Survey Report

Consumer Preferences for Retail Industry

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Survey Objective

The objective and rationale for conducting this survey was to know about the consumer preferences for retail buying of wide arrange of consumer products such as food and beverages; clothing and apparel, footwear, health and beauty, electronics etc. The outcome of this survey would be highly beneficial for the retail business sector, especially FMCG and fashion clothing industry, to comprehend the preferences and mind set of educated class of society who has purchasing power. It is expected that the survey results would also help the retail industry to align their business strategies with consumer preferences.

Survey Methodology

The feedback survey questionnaire was uploaded on Institute's website on 22nd November 2017 with connecting link to Google Drive to provide an opportunity to survey participants to submit their responses online. The deadline for filling-up the online survey was 10th December 2017.

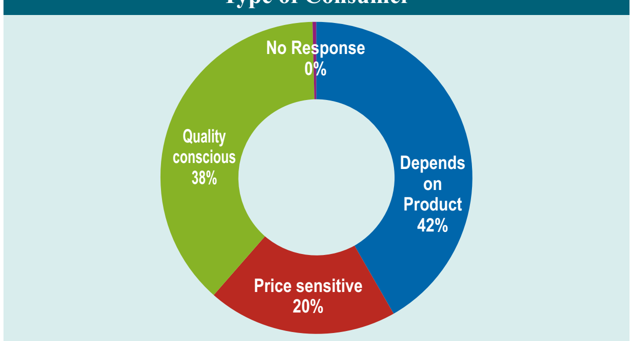
Survey Statistics

By the deadline, total 981 responses were received from the online survey participants. The gender analysis reveals that almost 73% survey participants are male and 23% female. The age bracket of participants indicate that majority of them are young in the age limit of 15 to 25 years whereas 22% fall in age bracket of 26 to 40 years. As far as geographical representation is concerned, participants from Multan leads with 23% response; followed by Karachi 21%; Lahore and Islamabad/Rawalpindi 18% each and Faisalabad 17 percent. Around 4% response came from other smaller cities.

Survey Results

Pakistani consumers are becoming more 'quality-conscious' than 'price-sensitive'

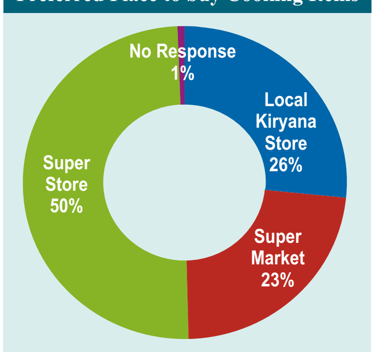
Type of Consumer



The Survey reveals that the Pakistani consumers of retail products are becoming more quality conscious than price-sensitive. Around 38% respondents categorize themselves as 'quality conscious' whereas 20% say they are price-sensitive. However, a majority of participants (42%) responded that their decision to opt for quality or price varies from product to product. This reflects a consumption behaviour approach of consumers i.e. they just want to purchase for their consumption irrespective of the price or quality of product.

Local Kiryana stores losing charm among consumers with opening of Supers stores and markets

