

Five Category Insights

That Will Have Buyers Calling YOU First

Communication and insight-sharing have become integral aspects of successful buyer-supplier relationships. Information on consumer behaviors, competitive promotions, and sales trends helps your buyer's ad planning process. The buyer's desk is a busy one, and the more they can lean on you for insights to help grow category sales and market share, the better your brand's standing with your buyer will be. This report recommends five insights that will have buyers calling YOU, not competitors within the category, and how Market Track data can help you produce these insights every week.

This guide will help you answer these **five questions for your buyer:**

1. Are consumer behaviors and preferences changing?
2. How does competitive promotional pricing compare?
3. What products and pack sizes did competitors feature?
4. Did promoted prices and products vary by market?
5. Did competitors promote the category in digital?



1. Tell them what shoppers want

More and more, retailers are relying on their suppliers to provide them with expert knowledge on how people are researching and buying their category. The more information you can provide on the consumers of your category, the more your retailer will come to you as a key category advisor.

So what types of insights are your retailers seeking? Here are some questions your buyer will benefit from having insight into:

- Do shoppers prefer to buy your category online or in-store?
- Are they looking for your category in the print circular?
- Do they compare prices online for your category?
- What causes someone to change stores or brands?
- How often are shoppers looking at digital promotions?
- How are these behaviors changing over time?

Market Track's Shopper Insight Series, which has gathered data from thousands of shoppers over the past four years, illuminates key trends in consumer preferences and behaviors for categories in all industries (see two examples in the figure on the right). Combining these insights with trends in purchase patterns for your products allows your buyer to more successfully market to your customers.



75% of shoppers said they would go to the store to purchase *BACON* for their weekly grocery shopping trip if they saw it on sale

39% of shoppers said they would go to the store to purchase *WINE* for Valentine's Day if they saw it on sale

Source: Market Track Shopper Insight Survey

2. Identify and take action against price threats

In addition to consumer insights, your buyers value information on their competitors. What is their competition doing week in and week out that may hurt your buyers' ability to grow their market share? Your buyer may have insight teams supporting their efforts internally, but suppliers are uniquely positioned to provide competitive insight that can have a real impact on category performance.

One of the most important competitive insights you can bring your buyer is pricing information:

- Are the promotions your buyer is planning likely to win/lose/tie on price?
- Were competitors priced lower on the same week last year?
- How does promotional pricing for the full category compare competitively? For individual products?

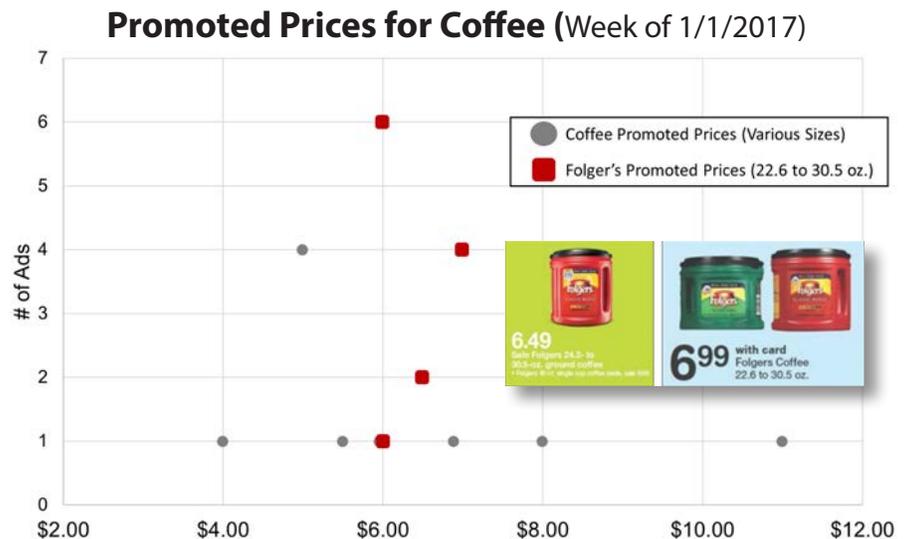


Figure 1) Source: Market Track Promotional and Advertising Data

Figure 1 shares a pricing insight taken from a Market Track promotional pricing summary. The analysis in figure 1 shows the prices at which coffee products were promoted on a single week, and highlights pricing for the Folger's product relative to competing prices in the market. Your buyer can use this insight to understand how their planned pricing compares to competitive prices for all promoted products within the category on any given week. They will also benefit from knowing which offer types, such as "buy one, get one", were promoted by competitors to drive incremental unit sales, potentially impacting future category performance.

