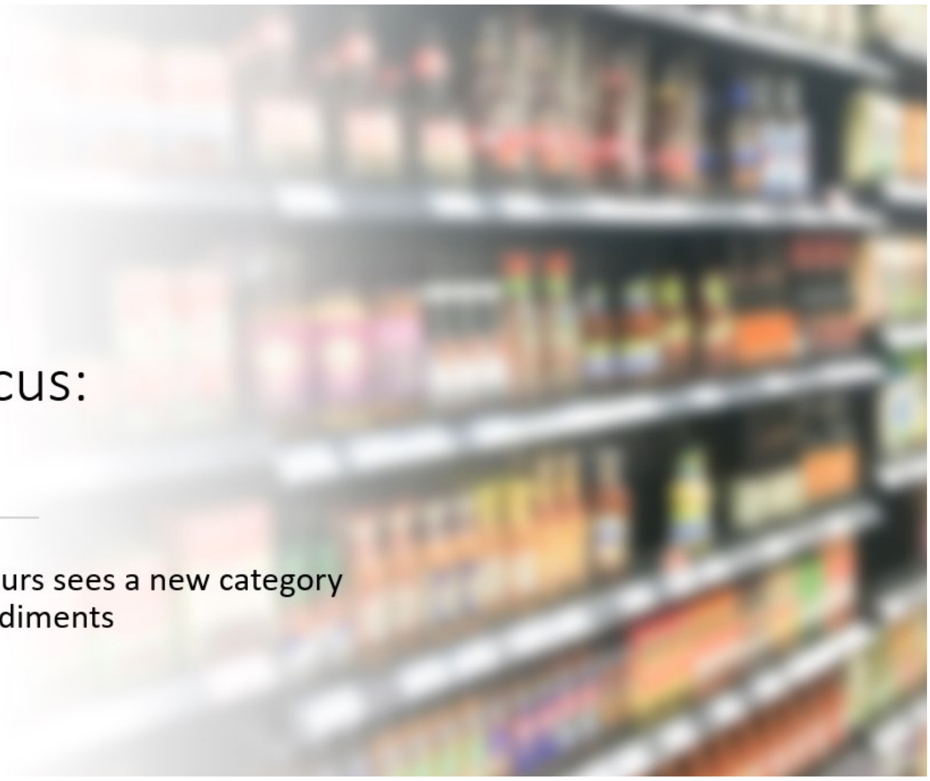

The Monthly Focus: Core Grocery

The demand for Global Flavours sees a new category emerge within Sauces & Condiments

May 2024

Category Challenges in Context

We talk a lot about understanding category role (step 2 of category management process) and rightly so as it’s a critical step towards defining strategy and tactics.

However, before understanding role, let’s take a step back and consider category definition (step 1 of the category management process). If you get this wrong, you’ll find yourself defining your role and tactics around the wrong product and wrong shopper drivers. And as categories evolve and change over time with the introduction of new products and challenger brands, new segments and even new categories are born. This highlights the importance of revisiting your category definition regularly.

Sauces & Condiments is a great example. Until recent years the category has been dominated by traditional products like Mayonnaise and Ketchup. With relatively low engagement it can be difficult to influence these shoppers. The category has also been dominated by just a few brands, with offers and promotions often being the historical lever of choice.

As consumer tastes have evolved the demand for global flavours has grown (see Figure 1 shows global flavours to be by far the biggest trend across core grocery categories in Q1 2024). We’ve seen innovation from the likes of Sauce Shop, ABF and Heinz all bring life and competition to the category. And with this, a new category has evolved that requires an entirely different approach to strategy and tactics.