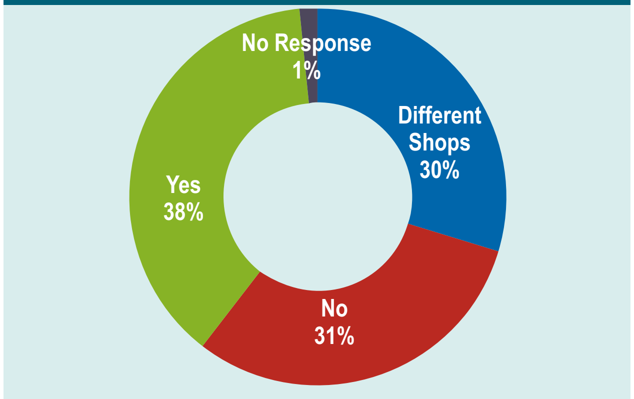
Preferred Place to buy Cooking Items



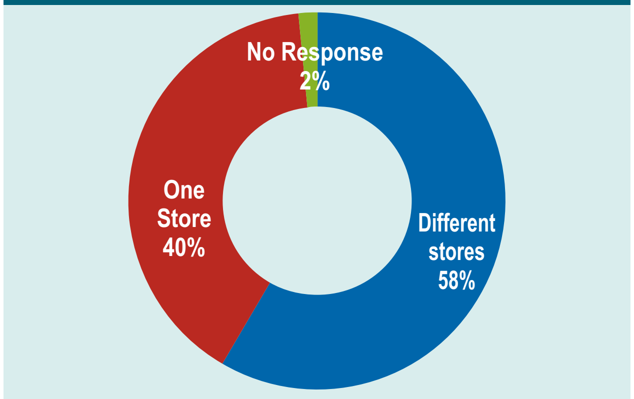
With the opening of more and more super stores and marts the local Kiryana stores are losing their charm as well as business in daily item purchases. These small stores were once the preferable options for purchase by the consumers; however, this trend is changing gradually. The survey indicates that around 73 percent respondents have shown preference to make purchases of day to day cooking items from Super store (50%) and Super markets (23%). Only 26% of participants are still resorting to local Kiryana stores for making daily cooking use items. The main reason for this shift in preference is presumably due to availability of bulk items, convenience of buying other items under same roof and price discounts offers by super stores and marts.

Consumers prefer to buy cooking items and groceries from different shops instead of specific shops

Visit Specific Shops for your Daily Cooking Requirements



Buy all Grocery Items at one Store or at Different Shops

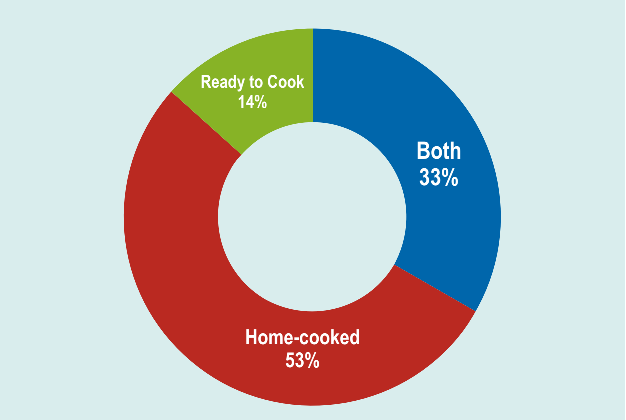


The respondents were asked whether they prefer to purchase daily cooking items from the same shops or different shops. The survey results shows that around 61% prefer to buy from different shops instead of relying on specific shops. This points towards the consumers' mentality to look around for different varieties of products and price discounts offers that could be available at different shops and not offered by specific stores of shops for where they had been buying since long.

As far as purchase of grocery items is concerned, the survey shows a mixed trend with 58% prefer to buy it from different shops whereas 40% have preference of buying from same stores. This indicates that consumers want to purchase groceries from same shops form where they are getting good quality instead of trying another shops.

Preference of home-cooked items more than ready-to-cook food

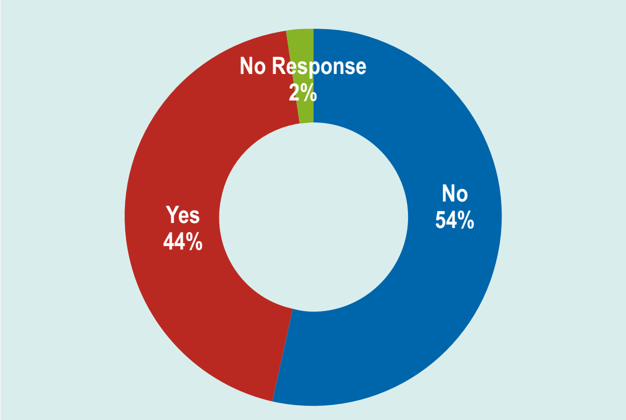
Prefer Ready-to-Cook Food Items or Home-Cooked Items



Unlike the consumers in western countries, the Pakistani consumers prefer to consume home-cooked items instead of ready-to-cook food. This is reflected from 53 percent survey responses favouring home-cooked items and just 14 percent responses for ready-to-cook. This is due mainly to the fact that home made food are fresh, healthy and consume less money whereas ready-to-cook items available in markets, though hygenic in nature, are not so demanding due mainly to cost factor as well as a new entry into the food offers in Pakistan. The companies marketing ready-to-cook items need to do lot more effort to penetrate the market.

