Shopper Intelligence
Understand. Influence. Lead.

How do Brands impact UK Supermarkets?

CPG manufacturers spend a huge amount of time and resources to optimize the last few feet in the path to purchase: i.e. the in-store process that determines a large proportion of the final product choice.

Analysts spend hours assessing sales trends and product performance. Categories are fine-tuned, merchandising proposed, promotions developed. Each square foot of retail in a supermarket must be the most contested real estate in the world. Manufacturers must put forward their thinking with a category mindset. Fundamentally this is "thinking like a retailer" so that plans are motivating to their supermarket buyer to adopt. They have to be about growing the cake, not just sharing it out differently. Supermarkets are locked in their own intense competitive battle. Supplier ideas have to recognize that need.
At Shopper Intelligence we talk about the three defining goals of retail as:

1. Traffic – wining the basket, persuading a shopper to come to this store, rather than another;
2. Spend – growing the basket of the shopper already in the store – increasing units or price per unit;
3. Conversion – never losing an opportunity: leaving it "on the table" for another store to pick up later.

For 7 years we have been tracking performance across all the UK multiples on 1 and 2. Now in 2019 we are launching a measurement process to provide first ever store-wide data on 3.
In this white paper we look at our huge shopper survey database to understand what brands are driving Traffic and Spend. Brands that can show their ability to do one, or the other, or both, should win more share of retailer attention.

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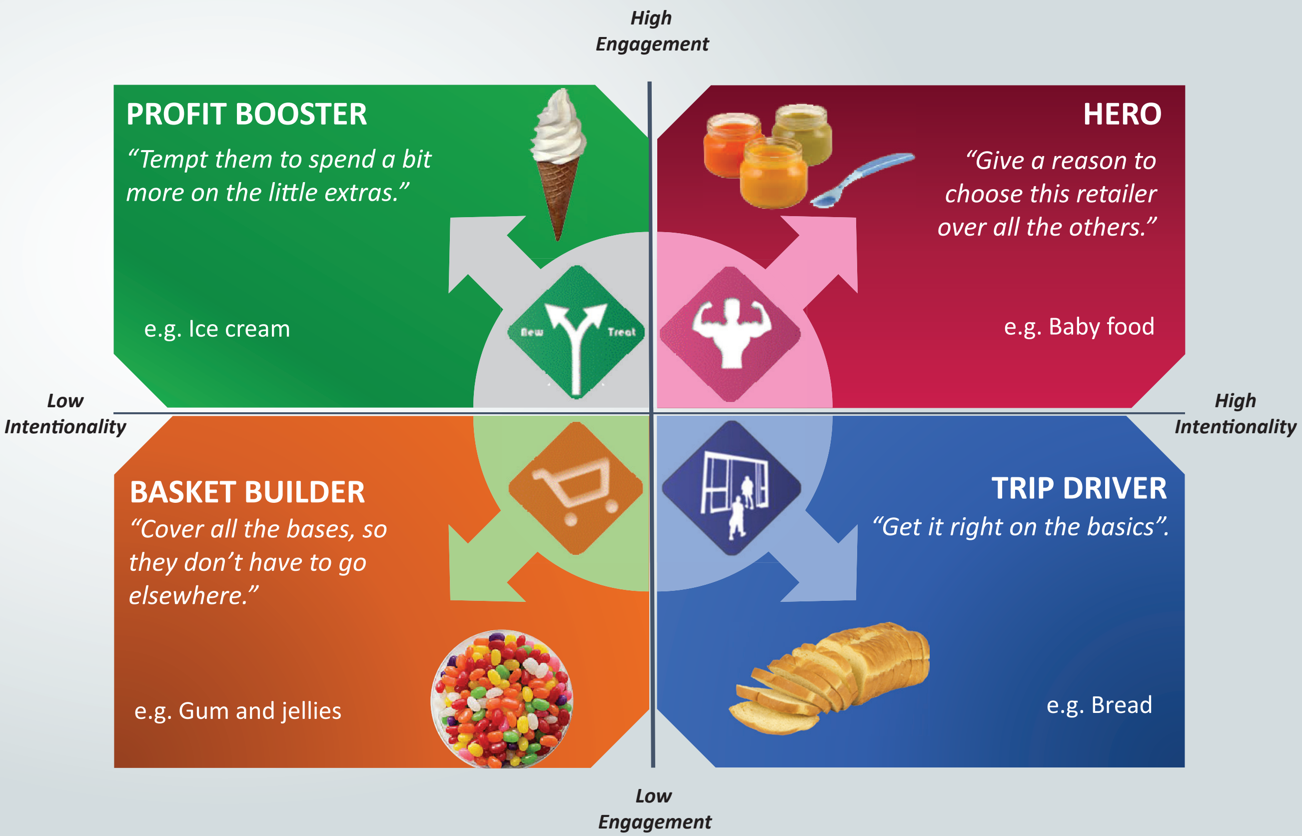
Our Model.