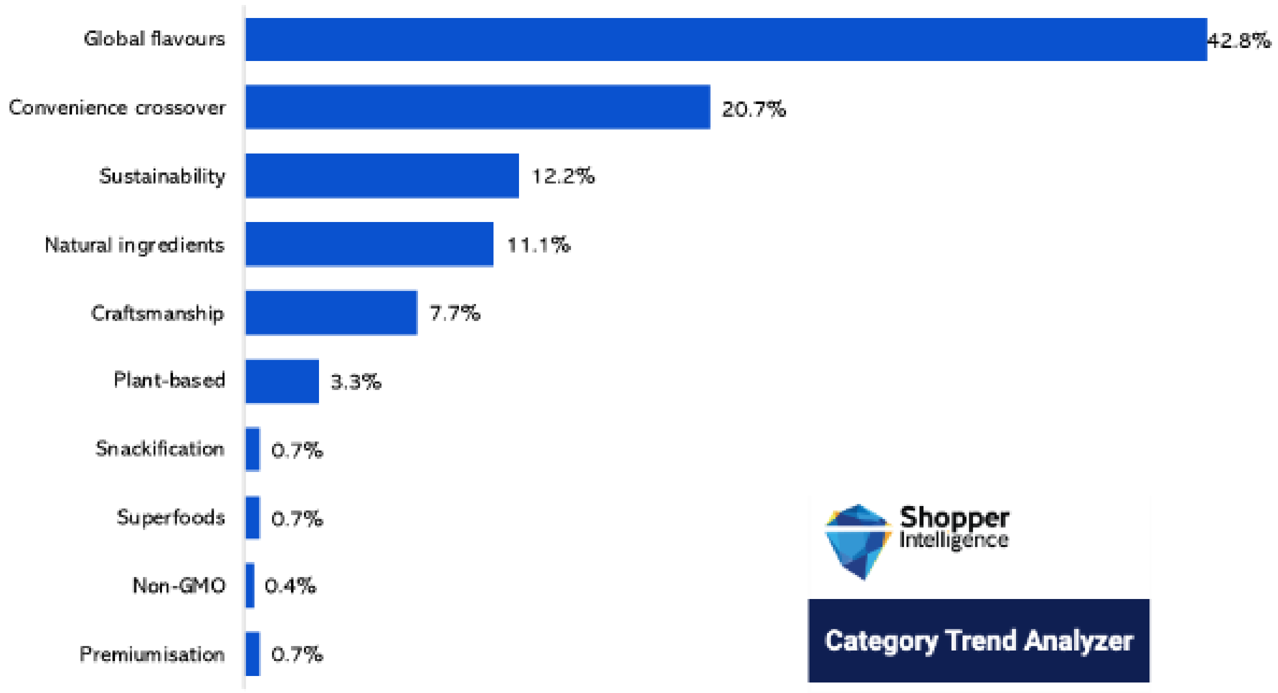

Figure 1: Shopper Intelligence Category Trend Analyser, Q1 2024, Core Grocery UK

Figure 2 compares intentionality and engagement across all categories in the store to identify the different roles they play. Working on a Sauces and Condiments definition we may view the category as a Basket Builder.

However, as we drill down we can see that different segments (or sub-categories) play different roles and require altogether different tactics.

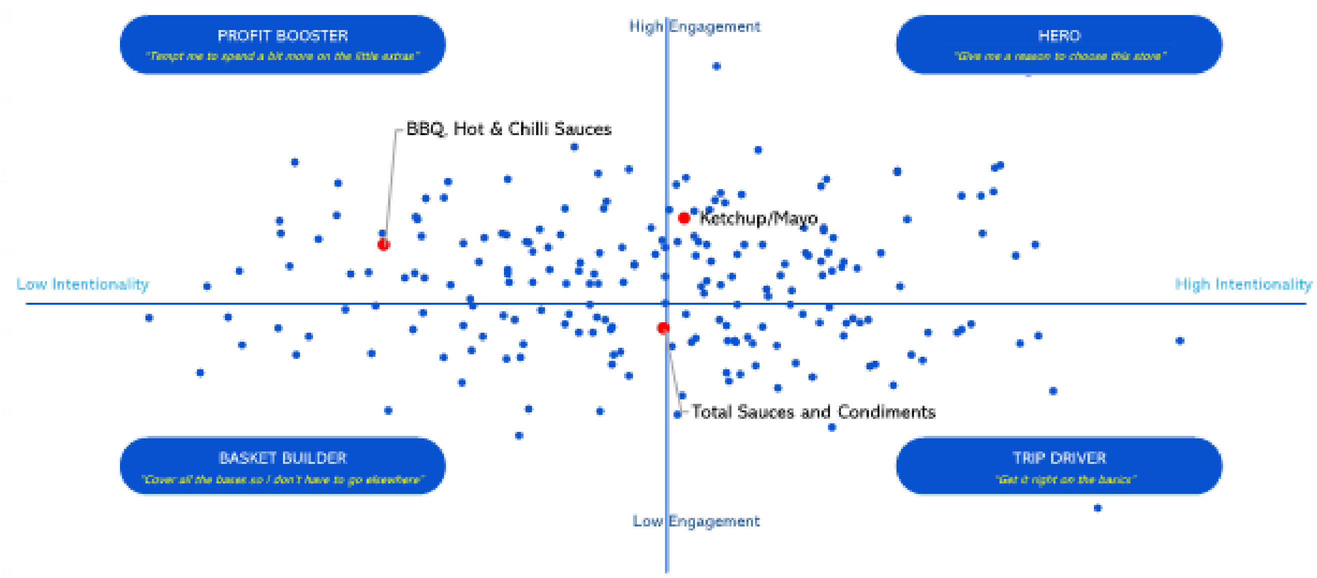

Figure 2: Shopper Intelligence Category Role Matrix - Condiments

For example, as a Profit Boosting Category (less intentional, high engagement), tactics for BBQ, Hot & Chilli Sauces should be focused on tempting shoppers to spend more and consider things like Premium, Range Rotation and Innovation and the use of Theatre and Display to attract. So to treat this category as a Basket Builder, focusing on price, would likely erode the growth potential of the category.

