Assumptions vs. Reality

GfK Consumer Panel Services

Ladislav Csengeri | GfK | Consumer Panel Services

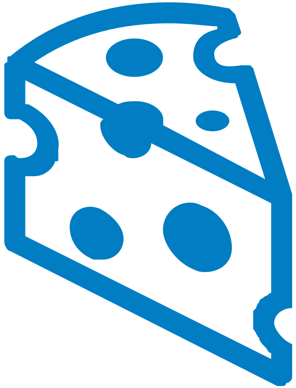
Case studies

Targeting

De-/Listing

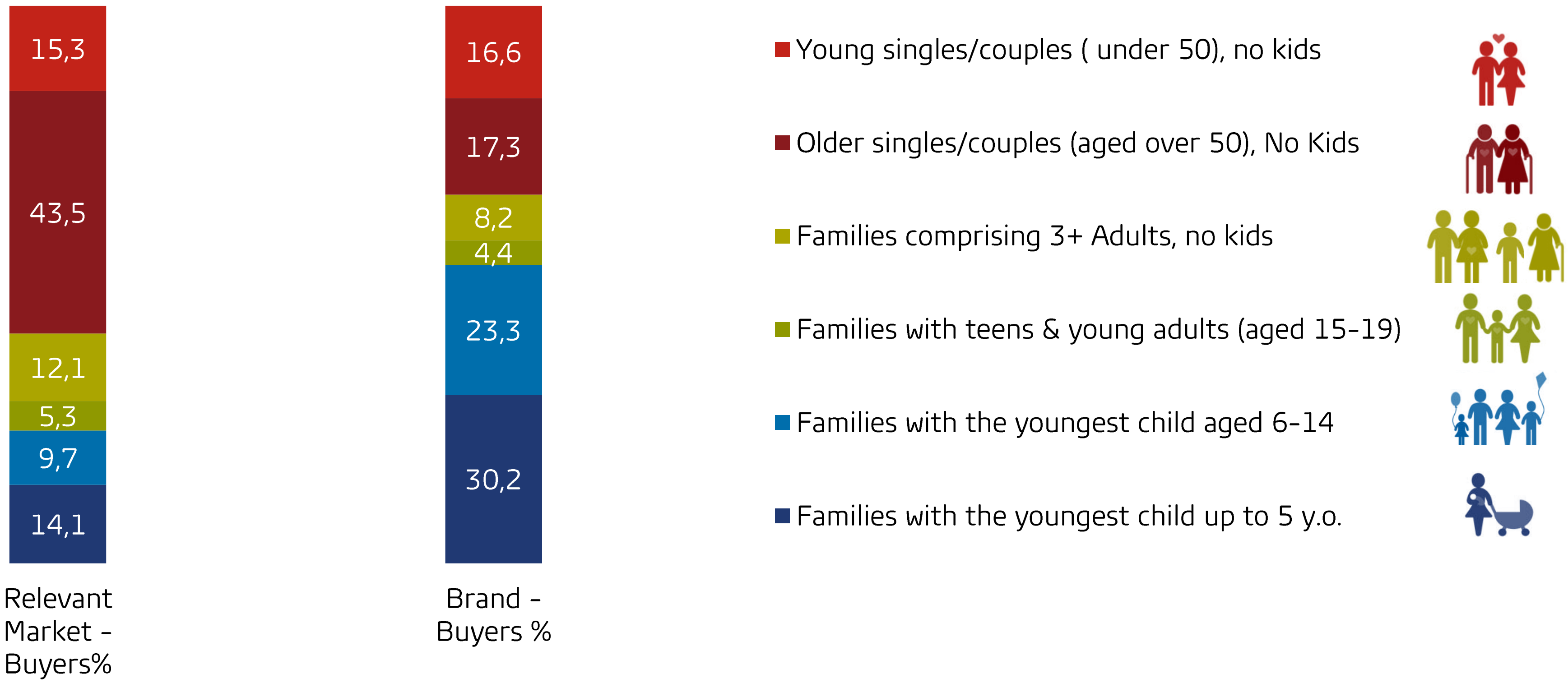
Who is our buyer or who do we like our buyer to be?

