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AGENCY



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CLIENT



SuperValu
Real Food, Real People

AWARDS

NEW LAUNCH
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COMPANY PROFILE

The DDFH&B Group consists of DDFH&B Advertising, Goosebump, The Reputations Agency, RMG and Mindshare Media – making it one of the largest Irish companies in creative advertising, media buying and customer relationship/digital marketing. Together, they provide channel-neutral, integrated marketing communications campaigns that deliver real, measurable results. They achieve this level of integration by working in a number of small, multi-disciplined teams, calling it ‘fun sizing’. They continue to be one of the most successful agencies in Ireland, working with clients such as Kerry Foods, SuperValu, The National Lottery, eircom and Fáilte Ireland as well as new clients including Littlewoods, and Molson Coors.

[1] IGD Retail Analysis, 2012.

[2] Empathy Research, 2013.

INTRODUCTION & BACKGROUND

This is a story about how SuperValu reclaimed their Irish positioning in the market and championed Irish food quality in a way that had never been done by a supermarket before.

The SuperValu brand was under pressure from discounters. Loyalty to Irish retailers and brands had diminished. In a 2013 study by Bord Bia, over 60% of Irish consumers said they shop in German discounter stores at least once a month. The best value could no longer be delivered by one retailer, consumers were 'shopping the market' for the best of the supermarkets through deals, vouchers and own brand.

To address the market demand for value, the majority of SuperValu activity in recent years had been supporting their mid-tier own brand, SuperValu Range. The phenomenally successful launch of this range in 2012 had made it a discriminating factor in store choice (and won the Grand Prix ADFX award!). Although sales were excellent and footfall had increased, share of spend was down as people switched out of branded products. SuperValu now needed to find new avenues to build loyalty and grow revenue.

The discounters had evolved their positioning from unapologetically cheap to reasonable quality at low prices and more recently to affordable luxury with their top tier ranges. In the UK, Tesco had also relaunched their top tier range, Tesco Finest.

There was great potential for top tier growth. In the UK it was +5% YOY ahead of mid-tier and brands[1] and in Ireland, six out of ten Irish shoppers buy products from retailer premium own brand ranges such as Tesco Finest or Dunnes Simply Better at least once a week.[2]

SuperValu saw an opportunity to grow revenue by revamping their Supreme range which had never had any serious support above the line and needed to work harder.

MARKETING OBJECTIVES

1. Commercial objectives

- ▶ Target sales growth for the new top tier range was set at 5.2%. Supreme was tracking at +3.18% growth per annum.
- ▶ Target sales were set at €15.2m.

2. Marketing objectives:

Strengthen brand credentials

Re-launching their top tier range gave SuperValu an opportunity to drive overall brand credentials. SuperValu needed to win back their local and Irish positioning. This was traditionally and credibly their stronghold but discounters were increasingly using reassurance cues such as the Irish flag, quality assurance mark and communications featuring Irish suppliers. The bulk of SuperValu's new top tier range was going to be, as much as possible, Irish sourced (even SuperValu hadn't found a way to grow an Irish coffee bean yet).

At the time of launch, SuperValu was in campaign with their new brand platform 'We Believe'.

This was developed to bring consumers closer to the brand by demonstrating shared beliefs between SuperValu, its consumers and suppliers.

The launch campaign of the top tier range was one of the first initiatives under this new platform so we needed to do it justice.

MARKETING OBJECTIVES

Target audience

We needed to win back two important segments for SuperValu, Better-Off Families and Pre-Retireds. Some of them were shopping elsewhere in the hunt for better value. For Better-Off Families own brand, baby and fresh food were important. Pre-Retired segments tend to be savvy shoppers. While value is important, both also look for quality opportunities at the right price.

We knew that these groups were spending less in SuperValu and we could not afford to lose them. We also needed to build loyalty with existing customers.

Reassure Superquinn shoppers

Another big task facing us was the recent announcement that Superquinn, another Musgrave owned retailer, was going to be taken over by SuperValu in 2014. Superquinn shoppers, unsettled by change, were now more likely than ever to switch to a competitor if steps were not taken to reassure them that their needs would be met by SuperValu. Superquinn shoppers, by nature, tended to be extremely loyal and hard to win over.

