

Ipsos ASI Reflections

Inspiration for Action

BUILDING BRAND DESIRE IN-STORE



Ipsos ASI
The Advertising Research Specialists

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RETHINKING THE POWER OF STORE BRANDS: TIPS TO SUCCESSFULLY COMPETE & COMMUNICATE.

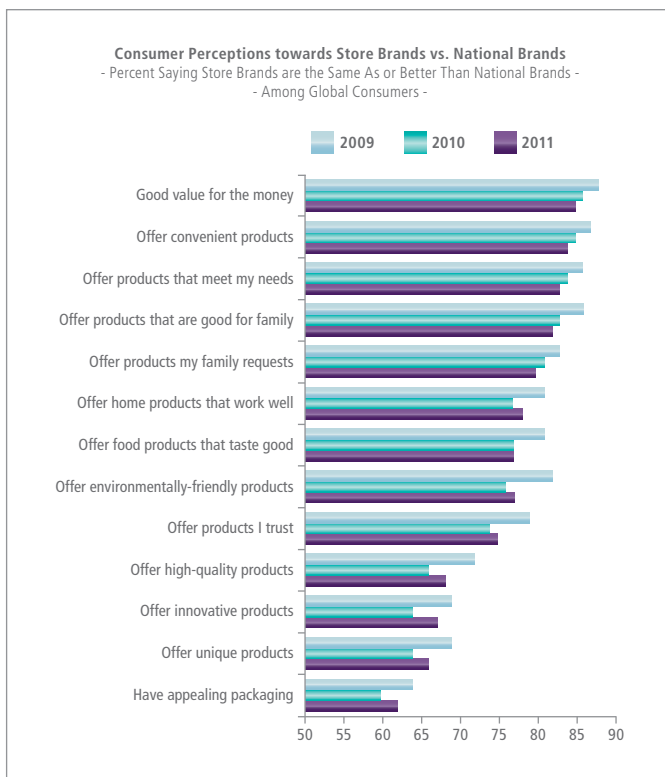
As we have stated before, in any given category, many of the top products or services are quite similar in performance, or are certainly good enough. For this reason, it is very hard to differentiate based solely on product performance.



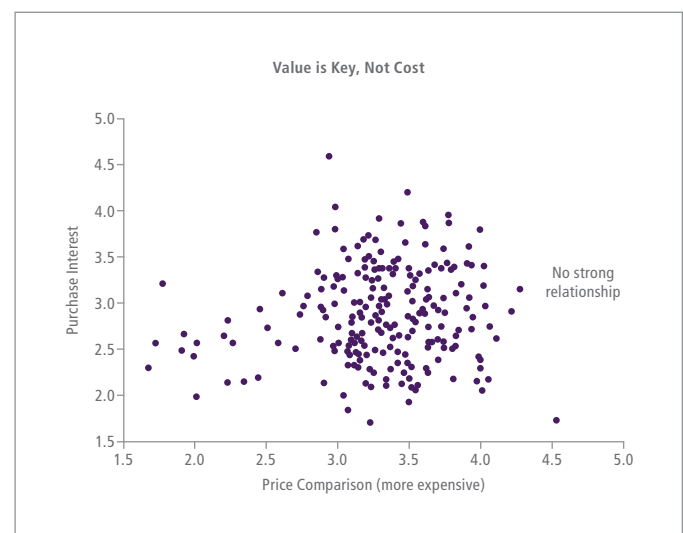
Since 2009, Ipsos¹ has been conducting annual global research to compare store brands to manufacturer (national) brands. For three years running, the results indicate that most consumers perceive store brands to be the same as or better than national brands on all attributes asked. Furthermore, across most countries globally, in 2011, consumers' perceptions of store brand quality, innovativeness, uniqueness and packaging improved since 2010.

These are among the many reasons that private label store brands are growing, in all continents, even as we move further away from the 2008 Financial Crisis. The quality and value of stores' own brands are challenging the manufacturer brands. Coupled with the increased influence of retailers, manufacturer brands might need to rethink their marketing approaches. In reviewing our Equity*Builder database we note:

- **Value is Key, Not the Cost of Product.** As demonstrated below, cost has no strong relationship to purchase intent (cost also has no relationship to Brand Loyalty). The cost, and for manufacturer brands the potential premium cost, must be justified to create value. This value perception drives purchase intent.