We use two axes we call "Engagement" and "Intentionality". Engagement is a number built by shoppers agreeing that they are willing to spend time on the category and don't mind paying more for better quality. Intentionality is a combination of greater pre-store planning and the category being high on the mental list – a main reason to make the shopping trip. Simplistically, one is more about influencing Traffic, the other more about Spend.

This builds a four-box matrix; a brand in one quadrant has characteristics that give guidance how to exploit it best.



Example strategies in the matrix:

High engagement

Price: Focus on premium over price

Product: Rotate range and focus on New

Place: Use display / theatre to attract

Promotion: Use multi-buy to drive AWP

Price: Mix of value and premium focus

Product: Opportunity for PL, lead on Innovation

Place: Simple and easy to shop, use theatre to create destination

Promotion: Promote pre-store to drive Trip

Low Intentionality

High Intentionality

Price: Use price to attract shoppers

Product: Avoid obvious range gaps

Place: Focus on clear standout and navigation

Promotion: Use high / low strategy to attract

Price: Lead on value

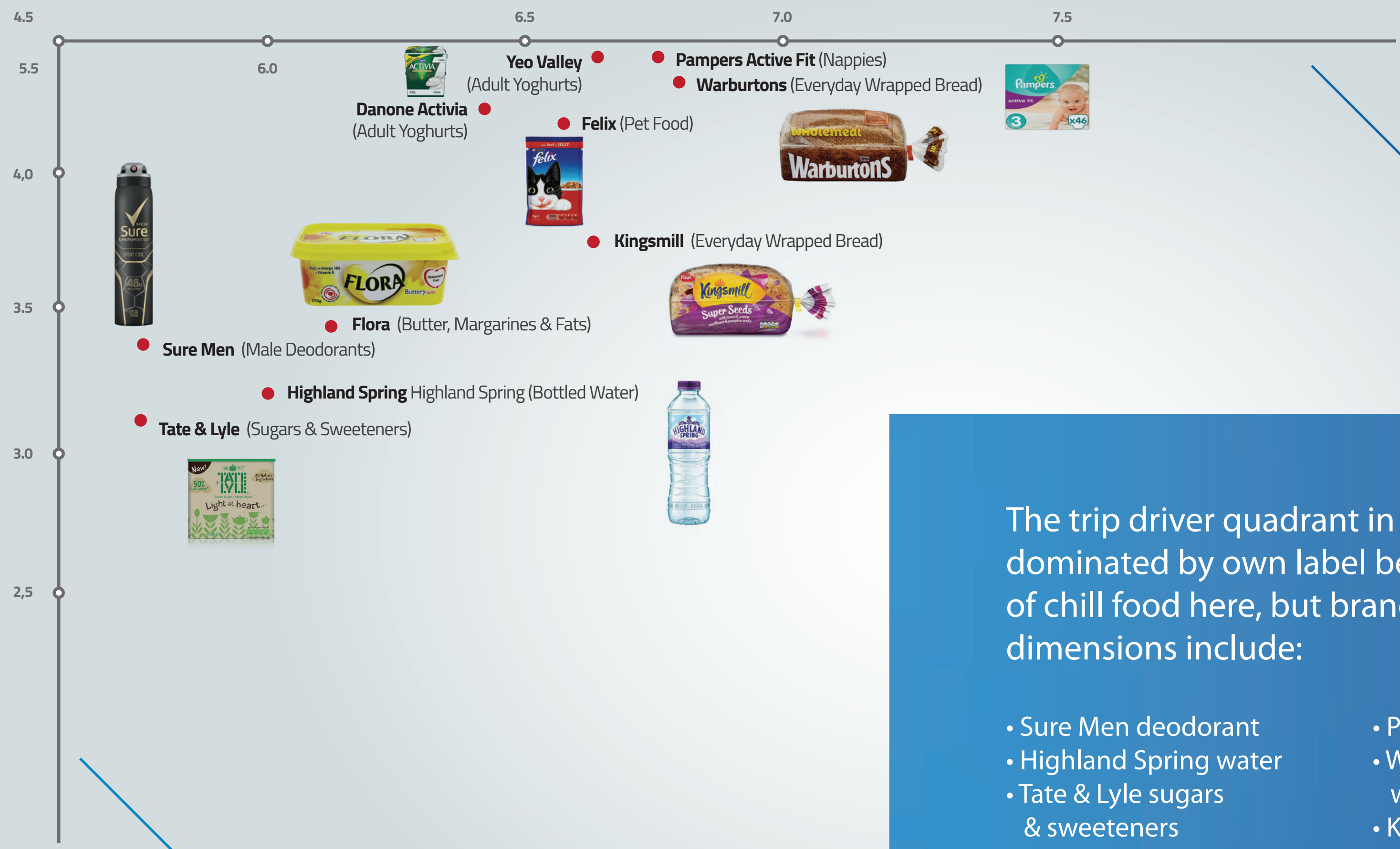
Product: Lead on availibity

Place: Easy to find and easy to shop

Promotion: Keep promotions low level

Low engagement

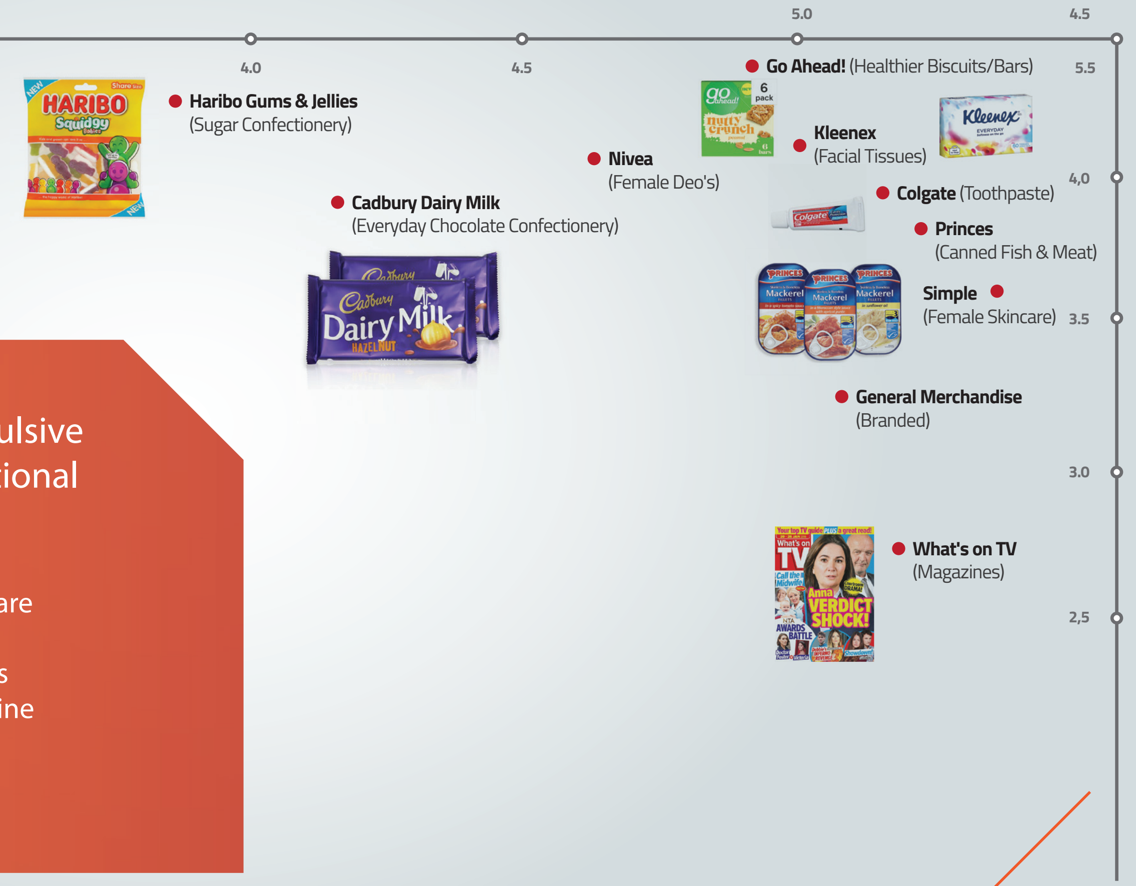
Trip Driver Outlier Brands



The trip driver quadrant in our brand model is dominated by own label because of the large presence of chill food here, but brands that are strong on these dimensions include:

- Sure Men deodorant
- Highland Spring water
- Tate & Lyle sugars & sweeteners
- Flora margarine
- Felix pet food
- Pampers Active Fit nappies
- Wartburtons everyday wrapped bread
- Kingsmill everyday wrapped bread
- Danone Activia yoghurts

Basket Builder Outlier Brands



The Basket Builder quadrant includes more impulsive brands in everyday categories, that attract additional sales for shoppers already in the store.

- Haribo Gums & Jellies
- Colgate toothpaste
- Cadbury Dairy Milk chocolate
- Princes canned fish
- Nivea female deodorant
- Simple female skincare
- Go Ahead! Biscuits
- Kleenex facial tissues
- What's on TV magazine

