Helena Chari | TNS
@helena_chari
Συνέδριο ΕΣΒΕΠ
26.2.2014

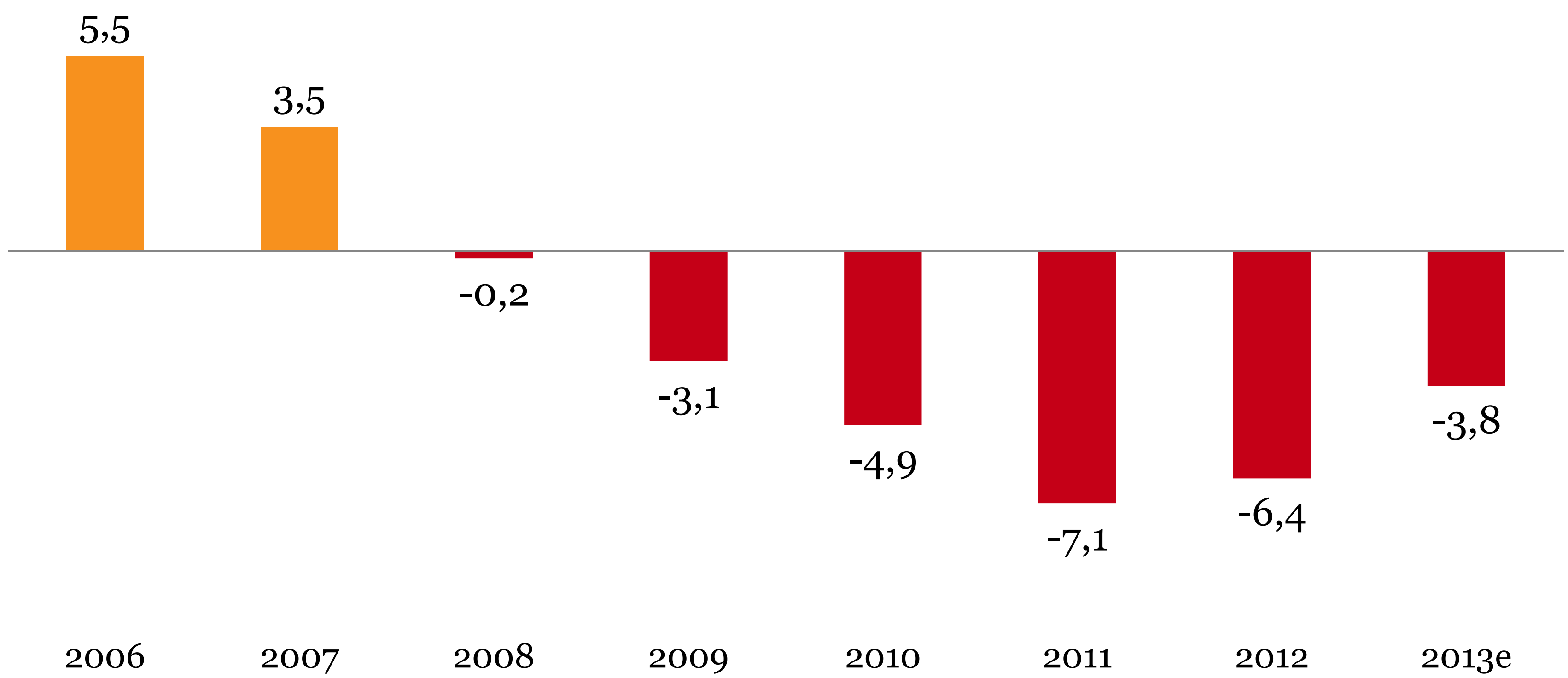
Living in a half-built house


" ALL THE NEWS
YOU NEED TO KNOW "
News·Today
FOUNDED 1851
MONDAY, OCTOBER 2012
Vol. MCMXX, No. 144672
WHAT'S
NEXT?

The press coverage

GDP growth turns negative…for 6th consecutive year

% change vs previous year



TNS

gross disposable income

-40%

Source: ELSTAT

Consumer spending

No one believes
the **economy** is doing well
(only 2% agree)

Source: Eurobarometer

unemployment

28%

Source: ELSTAT

youth unemployment

61.4%

Source: ELSTAT

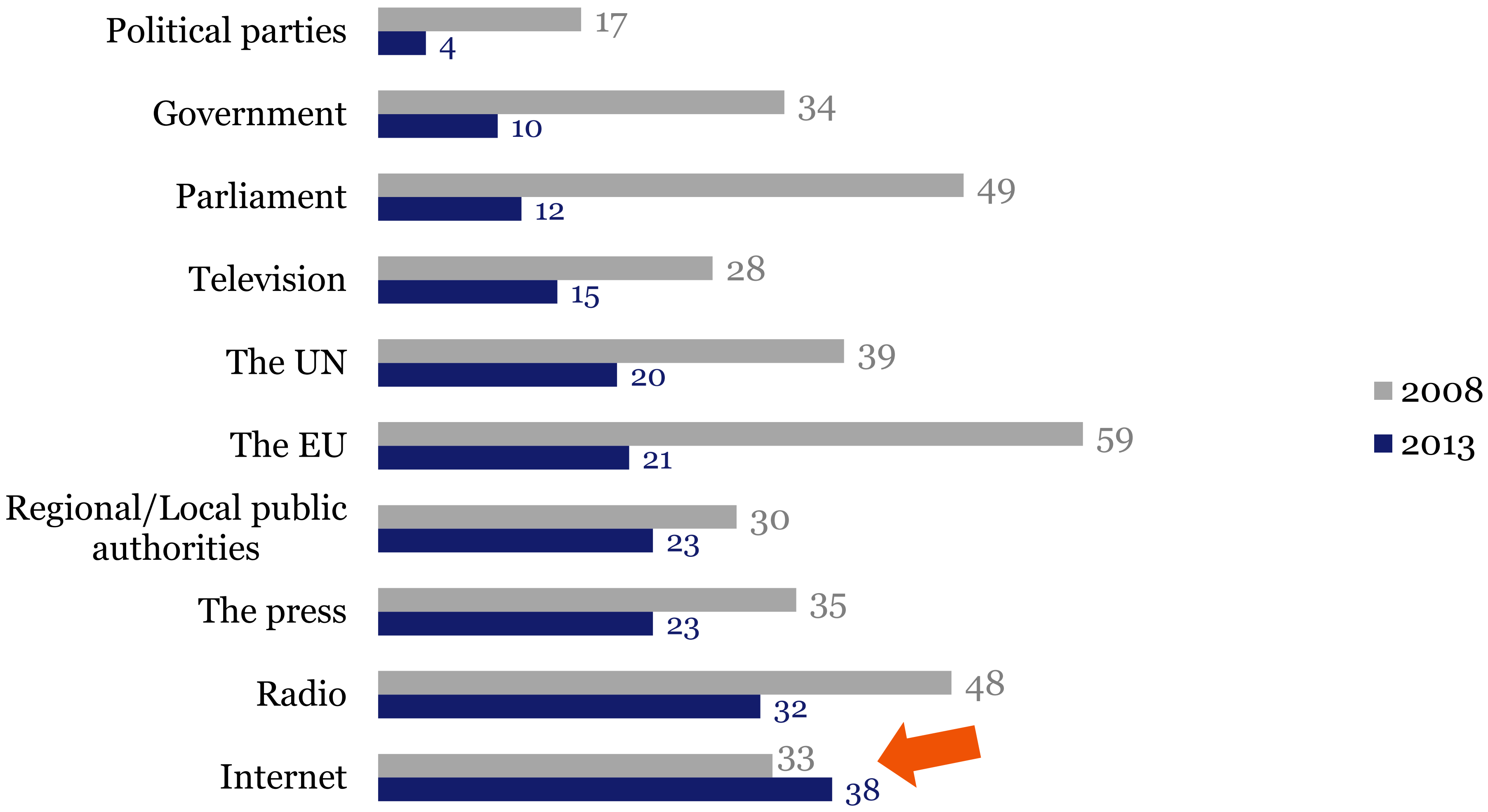
No one believes the **employment** situation is good

(only 1% agrees)

Source: Eurobarometer

Levels of trust have hit the floor (except for the Internet)

