



# South African consumers lead global trend in prioritising value over price in beverage choices

In a landscape where economic pressures weigh heavily on household budgets, South African consumers are setting a global precedent in their approach to value, particularly when it comes to their beverage choices. According to the latest findings from CGA by NIQ, a remarkable 51% of South African consumers now prioritise value over price in their drink selections, significantly outpacing the global average of 38%.

However, value for money doesn't necessarily mean cheap with only 14% saying they think value means a cheap option, while half (50%) say it means a good deal and 42% equate it with something that is worth its cost.

CGA by NIQ Client Solutions Manager Abhi Sehgal reports, "This shift underscores a growing demand for products that strike the perfect balance between affordability and quality, pushing suppliers and venues to deliver more than just low-cost options. As inflation continues to impact spending, the emphasis on true value has become more critical than ever in the On Premise sector, signalling a clear preference for quality that is worth every rand spent."

## Demand for quality

So while spending is under pressure for many consumers, others remain happy to spend freely in the On Premise, as long as the quality is right. Two in five (41%) say high quality is more important



to them than it was a year ago – and again, this is well above the REACH global average (32%).

When asked about their purchase plans with a fixed amount of money, two thirds (65%) would buy just one or two premium or luxury drinks – far more than the 11% who would select four or five lower quality ones. This indicates a clear trend for drinking fewer but better drinks.

## Growing interest in health

South Africans also over-index against the rest of the world for their interest in health. Well over a third (38%) of them say health has increased

in importance to them in the last 12 months, against the global average of 27%. While this is leading many consumers to reduce their alcohol intake, it is also opening up opportunities for no and low alcohol alternatives. However, these options are often perceived to offer less value for money than alcoholic drinks, so suppliers need to prove they are worth the price.

## Domestic preferences

Around the world, 24% of consumers think it's more important than a year ago that their drinks are from their own country. However, this number is much higher in South Africa at 35%. This indicates that suppliers and venues need to prioritise domestic brands and local heritage, while also catering for those who want to try new and interesting options from overseas.

## Earlier visits

There has been a global shift towards earlier visits to pubs, bars and restaurants, and 33% of South Africans are going out to eat earlier than they were a year ago. This is six percentage points more than the REACH average – and mid-range spenders and Gen Z are both even more likely to do so.

This has significant implications for people's drinking choices, and atmosphere, time-limited promotions and outdoor seating are three of the key considerations for appealing to lunchtime and afternoon guests. **SR**



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