Czech Republic: Cheese Brand

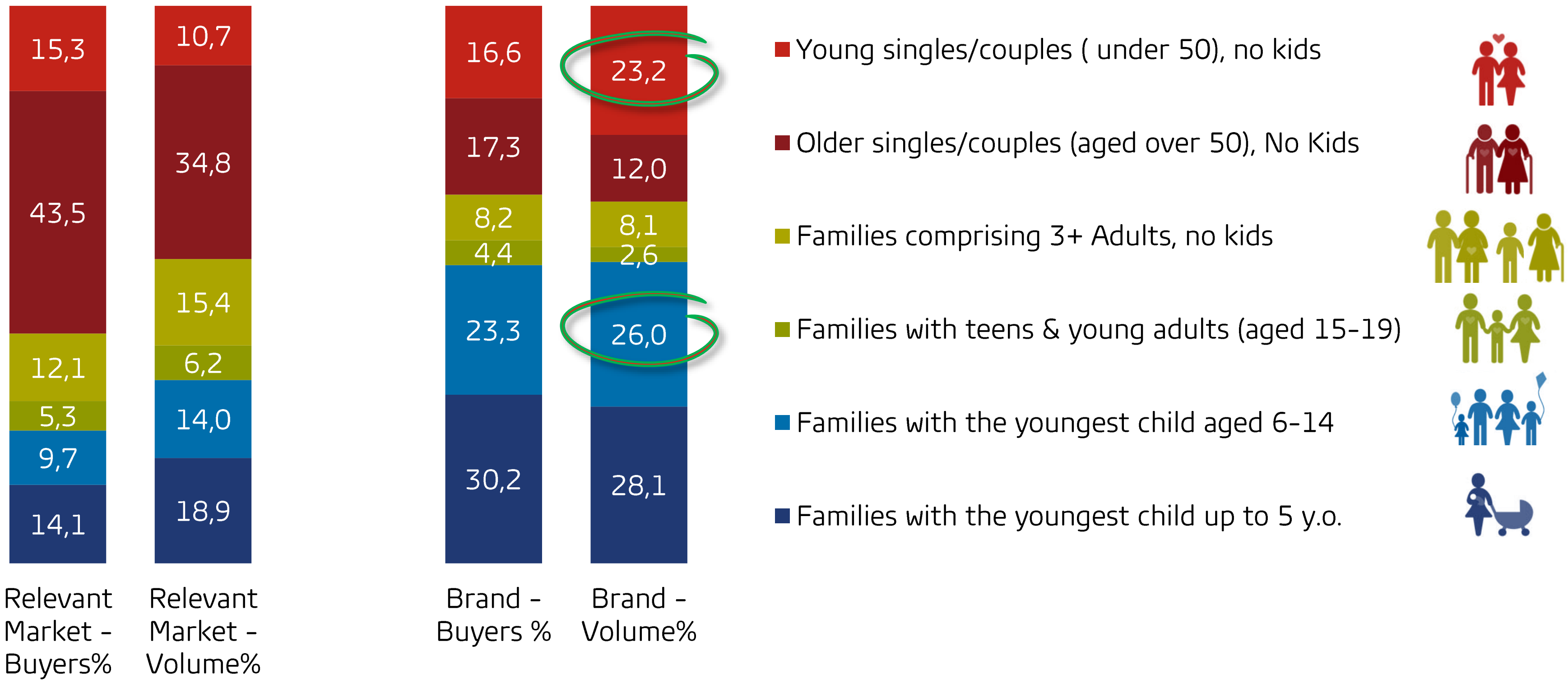


- » Internationally well established and known brand
- » Increased focus on and re-launch of the brand in the Czech & Slovak Republic
- » **Main Target: children and kids**
- » Objective: Proof of target group | who is the shopper?

