



TWC Trends Spring Edition 2021

Research on consumer sentiment and attitudes to shopping in: Convenience, Hospitality, Foodservice, Wholesale.

2021

twc
Trends



A reminder: TWC Five Themes for the New Normal

1 Online Explosion

The Digitalisation and Delivery of Food and Drink and the impact on Convenience and Foodservice.

2 Experiential Hospitality & Retailtainment

Re-thinking the role of bricks and mortar as customers seek personalised, engaging experiences out of home.

3 Do Good Feel Good

Working for a Better World. Social Impact and wellbeing influences consumer choices.

4 Data & Personalisation

Data is the new oil, one size does not fit all.

5 Save v Splurge

Balancing value as well as premiumisation to meet divergent customer needs.

Save v Splurge: The role of Price Marked Packs

An ongoing challenge for the industry is the need to offer consumers value, despite rising costs

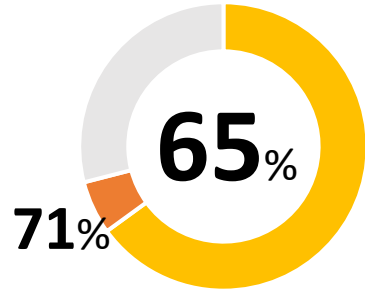
- ✓ One of the ways 'greater value' can be offered to consumers is through the promotional mechanic of Price Marked Packs (PMPs)
- ✓ Wholesalers support, as do independent retailers
- ✓ However, there is a feeling that margins are eroded too far when suppliers select their PMP pricing
- ✓ Retailers can no longer accept margins at the 20% level. Increasing costs necessitate significantly higher margins



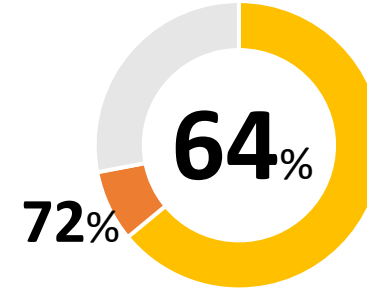
Hypothesis:

We believe that most sales of PMPs are triggered not by the price of the product, but by the mechanic (shoppers are drawn mainly to the PMP flash rather than the price). If true, suppliers could continue to price mark their products, but at higher prices, ensuring there is enough margin for retailers to benefit from too.

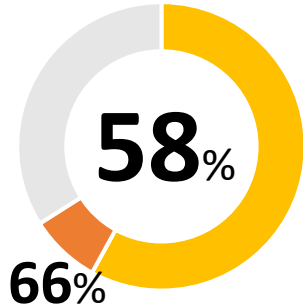
Consumers are in favour of PMPs – especially millennials



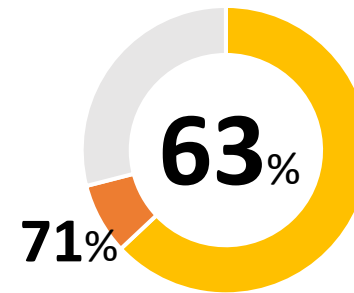
'I like price marked packs (PMPs)'



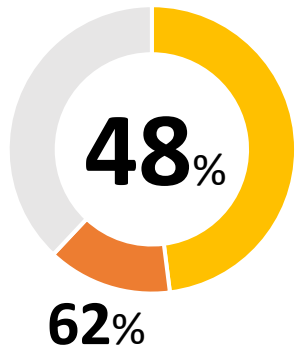
'I like PMPs but I don't know if the product is actually cheaper'



'There is usually a promotion or discount which is why the price mark is there'



'I think PMPs mean I am not being over-charged'



'I tend to shop in places with lots of PMPs'

■ All consumers ■ Millennials

PMP Thoughts

- ✓ There is **no doubt** that many consumers like PMPs - particularly millennials
- ✓ Many retailers like them too, but not all. That's because they feel their hands are being tied on pricing, with the introduction of margin capping...at a time when margins need to increase to off-set their rising costs
- ✓ How much of a discounted RRP does a PMP have to be? Not much, by the looks of things
- ✓ So could PMPs be used to secure listings, grab higher rates of sale...but at higher prices for the retailer, to allow more margin?
- ✓ **TALK TO TWC CONSULTANCY** if you want focused research on your own SKUs and their price elasticity; your consumers' receptiveness to PMPs; trade engagement with PMPs; or margin tree analysis to select the right EDLP or high/low pricing strategy for your range through wholesale – we can help!



TWC harness the power of customer data, enabling clients to adopt a “data-led” approach to channel strategy.

We deliver compelling consultancy and technology that puts sales facts at the heart of decision-making. With a real passion for wholesale and convenience, we have a reputation for bringing data to life and delivering tangible growth.

Get in touch

Talk to our team on...

01908 101 389

or email sandy@twcgroup.net

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