BigBlue&Company

"We make successful business cases"

SHOPPER INSIGHT
INVASION OR INNOVATION
OWN BRANDS OR BRANDS

Jan Hillesland

JAN HILLESLAND

EXPERIENCE

More than18 years experience in international sales, innovation and marketing.

Vice President in Carlsberg – Global Marketing, Sales and Innovation.

Commercial Responsible for Carlsberg in Asia, Germany, Norway & Denmark.

Commercial Director in Coca Cola, Poland.

CURRENT ; FOUNDER & PARTNER :

- BigBlue & Company
- Link Analytix
- RetailFlux
- BlueBox Insight

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SHOPPER INSIGHTS

Base your decisions on INSIGHTS

YOU TALK A LOT ABOUT THE CONSUMER. THAT'S IMPORTANT!

…BUT FIRST…

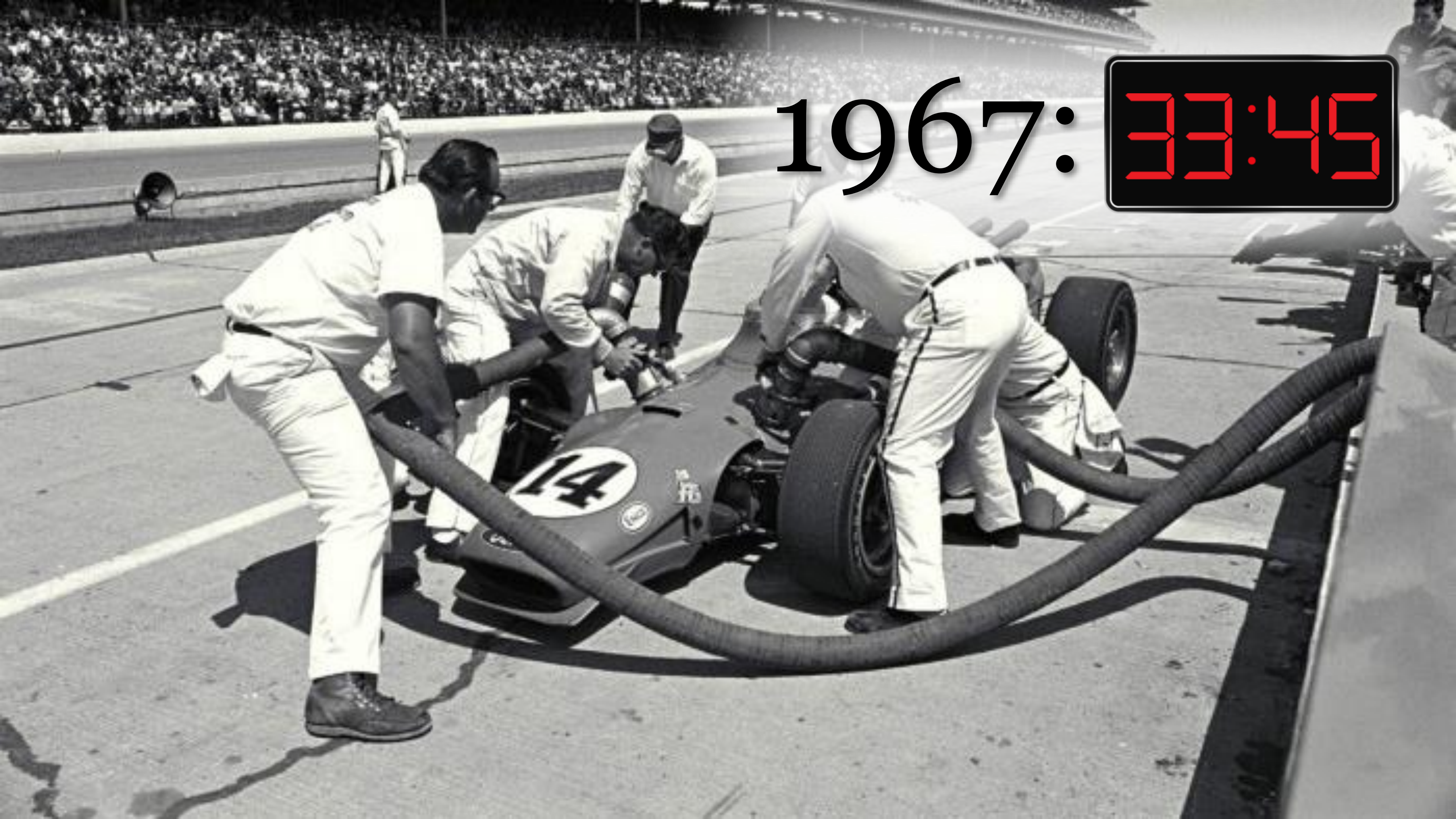
SOMEBODY NEED TO **BUY** YOUR PRODUCTS!

