Dietitian Symposium 2012
Cultivating Healthy Food Traditions

Forum #1 – Successful Retail Marketing Strategies

Shopper Research for Successful Promotions and Consumer Education

Craig Geiger
Barilla America, Inc.

Barilla
The Italian Food Company. Since 1877.

Famous Quotes

"Everything you see I owe to spaghetti"

Sophia Loren

"Life is a combination of magic and pasta"

Federico Fellini

My colleague

Anna Rosales
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Fun with Anagrams
Oldways Symposium

Yum
Slimy Sapwoods

Today's Agenda

- **Welcome**

- **Shopper Research Highlights**
  - *Pasta Meal Seasons*

- **Educating consumers**
  - *tips for you*

My objectives today are. . .

- *Engage and entertain* to illustrate points

- Open up a network to *serve as a resource*

- Provide a few *practical ideas*

3 Key Takeaways

Category and Shopper Research is available

Pasta Meal Season Wheel of Fortune

Contacts and Tools

Skills to develop – from your organization and us

What was the impact of my program?
- **Households Segmentation**
- **Leakage**

What products are consumers buying?
- **Basket research**
- **Sales data**

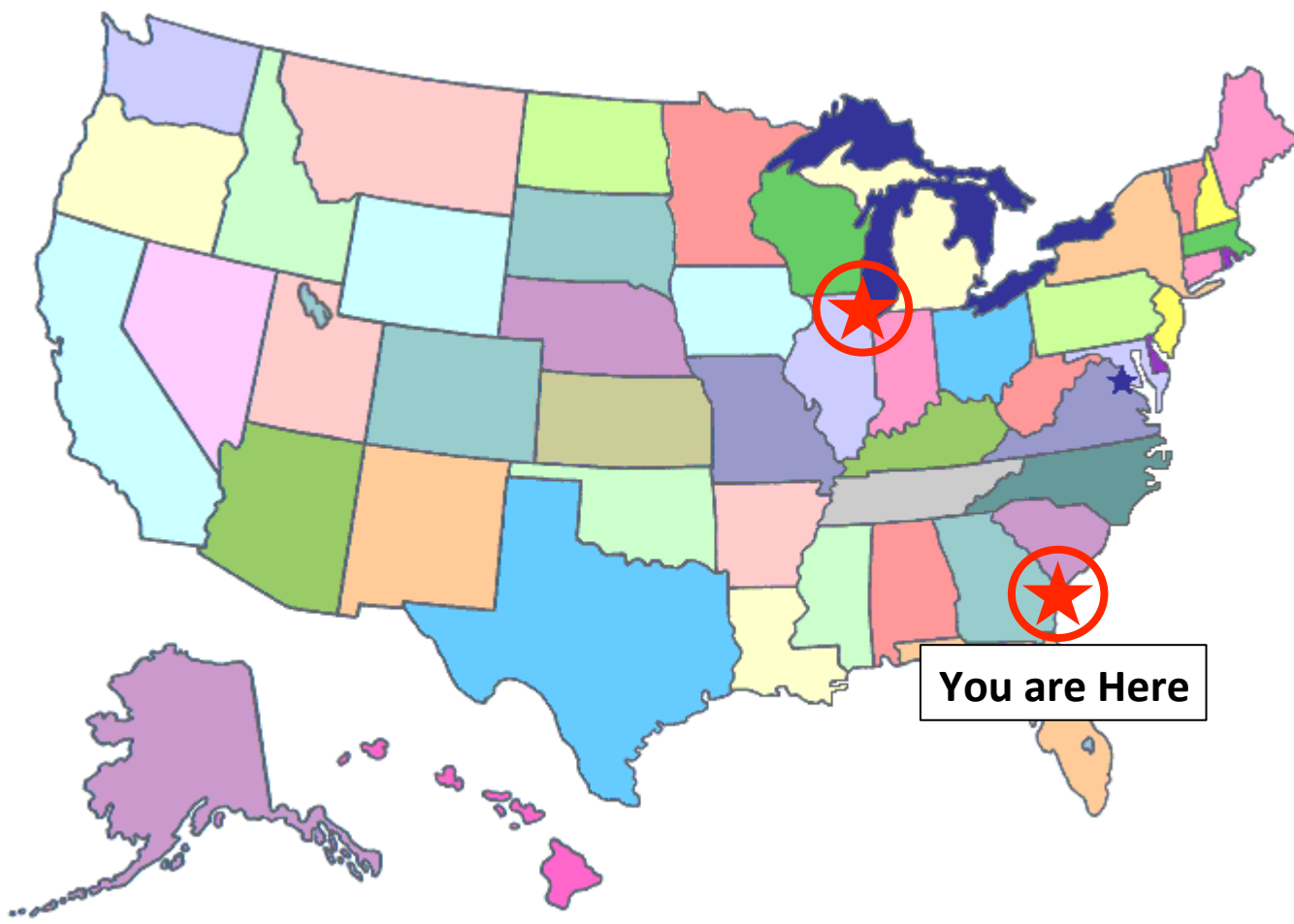# Present – Paolo, Guido and Luca Barilla