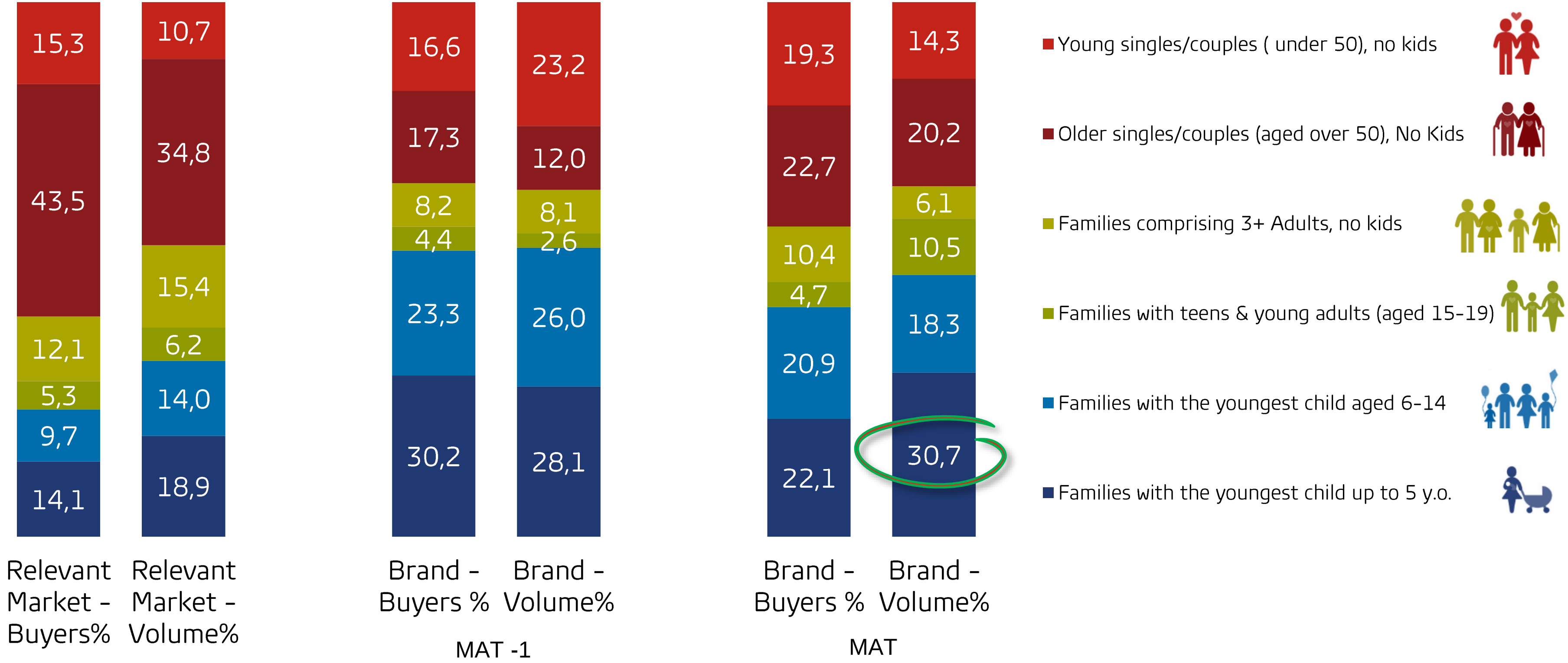
Brand attracts besides families with youngest kids and schoolchildren also young adults…



… who are over-proportionally important for the brand.

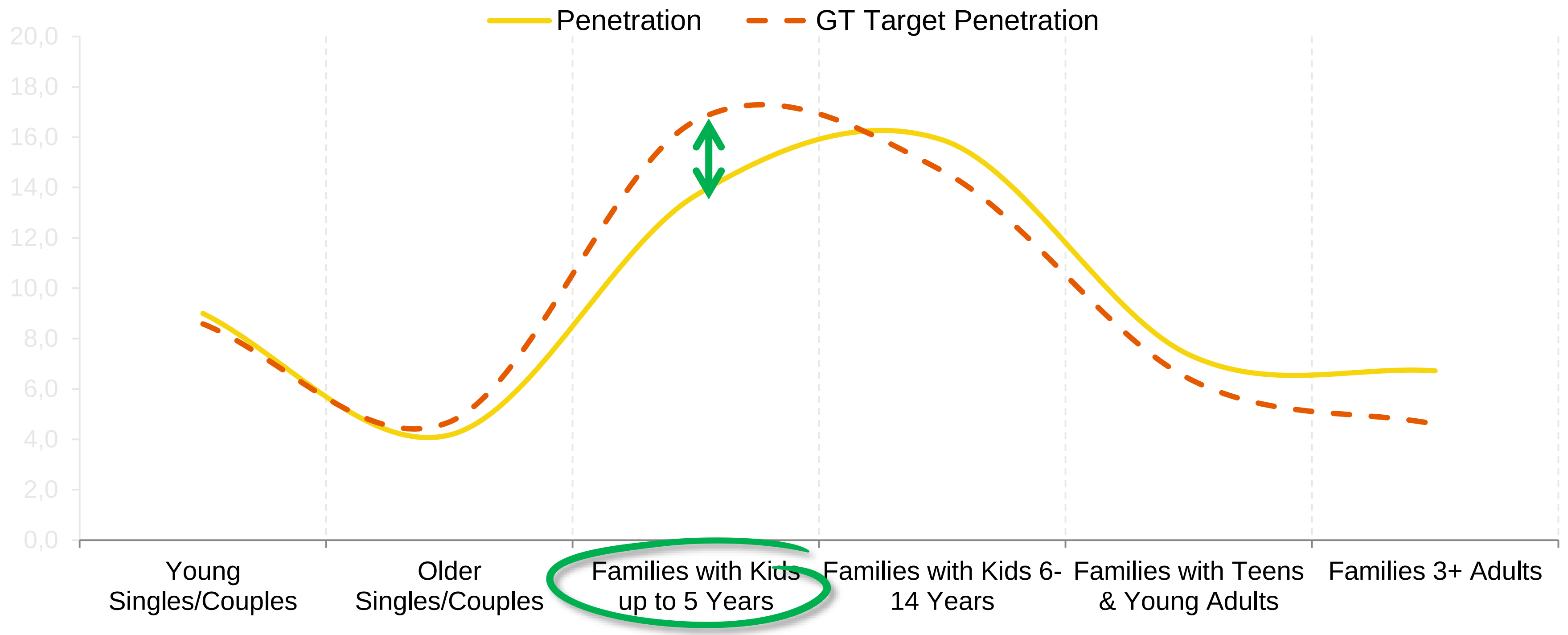


More intensive communication and activities helped to strengthen the positioning within the group of families with kids.