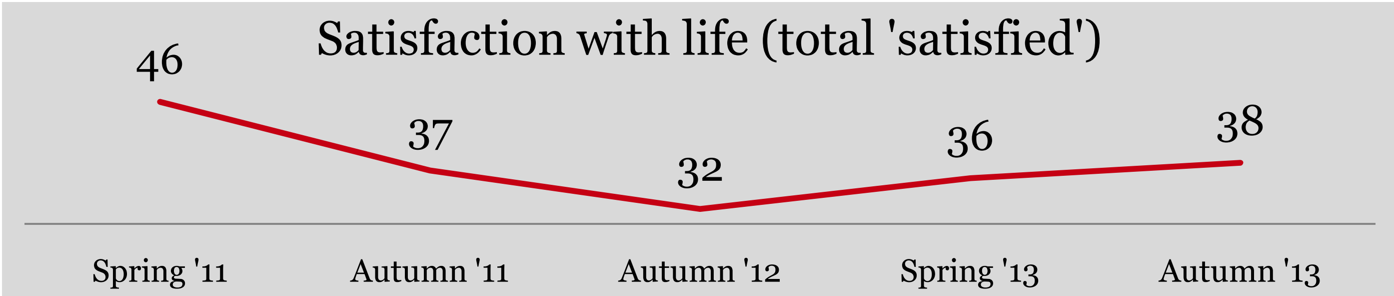
'tend to trust' - %

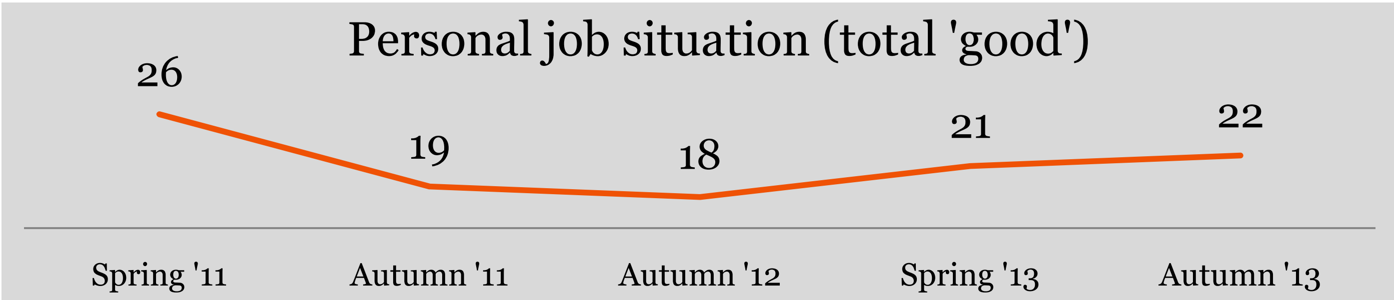


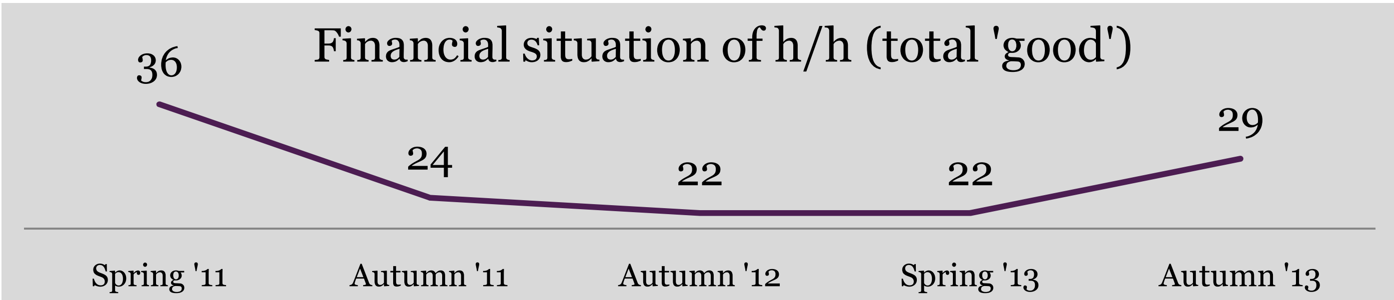
Source: Eurobarometer 69 & 80


THE
END
IS
AT HAND
(1. PETER. 4.7.)

