

**IPA EFFECTIVENESS AWARD**  
**Morrisons – Let's Grow**  
**'Getting your hands dirty with Morrisons'**

**Introduction: A new idea to engage customers**

This paper tells the story of how a new marketing programme, rooted in a truth about the business and answering a new consumer need, generated significant returns.

Following the success of Morrisons' brand re-launch in 2007<sup>1</sup>, their competitors in the supermarket category reacted in true retailer style, investing aggressively to steal back market share.

In September 2008 Morrisons set out to take customer engagement to a new level and wrestle back the initiative. Building on what made Morrisons different as a business, and leveraging a cultural trend to bring to life, we created 'Let's Grow'.

Let's Grow is a groundbreaking community engagement programme designed to increase footfall and drive customer loyalty. A year in the making, Let's Grow has involved government stakeholders, charities, primary schools, a new in-store voucher scheme, a new online infrastructure, and all of Morrisons' agencies pulling together to make it happen. In its first year, it has generated a sales return on marketing investment of £21.57 per £1 invested.

**Let's Grow: what is it?**

Before we tell the story, it's probably helpful to outline exactly what 'Let's Grow' is:

We typically refer to Let's Grow as a 'community engagement programme', but in fact that doesn't do it justice. Let's Grow is part voucher redemption scheme, part CSR programme, part through-the-line marketing campaign and part stakeholder partnership programme.

The idea is simple: mum shops in Morrisons and receives Let's Grow vouchers<sup>2</sup> for her children to take into their school. These are redeemed for gardening equipment, seeds and tools, which are delivered in time for spring planting. This scheme, brought to local communities by Morrisons, was launched via a partnership programme with schools and then a national campaign to consumers. It has helped to integrate growing into the national curriculum and has inspired children to have fun and get their hands dirty by learning to grow fresh produce.

## The challenge that Morrisons faced

Since their re-launch, Morrisons had been enjoying a period of sustained growth that had caught the competition unaware. But during 2008, with the economic storm looming, the tables had started to turn. Morrisons now found themselves in a war of their own making: the competition responded to the changes in the market dynamics in true retailer fashion, investing heavily behind price promotion (see Figure 1).

Figure 1: Price led advertising summer 2008



In this category, weekly sales and market share are hard fought and hard won. Morrisons needed to respond to the threat in the market by improving price and discount, and also by looking for the next move. They needed something that would result in another step-change in growth, either from new shoppers, or from encouraging existing shoppers to be more loyal.

## How the idea was born

### 1. Tapping into what makes Morrisons different

We believed that the key to unlocking this new growth would be finding a new way to demonstrate Morrisons' brand and business heritage. Morrisons is the most vertically-integrated of all of the big 4 supermarkets, owning most of its packaging and processing plants, and as such it is the only one that can talk about food sourcing and in-store preparation with credibility. Customers had already responded positively to the new advertising strategy that was based on this brand strength;<sup>3</sup> to galvanise new growth, we had to find a way to make the benefits of this vertical integration really tangible for customers.

### 2. The cultural opportunity

We observed a number of interconnected consumer trends which started us thinking:

- Mums were concerned about the quality of the food they fed their children. They were rejecting the ready meals which had originally freed them from the oven and were looking for healthy, fast alternatives.<sup>4</sup>
- Children had a lack of understanding of where their food came from.<sup>5</sup>
- There was escalating debate around childhood obesity, as a result an increase in health and nutrition education in schools.<sup>6</sup>
- There was increasing disillusionment with mass production and dubious quality produce, with consumers wanting more transparency around food provenance.<sup>7</sup>

### 3. The insight

Previous research had emphasised the opportunity in linking fresh produce with where it came from. Many consumers, and especially children, have difficulty connecting the vegetables on their plate with something that actually grows in the ground.<sup>8</sup>

In addition, as a result of increasingly urbanised lifestyles, consumers are becoming more distant from the experience of growing food.<sup>9</sup>

*To really appreciate fresh food, you have to get your hands dirty.*

Consumers believed that Morrisons' roots hailed from Yorkshire farming stock and traditional values,<sup>10</sup> so they were uniquely placed to exploit this insight. While competitor brands had established loyalty programmes in the area of education (Tesco's Computers for Schools) and sport (Sainsbury's Active Kids), we had identified food and growing as the territory that Morrisons had a right to be in.

The concept of Let's Grow was born, with the deliberate aim of getting shoppers' hands dirty.

#### 4. The targeting strategy

We knew we wanted to drive additional footfall in store from a combination of new customers and also greater loyalty from existing customers. 'Secondary' shoppers - who might typically shop elsewhere as a first choice – were a particularly attractive target.

Morrisons had identified a number of segments that were potential sources of growth for the brand. Of these, Middle Families (families with primary school age children) were of particular importance as they represent a large volume opportunity, and they show a greater interest in fresh food messages than other groups.<sup>11</sup>

Middle Family Mums who shopped elsewhere were the key target to embrace the benefits of getting their hands dirty.

#### 5. Refining and testing in research

The Let's Grow idea, alongside three other concepts generated at the time, was tested in research amongst our core audience.<sup>12</sup> Let's Grow shone through and the response was overwhelmingly positive. Let's Grow connected with consumers and matched their positive perceptions of Morrisons (see Figure 2):

Figure 2: Mums saw the fit with Morrisons and Let's Grow



The researchers summarised that, '*Let's Grow is intrinsically appealing in its own right, it fits the size and scale of Morrisons and its brand personality and product truth*' and crucially, '*Let's Grow has genuine potential for expansion.*'<sup>13</sup>

It was at this point that we knew we were onto something very special.