The time of our campaign (late October 2013) was a crucial time on the migration journey as the merging of brands is a fraught and risky business. According to McKinsey, the average merger has a 50% chance of resulting in reduced productivity or profit. We needed to show this audience that SuperValu's quality would stack up to what they were used to from Superquinn.

The role for communications

To successfully drive reappraisal of this top tier range, it could not just be a revamp or a rename of the existing SuperValu Supreme range. It needed to be a full repositioning. In order to succeed, we needed a launch campaign that would win over our audiences and give them a clear and motivating reason to purchase our range ahead of the top tier offerings from competitors such as Lidl Deluxe, Tesco Finest or Dunnes Simply Better.

[1] Retail Markets Today & Tomorrow In Ireland & the UK
Bord Bia (August 2011).

THE TASK

As part of a bigger brand strategy SuperValu knew that they needed to own local credentials, this was traditionally their stronghold and they needed to reclaim it.

Due to the saturation of Guaranteed Irish and Love Irish Food initiatives, simply stating that produce was Irish was diluting the message that the Irish provenance of food is both reassuring and compelling to people. According to Bord Bia[1] there was an opportunity for Irish producers to build a stronger brand around Irish food by adding a more distinctive identity beyond just being Irish.

Differentiating our approach

There had been a rise in supplier-led comms within the category in response to a greater consumer interest in food provenance in recent times. People wanted to buy local. Cognizant of this, the new top tier range was developed with quality and local sourcing as integral elements to how the range would be communicated.

Our challenge was how to communicate this in a distinctive way? If we were to cut-through in this category, we needed to make it a SuperValu story not just a supplier story.

Familiarity with the range but no engagement.

We knew from research that the majority of SuperValu shoppers were familiar with the Supreme range. Many recognised it when prompted but only a minority were able to name it. However, most consumers were only buying six to eight items a month at the most.

We were now competing with M&S, Tesco Finest and new entrants to the market such as the Deluxe range from Lidl. To shake people out of complacency this range needed to become more relevant and accessible if it was going to become part of people's everyday lives.

THE TASK

Convincing a more discerning Superquinn shopper that SuperValu is the same quality.

We also had a small group of very loyal consumers that we needed to retain with our launch. We knew from qualitative research with Superquinn shoppers that they had little understanding of the SuperValu brand, despite the strength of the brand nationally; the brand was significantly weaker in the Dublin area. They had a strong emotional bond to Superquinn and believed that the quality and experience they got there was worth travelling for or even spending a bit more money on. We needed to find a way to bring them with us and the launch was our opportunity to achieve this.

[1] Creating Shared Value. Porter and Kramer. Harvard Business Review. Jan-Feb 2011

THE STRATEGY

Our ongoing planning research threw up some interesting observations – as recessionary habits evolved and the trend for eating at home surged, consumers increasingly wanted to enjoy making and eating good food at home. We had become a nation of foodies.

Together with SuperValu we ran focus groups with our target audiences to understand the perceptions of top tier ranges and we tested several positionings and new brand identities.

In research we uncovered an insight that informed our strategy. People did not really associate Irish food from a supermarket with high quality or premium food. They associated farmers markets or small independent specialist shops with this kind of food. There are now over 150 farmers markets in Ireland and in 2013, over 31,000 people visited Taste of Dublin but there was the perception that no supermarket in Ireland was providing really excellent quality Irish food made by Irish producers.

Food scandals such as the horsemeat scandal had led to a heightened need for information. Reassurance came with the name of the supplier and provenance cues on pack. People needed to know where in Ireland the product came from, the back story and how it was produced. They also wanted to be able to see the product through the packaging. It was decided that the range would be named Signature Tastes to hero the independent suppliers creating the food.

Our audience were very interested in the idea of supporting local Irish producers. And not purely for economic reasons. They were passionate about the food they were producing. This highlighted to us that SuperValu and its customers were bound by a love of authentic food and community life. According to Porter and Kramer, “creating shared value (CSV) should supersede corporate social responsibility (CSR) in guiding the investments of companies in their communities. CSR programs focus mostly on reputation and only have a limited connection to the business, making them hard to justify and maintain in the long run...CSV leverages the unique resources and expertise of the company to create economic value by creating social value.” [1]



We believe in quality

SuperValu Signature Tastes

SERVE UP A LITTLE MAGIC THIS CHRISTMAS

€6.49

SUPERVALU SIGNATURE TASTES IRISH ORGANIC PASTRAMI SMOKED SALMON 100G

KEN ECOCK DUNNS SEAFARE

Dunns Seafare produce an amazing Irish, organic smoked salmon infused with pastrami for the SuperValu Signature Tastes range. Dunns believe that Irish food is the best in the world and there is nothing on par with Irish Organic Salmon. The pastrami used comes from Co. Wicklow, which combines a blend of 9 different herbs & spices rubbed into the salmon by hand and smoked over a unique blend of oak and apple wood. This is what creates a truly unique and delicious Irish product.

