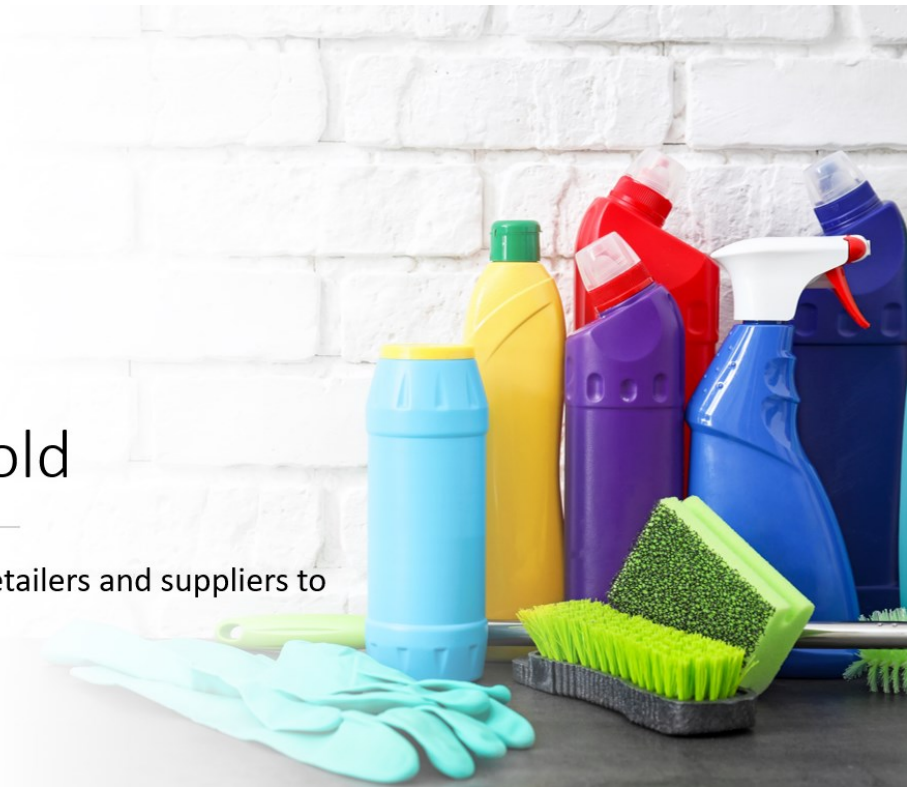


# The Monthly Focus: Household

The Spring Clean: a time for retailers and suppliers to get their house in order

March 2024



## Category Challenges in Context

As the grip of winter loosens its hold, there's a palpable shift in the air - not just in temperature, but also in our behaviour. With the onset of spring, we embark on a mission to refresh and rejuvenate our living spaces with the age-old tradition of the spring clean. Household categories benefit from a seasonal surge in demand and the opportunity for some instant wins is evident. However, successfully navigating this influx requires a solid understanding of consumer and shopper preferences.

Household categories relate to a task that very few of us relish, so these categories are already struggling on the excitement factor when it comes to engaging shoppers. And there's more. With high levels of planning and low levels of expandability, Household categories can respond poorly to promotions. Promotions may secure an uptick in sales in the short term; however, many shoppers are simply waiting for deals and stockpiling products on offer so there is a real risk of subsiding future base sales.

Suffice to say Household category teams have their work cut out. Successful strategies will need to achieve the right balance between securing short-term gains and long-term shopper loyalty.

### **How can Household categories get the right balance?**

Not all Household categories play the same role for the store so there is no one-size-fits-all approach. Different tactics will work better for the different categories in the long term, depending on category role - as shown in Figure 1.



Figure 1: Shopper Intelligence Category Role model—Household department and associated categories (in red)

Category Role helps us consider potential growth tactics, and there are of course only two ways to grow any category. Either recruit more shoppers to the category (drive traffic) or get existing shoppers to spend more (drive spend). Understanding which combination of these levers will be most effective will be key to success in achieving that elusive category growth.

