

How brands can market to a frugal consumer

With the cost of living increasing for consumers, brands need to find ways to market to a thrifty consumer.



Source: www.unsplash.com

It has been a time of turmoil and as the pandemic subsided, a war erupted, and a recession loomed. Because of this businesses that had hoped to get back to how things were before Covid-19 have had to get ready for another year that might not be as stable.

According to the most recent GWI consumer dilemma survey, 54% of consumers believe that the cost of living has risen in the last six months, while 31% believe that they are spending less than they did two years ago.

Managing director of upnup says for some consumers, this means considering small adjustments to save money; for example, using a micro-savings and investing app.



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What does this entail for businesses, though? A few business professionals share what guidance they would provide businesses.

Meaningful communication is key

“When considering the most effective communication methods, keep in mind that we're talking to people,” says Andrew Bourne, regional manager, Africa of Zoho Corporation.

“A better understanding of our customers' needs and challenges is required. It is important to recognise that this is an opportunity to learn more about your customers.”

Bourne goes on to say that it's become even more important to ensure that any communication is not only effective but also meaningful.

“Check in with your customers to see how they are doing and what special needs have arisen as a result of the rise in the cost of living,” he says.

When it comes to small businesses, this could mean giving them free access to software so that they can find their feet while times are tough.



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Understanding where your customer is at is key to market success, says Jonathan Hurvitz, CEO of Teljoy, whose rent-to-own offering of premium brand household items appeals to consumers who are money-conscious, but still aspirational.

“Dishwashers break, kids need laptops for school, and new homeowners have to furnish the houses they move into - this is the reality for most of us,” he says.

Part of what makes their offering so appealing lies in extras like free delivery and installation, and maintenance and risk cover included in the monthly cost.

People are embracing renting, not owning, what they need - cars via Uber, holidays through Airbnb, and entertainment with streaming services like Netflix. But it's not just thrifty consumers that can benefit from affordable access to premium products.

“In SA, many young adults don't have generational wealth, which means they don't get mom and dad's second-hand TV or couch when they move into their first apartment. They still want big-ticket items to impress their friends with, though. When someone walks into your home and admires your Xbox or Smeg kettle, they don't ask you how you're paying for it. We recognise that people want things, but also need clever ways to free up their budget to spend on other areas of their lives,” he says.

Back your brand's purpose

According to Glenn Gillis, CEO of Sea Monster, the short and easy answer is to make things cheaper, but that's not always practical.

“Brand equity is built not just during good times but specifically when times are tough. This is the time for brands to back

their purpose, to share their knowledge and to make better-informed customers even if it might mean walking away from short-term gains,” says Gillis.

As Gillis explains, a classic example is Black Friday - great brands who don't encourage customers to overspend for all the wrong reasons this Black Friday are on the right track.

“Brands should be asking themselves how they can share their brand knowledge in a way that is visual, engaging, and easy to use to make better decisions for their customers, which will, in turn, develop better customers for them over time,” adds Gillis.

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