

Alcohol and tobacco retailers' power has shifted to the consumers

 By [Brian Tebogo Mashego](#)

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It's very rare that one will find himself in an overcrowded space like Park Station in Joburg CBD on a Friday afternoon. The Alcohol and Tobacco Immersion experience, on 22 May 2015, which was organised by Point Of Purchase Advertising International South Africa (POPAI) afforded brand managers, marketing practitioners and strategists an opportunity to get insights that enabled them to understand broad LSM spectrum, also touched on how factors like commuting patterns, location, price, convenience and promotional ideals affect the popularity of certain brands over others.

A changing consumer

Our Park Station tour led by our tour guide Wandile Mosehla, confirmed the assertions that the alcohol and tobacco industry is facing a challenge of meeting the needs of changing customers and increased competition. The Park Station tour affirmed that the power has shifted from the retailers to the consumers.

Consumers' needs are changing rapidly. This competitive environment forces retailers to deliver customer value in order to ensure survival and sustainable competitiveness. Our interaction with customers at the Park Station Pub suggested that the alcohol and tobacco industry have strong economic growth, and that the growth of the black middle-class drives the increased demand for alcohol and tobacco consumption.

At around 5pm, we moved to our next location, which was News Café in Campus Square, Melville. The intention was to determine the extent to which alcohol and tobacco consumer needs and demands have changed. Shaun Ngobese (27), the manager, said: "News Cafe fills a gap in a very competitive market where a wide variety of venues meet a range of social needs - meeting, drinking and eating" he further alluded that they cater for broad LSM, however on Fridays most of their customers are energetic youth that enjoys their music and stylish settings."

Interacting across a wide LSM

The last location for the immersion was Soweto, and that allowed us an opportunity to have intuitive interactions with the consumers and management. Vilakazi upmarket restaurant, Sedibeng restaurant and club visits gave a slight insight into the sort of brands that are most popular in the township consumer market.

In Dee Berry's words, Business Manager - POPAI South Africa, the immersion tour can be summed up as: "The touch points offered as part of our Alcohol/Tobacco Immersion gave attendees the opportunity to interact with shoppers and consumers across a wide LSM so as to better understand the motivations and reasons behind their brand preferences.

Such insights can be hugely beneficial in leveraging market share in these sectors."

ABOUT BRIAN TEBOGO MASHEGO

Hailing from a village called Mphanama in Limpopo, grew up in the streets of Atteridgeville in Pretoria, and a resident of Johannesburg since his enrolment at Wits University. Brian Tebogo Mashego is currently working at e.tv as a Media Analyst.
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