ALSO AVAILABLE IN **SUPERQUINN**

€64.95/kg. Prices correct at time of going to print 02/12/13. Available in participating stores only, while stocks last.

THE IDEA

The SuperValu Marketing team arranged a session with the key Irish producers they were working with on the Signature Tastes range. Our agency team got to taste the products and engage with the producers and our creative teams were struck by the excitement and the passion for the food we were sampling in this new range. It was the relationship between the supplier and SuperValu that inspired the campaign idea of 'Shared Beliefs'.

In order to differentiate from our competitors the campaign could not be simply a supplier story, or a range story. This was about showing the relationship between SuperValu and Signature Tastes suppliers and how together they create the best quality Irish food to be enjoyed by SuperValu shoppers.

Signature Tastes was further proof that SuperValu's belief system permeates all aspects of the business. The idea showcased SuperValu's genuine support of local suppliers, how hard they work to craft top quality Irish food and how they share a mutual love of food.

TV was our platform to really bring the idea of shared values to life. We made six executions, three of which had a more seasonal focus on Christmas, as the campaign launched in October. Each execution featured different suppliers talking about being challenged by SuperValu to make their best ever quality product. They describe the details of process of their food being created, and why it is so special and tastes so good. We used a split screen technique that allowed us to interview the supplier but also present quality shots of food with premium cues, ending on a full screen hero shot of the black Signature Tastes pack complete with the supplier's signature animating on screen. The brand and all of its packaging needed to reflect quality and have appetite appeal. But it needed to feel accessible.

Radio executions also featured the individual suppliers describing how they produce the food and their relationship with SuperValu.

THE IDEA


To really drive awareness of the launch and to gain quick momentum, SuperValu's media agency Starcom planned a heavy weight television campaign delivering nearly 1500 TVRs. In the first two weeks of the campaign alone, the TV reached 78% of the population 8.4 times each.

In Outdoor, Dublin was given more focus than in previous campaigns in order to reach our target audience of Superquinn shoppers and because SuperValu were so close to merging with Superquinn. 6 sheets and double sided Adshel specials were chosen in key locations as close to local SuperValu stores as possible. The outdoor had the same quality cues as the television executions with recognisable branding from the Signature Tastes packaging.

Press executions ran in The Sunday Independent Life magazine and The Irish Times magazine emphasising the quality cues of the range.

Digital activity really told the story of the individual suppliers and showcased their products. Multi format display ads, an interactive map of Ireland on supervalu.ie hosting supplier videos and a product range catalogue providing a supplier listing were used to showcase the provenance, quality and craft involved.

PR launched with blind taste tests in St. Stephen's Green with Masterchef's Nick Munier.



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Mains...

FROM €4

Sides & Desserts...

ANY 2 FOR €4

ED SPELMAN BALLYMAGUIRE FOODS

"We believe in high quality, locally sourced food & giving back to the community"