Packaged milk consumption increasing in Pakistan

Consumption of Packaged Milk

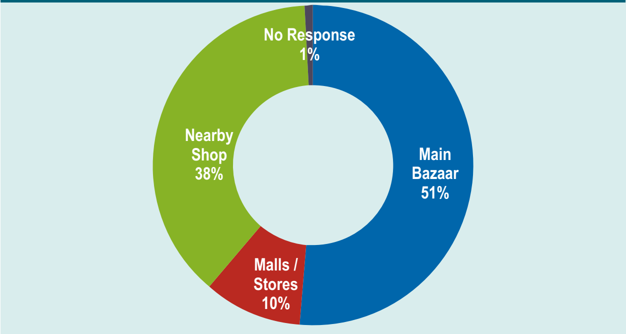


The packaged milk consumption by Pakistani consumers, especially in urban areas, is increasing gradually. This is evident from the fact that 44 percent respondents have communicated that they are using different brands of packaged milk. The varied reasons cited by the survey participants for their preference of packaged milk are quality, hygiene, taste, longer shelf life and ease of use.

Albeit this emerging trend, the consumption of open milk is still high in our society with 54 percent survey participants indicating that they do not prefer packaged milk and are more convenient with purchasing fresh milk from the cattle farms and milk suppliers.

Fruit buying mostly preferred from main fruit bazaars

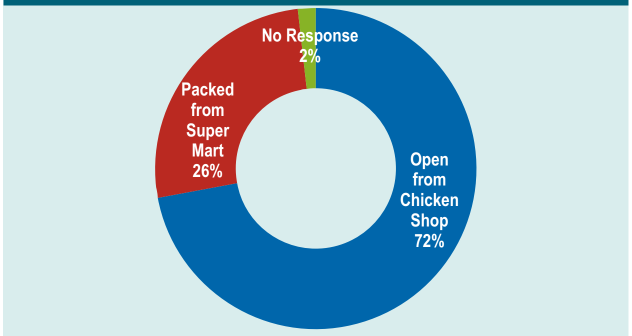
Preferred Place to buy Fruits and Vegetables



The consumers of fruits mostly prefer to go to main fruit bazaars [a market where there are many fruit sellers] as they get benefit of price difference in case they buy from their nearby fruit sellers. Around 51% respondents have indicated 'main bazaars' whereas 38 percent ticked the box of 'nearby shops'. Fruit buying from Malls and big super markets is not being preferred by consumers with just 10 percent survey result in its favour.

Packaged Chicken Meat not preferred by Consumers

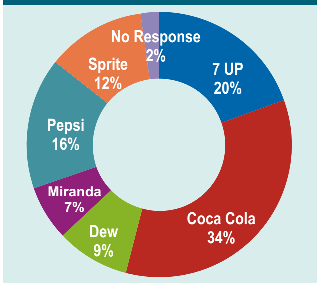
Preference for Purchasing Chicken Meat



The respondents were asked to share their preference for purchasing open meat from ordinary chicken shops or in packed form from the super markets. A majority of survey participants (72%) have shown their preference of ordinary chicken shops as they get fresh meat and also get at reasonable prices than to buy the packaged meat from super stores. Around 26% go with packed chicken from the super markets.

Coca Cola most liked Cold Drink

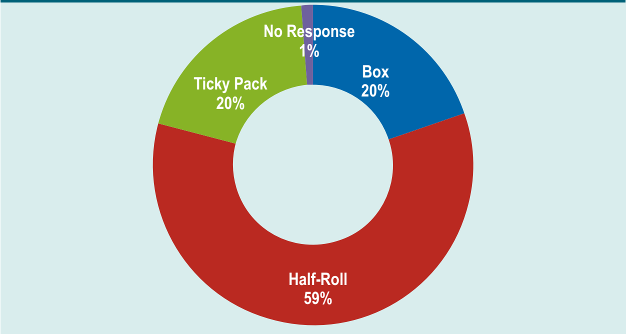
Preference for Cold Drink



Around 34 percent respondents say they like to consume Coca Cola in cold drink. The second preferred cold drink is 7Up which is liked by around 20 percent people. Other drinks that follow in popularity are Pepsi (16%); Sprite (12%); Dew (9%) and Mirinda (7%).

