppers and 77 percent of Lithuanian consumers.

According to Nielsen's research, three in four global consumers consider it very or somewhat important that supermarkets feature frequent promotions and regular price discounts, and seventy percent vote it very or somewhat important the store have a reputation for being cheaper than competitors. In third place are prices published in the stores' leaflets (62%), followed by research and price comparisons across retailers (60%), price reductions offered through loyalty/store cards (57%) and stores that promised to have every day low prices (57%).

Interestingly, some consumers are not attracted to promotions and regular price discounts. One in four (22%) Finnish shoppers do not consider price promotions and discounts to be important, and the emerging European economies of Russia, Hungary and Estonia share this view