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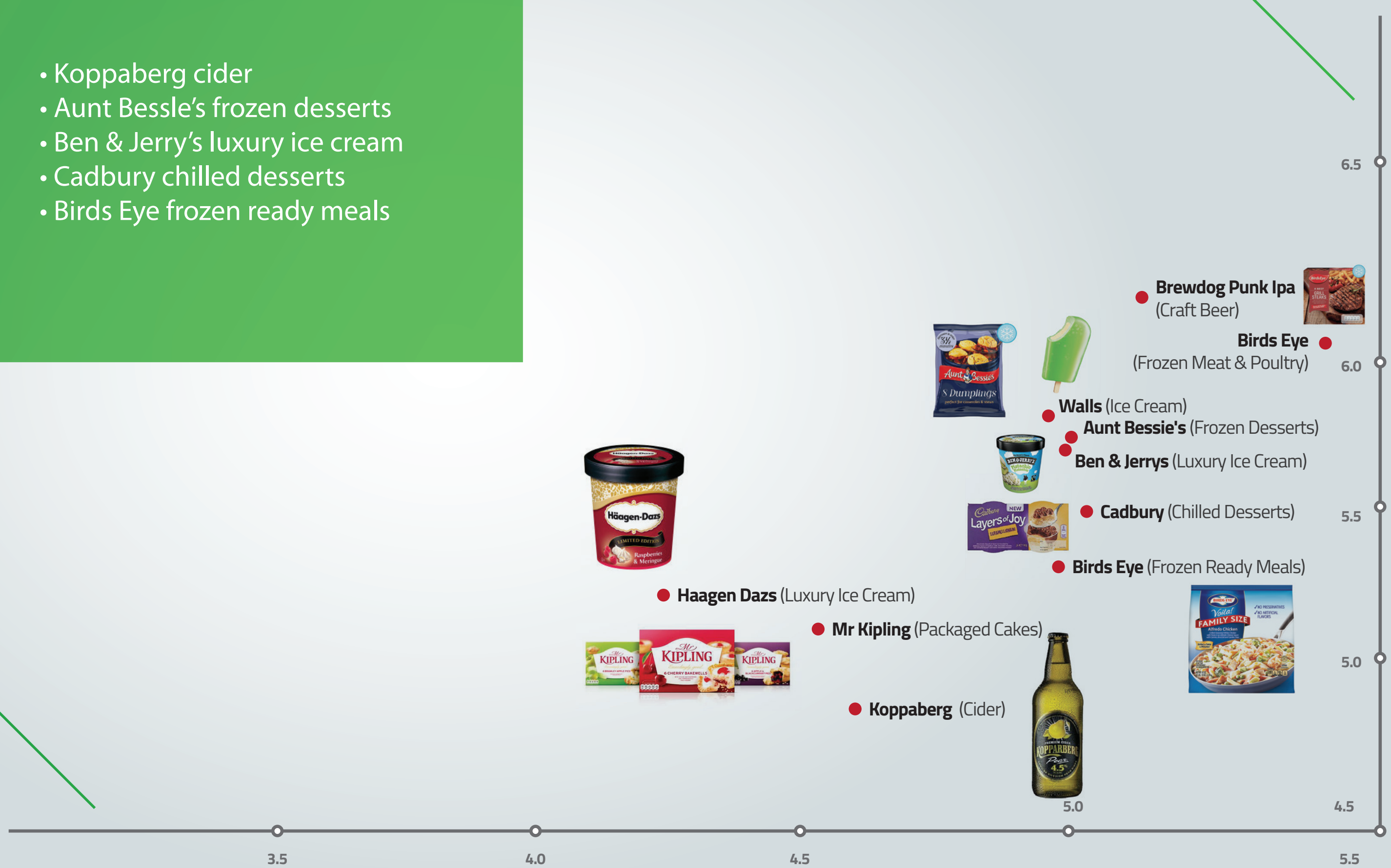