How we currently see things

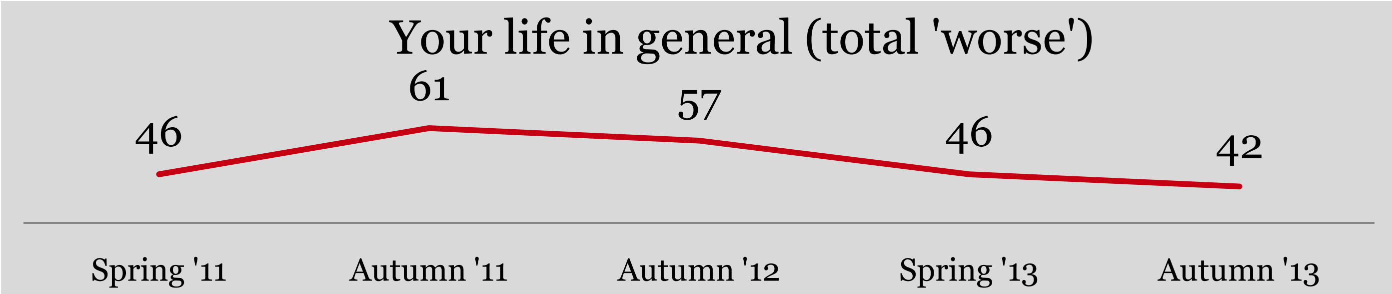


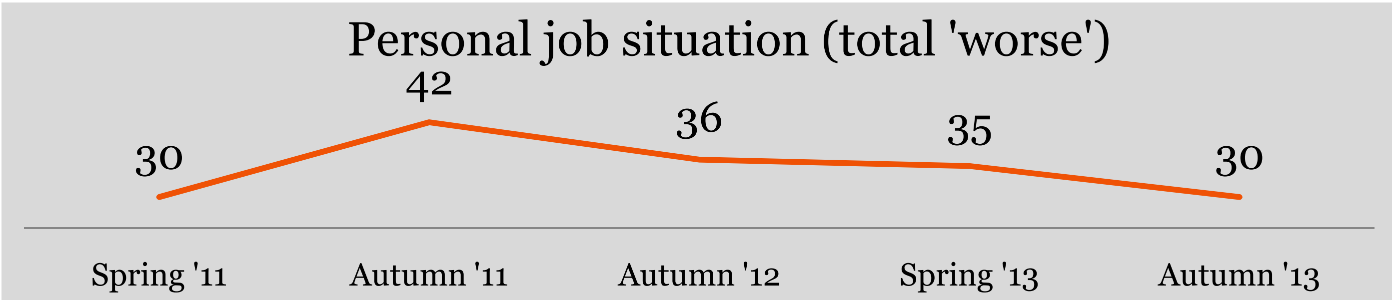


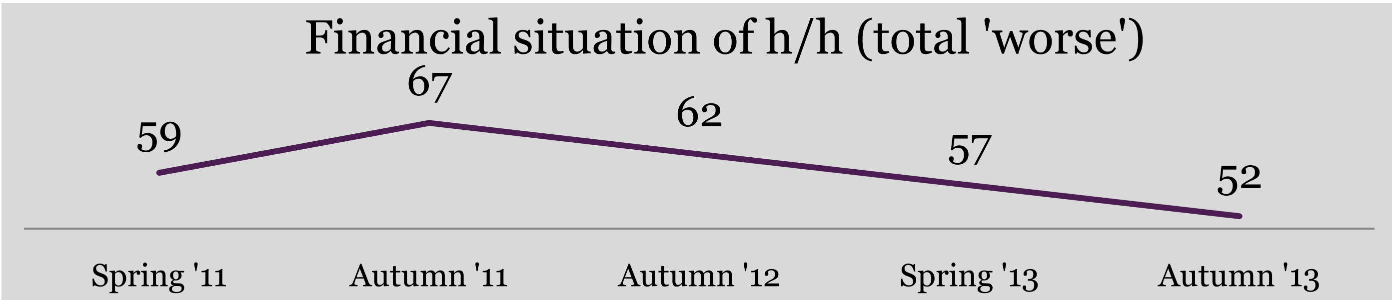


Source: Eurobarometer

What we expect in 12 months

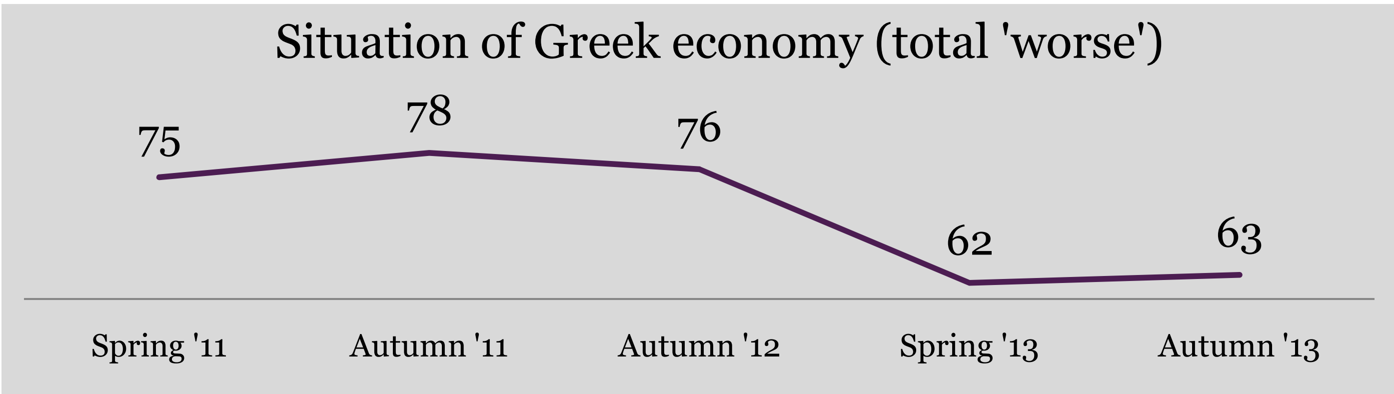






Source: Eurobarometer

We also expect things to be less worse for the economy & unemployment



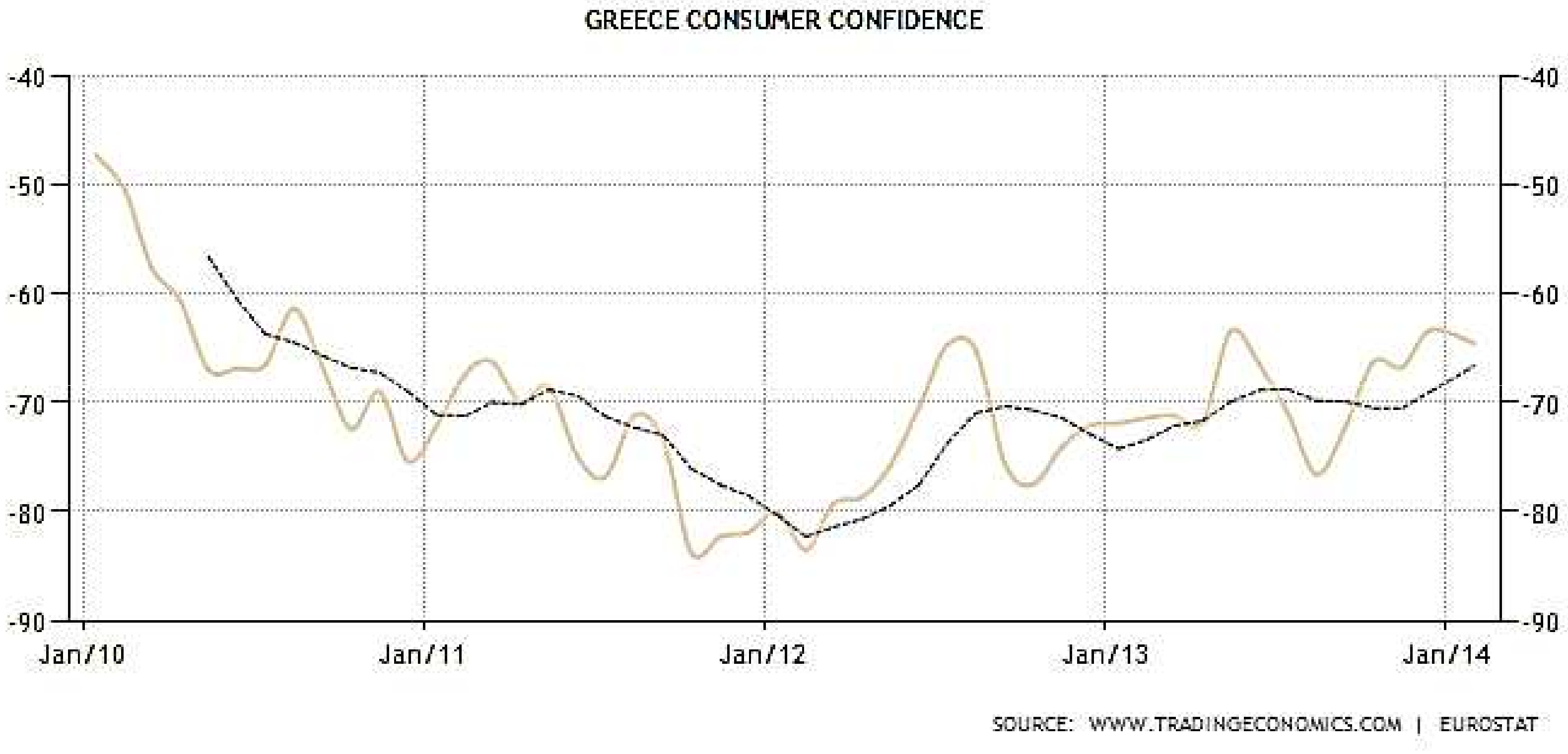
Source: Eurobarometer

Retail sales – year on year

Retail sales – year on year

Consumer confidence

Consumer confidence



Business confidence

New orders


GREECE NEW ORDERS
0
-20
-40
-60
-80
Jan/08
Jan/10
Jan/12
SOURCE: WWW.TRADINGECONOMICS.COM | BANK OF GREECE

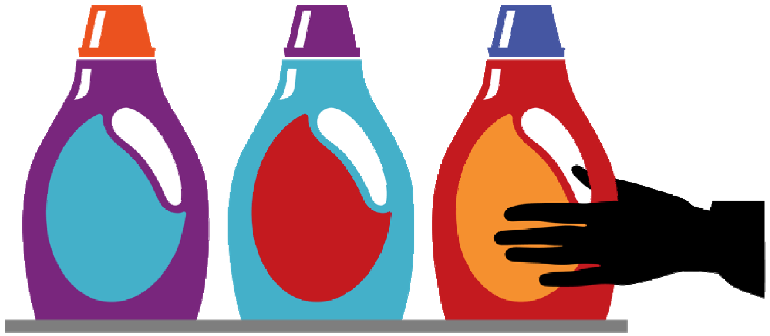
Manufacturing PMI

TNS


AAAGH!
A DEEP RECESSION CHANGES EVERYTHING

What has been the consumer reaction?

Need to have > Nice to have



Growing trend of categories decreasing in penetration

Source: TNS/Kantar Worldpanel

Consumers have **spent less**

(vs 2012)

Source: TNS/Kantar Worldpanel

Consumers have **bought less**

(vs 2012)

Source: TNS/Kantar Worldpanel

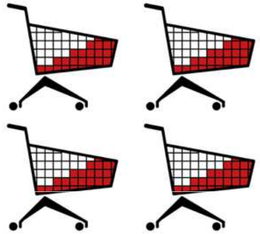
The 2013 shopping trip vs 2012:

Basket size (volume)

