



Dr. Oetker Nederland

# The Shopper Marketing Model

## case Dr. Oetker – frozen pizza

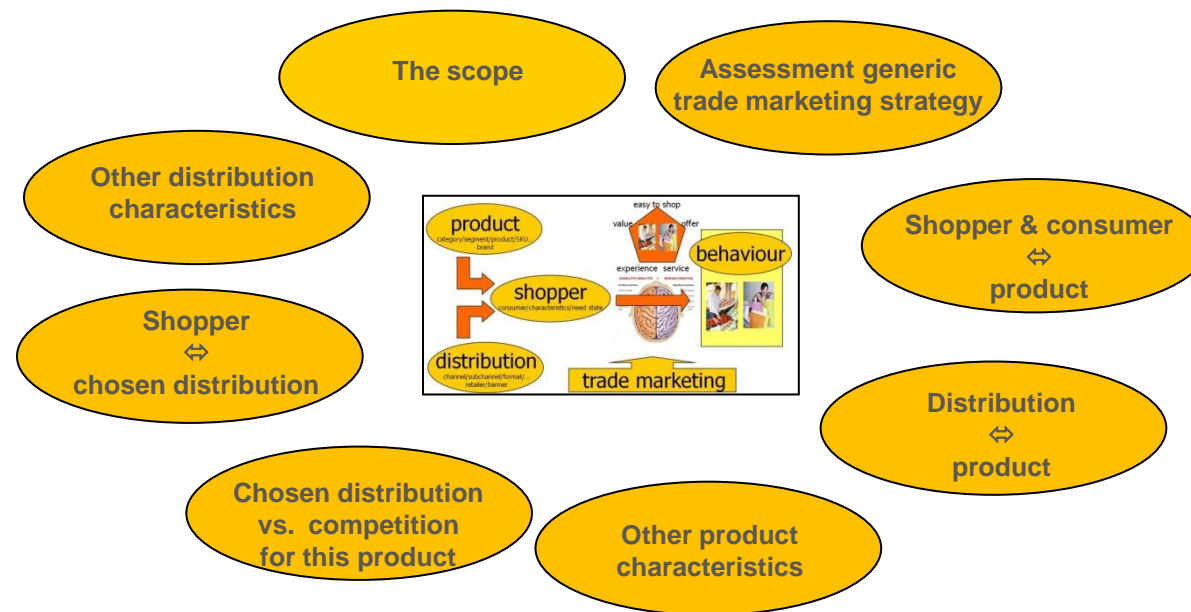
TMA Congres  
20 oktober 2009  
Den Haag

Allan Kamp  
Trade Marketing Manager Dr. Oetker

## Agenda

- Introduction
- The checklist

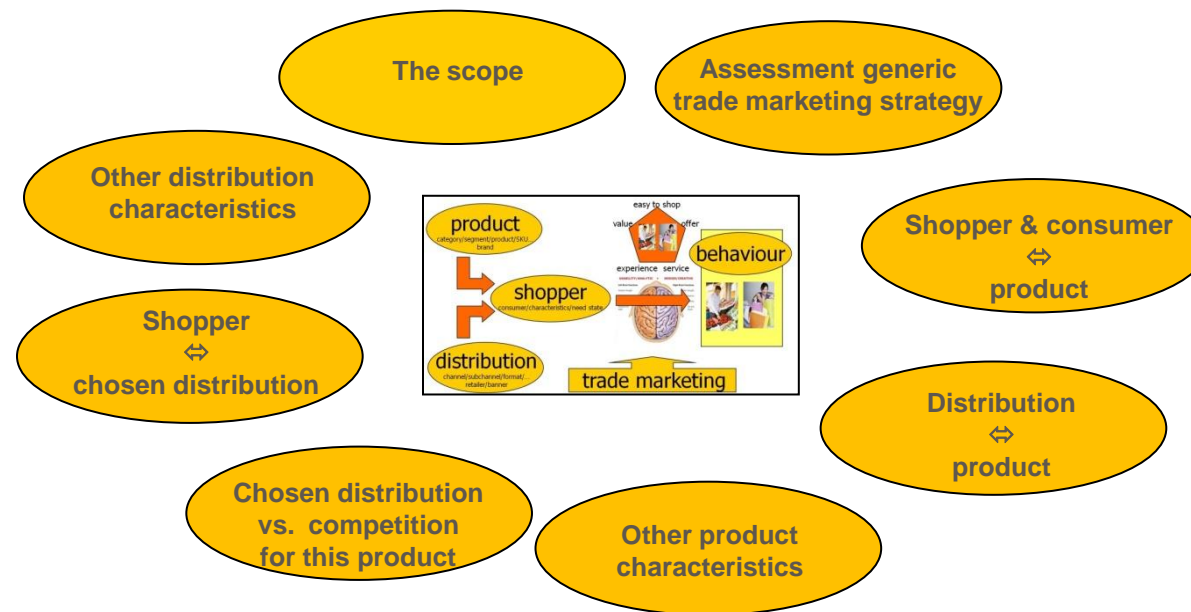
## Interactive session 13:30-15:00 uur



- Shopper relevance
- Trade marketing

## Agenda

- Introduction
- The checklist



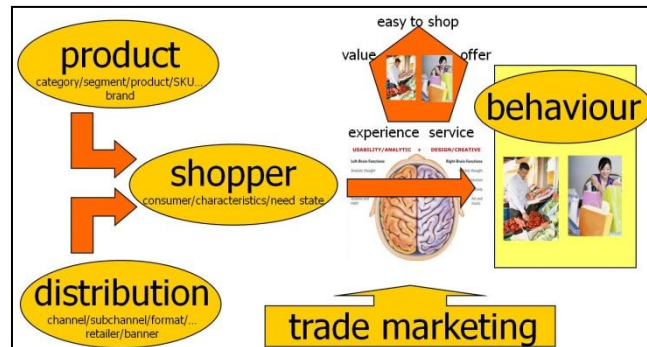
- Shopper relevance
- Trade marketing

# The checklist

The scope

Assessment generic trade marketing strategy

Other distribution characteristics



Shopper & consumer ↔ product

Shopper ↔ chosen distribution

Distribution ↔ product

Chosen distribution vs. competition for this product

Other product characteristics

## The scope

- The frozen pizza market has tripled its value in the past 10 years
- This growth has almost all been generated by Dr. Oetker
- In contrast to the trend of PL winning market share, the market share of PL is declining within the frozen pizza segment
- This year a retailer reduced the consumer price of Ristorante, other retailers followed this example
- The price of Dr. Oetker Ristorante has been reduced to the (psychological) level of less than 2 euros
- The price distance between Dr. Oetker Casa di Mama (2,80 euro) and Dr. Oetker Ristorante therefore increased