Considering the category, brand has still room for growth within the core target group

Penetration Signature | Household Life Cycle

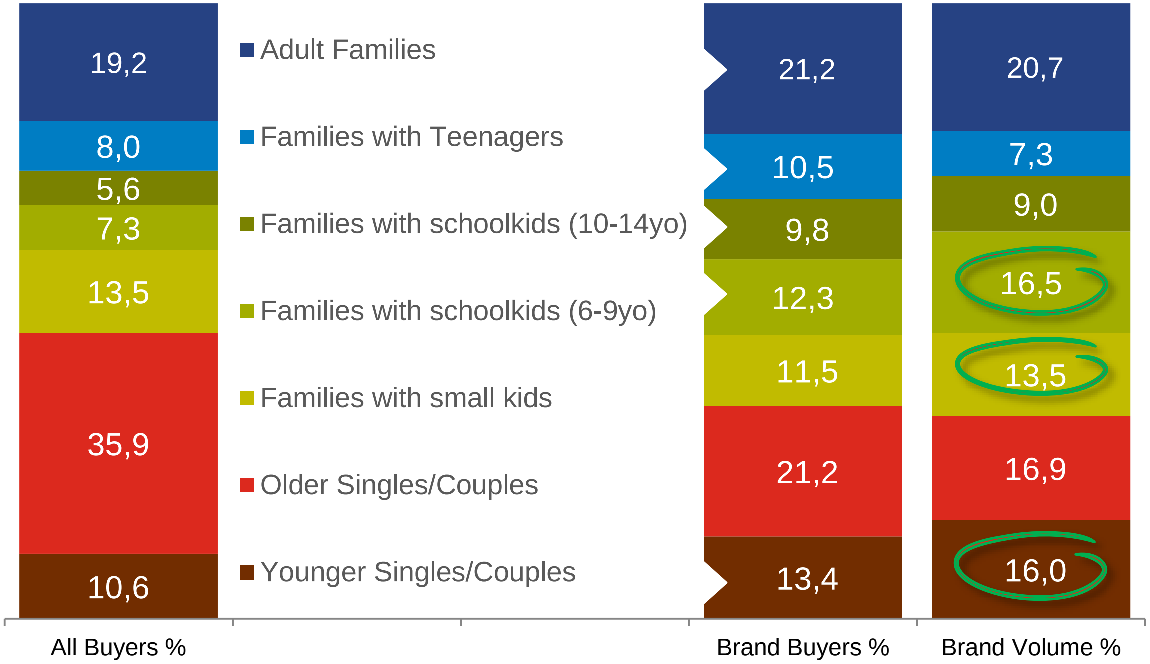


Slovakia: Milk Drinks

- Growing brand of competitor attracted the attention of one of the big dairy producers
- Brand managed to gain new buyers which was the main driver of the growth.

- Who is buying the brand and is there a potential for us within this segment with our brands?