Basket value

€

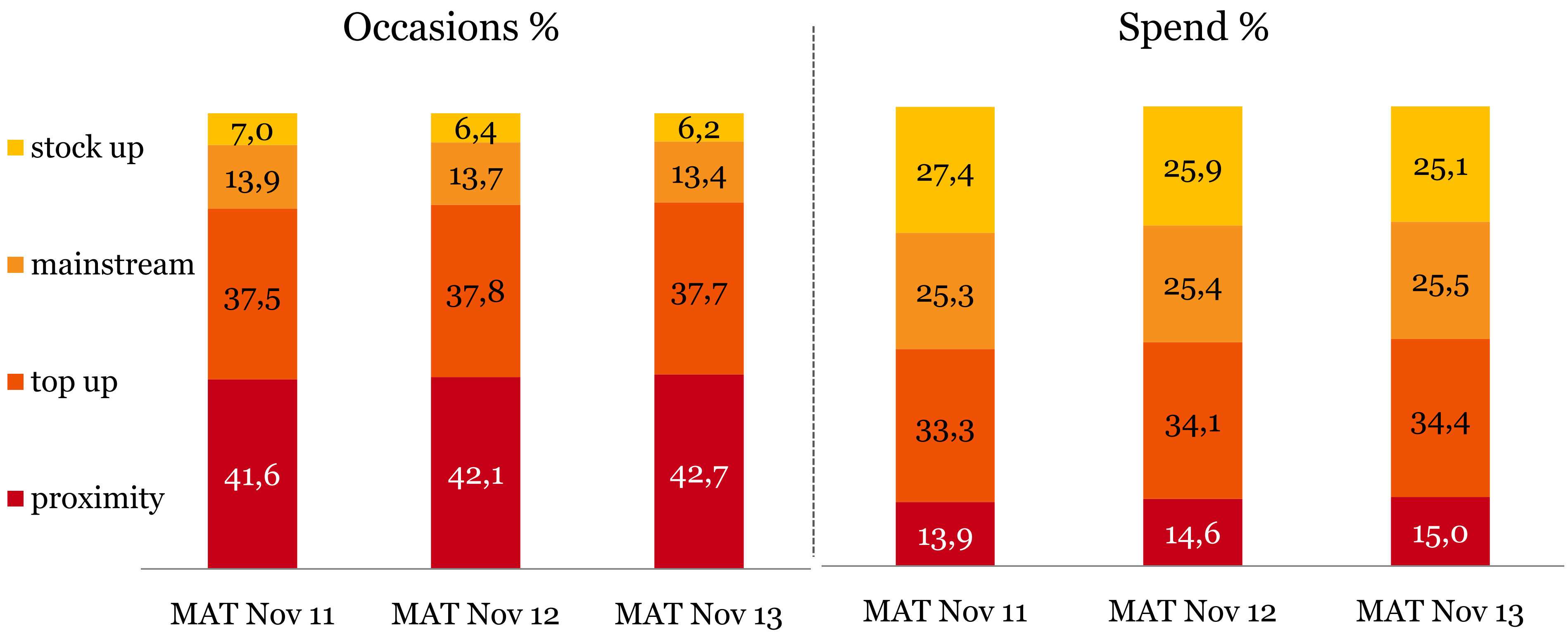
Frequency



Same volume	Paying less	Less often

Source: TNS/Kantar Worldpanel

The evolution of shopping missions:
Smaller baskets are becoming more important



Source: TNS/Kantar Worldpanel

Smaller baskets …

1. are the only shopping mission maintaining frequency
2. have significant growth in packs/trip
3. are flat in spend/trip

Frequency			Packs/trip			Spend/trip		
MAT Nov 11	MAT Nov 12	MAT Nov 13	MAT Nov 11	MAT Nov 12	MAT Nov 13	MAT Nov 11	MAT Nov 12	MAT Nov 13
38.7	39.4	39.5	3.69	3.7	3.81	6.24	6.19	6.18

Source: TNS/Kantar Worldpanel

TNS

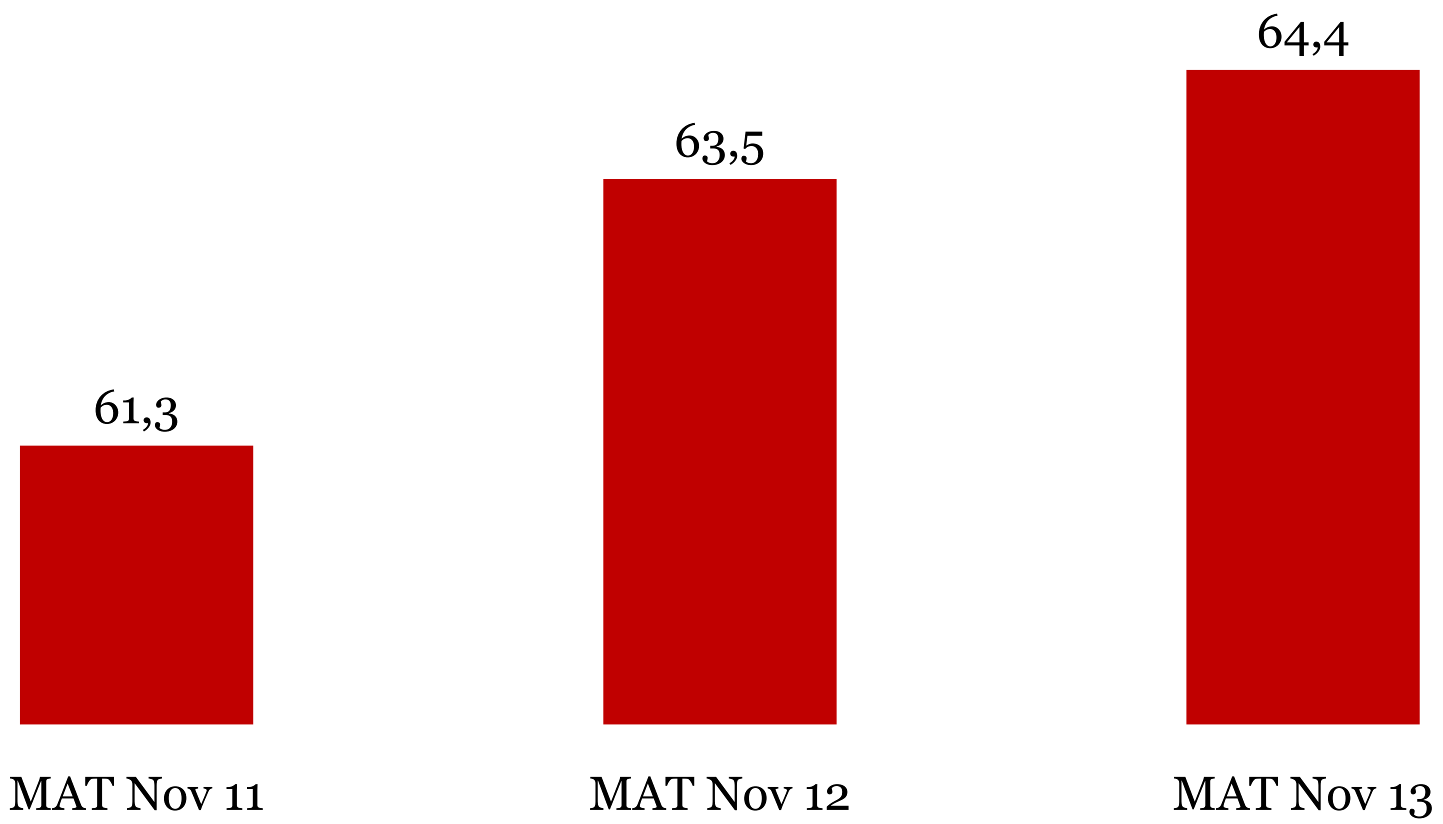
Shift to cheaper options

- Promotions
- Prices
- Downtrading

Source: TNS/Kantar Worldpanel

The steady march of **private labels**

You will find in every 6 out of ten baskets at least one private label product. And it's a growing trend



Source: TNS/Kantar Worldpanel

Private Label – volume share (in units)

