

Food & Drink Federation
Webinar: 30th April 2020

Generating Meaningful
Marketing Insights in a
Covid-19 world



Levercliff

Category Consultants to
the Food & Drink Industry

Today's Webinar

- Who are Levercliff?
- How we generate meaningful insights?
- The importance of Category Management to the process
- How is Covid-19 affecting category management?
- Key Levercliff Lockdown Insights
- Q&A



What do we do?
We help category Davids
beat category Goliaths

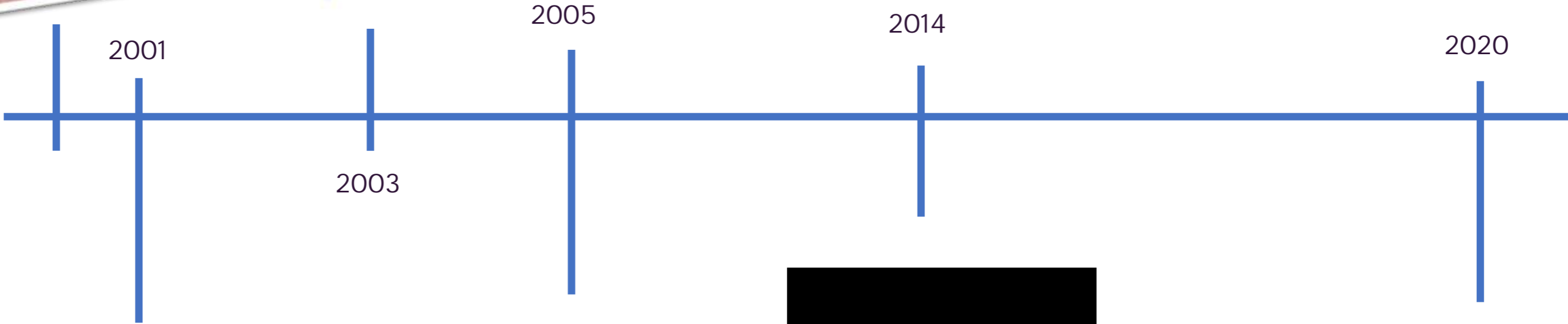


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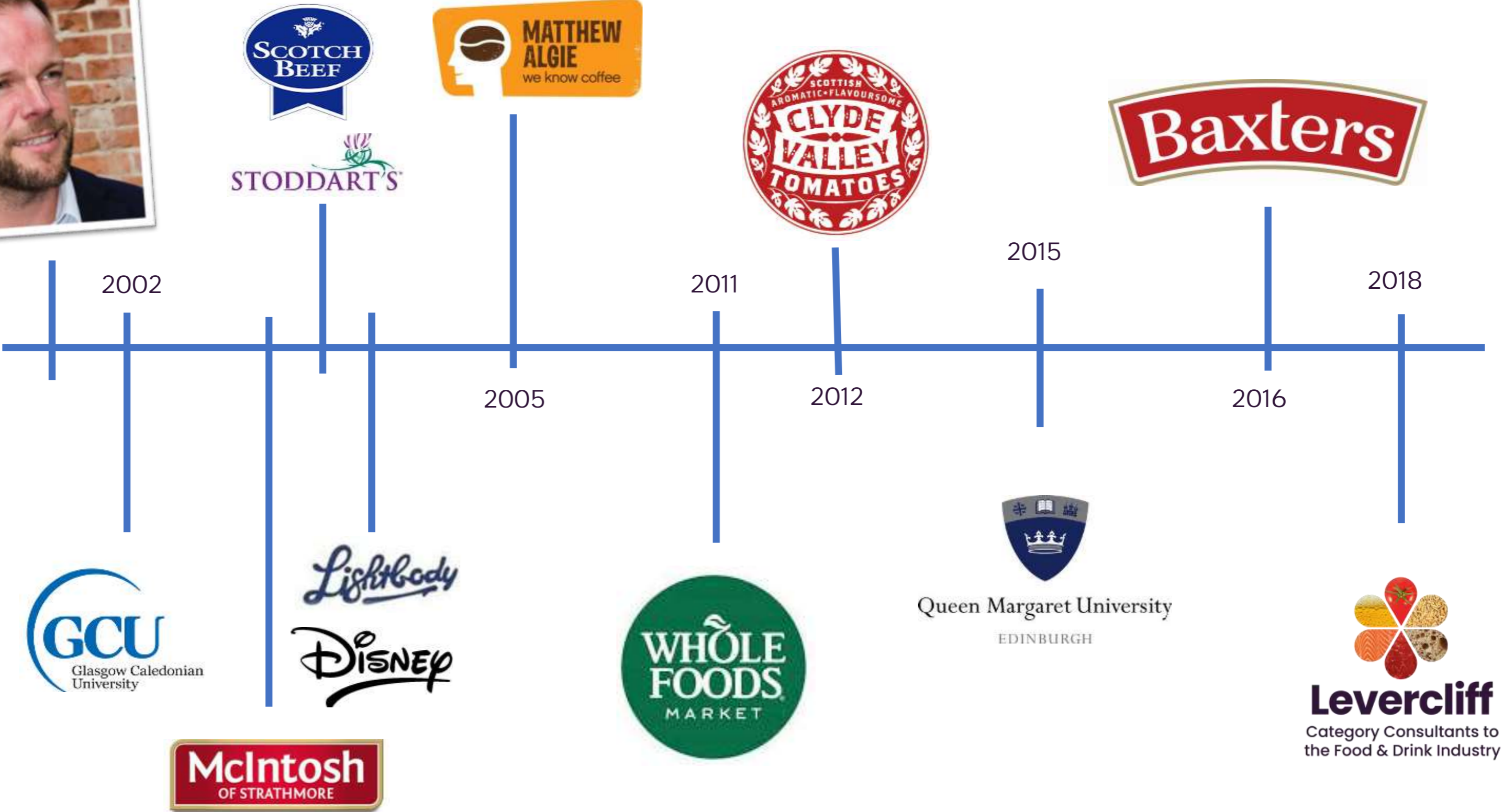
Duncan Macaskill



