

Survey used to defend beer pricing

After attempts by its competitor to persuade tavern owners around the country to price Amstel at prices well above the recommended selling price of R10, brandhouse, the company that brews and distributes Amstel Lager, commissioned an independent survey on acceptable pricing for its new 660ml returnable bottle.

The survey was conducted on MXit, the popular mobile social network, which has in excess of 20 million users, 75% of whom are between 19 and 26 years. This particular survey was performed on males and females in the lower LSM categories living anywhere in South Africa and the respondents were between the ages of 18 and 45.

The results are that 90% of surveyed South African beer drinkers will trade up from mainstream beer to Amstel if it is priced at or around its recommended price of R10 as opposed to prices between R12 and R14 as advocated by the brewer's competitor.

The survey, conducted with over 1100 respondents from around the country, also asked consumers if they would travel to find another tavern if their local sold it above the recommended price - 74% said that they would, because price is extremely important to them while only 26% said that they would stay and pay the higher price.

When asked if consumers were pleased with the recent reduction to its size from 750ml to 660ml, and the resultant drop in price and introduction of a returnable bottle, 94% said that they were happy with the changes because it means that they can now afford this great premium beer at a great price. Only 6% said that they preferred the 750ml bottle.

Tavern owners may price independently

Tavern owners around the country are free to sell Amstel at any price. "Choosing to sell at its recommended price of R10, works for consumers as well as tavern owners, because they will find it easier to trade up from mainstream beers to Amstel. This will help them to sell more and make more margin over mainstream," says Gerald Mahinda, MD of brandhouse.

"We are extremely pleased with the results of this survey, because it indicates that surveyed South African beer drinkers prefer to drink our brand over mainstream brands, if it is priced within their budget. I believe the beer at a lower price is a big win for all South Africans, and a true testament to the fact that if you keep the consumer at the centre of your pricing strategy, you will win," concludes Mahinda.

A YouTube clip of Ask Why consumer initiative in Soweto is available on www.youtube.com/watch?v=pPI14BJqPsU