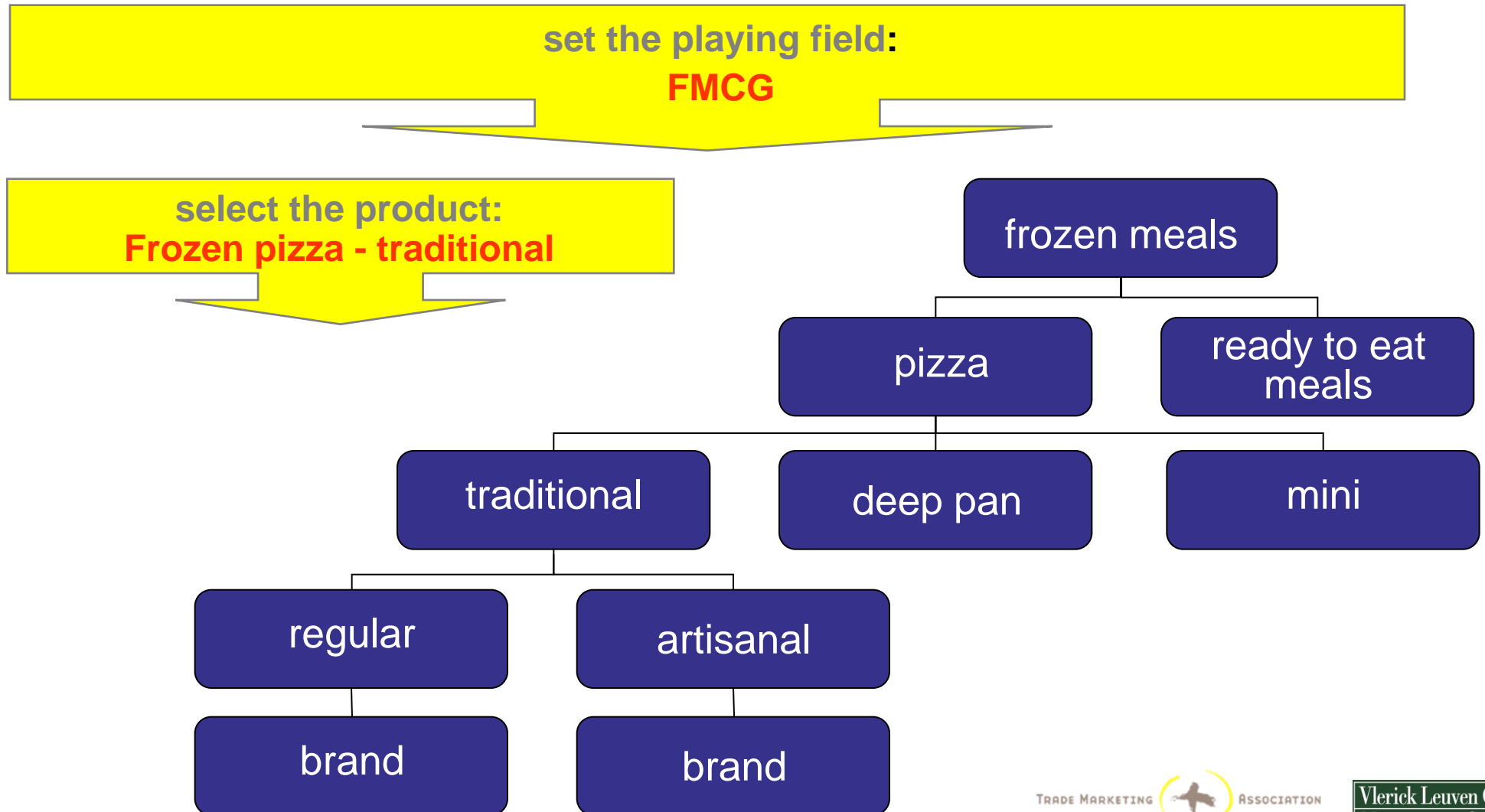
## The scope

set the playing field:  
**FMCG**

## The scope

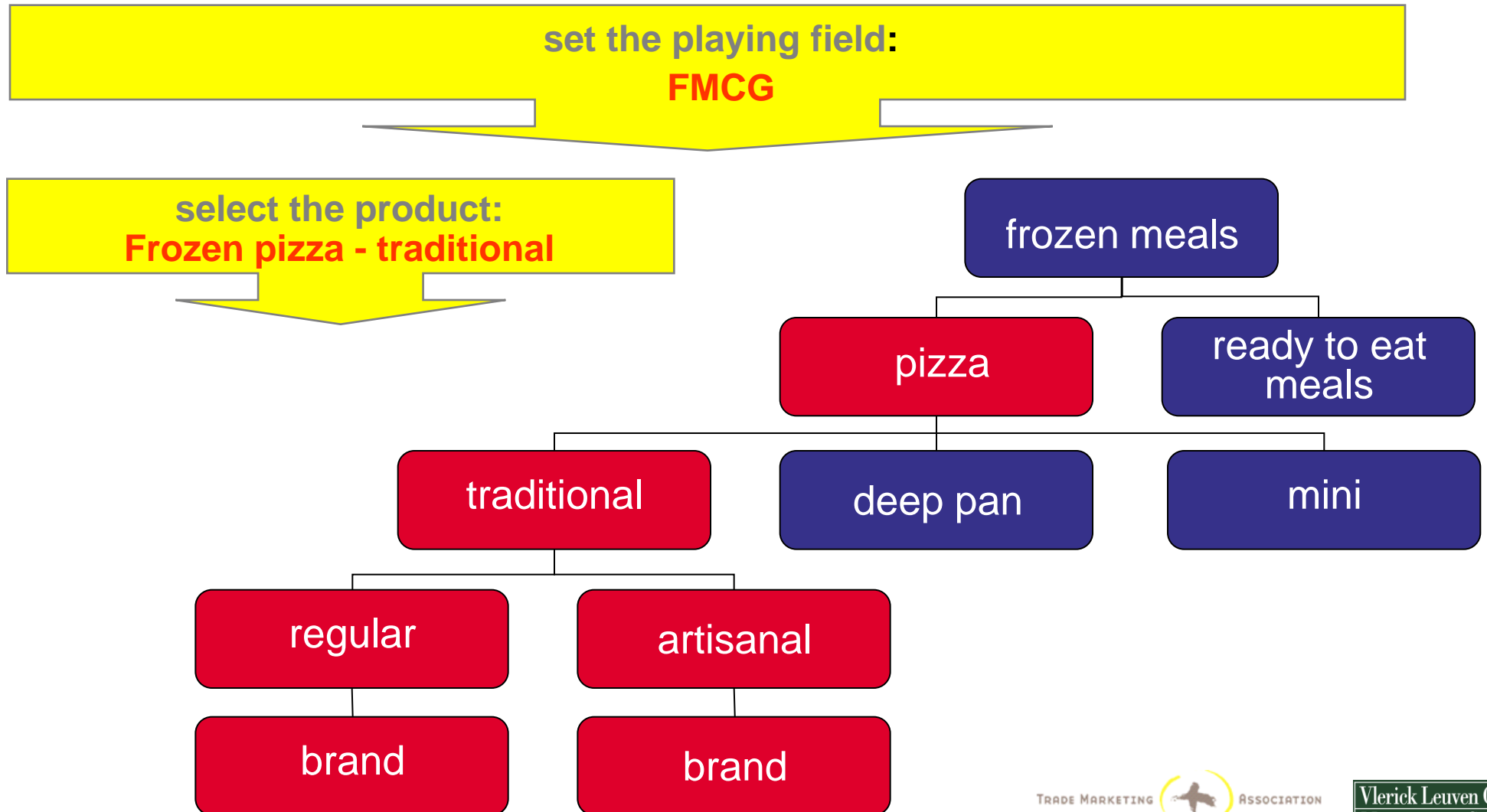


## The scope

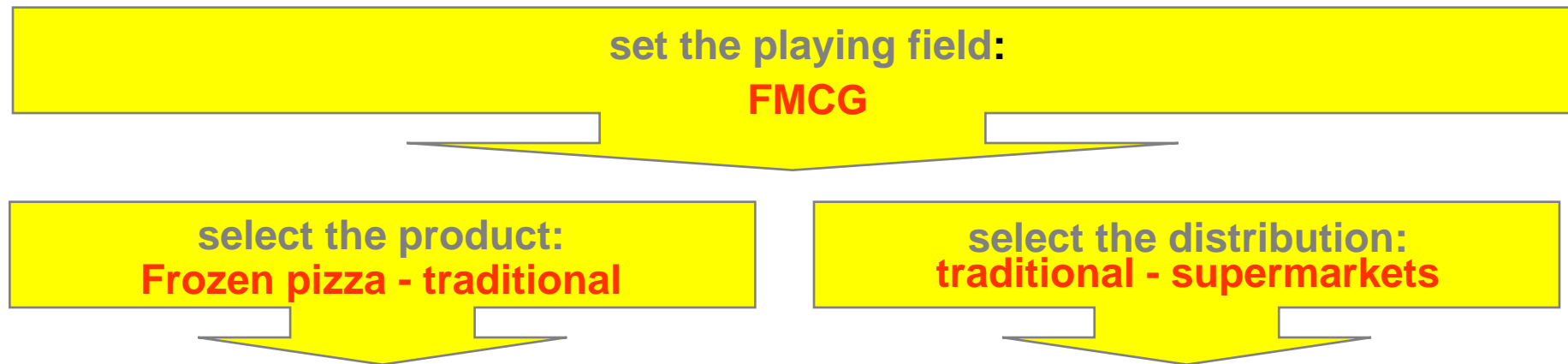




## The scope



## The scope





# The scope

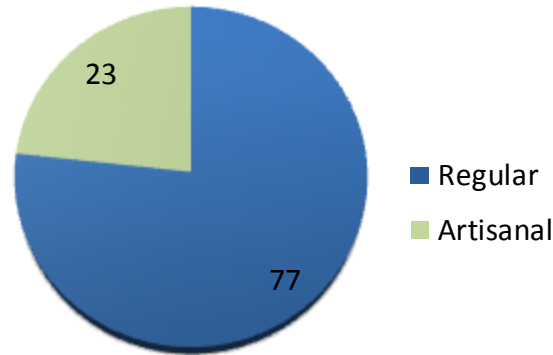
## Regular



## Artisanal



Frozen pizzas - FTN



# The checklist

The scope

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Other distribution characteristics

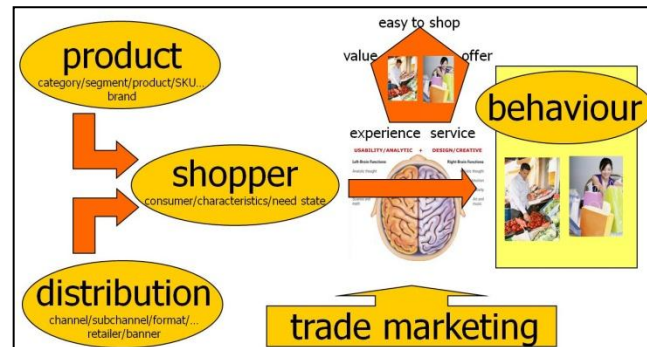
Shopper ↔ chosen distribution

Chosen distribution vs. competition for this product

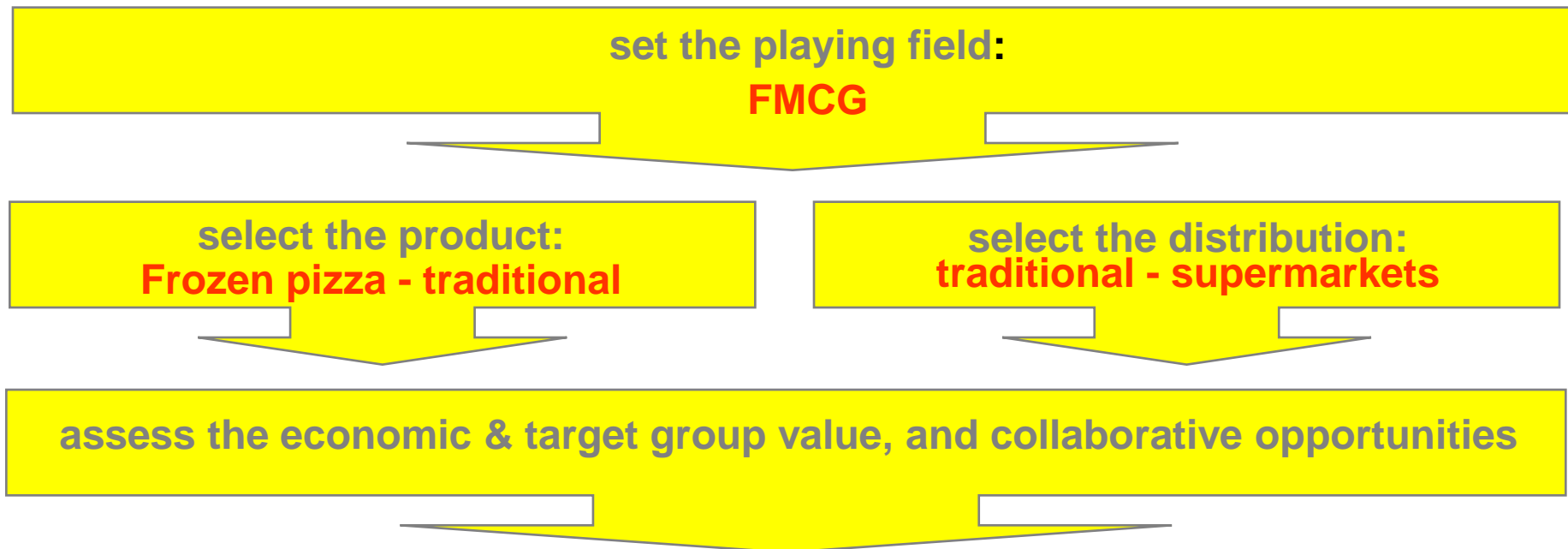
Other product characteristics

Shopper & consumer ↔ product

Distribution ↔ product

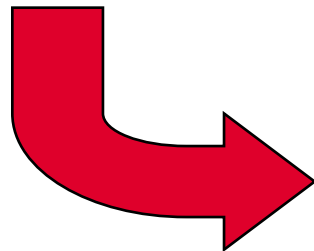


## Assessment generic trade marketing strategy



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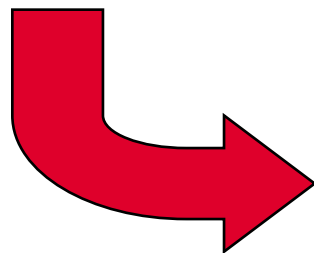
		economic value	
		low	high
target group value	low	obsolete	sales focus
	high	brand focus	brand & sales



- visited by the consumer
- good fit (positioning)
- suitable to communicate

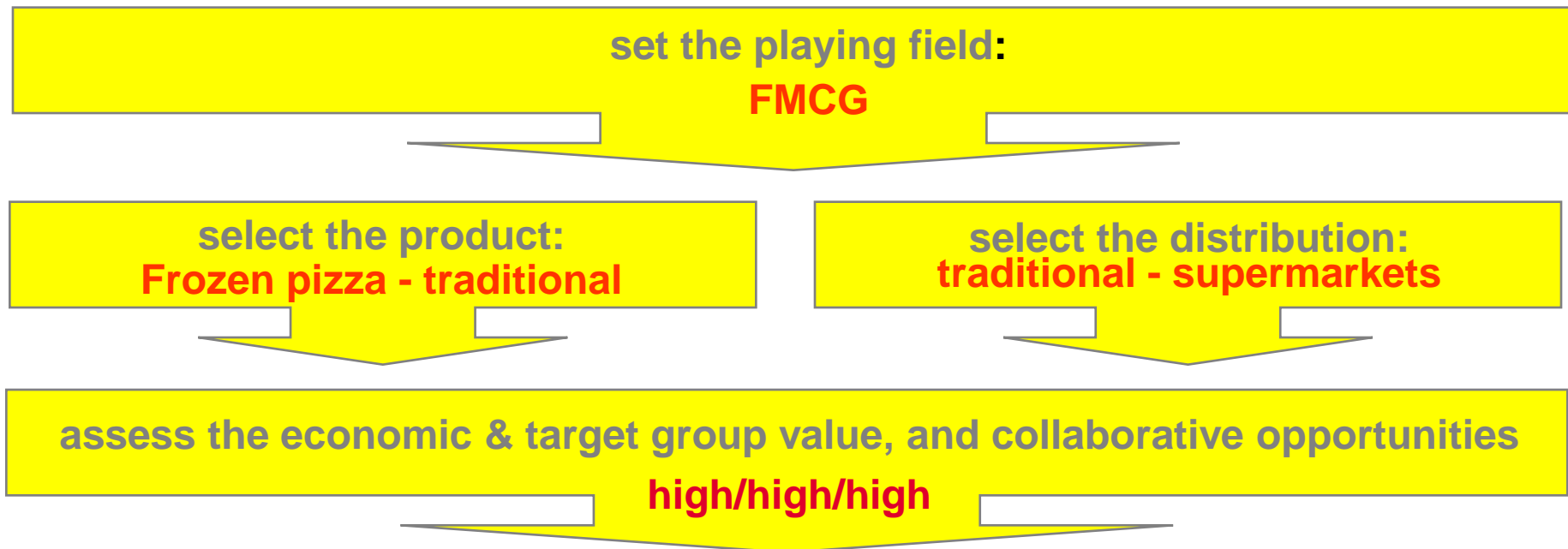
## Assessment generic trade marketing strategy

		economic value	
		low	high
target group value	low	obsolete	sales focus
	high	brand focus	brand & sales



