

CONNECTING SHOPPERS, RETAILERS AND BRANDS ACROSS THE PATH TO PURCHASE

SHOP PROFESSIONAL DEVELOPMENT SERIES
NOVEMBER 2018



IRi
Growth delivered.

Agenda

- ▲ The diverse consumer and shopper landscape
- ▲ Connecting with changing consumption habits
- ▲ Online grocery – threat or opportunity?
- ▲ Differentiation for brand growth
- ▲ Connecting shoppers, retailers and brands

The Shopper Landscape: Australian household perceptions of their current financial situation vs. a year ago are mixed



Source: IRI Econolink 2018

With Australia's population clock reaching 25 million, the population is growing faster than projected

Australia's population clock hits 25 million

Australia: 25 million population but still young and growing

Angst Swells as Australian Population Nears 25 Million

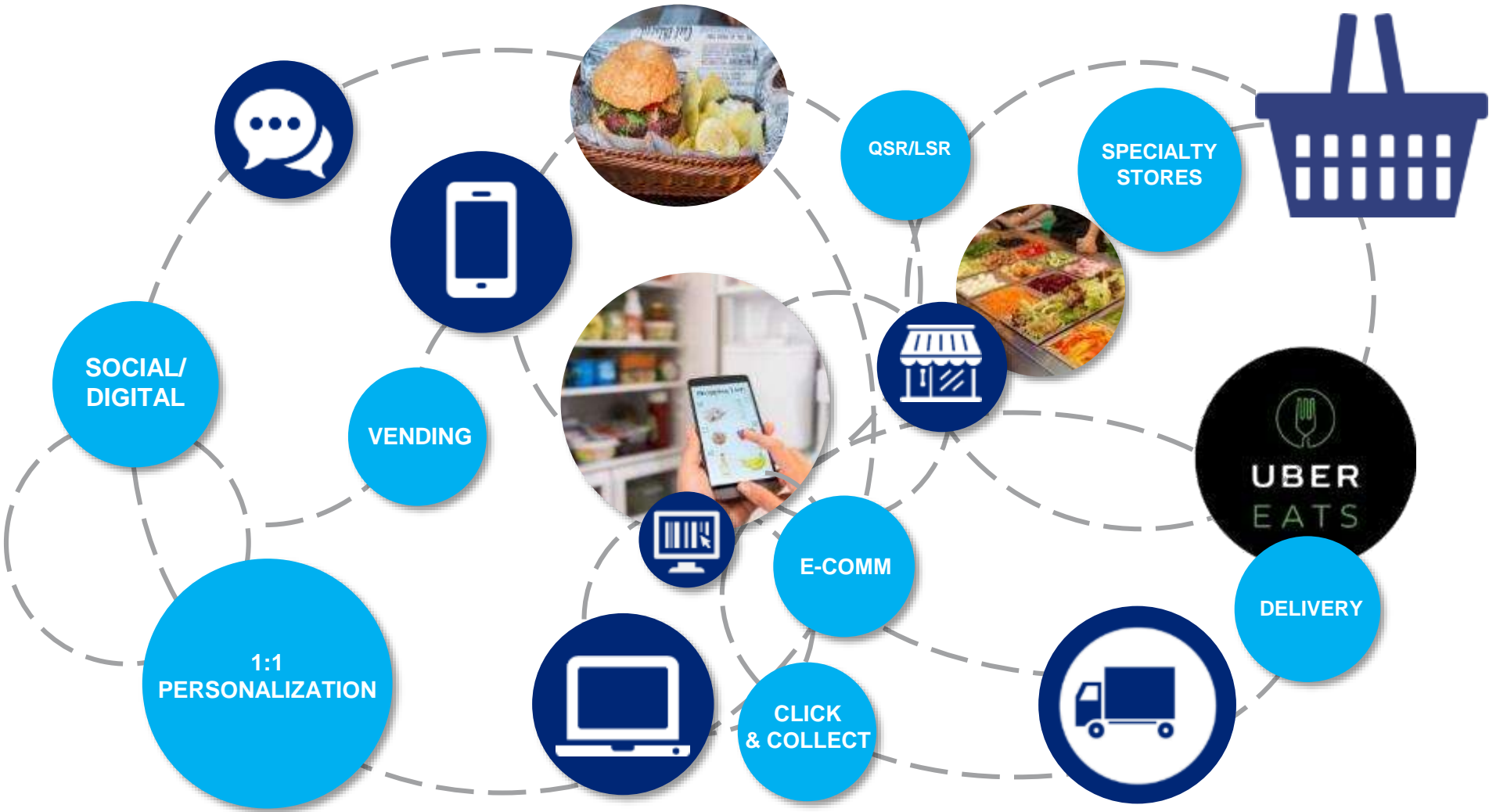
Environment the biggest loser as Australia's population hits 25 million

Australia's population hit 25 million, newest resident likely to be young, female and Chinese

Dick Smith urges immigration cull as Australia hits 25 million people mark

Source: ABS, McCrindle Research, SMH, AFR, Bloomberg

The journey that shoppers take is complex and impacts how they plan, shop and consume



