



FMCGe News Article

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Wednesday 4th February 2009

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In his role as guest Editor of *The Grocer* this past weekend, Andy Bond told reporters that suppliers must focus on Value and not NPD. Additionally, listings would only be made on a strong business case and a very competitive price.

Will this approach prove successful for both ASDA and its suppliers?

More...

In many ways, Andy Bond has a point. Today, consumers are incredibly focused on price and value. Evidence is seen everywhere, with Birds Eye Family Favourites range at £1 and the McDonalds 99p menu as classic examples of credit crunch offerings.

Short Term

Although there is a strong focus on value today, this is not necessarily going to be the case in 2-3 years time. Much NPD takes anything from 3 months to 2 years to complete, with lots of new ideas being developed for 2010 and 2011. To halt NPD now would significantly harm brands' competitiveness in the future.

Re-Pack, Re-Price

Andy Bond also discussed splitting products into different packaging formats, with bulk packs for families and small formats for smaller households. This process can be difficult for manufacturers due to new packaging machines being required. With the quantity/ price relationship also changed, research is needed to ensure that the right decisions are being made for today and the future.

Long Term

As is often the case, it's a question of balance. Over the next 18 months, consumers will be focused on value, and manufacturers will need to consider designing their products to fit motivating price points. However, killing off NPD programmes to focus on value only would be a recipe for future disaster.

Getting Listings

Building a business case for listings is very simple to do and with the help of research, supporting volume and value data can be built to develop the sales case for listings. The Oxford Research Agency conducts hundreds of such studies every year and can help you identify the performance of your NPD, tailor your price points and maximise packaging to build a strong business case for listings. Speak to us to find out how you can build the strong business case needed.

For more information on The Oxford Research Agency, visit www.tora.co.uk

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