Givaudan[®]



David Craig



Customers & partners trust us

Some of our customers



Some of our partners



“

We use a five step process to help businesses of any size gain a competitive advantage.

We call it Actionable Intelligence.



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Getting the right Data

Step 1:

- Retailer Systems
- Published Data
- EPOS
- Panel Data
- Loyalty Card Data
- Your own research





Data can help you tell powerful stories.

But make sure it's the right data for your needs.

Companies sometimes buy too much, **too often, and don't maximise its usefulness.**

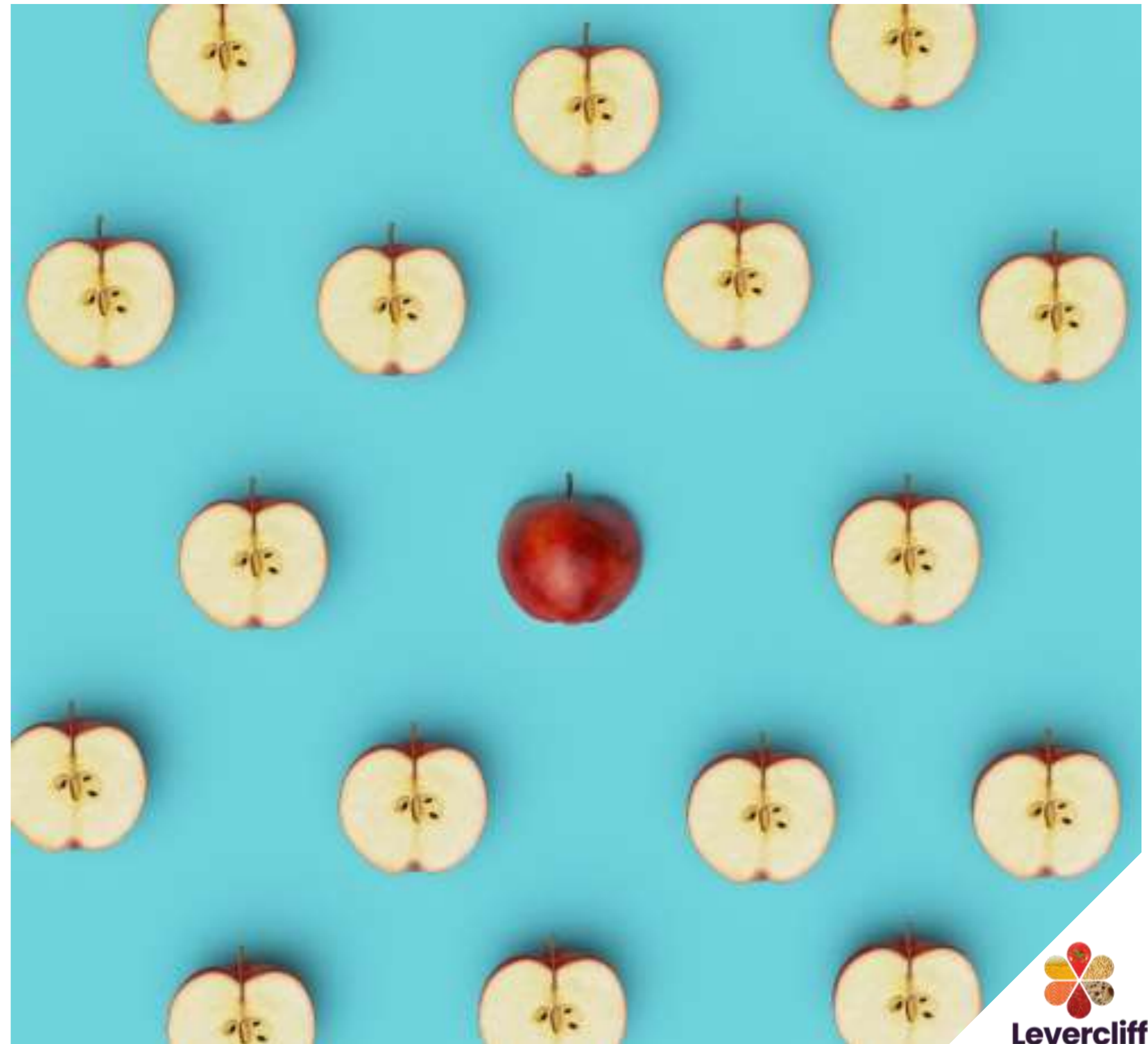
Buy smarter. Be resourceful.