While online shopping is growing in Australia, adoption is inconsistent

87% Shop online



66% Learn about new products online



1 in 3

Shopping online
more often



3% of shoppers Haven't heard of Amazon AU

IRI Shopper Panel Survey 2018 & IRI Digitalink Segmentation

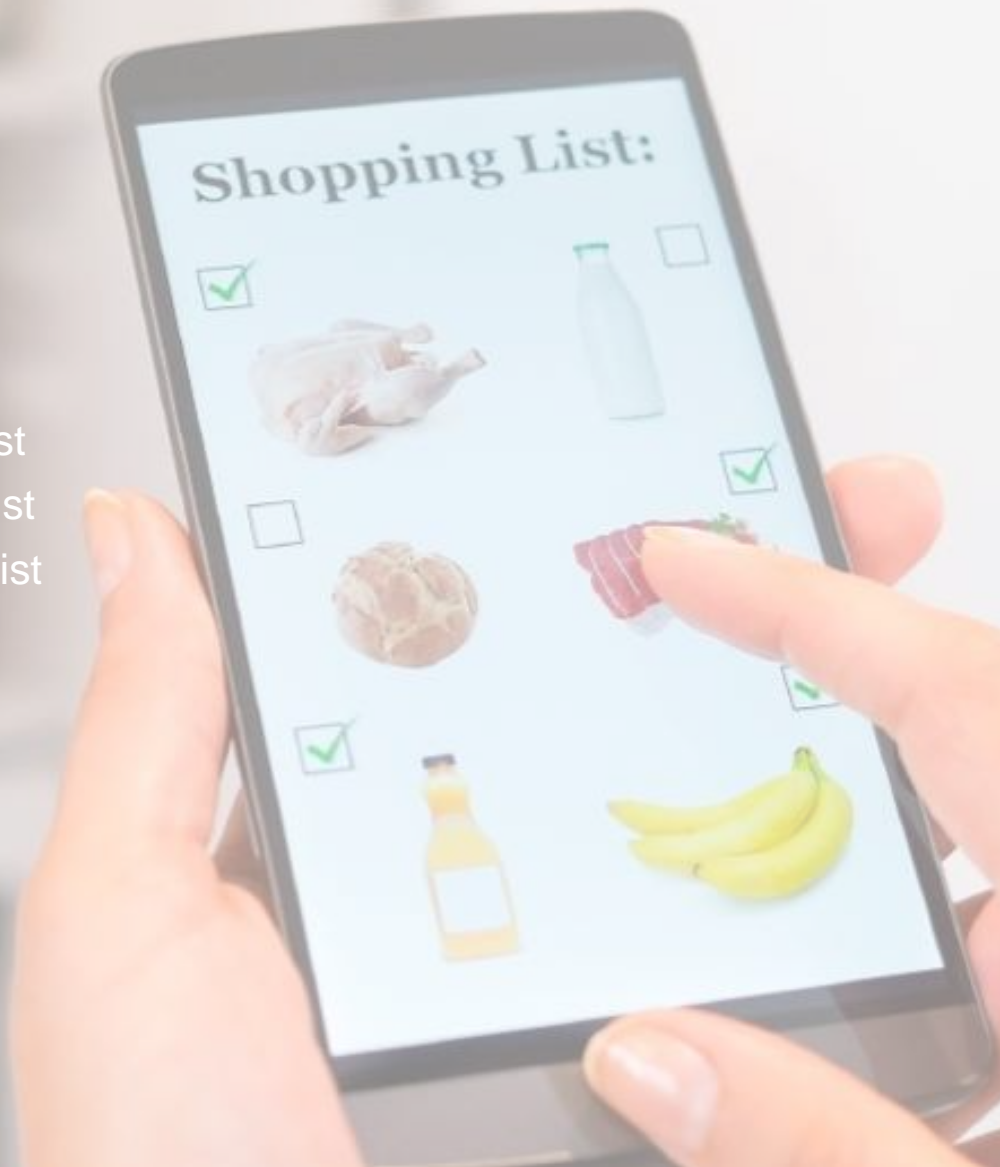
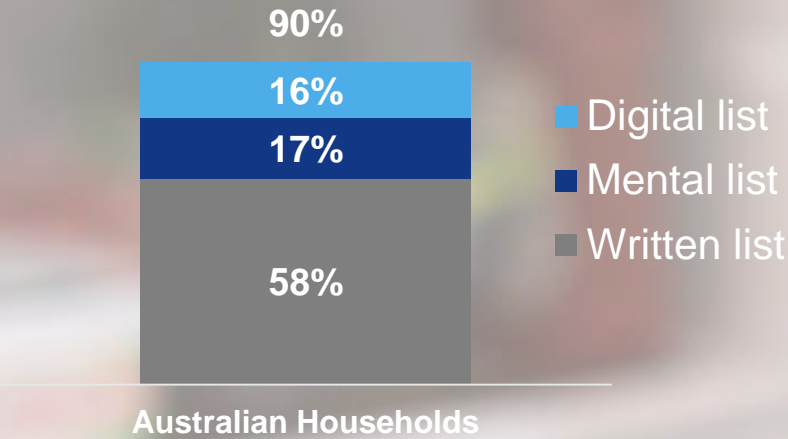
Despite these changing shopper behaviours, some distinct stages of the path to purchase remain, creating opportunities for retailers and brands





CONNECTING WITH CHANGING CONSUMPTION HABITS

How much of the path to purchase can we really influence?



IRI Shopper Panel Survey 2018

Consumption behaviour in Australia is changing...