- visited by the consumer
- good fit (positioning)
- suitable to communicate

## Assessment generic trade marketing strategy



- existing activity
- channel activation
- branding objectives
- sales objectives



# The checklist

The scope

Assessment generic trade marketing strategy

Other distribution characteristics

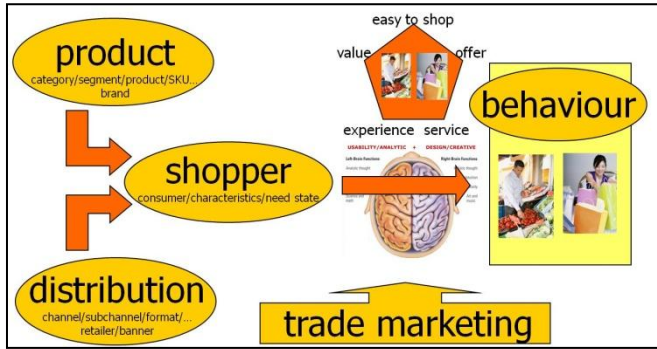
Shopper ↔ chosen distribution

Chosen distribution vs. competition for this product

Other product characteristics

Shopper & consumer ↔ product

Distribution ↔ product



## Shopper & consumer ↔ product

*Usage and attitude*

In this part, please use as benchmark all possible consumer products & services, including for instance cars, screws, mobile phones or tissues.

- To what extent is the consumer involved?
- To what extent does the consumer perceive significant differences between the competing products?

	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
involvement					
perceived differences					

## Shopper & consumer ↔ product

### *Usage and attitude*

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- To what extent is the consumer involved?
- To what extent does the consumer perceive significant differences between the competing products?

	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
involvement	2	2	2.25	2.5	2.75
perceived differences					

## Shopper & consumer ↔ product

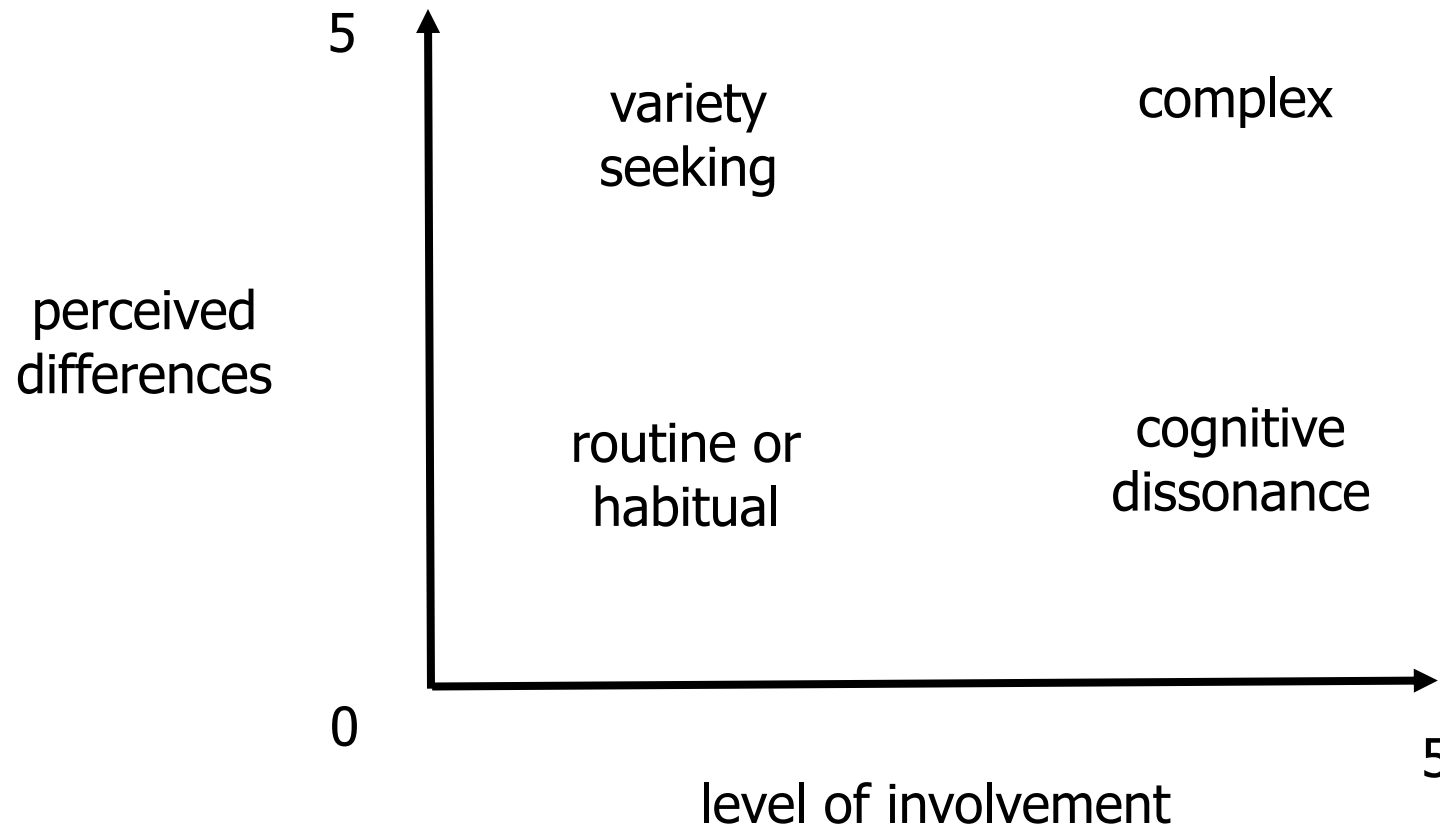
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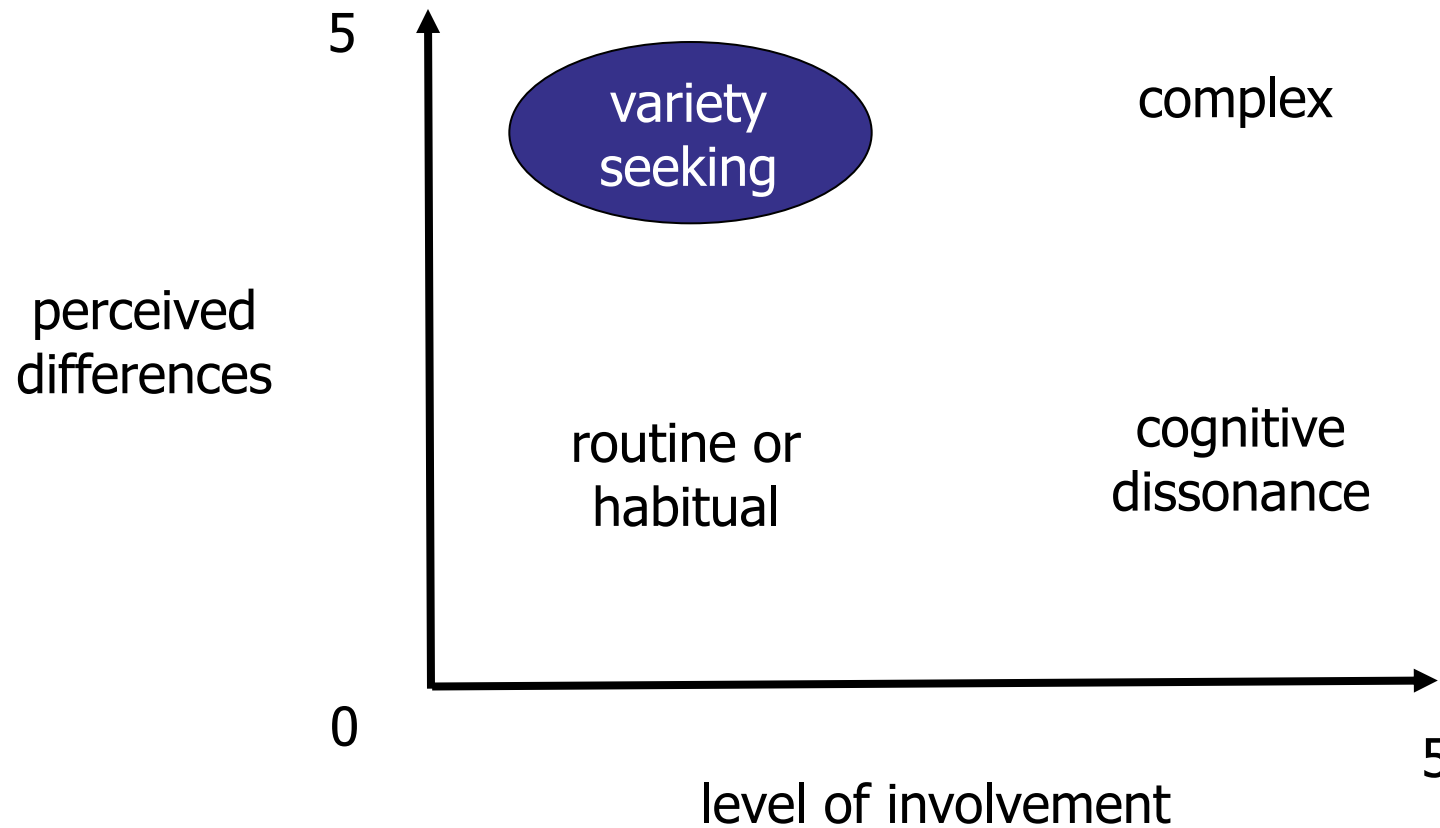
	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
involvement	2	2	2.25	2.5	2.75
perceived differences	3.5	3.75	4.25	4.25	4.5

## Shopper & consumer ↔ product



typology of buying behaviour

## Shopper & consumer ↔ product



typology of buying behaviour

## Shopper & consumer ↔ product

- Is the shopper brand loyal?
- Does the shopper prefer manufacturer brands (brand sensitivity) over store brands? The lower the market share of private label and fancy brands, the higher the brand sensitivity.

	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
brand loyalty					
brand sensitivity					

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	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
brand loyalty	3.75	3.75	4.25	4.5	4.5
brand sensitivity					



## Shopper & consumer ↔ product

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	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
brand loyalty	3.75	3.75	4.25	4.5	4.5
brand sensitivity	4	4	4.5	Not applicable	Not applicable

## Shopper & consumer ↔ product

*Sales promotions & price sensitivity*

- To what extent do sales promotions result in a sales uplift?
- To what extent do sales promotions for this product result in brand switching?
- To what extent do sales promotions for this product result in stockpiling?
- To what extent do sales promotions for this product result in an increase in intensity?

