

# Winning the in-store battle

SHOPPER MARKETING CASES FROM THE SHOP FLOOR

Edited by:

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Ulf Johansson



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# Winning the in-store battle

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*Martin Moström, Carys Egan-Wyer, Ulf Johansson*

The grocery retail industry is undergoing constant change, impacting how we market and sell groceries. The traditional approach has been, and still is in many companies, to build brand awareness outside the store using paid media, such as billboards, print advertisements, TV commercials, and social media. The goal has been to create a unique product and engaging communication that would drive customers to the store, where the sales team would, hopefully, ensure distribution. It's a simple and often clear model that unfortunately doesn't work as well as it used to. The winds of change are blowing and retailers now have control over significant parts of the value chain from product to shelf. The grocery retail industry sets the framework for how brands can operate within grocery stores. At the same time, shoppers have gone digital, and the range of communication channels is overwhelming, requiring substantial resources to reach shoppers through traditional media.

For FMCG (fast-moving consumer goods) the store is an excellent and effective place not only to sell products but also to expose shoppers to a brand. This is a key part of the retail marketing strategy known as shopper marketing. Shopper marketing is not only a way for suppliers to attract customers to their brands but also a source of revenue for retailers, who can sell prime advertising real estate and shelf space inside the store. However, shopper marketing is not just about investment. It is also about a shared focus on the shopper—not the consumer and not the store, but the shopper—who is present in the store and throughout the entire purchasing journey.

Despite the changes in the grocery retail industry in recent years, some things remain the same. Brand suppliers to the grocery retail industry need to develop mutually beneficial shopper marketing collaborations with retailers. Such collaborations can be the foundation not only for successful sales but also for a competitive store if there is strategic alignment between the retailer and the brand suppliers.

## THIS REPORT

Students from the master's programme in International Marketing and Brand Management (Class of 2024) worked on live cases with two brands in order to identify how the brands should work strategically with retailers when it comes to shopper marketing.

One brand is a global oral care brand that offers a wide range of oral self-care products, sustainably produced in Sweden. Their primary focus is on interdental cleaning and their shopper marketing challenge relates to the fact that the interdental cleaning category requires knowledge and guidance (high-involvement) but yet, is of relatively low interest for most shoppers and is not a high priority category for grocery retailers either.

The other is a well-known Swedish dairy brand that cherishes the values of local produce and the strengths of collaborating globally via their international parent brand. Their shopper marketing challenge relates to the falling levels of dessert cheese consumption among younger shoppers. They want to better understand how they can help central customers (retailers) to develop the cheese category and how the cheese category can attract more young consumers and shoppers.

In the three cases that follow, the authors have employed theories of buyer behaviour, retail, and private-label marketing to explore these challenges and propose strategic solutions and interventions. They have collected and analysed primary data (from consumers and retailers) to make the case for why the proposed strategic solutions are appropriate.

In the first case, Gasienica et al. argue that the key to success for companies seeking to win over customers and comprehend their purchasing process is to understand their customer journey. They highlight the importance of consistency in communication efforts across touchpoints and in all stages of the customer journey—pre-purchase, purchase, and

post-purchase—for successful shopper marketing. Their detailed plans for omnichannel shopper marketing and gamification span all three phases and build on the data they have collected.

In the case by Adolfsson et al., the authors discuss the competitive challenge posed by private-label brands in the dessert cheese category. From a theoretical perspective, their chapter suggests the strategic adoption of increasing distance to private-label brands. From a managerial perspective, they suggest shopper marketing initiatives such as rebranding under a premium label, establishing a flagship store, and implementing an integrated marketing platform for enhanced brand awareness, brand experience, and category competitiveness.

Bernal et al. focus, in the third case, on transformations in dietary habits and gastronomic preferences

in the Nordics and highlight a heightened focus on food-related health, and ethical food-manufacturing considerations as challenges to the dessert cheese category. After interviewing young dairy consumers and grocery retail managers, they suggest several innovative shopper marketing strategies for attracting more young consumers in the Swedish market.

#### HOW TO READ THIS REPORT

You can read this report from front to back but each chapter also functions as a stand-alone case-study. While the cases apply to specific brands and categories, the findings are certainly generalisable to any brand seeking to win the in-store battle, especially within the grocery sector. More about that in the final chapter of this report, where you will find the editors' reflections on the cases.



## CASE 1

# Winning Store Shelves and Customer Smiles

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*Karol Gasienica\*, Maria Markkanen, Assal Nassab, Franziska Seifried, Tilde Sinnerdal & Elisa Wasserfaller*

The key to success for companies seeking to win over customers and comprehend their purchasing process is to understand their customer journey. Especially in today's competitive retail landscape, winning the in-store battle requires strategies that not only attract customers but also engage them effectively throughout their journey.

The concept of customer journey involves three stages that customers go through when making a purchase: pre-purchase, purchase, and post-purchase. The definition of the customer journey is the journey a customer undertakes, encompassing all phases, touchpoints and interactions, which collectively define the customer experience. Moreover, customers can jump from one phase to another, rather than going through the phases sequentially as in linear models. The authors believe that an analysis of the customer journey, given today's dynamics, such as technology and market demands, can help brands stand out during the in-store battle. Building on the customer journey, which maps the broader overall experience of consumers, the subsequent analysis explores the concept of shopper marketing.

Shopper marketing strategically enhances specific points within the customer journey, focusing on understanding and influencing the purchasing behaviour of shoppers. Manufacturers and retailers should maintain consistency in their communication efforts across all touchpoints for successful shopper marketing.

This case study aims to answer the following questions in the context of interdental cleaning products: How can the in-store battle be won? And how can brands effectively increase the product category to cater to diverse consumer preferences and enhance market presence?

## PRE-PURCHASE

The pre-purchase stage of the consumer buying process is initiated when a need is recognized, which subsequently triggers the process of awareness and the evaluation of options. In this stage it is crucial for brands to spark brand awareness in order to influence consumers' decision-making processes. Consumers can be guided to purchase a particular brand's products based on name recognition or the association of specific products or services with the brand. The growth of social media has transformed the pre-purchase stage by accelerating the speed at which consumers gain brand awareness. Brand ambassadors and mascots have become a popular social media marketing tool, serving as powerful story-telling instruments and enabling the transfer of a positive image and positive qualities from the person to the brand, thereby enhancing consumer trust in and perception of the brand and encouraging shoppers to purchase.

## PURCHASE

The purchase phase encompasses all interactions between a customer and a brand, centering partly on consumers' choices and the impact of marketing activities on their purchasing decisions.

The significance of in-store marketing activities, a pivotal part of shopper marketing, is highlighted by the fact that a substantial proportion of buying decisions are made in-store, at the point of purchase. Considerable budgets are allocated to in-store merchandising, aiming at drawing attention to products, influencing shopper behaviour and, thereby, encouraging impulse purchases and increasing sales. In-store displays are a strategic tool in grocery retail, typically substituting or complementing a product's typical in-store placement. Considering the fierce shelf competition and the short decision-making window of 0.8 to 1.2 seconds for shoppers buying FMCG (fast-moving consumer goods), the importance of visibility at the point-of-purchase becomes apparent. In-store

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technologies offer retailers expanding possibilities to shape and impact consumer choices.

Cross merchandising involves leveraging existing foot traffic and boosting sales in less visited store areas. By linking high-traffic and low-traffic categories through joint promotions, cross-merchandising allows the redirection of customers and increases sales in under-explored sections. It operates as a type of nudge, which is any element of the decision-making process that predictably influences individuals' actions without restricting choices or altering motivations. Consumers generally support nudges as long as they align with their interests and values.

#### POST-PURCHASE

The post-purchase stage involves customer interaction with the brand and its environment after purchase. It includes behaviours such as product use, engagement and service requests. In this stage, customer owned touchpoints are critical, and customer loyalty can be created, leading to repurchase and further engagement. The customer has entered the “loyalty loop”, “looping” back to the purchase stage rather than restarting the customer journey and considering other alternatives.

