



THE OXFORD RESEARCH AGENCY  
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## **FMCGe NEWS Article**

**Food and Drink is dead. Long  
live Food & Drink**

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## **Food and Drink is dead. Long live Food & Drink**

Why did we ever doubt it? People need to consume food and drink simply to survive. It's the most basic human need since we lived in caves. Although, back then, the human species wasn't deliberating over whether to give Aldi a try, or hunt for bargains in their usual Tesco, food and drink always was, and always will be, at the forefront of people's minds.

The news emanating through about increased food and drink revenues from the grocery multiples is, in hindsight, no real surprise. Of course, people are looking for better value and price is an increased consideration for more consumers, but the volume of food and drink products sold in grocery retail will increase - not least by the movement of spend from eating out to eating in the home. This provides distinct opportunities for branded food and drink manufacturers:

### **1. Be the best quality *product* in the category**

True brand value is now under heavy scrutiny. The quality of own label alternatives have improved rapidly over the last 10 years. If branded *products* aren't *truly* better quality then consumers will now switch (and may stay switched for good). The Oxford Research Agency can help in two profound ways:

- a) Precisely quantify the perceived consumer value of the brand compared with the value of the product quality itself.
- b) Cost-effectively, provide an 'early warning system' by testing products against key competitors to identify if your product is under threat and needs action.

### **2. Replicate out-of-home eating in the home**

There is no doubt that consumers are now favouring eating in more than before. Consumers are prepared to invest in quality products to replicate the restaurant experience. This is why M&S's dine-in-for-two offer is performing well (and with the biggest day of the year for twosomes dining about to occur on Saturday it will be interesting to see how this extrapolates this week).

Branded manufacturers have a clear opportunity to position ingredients and products towards the new quality eating in trend. Communication is clearly key here. High ROI performing Packaging can drive sales off-shelf and deliver clearly targeted communications. Again, The Oxford Research Agency can help:

- a) Create and evaluate high stand-out packaging.
- b) Accurately measure communications and pack equity.
- c) Quantify sales volumes from new packaging.

### **3. The price is right**

With more people simply being prudent about spend rather than necessarily needing to cut back right now, the brand-price equation is more acute than ever. The consumer segment sizes of those who know the prices of products vs. those who are actively price checking vs. those who are price inelastic have shifted. It is clearly now critical to know which consumers, and how many, value your brand higher than the key competitor set and consequently set prices to

maximise demand. The Oxford Research Agency has quick and cost-effective tools to accurately establish the optimum price points for your brands.

Finally, 2009 looks to be a fascinating year for food and drink marketers and product developers to prove to be the best. With food and drink remaining probably the most recession proof industry, marketing, product development and market research best practice will come to the fore.

To find out how The Oxford Research Agency can help be your best practice market reach partner in 2009, please contact Andrew Tharme, Joint Managing Director ([andrew.tharme@tora.co.uk](mailto:andrew.tharme@tora.co.uk) or call 01865 728272 / 07970 962091).