	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
sales uplift					
brand switching					
stockpiling					
intensity					

## Shopper & consumer ↔ product

### *Sales promotions & price sensitivity*

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	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
sales uplift	3.5	3.75	4	4.25	4.5
brand switching					
stockpiling					
intensity					

## Shopper & consumer ↔ product

### *Sales promotions & price sensitivity*

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- To what extent do sales promotions for this product result in an increase in intensity?

	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
sales uplift	3.5	3.75	4	4.5	4.5
brand switching	1.25	1	2	2.25	2.5
stockpiling					
intensity					

## Shopper & consumer ↔ product

### *Sales promotions & price sensitivity*

- To what extent do sales promotions result in a sales uplift?
- To what extent do sales promotions for this product result in brand switching?
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	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
sales uplift	3.5	3.75	4	4.5	4.5
brand switching	1.25	1	2	2.25	2.5
stockpiling	1.5	1.5	1.75	1.5	1.75
intensity					

## Shopper & consumer ↔ product

### *Sales promotions & price sensitivity*

- To what extent do sales promotions result in a sales uplift?
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sales uplift	3.5	3.75	4	4.5	4.5
brand switching	1.25	1	2	2.25	2.5
stockpiling	1.5	1.5	1.75	1.5	1.75
intensity	4	4.25	3.75	4.5	4





## Shopper & consumer ↔ product

- Are shoppers price sensitive?

	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
price sensitivity					





## Shopper & consumer ↔ product

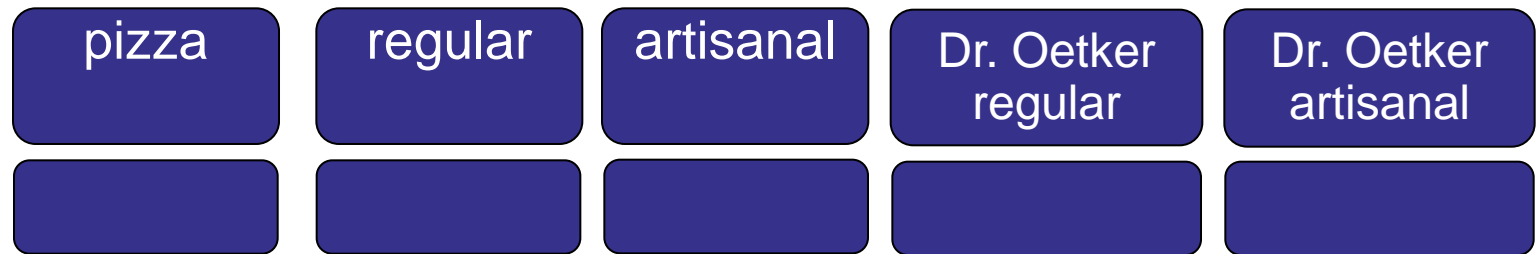
- Are shoppers price sensitive?

	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
price sensitivity	1	1.5	1.5	1	1.5

## Shopper & consumer ↔ product

- To what extent is the consumption of this product expandable?

expandable  
consumption



## Shopper & consumer ↔ product

- To what extent is the consumption of this product expandable?

	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
expandable consumption	4	4	4	4	4

## Shopper & consumer ↔ product

*Shopping behaviour*

- Does the shopper plan to buy the product (not the brand) before entering the store? (= is it on his written or mental shopping list)
- When the shopper decides to buy the product, does he look for a specific brand? (=brand hunting = the shopper doesn't decide on the shop floor what brand to choose; instead he has an outspoken top of mind preference for a specific brand)

	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
planned purchase product					
planned purchase topping					
brand hunter					

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	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
planned purchase product	4	4.5	4.25	Not applicable	Not applicable
planned purchase topping					
brand hunter					

## Shopper & consumer ↔ product

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planned purchase product	4	4.5	4.25	Not applicable	Not applicable
planned purchase topping	3.5	3.75	3.75	Not applicable	Not applicable
brand hunter					

## Shopper & consumer ↔ product

### *Shopping behaviour*

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	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
planned purchase product	4	4.5	4.25	Not applicable	Not applicable
planned purchase topping	3.5	3.75	3.75	Not applicable	Not applicable
brand hunter	Not applicable	Not applicable	Not applicable	4.25	4.5

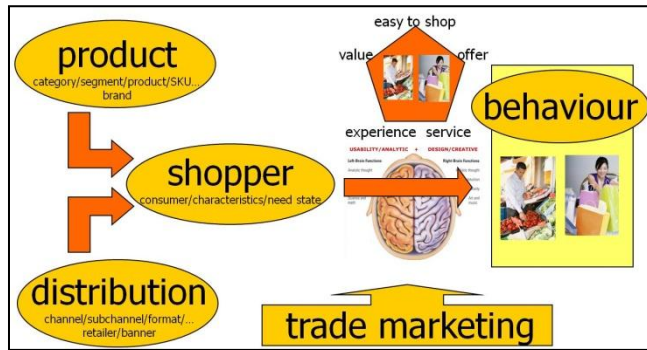
# The checklist

The scope

Assessment generic trade marketing strategy

Other distribution characteristics

Shopper ↔ chosen distribution



Shopper & consumer ↔ product

Distribution ↔ product

Chosen distribution vs. competition for this product

Other product characteristics





## Distribution ↔ product

- Is the use of second placement above average in the store?
- Is the use of displays above average in the store?

	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
2nd placement					
displays					



## Distribution ⇔ product

- Is the use of second placement above average in the store?
- Is the use of displays above average in the store?

	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
2nd placement	0	0	0	0	0
displays					



## Distribution ⇔ product

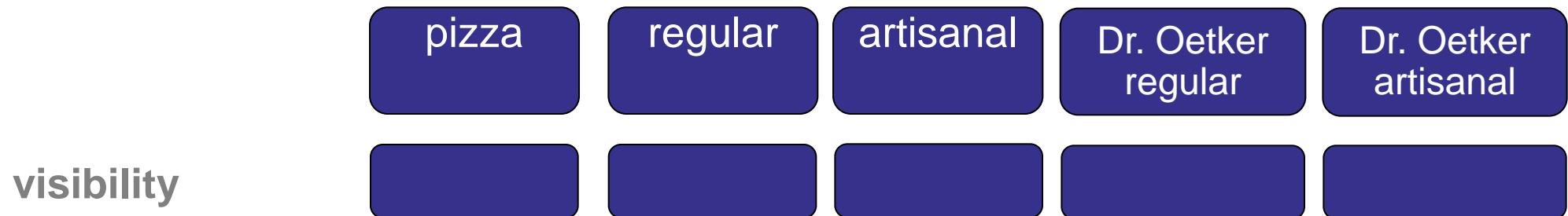
- Is the use of second placement above average in the store?
- Is the use of displays above average in the store?

	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
2nd placement	0	0	0	0	0
displays	2.5	2.5	2.5	2.5	2.5



## Distribution ⇔ product

- Is the product very visible in the store?





## Distribution ↔ product

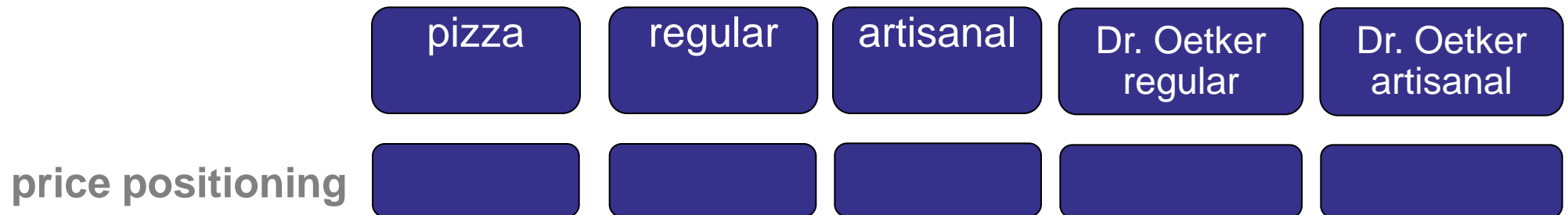
- Is the product very visible in the store?

	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
visibility	2.5	2.75	3	3	2.75



## Distribution ↔ product

- Is the price positioning within the chosen channel high, relative to the other products sold in the channel.





## Distribution ↔ product

- Is the price positioning within the chosen channel high, relative to the other products sold in the channel.

	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
price positioning	2.5	2.5	3.25	2.75	3.0

## Distribution ↔ product

- Is the product rotation above average?
- If you consider both the Euro and percentage margin, is the overall profitability per unit sold above average?

	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
rotation					
profitability					



## Distribution ↔ product

- Is the product rotation above average?
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	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
rotation	3.75	4	3.5	4.5	3.75
profitability					



## Distribution ↔ product

- Is the product rotation above average?
- If you consider both the Euro and percentage margin, is the overall profitability per unit sold above average?

	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
rotation	3.75	4	3.5	4.5	3.75
profitability	3.75	3.75	4.25	3.5	4

# The checklist

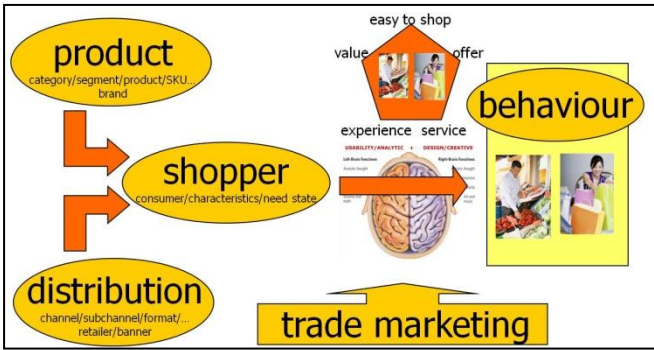
**The scope**

**Assessment generic trade marketing strategy**

**Other distribution characteristics**

**Shopper & consumer**  
↔  
**product**

**Shopper**  
↔  
**chosen distribution**



**Distribution**  
↔  
**product**

**Chosen distribution vs. competition for this product**

**Other product characteristics**

## Other product characteristics

- Is the product growing fast?
- Is product penetration high, relative to the product's full potential?
- In what stage of the product lifecycle is the product?