### **Let's Grow in action: Collaboration – the secret of our success**

A huge amount of work followed. It is often a throwaway comment that 'the team collaborated well', however in this case, Let's Grow would not have seen the light of day without the drive and dedication of a team of experts from agencies and partner organisations.

The royal "we" used throughout this paper refers collectively to the Let's Grow team:

- Core agency partners – MEC, DLKW, Billington Cartmell, Candi, Lexus
- Client support – Morrisons marketing team led by Michael Bates, Marketing Director

We also enlisted the help of experts, including Ian Eggington-Metters from FCFCG<sup>14</sup> who has dedicated almost 30 years to promoting green and growing spaces across the UK. He introduced us to FACE<sup>15</sup> who help young people learn more about food and farming.

We also worked closely with the National Schools Partnership (NSP) who had invaluable firsthand knowledge of working with primary schools and teachers. They advised us on how we could link Let's Grow with Key Stage lesson plans<sup>16</sup> and the level of support we needed to provide on the website.

### **The communications strategy**

Although the scheme was simplicity itself, the communications strategy was deliberately layered. There were a number of stages, and each one had to be executed in turn to achieve success.

#### **1) Infrastructure**

NSP advised us that teacher buy-in would be critical, and simplicity was the key. We developed a support system, housed in the Let's Grow section of the Morrisons website (see Figure 3), to provide practical information, lesson plans, voucher registration and the online catalogue.

Figure 3: Morrisons' Let's Grow website



Growing and teaching resources were sourced from FACE and FCFCG and then re-categorised by NSP to ensure Key Stage 1 teachers could access the right information. Growing equipment was sourced ensuring it matched lesson plans.

In store materials, including posters and leaflets, were designed and distributed to all 379 stores, ready for the launch date (see Figure 4). A series of staff briefings took place ensuring store colleagues could happily talk to customers about the how the scheme works.

Figure 4: In store support





## 2) Recruiting the schools

Once the website was ready to go live, we had to engage the schools on their return after the summer holidays. We identified primary schools based on the following criteria:

- Golden targets – primary schools within 5 minutes drive of Morrisons.
- Secondary target – primary schools within 10-20 minutes drive.
- All primary schools.

A direct mail campaign to 10,000 schools introduced Let's Grow and detailed how to get involved.

The early results were encouraging – over a thousand schools registered in the first week.<sup>17</sup>

## 3) Public launch

The consumer campaign launched on 7<sup>th</sup> September (see Figure 5), which was quickly followed by an avalanche of coverage in local and national press (see Figure 6). The advertising campaign broke on 15<sup>th</sup> September, with a TV ad featuring Diarmuid Gavin (see Figure 7), the celebrity gardener.

Figure 5: Front page PR in the Observer



Figure 6: Local PR



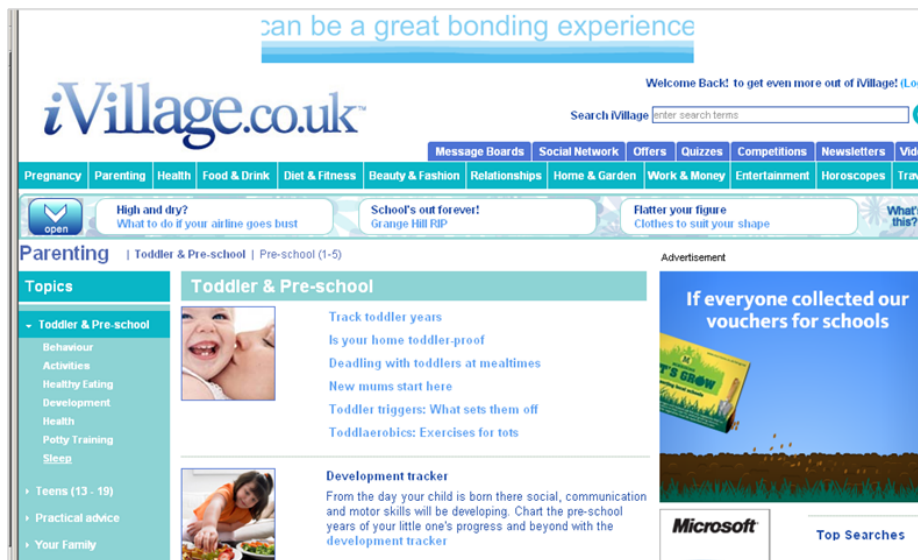
The TV ran over 3 weeks at similar weights to other brand TV bursts, as defined by the econometric model.<sup>18</sup> We also ran online activity on parenting websites linking through to the Let's Grow pages on the Morrisons website (see Figure 8).