38.1%

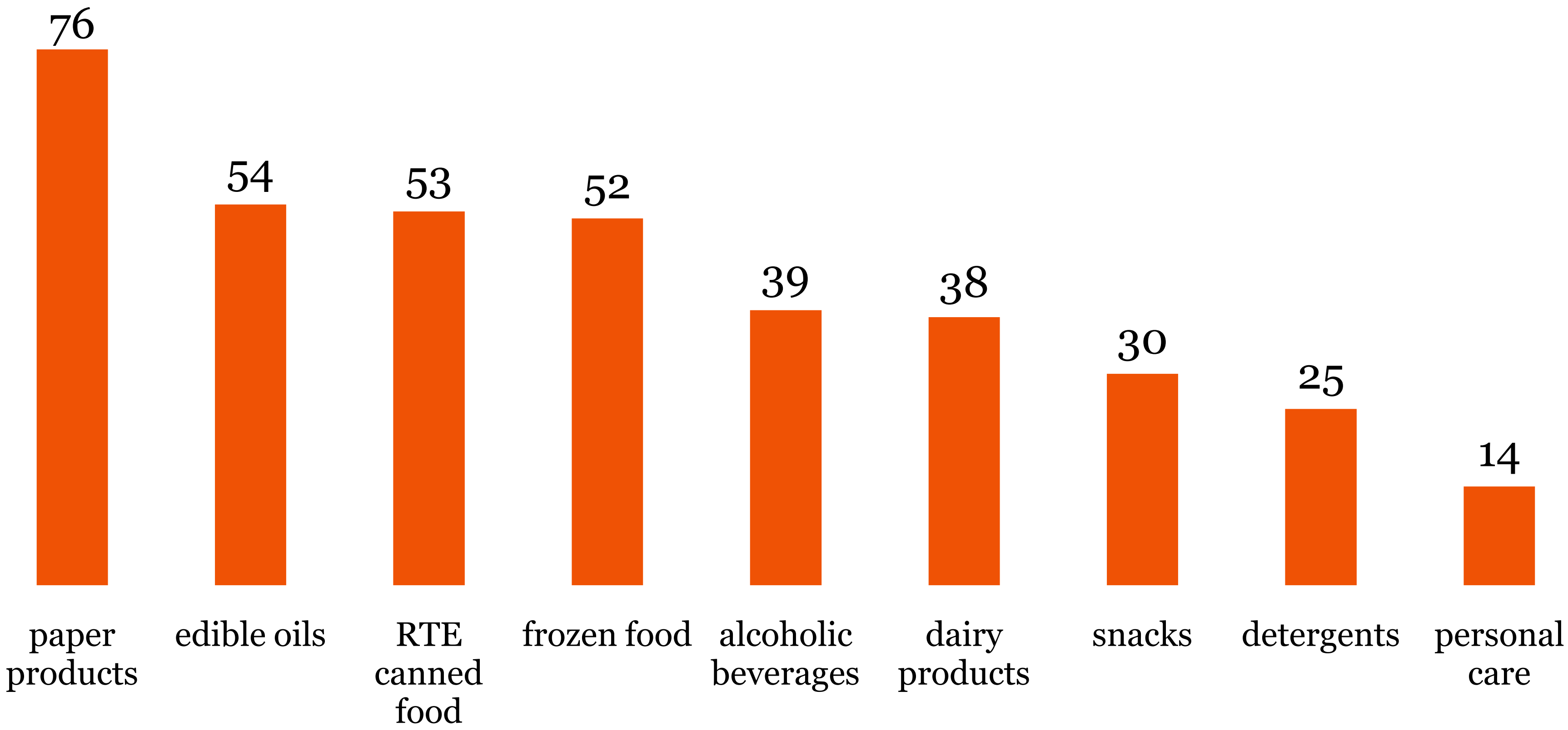
Source: TNS/Kantar Worldpanel

Private Label - value share

27.4%

Source: TNS/Kantar Worldpanel

Private Label value share differs widely category by category



Source: TNS/Kantar Worldpanel

the

Price is ~~an~~ issue

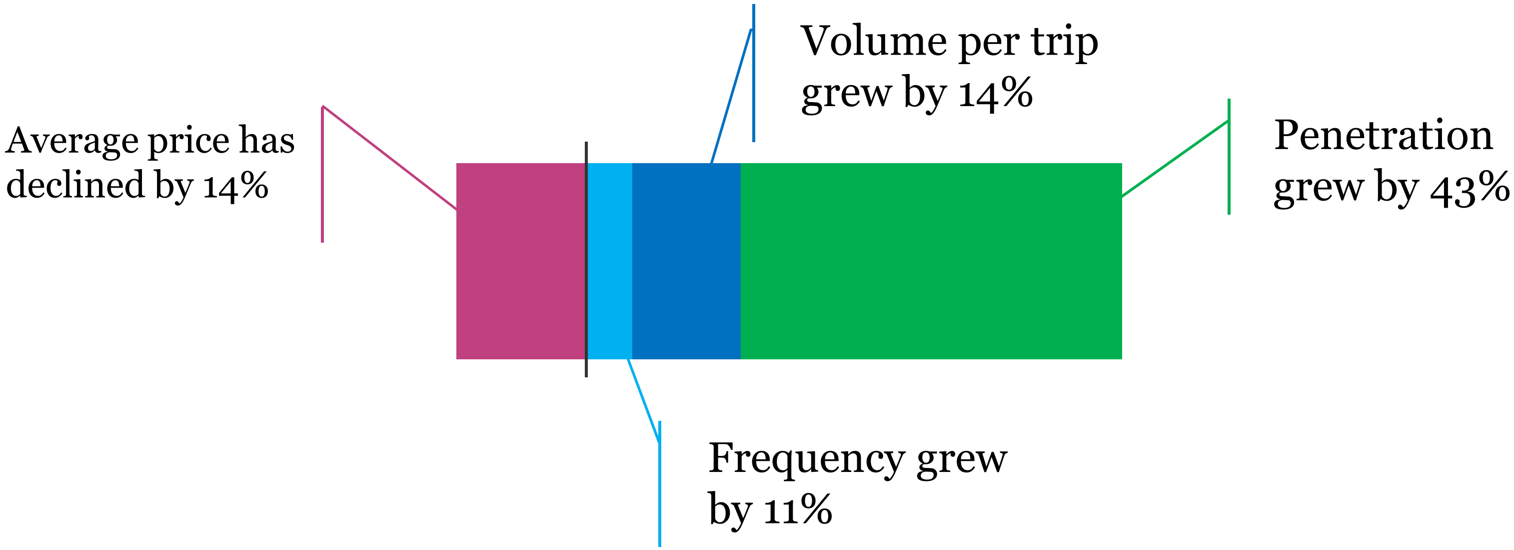
syoss

Syoss has grown share of spend by 59% and share of volume by 92%

Source: TNS/Kantar Worldpanel

TNS

…and the single biggest contributor to its growth in spend has been penetration



Source: TNS/Kantar Worldpanel

Επαγγελματική Ποιότητα σε Προσιτή Τιμή

	Average price/volume
Shampoo total	6.63
Head&Shoulders	8.70
Ultrex	8.22
Pantene	8.16
Fructis	7.94
Timotei	5.78
Johnson's	5.58
Syoss	**4.61**
Private Labels	2.87

Source: TNS/Kantar Worldpanel

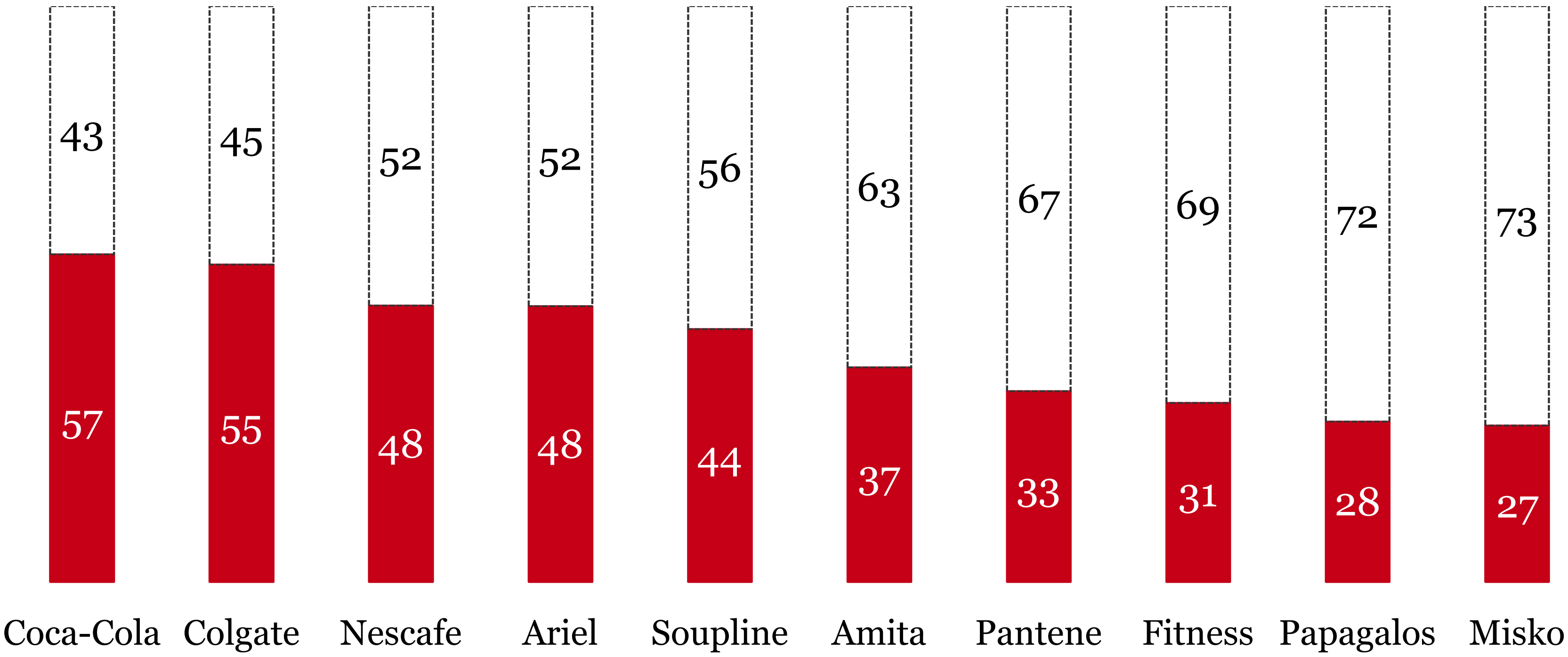

BRAND CAMP
by Tom Fishburne
BRAND LOYALTY
AND I PROMISE TO BE LOYAL, FORSAKING ALL OTHER BRANDS, UNLESS YOUR COMPETITOR IS ON DEAL, YOU'RE OUT-OF-STOCK, OR YOU'RE JUST NOT MEETING MY NEED STATES AT THE TIME
© 2005
SKYDECKCARTOONS.COM

How can a brand **grow**?

