# Increased costs and changes in consumer behaviours contributing to the decline of the Loss Leader

## Rising prices pointing to a change in attitude towards short-life bargains, according to leading retailer, Gala Tent.

**South Yorkshire, United Kingdom Feb 14, 2022 (Issuewire.com)** - Changes in buyer behaviour over the past few years combined with significant increases in importing costs, appear to be contributing to a steep decline in the use of Loss Leader strategies by British retailers. This is according to those at the helm of South Yorkshire's Gala Tent, manufacturers, and retailers of commercial marquees and pop-up gazebos, who conducted market research into their buyers' behaviours, and correlated that with their own experiences in recent years.

According to the research, in which several hundred people were surveyed and asked what their priority is when making a purchase, nobody admitted to being attracted to the cheapest item. In contrast, 37% would instead either prefer to pay extra for better quality and 52% would buy the item that most closely matched their needs. Only 3% would purchase the best-known brand name, and almost 8% would prefer to buy the highest quality product.

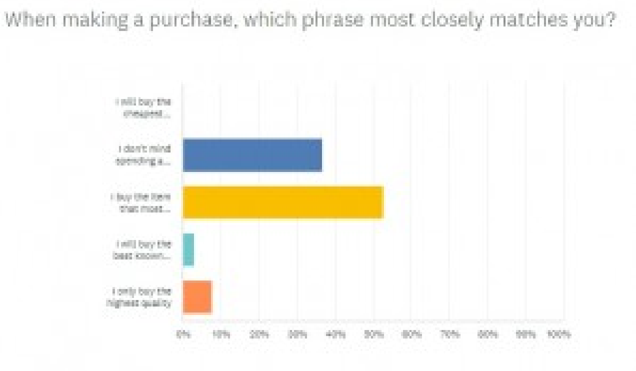
The feeling is that this change in attitudes towards picking up the cheap-and-cheerful may be driven by universally increasing prices in the UK, with budget-end products now no longer appearing to be the bargain they once were, in particular products that are imported from the Far East. A huge spike in demand for shipping container space that has continued from as far back as Q3 of 2020, has seen container prices increase by around 900%, and with bloated material, costs factored in, businesses are having to make the decision between importing more valuable stock, and smaller "pile them high" products that hold a smaller margin.

Gala Tent Procurement Director Andrew Scott said, "There has been a shift over the past two years that has changed the way we manage our stock. It's no longer commercially viable to purchase a container of chairs that we could previously sell at £9.99, as the increase in container prices means that it would need to sell at closer to £19.99 to make the same minor profits."

The company saw growth of over 50% during the pandemic, with restrictions such as outdoor-service-only contributing to a much-publicized nationwide shortage of marquees and gazebos during 2021. Much of the growth has been reinvested in more stock than ever before, but this will not include low-ticket, loss leader products for the foreseeable future.

[Gala Tent](#) CEO Jason Mace said, "People have a perceived value of certain products, so if you're hitting them with a 200% increase to try to maintain your margins then you're not going to attract them. For now, we'll stick to our core range, and more of it."

For now, it seems that consumers are prepared to invest in the longevity of quality, but it does remain to be seen whether this trend will continue.

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