



SAINSBURY'S

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Sainsbury's – it's always worth trying something new



As you might expect from this year's Grand Prix-winning paper, there is much to admire here. What makes this story truly important though is that it demonstrates that our conventional way of approaching planning, which involves aiming to change belief in the hope that behaviour will follow, is not necessarily the best way to change behaviour.

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Agency: Abbott Mead Vickers BBDO
Client: Sainsbury's

Summary

Sainsbury's planned to grow revenue by £2.5 billion – a huge and almost abstract target. We made it tangible by redefining it as an extra £1.14 per transaction.

This defied conventional wisdom. Previously, Sainsbury's had been trying to create a big change in behaviour amongst a small number of high-spending customers of other supermarkets. Now we proposed a small change in behaviour amongst a big number of existing and potential customers.

We discovered that people were 'sleep shopping' because they found supermarket shopping routine. They found shopping routine because cooking and eating was routine. We would earn the right to an extra £1.14 per transaction by building our brand around simple food ideas. Not clever recipes, but simple ideas for a rainy Tuesday night. We would move from buy to try.

Our slogan was 'Try something new today', but the idea behind it permeated Sainsbury's business, informing management ethos, point-of-sale creative and advertising campaigns.

The idea helped accelerate Sainsbury's growth, attracting 1.5 million extra customers, increasing profit by 43% to £380 million and growing revenue by £1.8 billion over two years – ahead of the three-year target.

Introduction – seeing things differently

If you do the same thing again and again, it's pretty stupid to expect a different outcome. This paper is about breaking free from the conventional way of looking at a market, and seeing things differently, because if you want things to change dramatically you had better make sure you try something new.

Background – making Sainsbury's great again

At Sainsbury's, like-for-like sales (excluding store openings) during 2004 were falling 0.2% year on year. Sainsbury's prices were higher than their competitors' and shelf availability was a problem. The company announced plans to grow total sales by £2.5 billion over three years as part of the 'Making Sainsbury's great again' recovery programme. Prices were reduced and availability improved from January 2005, but in the next six months growth was in line with the market at only 2.1%. To reach Sainsbury's target, we needed something more. As such a specific number had been announced, we felt it only polite to begin there.

Task – making the target achievable

£2.5 billion is a very big number. Increasing revenue by this size over three years is the equivalent of creating a brand twice the size of Walkers (2006 annual UK sales £424m) or three times the size of Pepsi (2006 annual UK sales £216m each year). As this task was shared across a people-driven service company, the size of the target really

mattered. If everyone in Sainsbury's looked at that number and considered it so huge it would become almost abstract and its power as a target would be negligible.

Our first communication task was to make the target seem achievable. We did some sums. First of all, the target was to be achieved over three years, so that was £833,333,333.33 a year. With 52 weeks in a year, that means an extra £16,025,641.03 a week. Sainsbury's handled 14 million transactions every week, so that's an extra £1.14 per transaction.

What?

Let's take a minute to do those sums again, with a calculator, to make sure. $1.14 \times 14,000,000 \times 52 \times 3 = 2,500,000,000$.

Strategy – small changes, big difference

We had reduced an inconceivably big target to bite-sized chunks, putting it in the grasp of every Sainsbury's store colleague. If you followed this thinking through, it would imply a very different way to address the task of growing sales at a supermarket.

Think about it – if Sainsbury's comes to an advertising agency and asks you to increase their sales, what is the obvious thing to do? You need to work out how to win customers from rival stores. There's no point winning little customers, you need to win people who are spending a lot of money. You don't want them to try you once or twice on their way home from work, you need them to come every week and do their main shop. Trial is cheap, but loyalty matters. So, you work out how they feel about Sainsbury's. You use communication to change their beliefs and hope they change their behaviour as a result. Your strategy will be a more or less creative expression of good quality at low prices. Twenty five years of working with Sainsbury's taught us that it wasn't worth looking beyond this.

Our sums suggested a very different approach. This strategy says that it doesn't matter where people do their main shop, or indeed how they feel about your brand. All that matters is increasing average transaction value by £1.14. Whether customers are coming in store to do a big weekly shop, or having their lunchtime sandwich, it's about earning the right to a little bit more spend. We would achieve a big transformative change to the business by getting customers to make a small, almost imperceptible, change to their habits. It was a small and modest idea but it had big implications.