Loyalty is very hard to come by (for brands)

…even for market leaders

Loyalty in spend - %



Source: TNS/Kantar Worldpanel

What makes <u>less</u> of a difference is

avg. weight of purchase

ie, loyalty, or how many times/how much buyers of a brand will buy in a year

What makes <u>more</u> of a difference is

appeal

ie, penetration, or the number of buyers a brand has

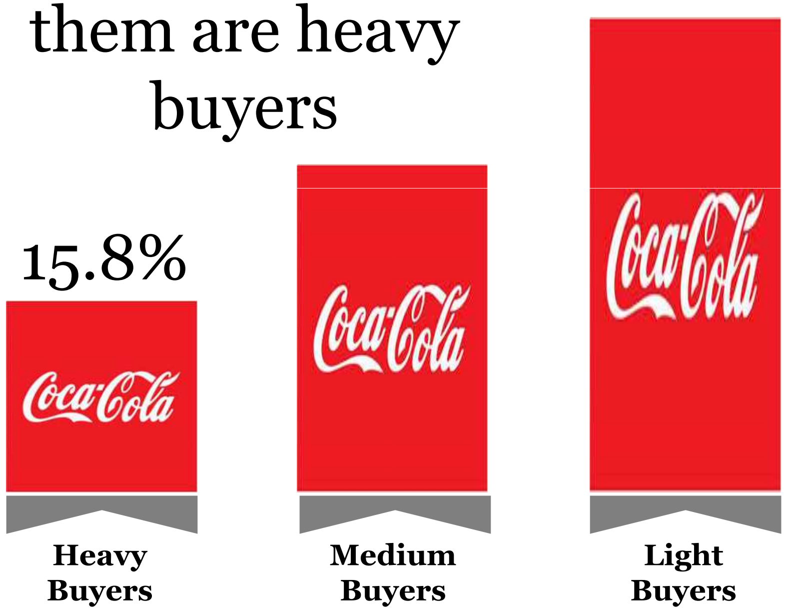
So, does that mean that making shoppers more loyal to my brand isn't that important? Surely the most loyal shoppers are the most important?

Well…let's take Coca-Cola as an example, the leading brand in terms of penetration

6%

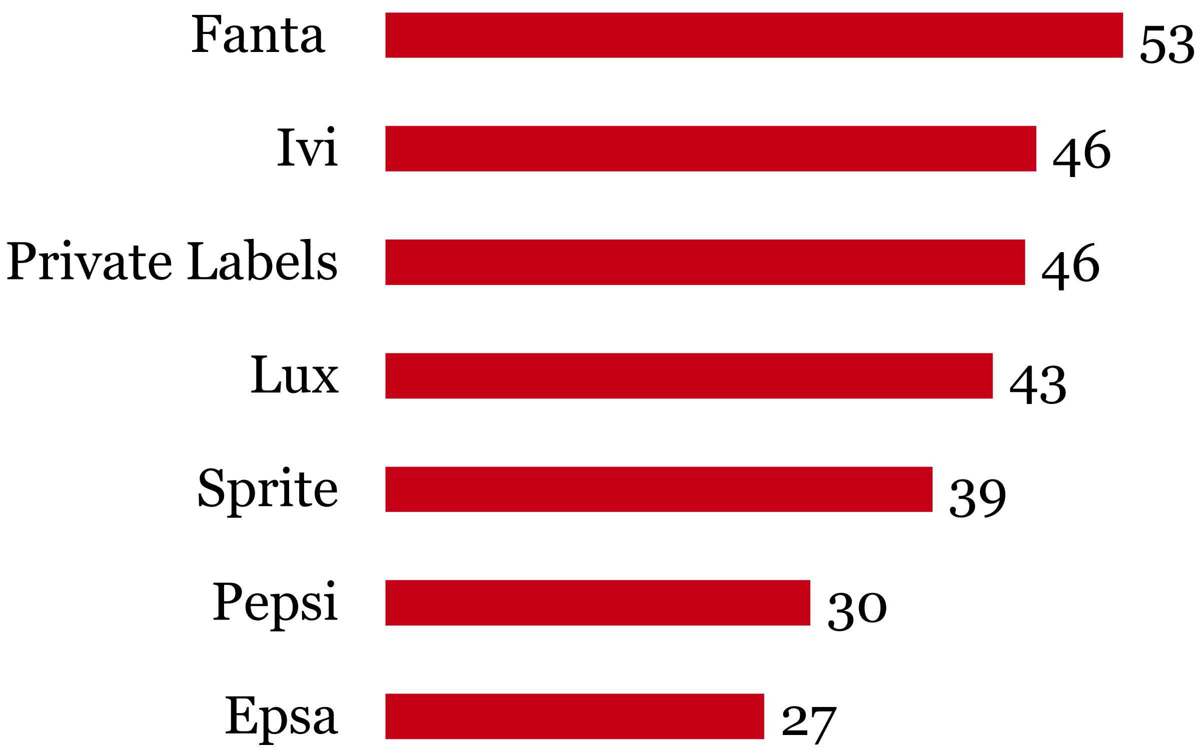
of brand shoppers are 100% loyal…

…and only 16% of them are heavy buyers



Source: TNS/Kantar Worldpanel

Coca-Cola buyers are also buying:



Source: TNS/Kantar Worldpanel

...and let's look at another popular brand...Pantene - with lower penetration than Coca-Cola - of 37%

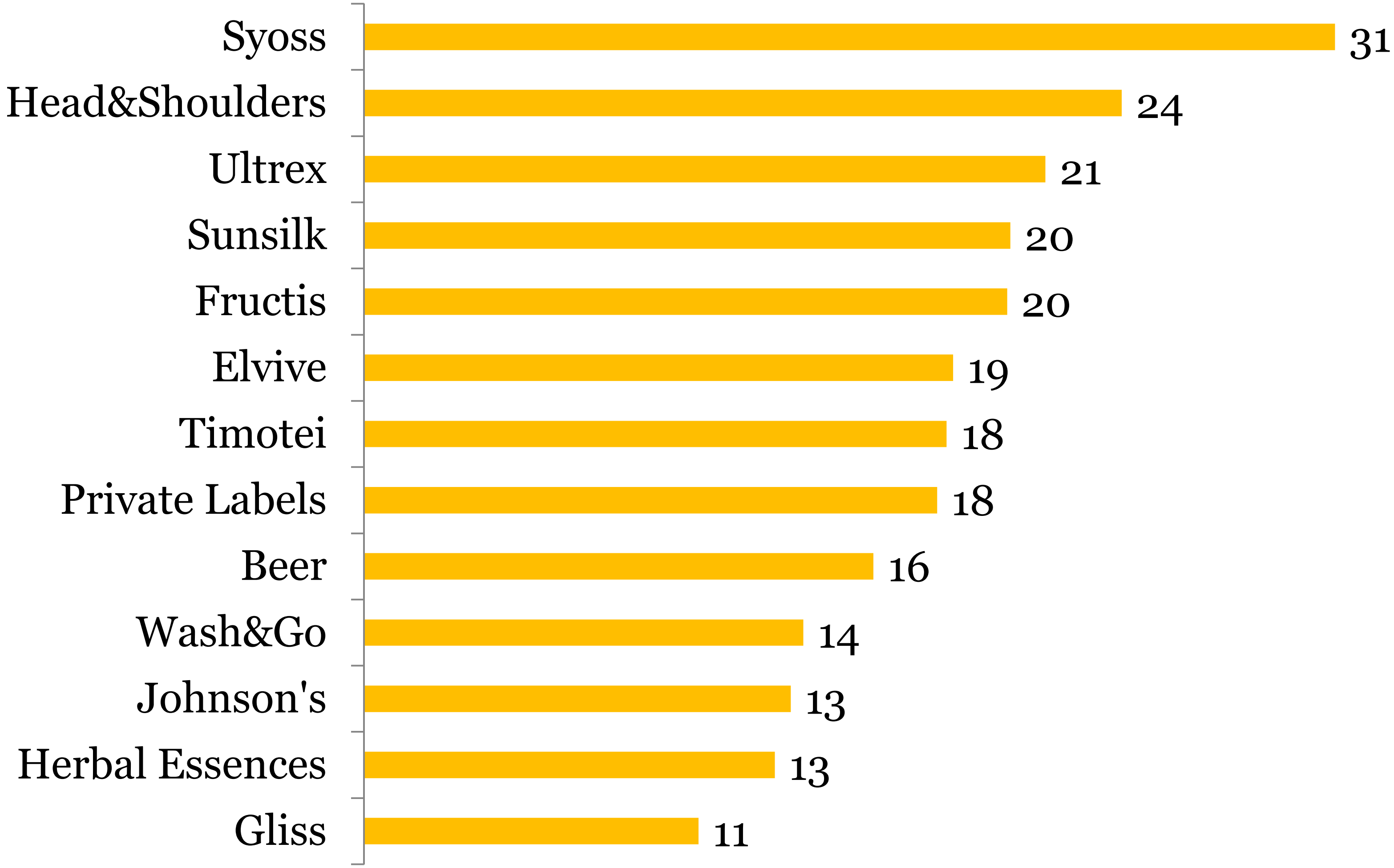
9%

of brand shoppers are 100% loyal...