Half-Roll size preferred by biscuit consumers

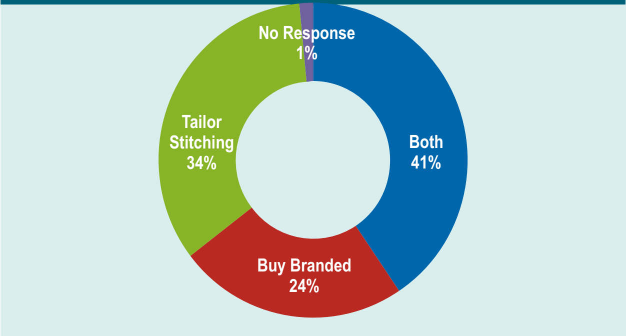
Preference of Biscuits Packing Size



The half-roll size is mostly preferred by biscuit consumers as around 59 percent respondents stated that they buy half-roll biscuits. Ticky pack and full box are preferred by 20 percent each by the people.

Tailor-stitched cloth still favored over branded garments

Preference of Tailor-Stitched Cloth or Branded Garments

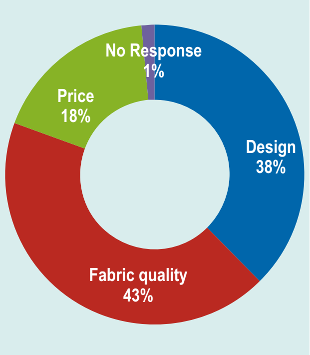


The respondents were asked whether they prefer to buy branded product or stitched cloth from tailor. Around 34 percent said that they prefer tailor-stitched whereas 24 percent favored branded products. However, majority of respondents i.e. 41% indicated that they also stitch from tailor and also buy branded garments.

Most of Fabric consumers look for quality and design

The survey reveals that majority of consumers look for quality and design than the price of fabric. The statistics that comes out of survey results indicate that 43% prefer fabric quality whereas 38% prefer design. Only 18 percent respondents say they look for the competitive price of the cloth. This outcome provides evidence to the fact that the Pakistani consumers are becoming more quality conscious.

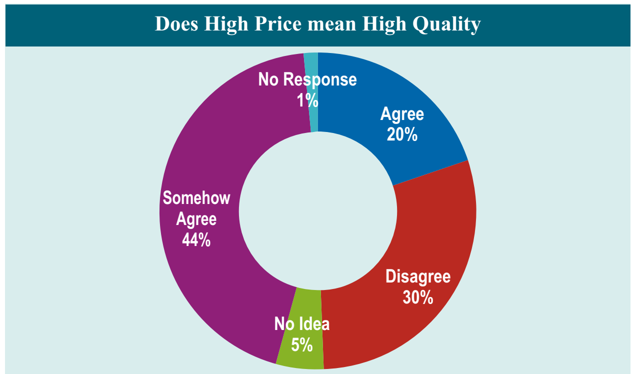
First preference in buying Cloth and Apparel



Consumer think branded products have reputation for good quality

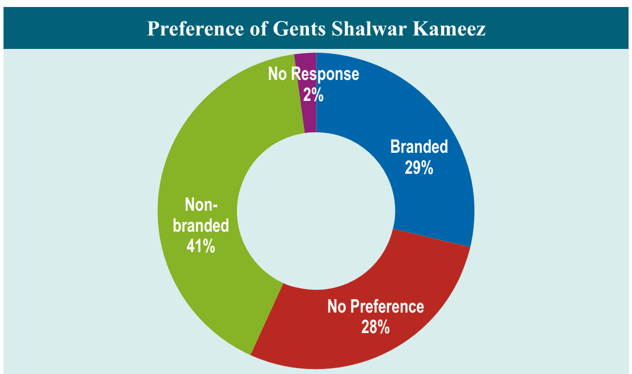
The consumers have a general mindset that branded products are good in quality as it is the question of their reputation and goodwill. Around 32 percent fully agreed to this perception whereas 45 percent somehow agree. Only 16 percent say that they disagree that any famous brand means quality product.

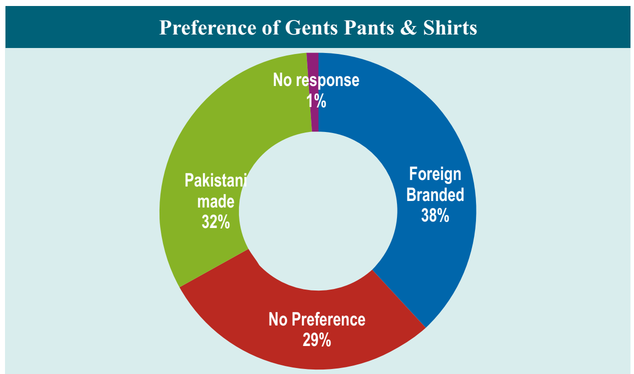
Consumers perceive highly-priced products as good quality



The survey reveals another perception of consumers with regard to price and quality nexus. One question was posed to survey participants whether they think high-priced product mean good quality. Most of them agreed to this perception i.e. 20 percent fully agreed and 44% somehow agreed. Around 30 percent disagreed.