	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
growth					
penetration					
PLC					

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	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
growth	3.75	4	4.25	4.25	5
penetration					
PLC					

## Other product characteristics

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	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
growth	3.75	4	4.25	4.25	5
penetration	4.5	4	2	3.5	3
PLC					

## Other product characteristics

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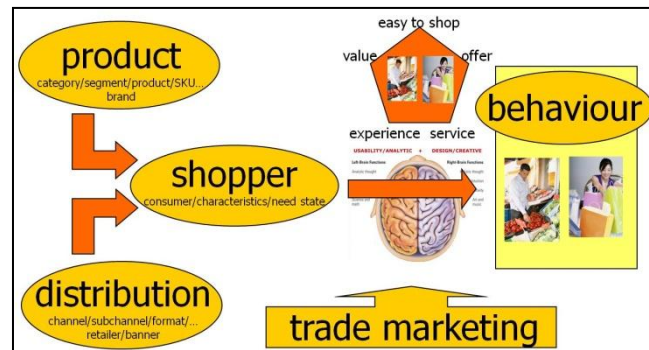
	pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
growth	3.75	4	4.25	4.25	5
penetration	4.5	4	2	3.5	3
PLC	growth	growth	growth	growth	growth

# The checklist

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**Shopper & consumer**  
↔  
**product**

**Shopper**  
↔  
**chosen distribution**

**Distribution**  
↔  
**product**

**Chosen distribution vs. competition for this product**

**Other product characteristics**



# The checklist

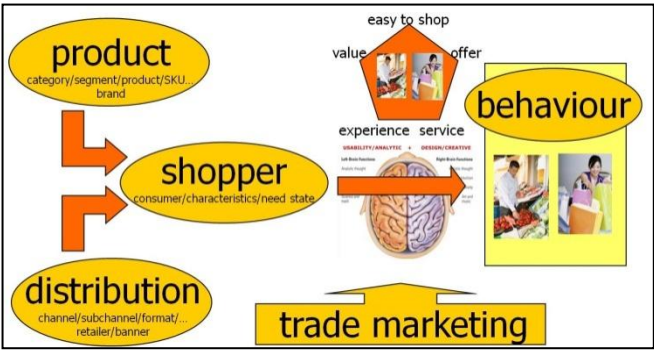
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↔  
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**Shopper**  
↔  
**chosen distribution**



**Distribution**  
↔  
**product**

**Chosen distribution vs. competition for this product**

**Other product characteristics**

## Shopper ↔ chosen distribution

- To what extent does the shopper enjoy visiting the chosen distribution channel overall (level of fun shopping)?

	overall	pizza
fun shopping	1.25	1.25

# The checklist

**The scope**

**Assessment generic trade marketing strategy**

**Other distribution characteristics**

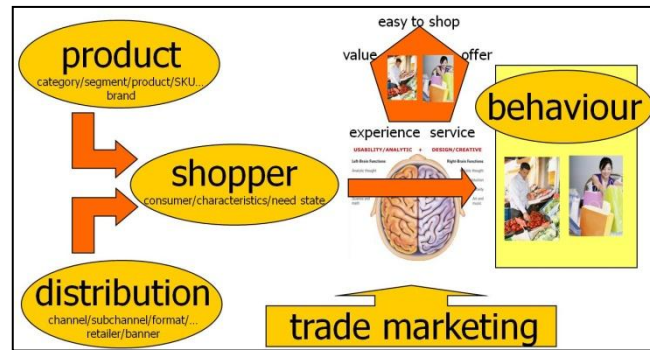
**Shopper ↔ chosen distribution**

**Chosen distribution vs. competition for this product**

**Other product characteristics**

**Shopper & consumer ↔ product**

**Distribution ↔ product**



## Other distribution characteristics

- Does the chosen distribution experience a lot of competition (competition intensity)?

	overall	pizza
intensity of competition	4.75	4.75

# The checklist

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Other distribution characteristics

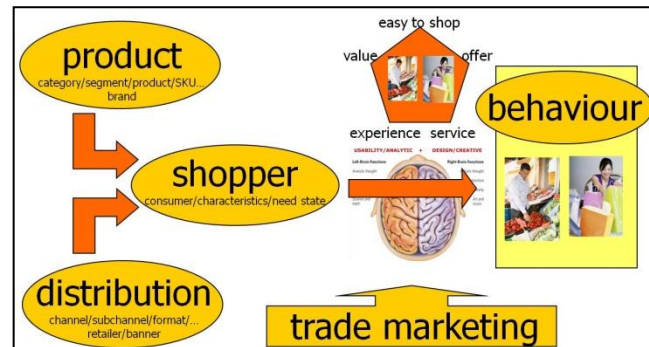
Shopper ↔ chosen distribution

Chosen distribution vs. competition for this product

Other product characteristics

Shopper & consumer ↔ product

Distribution ↔ product



## Assessment generic trade marketing strategy





Dr. Oetker Nederland

		pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
U&A	perceived differences	3.5	3.75	4.25	4.25	4.5
	brand loyalty	3.75	3.75	4.25	4.5	4.5
SP	sales uplift	3.5	3.75	4	4.25	4.5
	brand switching	1.25	1	2	2.25	2.5
	stockpiling	1.5	1.5	1.75	1.5	1.75
	intensity	4	4.25	3.75	4.5	4
	price sensitivity	1	1.5	1.5	1	1.5
	expandable consumption	4	4	4	4	4
Shop. Behav.	planned purchase product	4	4.5	4.25	Not applicable	Not applicable



		pizza	regular	artisanal	Dr. Oetker regular	Dr. Oetker artisanal
Shop. Behav.	brand hunter	Not applicable	Not applicable	Not applicable	4.25	4.5
Distr.	visibility	2.5	2.75	3	3	2.75
	price positioning	2.5	2.5	3.25	2.75	3
	rotation	3.75	4	3.5	4.5	3.75
	profitability	3.75	3.75	4.25	3.5	4
Other prod. Charact.	growth	3.75	4	4.25	4.25	5
	penetration	4.5	4	2	3.5	3
	PLC	growth	growth	growth	growth	growth



## Assessment generic trade marketing strategy

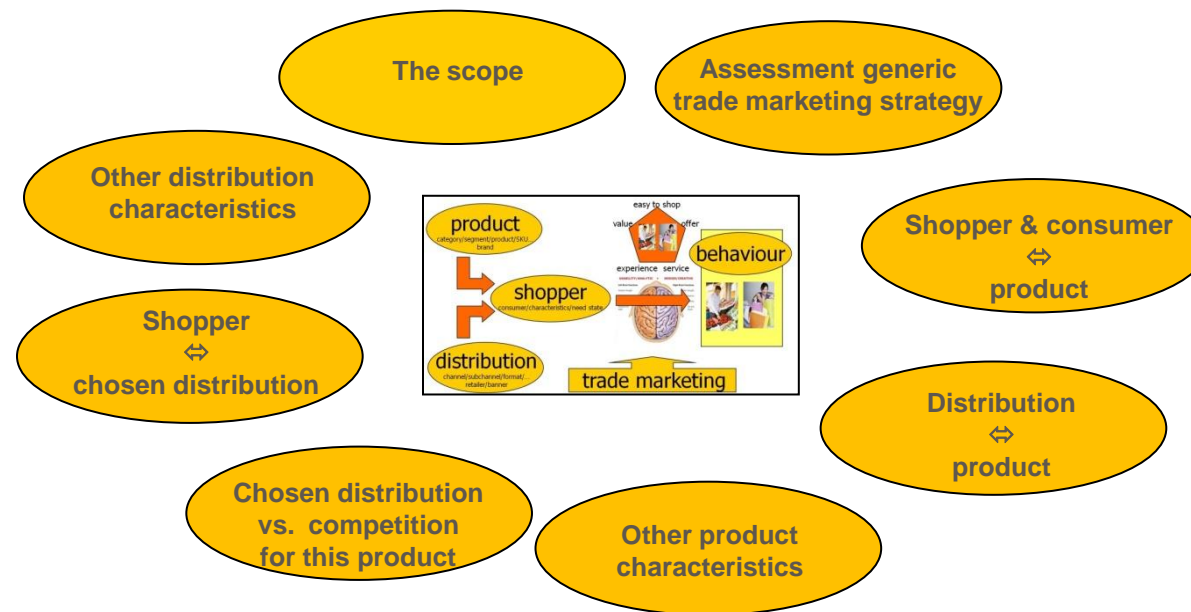
- Trade marketing & the sales objectives
  - Grow the market
    - Increase the intensity, largely through up-selling (artisanal)
  - Grow the market share
    - By increasing the market share of Casa di Mama
      - Emphasis on brand/product penetration

## Assessment generic trade marketing strategy

- Trade marketing & the sales objectives
  - Grow the market
    - Increase the intensity, largely through up-selling (artisanal)
  - Grow the market share
    - By increasing the market share of Casa di Mama
      - Emphasis on brand/product penetration
- In short:
  - Grow the value and profitability of the category of traditional pizza's
  - Do this:
    - by increasing the penetration and the intensity of artisanal pizza's
    - by using the Dr. Oetker's Casa di Mama brand as cornerstone to drive category growth and profitability