2 in 5

Eat on the run

63%

Like to experiment
with food



56%

Look for foods that
are quick and easy
to prepare



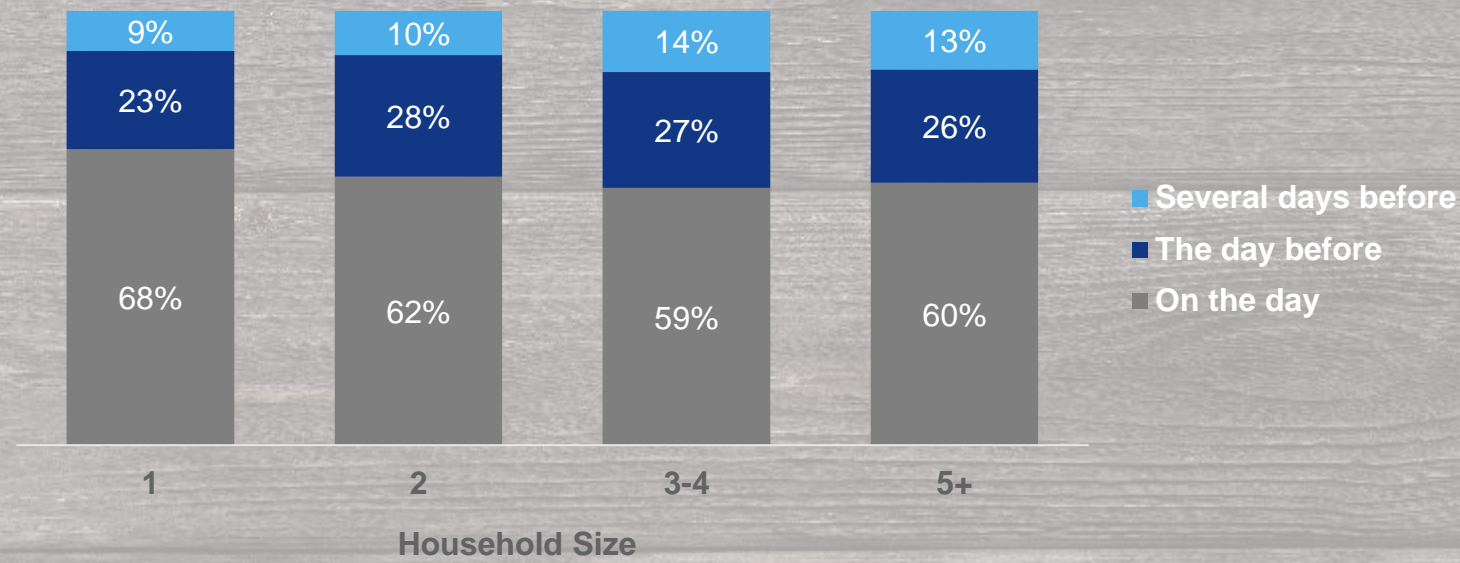
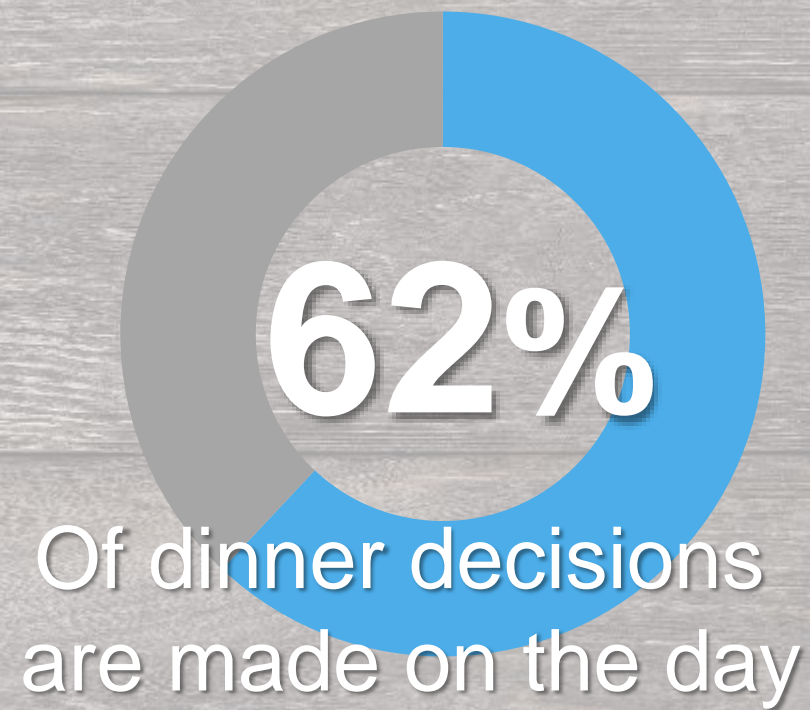
IRI Nutrilink Segmentation 2018 & IRI Psychographics 2018

...And changing population dynamics having a significant impact on our food preferences



IRI Shopper Survey 2018

A significant opportunity still exists to influence consumer mealtime occasions



Uptake of meal delivery services still amongst a relatively small proportion of the population

1 in 3

Shoppers use a
meal delivery service
(Uber Eats, Menulog, Deliveroo, etc.)