1877 - Pietro Barilla

Barilla World HQ
Parma, Italy

225 miles
366 km

Barilla U.S. HQ Bannockburn, IL
(North Suburban Chicago)

787 miles
1267 km

You are Here

Barilla Mission Statement

We help people live better by bringing wellbeing and the joy of eating into their everyday lives

Barilla Center for Food & Nutrition

You all are vitally important!!

Helping people with meal planning and food selections

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Helping people with meal planning and food selections

Visit more – increase trips

Shoppers spending more of their food dollars at your store when they visit

Understanding Loyalty
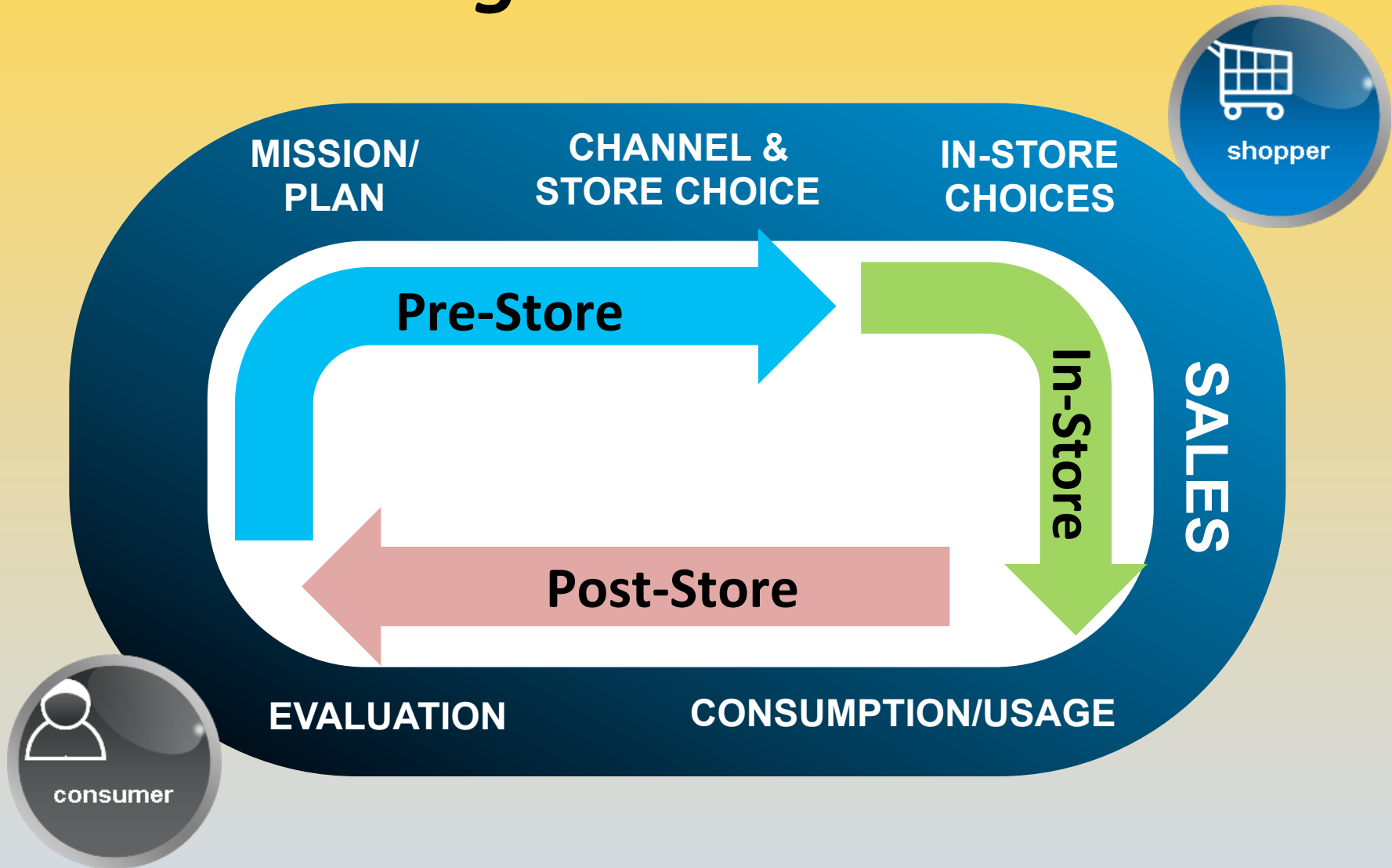
How we work with retailers to measure loyalty