Source: Ipsos Marketing Study via the Ipsos Global @dvisor International Omnibus of consumers in 21 countries



Source : EquityBuilder database

¹ Ipsos Marketing Study via the Ipsos Global @dvisor International Omnibus of consumers in 21 countries.



So is it Fight or Flight?

The Risk of Flight

Should manufacturer brands run away from categories where Private Label brands are gaining steam? Some argue to just sit tight and wait out the financial crisis storm – at the end of the day consumers will return to their favored manufacturer brands. But by that time, Private Label could have solidified its hold, and different shopping patterns may be in place.

Rise to the Fight

Fighting does not and should not mean lowering prices. As we mentioned above, it is the value of the offer which matters most. And as a price of entry, Brand Managers must continue to reassure consumers on quality product performance. But then, there are various options to consider in the fight against private label.

Innovation

Value can more optimally managed by enhancing the desire for the brand via innovation. Consumers will pay a premium price for superior brand innovation. Just look at the most successful brands in many categories and you will observe little relationship between price and market share.

And while traditional product innovation has its challenges, **innovation can come in many forms** such as revamping packaging formats, offering online or mobile tools or “apps” to help customers or build on the customer experience, re-thinking usage occasions and leveraging new channels, etc.

Emotional Experiences

When a brand is well established, focusing on things above and beyond what most consumers already know about the brand is another key to differentiation. Brands need to put more emphasis on **consumer emotional experiences**, and satisfying what consumers want to feel. The emotional experiences become the differentiators and the product features become the reason-to-believe.

Convenience

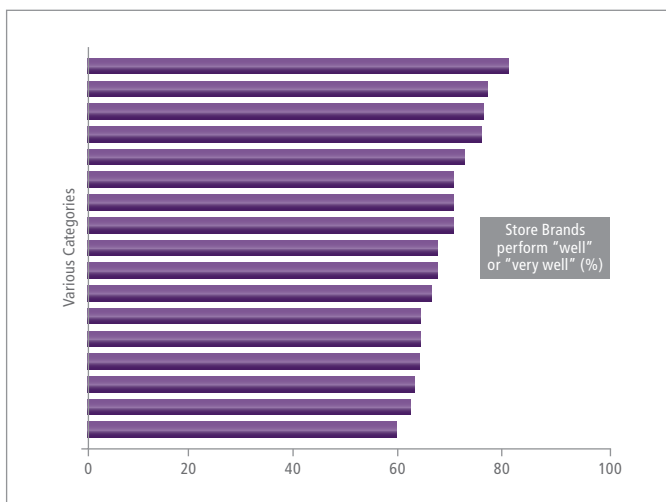
Finally, manufacturer brands may wish to continue exploring direct to consumer channels of distribution. Manufacturer bricks and mortar and virtual retail stores have had success, in addition to flash stores and online distribution. Convenience could potentially contribute to perceptions of value.

Each strategy could work in isolation, or together. They're not mutually exclusive. And, all of these in turn offer the necessary support for 'relevance', a key driver of brand equity.

Perhaps the ongoing Financial Crisis will have changed consumers shopping patterns for good. But with the right action plan in place, it does not mean Store Brands will win. But it might mean that manufacturer brands take the road less travelled by to get back to leadership position.

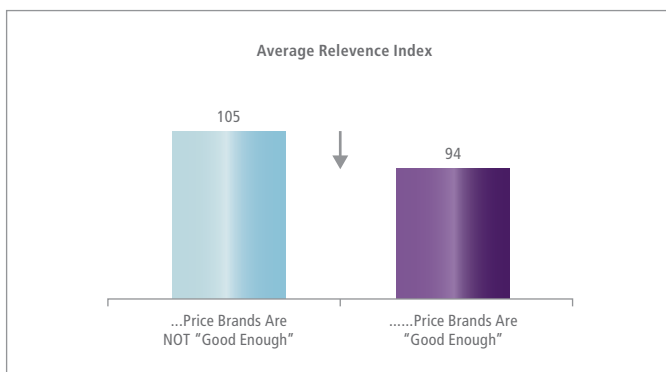
For more information on **Advertising in a Down Economy** click [here](#).