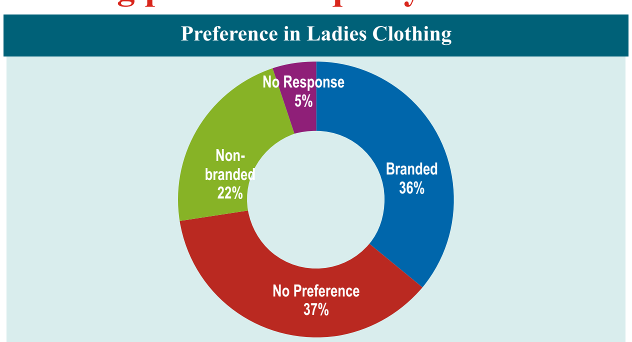
Non-Branded Gents Shalwar Kameez mostly preferred





The consumers have given a mixed response on the question relating to buying of gents clothing i.e. Shalwar Kameez and Pants and Shirts. Non-branded Shalwar Kameez is mostly preferred (41% responses) as compared to branded (29%) whereas foreign branded gents' pants and shirts are in demand with 38% responses as against 32% for Pakistani-made gents' garments. Almost 28% consumers have said that they have no preferences.

Branded and Non-branded Ladies clothing preferred equally



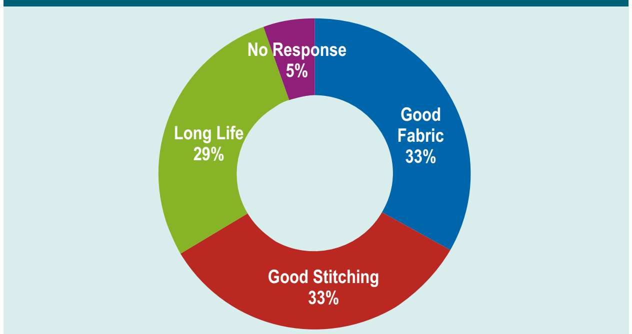
It was asked from survey participants as to what is their preference for ladies suits and lawns. Majority of the respondents said that they like both branded and non-branded equally, whereas 36 percent indicated that they preferred branded clothing. Only 22 percent participants were in favour of non-branded suiting.

Pakistani branded clothing preferred for quality, easy availability and competitive price

The survey indicates that the consumer prefer to buy Pakistani-branded clothing for their quality (34%), easy availability (34%) and relative cheaper in price than branded clothing (31%).

Foreign branded clothing preferred for quality fabric and stitching and longer life

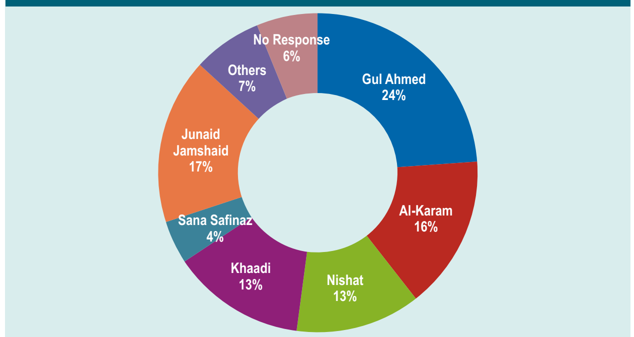
Reasons for Preference of Foreign Branded Cloth



The consumer of foreign branded clothing have mentioned in their survey responses that they prefer foreign brands because of good quality of their fabric and stitching as well as for their longer life than local brands.

