

Activating *The Store* Environment To Develop

Store Brand Equity and Incremental Sales

Presented at:

PLMA Tradeshow, November 2009

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M I L L E R Z E L L

Many retailers
are missing
a HUGE opportunity

in utilizing the store environment
to build their own
brand equity and trial

Context

- Store brand quality and packaging have improved dramatically
- These are now cost of entry!
- Many retailers are NOT optimizing their own stores as the powerful tool they can be

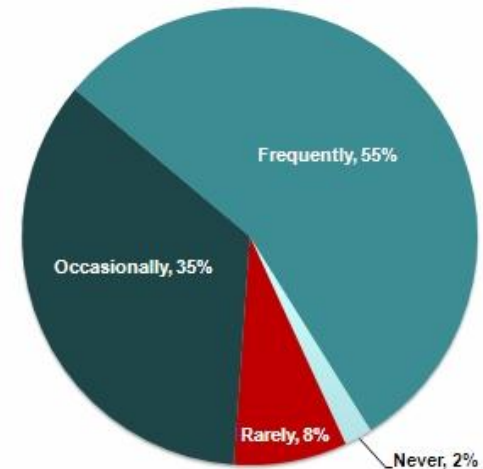


The good news ...



acceptance

How often do you purchase store-brand products?



MarketingCharts.com
Data Source: PLMA & GfK Research: "Store Brands in the Recession," 2009

Driving revenue through store brand promotions

We conducted a 10-store, 8-month controlled market test to assess store brand and fresh cross-selling

Creative Strategy

- Cross-selling – especially with perimeter
- Communications built around simple ideas that drive an incremental purchase
- Rolling themes that remained in store for 8 weeks

Objective was to drive *incremental* sales for the store – not to cannibalize brand sales!

Product Messaging...science behind the design



- Benefit Callout
- Product Imagery
- Thematic Design
- Benefit Oriented Copy
- Private Brand Imagery

Product Messaging

CHECK OUT THIS HEALTHY IDEA! 

THE NEW *you!*



Try *Essentially You* cereal and start losing weight fast!



HERE'S A GREAT MEAL IDEA! 



Add beef and snow peas to ramen for an easy

asian entrée.



TRY THIS QUICK IDEA! 