- In some categories, the concept of **“good enough”** applies – and private label can more readily succeed.



Source : Ipsos ASI R&D data

- Private Label success, especially in “good enough” categories, results in branded products being perceived as **less relevant**. The risk is that these categories will become commoditized over time unless manufacturer brands take meaningful action.



Source : Ipsos ASI R&D data

MAXIMIZE THE VALUE OF YOUR AT-SHELF TOUCHPOINTS

How to ensure your **in-store communications** and **packaging** are working as hard as they can for your brand.



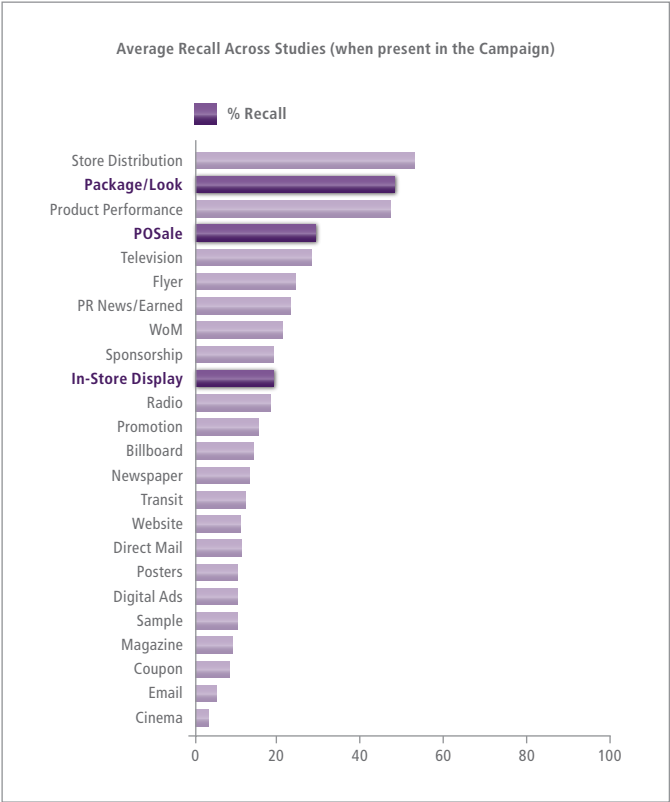
There is an interesting debate about where brand decisions are made, all based on consumer research. Some still quote the original figure that 70% of decisions are made in-store, at-shelf. Others suggest that it is closer to 40%, and some even go further and suggest that, within certain contexts, 80% of decisions are made before one enters the store. Regardless of which figures you choose to believe, it is important that when consumers arrive at shelf that they can find your brand easily and that there are no barriers to ensuring their decision to purchase.

After all, brands should use their at-shelf touchpoints to close the loop on creating brand desire: if brand teams have worked hard to ensure their brands are embraced by consumers (because the brands help fulfill their needs and goals) by endeavors in other communication channels, in-store communications and packaging should reinforce that effort, and reinforce consumers' brand desire.

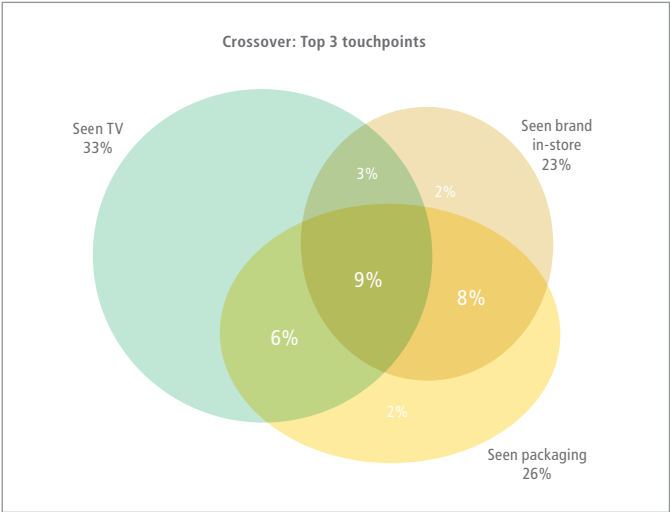
Especially because touchpoints do not work in isolation - each one builds upon the other to build brand associations and resonance.