- Leakage

- Basket size

Working with Shopper Research – <u>Expect</u> but don't <u>assume</u> the outcome!
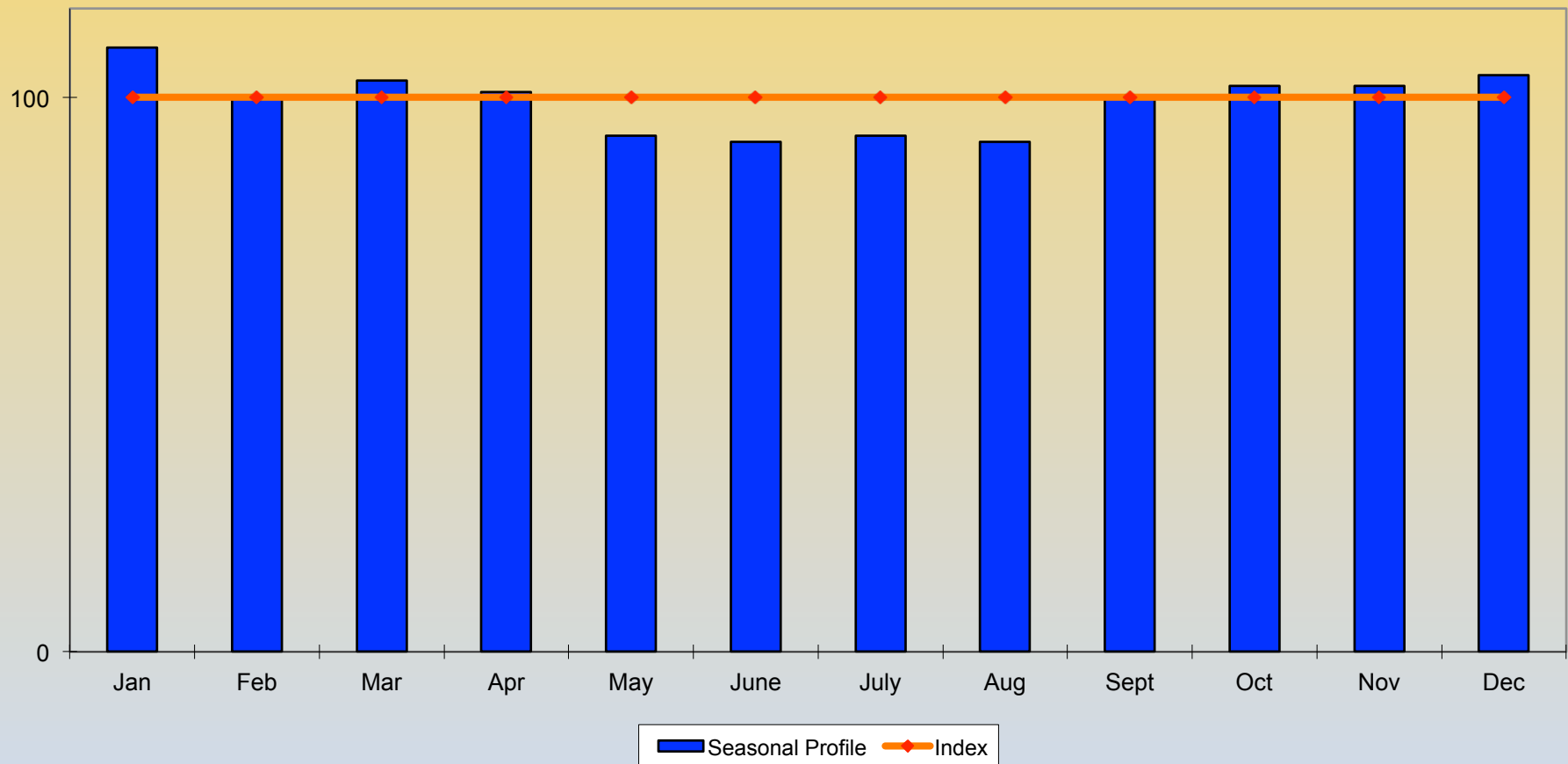
Pasta to Pasto