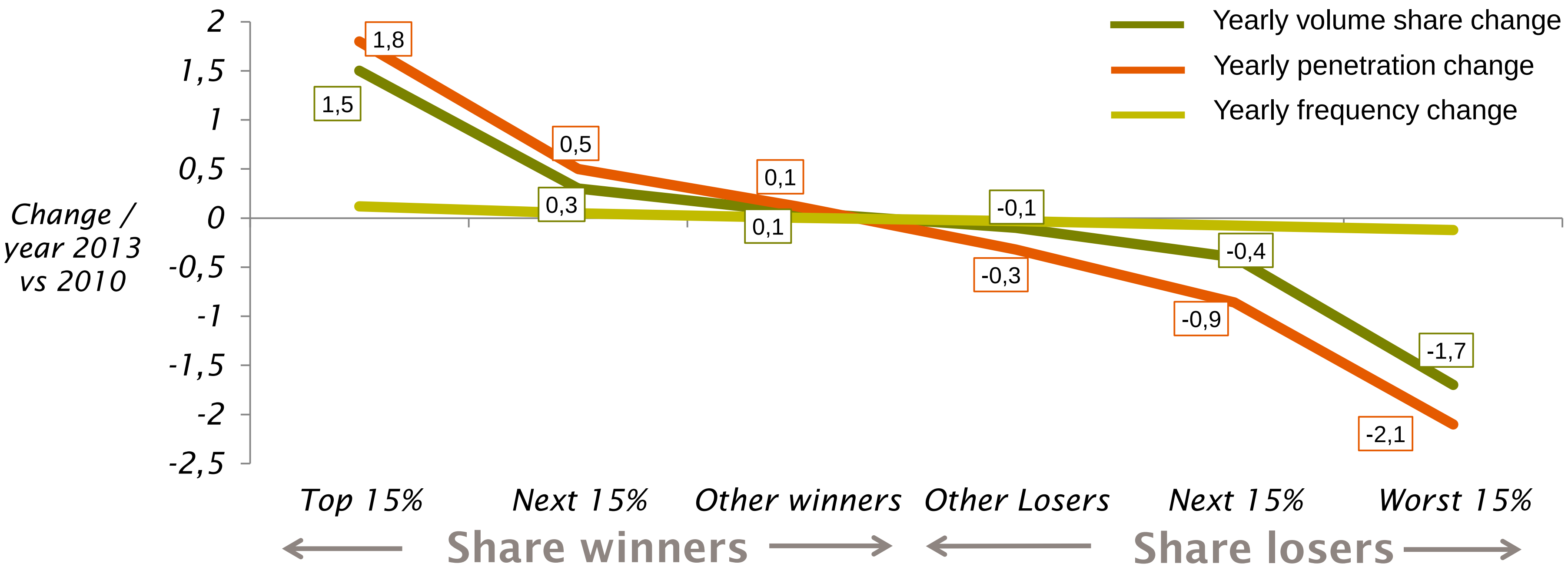
As a surprise, the brand has over-proportionally and intensive buyers within families with schoolkids



Mueller Milch: Volume %

How important are brands for the category in the retailer and what impact may cause a wrong decision about de-/listing?

Penetration impacts brand's positive development the most



Six share growth tiers are based on **absolute** change per year for 8081 top 10 category brands in 79 categories in 16 countries: For example the "Top 15%" tier contains the 15% of brands with the highest absolute market share gain between 2010 and 2013.

Penetration refers to the percentage of category buying households buying this brand. ***Frequency*** refers to the number of purchases for a specific brand per household per year.

n=9918 brands from 16 countries

Penetration is key for sustainable growth.
Assortment optimization according to penetration importance

Chocolate Tablets: 2012		Penetration: 94,9%		
Rank		accumulated rel. penetration (perc.)		single rel. penetration (perc.)
1	SKU 1		28	27,7
2	SKU 2	27,7	15	22,8
3	SKU 3	43,0	11	23,1
4	SKU 4	53,5	8	24,4
5	SKU 5	61,2	6	20,5
6	SKU 6	67,1	3	14,0
7	SKU 7	69,8	2	8,1
8	SKU 8	72,2	2	13,8
9	SKU 9	74,5	2	8,2
10	SKU 10	76,4	2	22,9
11	SKU 11	78,1	2	10,5
12	SKU 12	79,7	1	13,5
13	SKU 13	81,0	1	11,0
14	SKU 14	82,2	1	5,3
15	SKU 15	83,4	1	5,5
16	SKU 16	84,4	1	9,3
17	SKU 17	85,3	1	8,1
18	SKU 18	86,2	1	6,0
19	SKU 19	87,0	1	7,8
20	SKU 20	87,7	1	2,2

Duplicators New buyers Exclusive new buyers

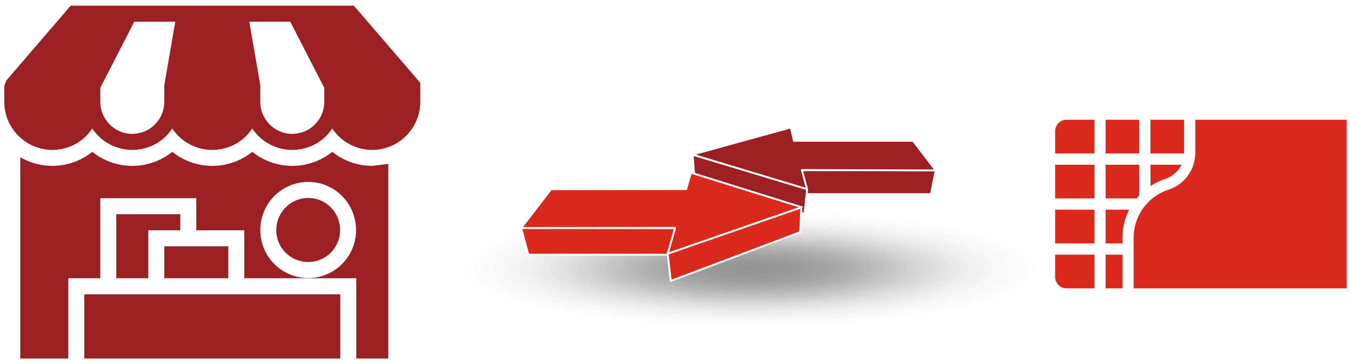
Which retailer is targeting the most of the chocolate tablets buyers?