But there are other reasons to invest in at-shelf touchpoints:

- 1) They demonstrate above average levels of recall, in comparison to other forms of paid media (like radio, newspaper, transit or online).

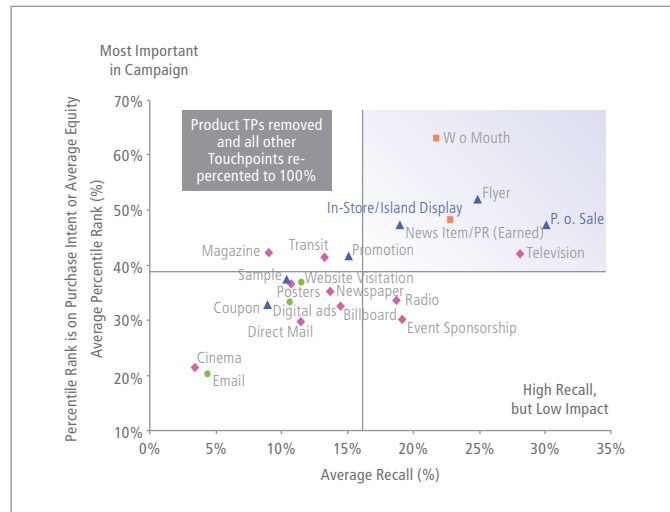


Source : Ipsos ASI Brand*Graph Database, N.A.



Source: AY FMCG case example.

- And when the impact of the product touchpoints (like performance, **packaging** and distribution are removed) in-store communications prove very efficient and effective.



Recognizing their value to the brands they serve, ensuring they are delivering against their potential can only help to close the sale. And, it might be as straightforward as **1 – 2 – 3**.

3) They are incredibly efficient and effective.



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ENSURING YOUR IN-STORE COMMUNICATION IS AS EFFECTIVE AS POSSIBLE IN THREE EASY STEPS.

ONE: Consistency

Make sure the left hand (In-store Agency) knows what the right hand (Creative Agency) is doing

Why? As we noted, **touchpoints work together – not in isolation** – to build ongoing brand associations and resonance. While brands need to develop their communications holistically, it can be challenging when different agencies and account teams are working on separate touchpoints. This can occur with in-store communications.

And campaign testing has often revealed that consumers feel that in-store communications developed in this way, by separate agencies, do not connect with the brand and other mediums. Nor do they convey the same message.

But that doesn't need to be the case – and the potential benefit to the brand is significant.

Consumer Quote: “I think this [demo] would be better here (in-store) than in the commercial... but if I saw it in the store, well I would immediately remember it (from the commercial).”

As one would expect, in-store communications have more at-shelf impact when they are consistent. That is, they have more ability to grab consumers' attention when they leverages the same branding cues, mnemonics, tagline, colors, tone, etc. as other communications.

And then ensure they trigger the same needs, values and emotions as other vehicles. So make sure that your agencies communicate and cooperate so that there is intrinsic integration from the beginning, not just a forced fit integration at launch.

That said, in-store communications should not be a carbon copy of what is found in other mediums – it is not “one for all and all for one”. **Consider the strengths of in-store in facilitating the sale** (versus other objectives like building awareness, or associations, etc).