## Agenda

- Introduction
- The checklist

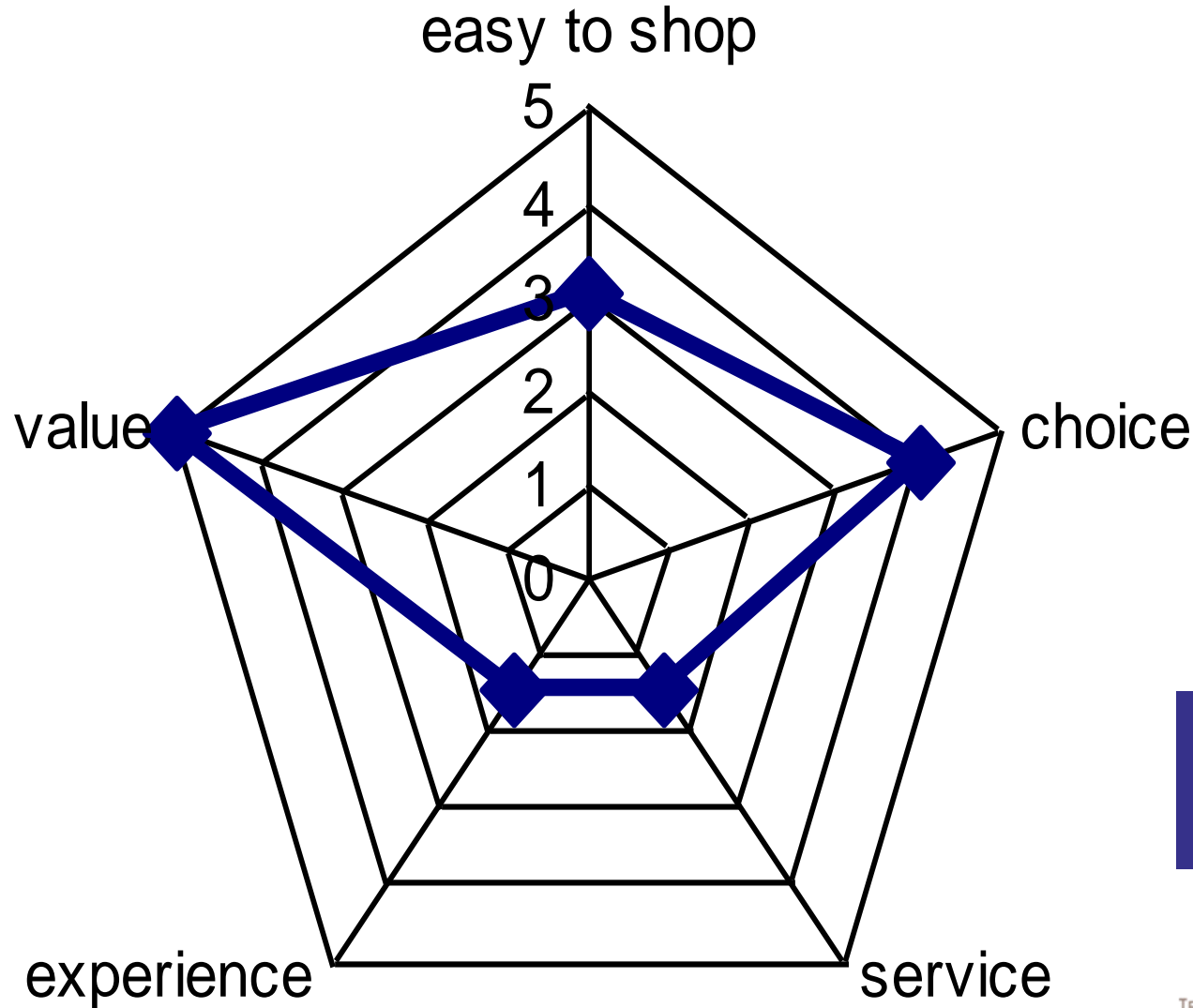


- **Shopper relevance**
- Trade marketing

## Shopper relevance



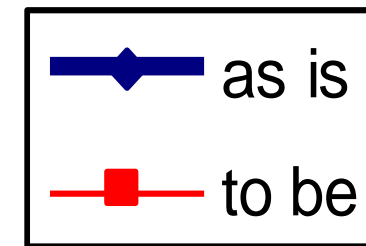
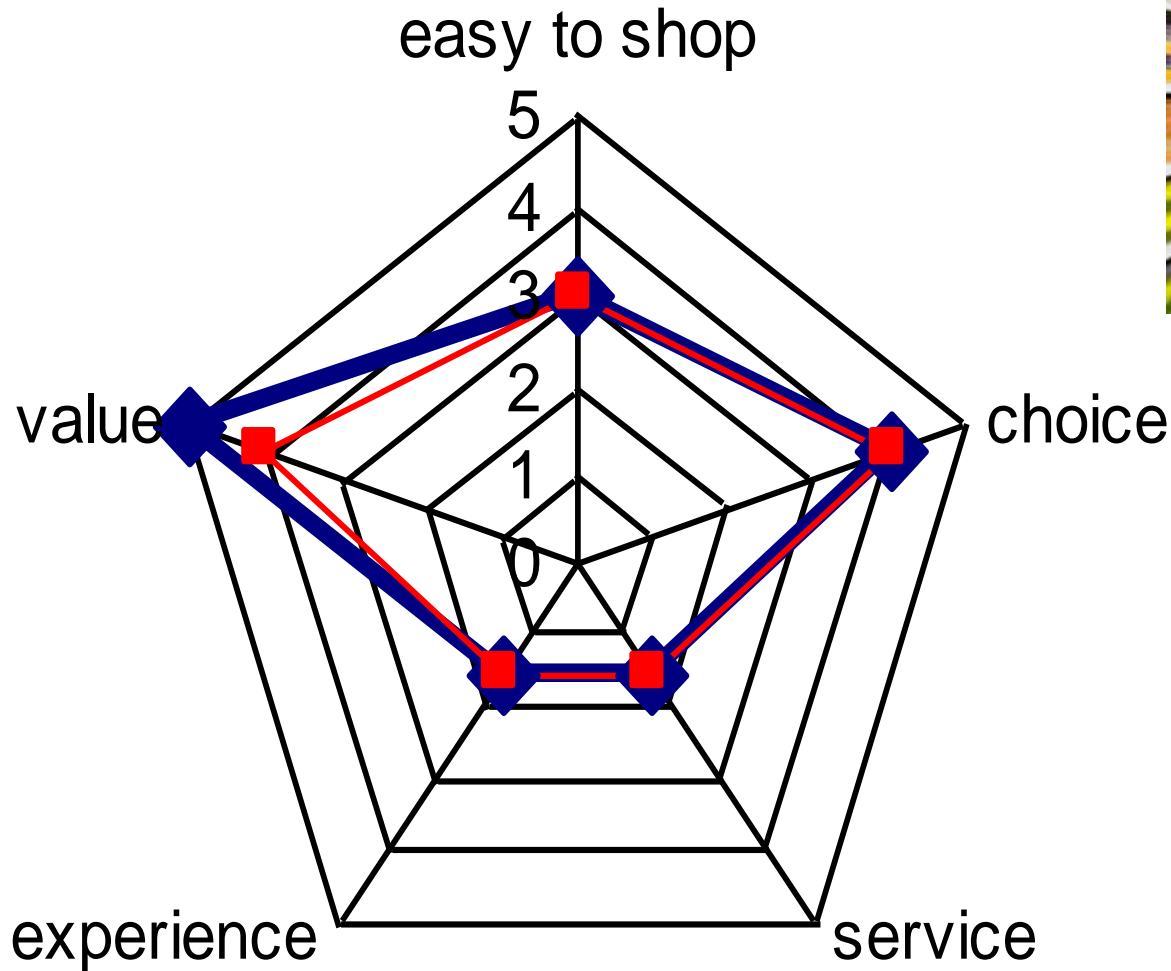
# Shopper relevance



as is

**supermarket channel**

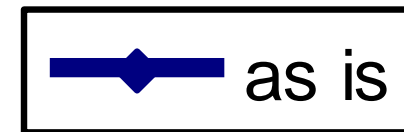
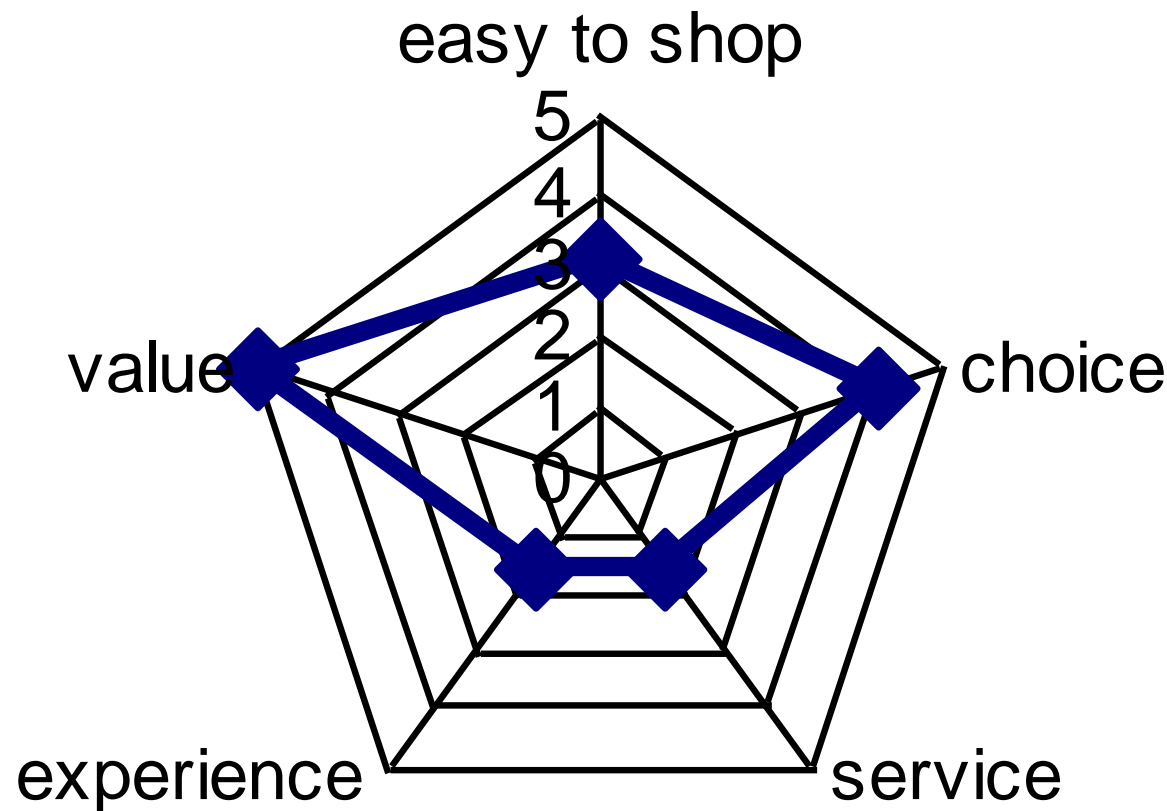
# Shopper relevance