One way to keep customers in the loop post-purchase is to create habits around the products. A habit is a behavioural routine that is repeated so regularly that it becomes more or less sub-conscious or automatic. When a behaviour becomes automatic, it is more likely to be maintained long-term. This increases usage of products, resulting in higher purchase frequency. Therefore, habit formation is an important means to garner sales in many product categories. One way of encouraging the formation of habits are habit trackers, which can be especially effective when incorporated into a gamification strategy. They allow marketers to distribute messages, strengthen customer-brand relationship, engagement and brand loyalty and, consequently, enhance the repurchase intention, thus closing the loop to the pre-purchase phase.

#### METHOD

This case used a quantitative research method. Primary data was collected through a self-administered questionnaire, designed to gather insights into interdental cleaning product- and

brand-awareness and usage. This data was analysed and used to develop strategies that could be used to grow the interdental cleaning category in grocery retail by catering to diverse consumer preferences and enhancing market presence.

The survey targeted three European markets in which the case company has a strong presence. By comparing these markets, the aim was to discern whether a standardised or adapted marketing strategy would be most effective. In total, 140 respondents participated. Since the sample was geographically dispersed, an online survey was deemed appropriate. Measures were taken to ensure validity and reliability, such as pilot testing, peer review and questionnaire design. Multiple methods were used in order to analyse the data collected, such as examining descriptive statistics as well as comparative analysis. Primary data was supported by relevant secondary data, including industry publications and usage statistics.

#### RESULTS

Our survey, encompassing respondents from three European countries, revealed key insights into interdental cleaning practices and awareness. A significant majority, 83.6%, reported using interdental cleaning products in the past year, with 87.9% familiar with the category, although knowledge didn't always equate to usage. The study showed a varied frequency of interdental cleaning product usage, with daily use more common among those over 40, pointing to a heightened dental health awareness with age. The main motivators for using interdental cleaning products were overall dental health, dentist recommendations, and personal hygiene concerns, with 65.8% incorporating them into their evening routines. Interestingly, while a large portion of users expressed a desire for more frequent use, non-users—16.4% of our sample—cited time constraints and a perceived lack of necessity as main deterrents, despite high awareness levels.

Geographically, differences emerged in usage and motivations. Recommendations from dentists and personal networks influenced usage across countries, albeit with variations in the impact level. Our findings underscore the importance of professional advice and social influence in shaping



interdental cleaning practices, alongside a general enthusiasm for increased usage and knowledge, particularly among younger participants. This highlights potential areas for educational campaigns to bridge the gap between awareness and practice in interdental hygiene.

**DISCUSSION**

Based on the findings of our survey, we have developed a shopper marketing strategy to help brands operating in the interdental cleaning category to win the in-store battle in grocery retail. The presented strategy is based on the customer journey and the various touchpoints with the brand, since customers require specific information at every step of their purchasing process. This section of the report will outline possible initiatives that a brand could undertake in order to reach customers, using various channels and at different stages of their journey. These are broken down into the three stages of the customer journey, presented in Figure 1.

**SOCIAL MEDIA**

Our survey showed that the brand lacked the same level of recognition as the interdental cleaning category. Therefore, a dynamic social media strategy that involves collaboration with well-known, local social media influencers is proposed in order to build stronger brand awareness among consumers. As

previously discussed, leveraging brand ambassadors has proven to be a widely adopted and effective approach in building awareness among customers. Brand ambassadors can be used to post engaging and educational content on the benefits of interdental cleaning products on Instagram and TikTok, channels that appeal to those generations (20s to 40s) that do not utilise interdental cleaning products as much as older age groups, according to our study.

The pre-purchase stage is characterised by the creation of the initial need, which is followed by awareness and evaluation of the options. Since the findings showed that most participants started using interdental cleaning products after a recommendation from a dentist, a general recommendation over social media can be spread in order to reach non-users who may not frequent the dentist.

Our survey revealed that the majority of the participants use interdental cleaning products in the evening. Therefore, the focus on social media will involve brand ambassadors showcasing their daily routines, similar to the popular "Get unready with me" trend, highlighting the effectiveness and ease of use in order to appeal to non-users. The aim of this approach is to cultivate a consistent habit,

STAGES	PRE-PURCHASE STAGE	PURCHASE STAGE	POST-PURCHASE STAGE
	AWARENESS+CONSIDERATION	PURCHASE	RETENTION+LOYALTY
STRATEGY INITIATIVES	<div style="display: flex; flex-wrap: wrap; justify-content: space-around;"> <div style="border: 1px solid #ccc; padding: 5px; margin: 5px; background-color: #e6f2ff;">Social Media Partnerships (brand awareness)</div> <div style="border: 1px solid #ccc; padding: 5px; margin: 5px; background-color: #e6f2ff;">Cross-merchandising</div> <div style="border: 1px solid #ccc; padding: 5px; margin: 5px; background-color: #e6f2ff;">Brand mascots</div> <div style="border: 1px solid #ccc; padding: 5px; margin: 5px; background-color: #e6f2ff;">Sales stands</div> </div>	<div style="display: flex; flex-wrap: wrap; justify-content: space-around;"> <div style="border: 1px solid #ccc; padding: 5px; margin: 5px; background-color: #fff9c4;">Shelf-visibility</div> <div style="border: 1px solid #ccc; padding: 5px; margin: 5px; background-color: #fff9c4;">Sales stands</div> <div style="border: 1px solid #ccc; padding: 5px; margin: 5px; background-color: #fff9c4;">Cross-merchandising</div> </div>	<div style="display: flex; flex-wrap: wrap; justify-content: space-around;"> <div style="border: 1px solid #ccc; padding: 5px; margin: 5px; background-color: #ffe0b2;">App</div> <div style="border: 1px solid #ccc; padding: 5px; margin: 5px; background-color: #ffe0b2;">Brand mascots</div> <div style="border: 1px solid #ccc; padding: 5px; margin: 5px; background-color: #ffe0b2;">Social Media Partnerships (habits)</div> </div>
Problems for the brand to overcome	<div style="border: 1px solid #ccc; padding: 5px; background-color: #e6f2ff;"> <ol style="list-style-type: none"> <li>1. Increase product category</li> <li>2. Increase brand awareness</li> <li>3. Educate customers about interdental hygiene</li> </ol> </div>	<div style="border: 1px solid #ccc; padding: 5px; background-color: #fff9c4;"> <ol style="list-style-type: none"> <li>1. Increase visibility in the store</li> <li>2. In-store customer engagement</li> <li>3. Educate customers on which product is best for them</li> </ol> </div>	<div style="border: 1px solid #ccc; padding: 5px; background-color: #ffe0b2;"> <ol style="list-style-type: none"> <li>1. Increase the frequency of interdental product use</li> <li>2. Educate customers about interdental hygiene</li> <li>3. Create a 'loyalty loop'</li> </ol> </div>

Figure 1: Customer journey model with suggested strategy.

leading to long-term use of interdental cleaning products.

In addition, the post-purchase experience can be enhanced by introducing brand mascots that embody the spirit and values of the brand. Brand mascots can lead fun and educational storytelling efforts, enriching the brand's narrative and engaging consumers more deeply, since they are designed to boost popularity and recognizability, particularly among younger audiences. Thus, they create memorable brand experiences and foster customer loyalty.

This social media strategy serves a dual purpose. First, it aims to expand the category by reaching potential new customers who are looking to incorporate interdental cleaning into their oral hygiene routine. As interdental cleaning becomes a habit, users will be incentivized to repurchase. Second, it establishes brand awareness, ensuring that the brand is top-of-mind for potential customers when considering an interdental cleaning product purchase, in order to win the in-store battle.