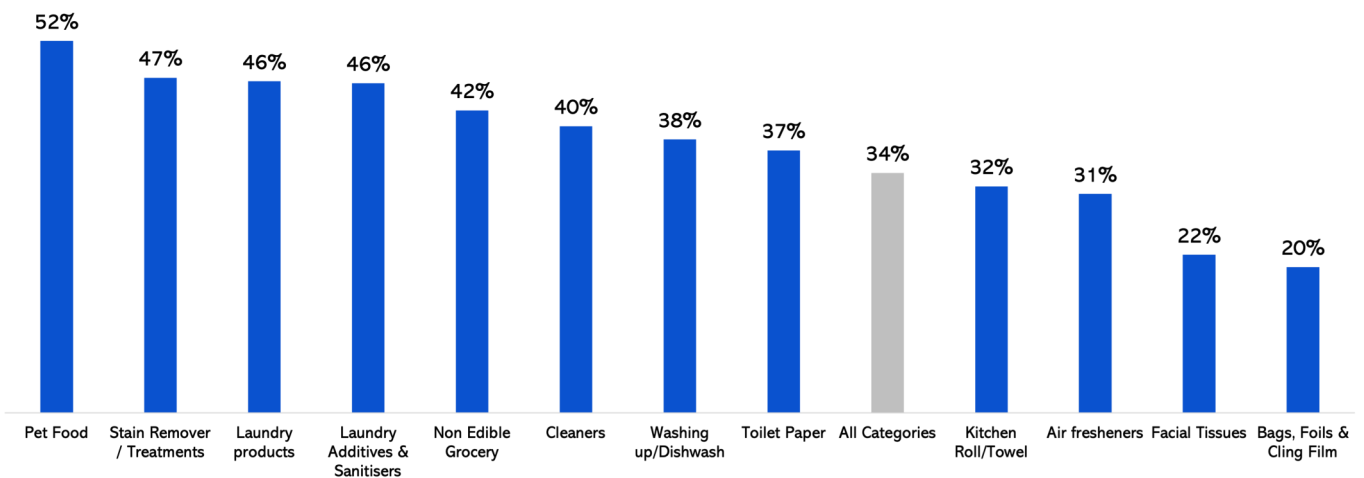


Figure 2: – Ability to drive Traffic to store (agreement scores), Household categories

Let's use Laundry products as an example. Clearly a category that has a high potential to drive traffic to store (see figure 2), this is a category that's a 'main reason for the trip' and very much a fixed decision with almost 85% of shoppers planning to buy before coming to store. Promotions also play a major role in influencing shoppers to come to store, whilst in store, a good price can help indicate retailer value more broadly.

Tactics then, might include using pre-store communication to highlight promotional offers – such as advertising, coupons and retailer leaflets/magazines, whilst also ensuring good in-store execution of this to capitalise on price awareness.

On the other hand we might identify 'spend driving' as the better potential lever for our category, opening up different strategic considerations.

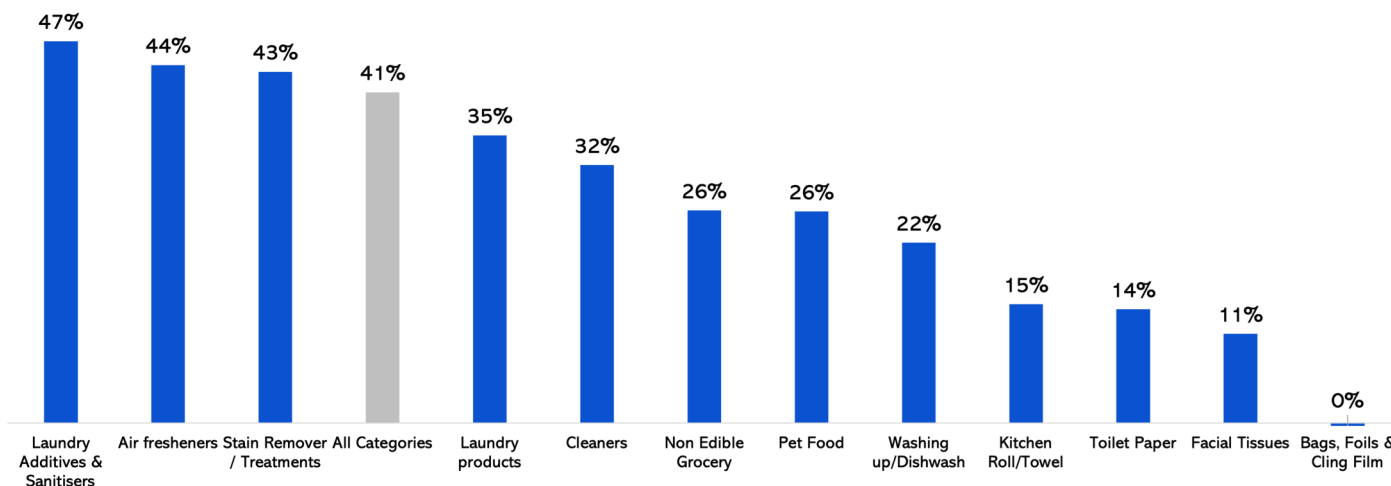


Figure 3: – Ability to drive Spend once in store (agreement scores), Household categories

Increasing shopper spend can be achieved through in-store promotions, introducing innovation, creating premium options or by simply tempting shoppers into an impulse purchase.

Considering Air Fresheners here we see a greater than average potential to drive spend, shoppers are particularly likely to agree they'll buy more to 'try new and different' – suggesting a path for innovation in this category. In fact, Innovation is also significantly more important to Air Freshener shoppers and twice as likely to be a purchase trigger versus average.

So, activating on 'new' in-store is highly likely to bring growth opportunities for Air Fresheners – we must make sure shoppers can easily find it (through on and off shelf execution) and that it complements existing ranges to drive a 'plus one' purchase.

One final point to bring things back to our earlier mention of securing long-term shopper loyalty. It's critical for Household categories to consider what is most important to shoppers, particularly when compared to the average category, and crucially, identify where these needs are not being met.

Sustainability will no doubt be one of the most important areas to address in the coming years and will at some point need to be offered as standard. For the time being, of all the Household categories, Laundry and Air Fresheners are where shoppers currently place most importance in sustainable options, and therefore where focussing on this will be most likely to deliver well at the shelf.