Understand it

Step 2:

- Making sense of complex data and making it relevant to your business:
- Consumer
- Category
- Competitors
- Concentrate on the so-what's!



“

To understand data, you need to think about what it is telling you, rather than just describing it.

Why is that happening?
What are the implications for your business, your competitors and the market?



Create Insight

Step 3:

- “the capacity to gain an accurate and deep understanding of someone or something.”
- We are not reporting, we are analysing and generating meaningful understanding of current and future consumers.



“

To create a true insight, you need to bring together all of the analysis, extracting the key nugget of **information that's useful for your business** – the insight.



“

An insight should take inspiration from the big consumer trends which are relevant to your industry.



Look Left and Right



“

And should in some way relate to a consumer need. The consumer should always be at the heart of a consumer insight.

Convert to Opportunities

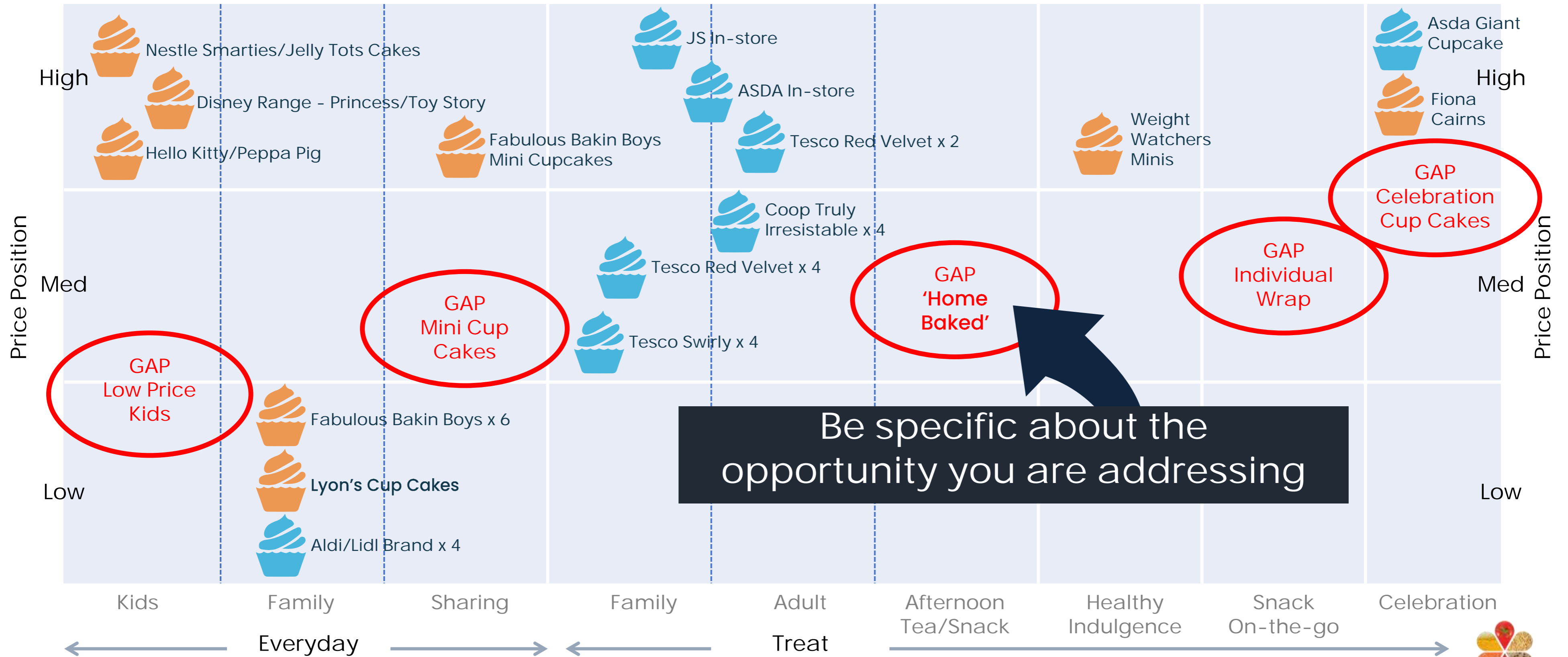
Step 4:

- Understand what type of brands/ products/ formats your customer has?
- Identify what customer need these products are meeting?
- Determine what customer needs have not been met



Visualising an opportunity

Cake Market Segmentation - Based on Cupcakes



Be specific about the opportunity you are addressing

Build into an action plan

Step 5

- Help the business prioritise which customers it should be targeting.
- Quantify the size of the opportunity
- Make things as specific as possible

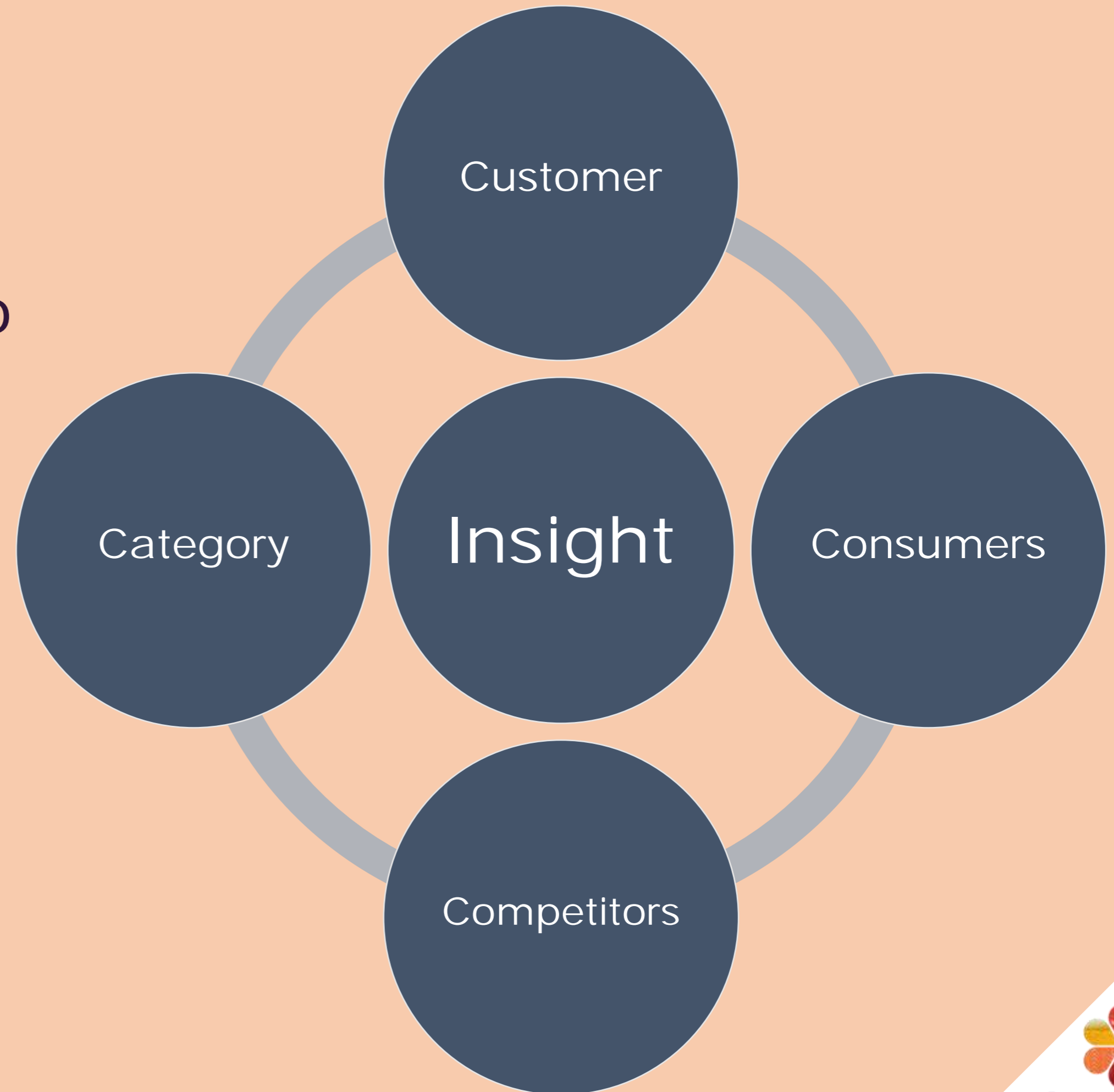




A good category management process can help to produce meaningful insights.



Category Management forms a strong framework for producing insights and is relevant to both retail and foodservice channels.



“

But in a crisis the normal rules do not apply in category management.



BBC jdgm79

News Sport Weather iPlayer

NEWS

Home UK World

Business Your Money

Coronavirus thousands of jobs at risk

17 March 2020

Coronavirus pandemic



The hospitality industry has warned coronavirus could shut down firms.

FINANCIAL TIMES

UK COMPANIES TECH MARKETS GRAPHICS OPINION WORK & CAREERS LIFE & LEISURE

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Get 30 days complimentary access to our Coronavirus Business Update newsletter

Senior public health official voices frustration over lack of coronavirus testing

Half of UK companies seek to furlough staff over coronavirus

Take-up of state-backed wage scheme could far exceed the number of jobs at risk

A deserted high street in Leicester: the Treasury has estimated that about 5m jobs are at risk

The Grocer MR DUNCAN MACASKILL

Search e.g. "food to go" AND sandwich

BUYING & SUPPLYING STORES CHANNELS FINANCE PEOPLE REPORTS EVENTS JOBS

Morrisons to reduce range as part of coronavirus crisis 'war footing'

RANGING AND MERCHANDISING

By Dan Quinn | 18 March 2020

