

Understanding consumer perceptions of DIY pricing



The client is one of the most important players in the Brazilian building material market.

Situation

A building materials and hardware company enjoyed a strong image in Brazil as a supplier of high-quality products at a premium. Facing the prospect of losing market share to its lower priced rivals, our client wanted to find out why customers believed its prices to be high.

Approach

We redesigned our tracking study to get a deeper quantitative and qualitative understanding of consumers' perceptions around its pricing. We conducted around 2,500 face-to-face interviews each year across 14 cities and regions. In addition, we collected retail price data for our client's stores and those of the competition. Qualitative interviews with store owners provided further insight into emerging retail trends.

Outcome

We found that customers thought our client's offerings to be more expensive than they actually were because of its historic positioning and communication style. Stores reinforced the perception of high pricing by prominently displaying the most expensive goods and full price tags for items on sale.

Based on this knowledge, the building material company took steps to address customers' views of its pricing and to strengthen its image among Brazilian consumers.

We investigated why Brazilians believed a hardware chain's products were expensive compared to those of competitors.