#### IN-STORE

Our survey indicated that only 8.5% of the participants started using interdental cleaning products because they saw them in store. The authors are convinced that there is a high potential for convincing customers at the point-of-purchase by creating abundant visibility for the interdental products, thereby educating customers and, consequently, winning the in-store battle.

Our survey revealed that 56.5% of current non-users and 34.2% of users claim a lack of knowledge regarding interdental cleaning products and express a desire to learn more about the topic. In response, this report proposes the establishment of sales stands in high-traffic hypermarkets on a regular basis, as a key element of a well-planned customer education strategy. This approach imparts crucial information about the significance of interdental cleaning products and allows the brand to actively engage with shoppers. These interactions enhance in-store visibility, drive product trials, and potentially convert into sales. This is particularly important since the majority of purchase decisions are made at the point-of-purchase. Additionally, in-store

presence will act as a reminder for current users, as approximately 75% of the participants wished to use interdental products more often. Moreover, this educational initiative holds the promise of elevating brand awareness and fostering trust among consumers. Consequently, this activity is a mutually beneficial endeavour, providing value to customers, the brand in focus, and the retailer alike.

A simple yet efficient way to raise shelf-visibility is the use of shelf strips and wobblers. Prominent shelf placements, as part of a push strategy, enhance the sales of certain products. Attaching shelf strips featuring the brand logo to price rails will attract shoppers' focus. However, to direct the attention to particular products, we recommend the usage of shelf wobblers. Since it is crucial to safeguard consistency across all touchpoints, the wobblers should feature the brand mascots.

Following the assumption that non-users may not enter the oral care aisles as often as users, we attempt to capture their, and present users', attention by making use of secondary placements with in-store displays. As cross-merchandising enables to connect high-traffic and low-traffic categories via joint promotions, cross-merchandising is an appropriate solution to raise in-store awareness and grow the category. Again, a consistent storytelling is desirable, thus sticking to the entertaining yet educational approach.



Figure 2: Shelf-display in candy aisle.

With the following suggestion, the aim is to hit the 'sweet spot' of customer education and engaging entertainment for each country. For example, in Sweden, fika and snack culture can be used to establish a synergistic connection between sweets and interdental cleaning products through the lens of cross-merchandising. This approach enhances brand visibility and addresses the importance of interdental cleaning products in mitigating oral health concerns associated with consuming candy and snacks. In-store displays positioned adjacent to sweets or in the snack aisle, have the potential to capture shopper attention, stimulate impulse purchases, and underscore the relevance of interdental cleaning in the context of this confectionery-rich culture. This approach can be adjusted to country-specific preferences.

#### MOBILE APP

There are several ways to increase the frequency of using interdental cleaning products to increase sales in this category. As the results of our survey show, there is a high usage intention among users and non-users, which can be leveraged with an appropriate app strategy. Launching an app can help consumers to form and sustain an interdental cleaning habit. An app can function as a companion in the oral care routine. To remind users to engage in daily interdental cleaning, the app can send push notifications at customisable times. The app can also track users' interdental cleaning habits and progress over time. This can be complemented by gamification app elements to increase customer engagement. This strategy has been used very successfully by companies such as Duolingo—with their brand mascot Duo and their so-called "streaks" (indicating consecutive days of use).

Gamification elements could include the aforementioned brand mascots to guide and engage with the user in the app and foster an emotional connection with the brand. Dental related visualisations could show improvements in oral health. Badges, points, or other incentives motivate and reward users for consistent use of interdental cleaning products. An app is likely to attract younger age groups, which our survey suggest do not engage in daily interdental cleaning as often as older age groups.



Figure 3: Habit tracker in mobile app.

The app also poses the perfect platform to provide educational content for users, for example step-by-step tutorials on how to use interdental brushes effectively, complemented by educational videos providing advice about the right interdental brush size. Since the majority of the interdental cleaning product users in the survey started using interdental cleaning after a dentist's recommendation, dental professionals can be used to educate app users on the importance of frequent interdental cleaning, thereby increasing brand trust.

In order to provide a seamless customer experience, the app could be linked with in-store activities. QR codes printed on the shelf wobblers could lead the shoppers to download the app. QR codes integrated on product packaging could provide access to product information and usage tips in the app. In-app push notifications could bring attention to current in-store promotions or discounts.



The app would primarily target consumers in the post-purchase phase, but would also create touchpoints in the purchase stage, as well as loops back to the pre-purchase stage. The app would motivate users to build healthy interdental cleaning habits and educate consumers on the right ways to use the products, all while interactively engaging with the brand and its products. This would ultimately lead to increased usage of interdental cleaning products and higher brand loyalty, helping the brand to win the in-store battle.

#### **RETAILER RELATIONSHIPS**

In order to win the in-store battle, it is essential for brands to establish long-term and strong relationships with retailers, as well as consumers. The key to establishing relationships and convincing retailers is to show them the benefits they will gain from the shopper marketing strategies. In other words, how they will directly, financially benefit from the activities proposed above. Growing the interdental care category will increase the frequency of purchase of interdental hygiene products, which will have a positive impact on store visits and can

create pull effects in other product categories that benefit the retailer. Additionally, shopper marketing activities can help to engage customers in-store. This approach may result in longer store visits, which can also be leveraged by the retailer. Moreover, through the presented strategy, current and potential customers are educated throughout their customer buying process, leading to increased demand and ultimately more sales for the retailer.

#### **CONCLUSION**

The authors believe it is necessary to develop and implement a long-term, comprehensive strategy to effectively answer the questions of how the in-store battle can be won. Therefore, the strategies presented touch all stages of the customer journey and the proposed initiatives allow brands to reach existing and new customers through different channels and touchpoints. The initiatives are focused on increasing brand awareness in the pre-purchase phase, engaging customers in-store in the purchase phase, and creating habits that increase customer loyalty in the post-purchase phase.

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## CASE 2

# Private Labels vs. Manufacturing Brands

## AN EMPIRICAL EXAMINATION OF DESSERT CHEESE ATTRIBUTES IN SWEDEN

*Lucas Adolfsson, Erik Bergtoft\*, Gustaf Johnsson Wallin, Alexander Kokko, Tim Kämpe, Johan Otterhed Bolin*

Private-label brands have long existed in grocery retail but the market has recently experienced a dramatic change in the competitive landscape. The resulting increase in market penetration of private-label brands represent a major competitive challenge for manufacturers, which it is vital to understand. The growth of private-label brands has resulted in a change in shopping behaviours, perception of brands, and brand purchasing patterns. Since private-label brands do not only act as competitors but also as customers, leveraging their stores as distribution channels, strategic decisions to gain market shares and exist on the store shelves become ever more complex and challenging. However, consumers' bargaining power forces grocery retailers to stock their shelves with the manufacturing brands consumers require in order to stay competitive with other retailers.

The success of the private label market in Europe is derived from favourable infrastructure, the emergence of new channels, and the expansion of private labels into new product categories. In general, private label consumption varies depending on the economic conditions, meaning that when the economy dips, the market shares of private labels increase. Sweden is currently experiencing high inflation rates which further affects consumer purchase behaviour in relation to private labels.

Interestingly, perceptions of private-label brands have transformed in recent years so that they are no longer considered inexpensive and low-quality products but also as legitimate alternatives to manufacturer brands, both in terms of quality and differentiation. This is evidenced by the growth of premium private-label brands, which are private-label brands that position themselves in the premium segment of different product categories. In the Swedish category of dessert cheese, manufacturing brands are facing a notable decrease

in market penetration due to the competitive presence of private labels. A pain point that consumers experience concerning their dessert cheese consumption is the challenge of finding Swedish-quality alternatives within the category. Overall, the category is characterized by several manufacturer brands operated by a few large dairy actors. Additionally, the category is heavily influenced by private-label brands owned by the largest grocery retailers. In 2023, the expected revenue for the Swedish cheese category amounted to over 25 billion SEK with a per capita revenue of over 2,500 SEK.

