



Grocery retailing experts share how to get more creative with store brand marketing

The world of private brand marketing includes many examples of striking creativity.

Consider H-E-B's solicitation of new product creations from consumers and small businesses across Texas. Or Food Lion's "Quarter Back" promotions, which encourage shoppers to purchase up to 40 store brand items at a time for 25 cents off each and make unlimited return visits for additional discounts. Or more recently Earth Fare's "Dirty Food Swap," which calls on customers to bring in non-clean-label store brand items from other retailers for 25 percent off Earth Fare's own-brand, clean-ingredient products.

Certain private brand names also reveal tremendous imagination. Take Amazon's new Wickedly Prime brand, for instance, or Walgreens' Soap & Glory skincare and cosmetics line.

Indeed, from product development to package storytelling to its "TJ's Fearless Flyer" circular, Trader Joe's is arguably the apotheosis of inventiveness when it comes to marketing store brands.

But more often than not, grocery retailers fall short in the realm of innovation, contends Tom Stephens, founder of Brand Strategy Consultants in North York, Ontario.

"No question about it, there is a need for more creativity,"

he says. "Retailers are not doing a good job of pulling together all of their private brand lines as a platform for the consumer. They are not doing a good job of convincing customers that they are the destination for a bunch of great unique products that can help consumers and their families live well and get through each week."

It's also important to keep in mind that ideas that resonate in one region or with one demographic group can bomb elsewhere. Consequently, imitating the marketing initiatives of highly creative chains isn't necessarily a sound business proposition. Store brands that cultivate and champion local products, for example, might not work as well in Illinois as in Texas, which has a superabundance of state pride.

In addition, creativity must be based on more than wild flights of fancy, caution private branding experts. To be effective, innovation needs to be on-trend and reflect a deep knowledge of one's customers.

"First and foremost, you need to know who is shopping at your stores," emphasizes Diane Colgan, senior vice president of marketing and decision support for Williamsville, N.Y.-based Tops Friendly Markets. "And you need to stay true to the fundamental marketing principles that are key to driving your business."

"Sometimes we like to do all kinds of things that are

different and unique. But you can't lose sight of the most important principles: product quality, packaging that reflects the quality of the product inside, and strategic pricing — providing good value for the money.”

UNDERSTANDING TODAY'S CONSUMERS

Creativity can't happen in a vacuum; it must be grounded in reality, retailing thought leaders agree.

Of course, retailers glean a substantial amount of information on shoppers through point-of-sale transactional data. But knowing what customers are currently purchasing is insufficient, according to William Gillispie, the retail and CPG leader for IBP Global Business Services.

Bob Mariano, a former chairman and CEO of Milwaukee-based Roundy's (a division of The Kroger Co.), advises grocery executives to strike up conversations with customers and employees in a sampling of stores to learn what they like and don't like about existing private brands and what's on their wish lists.

In addition, retailers need to capture “unstructured data” outside of the store, Gillispie says. Searching through social media postings, YouTube videos and Yelp reviews and paying closer attention to the comment section of consumer surveys are ways to tap this type of information.

Understanding the evolving and increasingly influential millennial generation is especially important, adds Helena Yoon, a creative director with Anthem Worldwide in Mississauga, Ontario. Millennials appreciate authenticity and are less likely to be swayed by conventional advertising, she notes.

Having a website and a strong presence on social media channels is critical, but even that isn't enough, Yoon says. Retailers need to offer ideas on how consumers can live more responsibly and healthfully by incorporating store brand products into their busy lives, she adds.

For example, the Canadian retailer Sobey's, headquartered in Stellarton, Nova Scotia, provides many grocery-related “life hacks” online such as one Yoon found useful on what to do with leftover cabbage.

“Food waste is a big concern,” so this brings a solution that meshes with a consumer's desire to live more sustainably, Yoon explains, noting that in providing such tips, “Sobey's is acting as your trusted friend.” The retailer is showing how individual consumers can make a difference — just as the company is doing at the corporate level through various environmental initiatives.

Millennials, moreover, seem to have an insatiable desire to learn everything they can about anything they consume.

“Yes, we are very demanding,” confirms *Store Brands* columnist Ryne Misso, a member of the millennial generation and the director of marketing for Chicago-based Market Track. Transparency about the provenance and composition of products is a key driver in his generation's purchasing decisions, he says.

“A lot of the center store manufacturers such as Kellogg's and General Mills have probably put out more on how their products are created, where they're sourced and what

Top tips for jazzing up own-brand marketing

There are many ways to bolster creativity in the marketing of store brands, notes Bryn Banuelos, director of marketing/own brands portfolio for Boise, Idaho-based Albertsons Cos. She offers the following suggestions with examples from Albertsons:

1. Show customers that creating great meals doesn't have to be elaborate or expensive.

Albertsons Executive Chef Jeff Anderson teamed up with Oprah Winfrey's “Favorite Party Pro” Debi Lilly on a satellite media tour in February 2017 to share tips for creating the perfect Valentine's Day dinner at home using high-quality meat from the retailer's O Organics and Open Nature private brands. The recommended meals featured either cedar plank beef tenderloin finished with sweet honey rosemary butter or polpetta (lightly packed meatballs) with sage butter and angel hair pasta.

2. Tell engaging stories about your store brands.

Albertsons Cos. demonstrated that organic food is for everyone in a September 2016 campaign for the O Organics brand that communicated “quality, affordability and wide selection” via a TV spot and a video that aired across digital and pre-roll placements (ads shown prior to Internet videos). “The TV spot takes customers from inside the grocery store into the outside world in a fun and inclusive ‘shopping cart rally,’ showcasing the brand's warm, approachable personality,” Banuelos emphasizes.