Gul Ahmed tops in leading fashion brands

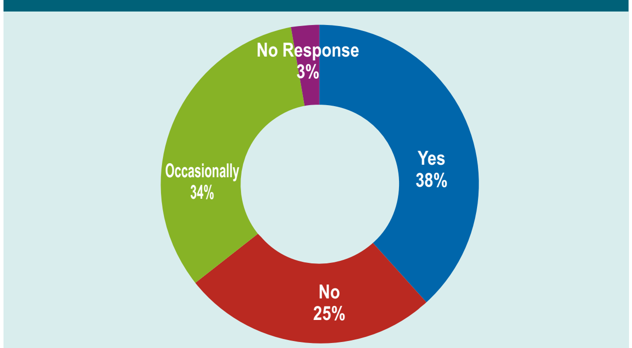
Ranking of Pakistani Fashion Clothing Brands



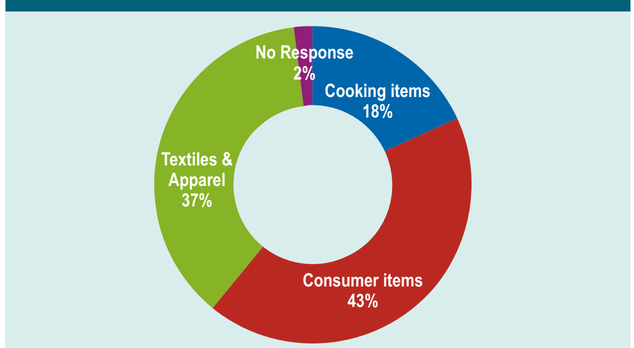
The participants were asked to share their opinion as to which is the top ranked fashion clothing brand in Pakistan. On the basis of survey results, it transpires that Gul Ahmed comes first with 24% responses, followed by Junaid Jamshed (17%), Al-Karam (16%), Khaadi and Nishat (13% each) and Sana Safinaz (4%). There were 7% responses for other brands.

Those Retail outlets preferred which offer discounts mostly in consumer items

Preference of Retail Outlets Offering Discounts



Products on which Discounts Mostly Preferred

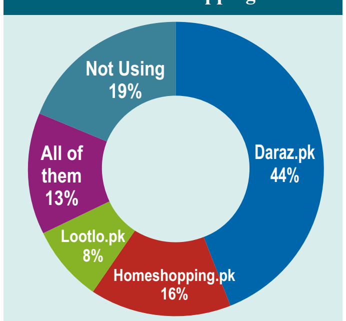


Those retails outlets which offer huge discounts are being preferred by consumers and around 72 percent of survey participants indicated that either always or occasionally look out and visit such retails outlets which have a regular policy of offering discounts on different products. Almost 43 percent of respondents said that they prefer discounts on 'consumer items' whereas 37% prefer discounts in textiles & apparel. Cooking items comes at third position in preference of consumers on which discounts are availed.

Another question in relations to discounts was that if any retail outlets offer huge discounts then would they prefer to buy more quantity or stick to their budget. Almost 59% consumers said that they would limit themselves in their monthly budget whereas 38% showed their willingness to pay more to avail discounts.

Online Shopping: Daraz.pk top website; fashion apparel, smart phones top buying products

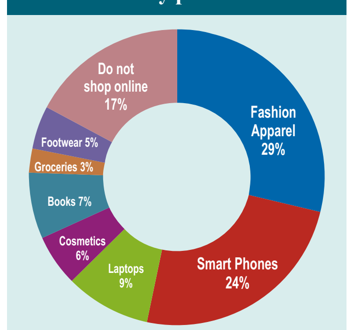
Preferred Online Shopping Website



The survey participants were asked whether they have made any online shopping of products and if so what is their preferred online shopping website and what products they mostly buy online. Almost half of respondents (48%) said that they buy online whereas similar percentage of people said they do not do online shopping. Out of 48% respondents who prefer online shopping, almost 44% said that their favorite website is 'Daraz.pk', followed by homeshopping.pk (16%). Around 13 percent said they use all popular online shopping websites.

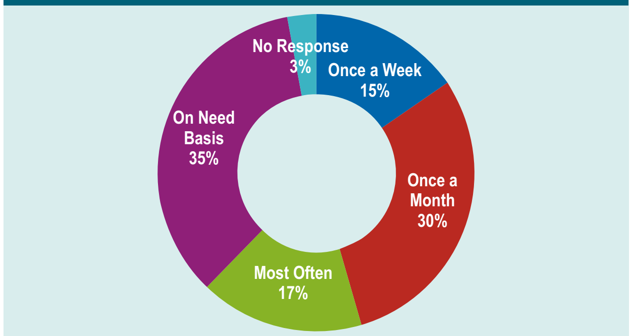
As far as major products purchased online are concerned, fashion apparel and smart phone tops the list with 29% and 24% respectively. The other preferred products purchase online are laptops, cosmetics etc. The main factor which prompt the consumer to go for online shopping seems to be comparative lesser or discounted prices of these products than available in the markets.