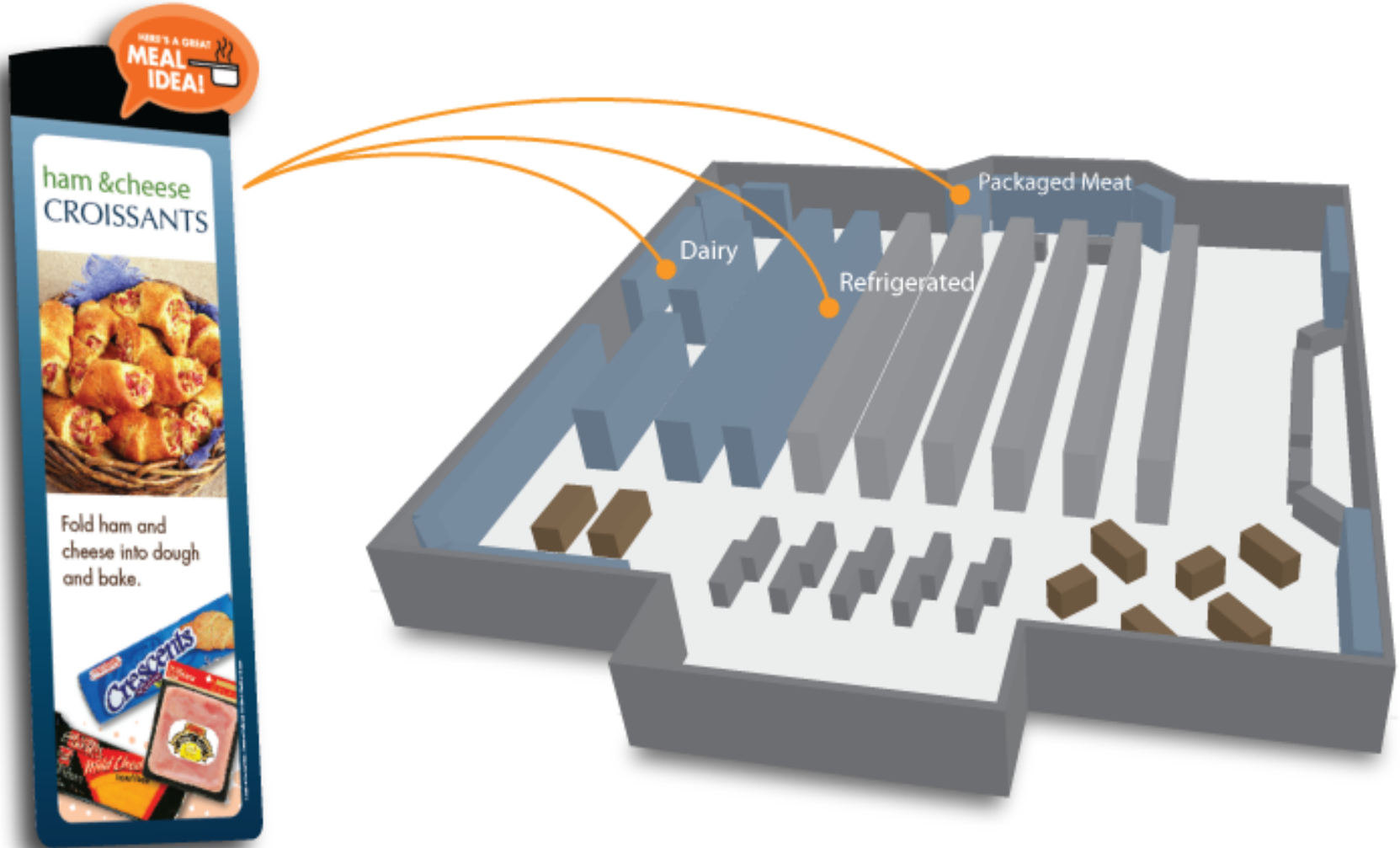


Crescent Creation!
Fill, wrap and bake.*



*Bake per instructions

Cross-Sell Communication at Product



Product Messaging: Marketing / Ideas



PRODUCE DEPARTMENT SHELF LEVEL MEDIA

Product Messaging: Health / Ideas



PRODUCE DEPARTMENT SHELF LEVEL MEDIA WITH CROSS MERCHANDISING SUPPORT

In-Store Test

- 10 Store Test (paired with 10 control stores)
- Measured test stores vs. control stores, year over year sales
- 4 Themes, 8 Months
- Promoted 150 Private Brand Products per Theme