...and only 20% of them are heavy buyers

Source: TNS/Kantar Worldpanel

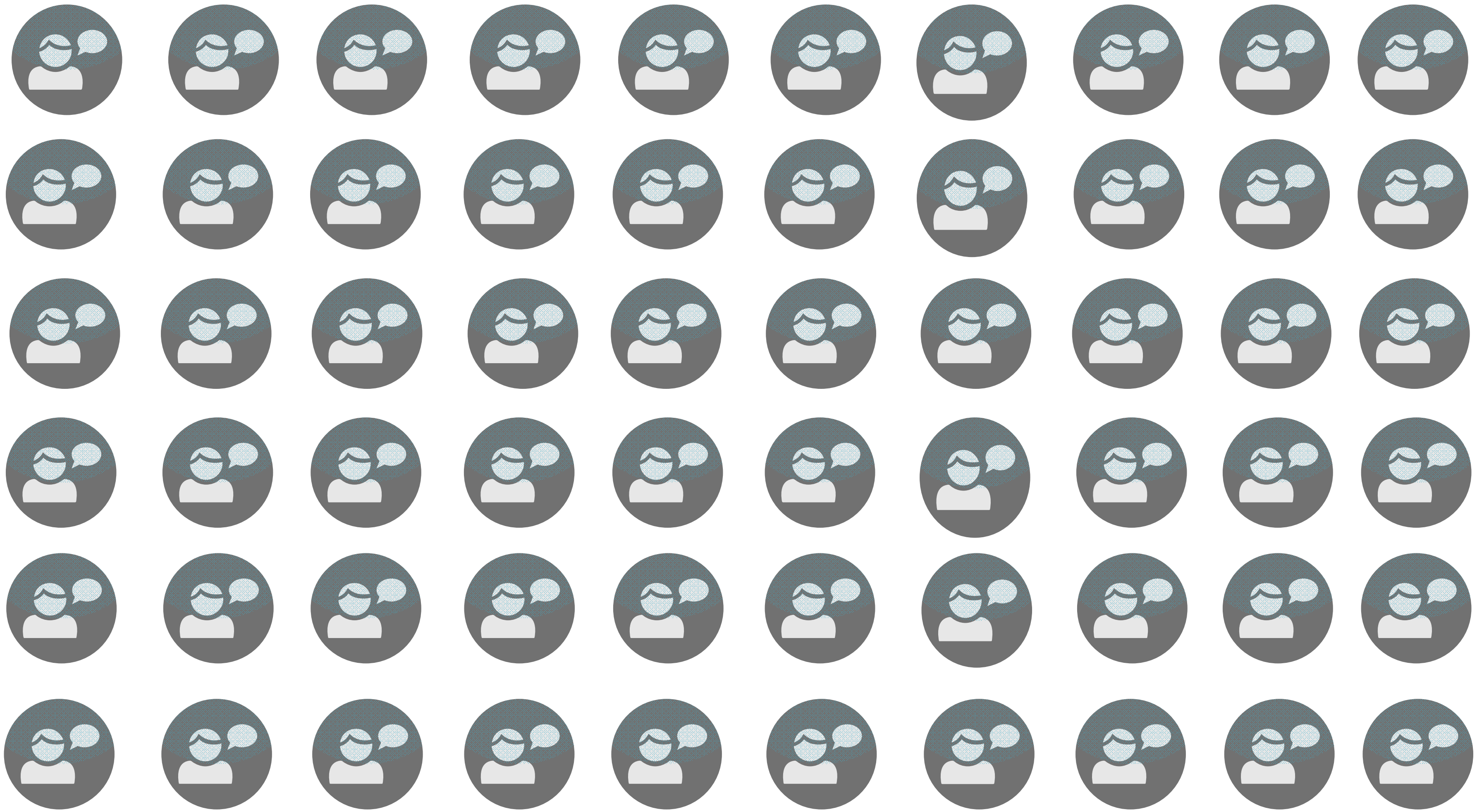
Pantene buyers are also buying:



Source: TNS/Kantar Worldpanel

TNS

Even when overall brand sales/penetration levels are static – the consumers underneath are moving



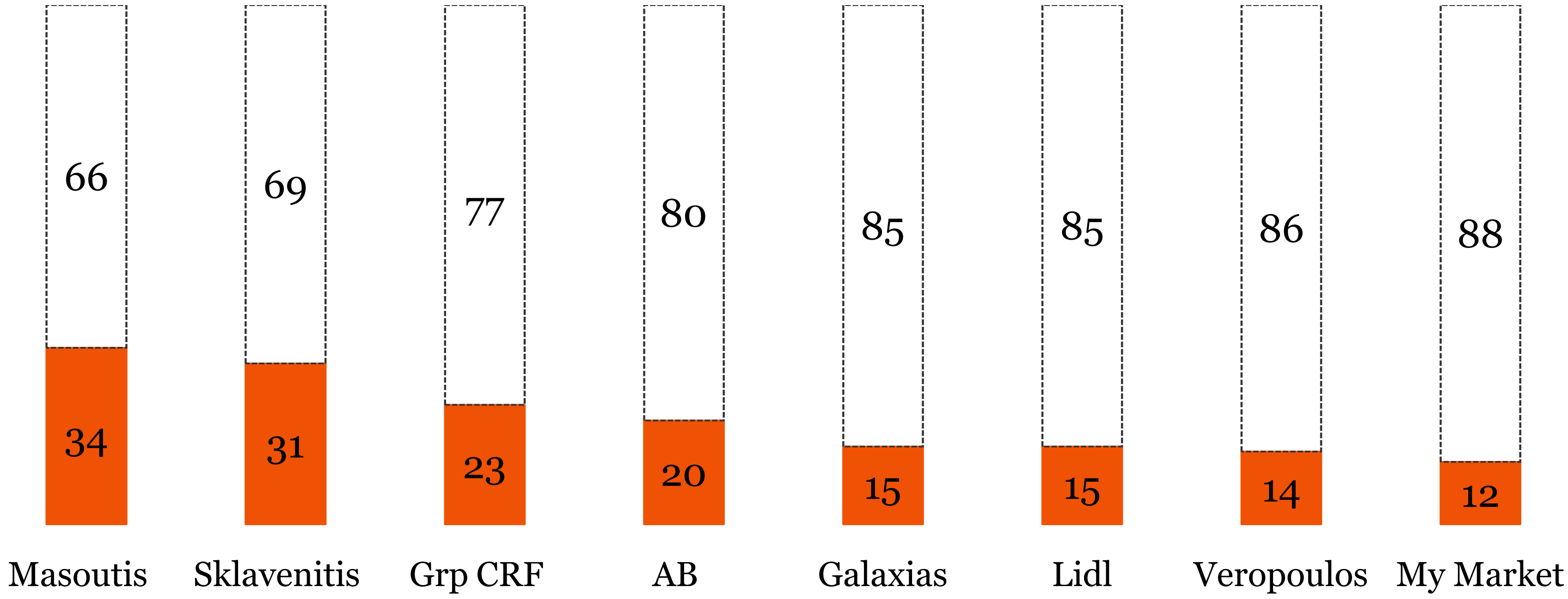
TNS


WAIT, I MAY HAVE A CARD SHOWING MY LOYALTY TO WHATEVER STORE THIS IS
LOYALTY POINTS
6
TOM FISH BURNE
© marketoonist.com

Loyalty is very hard to come by (for retailers as well)