Figure 7: Let's Grow TV commercial





Figure 8: Parenting Websites



#### 4) Keeping up the momentum

To ensure the momentum of the scheme would be driven by the schools and parents, we used a range of tactics (see Figure 9) to ensure that the schools kept collecting:

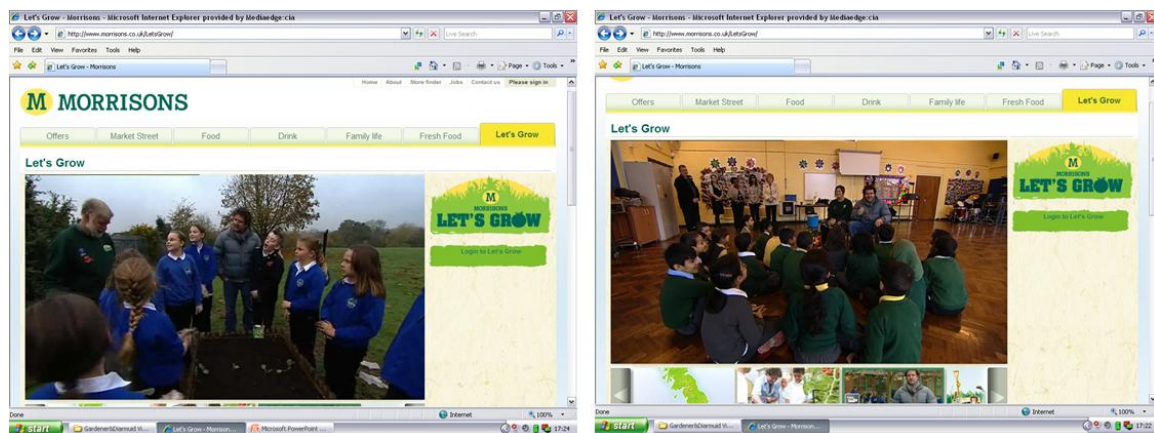
- Banners outside participating schools.
- Tools for teachers to use to keep parents collecting
- Gardening expert school visits & hands-on lessons.
- Diarmuid Gavin school visits.
- Let's Grow calendar

Figure 9: Schools Let's Grow collateral



In each region FCFCG sent gardeners to deliver inspiring sessions for school children about growing. The gardeners used Morrisons' fresh produce to demonstrate what could be grown. Content generated by these visits was filmed and hosted on the website, and used to generate local PR stories (see Figure 10).

Figure 10: Films hosted on the website



## 5) Fulfilment and beyond

The timings followed the school calendar, the retail calendar and Mother Nature.

There was a seven week collection period, timed to build excitement at the start of the Autumn term and to run before the Morrisons Christmas campaign began. The schools had two months to collect their vouchers and then send in their orders. Equipment was sent out from February of 2009, coinciding with the spring growing season.

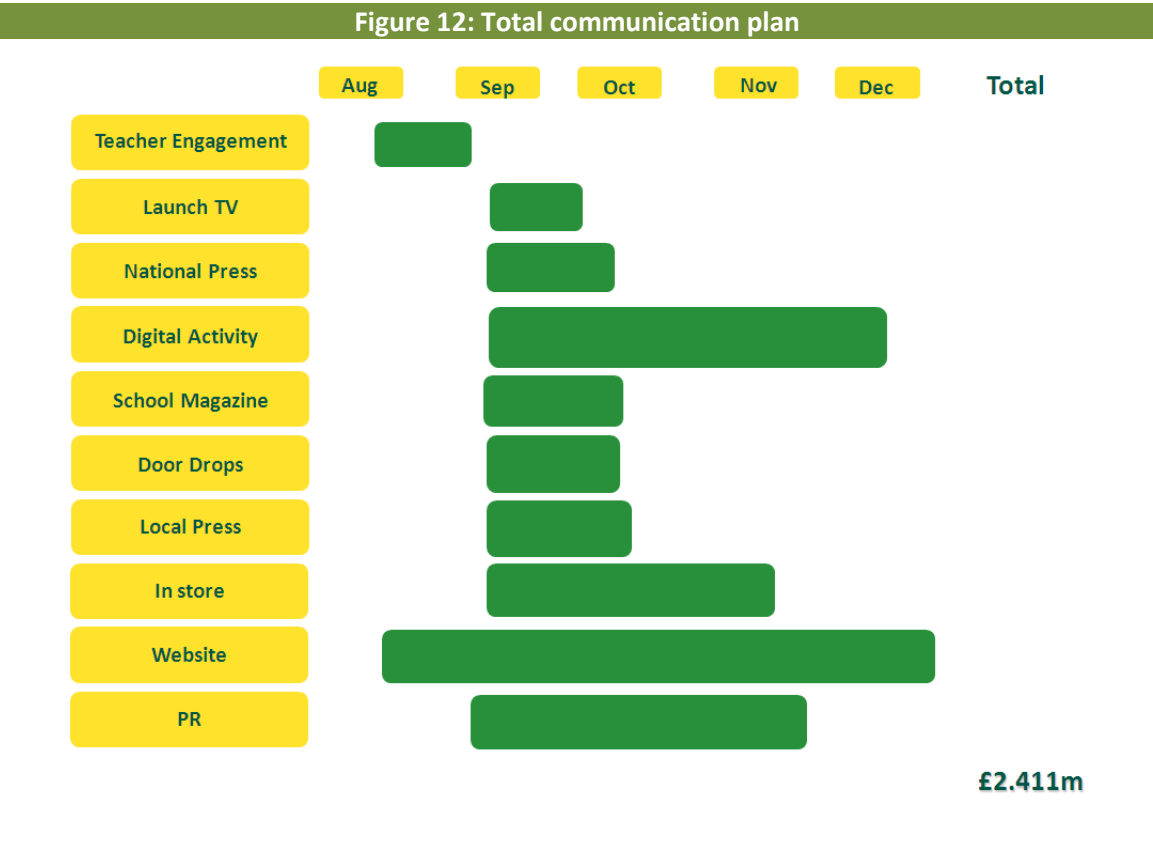
To celebrate the Let's Grow spring 2009 equipment delivery, a further programme of school visits was organised. These visits included the presence of 130 local MPs who were supporting the growing initiative (see Figure 11).

