



Shopper Marketing Silver Winner: Coca-Cola - 'MOTOR'ing to WIN

Business Situation:

Thailand is a mid size (Population: 65 MM), developing market, with an established culture of consuming Sparkling Soft Drinks. It represents a huge business opportunity for the Coca-Cola System.

Market situation in early 2007: Back in 2006/2007, the growth of sparkling soft drink in Thailand was relatively flat and Traditional Trade continued to be the dominant channel (55% of volumes) despite the emerging popularity of Modern Trade Channels (Hyper/Super/Convenience). While The Coca-Cola System (KO) won consistently in Thailand in absolute terms (volume, profit, and value share in Non-Alcoholic Ready-to-Drink beverages) – the business has been losing share in Traditional Trade in relative terms within the sparkling beverage segment since 2001.

By the end of 2006, our competitor had a lead over KO in the Traditional Trade channel. This was driven by a first mover advantage by launching an 'upsized Glass Bottle after the Asian currency crisis – offering great value proposition 'just 1 Baht extra for 50% more volume' at a time when consumer confidence & spending were at an all time low.

BUSINESS AND MARKETING OBJECTIVE

To revitalize Category Volumes in the Traditional Trade channel & regain market leadership.

RESEARCH OBJECTIVES

With this backdrop in mind, Coca-Cola and Nielsen partnered to develop a holistic shopper framework – MOTOR (Moment of Truth Opportunity Research) that integrated insights from the shopping environment to address the unique challenges of our business by:

- *Demystifying the Moment of Truth – by understanding shopper's engagement & by detailing purchase/consumption behavior*
- *Identifying Opportunity – by quantifying the role & impact of key elements in the shopping environment –to capture opportunity*
- *Adjacencies/Assortment – by analyzing the shopping basket*

RESEARCH APPROACH

Our approach focused on capturing both - shopper behavior & attitude since impulse plays a major role in final shopper decision making. This was made possible by synthesizing data across all the lenses – observations, interviews & outlet profiling.

The advantages of the 'MOTOR' approach are driven by the facts that it:

- Focuses heavily on a 360-degree mapping by following a multi-pronged questioning approach (observation and interviews)
- Provides the linkages between shopper/retailer/market data which was analyzed separately in the past
- Employs advanced Analytics to quantify the impact of different elements on the dependent variables



BUSINESS INSIGHTS & IMPLICATIONS

We leveraged insights from the MOTOR study to develop a 360⁰ marketing plan that revitalized category growth & helped us regain share leadership.

Key learnings that led to shape our strategy in traditional trade channel are:

- Understanding the Shopping Decision Process helped **develop a strategic shopper marketing framework** & for **designing in-store communication**. This included an understanding of the Impulse continuum: to factoring the role of “impulse” in the shopper decision making
 - o We experimented with multiple questions to factor in the impact of these key elements with shoppers – Was the outlet planned? Was the trip/mission planned? Was the category planned? Was the brand planned? Was the pack planned? Etc.
 - o Learnings from the above helped us focus on driving impulse using a mix of on-air and in-store promotions, to influence the ‘unplanned elements’ during shopping decision making.
- Among the different activation elements, MOTOR helped us identify **factors that are drivers of category growth** and to **develop merchandising standards**
 - o This comprehensive understanding of the impact of all key elements at the point of purchase helped prioritize our spends & to optimize returns
 - o We sub-segmented outlets on the basis of their location (residential/commercial), turnover, demographic skew, etc., to develop merchandizing standards by segments
- De-mystifying purchase/consumption behavior **helped identify opportunities by new segments for new launches to reinvigorate category growth**
 - o Actionable occasion segments were arrived at by understanding occasions by shopping mission (top-up vs stock up), purchase behavior (planned vs impulse), place of consumption, method of consumption, time of consumption, etc.
 - o This formed the foundation of a new segmentation plan to launch new products to leverage these segments by having the relevant products for each segment

CAMPAIGN DEVELOPMENT

With clarity on occasions and shopper behavior paving the way, an integrated marketing communication program was developed to support on the ground activation and product placement. Some of the elements of the program were:

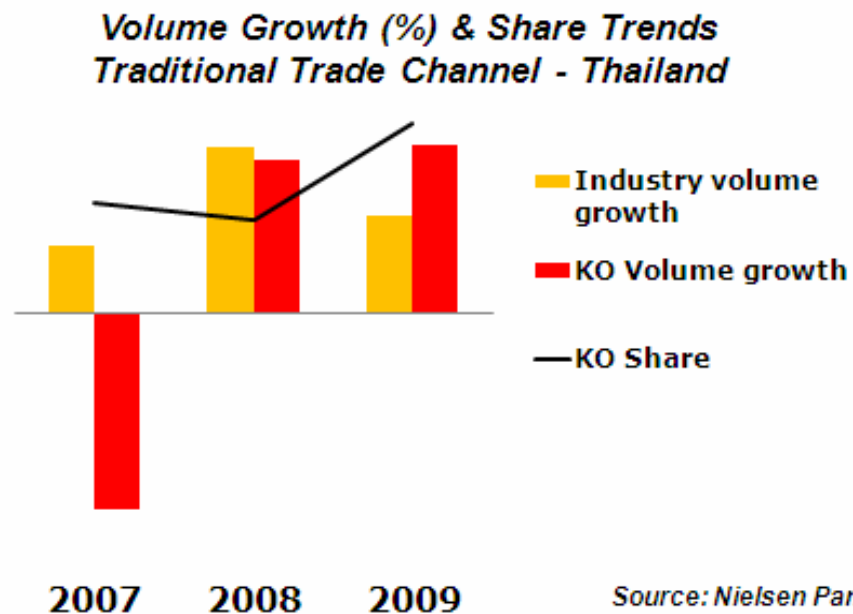
- In-store Point-of-sale material communicating relevant products/specialized programs for key segments & targeted sampling program among key consumer segments
- Key programs activated via promotions, TVC & special loyalty programs targeting purchasers



BUSINESS RESULTS

This integrated marketing campaign has been immensely successful leading to double digit growth volume & revenue in this channel.

- **Category Revival:** The momentum gained in this channel, helped drive overall category revival in a tough year (despite tough economic conditions)
- **Regain Leadership in Traditional Trade:** The strong volume performance initially helped reverse declining share trend & subsequently to re-establish significant share lead (volume/value)



The success of MOTOR as a shopper insight approach has been internally validated in Coca-Cola as we have seen significant share gains not just in Thailand but also in other countries after applying the learnings to refine our Shopper Marketing strategy in other key emerging markets.

MOTOR is now recognized as a best in class Shopper Insight approach within the Coca-Cola System.