People buy pasta year round for stock up and dinner that night

- *While the category is not highly seasonal, many pasta cuts are seasonal and offer incremental merchandising opportunities*
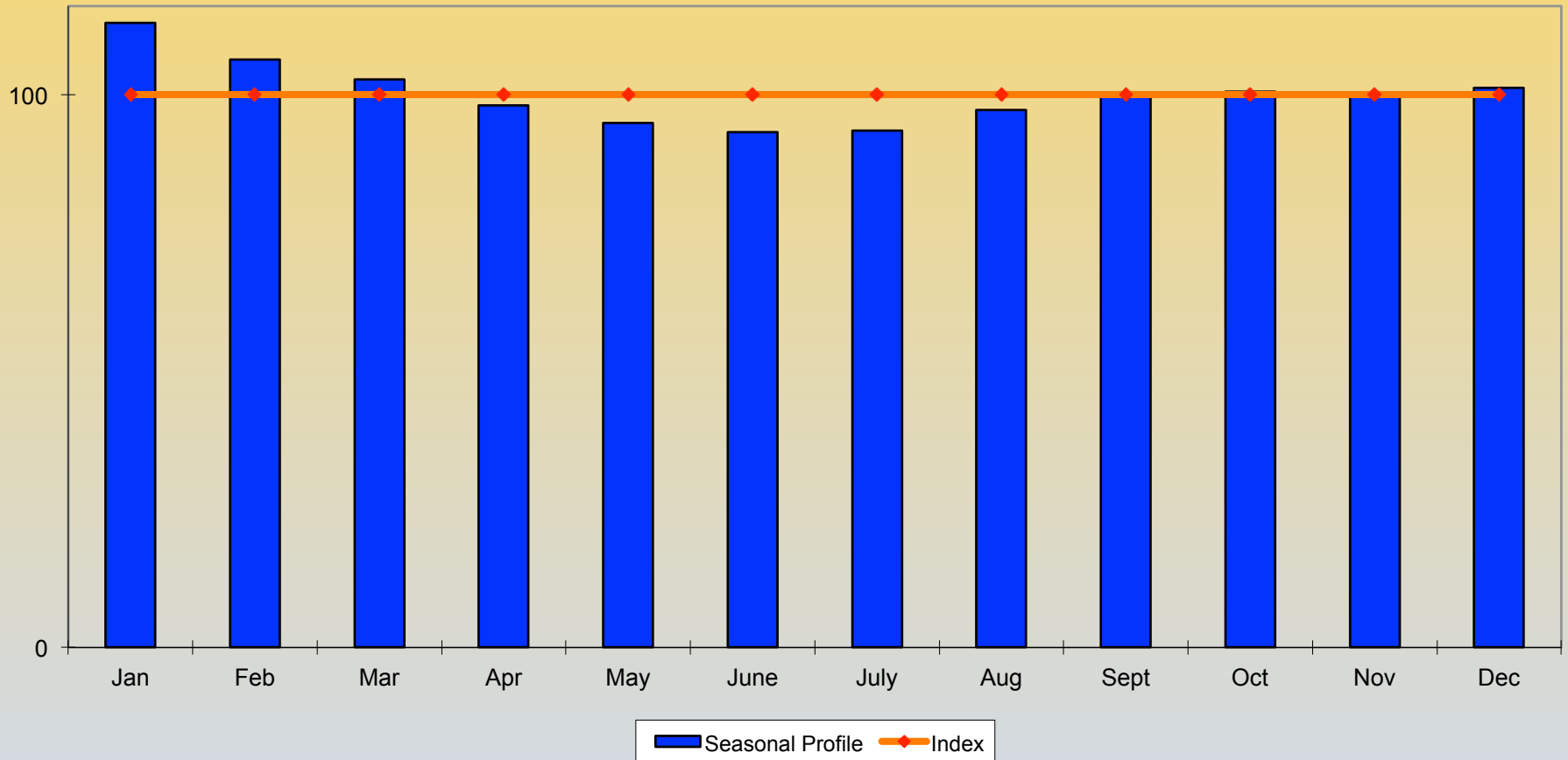

Seasonality Index – Dry Pasta

Source: AC Nielsen - Total U.S. – Volume Sales - 4 week periods ending 05/14/11

Pasta Sauce shows similar seasonality, with higher sales in Q1 and Q4

Seasonality Index – Pasta Sauce

Source: AC Nielsen – Total U.S. 52 Weeks ending 12/24/11 Base Unit Volume

Headlines from our shopping research

How people are buying for their pasta meals

shoppers _do_ plan their _pasta_ purchases

BUT. . .

are open to reminders and impulse in-store

SHOPPING LIST

pasta

other

stuff for

pasta

meal

Pasta Sauce is a category that shoppers are predominantly reminded to buy in-store