Figure 11: MP visits



How much did Let’s Grow cost?

The marketing communications budget for the campaign was £2.411m (see Figure 12). This excludes the cost of fulfilment which falls outside the IPA entry criteria.



## Results

### *An outstanding success*

The success of Let's Grow smashed our expectations with the sheer volume of school registration. In fact, at one point, we were concerned that Morrisons might run out of gardening equipment!

Six months after launch, 85% of all primary schools are signed up, 39 million vouchers have been redeemed, 1.733m additional shopping visits were generated during, and incremental turnover totalled £52m - a sales return on marketing investment of £21.57 per £1 invested.

Overall, the campaign has performed against every single measure:

- It has had overwhelming support and positive feedback from schools and teachers.
- MPs have supported it, and we are helping them to achieve government targets.<sup>19</sup>
- It has generated an astonishing amount of PR and word of mouth - even down to the vouchers being sold on E-bay.
- It has persuaded more people to shop at Morrisons, and to spend more while they were at it.

And right now, all over the UK, there are seeds that have been planted by schoolchildren starting to grow.

It was always going to be a long term programme. We're already planning the evolution of Let's Grow for 2009, and we have already agreed to double the amount of vouchers available.

We have broken the results out into three different areas: scheme results, shifts in perception and business results.

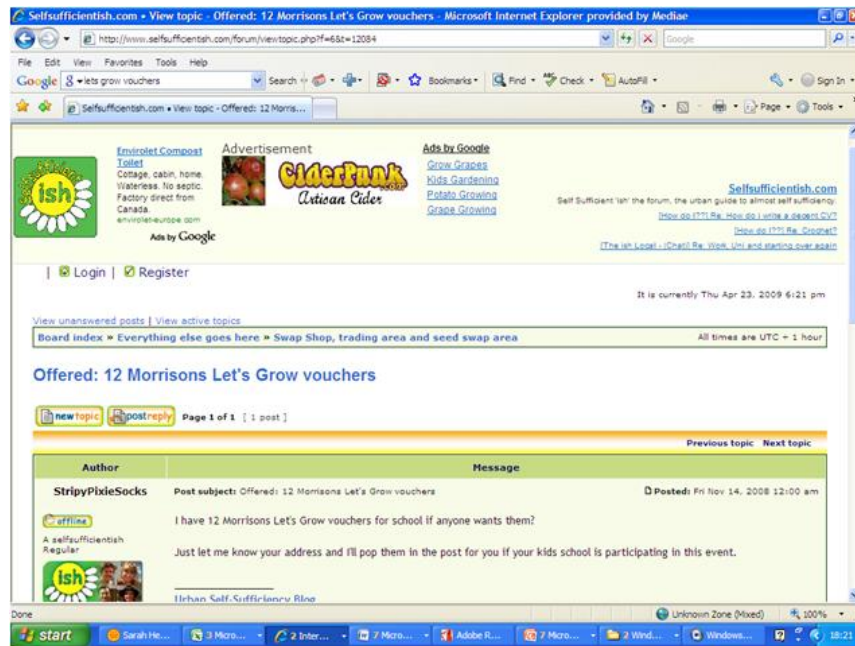
### *Scheme results*

When we originally planned Let's Grow, we estimated that a total of 6,000 schools would sign up to take part. In fact, a total of 18,000 primary schools in the UK signed up to the scheme (85% of all primary schools).

We monitored online conversations about Let's Grow on community sites to gauge how people were engaging with the scheme(see Figure 13):