3. Recommend optimized promotional assortment

Competitive analysis doesn't stop at pricing data –your buyers also need to consider whether or not they are promoting the right products. The brands, products, and package sizes promoted in the circular each week can vary from retailer to retailer, and may result in competitive differences that can impact the effectiveness of the offer. Set a goal to answer these questions for your buyer weekly:

- Were certain SKUs more effective in capturing consumer dollars on this week last year?
- Should your buyer promote a certain package size given what their competitors are likely to promote?
- Are differences in promoted price attributed to different products/package sizes?

Figure 2 illustrates this type of insight. During the week of Jan 8th, 2017, Target promoted Tylenol Cold + Flu Severe at \$5.99. On the same week, Rite Aid ran a buy one, get one free promotion for various cough/cold brands and products. Both retailers promoted the cough/cold category, but in distinctly different ways. Brands, SKUs and package sizes varied between

the two retailers, impacting the pricing and promotion type each retailer used.

For each planning week, your buyers need to account for which products and package sizes competing retailers are likely to promote. Sharing this information with your buyer each week allows them to optimize their promoted product assortment, putting them in the best position to win consumers of your category over their competitors.



Figure 2) Source: Market Track Promotional Data

4. Eliminate blind spots caused by versioning

Store-Level Versioning

Von's, 10/26/2016

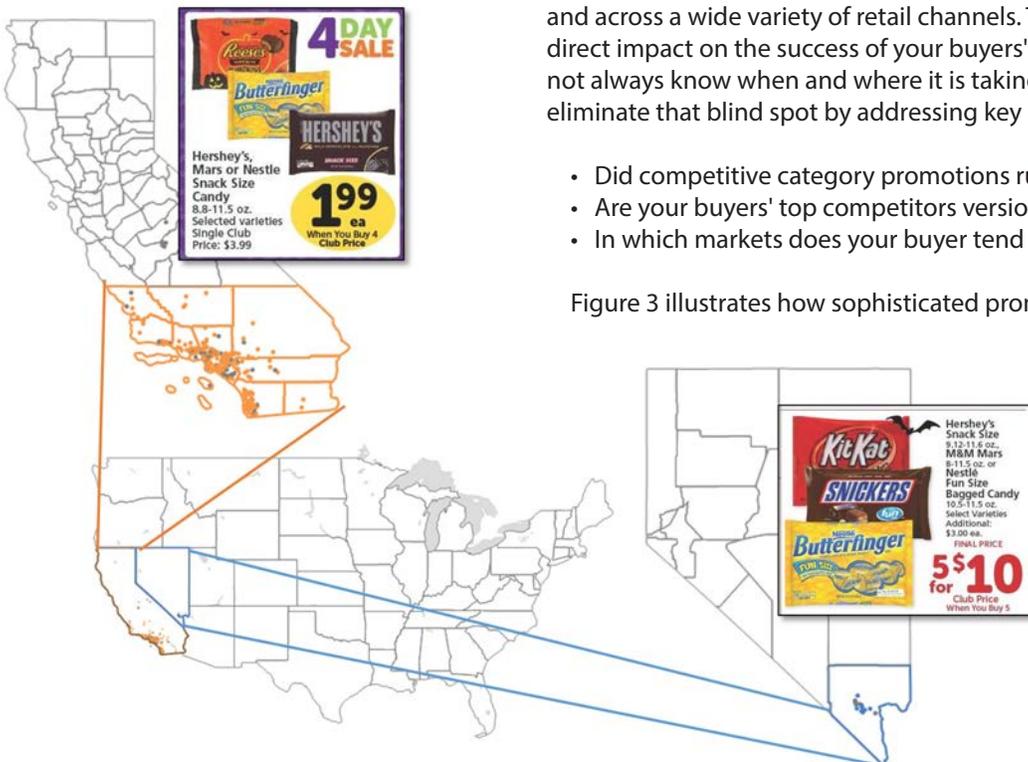


Figure 3) Source: Market Track Store-Level Promotional Data

The use of market versioning has continued to increase as retailers make strides toward tailoring their weekly promotions for local audiences. Market Track observes promotional versioning in circulars down to the store level every week, and across a wide variety of retail channels. This localization of offers can have a direct impact on the success of your buyers' planned promotions, yet they may not always know when and where it is taking place. You have an opportunity to eliminate that blind spot by addressing key questions on versioning, including:

- Did competitive category promotions run in all markets?
- Are your buyers' top competitors versioning by region/market/store location?
- In which markets does your buyer tend to win/lose/tie on price?

Figure 3 illustrates how sophisticated promotional versioning has become.

Using Market Track's store-level promotional data, we found on the week of Halloween that Von's ran multiple versions of their snack-sized candy promotion. Over 93% of Von's stores ran a \$1.99 promotion on purchases of four or more units, while less than 5% of stores ran the 5/\$10 deal. Highlighting these variances will help your buyer diagnose how effective a promotion will be relative to competing local offers.

5. Give them a cross-media view

Giant Eagle Cross-Media Promotional Campaign Luden's Throat Drops - Week of 1/26/2017

FACEBOOK - Jan 28

TWITTER - Jan 28

WEBSITE - Jan 26



EMAIL - Jan 26

PRINT - Jan 26

Figure 4) Source: Market Track Promotional and Advertising Data