Source: Morrisons
David Poets said the rationalisation of products would allow the retailer to more quickly replenish shelves

MOST POPULAR **MOST COMMENTED**

- B&M, Home Bargains, Poundland remain open due to food ranges
- 'Accidental stockpilers' driving shelf shortages, research shows
- Coronavirus availability: which supermarkets have the best stock levels
- Iceland to issue store staff with face masks
- Coronavirus: WHO advises shoppers to wash fruit & veg



“

Although times may not be normal, categories still need to be managed. Insight has never been more relevant to help us understand what is happening.



“

We need to be smarter to cut through the noise. Category Management is key to generating insights and adjusting to suit the new market norms.



Levercliff Covid-19 Consumer Survey

Through our new
consumer tracking survey
we have identified the
following insights:



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Levercliff's Research

15 minute quantitative research

Sample size of 1043

UK Representative

Analysed by Levercliff's team




“

1: The majority of consumers are thinking about money.



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65% are concerned about rising food prices and 49% concerned about reduced household income

Base: 1043 mixed

So what does it mean?

There is likely to be a growth in own label, consumers focusing on higher perceived value for money, considering trading down from premium to everyday, managing their basket sizes, reducing non-essential spending.

What should companies do?

Refocus towards higher perceived value products. Shift emphasis from premium to everyday products, not forgetting about the need for affordable indulgences for a locked-down consumer lifestyle.

“

2: Consumers are changing their frequency of shopping – in line with Government advice.