The purpose of this study is to investigate how a company within the dessert cheese category can have a competitive presence by understanding the impact of private labels on shopper behaviour in Sweden. Ultimately, the aim is to answer the following research questions:

*RQ 1: What long-term effects will the growth of private labels have on shopper behaviour and the dessert cheese category value?*

*RQ 2: What motivates shoppers to buy manufacturer brands over private labels in the dessert cheese category?*

### THEORETICAL FRAMEWORK

Private-label brands could be described as products produced by a manufacturer for a retailer. The retailer can brand the product with their label and sell it as their own. Private-label products exist in various consumer packaged goods categories. Historically, private-label brands provided by retailers were seen as lower-price and lower-quality alternatives to competing manufacturing brands. Today, many private-label brands operate a brand portfolio within varying categories, with various price and quality points. E.g. economy, standard, and premium. The emergence of premium private

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labels delivers a double penalty to manufacturing brands as the increased quality reduces the differentiation between manufacturing brands and private labels. Suggestions for defensive strategies and measures for manufacturing brands should therefore be based on efforts to increase quality and differentiation in the long-term, with a focus on building brand premium.

Several key factors influence a consumer to choose either a branded product or a private label. Consumers typically enter a store with a pre-existing rational preference for either a private label or a branded product, shaped by previous experiences and perceptions related to knowledge, brand awareness, and perceived difference. This initial preference is influenced within the store by additional emotional factors, including the packaging of the physical product, new quality perception, and personal motivators.

Researchers have proposed a plethora of strategies for manufacturing brands to defend their market share from private-label encroachment, with the most effective strategy depending on factors such as company size and relative market share. Based on Hoch's conceptual framework, Anselmsson and Johansson suggest five potential strategies for the Swedish FMCG market: (1) wait and see; (2) increase distance to private brands; (3) reduce the price gap; (4) me-too; and (5) produce private brands. The applicability of each strategy varies depending on the distance between the private-label and manufacturing brands. They are not mutually exclusive and may be applied simultaneously.

The first strategy is Wait and see, which is based on being market-driven and awaiting the development of the market before changing strategy. The second strategy is Increasing distance to private brands. In simple terms, it is about achieving a greater distance from private brands through innovation. This includes offering the customer better value for money and making the product stand out from private label competitors, which can be done through product development and/or design improvements. Manufacturers' know-how and technological capabilities are strongly associated with the success of this strategy, particularly for companies with a larger market share. The third

strategy, Reducing the price gap, consists of simply lowering the price and confronting private brands via discounts. The penultimate strategy, Me-too, embodies the copycat method of introducing me-too products in the segment that normally belongs to private brands, to squeeze them out of the market. The fifth strategy, Producing private brands, is self-explanatory and means that manufacturers start to produce for the private brands as a way to profit from the lost market share.

#### **METHOD**

This case is based on a large-scale quantitative survey that aims to shed light on differences in shopper behaviour between private labels and manufacturing brands in the Swedish dessert cheese category. To collect the primary data, an online survey was conducted to maximize the reach and the number of respondents. The survey itself was divided into four sections. The first section contained demographic questions. The second section contained questions regarding associations to the dessert cheese category. The third section asked respondents to rate attributes of specific brands on a scale from 1-7. And the fourth section contained one question regarding which brand(s) of dessert cheese the respondent regularly purchased.

#### **RESULTS**

The descriptive statistics are showcased in Figure 1, where the questions are divided by colour. The three attributes most associated with the dessert cheese category were good taste, festive, and everyday luxury. The three least associated were organic, everyday use, and budget. When it comes to which attributes were the most important when buying dessert cheese, good taste, quality, and value for money were most highly ranked. When asked what would make them buy dessert cheese more often, value for money was the most chosen attribute followed by budget and good taste in joint second place. Which attributes would make respondents pay more for a dessert cheese? The most chosen attributes were good taste, quality, and premium.

Figure 2 is a compiled chart based on attributes of perceived values of different brands in the dessert cheese category gathered from the third module in our survey. The attributes featured are premium, taste, quality, fancy packaging, value for money, wide range, and locally produced. In the figure, the



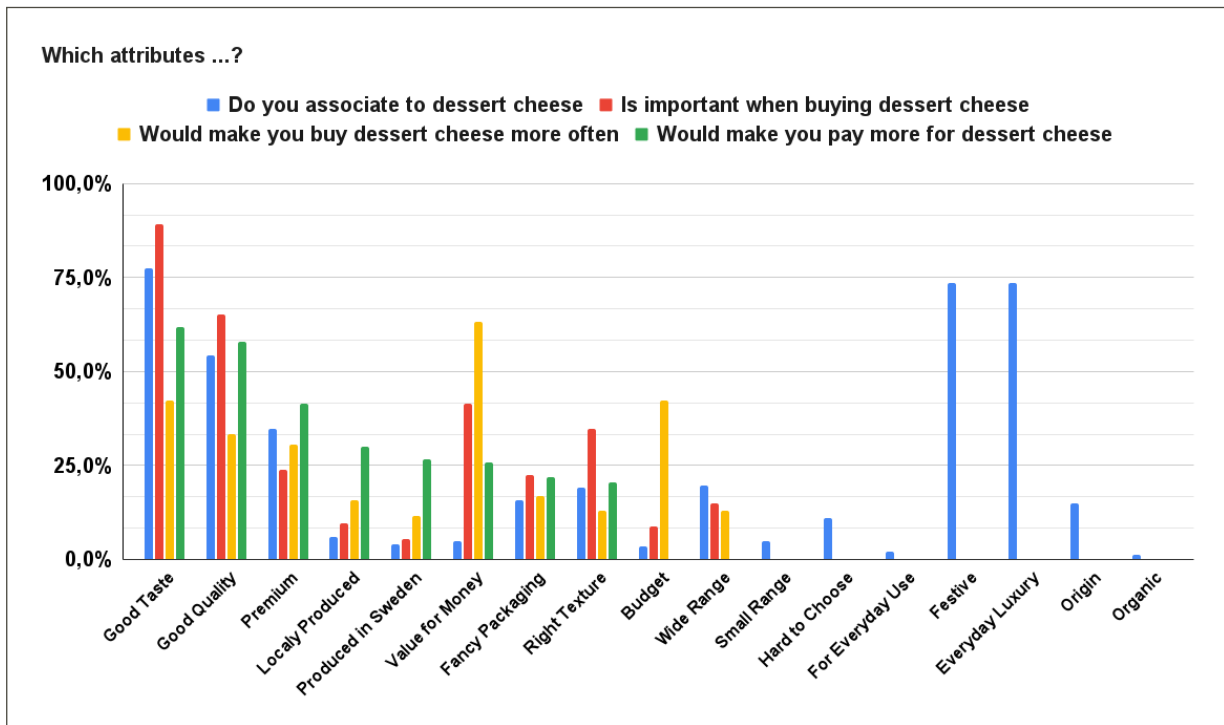


Figure 1: Bar chart visualizing the percentage of respondents choosing an attribute connected to each question. The question is represented by the colour of the chart. Take into consideration that not all attributes shown in the chart were included in all questions. This is seen by the missing bars on the right side of the chart.

dotted line is the average of each attribute. Labels A and B are both premium manufacturing brands and scored highest on each attribute except value for money. The worst-scoring brand was Label D, which scored below average on each attribute except value for money. Both label C and the private label closely follow the average line but are slightly below average on most attributes. Private label scores the highest on value for money of all brands.

As indicated, manufacturing brands are rated relatively similarly to private labels on most attributes. The private label brand outperforms some of the manufacturing brands on some attributes, thus highlighting how the increase in quality of private labels reduces the gap between them and manufacturing brands. This can also be seen in Figure 2 where the relative position of the attribute premium is similar among the different brands, including the private label. This result goes hand in hand with the perception that private-label brands are no longer perceived as merely low-quality products.