We had been banging our heads against the brick wall of behaviour change for years. We had conducted research with Tesco customers who agreed that various ideas we showed them persuaded them to try certain Sainsbury's food products. But these ideas wouldn't make them switch their entire shop to Sainsbury's. So we binned them. It didn't occur to us at the time that if we got enough people to try just one thing at Sainsbury's we could make a lot of money without ever having to win the main shop.

So, instead of producing a communications idea that changes belief, and then hoping that behaviour change would follow, we were proposing a business idea that changes behaviour, and trusting that belief change would follow.

Insight – sleep shopping

It sounded simple, but what exactly was the customer behaviour we were trying to change? We had a hunch, and instead of conducting research to support it, we conducted an experiment.

We repeated a classic demonstration of ‘change blindness’ – a phenomenon where the brain is unable to detect new stimulus when focused on a specific task. We had discovered an experiment conducted at Harvard University, based on a videotape of a handful of people playing basketball. The tape was played to people who were asked to count the passes made by one of the teams. Around half failed to spot someone dressed in a gorilla suit who walked slowly across the scene for nine seconds, even though they had passed between the players and stopped to face the camera, thumping their chest.

One Saturday morning we dressed a man in a gorilla suit and asked him to walk around a supermarket. We wanted to see whether any of the shoppers noticed. Our hunch was that they were so stuck in their routines that they wouldn’t even look up. They didn’t. They were sleep shopping.

The Harvard experiment told us that we had to encourage shoppers to come to the store with new expectations – to look up and see the gorilla. It wasn’t about trying to shock and disrupt their shopping experience (if they hadn’t noticed the gorilla, then what chance would more shock tactics have?). To earn an extra £1.14 from sleep-shopping customers we would have to send them in store with the expectation that they could find something new to try and fulfil that expectation at point of sale.

Idea – try not buy

Why did routine rule the day when food shopping?

We had been gathering information about how people ate by asking them to fill in food diaries and happened upon a particularly eloquent nugget, which is reproduced here in full:

I get really fed up trying to think of what to make each night. I find we tend to have similar things all the time. I think I am quite concerned with what my children eat and worry if they have too much junk food. I usually shop at either Sainsbury's or Asda. I find Sainsbury's more expensive but they have a better range of foods. I think food in general is very expensive. I hate what I pay each week and I only buy basic food nothing fancy. I would like to eat more fish but don't really have any nice recipes and fish can be expensive too! I think I have got everything off my chest now!

A larger sample supported the anecdote, with 74% agreeing that they cook the same few things every week. People were bored of the same old food, keen to cook more at home but trapped

in routine for lack of practical inspiration. A yawning chasm had opened up between the weekend recipe book and the tedium of midweek cooking. This was our opportunity. We would generate additional sales by offering people simple ideas for cooking and eating. Not clever recipes, just ideas that you could make on any rainy Tuesday night. Many of these ideas would be simple additions to the routine things people buy, like adding nutmeg to bolognese, or roasting carrots with thyme. Real cooking, not recipe book fantasy. Customers would reward us with an extra sale in return for a useful free idea.

We had moved from buy to try.

Issue – conventional wisdom

But obviously this was never going to work.

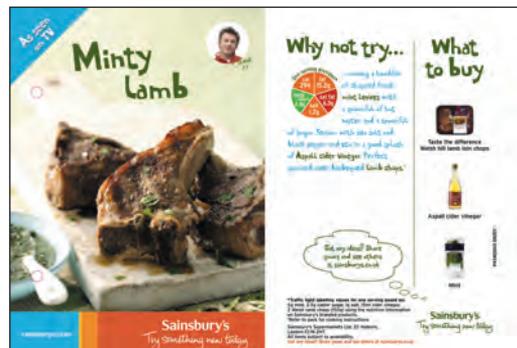
In 2005, price ruled the day. Conventional wisdom said Sainsbury's would fail because the only way to win was to cut prices. Asda and Tesco would win because they would be cheaper. Waitrose and M&S would make money in a quality food niche, but never be major players. Sainsbury's was in the middle, offering fair-priced mid-market quality, and would inevitably fail.

The analysis didn't seem right to us, but we felt like we were trying to tell everyone the earth was round when it was quite evidently flat. We needed some numbers (as much to satisfy ourselves as to convince others). We offered people a choice between a supermarket that would offer fair prices plus food ideas and one that would offer the lowest prices on everything. 85% chose the supermarket that gave them ideas.