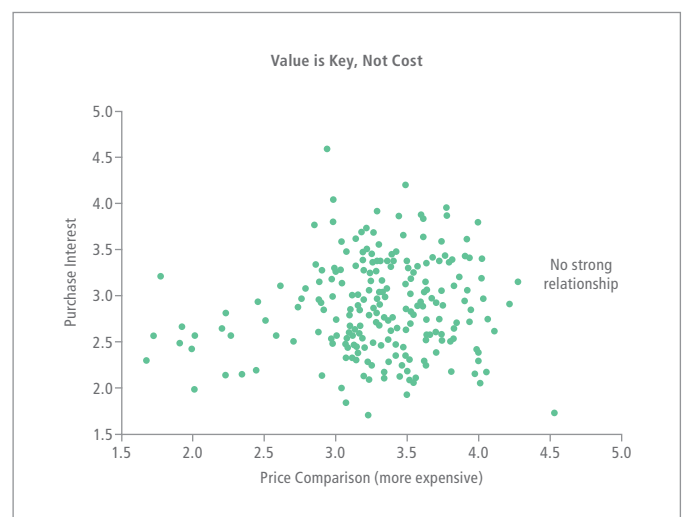
TWO: Creativity

Think broader than the “Claim”

In-store communications are much more than the “selling claims” that often comprise the majority of the real estate. But even with limited space to communicate, in-store communications are still pieces of creative. And as our analysis across all touchpoints and all types of communications continues to reveal, **Creative is King**.

So, just as it is with TV, and digital and other vehicles, in-store communications succeed when they:

- Are **relevant and differentiated**, both in their messaging but also in their creative approach
- Maintain **credibility**, through appropriate integration with the brand's communication platform. This includes using a credible product demonstration that does not leave consumers skeptical.
- Are **Engaging by Communicating Visually**. This requires an effective balance of brand cues, and clear product visuals complemented with eye-catching colors and “claims”. But remember, that simplicity is also King. Consumers will not work too hard to understand what you are trying to convey.
- **Remember the product at hand**. New products will require a different approach than existing products. Brand expectations and associations that are already established for existing products will need to be communicated for new products.
- **Beware the damage of promotions**. It may be tempting to use in-store communications to showcase promotions. But for many reasons, ‘price brands’ will always be more successful at offering the lowest cost. The long term risk to overall brand equity may outweigh the benefit of short term sales.



Source : EquityBuilder database

THREE: Consideration

Consider and Plan for your medium carefully

Of course, communicating effectively poses challenges in all mediums. In-store is no exception. For example, in digital, communications compete with online content to be noticed. In the store environment, in-store communications must compete with a shelf of full of visually engaging packaging, shoppers determined to find and select products as quickly as possible, as well as retailers' visions and plans for that section of the store.

To ensure that in-store communications stand out, consider its potential placement in-store. Will it be a stand-alone display, or at-shelf together with your brand's packaging and your competitors? Will it be at eye-level or outside of that ideal range? Once you have that in mind, creative options and considerations may come more easily, like:

- How can the creative and the packaging work together to build the most impact compared to competitors
- How to get consumers to look up or look down, or to grab them quickly at eye level
- Do I want to drive usage or frequency
- What type of display will work for the potential location in-store

Furthermore, partnering with Retailers can potentially be mutually beneficial. Aligning on objectives that work for your brand and the retailer ahead of time will foster cooperation and the potential ability to more easily create great communications.

To make maximizing the potential of your in-store communications and the impact on your brand even easier, remember the three "Cs": **Consistency** (with other communications), **Creativity** (Creative is King) and careful **Consideration** (of your medium).

THREE WAYS TO ENSURING YOUR PACKAGING BUILDS BRAND RESONANCE AND DESIRE.

Based on our years of research, communicating effectively on pack can be summarized in three points:

ONE: Keep it Consistently Simple

Great packaging instantly triggers consumers' associations with the brand, including the same needs, values and emotions as other communications. And the easy way to ensure this is to leverage the logos, mnemonics, taglines, tone, personality and senses in the exact same way as with other touchpoints.

A great example of this is Colgate Optic White. The same brand cues that are built through other touchpoints are leveraged on the pack. The pack leverages the same tagline, color and tone that are dominant in the TVC. It even integrates the sparkle that comes from bright, white teeth.



But what also makes it a great example is the simplicity of the design. Despite it being a new product launch pack, it does not fall prey to using too much copy as a way to create resonance and persuasion (just the key benefit). Recognizing that each touchpoint has a unique role and contributes to the brand based on its specific strength, it is designed for maximum shelf impact and engagement at-shelf. That is how it works to motivate.