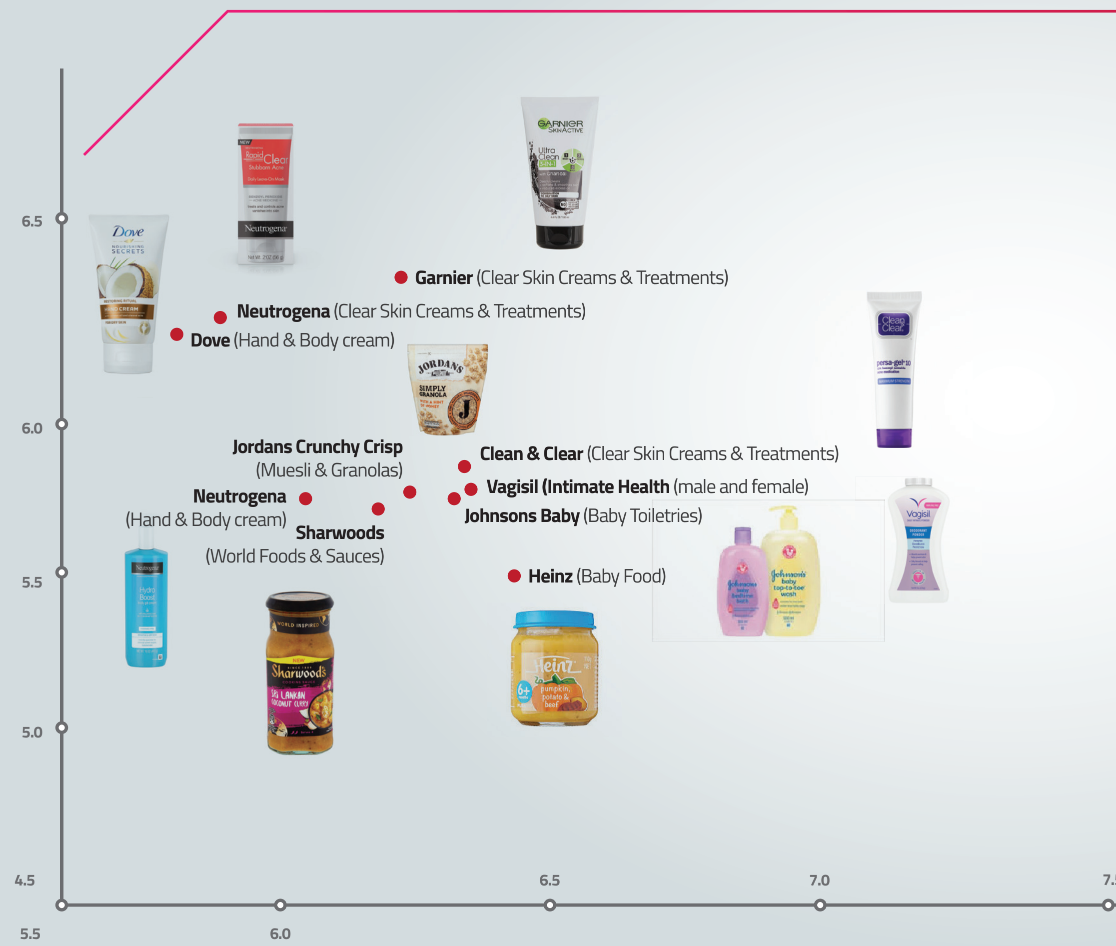
Profit Booster Outlier Brands