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60% are shopping less frequently, of that, 56% are buying more

So what does it mean?

Old habits may not 'bounce-back'. This larger shop habit may be here to stay. Consumers buying food for later, consumers buying with shopping lists, demand for larger pack sizes. These all affect categories.

What should companies do?

Reconsider the relevance of your current product range to a consumer who is shopping less often. How would they respond to changes in pack size? Is your NPD pipeline filled with products that fit this potential shift in demand?

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3: How people are shopping has also changed.



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Consumers are changing how they buy



Online Delivery

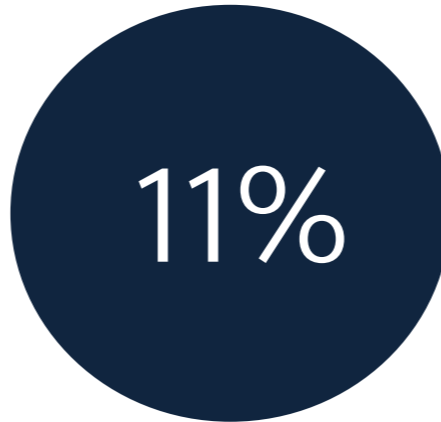
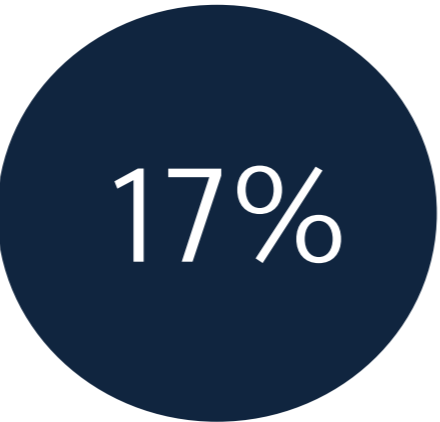