Of course, simple consistency also applies to sub-brands/skus. The layout and delivery of information should be the same from sku to sku to help consumers determine which is “their” sku. Determine the one or two key elements that help with differentiation and build those cues in from the beginning, like Downy did with its caps and its labels.



However, when given the opportunity to renovate a pack, it can be tempting to try and stretch as far as possible. But, imagine a shopper at a crowded shelf looking for their one brand and having a difficult time because:

- Their important brand cues and mnemonics are missing
- The color blocking they are used to finding has shifted
- Their sku differentiators have changed
- The format and shape has evolved too much from the original design

Consumers will not work hard to understand your packaging: do not underestimate what elements must be maintained, that are linked to your brand's desire to ensure brand purchasers can still find their brand on shelf. In one case we worked on, the brand's original packaging renovation resulted in its losing its category leadership position. Our research confirmed the key hypothesis: they had lost share because they had changed the sku differentiation scheme. But they had also removed an important mnemonic. The interesting note about the mnemonic was that the brand team did not feel it warranted such status. Consumers did. The final result was a pack that better communicated sku differentiation, and quickly triggered the right brand associations through an updated take on the mnemonic.

TWO: Ensure the right physiological response

At-shelf impact of the pack is physiological and is driven by contrast. Contrast can be driven by color and brightness – for example, bright white amongst a shelf of dark colors (like the President's Choice packs below).



It can also be driven by packaging structure, and using creative or unique shapes, like what Tide has done with its new Pods product.



Not unexpectedly, engagement is assisted by textured backgrounds and a nice balance of imagery, as a pack that is too bland will cause consumers to move on too quickly. It can also be driven by the tone of the packaging. For example we have found that in some categories:

- Movement (swirls/slanted font) conveys energy;
- Uppercase font can imply strength and boldness; and
- Lowercase font can suggest casual and friendly

But so too will a confusing scanning pattern on pack:

- The brand wordmark should be the first element noted. *As our research has demonstrated over and over again, don't cloud the wordmark or cover it with other elements that are distracting, especially if it carries strong brand equity and resonance.*
- The remaining packaging elements need to work together - not work against each other. All critical elements must be designed to flow from one to other, in line with the communication hierarchy, to aid visual consumption and to increase the likelihood that all elements will get noticed. *Again, our research has demonstrated that graphic elements can often interfere with the impact of messaging if they draw their eye in the wrong direction (away from the key information and the brand wordmark).*

THREE: Remember you are amongst your competitors

Store shelves are cluttered. Different manufacturer or store brands are often on promotion. Consumers often spend **under 10 seconds** viewing a shelf in-store.

Not only does your brand need to stand out, it needs to be differentiated from your competitors. Of course, color is an instant cue – so do not stray too far into competitive territory, even if it is intended to help with sku differentiation. And ensure that the minimal copy is sufficiently differentiated from your key competition so as to prevent confusion.

Also, do not create your brand's pack in isolation – consider the packaging it may sit beside on shelf. Keep in mind what might work to catch attention, or what might be a barrier to attention. In our experience, even very vibrant and engaging packaging can simply fade away when finally placed on shelf because of what it is surrounded by:

- For example, white packaging is attention grabbing, but it often acts as a barrier to consumers' gaze moving down the shelf more. If your brand is on a lower shelf, it might not get noticed.
- Highly textured packs have a lot of at-shelf impact, which may work for or against your pack, as they will distract from other packs and hold attention.

Packaging is the last hurdle to overcome before purchase. With these three points in mind, your brand should leap successfully.

IN SUMMARY...

In-store and at-shelf is a lean-in medium. But shoppers are leaning in to find the type of product that will meet their needs, not necessarily to pay attention to your communications. By ensuring that your **in-store communications** and **packaging** also connect your brand to your consumers' needs and aspirations, you are more likely to have an impact.

ON LOCAL GROUND: SWEDEN

Winning Awards and Market Share in the Grocery Category: How Sweden's ICA grocery chain is building its private label brands.