This is the arena for treats and indulgences where brands tend to be strong.

- Brewdog Punk Ipa craft beer
- Haagen Dazs luxury ice cream
- Birds Eye frozen meat and poultry
- Mr Kipling packaged cakes
- Walls ice cream
- Koppaberg cider
- Aunt Bessle's frozen desserts
- Ben & Jerry's luxury ice cream
- Cadbury chilled desserts
- Birds Eye frozen ready meals



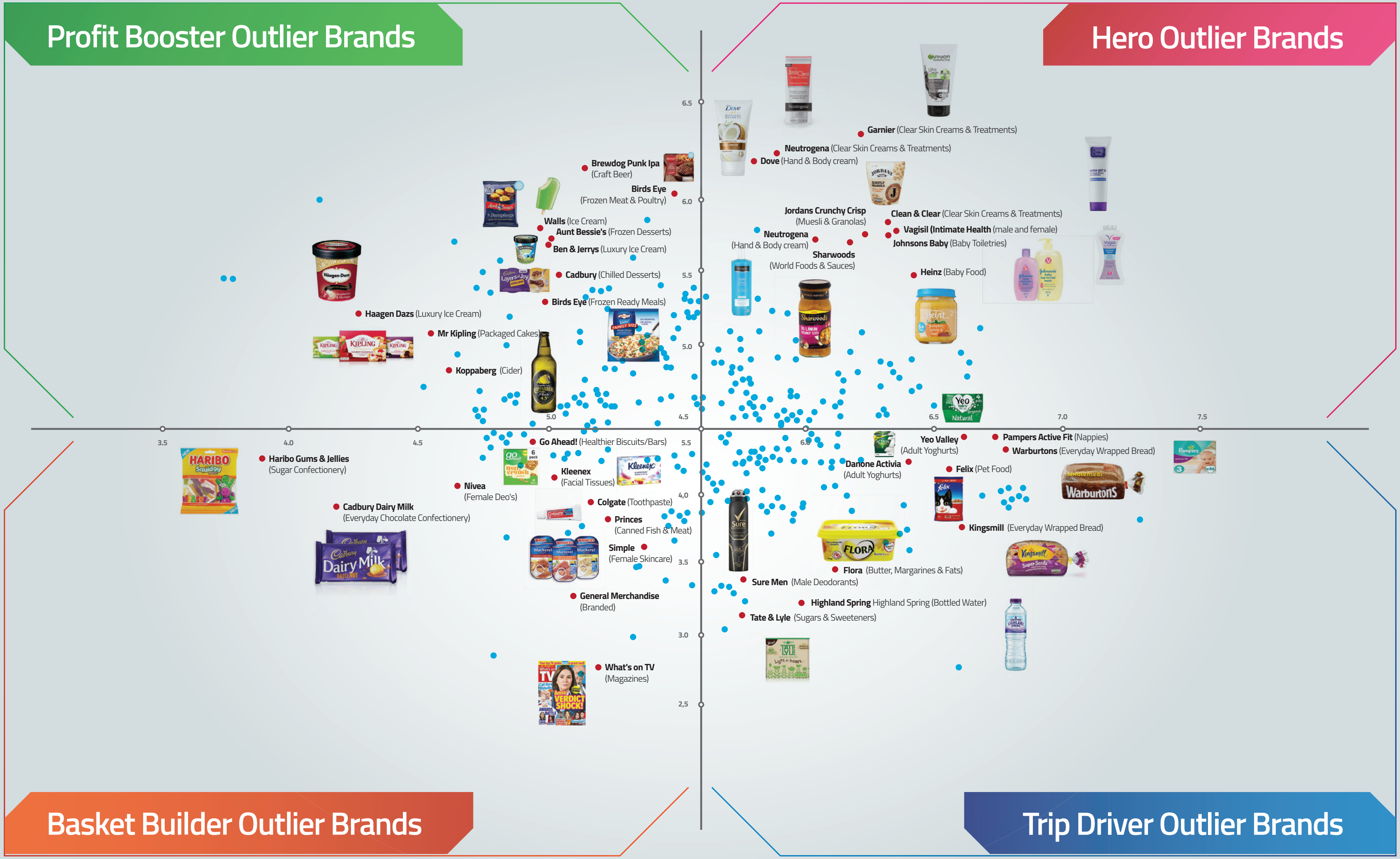
Hero Outlier Brands



The Hero quadrant has brands that are planned and also command premium attitudes, so can be an important driver of store loyalty, worthy of extra investment and innovation.

- Neutrogena clear skin creams & treatments
- Dove hand & body cream
- Jordans Crunchy Crisp muesli & granolas
- Neutrogena hand & body cream
- Sharwoods world foods & sauces
- Garnier clear skin creams & treatments
- Clean & Clear clear skin creams & treatments
- Vagisil intimate health, male and female
- Johnsons Baby toiletries
- Heinz baby food

Store Role Model Complete



What does this mean for my brand strategy?

If you know the dominant characteristics of what your brands' shoppers bring to the overall store, you are better placed to propose the right shopper marketing solutions, brand strategy, and innovations. Proposals that your retailer will recognise as beneficial to their business. You can position your thinking as being focussed on creating genuine business improvement, rather than cannibalisation. Growing the cake.

This thinking helps your buyer argue internally for resources as he/she competes with all the other categories across the store. Understanding what your brand and the category together can uniquely contribute to the store opens up the potential for a mutual opportunity that the retailer is more likely to agree on.

Step 1

Identify the role of your category overall, compared to the rest.

Step 2

Understand your brand role within the category (it may be slightly different, particularly to private label).

Step 3

Explore any nuances between different segments or shopper types - look for outliers. For example, premium items often show very different shopper behaviours. Or small basket, top up shoppers may be different.

Step 4

Identify your retailers overall strategy and needs (what are their top down priorities?).

Step 5

Find the alignment between your brand characteristics and your retailer's strategies. Look for the sweet spot where both business can gain the most.

Methodology
124,000 data points from 74,000 Shopper Intelligence interviews (online, last 3 days). Fieldwork carried out February – July 2018.

To find out where your brand sits on the matrix, or to understand own label's presence contact us.

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