Click & Collect



Specialists

before



since 19%

12%

11%

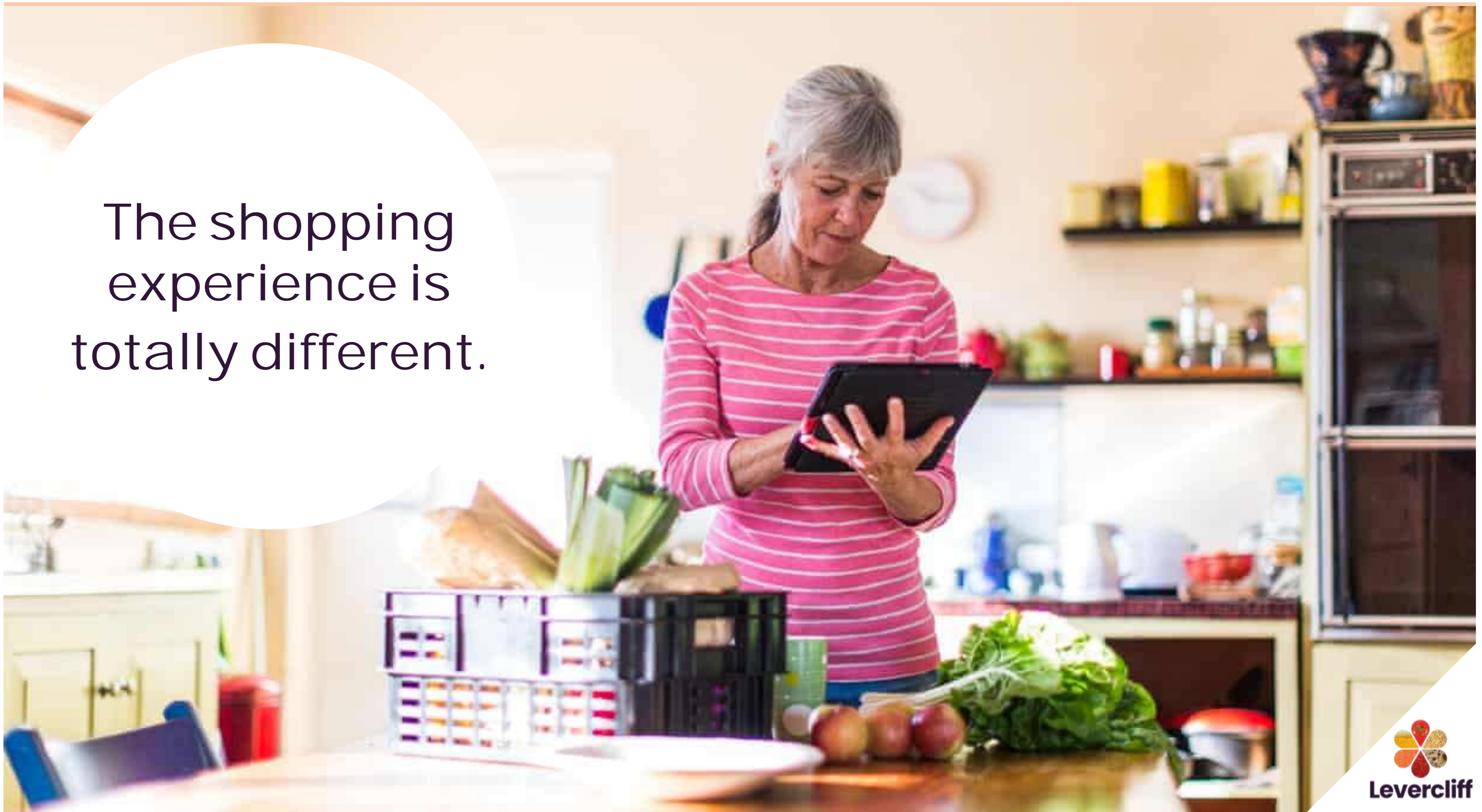
additional

80%
plan to continue
using these after
the restrictions
are lifted

% Say It Will Continue when Covid-19 Restrictions end in the UK
Base: 1043 then mixed



The shopping experience is totally different.



So what does it mean?

The online shopper buys differently. They are less tempted by displays and impulse, and more habit-driven. Shoppers can more easily control their total spend, and manage shopping lists more dynamically.

What should companies do?

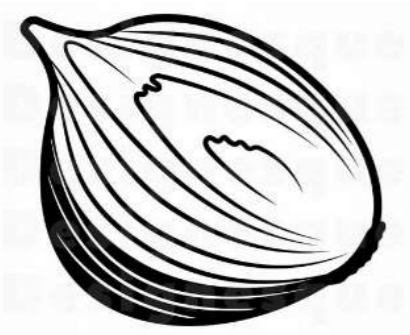
There is the potential to tap into a new online consumer – mostly younger consumers. Have you looked at how clearly your packs appear online and how they sit against competitors? Can you boost to encourage trial? Do you know your online shopper?

“

**4: How we're preparing
and eating food at home
has changed.**



Consumers are changing how they cook



Scratch Cooking



Using Canned or Store Cupboard Foods



Baking



Using More Frozen Food



Eating Together as a Family

now

51%

39%

37%

37%

34%

continue

83%

37%

66%

43%

71%

% Say It Will Continue when Covid-19 Restrictions end in the UK
Base: 1043 mixed



TONIGHT'S TEA SORTED

TONIGHT'S TEA

Consumers are shifting away from **'just in time'** shopping

SIMPLE MEAL IDEAS

So what does it mean?

Mature categories like Frozen, Bakery and Ambient ingredients have a new relevance to the consumer. 'Convenience' has been redefined as consumers have more time to plan, cook and eat, looking for convenient ingredients rather than complete dishes.

What should companies do?

Re-evaluate your product's relevance to a consumer who is rediscovering taking time to do scratch cooking and sharing family meals.

Mature categories have an opportunity to retain new consumers who have been forced to adopt new habits.




“

5: Consumers are indulging on snacks, but the guilt is setting in.



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33% are being careful about snacking due to lack of exercise. 26% expect to buy more healthier snacks

Base: 1043 mixed

So what does it mean?

Comfort food has been the feature of the initial 'lockdown' period, but there is concern around health and weight gain. Consumers are likely to shift towards healthier alternatives soon.

What should companies do?

Don't forget about the enduring long-term health and wellbeing trends, and different need states for different consumers. But, think about how their daily routine now differs, and what snacking occasions they could now have.



These are just 5 of the insights from our report. Think about how a true insight can inform your thinking, your plans, your strategy.



So what does it mean?

Meaningful Insights are important to businesses, especially in this current environment.



So what does it mean?

They can help your business respond to changing consumer behaviours and new needs, now and in the future.

So what does it mean?

But only if they are applied to your business in a timely and relevant way.



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Get your copy
of our Survey

Register your email
address on the
Levercliff website.

www.levercliff.co.uk



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