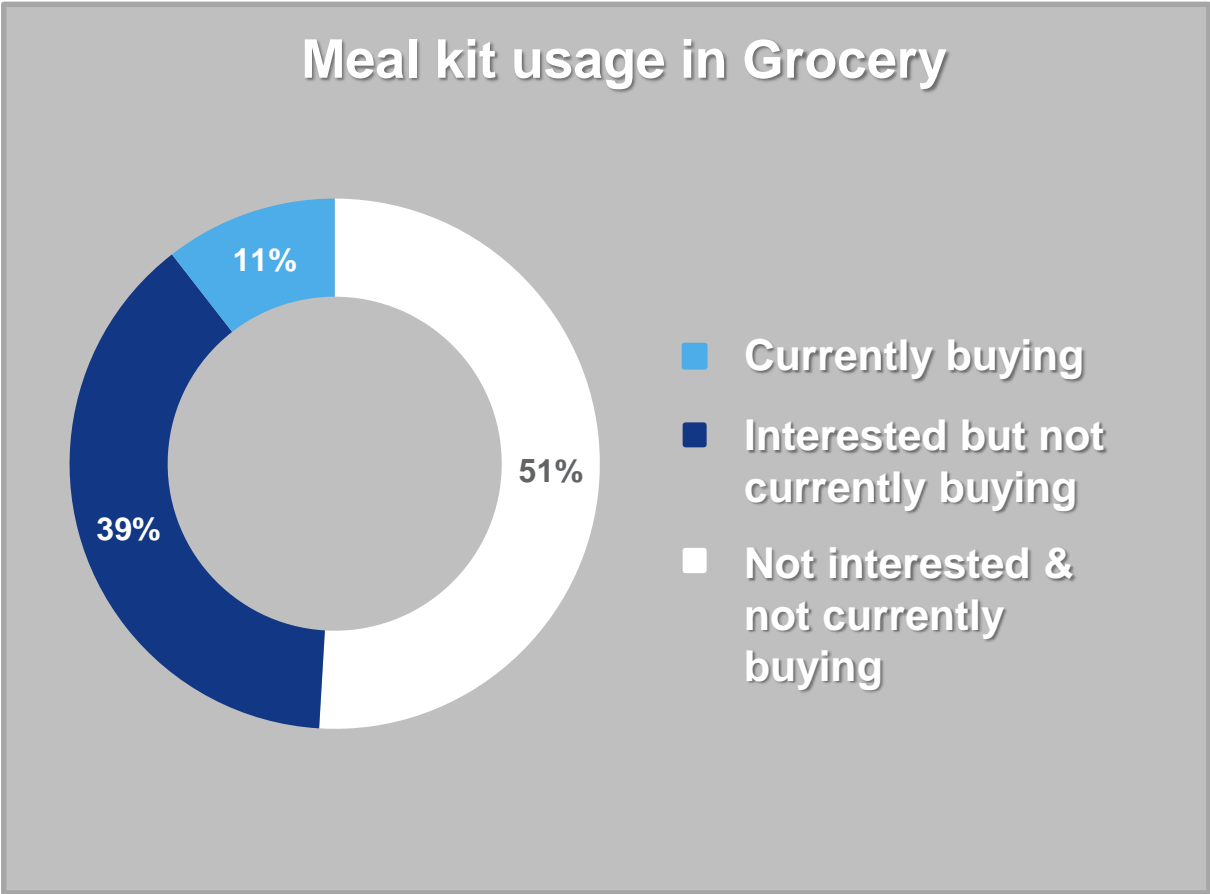


IRI Shopper Panel Survey 2018

Meal solutions an established proposition in UK grocery retail...



...However the proposition still has a way to go to convert ‘interest’ into trial amongst Australian consumers

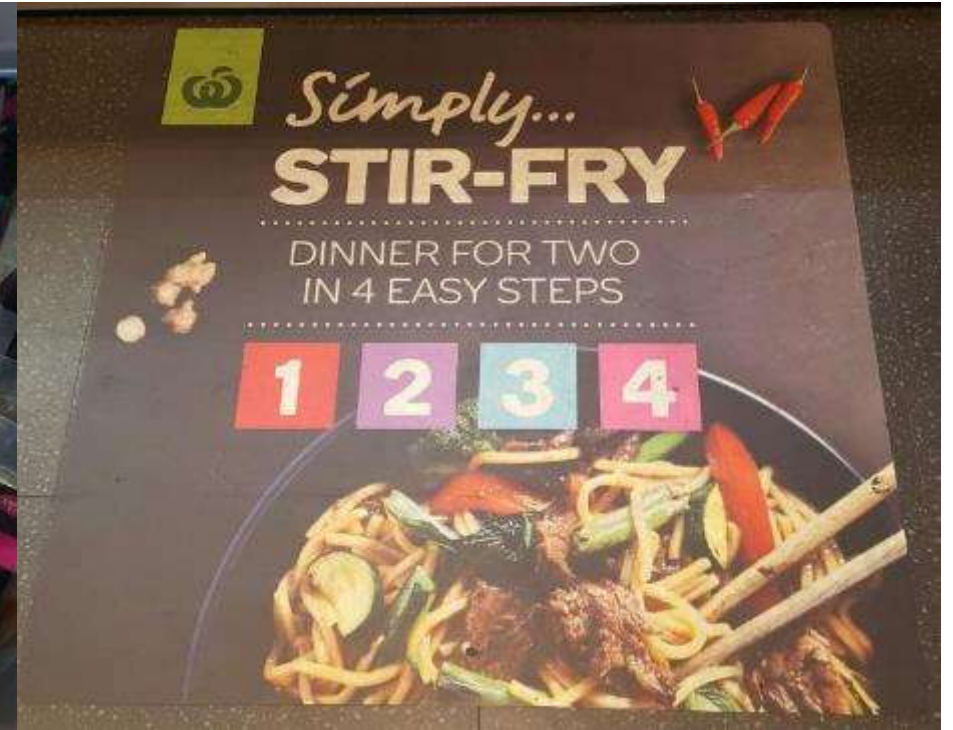


IRI Shopper Panel Survey 2018

Potential for product packaging and in-store cues to drive 'meal for tonight' conversion



On-pack cues



In-store media
driving shoppers to POS

Retail partnerships providing in-store meal inspiration with potential to drive meal service subscriptions