I WILL FOCUS ON THE SHOPPER

SEACHILL & THE SAUCY FISH CO TALKED ABOUT:

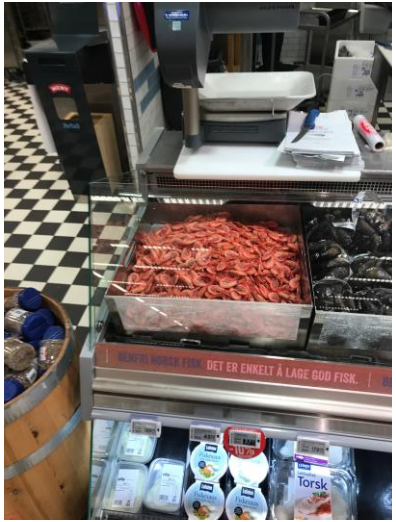
"How the consumers wants to recieve the products in shelf"

THIS IS WHAT IT IS ALL ABOUT!


1967:
33:45
14

today…

IN-STORE – ARE SHRIMPS A COMMODITY?

A shrimp is a shrimp…
…and I understand that a crab is a crab!

INNOVATION TRANSLATES INTO HIGHER PRICES BY MOVING UP THE EXPERIENCE CHAIN –AND BY **BUILDING BRANDS**

The Danish Sushi case , the Norwegian Cape Fish /Live Crab and Lerøy showed you the right direction – moving up the Brand ladder.

+ 750 – 2500%

Commodity
1-2 cent pr cup.

Brands
15-25 cent pr cup.

In-Home Experience
15-25 cent pr cup.

Service
1-2 $ pr cup.

STARBUCKS COFFEE

Experience
2-5 $ pr cup.

