

## Slovenia

### What do we want and what do we need?

Is consumer behaviour today, in this time of "uncertainty", basically the same as before? The answer is simple: of course it is. Today, consumers still expect to fulfil their wishes and satisfy their needs using the products they buy and the services they use. What is different today is the consumer's perception of what they (really) need and what they perceive as a "luxury" and not an essential commodity.

We cannot claim that existential needs are at the forefront today. This is, without doubt, true for a certain segment of the population, but for the vast majority the need "to have" or "to experience" depends on their system of values and, of course, on the consumer's financial standing. Will someone who cannot afford a holiday also give up having coffee with friends in the afternoon in their favourite coffee shop so they can afford to have meat with their meal? If we simplify the matter, it all depends on how important the free time they devote to friends is to the individual.

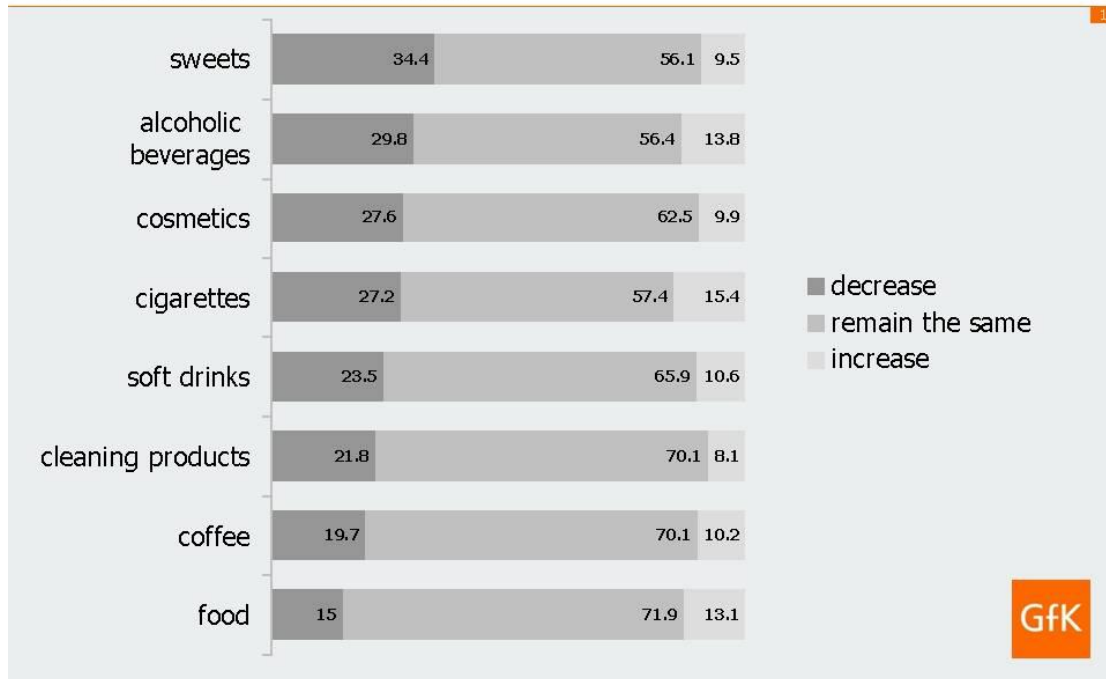
And what kind of changes can we identify nevertheless? In Slovenia, there is a large amount of data related to this topic, but the inspiration for a quick answer to this question can be found in the words of Professor Mumel from the Faculty of Economics and Business in Maribor: "... the user thinks of the things that they have and by using products and services they satisfy their needs, while the consumer thinks about things that they do not have and they fulfil their wishes through consumption." Today, the majority of people are undoubtedly in the position of user.

Let us turn our attention to the general trends: renouncing the less necessary things, postponing (larger) purchases and the (consequentially) greater orientation on savings. What was a "must have" yesterday is "nice to have" today, and tomorrow it could become unnecessary. And once we have learned how to live without something, we need a new stimulus, a new argument, as to why a certain thing is necessary.

The increased sensitivity to prices must not be ignored but it should not be understood in its absolute sense. We as consumers want "more for less". When a consumer says they are prepared to pay more on the condition that the product is of a higher quality, their definition of quality varies depending on the category of the product. Good quality fruit yoghurt contains more fruit and good quality shoes can be worn for several seasons without hurting the feet. There are many other ways to successfully overcome this period of uncertainty, which for some is also a period of shortages. Fundamentally, strategies are individual in nature and the new behavioural patterns that will emerge will not disappear immediately after it is declared that the crisis has ended.

According to the results of a survey conducted among Slovenian consumers during the first half of 2009, they intend to spend less on sweets (34%) and alcoholic beverages (30%), but it will be a little harder for them to give up their favourite pastime – drinking coffee. The expectation is that only a small proportion of respondents (15%) will reduce their expenses for food but, in spite of that, consumers will still be mindful of where and what they will be buying.

How do you think your expenses for each of the following categories of products will develop in the next 12 months? Will they decrease, remain the same or increase?



Despite the fact that the majority of respondents only intend to reduce their expenses for food by a small amount compared with other product groups, larger discrepancies within this product group may also arise.

In view of the situation in the markets, it can be expected that consumers will consider their decisions more thoroughly when purchasing products for general consumption and will, to a certain extent, also renounce some product groups. Given that there are approximately as many ways of dealing with the crisis as there are consumers, any kind of uniform behaviour is difficult to predict. The easiest way to weather the crisis is to track consumer habits, because any changes in the customers' behaviour will have long-term consequences.

And what can we do? I hope that we have all come to the same realisation that "burying your head in the sand" and waiting for the crisis to pass is not the right strategy. The consumer is changing. Their needs and wishes are changing. Priorities are changing. The ways to adapt to the priorities are also changing. You yourself will also have to change. And we are there for you to help you make your adaptation as successful as possible.

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