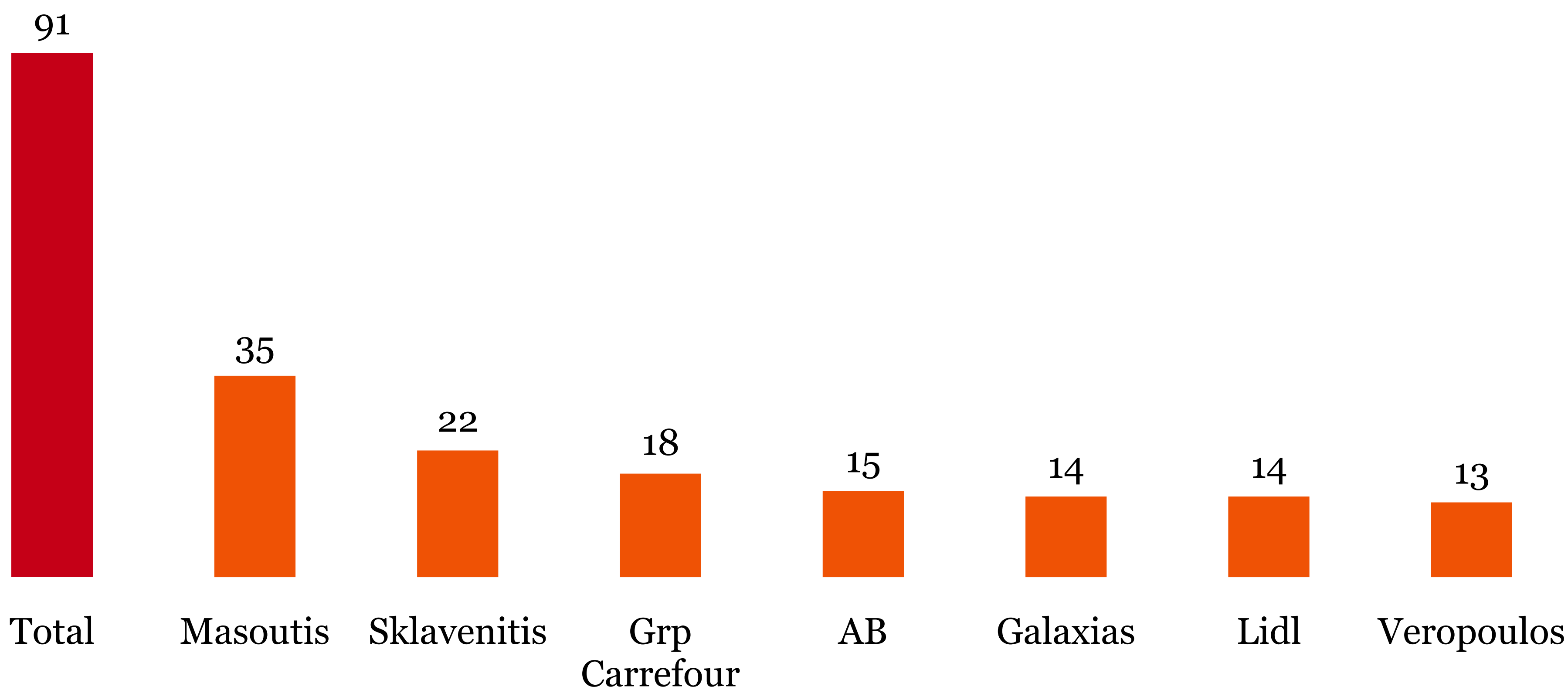
…with, on average, 5 retailers in their repertoire

Loyalty in spend - %



Source: TNS/Kantar Worldpanel

Retailer frequency



Source: TNS/Kantar Worldpanel

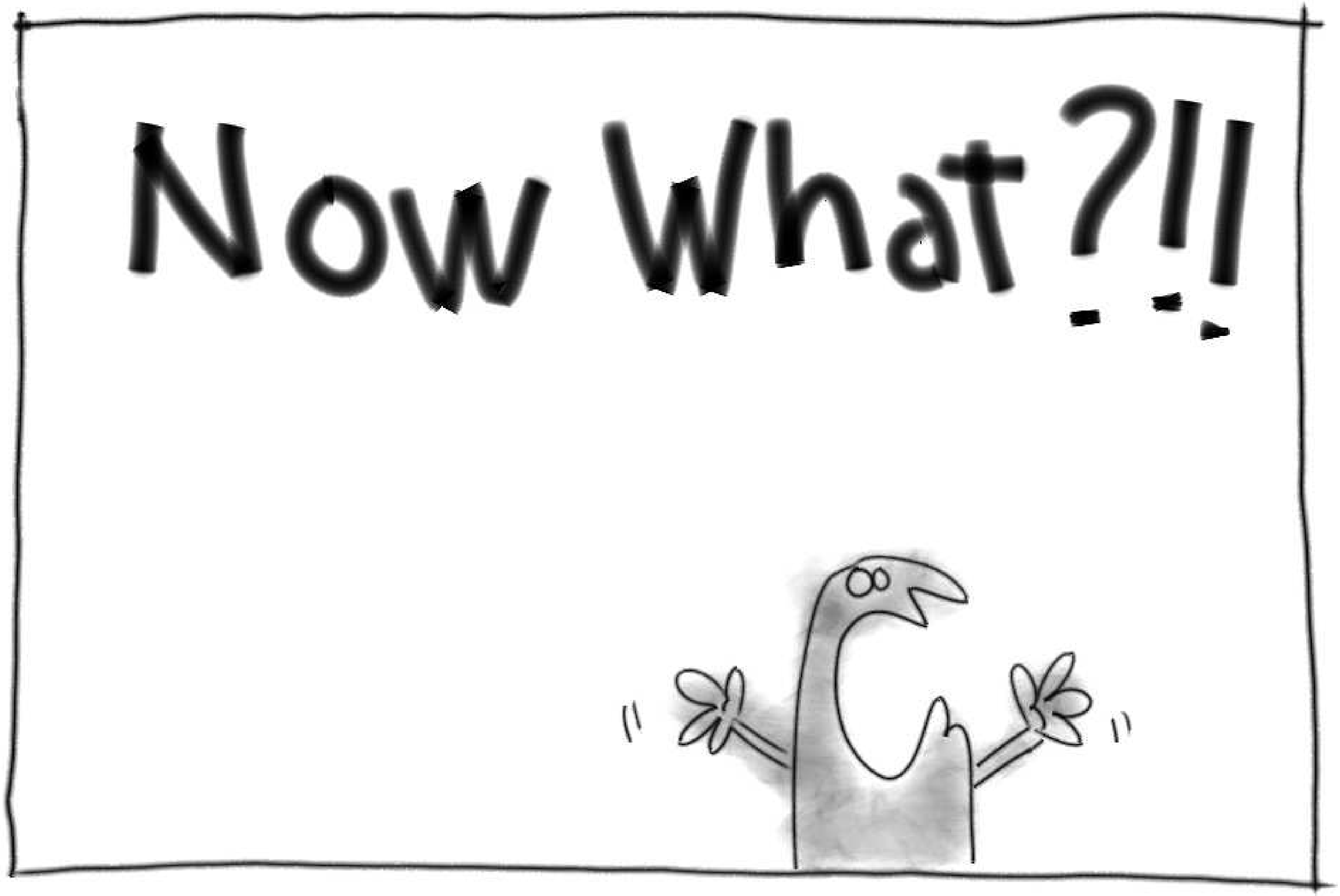
Your consumers

are just

somebody else's consumer

who occasionally buy you

(this applies equally to light or to heavy buyers)


Now What?!!

1. Understand the consumer

1. Understand the consumer

2. Understand the shopper

1. Understand the consumer
2. Understand the shopper
3. Do not slash marketing spend

1. Understand the consumer
2. Understand the shopper
3. Do not slash marketing spend
4. Loyalty is out; penetration and frequency are in

1. Understand the consumer
2. Understand the shopper
3. Do not slash marketing spend
4. Loyalty is out; penetration and frequency are in
5. **Price ≠ Value**

1. Understand the consumer
2. Understand the shopper
3. Do not slash marketing spend
4. Loyalty is out; penetration and frequency are in
5. Price ≠ Value

6. Innovate

1. Understand the consumer
2. Understand the shopper
3. Do not slash marketing spend
4. Loyalty is out; penetration and frequency are in
5. Price ≠ Value
6. Innovate
7. **The market demands a low-cost offering**

1. Understand the consumer
2. Understand the shopper
3. Do not slash marketing spend
4. Loyalty is out; penetration and frequency are in
5. Price ≠ Value
6. Innovate
7. The market demands a low-cost offering

8. Open innovation

1. Understand the consumer
2. Understand the shopper
3. Do not slash marketing spend
4. Loyalty is out; penetration and frequency are in
5. Price ≠ Value
6. Innovate
7. The market demands a low-cost offering
8. Open innovation
9. **Think technology**

Greece…