Chocolate Tablets: 2012		Penetration: 94,9%			
Rank		accumulated rel. penetration (perc.)			single rel. penetration (perc.)
		Duplicators	New buyers	Exclusive new buyers	
1	Retailer 1		45	4	48,5
2	Retailer 2	48,5	21	4	45,6
3	Retailer 3	73,5	9	2	41,8
4	Retailer 4	84,5	5	1	32,2
5	Retailer 5	90,3	1	3	34,9
6	Retailer 6	94,5	1	1	38,7
7	Retailer 7	96,8		1	15,6
8	Retailer 8	98,2		1	22,3
9	Retailer 9	99,5			14,9
10	Retailer 10	99,9			5,9

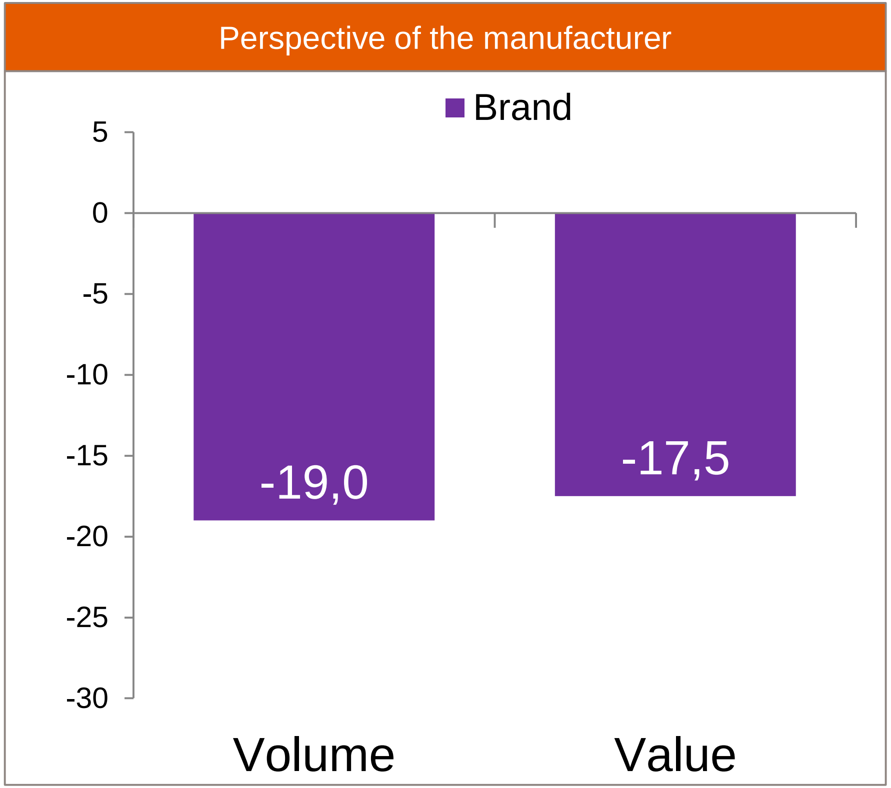
Duplicators New buyers Exclusive new buyers

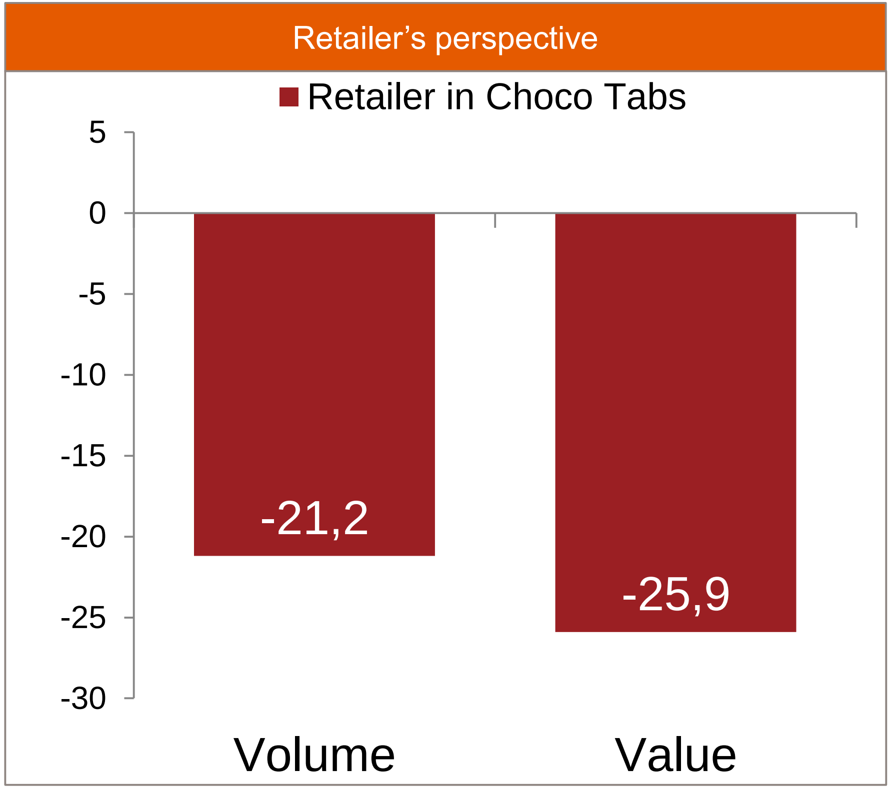
Case Study Czech Republic: Listing/Delisting Impact Analysis