We thought we might be on to something. In fact, we started to wonder what the catch was – if this was such a strong territory then surely everyone would have done it. But no-one had looked at the market like this before. Everyone was segmenting the market on the basis of high quality vs. low price. Ideas vs. low price changed the game.

Delivery – permeating the business

This was a business-changing idea, not just a communication idea. We delivered it to Sainsbury's colleagues first, talking to them about the strategy and introducing 'Try something new today' both as a customer-facing communication idea and a management ethos. Then we delivered the idea throughout the store, with point of sale next to products giving people ideas and a display of ideas cards at the store entrance. We put food ideas on Sainsbury's website and created a community online to share



and discuss them (Try something new today enabled us to become the only supermarket website that was a genuine online experience rather than just another retail outlet). We made food ideas the driving force of our advertising, from direct mail through print, radio and TV.

Success – moving ahead of targets

Sainsbury's success in recent years has been well documented. The role of Try something new today in helping to accelerate that success is less well known. The majority of the credit for Sainsbury's turnaround is due to the colleagues in the stores, delivering for customers on a daily basis. Try something new today delivered to customers a different expectation of the store. Price changes and improvements in shelf availability played a role, but their main effect was to move Sainsbury's from negative growth to category average growth. When Try something new today was launched, Sainsbury's growth doubled, moving ahead of the category average. In 2004 Sainsbury's was the subject of takeover speculation, offering £2.50 a share. At the beginning of 2007 there was much discussion in the media about the potential of a bid worth almost £6.00 a share. The idea helped attract 1.5 million extra customers, increasing profit by 43% to £380 million and growing revenue by £1.8 billion over two years – ahead of the three-year target.



Conclusion – try something new today

We could have taken a conventional route for Sainsbury's, but instead chose to forget convention and follow the numbers. This journey led us through sleep-shopping customers, gorillas in supermarkets and neglected recipe books to a simple idea that helped accelerate the transformation of one of Britain's biggest businesses. It's a reminder that conventional thinking is likely to produce conventional results. It's always worth trying something new.

Bangers and... apples?

Don't knock it 'til you've tried it!

Slice some new season English Cox's and fry with our perkicest - 15% pork-pork sausages and some fresh sage. Sounds weird. Tastes brilliant.

Taste the Difference Ultimate Pork Sausages
£2.09 each

SEE PAGE 12 FOR FULL LIST OF AVAILABLE PRODUCTS

Sainsbury's
Try something new today

100s of great deals instore

<p>Save £3/kg Now £5.40/kg Was £8.40/kg</p>	<p>Save 25% Now 81p Was £1.09</p>	<p>2 for £4 £2.59 each</p>	<p>2 for £4.50 £2.69 each</p>	<p>Save 25% Now £1.64 Was £2.19</p>	<p>Half price Now 33p Was 67p</p>	<p>2 for £3 £1.99 each</p>	<p>Buy 1 get 1 free £2.36 each</p>
<p>Buy 1 get 1 free 80p each</p>	<p>Save 25% Various prices</p>	<p>Save 1/3 Now £1.99 Was £3</p>	<p>2 for £2 Various prices</p>	<p>Half price Now £3.99 Was £7.99</p>	<p>Save 25% Various prices</p>	<p>Buy 1 get 1 free £1.34 each</p>	<p>2 for £2 £1.45 each</p>
<p>Save 1/3 Various prices</p>	<p>Only £4 each</p>	<p>Save 25% Various prices</p>	<p>2 for £5 £3.14 each</p>	<p>Only £10 Was £16.99</p>	<p>Only £10 each Various prices</p>	<div style="border: 1px dashed red; padding: 5px;"> <h3>Perfect pesto steak</h3> <p>Why not try...</p> <p>Spending a little the difference price steak, then top with a dollop of Sainsbury's difference price. Serve with cooked, mashed. Mashed potatoes sprinkled with fresh herbs and preserved biscuits for a special meal.</p> </div>	
<p>Half price Now £2.49 Was £4.99</p>	<p>2 for £5 Various prices</p>	<p>Buy 1 get 1 free £2.39 each</p>	<p>2 for £5 £3.69 each</p>	<p>Save £10 Now £25.99 Was £35.99</p>	<p>Save £10 Now £24.99 Was £34.99</p>		

Got any ideas? Share yours and see others at sainsburys.co.uk