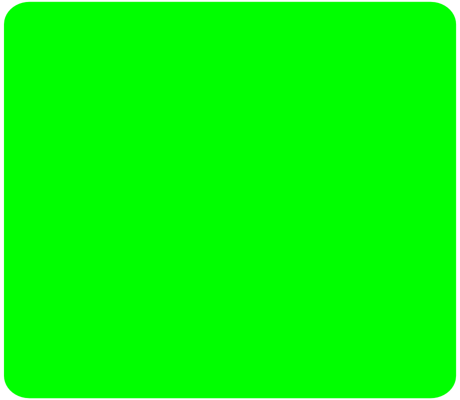
CLIMBING THE BRAND LADDER

1%

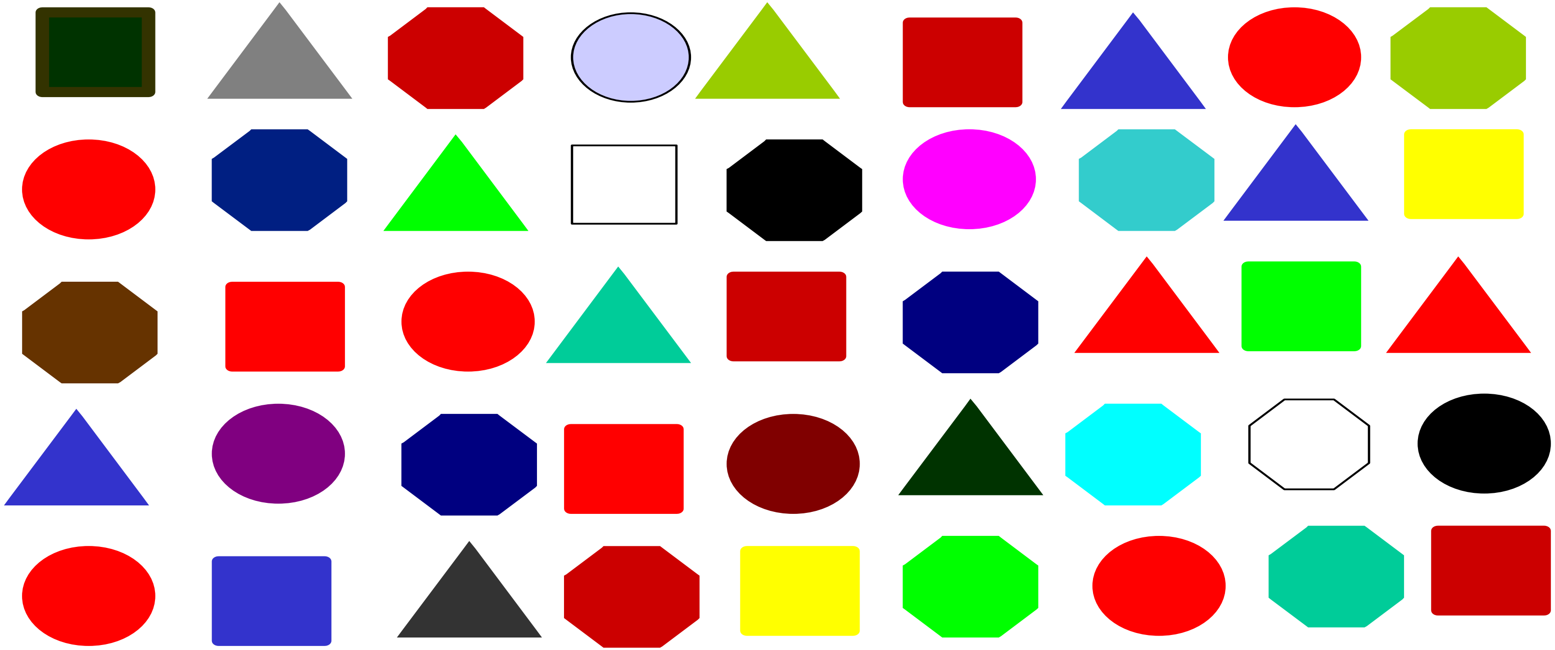
80%

1

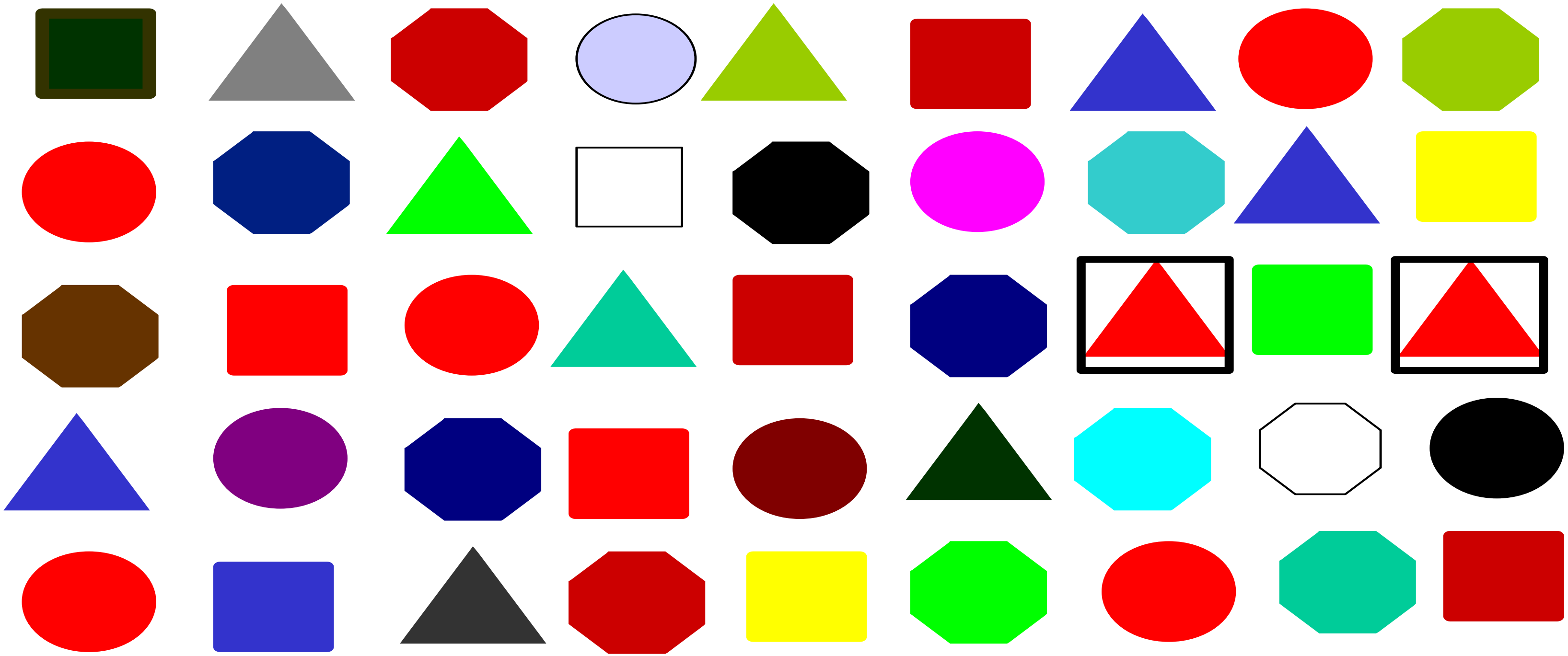
THE GREEN SQUARE?