Even when shopping for groceries, consumers today are looking beyond the circular to find promotional deals before visiting a store or buying a specific brand or product. Every visit to a retailer's website, click of an email, and every social media interaction should be considered an opportunity to influence a consumer's purchase decisions. However, digital insights are hard to come by for many buyers, and they may not always be privy to competitive threats and/or opportunities in the digital space. In some cases, their only exposure to digital insights is what their supplier shares with them.

Below are some of the questions on competitive digital promotions your buyers could benefit from having insight into:

- Do competitors promote this category in digital?
- Which digital marketing channels were used?
- How often do competitors promote this category via digital channels?

Look at the Giant Eagle example above. We see that the retailer leveraged multiple digital channels to promote their \$0.49 Luden's throat drops in the last week of January 2017. They launched the promotion on January 26th on their website, in an opt-in email, and in their circular. On January 28th, the promotion was posted to Giant Eagle's social media accounts. These digital channels are being used more regularly to maximize the reach of promotions, and your buyer needs to know if and when their competitors are using these tactics.

32%
use digital coupons to
find deals on groceries;
26% use emails from
retailers;
23% use the digital
version of a print
circular; and
15% use retailer
smartphone
applications

Source: Market Track Shopper Insight Survey

Taking action: Your weekly insight checklist

Use the list below as a guide for the types of category insights that will bring value to your buyer every time you meet.



Customer Insights: What will you share about consumers of your brand this week that your buyer may not know? Market Track's Shopper Insight Series Survey is a resource for manufacturers to learn about shifts in consumer preferences for their category.



Competitive Pricing Insights: Do you know how competing retailers priced promotions for your category this week last year? Will your buyer's promotional prices be competitive? Leverage Market Track's FeatureVision® platform and/or Price Pulse tool to set up weekly pricing summaries that will help predict competitive pricing.



Competitive Assortment Insights: What products did competing retailers promote this week last year? Are they more likely to promote the same/different SKUs? FeatureVision® category summaries highlight differences in competitive promotional assortment that could impact the efficacy of your buyer's planned promotions.



Insight into Market Versions: How do weekly competitive promotional offers vary by local market? Market Track's store-level promotional data provides you detailed insight into variances in competitive promotions by store, helping you diagnose whether or not your category promotion will be effective in every market.



Digital Insights: What other marketing channels did competing retailers use to promote your category this week last year? Market Track's email, web, social media, and broadcast promotional monitoring allows you to share the full spectrum of competitive influence with your buyer every week.

Contact your account representative for more information or email us:
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