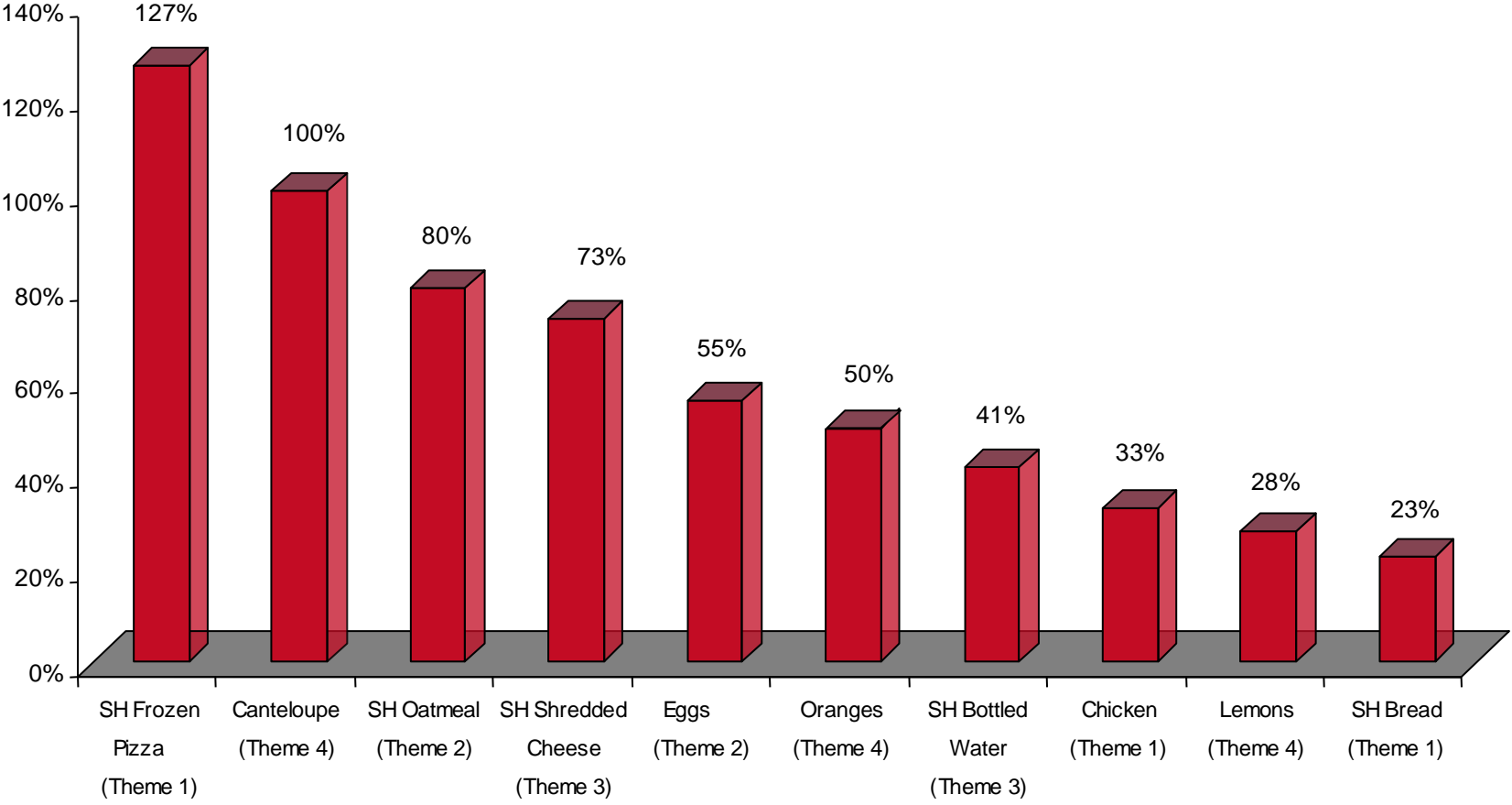
Test stores vs. control stores, year over year
results, 4 themes 8 months

Total store incremental sales
increase of **2.5%**

Departmental sales results, test stores vs. control stores, year over year results

- Meat and Seafood – up **1.56%**
- Frozen Food – up **2.79%**
- In-Store Bakery – up **4.22%**
- Deli Department – up **5.05%**
- Produce – up **6.12%**

Individual product sales results



Of course promoted product achieved significant sales gains

Qualitative Research – Shopper Perceptions

300 shoppers at 5 test stores were interviewed and asked for feedback on their shopping experience

What effect, if any, did these messages have on your shopping experience today?

- 0% said their shopping experience was worse
- 38% said there was no effect on their shopping experience
- **62%** said their shopping experience was better with the communication

Qualitative Research – Shopper Perceptions

300 shoppers at 5 test stores were asked if they agreed or disagreed with the following statements...

- **65%** agreed that the messaging allowed me to find healthier alternatives for meals
- **69%** agreed that the messaging made the task of shopping more enjoyable
- **71%** agreed that the messaging made me feel like I'm doing something good for my family
- **73%** agreed that messages are for people like me
- **83%** agreed that the messages made me feel the retailer is doing something good for its shoppers

Insights & implications

The right combination and level of merchandising elements and creation of and in-store destination can engage shoppers driving loyalty which drives store brand purchases

Insights & Implication

#1

Deliberate in-store
Communications Require
Just As Much Strategy As
Traditional Advertising



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#2

Think Differently - Shift
Strategic Focus
From Cost To Benefits



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#3

Follow The National Media
Trend -- Shift Traditional
Marketing Dollars Into
Marketing In-store



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#4

Remember . . . The Store
Environment Is An
Extension Of
The Brand



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#5

Design With Strategic
Intent - Mine For Shopper
Insights



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#6

The store environment
is the most powerful
tool in the kit!



Thank You!

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