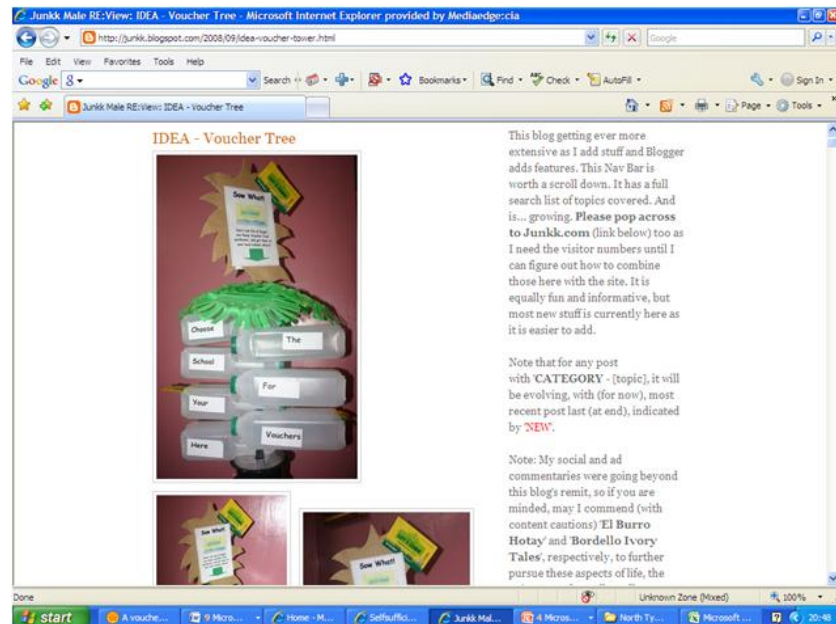


Figure 13: Community site offering Let's Grow vouchers



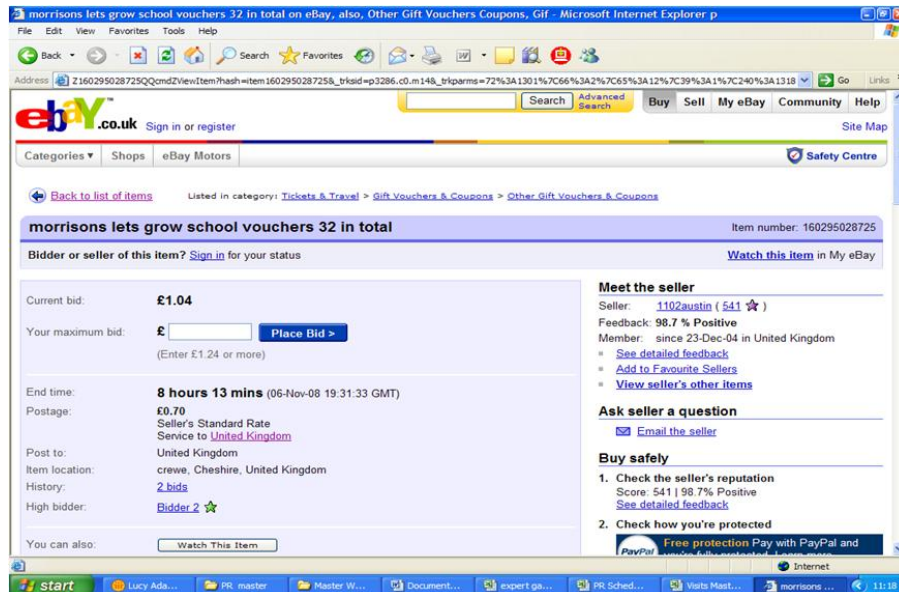
Vouchers were being exchanged and donated and in some places community trees were established to collect more (see Figure 14). Let's Grow vouchers were even sold on ebay (see Figure 15).

Figure 14: Suggestion of a voucher tree



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Figure 15: ebay bidding for Let's Grow vouchers



In fact, a staggering 39,190,158 vouchers were collected with an average of 2,692 per school.

Yeadon Westfield School in Leeds beat all others with 37,997 vouchers collected.

The schools used the information we provided on the website to set their lesson plans and in the second week of launch, we saw the highest ever levels of traffic to the Morrisons website.<sup>20</sup>

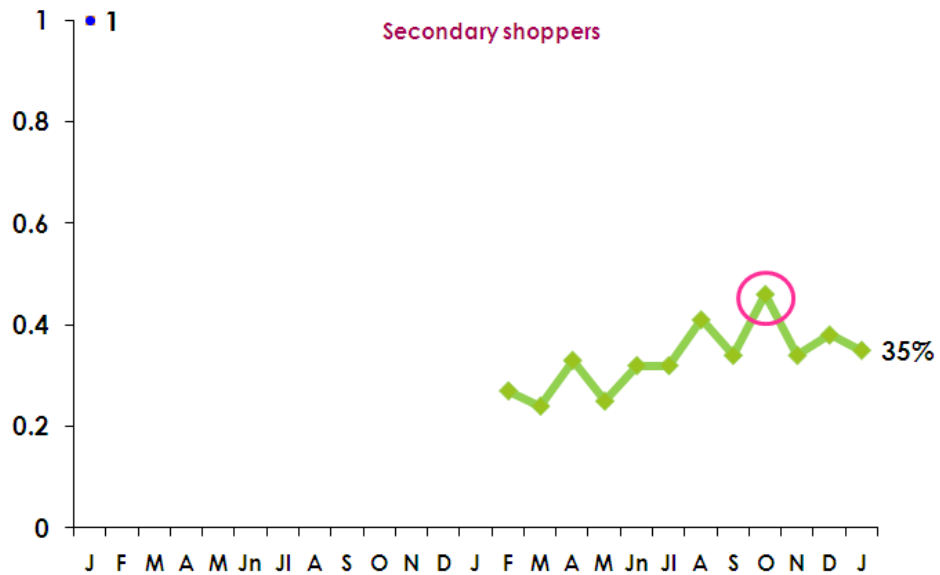
The scheme generated a huge amount of PR, with a total of 116 press articles with a value of £463,000.<sup>21</sup>

### Shifts in perception of Morrisons

A key element of leveraging the 'fresh' positioning was the close link that Morrisons had with farmers and growers. Using Hall & Partners tracking measures, we can see that when Let's Grow launched in September, there was a shift in brand measures directly linked to sourcing (see Figure 16).