What impact will have a delisting of the brand in the retailer?



By delisting of the brand, retailer suffers steeper decline than the brand itself.

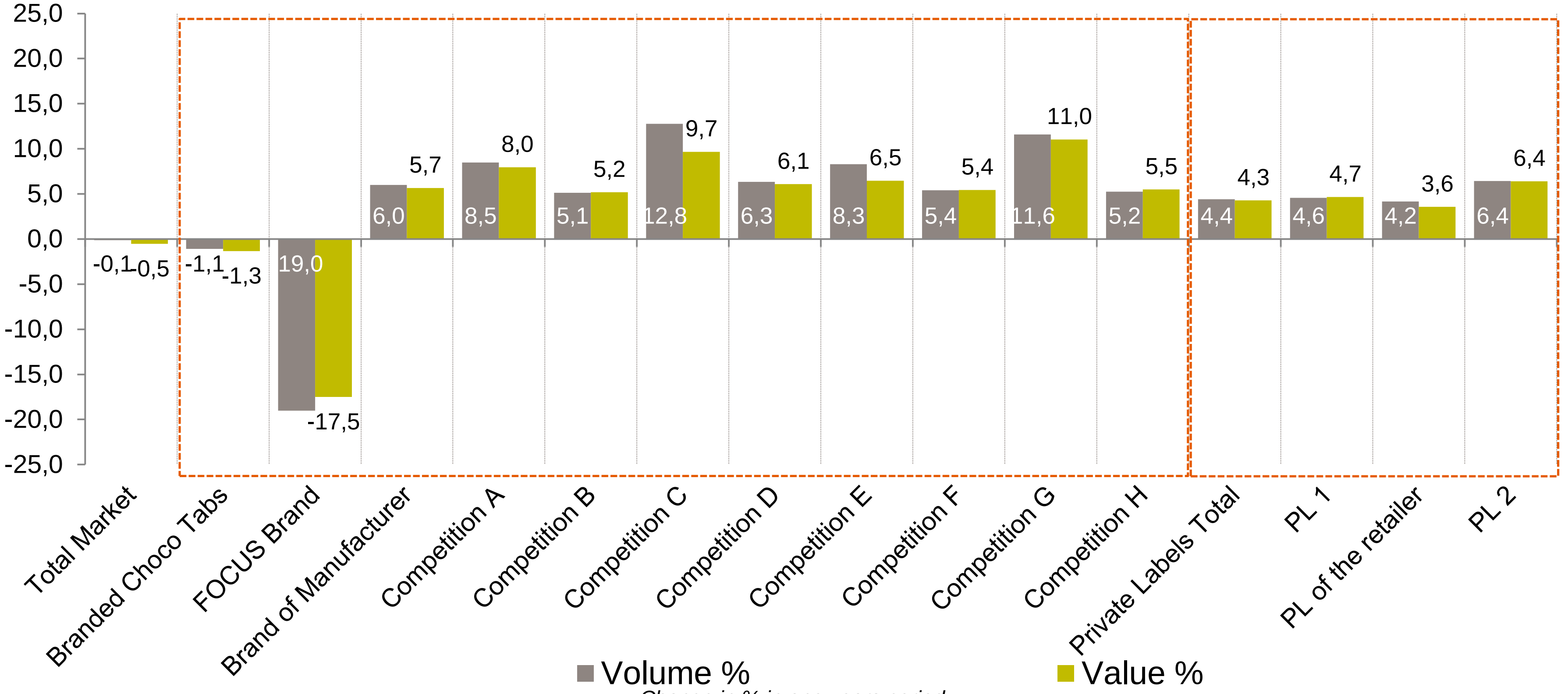




Change in % in one years period

Delisting impact on other player and total market

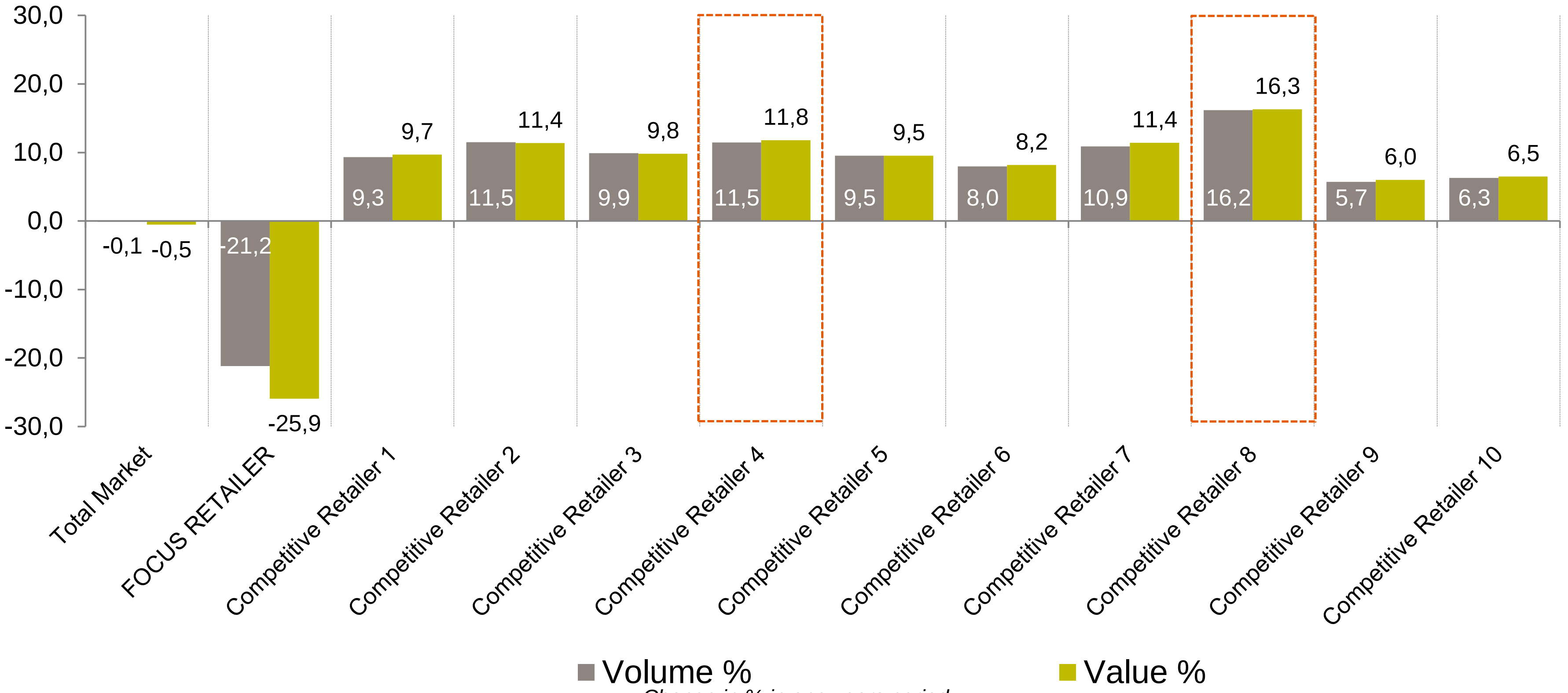
Manufacturer partially compensates the losses thanks to its other brands. However competitor brands G and C are gaining on its behalf.



Change in % in one years period

Delisting impact on other retailers in the market

retailer’s main competitor will grow the most is brand delisted from the retailer



Change in % in one years period

Who will suffer the most out of the suppliers and when will the retailer lose the least?

Several market scenarios

Annual Change in Value %		
Delisting in the retailer of the brand…	**Value change % of BRAND on TOTAL MARKET**	**Value Change % of CATEGORY in RETAILER**
Analyzed Brand	-17,5	-25,9
Other Brand of the manufacturer	-22,0	-7,4
Competitor 1	-21,4	-24,5
Competitor 2	-31,4	-7,8
Competitor 3	-21,7	-2,2

Analyzed Brand and Competitor 1 are not recommended to be delisted in the retailer, as the retailer loses the most within the category.

Thank you.

GfK. Growth from Knowledge

Ladislav Csengeri | Consumer Panel Services CZSK | Ladislav.Csengeri@gfk.com