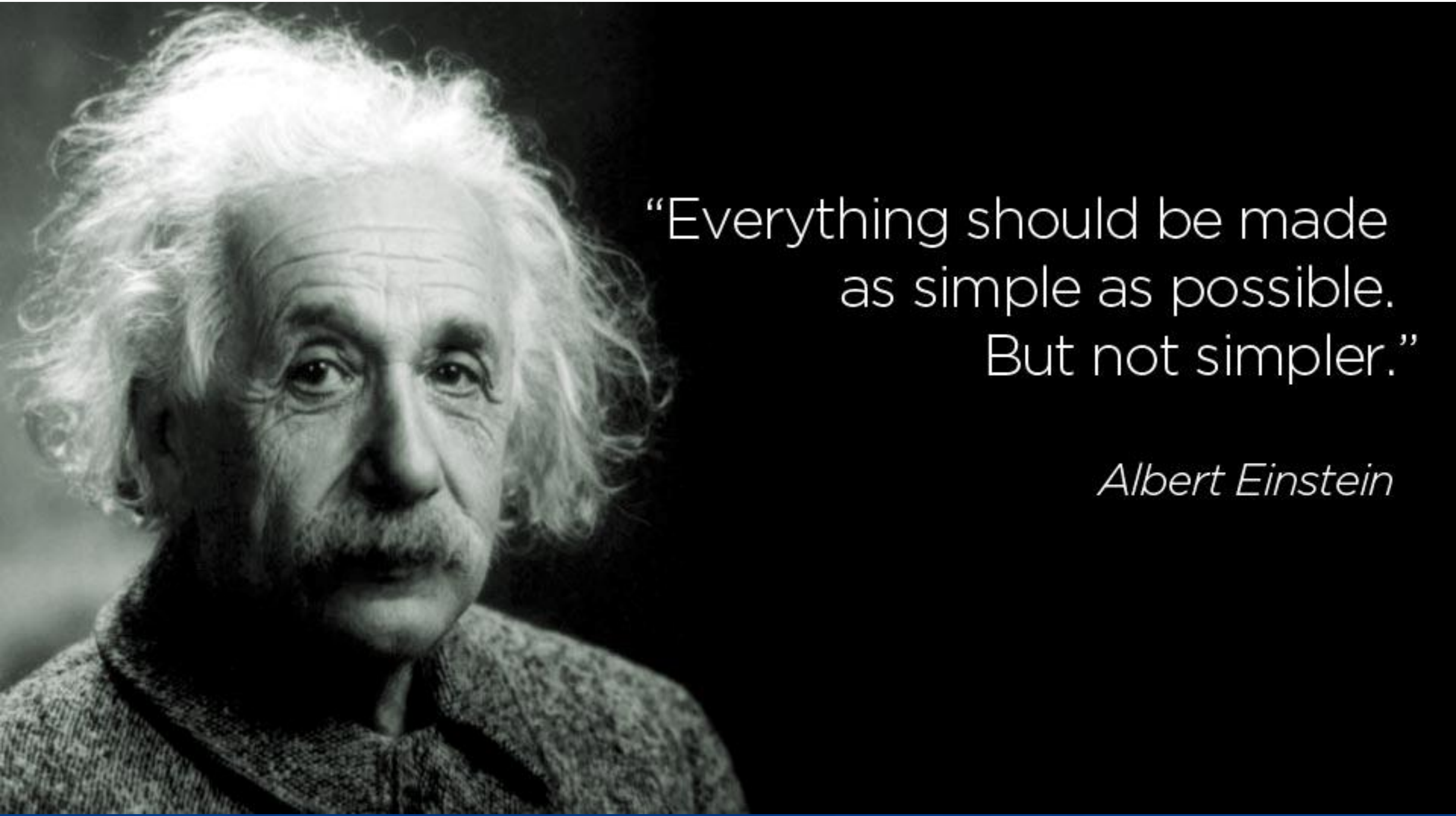


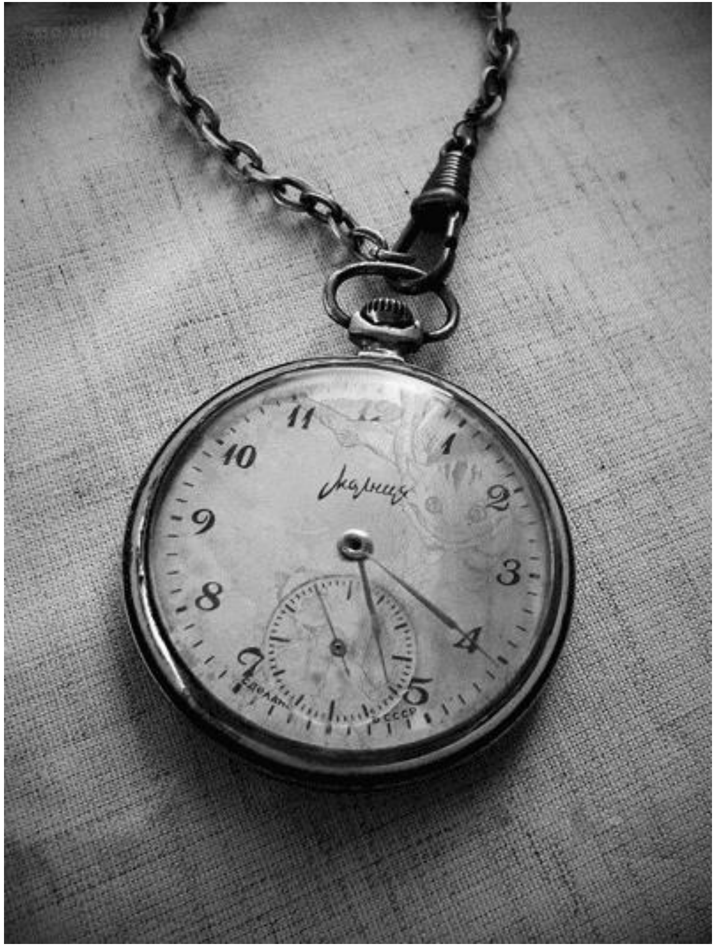
WHERE IS THE GREEN SQUARE?



DID YOU SEE THE TWO RED TRIANGLES?




"Everything should be made as simple as possible. But not simpler."
Albert Einstein



BASIC NEEDS

BASIC NEEDS

Safe | Avoid mistakes

BASIC NEEDS

SAFE CHOICES

Known BRANDS & Colours

GRILL

weber

Mixers

Schweppes

BASIC NEEDS

Control	Do not run empty
	

BASIC NEEDS

Convenience | Simple / fast

Time used to make dinner

1980

2016

BASIC NEEDS

Convenience → Simple / fast

3-7 min.

