



### **Study: 49% of discounted groceries would have occurred without a promo**

The majority of Malaysians (83%) are more conscious of grocery prices and seek groceries on promotion to help manage significant inflation of grocery prices. While more than..... 41% of Malaysia's grocery items were sold on promotion, Nielsen IQ's latest research found that 49% of those discounted purchases would have occurred either way, in spite of whether a discount was being applied or not.

Malaysia's economy continued to expand by 14.2% in the third quarter of the year as compared to 8.9% in the second quarter of 2022. According to the **Department of Statistics**, the strong growth was also observed in the preceding quarter of this year as the country moved towards endemicity and the reopening of international borders.

Despite the country's strong economic performance, Nielsen IQ found that Malaysians remain conscious of their spending and are scrutinising their grocery expenses. This is being translated into loyalty concerns for both brands and retailers, with 21% of the consumers claiming they would change stores based on the best promotional offers and 15% stating that they regularly buy different brands because of a promotion.

At the same time, inflated grocery prices have resulted in 81% of consumers putting effort into buying the lowest grocery prices, up from 78% in 2020, and 78% saying that they take advantage of special offers and deals to keep within budget, up from 76%.

Simona Betiu, Nielsen's analytics commercial leader, said that manufacturers and retailers are facing enormous pressure to increase pressure.

"The price pressures are unprecedented and across the board. Understanding shoppers' reaction to promotions and knowing the 'sweet spot' for optimising promotion will be critical in the back end of 2022 and 2023," said Betiu.

She added that the key is understanding the differences in inflationary dynamics between retailers and brands. And, understanding which levers to pull to mitigate inflation-related risk and vulnerabilities are critical. "This might include managing the incentive curve, reviewing weak, cannibalist items and leveraging analytics to optimise your promotional tactics and forecasting," explained Betiu.

Separately on a quarter-on-quarter seasonally adjusted basis, Malaysia's economy grew by 1.9% (Q2 2022: 3.5%). Additionally, the monthly economic performance strengthened to 15.8% in July, followed by 15.3% in August. It later moderated to 11.6% in September 2022.

<https://www.marketing-interactive.com/49-of-discounted-groceries-would-have-occurred-without-promo>