**supermarket  
channel**



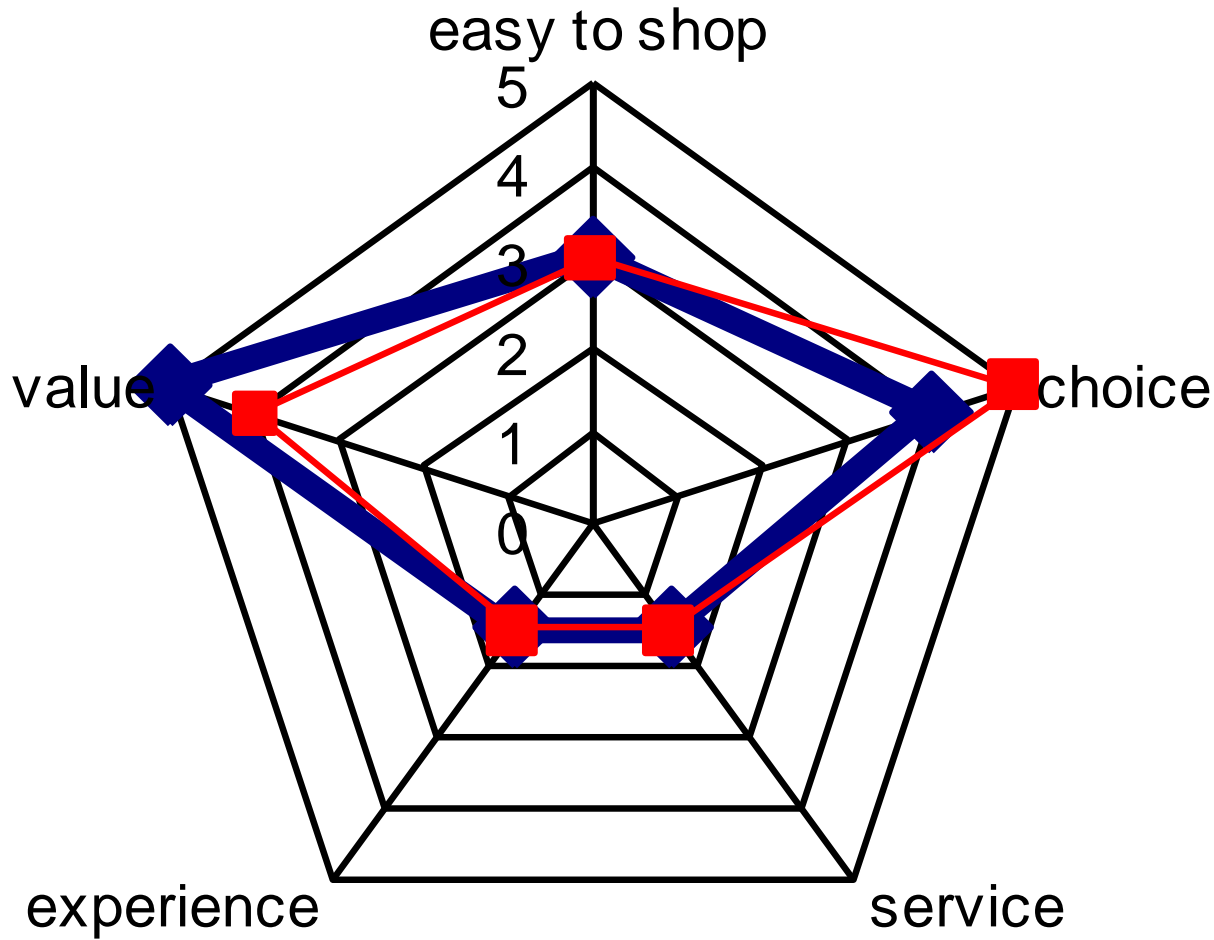
# Shopper relevance



**traditional  
pizza  
category**



# Shopper relevance



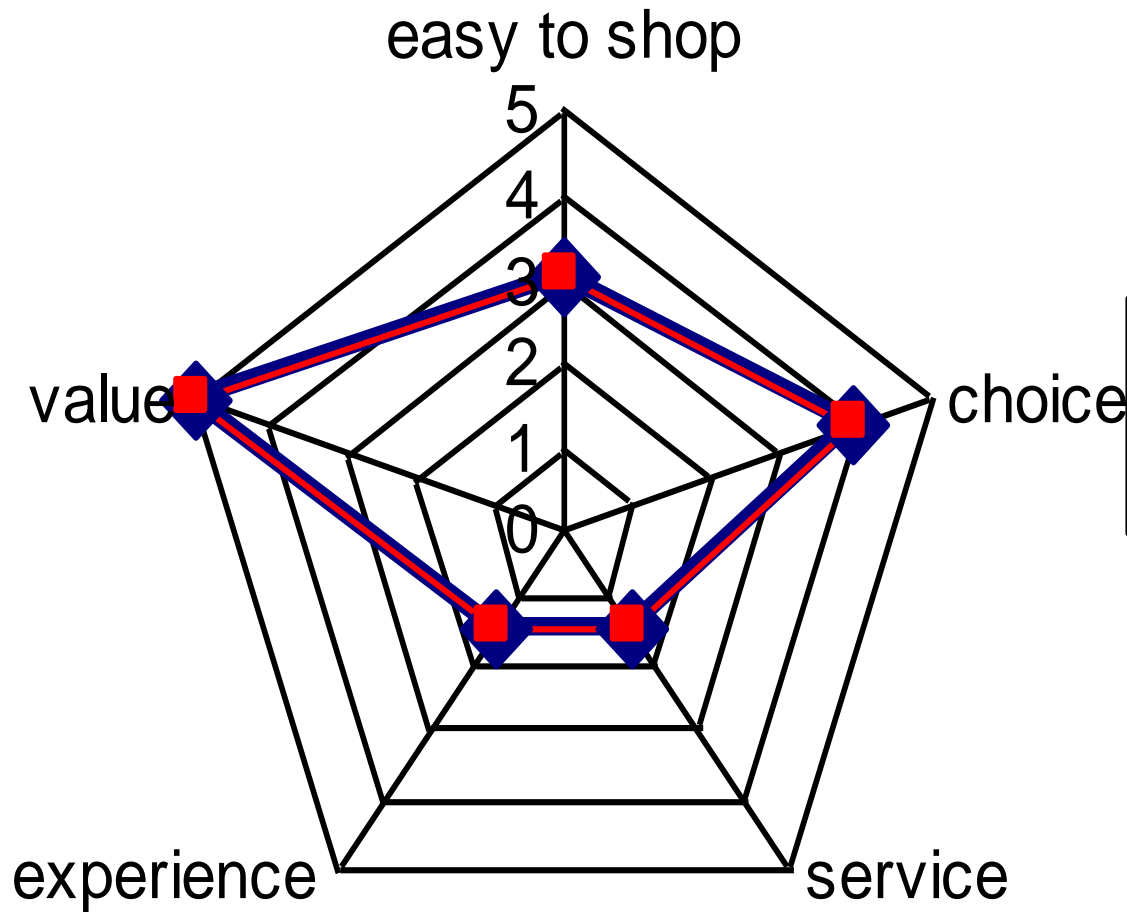
Legend for the radar chart:

- as is (blue line with diamond marker)
- to be (red line with square marker)

**traditional  
pizza  
category**



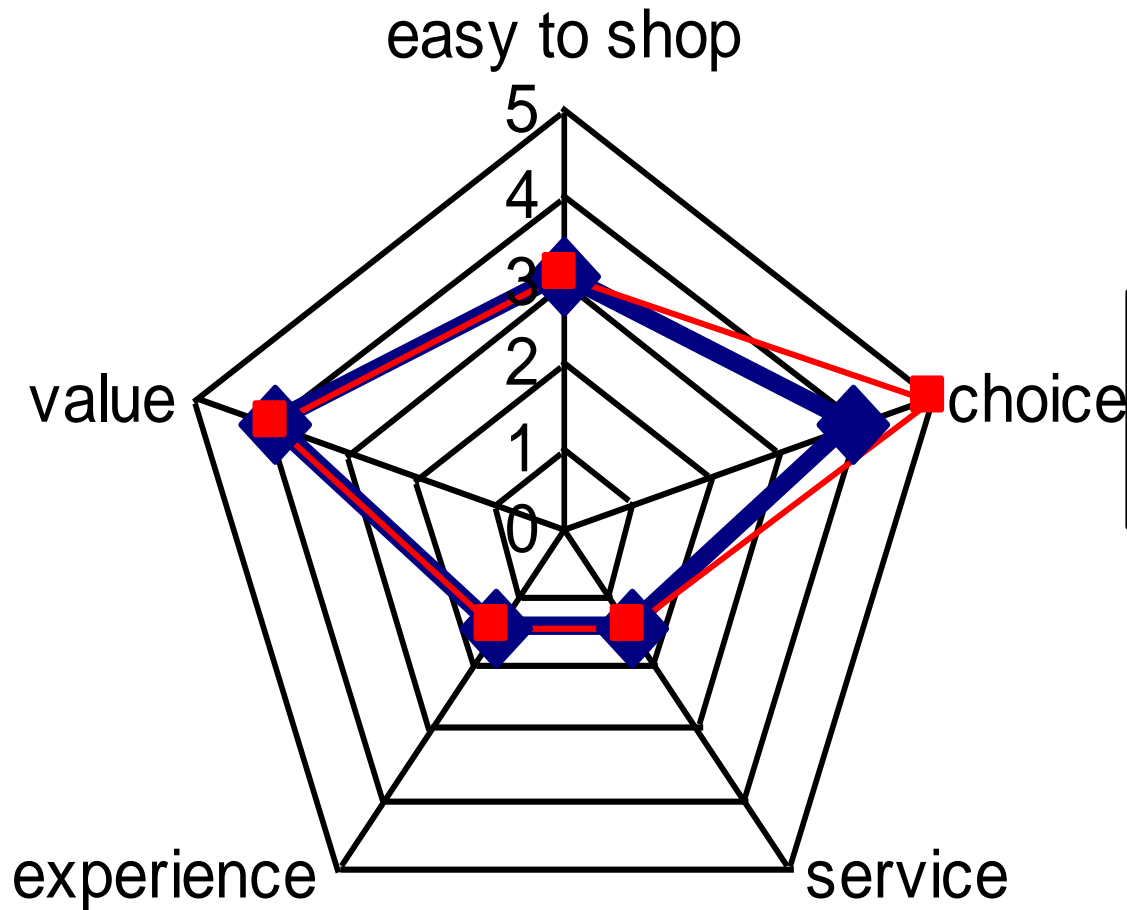
# Shopper relevance



retailer as is  
 category as is



# Shopper relevance



retailer to be  
 category to be



## Shopper relevance

retailer = category  
(to be)

yes

no

yes

align

motivate

retailer:  
as is = to be

no

use category  
as a lever

defend

## Shopper relevance

retailer = category  
(to be)

yes

no

yes

align

motivate

retailer:  
as is = to be

no

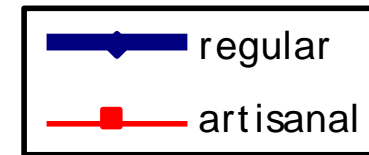
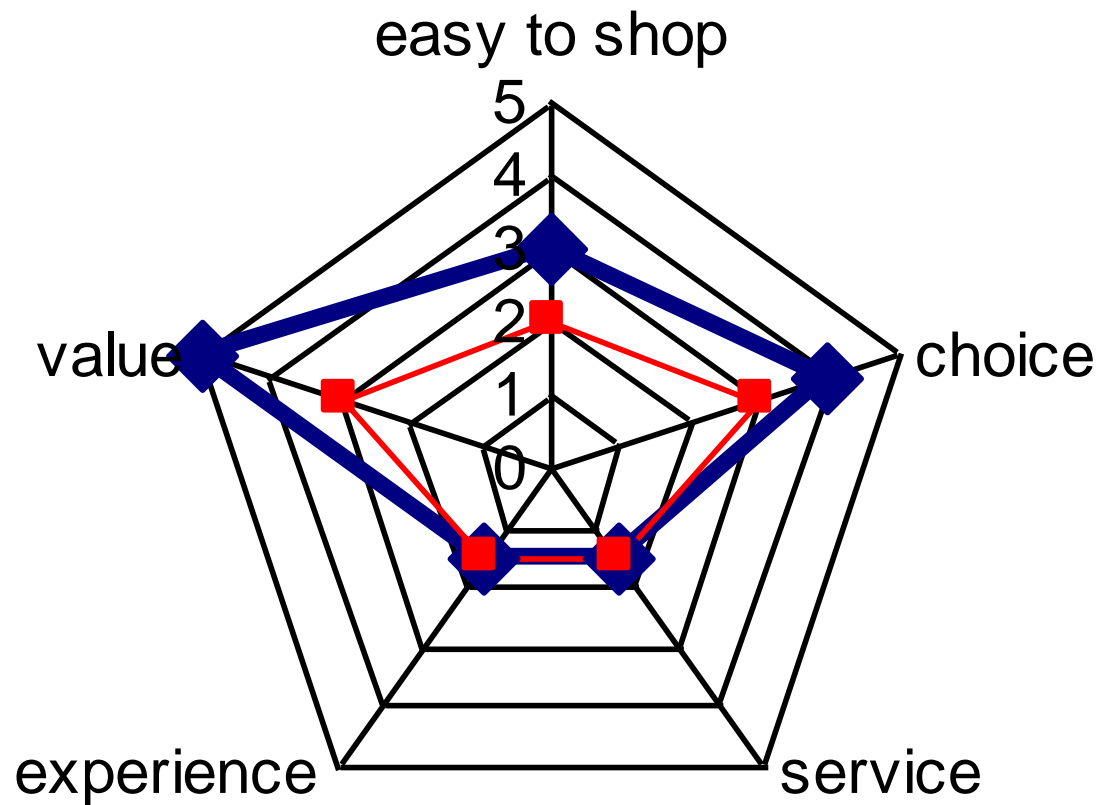
use category  
as a lever

defend



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# Shopper relevance



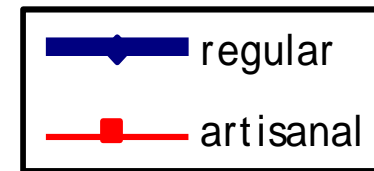
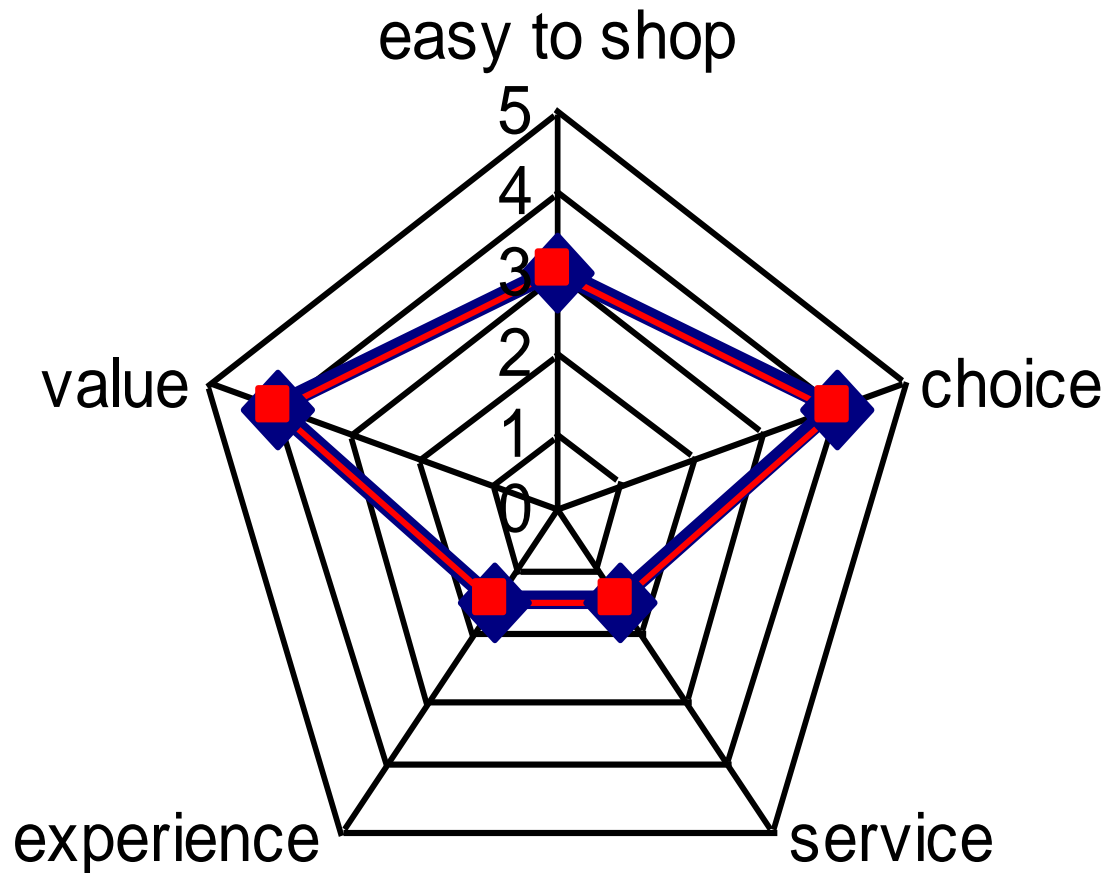
as is