Another interesting attribute to analyse is fancy packaging, where the private label is rated among brands that are perceived as premium. Fancy

packaging is an emotional factor that is important for shoppers' in-store purchase consideration of private labels. This result indicates that manufacturing brands should increase efforts to increase quality, differentiation, and premium to defend against private labels.

This suggests that the most effective strategy from Hoch's framework would be Increasing distance to private brands strategy. The empirical data indicate that private labels perform relatively close to the average. Label A and Label B are brands that appear to have successfully differentiated themselves in terms of being perceived as more premium and quality, whereas Label D showed poor performance in comparison to private labels. Therefore, it can be seen as essential for manufacturing brands to create a greater distance from private-label brands. Innovation via in-house knowledge and technological development are key to implementing this strategy and the goal should be to offer the customer more value for money in order to stand out from the private label competition. Product development, investments in marketing and advertising, and packaging redesigns are ways to increase consumer perceptions of attributes tied to the brand compared to private labels.

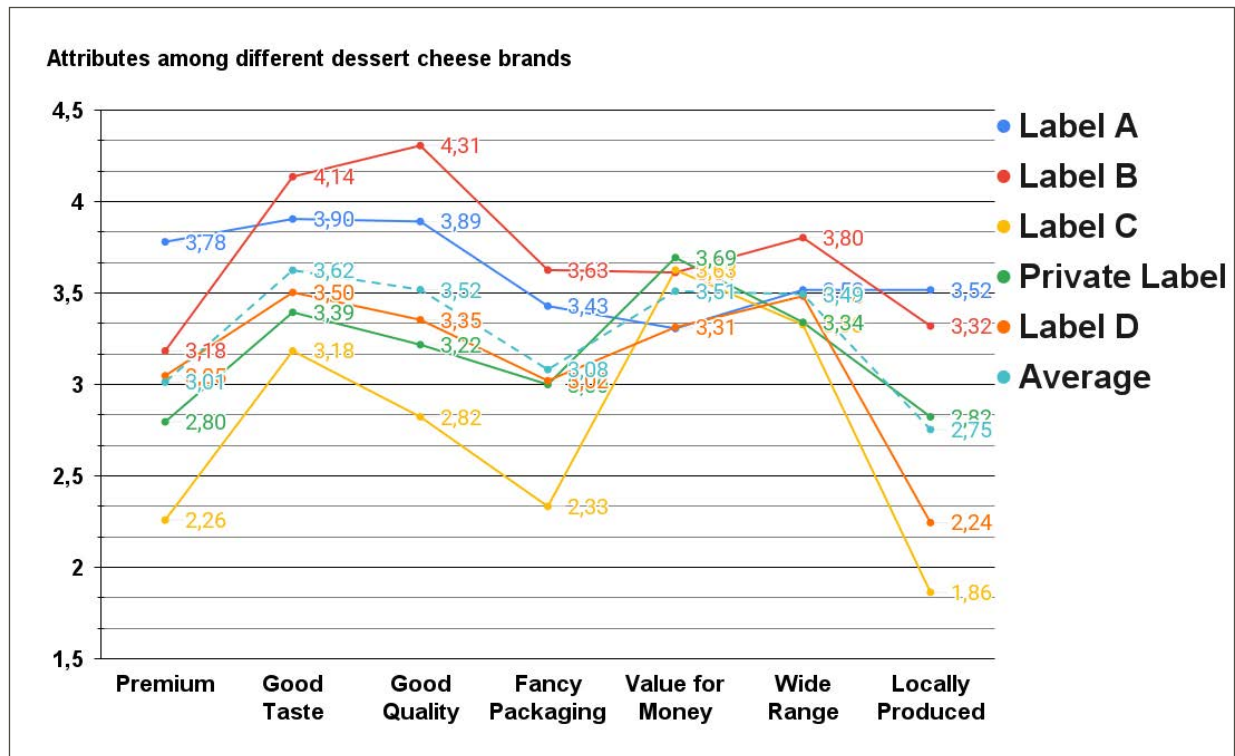


Figure 2: Line chart visualizing the mean average of different attributes connecting to different brands in the category ranked 1-7 by the respondents. The colour symbolizes the brand. The horizontal axis shows the attribute while the vertical axis features the value. The dotted line represents the average value of all the brands featured in the survey.

## RECOMMENDATIONS

### 1. Differentiation through branding

In light of the manufacturing brands' defence framework and, in particular, the relevance of manufacturing brands to adopt an increasing distance strategy, one recommendation is that manufacturing brands should rebrand, repackage, and release their products under a more premium brand. Additionally, they should import and add additional dessert cheese products to the Swedish market to further expand the assortment. This recommendation aligns with the importance of product appearance and quality perception for in-store purchase evaluation. Our survey indicated that quality and premium perceptions are highly associated with dessert cheese and may make consumers willing to pay more for the product. Improving on these attributes may increase the value of the category in the long term. It is important not to tamper with the value for money ratio, as the data suggests it is the best-performing attribute of some manufacturing brands and the biggest driver for increased purchase frequency within the category. However, increasing the performance of the other attributes may increase the perceived value of manufacturing

brands' dessert cheese products and should therefore not affect the ratio negatively.

Beyond this, it is also important to consider the effect that brand building processes have on retailer relations within the grocery sector. Efforts to differentiate a particular brand by raising quality perceptions may not align with the retailer's own ambitions, which are typically related to increasing the value of the entire category in their store. Increasing the value of the entire category while maintaining a manufacturing brand's differentiation is, of course, desirable but is also very challenging. Therefore, differentiation strategies need to consider the delicate balance in order to maintain a healthy relationship with the grocery retailer. To effectively leverage the retailer as a platform for long-term brand building, it is crucial to curate a brand experience that not only enhances the brand's image but also enriches the overall consumer journey within the retail store. An example of this could be to build a small shop inside the grocery store (shop-in-shop).

### 2. Flagship Store

Manufacturing brands could leverage flagship stores to communicate product differentiation. Flagship

stores increase brand awareness and recognition, as their main purpose is over and above making sales. In addition, a flagship store could serve as a platform to create an engaging brand experience that can foster customer engagement and interaction with the brand's narrative and its products. A flagship store would also allow manufacturing brands to showcase their range of products allowing consumers to see and taste full range of dessert cheeses in one location. Our survey highlighted that good taste stands out as the most important attribute in the decision-making process when purchasing dessert cheese. Creating an opportunity for consumers at the flagship store to taste their products would be an ideal way to introduce them to the flavours of the more premium brand. Furthermore, it could create a sense of brand exclusivity that would allow consumers to develop more premium associations. For these associations to be transferred to the products, choosing the right location for the flagship store is of the highest importance.

One approach could be to build a flagship store inside an existing grocery store (shop-in-shop) or to operate a flagship store in conjunction with a grocery retailer. The synergies would be beneficial for both the brand and the retailer, providing opportunities for the retailer to commercialize its space, and giving exposure and brand-building benefits to the manufacturing brand. A shop-in-shop would also capitalise on the high footfall at the grocery store. These strategic recommendations are also aligned with the consumer decision-making framework to influence decision-making between private labels and manufacturing brands in the pre-purchase phase. However, it is important to mention that having a flagship store within a retail store may be less effective in delivering premium associations compared to having their own flagship store in a luxurious location, although the aforementioned synergies may outweigh the risks.

### 3. Integrated Marketing Platform

Additional suggestions for advertising to highlight product differences could include creating a comprehensive marketing platform that would enhance customer experience in the pre-purchase stage and provide cues about that experience. One of the key factors within the experience factor is knowledge. A crucial aspect of this enhanced experience is

knowledge. The aim of the website would be to fulfil this need by serving as an integrated platform where consumers can learn about the various dessert cheeses offered by the brand and receive recommendations on how and when to enjoy them. This approach could also encourage consumers to explore cheese more deeply, potentially leading to increased purchases. Moreover, the website would feature recipes using the products to boost customer engagement and brand immersion. Utilizing touchpoints such as QR codes and in-store promotions would further integrate the platform, connecting the website with in-store offerings and guiding consumers seamlessly through both the purchase and post-purchase stages.