- Eye-catching in-store display
- Clear messaging
- Easy to assemble
- Step-by-step instructions on-pack
- In-store activation of on-line meal kit subscription service

Disrupting shopper behaviour through innovative fixture formats



Grocery Store (Food) – Permanent Display

- **SILVER:** Next Generation In-Aisle Fridge – Fonterra with The Xine & Hussmann
- Custom-designed fridge created to disrupt shopper purchase behaviour
- Provides convenient secondary location for chilled dairy
- Key consumption occasions called out on fixture

Providing meal inspiration by connecting mental with physical availability



Grocery Store (Food) Temporary Display

- **BRONZE:** Mexican Made Easy Collaboration – Fonterra with APR Creative & General Mills
- Providing meal inspiration
- Connecting pre-shop, shop and post-shop

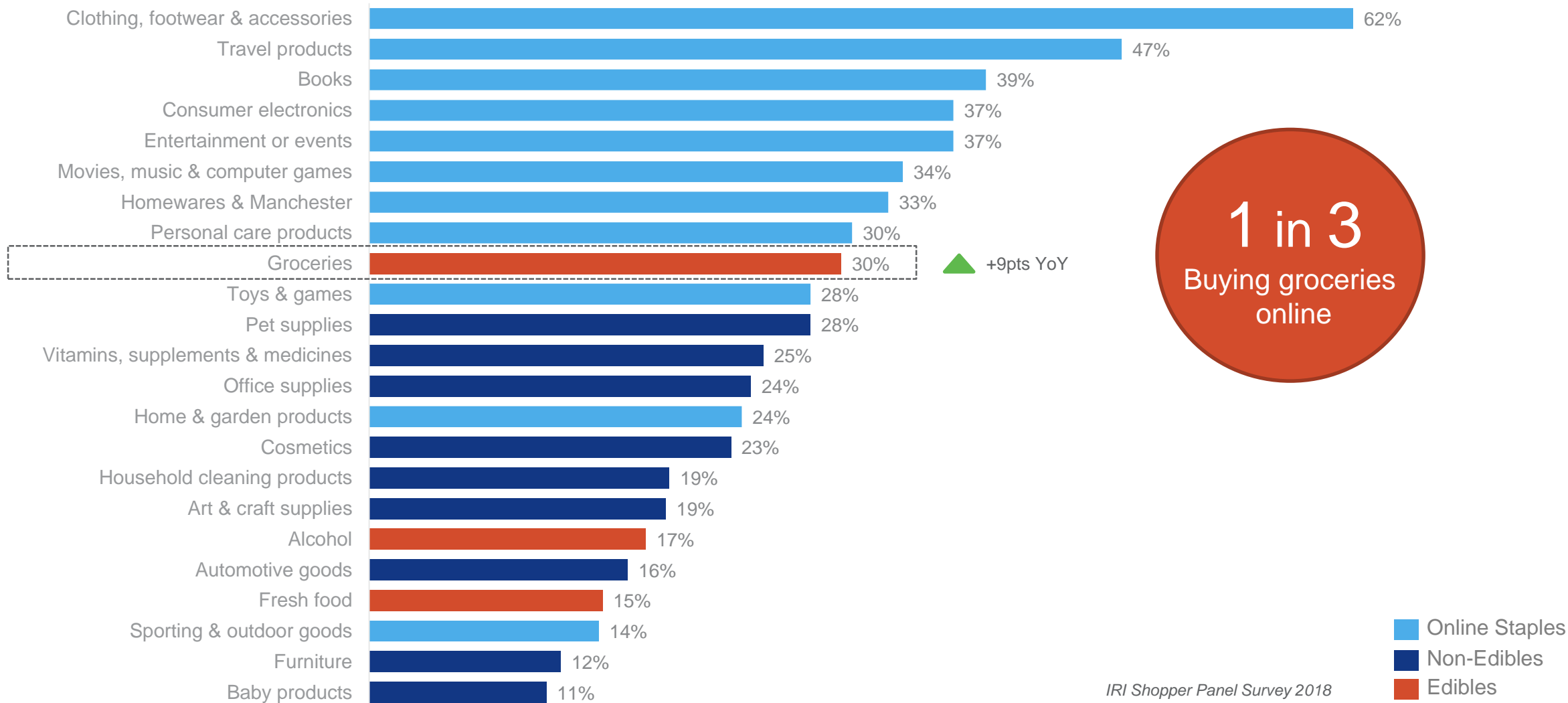




ONLINE GROCERY: THREAT OR OPPORTUNITY?