CELEBRATING THE BEST FOR IRISH TASTES

Also available in SUPERQUINN

THE RESULTS

Commercial objectives

Growth exceeded target

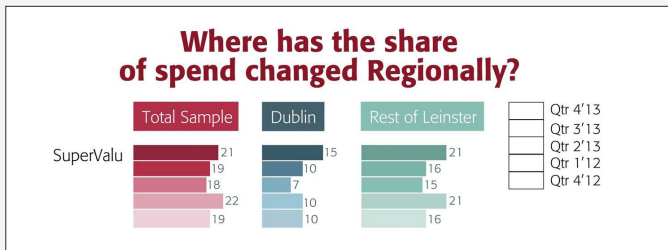
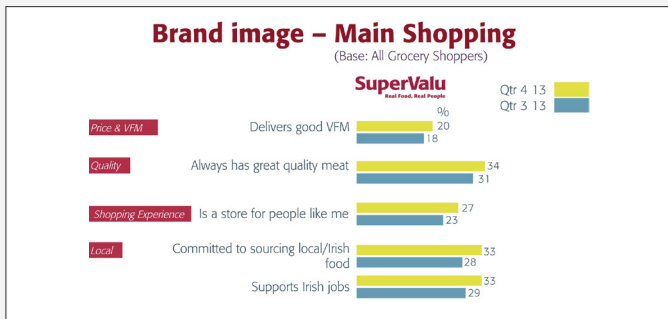
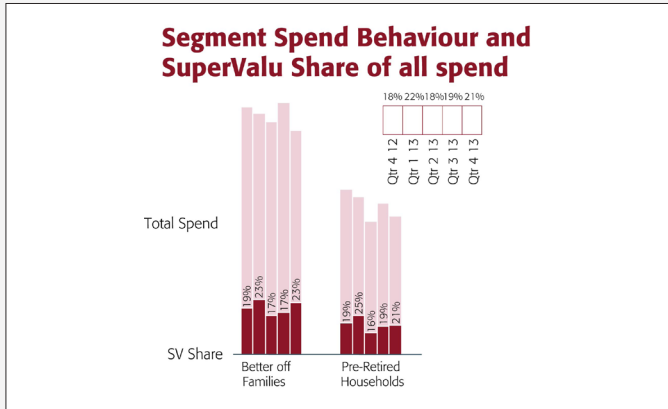
- ▶ Prior to the Signature Tastes campaign launch, the Supreme range was tracking at +3.18% growth per annum.
- ▶ From the launch period until the end of the year (23rd October - 23rd December 2013) the range grew by +38.54%, representing +12.14% growth by year end, versus target growth of 5.2%.

Sales exceeded target

- ▶ 2013 total sales of Signature Tastes very strong, an increase on the target 17.1%

Individual products sales soared

- ▶ By the end of 2013, there were several highlights amongst individual categories and evidence linking sales of specific products and the TV advertising schedule.
- ▶ Dine In: +39.4% YOY growth - TV drove particularly strong sales weeks 44-47
- ▶ Pre Packaged Cooked Meats: +67.4% YOY growth - TV drove particularly strong sales weeks 44-47



THE RESULTS

Marketing objectives

Target audience

SuperValu won back Better Off Families and Pre Retired segments

SuperValu made strong gains in Better off Families year on year. (Q4 2012 19% rose to Q4 2014 23%) This is made more impressive by the fact that this segment is spending less on main shop in their total spend. We also made gains with Pre Retirees year on year, going from 19% to 21% spend.

We needed to strengthen brand credentials

SuperValu needed to own local credentials and we achieved this objective and built overall brand credentials at the same time. In 'Committed to sourcing local and Irish food' and 'Supports local jobs' we achieved a 10% lead on our nearest competitor. We achieved a 5% lead on our nearest competitor in brand affinity too ('Is a store for people like me'). We achieved a good lift on quality credentials too, especially quality meat (achieving a 12% lead on nearest competitor while maintaining on 'always has great quality fruit and veg'.

We needed to reassure Superquinn shoppers:

The Signature Tastes range far exceeded its targets in Superquinn Stores. By February this year the range was expected to achieve 0.5% of overall Superquinn sales but it has achieved a phenomenal 2.2% of overall sales which represented €1m more revenue than expected. In SuperValu stores the comparative figure was over 1% of overall sales. So we won over our sceptical Superquinn shopper, which was an important part of our strategy.

From tracking we also saw big increases in share of spend in Dublin and the rest of Leinster year on year which bode well for SuperValu's takeover of Superquinn in 2014.

THE RESULTS

Build loyalty with existing customers

- ▶ Our net advocacy rating shifted from +12 in Q3 2013 to +17 Q4 2013
- ▶ Advocates held steady at 5%
- ▶ Friends increased from 18 – 21%

The role for communications

The advertising cut through with total recall of 78%. This was particularly strong with main SuperValu shoppers (91%), Better Off families (81%) Pre-Retirees (77%). When we compare this to the same period the previous year, it represents a 12% increase in recall for SuperValu. SuperValu and Aldi are the highest recalled brands in the category which is good for SuperValu because Aldi outspent them throughout the year with a 20% share of voice. Tesco achieved recall of 74%, Dunnes were recalled at 56% and Lidl at 73% during this period.