### CONCLUSION

In conclusion, this case study sheds light on the evolving dynamics of private-label brands within the Swedish retail sector and examines challenges faced by manufacturing brands in the dessert cheese category. The case uses Hoch's strategies to defend against private labels, and a modified framework tailored to the Swedish FMCG market, to explore the complexity of shopper behaviour and its impact on manufacturing labels.

The empirical findings indicate that the private labels in the dessert cheese category perform better on all attributes than some manufacturing brands and that private labels, therefore, constitute a serious threat to manufacturing brands. Unless underperforming manufacturing brands act against these threats, their products will be less favourably perceived, which may ultimately lead to reduced sales. As for the category value as a whole, its future will be determined by the ability to balance the attributes of good taste, premium, and quality with the frequency-related attributes of value for money.

Our research suggests that Swedish manufacturers of dessert cheese should leverage the strategy of Increasing distance to private brands, mainly consisting of product development and design improvements. In other words, manufacturing brands should differentiate themselves from private labels through brand-building activities. In this case, the primary recommendation revolves around the rebranding and repackaging of a manufacturing brand's dessert cheese products under a more premium-positioned brand. Furthermore, the

establishment of a flagship store in a high-traffic location, combined with an integrated marketing platform, consisting of inspirational recipes and more, contributes to an increase in brand awareness and consumer engagement, which ultimately may improve consumers' perception of the brand and its category competitiveness.

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## CASE 3

# Winning the Battle of the Brands in Dairy Retail

## DEVELOPING THE CHEESE CATEGORY FOR YOUNG CONSUMERS IN SWEDEN

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Ella Martell, Daniela Mendoza, Michaela Sorle*

The dietary habits in Nordic countries have undergone a transformation driven by evolving preferences in gastronomy, a heightened focus on food-related health, and ethical food-manufacturing considerations. In addition to these factors, the recent surge in internet connectivity, a growing emphasis on individualism, and the prevalence of flexible work schedules have further shaped the way people in these nations approach and consume food. More recently, global issues like the COVID-19 pandemic and increasing inflation have impacted consumers' shopping habits, with reduced disposable budgets and changing behaviours such as buying private label or discounted goods, as well as boosting e-commerce sales due to the social distancing measures in the dairy and alternatives category.

Although the e-commerce channel faced important growth in the last few years, the physical retail channel is still the most relevant for the cheese category, with value sales rising by 2% in current terms in 2023.

This case study delves into the cheese market in Sweden, aiming to explore innovative strategies for brand managers to help central retail customers develop the cheese category and attract more young consumers in the Swedish market. Emphasis is put on young consumers and shoppers, acknowledging their significant influence on market trends and the potential for long-term profitability. To achieve the objective of this report, primary data was retrieved from consumers and sales managers from different ICA Maxi stores, to provide nuanced insights into the preferences and expectations of each stakeholder, and to propose strategies aligned with their main goals, reaching synergies between brands and different retailers.

### METHODOLOGY

This report aims to understand and explore how innovative strategies for brand managers can help central customers, the retailers, to develop the

cheese category and attract more young consumers, the shoppers, in the Swedish market. To answer this, a qualitative analysis was used to explain and understand consumer behaviours. Primary data was gathered by conducting structured interviews.

21 interviews were conducted with consumers, and two interviews were conducted with sales managers from two different ICA Maxi stores. For the consumers, an age range of 19-30 years old was chosen, leading to a median age of 24 years for the sample group. The choice of this age group was based on the fact that the study aimed to analyse young consumers' connection with cheese. Both females and males, with different occupations, were included to get representative results.

The choice to interview sales managers from ICA to represent retail was based on the fact that ICA is the largest retailer in the grocery segment in Sweden. Conducting interviews with sales managers at ICA as well as consumers ensured that the suggestions and findings between consumers and sales managers were aligned, which increases the feasibility of the suggestions.

### EMPIRICAL FINDINGS

Overall, out of 21 interviewees, 43% admitted that cheese plays a large role in their regular diet. Probing further into frequency of cheese consumption, 19% of those specified that they consume cheese products daily, approximately 10% do so weekly, and lastly, approximately 14% consume cheese less than weekly but not daily.

While the timing for consuming cheese is certainly valuable, the kinds of foods that they eat with their cheese are more so, as it aided the research team in concluding which offering could be complementary to the cheese in our solution. 70% ate their cheese on a sandwich, while 70% used it to cook. Lastly, 50% ate cheese as a snack or dessert.

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When asked about their preferences among different types of cheeses, many people showed a preference for sliced cheeses, rather than larger, bulkier packaged cheeses. While discounts are important to the participants, taste is almost equally as important to them when considering cheese options.

When the research team relayed the idea of the 'Cheese of the Month' as a hypothetical solution, many were intrigued, especially if there were some pricier cheeses with a financial incentive/discount, that would motivate the purchase because normally, they cannot afford it. In general, price is the main driver, but some of the interviewees also felt that such a program would be an incentive to try new cheeses.

A commonality around tastes emerged when many interviewees confessed that their tastes are not broad, and typically, they do not venture out of their comfort zone taste-wise. Some voiced their scepticism about trying new cheeses as they are afraid of getting a smelly cheese or one with a particularly strong taste.

The interviewees were also questioned regarding their use of mobile phones while grocery shopping. Approximately 23% of the interviewees indicated that they do not engage in mobile phone usage in a manner pertinent to their grocery shopping activities. Conversely, the remaining interviewees affirmed their usage of mobile phones in this context, with 38% explicitly acknowledging regular use and another 38% noting occasional use.

The concept of offering assorted packs of diverse cheeses for creating a cheeseboard was proposed to the interviewees. A significant portion, representing the majority, expressed interest in this idea. Only 23% completely opposed the concept.

In addition to the 21 interviews conducted with consumers, interviews with two sales managers at ICA Maxi stores showed a consensus that cheese is perceived as a premium product, and lower prices or discounts could stimulate sales. Smaller packaging sizes were suggested, by one of the sales managers interviewed, as a method to increase sales. Among all the ideas, the 'Cheese of the Month' was highlighted as the most promising in terms of aligning with the store's goal to maximize sales.

## ANALYSIS

Based on our research, we found that consumers tend to prefer certain types of cheese without putting much thought into it. This suggests that their choices regarding cheese are automatic and pre-decided based on previous experiences, indicating low involvement in the decision-making process.

However, since consumers do not usually do any research on the type of cheese they are going to purchase, consumers are more open to making in-store decisions, which is common in low-involvement product categories. Considering this, it becomes imperative to recognize the potential of in-store advertising and campaigns to leverage strategies that instigate excitement, drive consumer engagement, and influence purchase behaviours.

After reviewing the different opinions from our qualitative study, we summarized some of the major themes:

- A major challenge comes from consumer preferences for established and familiar cheese choices, reflecting a reluctance to explore new products within the category. To address this stagnation, combining educational initiatives and the strategic infusion of excitement into the market could be recommended.
- Despite the low involvement in the purchase journey, there is a notable openness among consumers to make in-store decisions, indicating an opportunity for engagement at the point of purchase. In-store advertising and price campaigns generate excitement and emerge as crucial factors influencing consumer behaviour.
- Understanding consumer behaviours like the moment of consumption and how consumers use the cheese, primarily for making sandwiches and fast meals, opens avenues for introducing involvement spirals, creating excitement in the shopping experience, and encouraging additional purchases during the consumer journey.

## DISCUSSION AND RECOMMENDATIONS

Products with a low level of involvement in the purchasing decision, such as cheese, can be problematic for companies. In cases like this, it can be difficult to engage and influence consumers with marketing and branding activities since consumers

spend less time evaluating and deciding between different options.