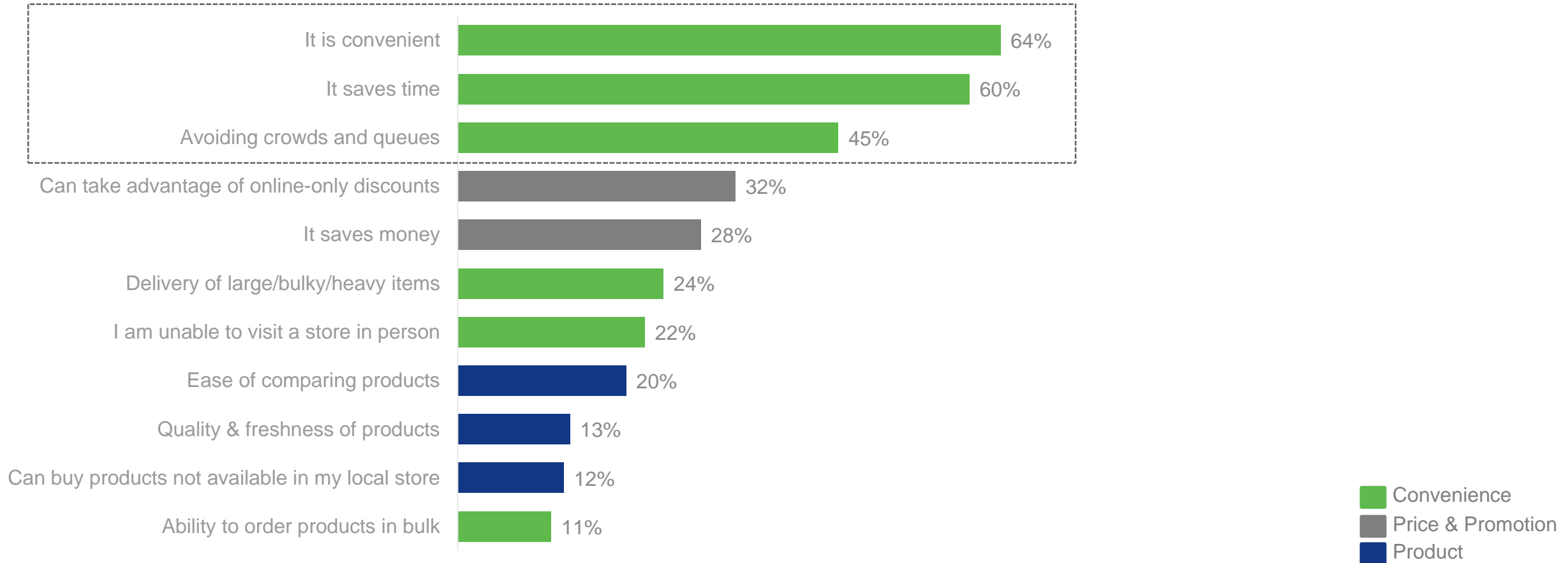
Growing acceptance of online

Categories purchased online



Convenience of online grocery resonating strongly with Australian shoppers

Reasons for purchasing groceries online



IRI Shopper Panel Survey 2018

However significant barriers remain for retailers and brands to address

Barriers to purchasing groceries online

69%

Prefer to inspect & select products themselves

1 in 2

Enjoy shopping in a physical store



31%

Think delivery fees are too high

Almost Half

More convenient / quicker to visit the store in person

IRI Shopper Panel Survey 2018

And convenience barriers also exist for Click & Collect services

Barriers to purchasing groceries via Click & Collect

55%

Prefer to inspect & select products themselves

2 in 5

Enjoy shopping in a physical store



8%

Think pickup fees are too high

1 in 3

No more convenient than visiting the store in person

IRI Shopper Panel Survey 2018

Click & Collect a key part of UK grocery retail strategy, integrating digital to create efficiencies and improve the customer experience



Online grocery delivery also feeling the effects of the plastic bag ban



Woolworths to charge \$3.50 'crate to bench' home delivery fee following plastic bag ban





DIFFERENTIATION FOR BRAND GROWTH

The paradox of choice: What differentiation is not!