The digital campaign results were very strong. Activity ran across VOD, Mobile, and Display. Overall they achieved 7,275,807 (ad impressions) with over 30,001 clicks to the SuperValu Real Food Signature website. Overall click through rate of 0.42% (the average CTR of a standard banner is 0.14%). The unique reach was 1,964, 655 and the average frequency was 3.

Estimating net profit and ROMI

To calculate net profit, we firstly had to calculate the value of incremental sales. Pre launch, SuperValu Supreme range was tracking at +3.18% without marketing support so we can assume that our base sales would have continued to year end at this rate.

THE RESULTS

Actual sales- Base sales = Incremental sales

- ▶ $Net\ Profit = incremental\ Sales \times total\ margin\ \%$

The return on marketing investment was very strong and made more impressive by the fact we achieved this within 11 weeks.

- ▶ $ROMI - (Net\ profit / cost\ of\ campaign) * 100 = 143\%$

Discounting Factors

1. Christmas Spending

Sales of Signature Tastes over Christmas were phenomenal which poses the question whether or not the range was thriving to such an extent because of the festive time of year where people tend to blow the budget on more premium food. By week 48 sales were up 38% year on year, by week 50 sales were up 41% and up 80% year on year in the final week of December.

However, sales have maintained a very strong performance into January and February, by week 2 2014 sales were still up 47% year on year and by week 5 2014 sales were up 36% year on year which illustrates that this was not just a Christmas behaviour. Our shoppers had bought into the new range beyond it being a treat and they are continuing to buy it.

2. The effect of our 'We Believe' campaign.

The We Believe campaign would have undoubtedly had a halo effect on brand credentials. However, We Believe launched in July and ran until November with most of the messaging being weighted towards value. The Signature Tastes campaign was primarily focused on Local, Irish and Quality messages where we saw big uplifts in these credentials in the last two months of the year.

THE IMPACT

This campaign was an initiative to support the new brand positioning of We Believe. While the role of this launch was undoubtedly to grow revenue and loyalty for SuperValu it also proved that they genuinely support their local community and can leverage their resources to create economic value by creating social value.

Our loyalty and advocacy ratings improved in tracking which further suggests that consumer perceptions and affinity with the brand improved during campaign period and our audience were recommending SuperValu.

NEW LEARNINGS

This campaign repositioned Irish food as a premium quality choice. At times buying Irish may have felt like a favour or a compromise to some people. However, Signature Tastes turned the kind of food that people were buying in farmers markets at the weekends into something that could become day to day through its availability in your your local supermarket.

The Signature Tastes campaign also allowed us to win over a highly attached and niche group of sceptics who thought they would never switch from Superquinn to SuperValu.

SUMMARY

Despite relatively steady footfall, SuperValu's share of basket was down as more consumers purchased own brand in store (due to the success of the brand's mid-tier 'SuperValu Range') and continued to repertoire shop in discounters. To grow revenue, SuperValu decided to revamp its previously successful 'Supreme' top-tier range, given the potential for growth in this sector.

Following 12 months of large-scale product testing and improvements, 'Signature Tastes' was created - an 'everyday premium' top-tier range of 222 products that could compete on both quality and value.

For its launch, the advertising needed to persuade consumers this was a new, improved range of the best tasting, locally sourced food for Irish shoppers, representing everything SuperValu stands for - Quality food, locally sourced, at everyday value.

The campaign aimed at delivering a differentiated positioning for Signature Tastes as a SuperValu story, not a supplier story, across a range of media.

From launch, the range grew by +38.54%, representing significant growth ahead of target by year end. In addition to several highlights amongst individual categories, linking sales of specific products to the TV advertising schedule, and impressive increases across key brand image scores.

MEDIA GALLERY

CREATIVE

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SuperValu REAL FOOD REAL PEOPLE REAL REVIEWS OFFERS SHOP ONLINE

THIN CUT SEVILLE ORANGE MARMALADE

Made by the Spemann family

WE'VE MADE A PRODUCT THAT STANDS APART.

WE ARE PASSIONATE ABOUT WHAT WE DO.

MAKE IT A BEST EVER TASTING LUNCH

SPECIAL OFFERS

AWARDS

COMPETITION

SUPERVALU REAL FOOD APP