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In association with



'My Economy' mindset sparks a new approach

Our panel of experts, in association with Blue Marlin, discuss how the industry can best respond to the post-recession environment and its effect on consumer purchasing attitudes. **By Maeve Hosea**

Marketing Week (MW): Are there brands that are 'recession proof' and will always go into the basket no matter the economic climate?

Will Abbott (WA): We have never known anything but the recession because Freesat launched in May 2008. We have benefited in many ways because we are a free service and people do look to reduce costs at times like this. However, they don't want to lose value or quality, and brands that offer low cost but questionable value or quality are the ones that will suffer.

Kevin Price (KP): The beauty market has been remarkably resilient to the recession. There has been some down-trading but when you get to recessionary periods, looking good becomes disproportionately important. The other growth area is anti-ageing because in hard times we also want to look youthful.

Andy Wines (AW): One interesting thing for me is sectors where there is a requirement for the product to actually perform. If your headache doesn't go away that is a bigger concern than if a supermarket own-brand food product doesn't taste as nice.

Clare Field (CF): I would totally agree with that and I think it links back to Will's point that consumers today are more savvy than ever and the recession makes them even more conscious of the decisions they are making. I think what you are referring to is the role of brands and the fact that we have to satisfy both the emotional and rational relationships people have with us.

Barbara Wright (BW): One of the big finds in our research is around the balance between emotional and rational. The way we encapsulate it is that consumers have much more of a 'feeling brain' and a 'thinking heart' now. People who were previously dominantly emotional have suddenly got this rational interest, and people who were dominantly rational are suddenly a bit more emotional about purchase decisions.

Emma Wilson (EW): The emotional and rational side has been incredibly important to us over the past two years. As a brand, Total Greek yoghurt has a huge emotional following and we have been very lucky that we have the loyalty of the people who are really emotionally attached to our brand. On the other hand, we have had to



work very hard on our communications to convey the versatility message – the rational reasons for buying into the brand.

MW: What effect has the economic shock of the past two years had on your customers and the way you speak to them?

Gemma Duffield (GD): The pet industry in general hasn't been affected as badly as it could have been and that's because of the emotional tie people have with their animals. However, showing the value of the product becomes more important, because it offers reassurance to the customer and communicates that we are looking after their animal's nutrition to the best of our ability.

Adrian Apodaca (AA): At Honeyrose Bakery we are competing against brands that are saying they are healthy or natural without actually



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Marketing director
Seven Seas



Barbara Wright (BW)
Strategic planner
Blue Marlin



Emma Wilson (EW)
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Cameron Saunders (CS)
Managing director
UK Theatrical
20th Century Fox



Clare Field (CF)
Marketing director
Aunt Bessie's



Kevin Price (KP)
Director of
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Frattempo



Photography: Rob Clayton

having to go through the rigours of being organic like us. So we have to be a lot sharper about what we do and how we do it.

Ounal Bailey (OB): Areas that are more premium in our business, such as smoothies, have suffered significantly, but our fizzy brands have been particularly strong and relatively 'recession proof'. They don't take up much of your basket spend and they are little luxuries that make you happy during the course of the day. I think it is simple: taste wins out. If you can deliver that, you will be fine.

MW: Two years ago consumers had a problem deciding who to trust in terms of planning their finances, and ended up planning their own individual economies based on their needs, according to Blue Marlin research. The agency calls this the 'Me Economy'. How are

brands meant to deal with the thousand different micro economies out there?

EW: Each individual is very different so trying to communicate to each person's different needs is difficult. Therefore, it is better to communicate the benefits and features of a particular product.

Mark Tyldesley (MT): The biggest change has been around the success of brands that are really honest. Historically, you have been able to win with style over substance, but I think over the past couple of years, substance has really come to the fore. That plays into the quality and innovation aspects we were talking about before.

OB: Historically at Britvic we have had lots of communication around products, but the best piece of communication you can have is the actual product you sell off the shelf, and if you don't keep that up to scratch, making sure you

have substance not just emotion, you will be in trouble. I think a lot of brands over time have lost the balance of function and emotion. I think at these times of recession, consumers go back to function.

Mark Humphreys (MH): For us, it is all about taking the hassle factor out. My customers are business-to-business: publicans, landlords, hoteliers, and restaurateurs. They are all very busy individuals. Although price is important, the key thing is solid customer experience from end to end. If the touchpoints all run smoothly, the delivery is right and the invoice is right, then the customer is likely to be happy and loyal.

Keith Gulliver (KG): A recession is a disruption to any market. Fear starts to creep in and you see people trading down. How the perceived benefit stacks up against perceived cost of



your product changes all the time and clearly dictates what your value is.

I don't think there is any product that is 'recession proof'. I do believe there are recession resistant products, and they tend to be the ones that balance that value equation effectively.

MT: I think the same is true in many sectors. You can give consumers an offer that might help them economise but still give them quality.