As with other countries around the globe, private label brands are quickly improving their positions in the Swedish retail market. And unlike some more developed markets, like the UK for instance, there is still room for growth. Manufacturer brands have had to be very innovative, launching new products with high quality in order to compete.

Competing with private label is especially challenging, when the competition is winning Cannes Lions and market share with their ongoing campaign. In 2002, a national grocery store chain, ICA, launched a new communications campaign: the creative was built to be like a soap opera with "the actors" working at ICA stores. Each TVC runs for two weeks, before it is changed, supported by ~400TRPs per week.

A popular campaign in Sweden, it has recently celebrated its 10 year anniversary. Not only has the campaign won several awards at the Cannes Lion Festivals but ICA has improved their position, market share and profit.



ON LOCAL GROUND: CANADA

How a Private Label brand moved from 30 Grocery Stores to Fifth Avenue, New York City

In 2006, Loblaw Inc., known for its Canadian grocery banners and President's Choice private label, launched a new private label brand called Joe Fresh. It was just one small part of the strategy to compete against the northward push of Wal-Mart Super Centers and other US retail giants. But Joe Fresh was not a food or a food focused brand, it was a clothing brand. With a starting presence in 30 Loblaw banner stores throughout Canada, Joe Fresh was set to offer a "twist on affordable style". It offered a collection of women's and men's clothing "perfect for life's everyday adventures at everyday prices." As a store, within a store, customers could potentially purchase a new wardrobe along with a basket of groceries.

Since that time, Joe Fresh has grown tremendously, both in overall collection, but also in presence:

- In 2007, it launched a children's line.
- In 2008, it started a cosmetics line.
- In 2009, a bath collection was introduced.
- In 2010, its very first stand-alone flagship store opened in Vancouver, BC



Key to the success of the brand were:

- **The designer:** Joseph Mimran, founder of style leader Club Monaco.
- **Its offer:** high quality fashion essentials at exceptional value. When it launched, all items retailed for under \$59, with the average item priced at \$15.
- **The stores within stores:** comfortable, bright, easy to navigate spaces that allowed shopping carts to move through without difficulty
- **Its communications campaign:** Modern, elegant and chic, it fit with the brand and the stores. And the original concept is still used today.

And since 2011, Joe Fresh has launched its affordable and stylish collection south of the border in the US. Its first flagship store opened up in New York City in early 2011. Capitalizing on the summer vacation season it opened a Summer Store in the Hamptons that year. And in October, 2012, it opened its new New York flagship location on Fifth Avenue. Now, it is partnering with a new retailer, JC Penney. As part of its transformation, JC Penny will offer Joe Fresh clothing in 700 locations in early 2013. Joe Fresh is now a brand in its own right.

Ipsos ASI Reflections

Inspiration for Action

Reflections is a recurring thought leadership initiative and resource for clients of Ipsos ASI.

Each edition features insight, research, viewpoints from country leaders, and creative examples to help you maximize your brand, communication, and advertising efforts.

About Ipsos ASI

The Advertising Research Specialists

Ipsos ASI is a leading global research agency specializing in advertising and brand communications. Offering state-of-the-art research solutions that employ measures predictive of in-market performance, our research helps clients build stronger brands.

Our areas of expertise include all aspects of advertising development and in-market evaluation across traditional and emerging media. Ipsos ASI's goal is to help clients deliver the right message at the right time across the right media to deliver the best return for their brand.

The Ipsos ASI team of brand and communications research experts is a global community of specialists who are passionate about advertising. From concept development to production, from final execution and into post-implementation performance, we help inform client decisions at every stage of the process.

To learn more about Ipsos ASI, visit www.ipsos.com/asi

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Ipsos ASI is a member of the Ipsos Group, a leading global survey-based research company. Ipsos member companies offer expertise in advertising, customer loyalty, marketing, media, and public affairs research, as well as forecasting, modeling, and consulting. With offices in 66 countries, the Paris-based company was founded in 1975.

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Ipsos Marketing aims at transforming consumer insights into our clients' competitive advantage. We offer innovative contractual models to better manage Market Research resources. We distribute insights in real-time within clients' organizations by leveraging technology and activation sessions. We integrate knowledge by combining various sources of data.

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