Time used in STORE

Service vs. no service

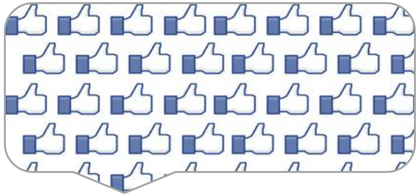
BASIC NEEDS

Good deal → Rationalize our emotional decisions

BASIC NEEDS

Recognition	See me, see how clever I am, like me

SEE MUM!



BASIC NEEDS

Safe	Avoid mistakes
Security	Known Brands
Control	Not run empty
Convenience	Simple & fast
God deal	Rationalize our emotional decisions
Recognition	See me, see how clever I am, like me.

A TYPICAL EUROPEAN FAMILY

– IT'S ALL ABOUT OLD HABITS

250 – 300

The total number of *unique products* bought by a European family per year

150

85% of these are basic/must-have products.

DINNER HABITS IN EUROPE

What percentage (of Europeans) **DO NOT KNOW** what to have for dinner TODAY?

78%

How many unique meals does a European family eat for dinner **PER YEAR?**

10

WHAT KIND OF DINNER?

What does a Norwegian person think is the most frequent dinner dish?

The intention and behaviour differs signifigantly.

!

65%

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INNOVATIONS

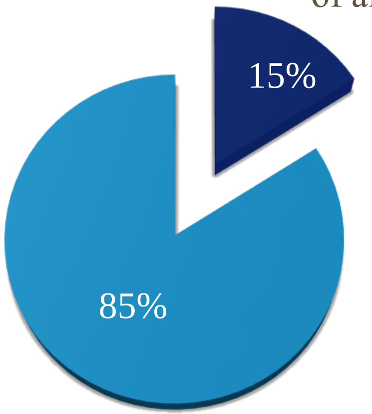
A TOTAL OF **3400 – 4300** NEW PRODUCT LAUNCHES PER YEAR IN NORWEGIAN GROCERY STORES

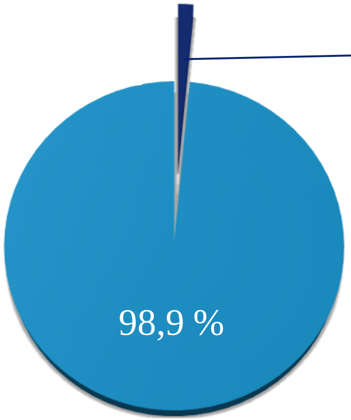
LAUNCH YEAR	WINDOW	QUANTITY
2010	1	1 139
	2	845
	3	1 442
2011	1	1 398
	2	1 284
	3	1 713
2012	1	1 536
	2	1 068
	3	1 738

Aprox 50% of these are replacement products (new design etc)

NPD & INNOVATIONS

of all SKU's





1,1 %

of total turnover

DEAD SPACE

58% **OF NEW PRODUCT LAUNCHES* HAVE A 15 MONTH SHELF LIFE.**

Approx 90 - 95% has a 3 year shelf life...

*Launches 2011

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A FEW SUCCESS CRITERIA

"MOST OF OUR COMPETITORS ARE INTERESTED IN DOING SOMETHING DIFFERENT OR WANT TO APPEAR NEW.
I THINK THOSE ARE COMPLETELY THE WRONG GOALS…"

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I THINK THOSE ARE COMPLETELY THE WRONG GOALS…"

1

COPY WITH PRIDE

Apple Powerbook 1991

iPod 2001

iPhone 2007

iPad 2010

Atari STacy 1989

MPMan MP3 Player - 1998

Nokia 7650   2002

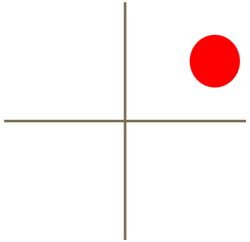
Microsoft Tablet 2002

2

POSITIONING

1

OWN A WHOLE
– but relatively small –
UNIQUE CAKE?



Most likely, the launch will

FAIL

The customers want the safe choice

2

OWN A BIG PIECE OF A BIG CAKE?

A bigger chance of

SUCCESS

If the product is better on one or more of the main drivers in the category.

PACKAGING INNOVATION

INCREASE VOLUME

From 1.0 ltr. to 1,5 ltr.
From 0,33 ltr. to 0,5 ltr.

