



THE OXFORD RESEARCH AGENCY  
SEEING FURTHER. THINKING DEEPER.

## **FMCGe News Article**

**Go against the grain or follow  
the crowd?**

**Wed 25<sup>th</sup> February 2009**

## **Go against the grain or follow the crowd?**

It's hard to establish a definitive view of how well Food & Drink manufacturers are performing in this recession. Stated share figures and forecasts (and sometimes no forecasts!) from the likes of Unilever, Kraft and P&G contrast with those from the likes of Reckitt Benckiser and Nestle. We know that the total food & drink sector's share performance was up by 5.5% in the second half of 2008 and we know that the total industry's sales are positive in the grocery multiples. This begs several questions:

- To go against the grain or to follow the crowd?
- To cost-cut or to invest?
- To focus or to diversify?

Personally, being a sort of go against the grain fella, leveraging decades of expertise in Brand Development, NPD and Consumer Insight feels the best way to go to take advantage of the recessionary dynamics. Of course, for many of you in Food & Drink manufacturing, it will be a case of where to invest and where to cost reduce. A Focus strategy is fine as long as you have sufficient brand equity to stave off threats from other brands and own label and your category is strong in a recession (e.g. comfort foods and treats). A Diversification strategy spreads the risks but there will likely be winners and losers, so more uncertainty, which the city don't like.

Being 'champions of the consumer' here at The Oxford Research Agency, where does this leave us? Here are some things we are learning so far this year:

### **1. Be the first**

It is better to lead the way than be in catch-up territory. The stronger the brand's equity and heritage, the more it can become even stronger and more successful. Leverage this quickly by knowing what clear positioning to take with consumers, shorten the Innovation chain, do the right research to forecast sales earlier and get to market knowing products will stay there and prosper.

### **2. Go deeper**

Our biggest clients continue to invest the same, if not more, in understanding their consumers – more deeply than before, then targeting a precise offer against known individual needs. What is really driving sales in the category? Where in the decision hierarchy in your category are last year's trends such as the environment and natural ingredients? Is the best strategy to concentrate on being the best tasting for the masses, or identify undiscovered niches with a new pack size or flavour variant?

### **3. Lower your own handicap**

One can spend too much time concerning oneself about what the competition might, or might not, do. However, if your consumers are telling *you* in consumer research what they need, want and expect to help them through the recession, then focus obsessively on this and avoid getting distracted (even if this means arguing strongly internally against personal 'pet' opinions). Consumers will then stick by you through, and importantly, after, the recession.

### **4. New techniques for a new world**

If you use the same techniques in consumer research then you may well get the same answers. Now is the time for opening the door and opening the mind to new ways of identifying break-through ideas. Many radical innovations have been discovered in previous recessions. Old ways of doing research were thrown out of the window.

### **5. Only accept the best**

You need to be the best during the recession. This means only using the best processes, methodologies, and above all, the best minds. This is particularly pertinent of those you need to rely on to be the 'consumer champion' for you. That's why you need the best consumer research partners alongside you.

To find out how The Oxford Research Agency can be your 'consumer champion', please contact Andrew Tharme ([andrew.tharme@tora.co.uk](mailto:andrew.tharme@tora.co.uk) or call 01865 728272 / 07970 962091). Or visit our new website: [www.tora.co.uk](http://www.tora.co.uk)