Products mostly purchased online

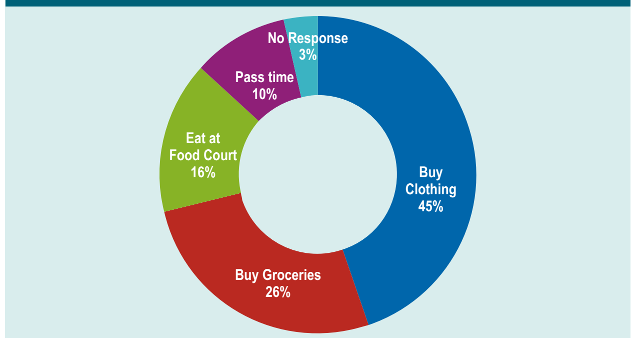


Shopping Malls: Consumer Mostly Visit on Need-basis; Top Reason is Buying Cloth & Groceries

How Often do you visit Shopping Malls?



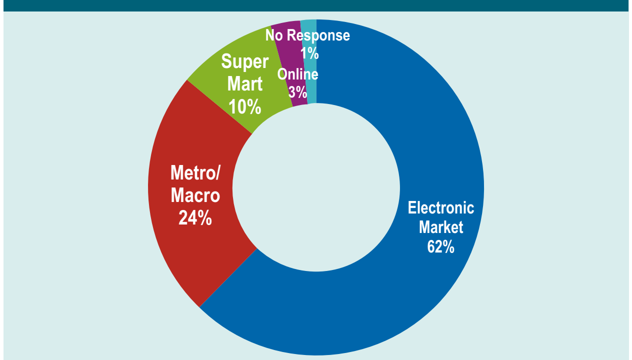
Prime Reason for visiting Shopping Malls?



The survey results show that around 35 percent respondents prefer to visit shopping malls on need basis and not frequently. Further, 30 percent say that they visit malls once a month to purchase necessary items. To a question about the prime reason for visiting shopping malls, almost 45 percent respondents pointed out that they visit to buy clothing which is available there in different designs and varieties. Around 26 percent participants indicated that they visit shopping malls to buy grocery items. Interestingly, 10 percent of survey participants said that they visit malls for leisure and to pass time. This means that shopping malls are developing into a place of amusement for the general people due to lack of recreational facilities in the country.

Consumers prefer to buy Electronic Items from Main Electronic Markets

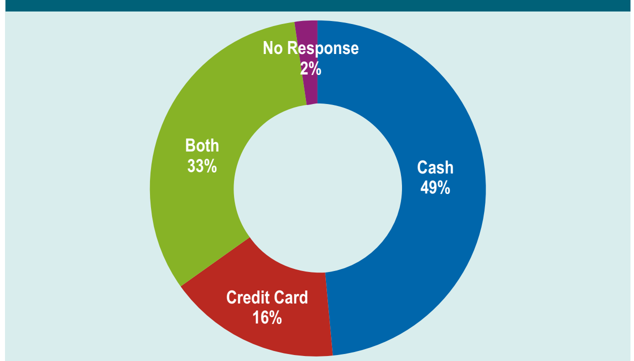
Choice of best marketplace for Purchasing Electronic Items



The survey participants were enquired as to from where they prefer to buy electronic items and appliances. Majority of them (62%) indicated that they prefer to buy these items from the main electronic markets. The result indicates that consumers are much conscious about the right place where a wide variety of equipments and gadgets are available as compared to other choices viz. Superstores, online, etc. On the other hand, there exist market competitions among different sellers which give an opportunity to consumers to purchase the quality items on a reduced price. The next option for consumers are METRO and MACRO which are also selling electronic items in large quantity almost at the same price and buyers visit there for sake of convenience.

Cash payment preferred over Credit Cards by Retail Buyers

Mode of Payment for Retail buying : Cash or Credit Card



The survey participants were enquired about the mode of payment i.e. cash or credit card for retail buying. The responses shows that majority of consumers (49%) prefer to pay cash instead of using credit cards. Around 33 percent respondents said that they use both cash and cards depending upon the purchase or shopping place. One reason for preference for cash payment by consumers is to save time and avoid risks associated with computerized payments and also tax payment on transactions on credit cards.