

# Alcohol, tobacco, smartphones, top of pops for students

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Food companies may not like the news, but a new survey by youth marketing research company Student Village has found that students view their smartphones as more important than laptops, TV or food.



BlackBerry phones remain popular with students.  
Image: [CrackBerry](#)

A Student Village report on spending last year found that alcohol and tobacco companies will not be left wanting either - alcohol, tobacco and computer equipment trump monthly spending on food and groceries for the average student.

Combined, this comes in at R691, versus R556 for food and groceries. Entertainment at R254 and clothing and footwear at R376 out of the average monthly spend of R3,510 reflects where priorities lie - and where retailers should focus attention.

Out of SA's total consumer spending market of well over a trillion rand, the student market is worth R39.5bn, according to Student Village research.

But the average individual spending for SA's 938,000 students was R42,120 a year in the 2013 survey - which is above the average spend for the country of R35,900. It means the student market is growing at an annual rate of 7.4%, and as much as 18% since 2010.

Only 18% of students get their money from a bursary or sponsor and 24% from part-time work - the rest rely on parents or family.

## Smartphone ownership

New research released last week showed that 98 out of 100 students own a smartphone. Most students own BlackBerrys, with Samsung a close second. Given the choice of retaining only one function on their phone, students cited WhatsApp, followed by BBM, Twitter and Instagram.

Two cellphone brands that have the potential to capture the student market are Huawei and LG, according to the research.

"However, these brands have failed to capture this market in a meaningful way as neither one has communicated its features effectively to this market. Students will not take the risk of acquiring a cheaper brand unless they have been assured of its quality," said the report.

While students claim to want an iPhone, this has not translated into actual ownership.

"Students locally want to buy the latest handset immediately; however, most of them will have to save for a few months before they can purchase," said Student Village's chief executive Ronen Aires.

"In order to appeal to this market, brands therefore need to have a prolonged presence. If their initial curiosity is not transformed into something they simply cannot live without, then the next big thing to attract their attention will claim their hard-saved money," he said.

Colen Garrow, an economist at Meganomics, said that these trends were important for retailers looking to determine the



Students spend more on alcohol than on food according to new research. Image: SABMiller

next stage of the "consumption DNA" of SA and reflected the evolution of household consumption expenditure. But he said it was a concern that students were not buying insurance or annuity savings products. "They should be saving," he said.

Justin Maier, head of marketing for Nokia South and East Africa, said that offering full-functioned devices at a range of prices addressed varying needs. "We are working hard to bring even more innovation and value to all our devices," he said.

Source: Business Day via I-net Bridge

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