Among the in-depth interviews with participants who purchase from grocery retail stores, such as ICA, we noted that young consumers tend to repeat purchase the same cheese because of a sense of safety. Our findings revealed that, for many, price played a crucial role in their decision-making process. However, it is important to note that taste was also a significant factor for a substantial portion of the interviewees. This highlights a complex interplay between price sensitivity and taste preferences that cheese manufacturers must navigate.

Other variables such as individual income levels and the broader economic climate can significantly impact how price-sensitive consumers are. Consequently, companies in the cheese market must consider these multifaceted factors, addressing both economic influences and evolving consumer preferences in terms of taste and price.

An important fact for any cheese brand to consider, is the importance of the retailer, in our case, ICA, and how it must always be considered and incorporated. This balancing act is essential, as the retailers are pivotal in making these products accessible to the end consumer. Thus, the solutions should not only appeal to consumers but also offer tangible benefits to grocery retailers, ensuring their willingness to participate and support these initiatives and create a win-win situation.

### Requirements

The strategies presented in the following section are aligned with the requirements of three main principles of retail marketing research.

The requirements involve the excitement and education of consumers. This is achieved when retailers offer great value through the selection of products, their placement, and pricing strategies, as well as using social media to listen to the consumer, analyse, and design communication strategies. The retailer aims to instil excitement in customers through the provision of exceptional value, and by creating a retail environment that captivates and attracts consumers. Excitement is also a key element that triggers emotional, behavioural, and social respon-



ses throughout the customer journey. Furthermore, retailers' efforts in education play an essential role, as they allows consumers to understand all of the options available in the retail environment and get the best possible offerings, ensuring higher customer satisfaction.

Moreover, we require our recommendations to align with the fact that retail purchase decisions in the cheese segment stem from low-involvement decision journeys. For example, soft drink purchases are routine acquisitions that are not strongly tied to a specific brand. In such scenarios, grocery shopping adopts a ritualistic aspect where consumer choices are influenced by familiarity and regularity, necessitating fewer touch points throughout the purchase journey, with in-store decisions taking place.

Additionally, our requirements include the smoothing of the customer journey through a seamless experience as well as the involvement of the consumer. Integrating both factors can trigger enhanced brand loyalty and satisfaction as well as swift the initial entry of potential new consumers into the circle of buyers.

### Gaps

Based on our findings and requirements, we dissect the consumer behaviour landscape within the cheese category, aiming to identify and address critical gaps that limit optimal engagement and satisfaction among young consumers. Our investi-

gation sheds light on several key aspects influencing purchasing decisions, encompassing factors such as price sensitivity, consumer convenience, excitement, education, and technological integration. By segmenting our discussion into distinct gaps, we provide a structured analysis that delineates the challenges faced by cheese manufacturers and retailers in capturing the attention and loyalty of the target demographic.

#### *Gap 1: Price Sensitivity and Convenience – 'PractiCombos'*

The first identified gap revolves around increased price sensitivity for young consumers, as corroborated by our qualitative analysis as well as the literature. Many experts indicate that quality and value propositions need to stand out in order to compete against less costly products such as private labels. Our data shows that convenience and practicality remain essential, while prices should be manageable for younger consumers. Furthermore, our data highlights a preference for sandwiches, often consumed daily among young individuals.

In line with the aforementioned requirements that acknowledge the benefits of educating and exciting the consumer, our first gap addresses heightened price sensitivity among young consumers and the paramount importance of convenience in their purchasing decisions. We propose the introduction of 'PractiCombos' – combinations of packs of sliced branded cheese paired with complementary sandwich components such as sliced ham, either



from another brand or from ICA's private label, as one of ICA's main priorities is to offer higher value for money with their private brands. Therefore, we draw inspiration from Colombia, where these packs are usually sold in grocery retail stores.

The so-called 'PractiCombos' are affordable, convenient, and small enough for a one-person household or a practical lunch on the go when combined with a bread roll. Due to our study's findings, we adjusted and localized this Colombian approach to suit the Swedish market and young Swedish consumers. Whilst in Colombia, a set combination is offered, our interviewees indicated a hesitance towards eating cheese they don't usually buy; therefore, we recommend a Pick-and-Mix approach consisting of single small packs of different kinds of branded cheese with single small packs of different kinds of ham so that every customer can pick their favourite combination.

*Gap 2: Excitement and Education – In-store information, 'Cheese of the Month' and Cheese Boards*

The second gap identified is the lack of excitement and education for the consumer in current cheese-selling practices in retail stores. As emphasized above, education and excitement trigger emotional and behavioural responses during the customer journey. Our interviews reveal a reluctance to try new cheeses due to fear and lack of interest, emphasizing the need for increased involvement through heightened interest, novelty, and confrontation together with education about new kinds of cheese.

Building upon the low-involvement decision journey, our recommendations here are to include more information about different types of cheeses, as well as introducing two initiatives: the 'Cheese of the Month' and ready-made cheese boards. In-store decisions can happen for low-involvement products as there is little to no preparation for the purchase. Therefore, brands can be supported by displaying information about taste differences in cheese and displaying an assortment to pair the cheese. This could influence and increase overall spending from consumers as well as their time spent in the store.

This information about the different kinds of cheese, as well as the suggested food pairing for the

best possible taste experience, creates inspiration, sparks creativity and excitement, and could lure young consumers out of their fixed cheese routine that is very common as the theory and data show.

'Cheese of the Month' presents new excitement for customers with a selected kind of cheese each month. This cheese will be presented prominently in-store, providing an opportunity for consumers to try the cheese in-store and ease their scepticism. As price is one of the main drivers for our interviewees, it would be important to secure a lower price on the selected references of the 'Cheese of the Month'.

Cheese boards combining different cuts of cheese (between 4 and 5 different types) tick all the aforementioned requirements and have the additional advantage of serving the high need for that our young consumers showed. To be successful, the price is said to be relevant for this initiative and is therefore recommended to be put at a lower price.

*Gap 3: Sticking to the Sticky Journey – QR Codes and Online Recipes*

The third gap we identified is that the rather low-involvement decision journey in the cheese category is not directly tied to a specific brand and comes with in-store decisions, which hold advantages that are not yet utilized in the retail store such as the before-mentioned suggestions. Drawing from the sticky journey model, we propose an easier introduction to new cheese categories we want to develop further, and a subsequent effort to make consumers stick to a habit of buying cheese by seamlessly integrating digital touchpoints into the consumer journey to create a dynamic and enduring engagement process that fosters brand loyalty and satisfaction.

Although this is partly covered by the 'Cheese of the Month' and the cheese board initiatives, we see an opportunity to leverage modern, technological approaches directly targeted toward younger consumers such as QR codes of products for recipes, inspiration, and information, as well as an increased online presence. Our collected data supports the connection between in-store smartphone use and searching for recipes and ingredients while shopping, indicating a potential avenue for enhanced involvement and inspiration. Therefore, we sug-

gest the display of eye-catching QR codes on trays or pushers that can be scanned by shoppers and would lead to recipes, inspirations, and information about the specific type of cheese.

For these recipes, we would mainly focus on the cooking cheese category, in which our participants showed interest and experience but were less frequently exposed to their regular diet than to e.g., sandwiches. This could help inspire consumers and further diversify their repertoire of recipes, resulting in a development of the cooking cheese category into a staple of their diet. These types of recipes could also involve ingredients from the retailer's private brands, as an additional tool to offer visibility and value for them.

### CONCLUSIONS, LIMITATIONS, AND FURTHER RESEARCH

In conclusion, this report identifies disparities between the retail strategies for branded cheese and the evolving needs of young consumers. A meticulous examination of both primary and secondary data has enabled us to pinpoint these gaps and formulate strategic solutions. These solutions are crafted to increase the interest, involvement, education, and inspiration of young consumers concerning different cheese offerings.