FROM GLASS TO PET

Lighter bottle
Unbreakable
New bottle cap

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PACKAGING INNOVATION

PRICE PERSEPTION WHAT IS THE CHEAPEST?

520 gram

250 gram

71,5%
More expensive each kilo

500 gram

250 gram

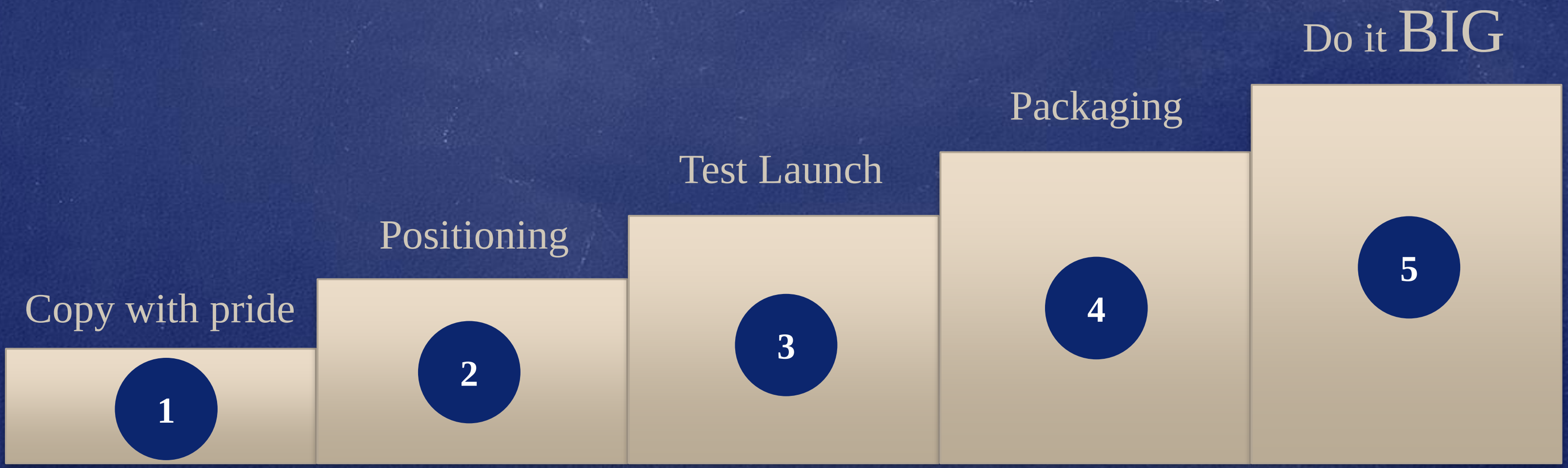
67,7%
More expensive each kilo

***Out of pocket* - pricing**

Give ***margin-products*** the best place.

do it
BIG
!
...or let it be...

5 SUCCESS CRITERIA FOR INNOVATION



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BRANDS OR OWN BRANDS?

WHAT IS THE DIFFERENCE?

BRANDS

OWN BRANDS

OWN

DEVELOPMENT?