Figure 16:

% that feel brand "They work closely with farmers and growers" (% applies)

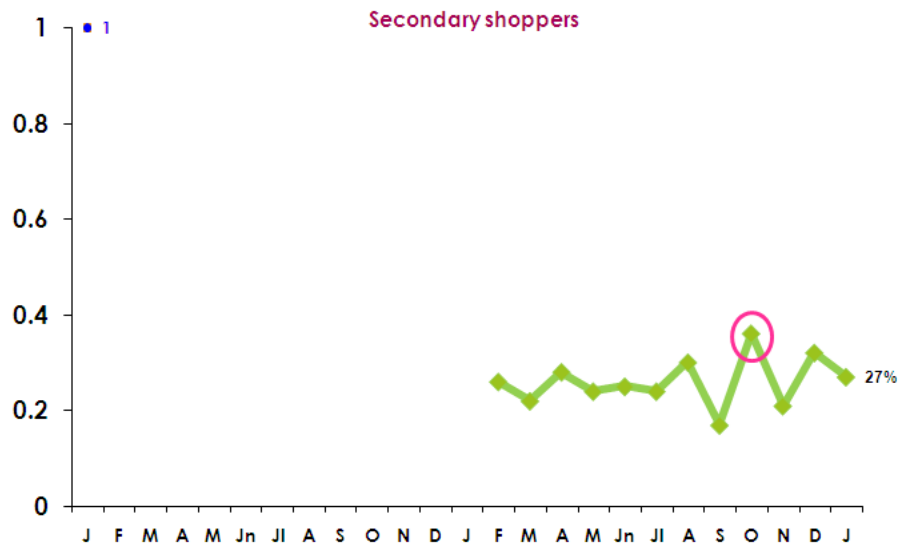


Source: Hall & Partners

We can see that Let's Grow contributed to a sense that Morrisons is involved in the local community (see Figure 17).

Figure 17:

% that feel brand "They are involved with the local community" (% applies)

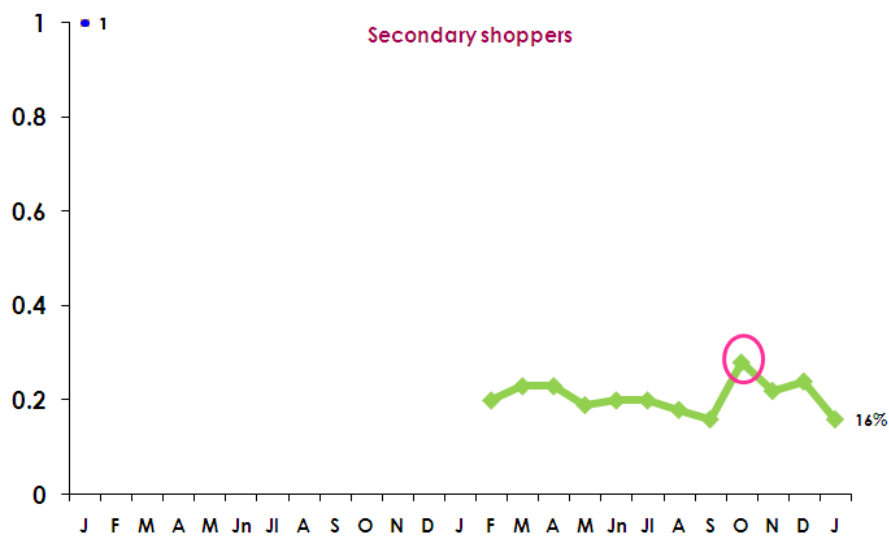


Source: Hall & Partners

We also saw a clear uplift in perceptions of how different Morrisons is to other supermarket brands (see Figure 18):

Figure 18:

Is different / very different from other supermarket brands



Source: Hall & Partners



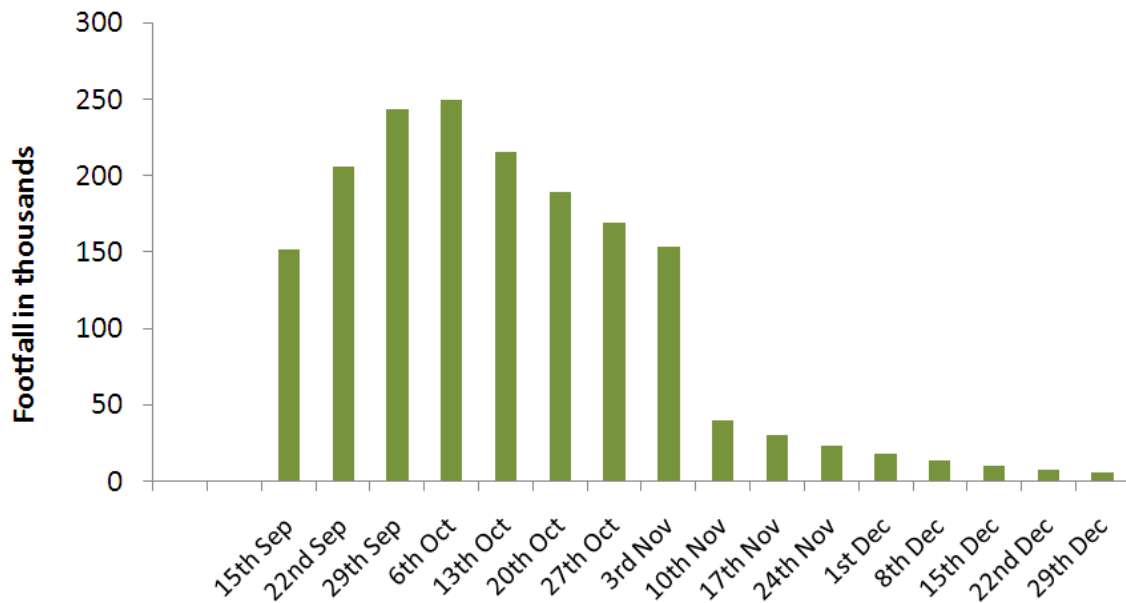
## Business results

Our original brief was to deliver additional footfall and to drive loyalty. Using the econometric model (see Appendix 1) developed by MEC Retail in spring 2008, we have been able to prove the scale of the return on both objectives.