Focusing on the right definition also helps you then look at how shopper needs and motivations are different. Something that would be entirely missed using a traditional definition of the category.

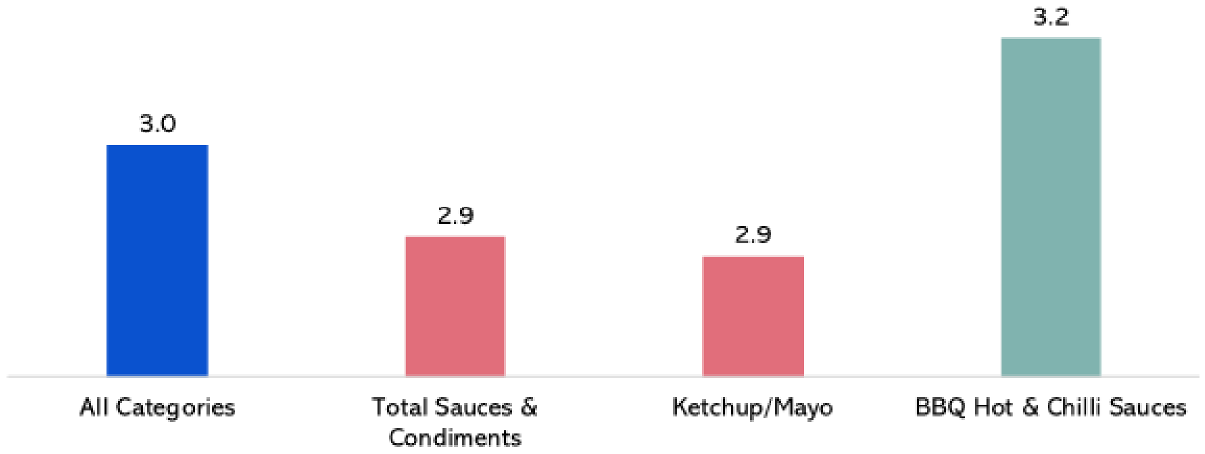

Figure 3: Shopper Priorities – Importance of Innovation (5 = most important)

Figure 3 shows just how different the three definitions are when it comes to what matters to shoppers. BBQ, Hot & Chilli Sauces shoppers are far more likely than the average category and other condiments segments to say that innovation is important to them.

We're beginning to get a picture of how these shoppers are very different.

Once you're clear on tactics and strategies and even have your buyer on board, how do you then empower your buyer to win your case when you're no longer in the room. Core Grocery is a huge part of the store, but it also has the highest number of suppliers all competing for that space.

How do you get priority for your category?

Figure 4 shows just how high BBQ, Hot and Chilli Sauces sits when ranked against the total store with other Core Grocery categories for shoppers saying they will spend more on innovation. This clearly demonstrates where innovation should be prioritised within the context of the store and will give your buyer the ammunition they need to put a solid case forward.

“I buy extra to try new and different”

Category	Rank
BBQ, Hot & Chilli Sauces	8
World Foods & Sauces	15
Mexican Cuisine	17
Baking & Ingredients	24
Health & Welbeing Drinks	27
Rice & Noodles	28
Pasta/Italian Sauces	32
Pickles, Chutney & Olives	47
Muesli & Granolas	52
Free From & Dietary Needs	56
Herbs & Spices	67
Porridge & Hot Cereal	74
Longlife Desserts/Custards	75
Speciality Teas	76
Coffee Pods/Discs	87
Instant Noodles & Packet Soups	95
Cold Cereal	97
Stocks, Gravies & Seasoning	100

Category	Rank
Stocks, Gravies & Seasoning	100
Ketchup/Mayo	132
Canned Soup	144
Canned Veg, Toms & Beans	152
Roast & Ground Coffee	153
Jams & Spreads	161
Everyday Tea	162
Nut Butters	163
Dried Pasta	166
Vinegars	167
Instant Coffee	176
Canned Fish & Meat	181
Longlife Milk	184
Flour	194
Oils	196
Sugars & Sweeteners	200

Rank of 214 categories on level of agreement with statement noted

Figure 4: Rank of Core Grocery categories on shopper likelihood to agree they, “buy extra to try new and different”