Cameron Saunders (CS): Traditionally the film industry has been recession resilient, as was seen in Hollywood's heyday, which coincided with America's Great Depression of the 1930s. Most recently, we have seen two years of admissions growth in cinemas.

But it's a bit more complicated than that. People are happy to pay for a cinema experience they can't replicate at home, but they are not prepared to pay for DVDs, the area in which a studio typically makes the bulk of its money.

MW: The strategies brands are employing to get around the differences in shopping behaviour include honesty, value and demonstrating perceived benefits. Blue Marlin's research has also identified this notion of 'Keeping Down with the Joneses', where people are almost breathing a sigh of relief that there isn't such a status race going on now. What do you think about that?

BW: Society has de-egoed a bit and you don't have to put such an image-conscious face on status. It is about being more rational about making new purchases – for example, asking if you really need your wine order once a month, or can you just buy good claret in the supermarket.

KG: I think there is definitely that feeling of being in it together, which is why people rally a bit more around British products because they see the wider benefit in buying them.

KP: I agree, I went to Poland recently and 'Made in Poland' is seen as a good thing. In Italy, there is a similar initiative called 'Made in Italy' to promote the quality of their own brands. I even saw a sign in an Italian store a few months ago that said 'Not Made in China'. So we are all looking more inward.

I love the line 'Keeping down with the Joneses', but I don't think we should trivialise it because what underlies it is fear – consumers are really scared.

WA: Something we have been looking at for a

little while at Freesat is this spirit and trend of thrift. If you buy something that costs £5 from Primark you tell people and are proud of it. Ten years ago people wouldn't do that.

AA: At the height of the recession we saw the extreme of that thrift trend. One of the supermarkets was selling the simple proposition of jam sandwiches as the new big thing. But actually, consumers don't go to that extreme of cheapness. Their actual response has worked for us because something like a small premium cookie with a lot of good stuff in it is a small indulgence that people will pay for.

OB: Early on in the recession, Tesco tried to do a bit of a Lidl and bring in [cheaper] brands that we had never seen before, but it backtracked on that pretty quickly. It shows we are still looking for value, but we are looking for value from places that we know and trust.

CF: In a recent redesign of Aunt Bessie's, we looked at how far and wide we could stretch the new look. In the end, we decided on something quite conservative. In reality, trusted brands that are understood by their consumer base make changes that are like a good haircut – people don't notice it, but if you didn't do it you would be out of date. It is very important to find that balance between nostalgia and the comforts of home and ensuring relevance to today's busy lives.

MW: The Blue Marlin research also shows that people have switched from consuming on autopilot, to making far more conscious, rational decisions about everything. In terms of the retail experience, how are your retail customers doing things differently? What is and isn't working?

MT: There is always a healthy tension between retailers and brands. You often get retailers wanting headline-grabbing deals like 'buy one, get two free', which is a challenge for any brand. But you can use promotions smartly, whether it be for driving trial with a single price point piece, or promoting linked items together such as cooking sauces plus core ingredients.

EW: In terms of a visible promotion on-pack, we offered a '20 grams extra free' deal on our small pots [of vitamins] for most of last year. It has definitely sustained the business.

OB: Similarly, we have upsized to a 600ml container on products in our carbonates range at

"Showing the value of the product has become more important because it offers reassurance"

Gemma Duffield, Crown Pet Foods (le.

Britvic and sales have gone through the roof. It's another way of giving people value. Pack and price is something we talk constantly about in our business. The quick wins in this economic climate are the evolutionary things, not the revolutionary things.

CS: In the film business, there is definitely a trend to go for the familiar in the recession. But the success of films that completely break the mould – like Avatar and Inception – show that consumers are looking for new experiences too.

MW: With the knowledge that people are looking for both the familiar and the new, as well as value, how do you straddle several trends at once?

BW: Increasingly, brands have to become multi-taskers. You need to think about your touchpoints a lot more because you can't do everything through one channel.

CF: Through packaging, we have recently turned around an over-12-month decline on a product that consumers were confused about, into double-digit growth. It's about being clear about your proposition and understanding the consumer need.

MT: It is a brilliant time to be a marketer because to succeed you have to be exceptionally good. You have to know exactly what you stand for and you can't be lazy. ●

Blue Marlin research

Methodology

The research, in partnership with Debbie Carne Research & Marketing, was conducted in three stages: an online questionnaire, six focus groups and a series of in-depth face-to-face interviews. Interviews were evenly split between the north and the south of the UK. Women were recruited across three prevalent consumer groups: those affected by the recession, those unaffected but are more conscious of how they spend their money, and the big spenders who are not directly affected by the recession and see much of their spending as an investment for the future.

Research premise:

That consumers are focusing on 'my economy' rather than the wider economy.

Key learnings:

- Austerity is a badge of honour for women, whereas many men are in denial.
- No one shops on autopilot anymore – the consumer is switched on, savvy and cynical.
- People are more rational about their buying decisions.
- People say they have changed their attitudes and behaviours for good.

The full research findings will be released early in the first quarter of 2011.