By mitigating perceived barriers and enhancing engagement, our proposed strategies aim not only to bridge the gap between branded cheese and young consumers but also to harmonize the sometimes conflicting interests of retailers and manufacturers, particularly in the context of private label versus brand dynamics. Simultaneously, we emphasize the significance of expanding the brands' online presence, by providing online recipes and integrating QR codes on products and in shelf displays to cater to the digitally engaged purchasing habits of young shoppers. While embracing modern strategies, we also underscore the importance of not neglecting traditional cheese categories tailored for young consumers. These cheese categories can be further strengthened and their diversity spread amongst the young consumer segment with our suggested measures such as 'Cheese of the Month' and the selling of cheese boards. In addition, our findings reveal that catering to the preferences of habitual buyers by offering sliced options and smaller packs could significantly enhance sales value.

Finally, regarding limitations and future research, the primary data collected for this study comes from a specific group of consumers and store managers at ICA, which may lack generalizability. Long-term sustainability, competitive analysis, and a detailed cost-benefit analysis of the proposed measures are some other crucial aspects that could strengthen the strategy. In addition, consideration of legal and regulatory implications, identification of implementation challenges, and establishment of clear measurement metrics for success would enhance the study, viability, and effectiveness of the recommended strategies over time.

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## Reflections from the editors

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*Martin Moström, Carys Egan-Wyer, Ulf Johansson*

The three case studies in this report describe the current state of the grocery retail industry and the challenges of navigating the future media and retail landscape very well. From their different perspectives, they highlight important aspects to consider when looking to the future.

The focus on young customers in these cases is fresh and interesting. Even though they are just one category of customers, there is much to be learned by centring them. They are beginner grocery shoppers, having relied on parents buying for them as they grew up. They are just 'coming out' as customers and can have a fresh eye on the store and what happens there, compared to those who are more experienced.

The cases in this report focus on two different product categories and this allows us to see distinct shopper marketing challenges. The interdental care category consists of high-involvement products, which are difficult to sell in Swedish grocery stores, set up as they are for low-involvement products and habitual purchases. It is difficult for interdental care products to capture customer attention and difficult for consumers to know which interdental products to buy when they encounter the category in a grocery store. For high-involvement products, a more complex customer journey is typically necessary. However, complex customer journeys are becoming increasingly important in grocery retail as managers begin to understand that the grocery store can be many more things for the customer than traditionally assumed. In other words, the grocery store can be more than just a place to buy.

The interdental care case in this report, hence, outlines an interesting shopper marketing challenge, in which shopper marketers need to work with tools other than what they would normally use to market standard grocery-store products and categories. There is a powerful need for supplier and retailer to work together to show the assortment to consumers. The role of the supplier (from

a retail perspective) also becomes very clear in this case. The retailer can never focus on and promote one category, it is the whole store assortment that is the focus. However, collaborating with suppliers can help retailers focus on the overall assortment while also creating excitement about growing product areas, such as interdental care. It is also clear from the case outlined in chapter one how much of shopper marketing is about creating awareness, attracting attention, and getting consumers to see the category. In the classic AIDAL marketing model, which focuses on key areas in the marketing process, this is about first two stages, awareness/attention and interest.

Dairy and cheese, on the other hand, are much more established categories, as evidenced by the strong encroachment of private brands. When reading the second and third cases in this report, we are reminded about the classic work of Pine & Gilmore (1998), which explains how a category can be developed via experiences. Pine and Gilmore expanded our often-narrow view of what an experience is. While we tend to think that experience is about providing excitement to stir up the customer's feelings, Pine & Gilmore point out that experience is so much more than that. Education is also something that creates experiences for customers. We know cheese but we need help to get the most out of that category as customers. Here, the supplier and the retailer have the same interest, namely, to develop the category. But this development needs to be driven by the supplier in different ways with education initiatives and smart solutions or offers.

Both the interdental cleaning case and the dairy cases could be understood in light of Hoch's strategies for meeting competition from private label (Hoch, 1996, see also Anselmsson & Johansson, 2014). Hoch suggests that becoming more differentiated, by focusing on product development, is one strategy to overcome competition from private labels. But what does that really mean? The cases in this report illustrate this on a more micro level than

usual and allow us a unique insight into how such a differentiation strategy could play out in practice.

### IMPLICATIONS FOR PRACTITIONERS

Some elements of the three cases in this report deserve special attention because they touch on areas of the utmost importance for continued success in marketing and selling fast-moving products. These focus areas (outlined below), which are essential for future retail success, need to be addressed horizontally, as the solutions do not lie in vertical, siloed thinking but in collaboration between different departments with the shopper and consumer in focus.

#### 1. The digital customer journey

The cases in this report highlight the need to truly understand the decision-making process for one's own category. Not the brand, but the entire category. To do this well, one should consider the full customer journey, as seen in the first case, Winning Store Shelves and Customer Smiles. The case highlights the fact that the store is not always the place where the purchase decision is made, nor where the customer gathers information. The case focuses on the interdental care category, which makes a digital presence almost as important as a physical presence in the store. Digital communication can be tailored to target groups that do not currently use the product, thus becoming a necessary complement to a physical presence in store.

#### 2. Secondary placement

The cases in this report highlight the importance of secondary placement for categories that are not well-visited. This is to increase impulse buying. However, it can be difficult for a brand to convince the store to push for secondary placement of products in a category with relatively low awareness. Often, they want bestsellers as brand leaders in beverages or product categories that we frequently and abundantly purchase, such as paper or crushed tomatoes.

#### 3. The relationship between retailer and brand

It is often difficult for a retail store with many categories, and up to 40,000 SKUs, to focus on driving a particular category. It is therefore necessary for suppliers to focus on this issue, since the grocery retail relies on volume, and traffic is the key to a successful store. With this in mind, it is particularly interesting to read the ideas outlined in case th-

ree, Winning the Battle of the Brands in the Dairy Department, about how suppliers can become the best partner to the retailer and focus on the issues relevant to the shopper and the store. Success means increasing traffic, to both the category and the store, and getting the customer to buy more. To succeed, it is important to build an understanding of the retailer's economic situation and to, thereby, build a lasting relationship.

#### 4. Make it easy for the shopper

Case three, Winning the Battle of the Brands in Dairy Retail, describes how to sell cheese in conjunction with other products that fit well together, thereby simplifying decisions for the shopper. This case also emphasizes how suppliers can collaborate with the store's own brands and, thus, achieve two goals: better cooperation with the retailer and ready-made solutions for the shopper.

#### 5. Differentiation

It cannot have escaped anyone's attention that inflation and related uncertainty make customers choose cheaper products. This is clearly a challenge for brands for whom private label is the main competitor. Case two, Private Label vs Manufacturing Brands, highlights market differentiation as the solution for national brands whose market share is threatened by private labels. And while it is true that differentiation is an appropriate strategy, this is not just a question of branding. It is also about product quality, channel selection and, ultimately, getting the consumer to appreciate all these points of differentiation so that they find it worthwhile to pay extra for them. Creating differentiation in low-interest categories is perhaps the most difficult task for suppliers today. It is well known that most attempts fail within a year of launch, often because of weak differentiation from competitors and, in many cases, due to weak visibility of the news in-store.

### FINAL THOUGHTS

To close, the editors would like to point out the common denominator in the three cases in this report. Namely: insights. All three cases emphasize the importance of insights into the consumer who consumes the product, the shopper who buys the product, and the retailer that sells the product. In physical retail, we have much to learn about how to collect data and, above all, how to draw conclusions from that data, which can be used to help

brands succeed. The brilliant students from Lund University School of Economics and Management who compiled these cases only had a few weeks to develop shopper marketing strategies from scratch, strategies that could be (and in some cases already are being) used by the participating companies. Therefore, our strongest recommendation to anyone interested in shopper marketing is to build their future hypotheses on insights, but above all to drive hypotheses. Ultimately, it is the hypothesis that is the key to the changing market that grocery retail represents.

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