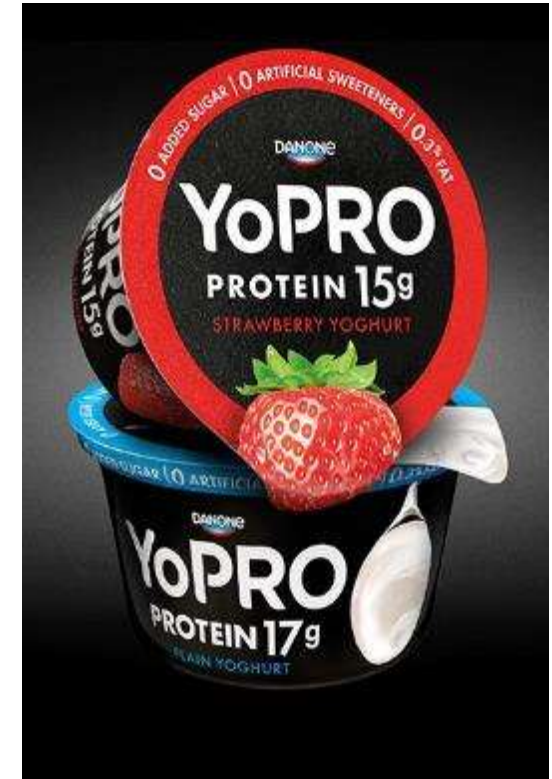


Many examples of brand differentiation can be found in Australia

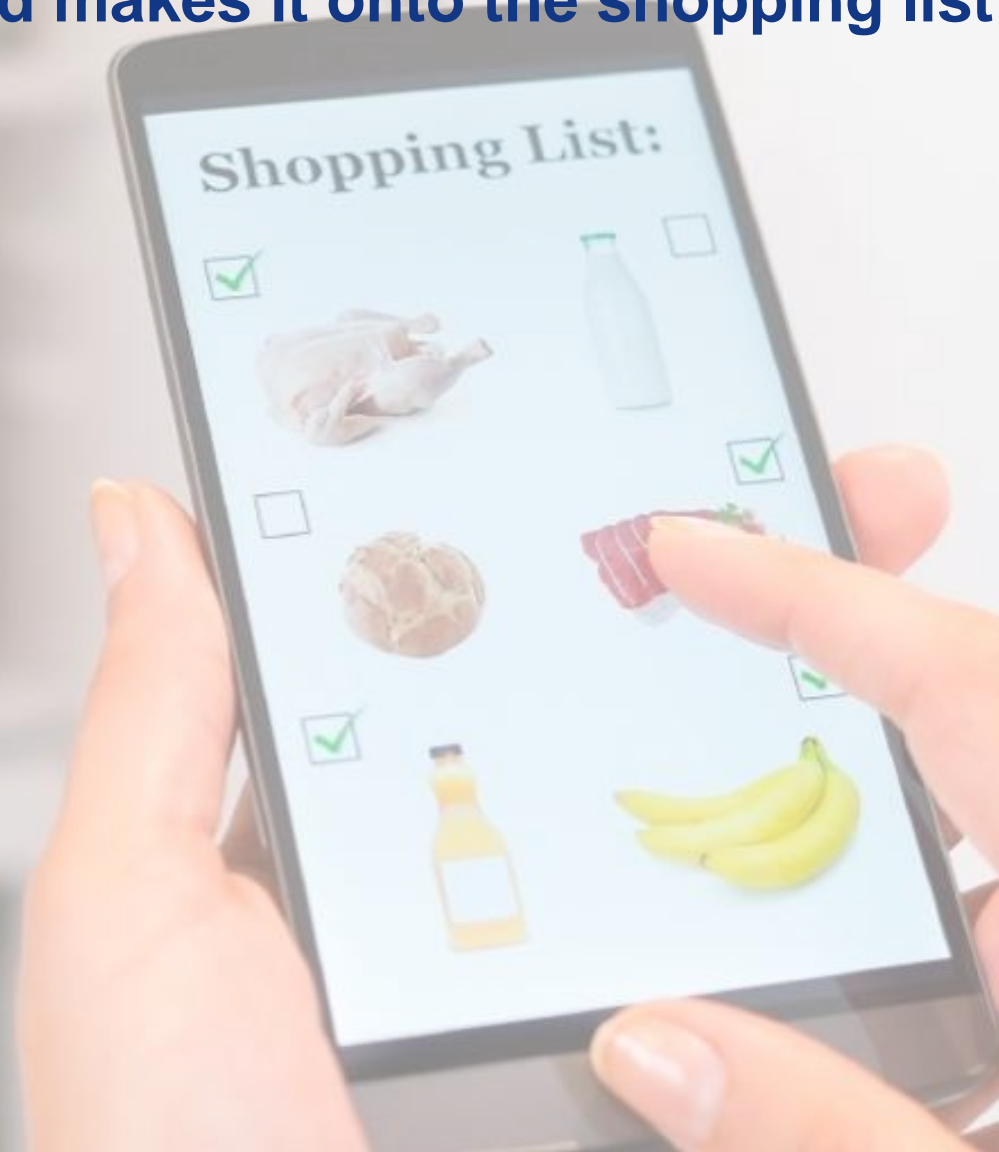
THE VEGE CHIPS RANGE



THE DELI CRISPS RANGE



Importance of differentiation to ensure brand makes it onto the shopping list



IRI Shopper Panel Survey 2018

Store catalogue placement, combined with price promotion, can play a role in raising brand and product awareness pre-store

60%

Shoppers

Look for product promotions / specials online



41%

Shoppers

Store catalogues influenced their purchase decision



Source: IRI EconoLink Segmentation
IRI DigitaLink Segmentation

Retailers developing online propositions to meet the needs of shoppers searching for promotions and deals online

60%

Shoppers

Look for product promotions / specials online



Bundles for many occasions



Source: IRI EconoLink Segmentation
IRI DigitaLink Segmentation


Retailers developing online propositions to meet the needs of shoppers searching for promotions and deals online

60%
Shoppers

Look for product
promotions /
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SAVE TIME WITH BUNDLES



Woolworths Taco Fiesta Night Bundle

\$19⁰⁰

Add to cart 

Save to list +

SAVE TIME WITH BUNDLES



Aussie Bbq Skewers Bundle

\$24⁰⁰

Add to cart 

Save to list +

SAVE TIME WITH BUNDLES



French Martini With Chambord Liqueur, Vodka & Pineapple Bundle

\$72⁰⁰

Add to cart 

Save to list +

SAVE TIME WITH BUNDLES



Single Dinner Bundle 1

\$10⁰⁰

Add to cart 

Save to list +

Source: IRI EconoLink Segmentation
IRI DigitaLink Segmentation

Catalogue placement can play a role in driving uplift, linking pre-store planning to in-store POS