3. Engage influencers to help drive awareness and trial of your products.

To coincide with the launch of the chain's “Organic for All” campaign and generate awareness of O Organics products, Albertsons treated bloggers from across the country to “an immersive culinary and wellness experience” that showed how easy and affordable it is to go organic with O Organics, Banuelos observes.

4. Draw national media attention to a big launch with a celebrity spokesperson.

Albertsons celebrated the launch of its Signature brands — including Signature SELECT, Signature Kitchens, Signature Farms, Signature Café, Signature Home and Signature Care — by partnering with actress Tiffani Thiessen, host of the Cooking Channel's popular TV show “Dinner at Tiffani's.” As Banuelos puts it, Thiessen inspired shoppers with her tips and recipes for Signature meals in a number of marketing efforts, including public relations, blogger and social media events in April 2016.

5. Get your retail associates excited about your store brands.

When Albertsons launched its Signature family of brands, the retailer used associate engagement as a key strategy. “We asked associates in all [of our] stores to tell the company ‘Your Signature Story’ — a great meal, a lasting memory or better care that started with a Signature product,” Banuelos explains. Nearly 500 Albertsons associates submitted stories via their online portals. The first 130 employees each received a \$15 gift card.

Marketing Innovation

ingredients are included in the past five years than they did in the previous 50 years,” Misso observes. “In order to stay competitive with those national brands from a marketing perspective, there is actually an opportunity for retailers to shed more light on where they’re sourcing their private label products; who their suppliers are; and what their goals are for improving the ingredients, improving the health attributes and improving the environmental footprint of the products.”

HARNESSING TECHNOLOGY

Besides insisting on greater transparency, today’s consumers want to spend less time shopping, Stephens points out. Better use of technology is essential both to drive store traffic and to promote store brands, he says.

“Nobody wants to spend time in a supermarket — that’s not something people enjoy doing,” Stephens contends. “So how do you get consumers into the store, and how do you get them to focus on your private brands?”

Given that some 75 percent of consumers use smart phones and shopper apps of one sort or another, Stephens suggests that retailers with strong store brands focus their creative energies on building a sophisticated, versatile smart phone platform that allows shoppers to quickly find the items, especially private brand SKUs, that meet their specific needs, whether it be gluten-free products, organic offerings or low-glycemic-index foods for diabetic consumers.

Retailers that can candidly say, “Our private brands offer you the best opportunity to shop efficiently, healthfully and creatively,” will be able to leverage such technology to the fullest, Stephens says. And they will be able to effectively convey to customers the robustness of the app, as in this hypothetical example:

“Our smart phone platform will help you find special offers on our store brand products, the meal kits from scratch we are now offering, the brand-new products in our dairy case, and the new fish that just came in.”

It shouldn’t be difficult for grocery retailers to harness technology that already exists to give consumers the information they keep saying they want, Stephens insists.

BREAKING THROUGH

Retailers with private brands that span many categories have advantages over national brands when it comes to storytelling. But revamping product formulations and packaging is much more time-consuming for retailers that have thousands of store brand SKUs than it is for national brands.

Tops Friendly Markets, for one, recently redesigned its private brand packaging to better represent the quality of the products inside and reformulated a large number of its products to meet the clean label expectations of contemporary consumers. The entire undertaking took about three years, Colgan says.

And it can take considerably longer to conceptualize, develop and roll out a completely new store brand. As a result, much of the creativity in private branding comes from breakthrough new products and line extensions as well as promotional campaigns.

Be that as it may, retailers today are urged not to be just fast-followers of national brands but to develop unique offerings. One way to do this cost-effectively is by aiming to complement national brands on the shelves, Colgan suggests. That means listening to customers and looking for the gaps between what they are requesting and what national brands are providing.

This approach led to Tops’ being “first to market” with its 100 percent compostable single-serve coffee pods, the Gold winner of *Store Brands’* Editors’ Picks competition in the Coffee category (see page 26). Manufactured by Massimo Zanetti Beverage USA, the compostable pods help to prevent the growing problem of K-cup waste in landfills.

But innovation isn’t easy, Colgan concedes. In the fiercely competitive grocery environment, retailers need a strong brand identity to attract customers. But most chains, like Tops, have a diverse customer base.

“You really have to offer different tiers because consumers aren’t all looking for the same things,” says Colgan, who notes that Tops offers value, premium and certified-organic tiers. “Price is the most important factor for certain customers, while others want premium-quality products. And although more people today are looking for organic items, a large percentage of the population remains uninterested in organic.”

In other words, grocery retailers need to satisfy different customer needs — but not with a single store brand.

“Consumers want choices, and they want to have control over their shopping experience,” Misso adds. “Retailers that have successfully rolled out tiers to appeal to healthy-eating shoppers and less-price-sensitive shoppers tend to be much more creative than those that are simply sticking with their legacy brands. The innovative retailers are integrating themselves with today’s consumer reality.”

RULES OF THUMB

Whenever retailers contemplate establishing a new brand, as opposed to improving their existing store brand lineup, Colgan recommends that they look inward and assess what they expect to accomplish.

“You need to clearly understand what the brand’s objective is,” she says. “When you create your own brand, there should be a reason for creating it. And if you understand what that reason is, you can then develop your strategy much more easily because you’re not trying to be everything to everyone. You can be very specific to a specific audience.”

But, as Yoon emphasizes, it’s far easier for grocery retailers to refresh their marketing communications than it is for them to launch totally new brands, lines and SKUs.

“You don’t have to introduce a whole new assortment of products to be creative,” Yoon stresses. “But you do need to consistently update your customers with news and ideas about your brand; otherwise the brand will die. A brand is like a living organism that you constantly need to feed.” **SB**

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