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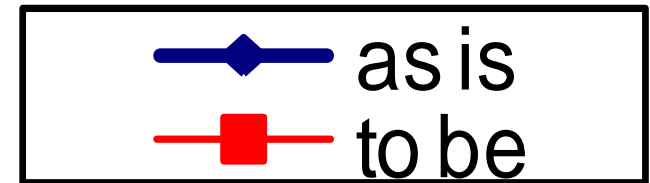
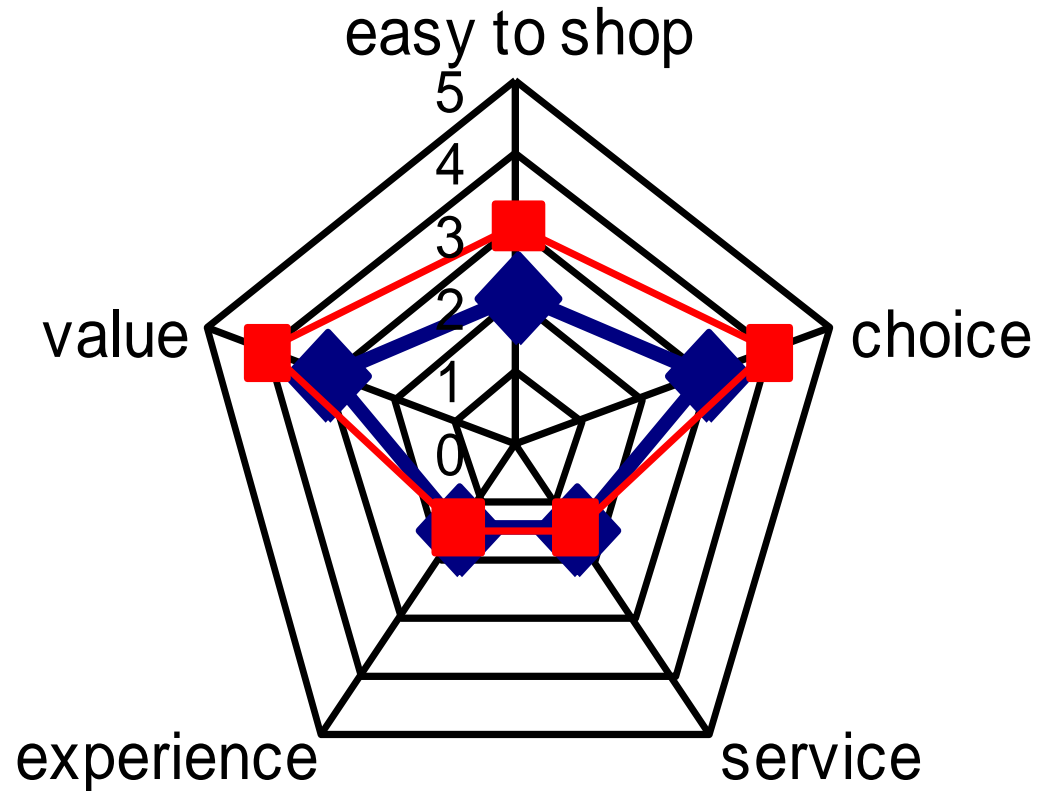
## Shopper relevance



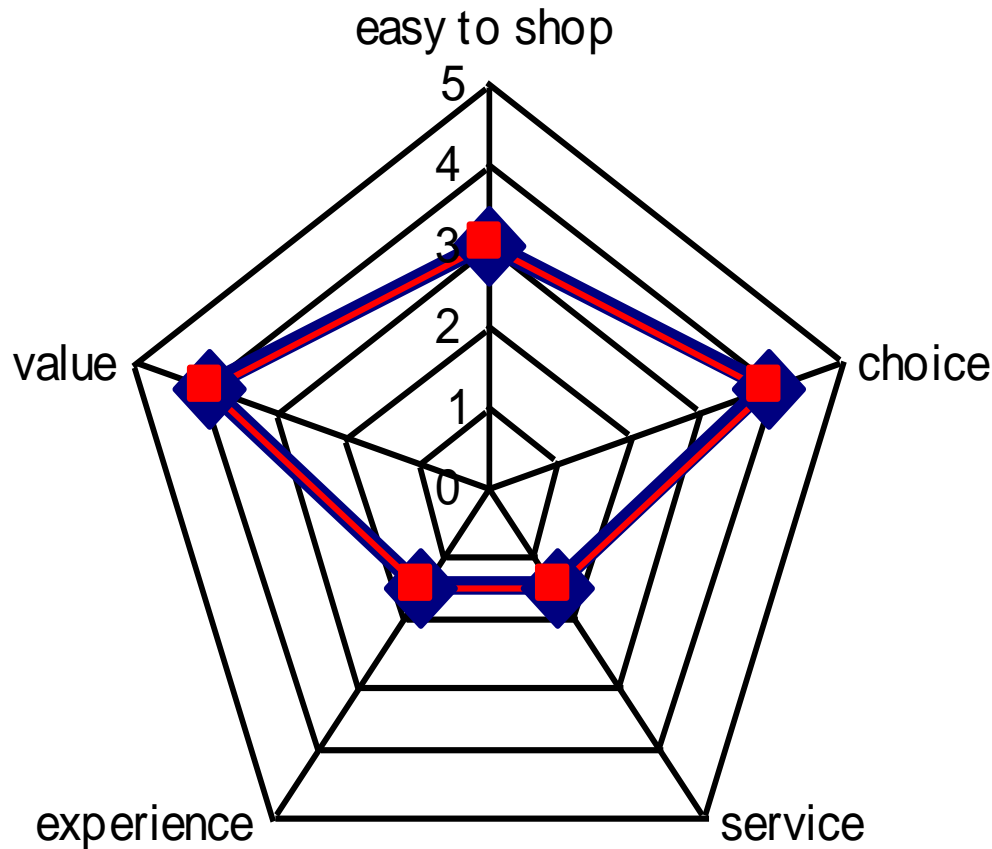
to be



# Shopper relevance



# Shopper relevance



◆ retailer to be  
■ artisanal to be





## Shopper relevance

retailer = category  
(to be)

yes

no

yes

align

motivate

retailer:  
as is = to be

no

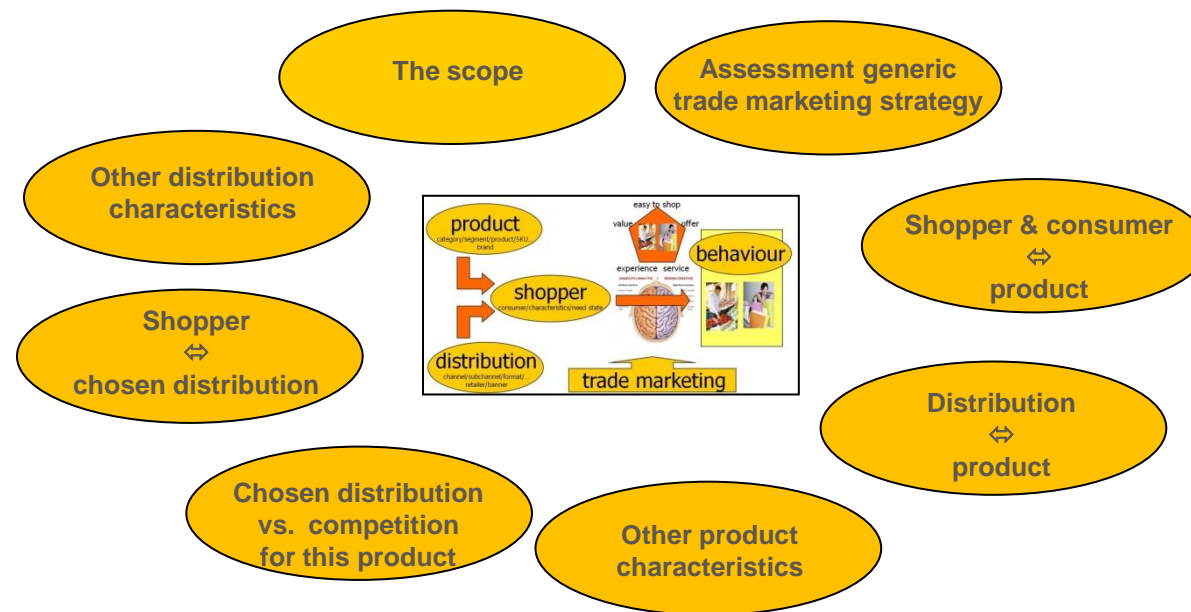
use category  
as a lever

defend

use Casa di Mama as a lever to restore the profitability of the segment

## Agenda

- Introduction
- The checklist

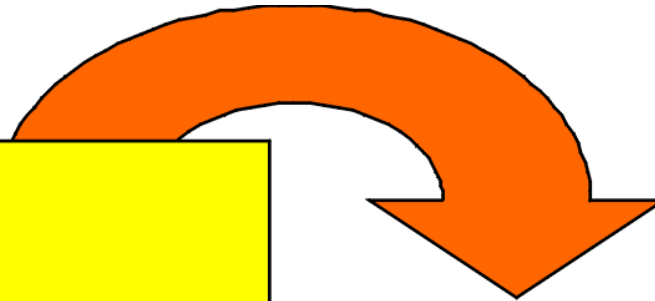


- Shopper relevance
- Trade marketing



## Trade marketing

- pricing
  - regular vs. promotional
  - perception vs. actual level
- promotions
  - intensity
    - frequency vs. strength
  - nature of the benefits.
    - discount / volume vs. added value
  - other aspects
    - loyalty programmes
    - joint-promotions
    - tailor-made promotions
    - events
    - sweepstakes, competitions, ...



“increase the share of promotions”  
 (“lower the share for Ristorante”)

- consumer decision tree
  - add missing SKU 's, delete redundancies
- increase the range
  - growing categories, segments, brands, ...
  - add slow runners
- **substitute the range**
  - favour strong/profitable brands
- identify opportunities for innovations
  - consumer marketing!!!
- improve in-store availability
  - give growing SKU 's more space



“increase the share of items”  
 (“lower the share for Ristorante”)

- increase distribution
  - more outlets, accounts, ( sub)channels
- store merchandising
- optimise the range (reduce ?)
  - delist redundancies & slow runners
  - focus on fast runners
  - broaden the range ( "one stop shopping ")
- shelf merchandising
- POS-communication & signage
- packaging design
  - consumer marketing !!
- product logistics (handling, delivery,...)



“increase the in-store visibility”  
(results form other actions)

## Vragen / opmerkingen

Allan Kamp

065-393 39 39

[akamp@oetker.nl](mailto:akamp@oetker.nl)