MERKET FOR GOD DESIGN
NORSK DESIGNRÅD

20%

Who had heard about this BRAND 6 years ago? Higher value than most other brands

ELDORADO

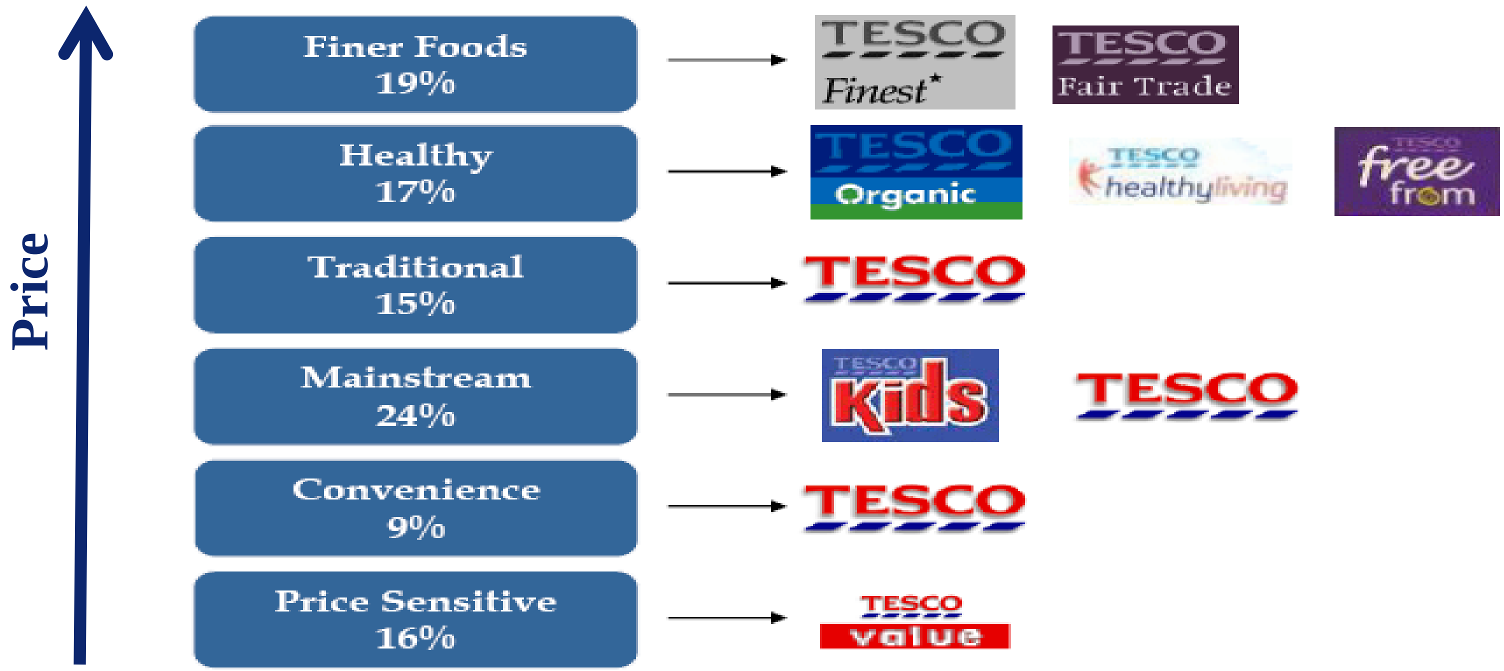
GO ECO

First Price

MiGROS

80% of sale – 90% of all SKU's.
Switzerland 54%
Out with Brands. " Nivea destroyed much of our price perception

TESCO BRAND PORTFOLIO – COVER ALL SHOPPER -AND PRICE SEGMENTS



WHO COPIES WHOM?

ALL COPIES ALL

Own brands copies brands.
Branda copies brands.
Own brands copies own brands

BRANDS

WHY IS **CONSISTENCY** IMPORTANT

- The brain first register **what's known**, before it actually are conscious of what we see
- This is a **basic mechanism** that packaging design, advertising, and brand building can not miss out on.
- To do major changes in packaging designs or displays can mean that existing customers can not see –and will not find the brand
- This creates irritation and may cause lost sales.
- Brands are basically answering on our basic needs of **SAFETY, SECUTITY AND CONTROL**

BMW LOGO THRU 100 YEARS

CONSISTENCY

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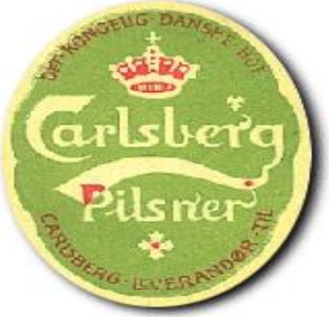
CONSISTENCY…



1904

1926

1935

1950

1950-80

1995

2004

2017

SO WHAT SHOULD YOU DO TO GROW YOUR BUSINESSES?

UNDERSTAND THE RETAILERS!

WHAT DO THEY WANT & NEED?

GUESS WHAT THE RETAILERS WANTS TO KNOW…?

We know their SHOPPING behaviour

We know their CONSUMPTION behaviour

BUILD YOUR OWN BRANDS

...or loose control

SMART INNOVATION