Predominant Category Planning Moment

Pre-store Planned

In-store Reminder

In-store Impulse

Dry Pasta

Ketchup, Mayonnaise, Nutrition/ Energy Bars, Pasta Sauce, Salad Dressing
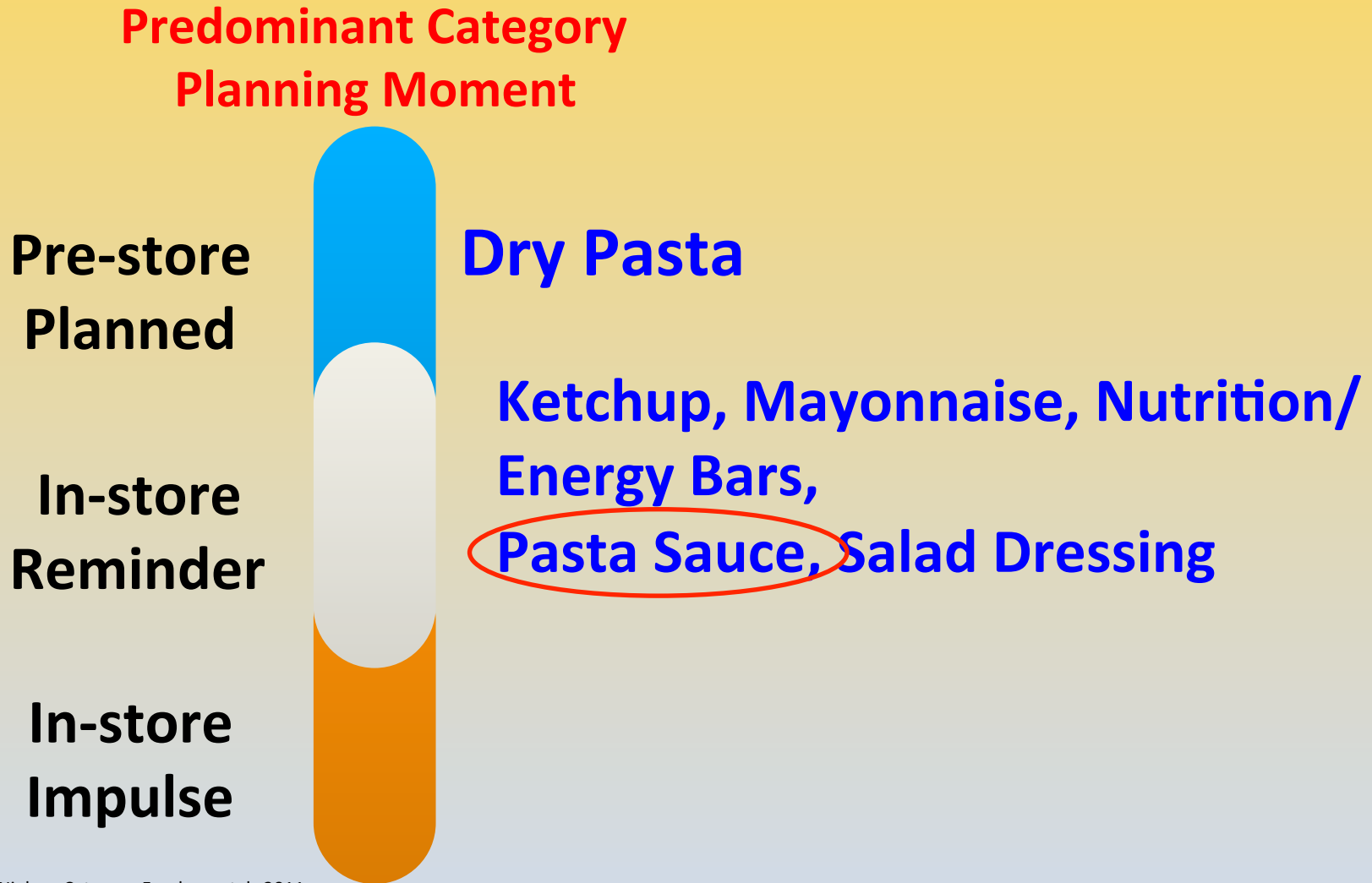
Merchandising pasta meal components year round helps drive basket size as consumers stock the pantry and also buy for dinner that day

Pasta Cuts and Pasta Meal Basket items – Year Round
Spaghetti
Thin Spaghetti
Penne
Elbows
Red and White Sauces – all varieties
Parmesan Cheese
Olive Oil
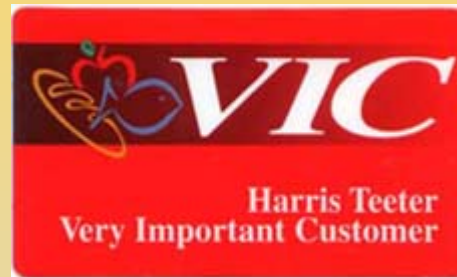*Produce items*
Etc.