1. The model demonstrates that Let's Grow drove additional footfall of 1.733m shopping visits during the period of the promotion (see Figure 19) – this is significantly higher than any other type of promotion for Morrisons since re-launch.<sup>22</sup>

We know from the model that these additional shopping visits are from a combination of new shoppers and secondary shoppers coming back more regularly, which demonstrates that Let's Grow generated loyalty as well as trial.

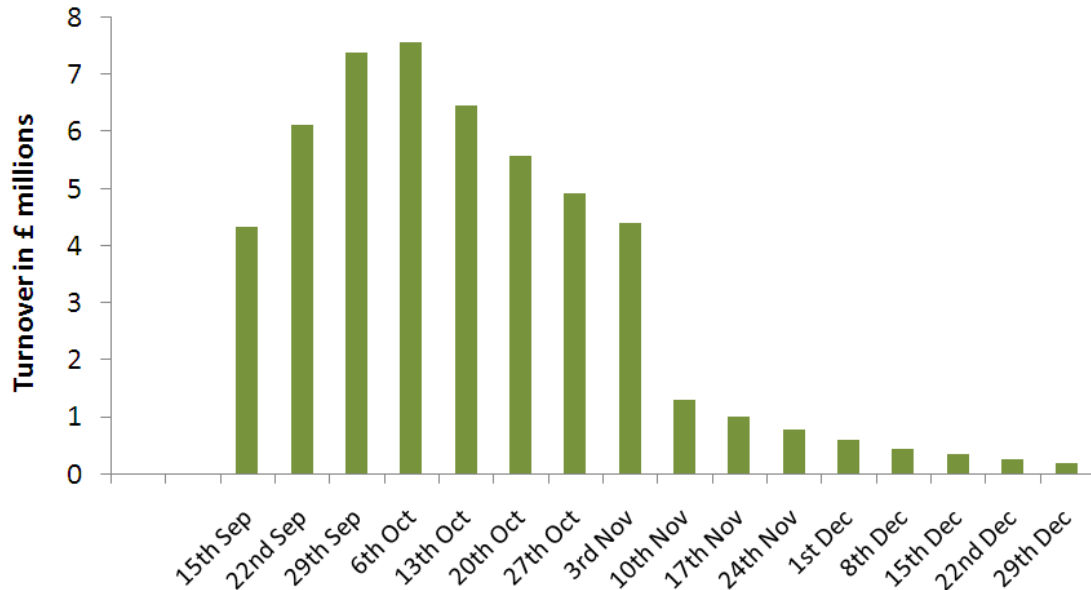
Figure 19: Footfall generated by Let's Grow



Source: MEC Retail

- Incremental turnover attributed to Let's Grow totalled £52m, which equates to 0.74% of total turnover in Jul-Dec 2008 (see Figure 20).

**Figure 20: Turnover generated by Let's Grow**



Source: MEC Retail

- The econometric model also demonstrates that sales return on the campaign budget invested is £21.57 per £ invested (see Figure 21). This high level of return was totally unexpected, and means that Let's Grow delivers 33% more sales return than some of the brand TV campaigns that have run since re-launch.

**Figure 21:**

Sales return on investment	
Incremental revenue	£52.0m
Cost of campaign	£2.411m
Sales return on investment	£21.57

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### **Isolating all other factors**

We need to ask ourselves if the success of Let's Grow could have been attributed to other factors. The following factors have been eliminated via the econometric model:

- Morrisons own media activity (including value-led communications that ran at the same time, and brand TV activity that ran immediately before and after the Let's Grow campaign)
- Store openings
- Competitor openings
- Store refurbishments
- Hours of sun
- Rainfall
- Seasonality
- Competitor promotions
- Morrisons own promotions
- Individual store dynamics
- Relative price position
- Market Growth
- Bank Holidays
- School holidays
- PR
- Store Events
- Competitor media activity
- Pay day effects

## Calculating payback

Given the level of incremental turnover that Let's Grow generated, we anticipated that the returns would be relatively high in the context of other Morrisons campaigns. The sheer scale of the achievement became clear as we started to work through the numbers and saw that Let's Grow had also generated significant payback.

We have already outlined the sales return on investment (see Figure 21), which first alerted us to the business success of the scheme.

In order to calculate the net payback, we have applied the industry standard margin that is recommended for the grocery retail category by the IPA (25%), as we are not able to disclose Morrisons' own figures due to confidentiality. Based on this margin, the net payback is £10.589m, and the return on marketing investment is 439% (see Figure 22)

Figure 22:

ROMI	
Incremental revenue	£52.0m
Cost of campaign including fulfilment cost	£2.411m
Net payback (margin at 25%)	£10.589m
ROMI	439%

To put this into some kind of context, this is a similar level of payback generated by an average store in 15 months. To have achieved this with a campaign budget of less than £2.5m is a remarkable result.

In order to really test this result, we also did a second calculation which including the variable cost of the fulfilment (as it is intrinsically linked to the campaign but outside the scope of this paper). We were delighted to see that even when this cost is included, the campaign only generated slightly less net payback, and still provided a significant return on marketing investment (see Appendix 2 for details). With the increased efficiencies available in the second year of the scheme, we expect to see even higher returns going forward.