41%

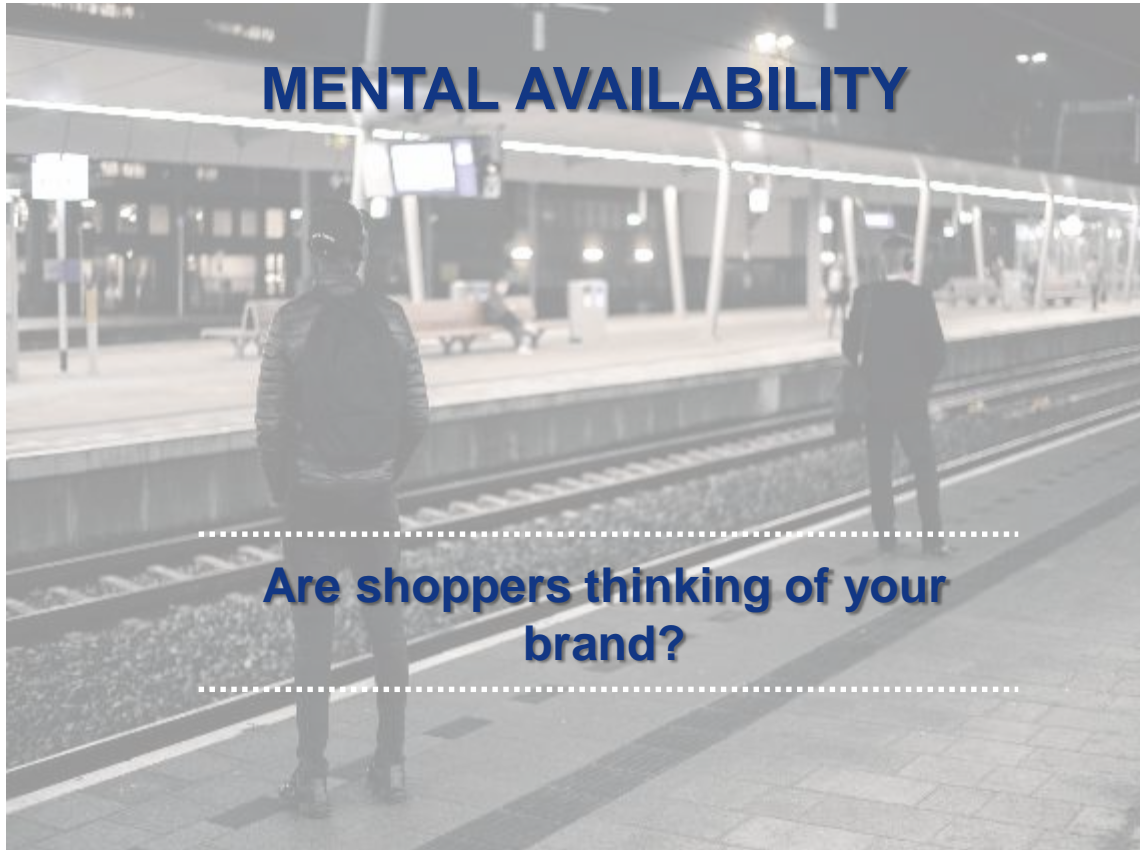
Shoppers

Store catalogues
influenced their
purchase decision



Source: IRI EconoLink Segmentation
IRI DigitaLink Segmentation

Why is differentiation important? Ensuring strong linkage between pre-store and in-store availability critical for driving brand growth.



Source: Brand Growth principles, Byron Sharp, Ehrenberg-Bass Institute

Product activation linking mental with physical availability in-store (and online)



- In-store product activation of winning team's creation
- Product made available the day following the episode being aired
- Driving engagement through creation of an exclusive product offer
- In-store POS to guide the path to purchase
- Online activation via recipes

Differentiating through Private Label - or just a hygiene factor?

Attitudes towards Private Label

60%



Retailers'/stores' own label products
are a good alternative to branded
products

▲ +4% vs. 2016

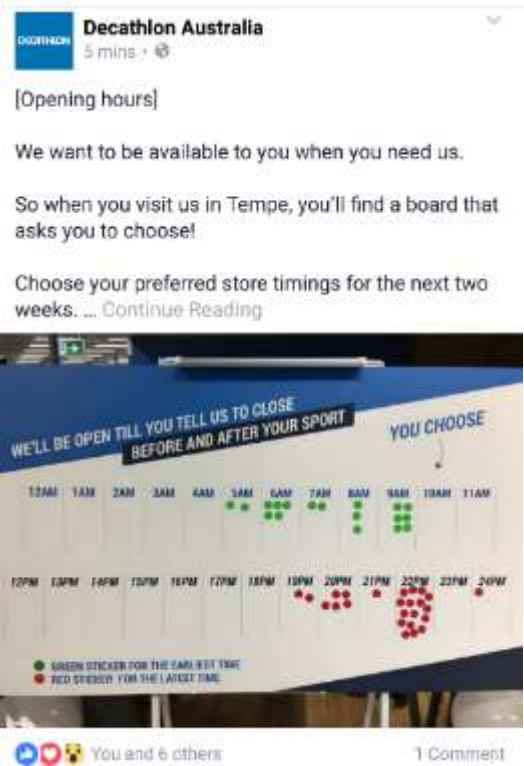
IRI Shopper Panel Survey 2018



Leveraging online to drive engagement in-store; creating a differentiated brand proposition through private label



Social media driving brand engagement prior to physical store openings



Store opening hours decided by customers, driving engagement pre-store & in-store



Championing quality credentials of private label

Driving brand engagement through events which resonate with consumers and shoppers



Social media driving linkage between event and brand

Multiple TVCs created to capture key finals moments linked to consumption occasions



- 'Moments That Shape The Game' event created around Footy Finals to drive brand engagement
- Social media & TVC campaign
- Campaign showing consumers enjoying Shapes while watching their chosen sport

Seasonal events linking pre-store planning with in-store POS to disrupt the path to purchase



Catalogue placement linking pre-store planning to in-store decision making



Digital displays pre-store also aiding brand engagement and contributing to a consistent path to purchase

Use of events to drive cross-category and brand engagement in-store & online



Summer beer
and wine



Spirits and
mixers

Multiple categories ranged to provide inspiration for a single event 'Al fresco'

Ease of replenishment through use of shelf-ready packaging

Theme carried
through online

Connecting Shoppers, Retailers and Brands across the path to purchase

- ▲ Consider your strategies to reach today's engaged and informed cross-channel shopper
- ▲ Develop integrated strategies to influence the Path to Purchase across Pre store, In-store, Online, and Post-shop
- ▲ Create differentiated brand assets to ensure brands are relevant in a changing consumer and shopper landscape

THANK YOU!

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