One source of shopper data – loyalty cards

Shoppers purchase pasta with related menu items as a pasta meal solution

13X

Pasta Sauce

Canned/Frozen Vegetables

5-6X

Times more likely item is present in shopping basket with Barilla Pasta vs average basket

Canned Tomatoes

8X

Grated Cheese

9X

Produce items

6X   **4X**

Olive Oil

6X

Broth

5X

Basket analysis indicates that shoppers buy much the same items for the pasta meal with BFY and Regular Pasta

Times more likely item is present in shopping basket with BFY Pasta vs average basket

4X

14X

6X

9X

6X

8X

5X

5X

More shoppers open to wellness

"Hardcore Health-Focused"

"**Healthy Predisposition**"

Smaller consumer base
Shopping the health aisle or natural channel
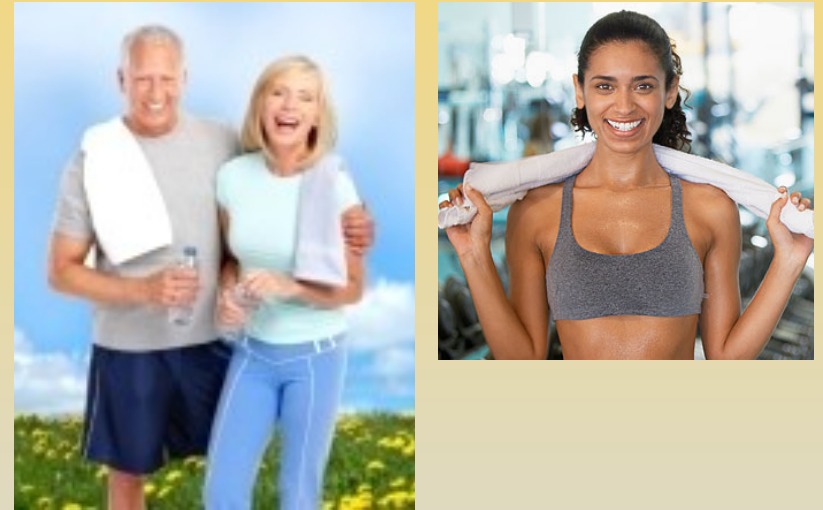
Larger consumer base
Shopping the main Dry Pasta section at Grocery store

Question you can ask Barilla or your category buyer:
What pasta cuts are in the basket with red sauces?

From shopper card data – National Retailer
*How many times more likely is **red sauce** in the shopping basket with the dry pasta cut than an average basket at the retailer?*

Dry Pasta Cut	Skew Score – In basket with Red Sauce
Spaghetti	21.1
Ziti	19.5
Lasagne	19.4
Thin Spaghetti	18.9
Oven Cuts	17.2
Rigatoni	16.8
Penne	14.8

Based on usage/pasta meals, we see pasta varieties beyond basic cuts in the basket with **white sauces**

*How many times more likely is **white sauce** in the shopping basket with the dry pasta cut than an average basket at the retailer?*

Dry Pasta Cut	Skew Score – In basket with White Sauce
Fettuccine	66.5
Linguine	25.1
Farfalle	22.9
Filled Pasta	21.7
Penne	19.9

Vodka (pink) sauces provide additional pasta meal merchandising opportunities

*How many times more likely is **vodka sauce** in the shopping basket with the dry pasta cut than an average basket at the retailer?*

Dry Pasta Cut	Skew Score – In basket with Vodka Sauce
Rigatoni	31.1
Penne	28.5
Ziti	28.1
Filled Pasta	27.4
Farfalle	26.9
Oven Cuts	21.1

Source: National Retailer Shopper Card Data 2011

Understanding seasonal lifestyle behavior and opportunities for pasta meal merchandising

The Pasta Meal Season Wheel of Fortune!

Pasta Salads

Barilla Pasta Meal Seasons for incremental sales

Jan – March
Post-Holiday BFY

May – August
Summer Pasta Salad

August – September
Back-To-School

October – November
Columbus Day and Heartier Meals

November – January
Holiday Meals & Entertaining