## Summary and contribution to new learning

This paper demonstrates that Let's Grow has been an overriding success for Morrisons. It has delivered significant short-term returns and has become a critical element of their new marketing arsenal.<sup>23</sup>

This paper offers further evidence that truly successful marketing taps into core truths about what you are selling and who you are selling to. In this case, we leveraged what makes Morrisons different from competitors, and amplified it through an insight into a new cultural trend.

And finally, and perhaps mostly importantly, it is our view that this is a genuinely new type of programme due to the level of integration involved, both with the brand proposition and in the execution of the idea. Let's Grow harnesses the full range of marketing levers, pulling together a vast array of marketing tools, government and charity partners, schools up and down the country and all of Morrisons' agencies to make it happen.

***“This is something children can really get stuck into and, by getting their hands dirty planting, growing, pruning and picking, develop a real passion for produce. ‘Let's Grow’ will get thousands of children out into their school gardens, learning about where good fresh food comes from, how to grow their own and, hopefully, enjoying some tasty fresh fruit and veg as well. What could be better than that?”***

Angus Maciver, Marketing Group Communications Director, Morrisons



## Notes

- 1) Morrisons market share rose 11% from 2007 – 2008 to 11.5% (it has continued to rise and as of April 24<sup>th</sup> 2009 stands at 11.8%)
- 2) Mums had to spend a minimum of £10 to receive one Let's Grow voucher
- 3) The new advertising creative was developed by DLKW and launched in July 2007. The campaign evolved and ran throughout the whole of 2008, and has been widely credited as a major factor contributing to Morrisons market share increases in that period.
- 4) 3/4 of children are still not eating their recommended five portions a day of fruit and veg (October 9, 2008, Maidstone Adscene)  
35% of British people think feeding junk food to children is child abuse (YouGov May 2007)  
NOP/Mintel demonstrates how mums are trying to increase the healthy foods in their kids lunchboxes. (Children's packed lunches Dec 2006)
- 5) Morrisons own research (conducted in Feb 2008) showed the lack of understanding or interest that children have in fruit and veg.
  - 25% of children aged between four and 13 have never grown anything at home - with a further 16% saying they'd only ever done it once
  - 15% of children admit they only eat fruit and vegetables when they absolutely have to
  - And even those who do eat fresh fruit and veg are missing out on their recommended produce portions - with only 26% of kids saying they eat five portions a day or more
  - Of those children that do like fresh produce, carrots are the vegetable of choice with two in five kids, with broccoli a surprise second favourite (20%)
  - 8% of children think bananas grow in British gardens
  - 10% have no idea that potatoes and carrots can be grown in a garden
- 6) Various sources including the Guardian, Times and Daily Mail from 2003 - 2009
- 7) Harvard Professor John Quelch's 2008 study *Too Much Stuff* says: 'The mass consumption of the 1990s is fast fading in the rearview mirror. Now a growing number of people want to declutter their lives and invest in experiences rather than things'. See the Jules Peck article in the Ecologist 16/4/09 'The end of consumerism'
- 8) Morrisons research see ref 5
- 9) Morrisons research see ref 5
- 10) Acacia Avenue research presented to Morrisons on 20<sup>th</sup> March 2008. 4 groups researched to find a clear winning CSR scheme.
- 11) A customer segmentation study was conducted by Oxford Strategic Marketing in January 2008, to understand which segments represented the greatest opportunity. It also looked at their affinity with different elements of the Morrisons offer, such as Market Street, local produce, value and British.
- 12) Acacia Research see ref 10
- 13) Acacia Research see ref 10
- 14) FCFCG - Federation of City Farms and Community Gardens  
The Federation of City Farms and Community Gardens is a charity which supports, represents and promotes community-managed farms, gardens, allotments and other green spaces, creating opportunities for communities to grow.
- 15) FACE - Farming and Countryside Education  
FACE is a registered charity which sets out to help young people learn more about food and farming in a sustainable countryside. It works in partnership with organisations from across the food, farming and countryside sector
- 16) Morrisons Let's Grow is ranked as being highly beneficial by most schools surveyed beating Tesco Computers for Schools and Sainsburys Active Kids. Source: NSP post campaign survey.
- 17) Source: Candi
- 18) The econometric analysis in 2008 had established recency and frequency planning parameters for brand TV bursts. Using these parameters we were able to set effective weights and phasing for the TV activity in order to maximise the sales effect as quickly as possible.
- 19) DCSF published the following aim in its *Learning Outside the Classroom* manifesto – "To provide all young people with a wide range of experiences outside the classroom, including extended school activities and one or more residential visits"
- 20) Source: Candi
- 21) MEC press buying estimates based on the rates we would expect to achieve buying that space for Morrisons
- 22) The econometric model has also been used to evaluate the effect of other types of promotion and event during 2008 (e.g. the Christmas Card collection scheme). The model clearly demonstrates that Let's Grow has a significantly higher impact on footfall than any other event in 2008. For more background about the construction of the model, please see Appendix
- 23) Morrisons marketing mix has been widely cited as the key to their growth in 2008. TNS 52-week figures show gains in market share for 2008 from 12.1% to 12.3% and like-for-like growth at 7.9%, significantly above the market growth. For full narrative and results, please see the Morrisons report to the City, 1<sup>st</sup> February 2009.