

What is Your Category Leadership Plan?





What has changed?

Retailers are seeking forward-looking, omni-channel insight and leadership from manufacturers to ensure they are anticipating trends and continually building category value. This means that the concept of category leadership has become **democratized**. No longer do you need to be 'assigned' category captaincy to be a valued go-to partner and ally. Being a valued partner does not rely on the size and scale of a manufacturer's business alone.

Instead, brands of all sizes can influence omnichannel execution by leveraging a unique point of difference to drive value with **consumers** and unlock a win-win-win proposition (brand + retailer + shoppers). Even brands with 5% share can disrupt and earn the right to execute by leaning into their strengths and clearly articulating their joint value creation vision.

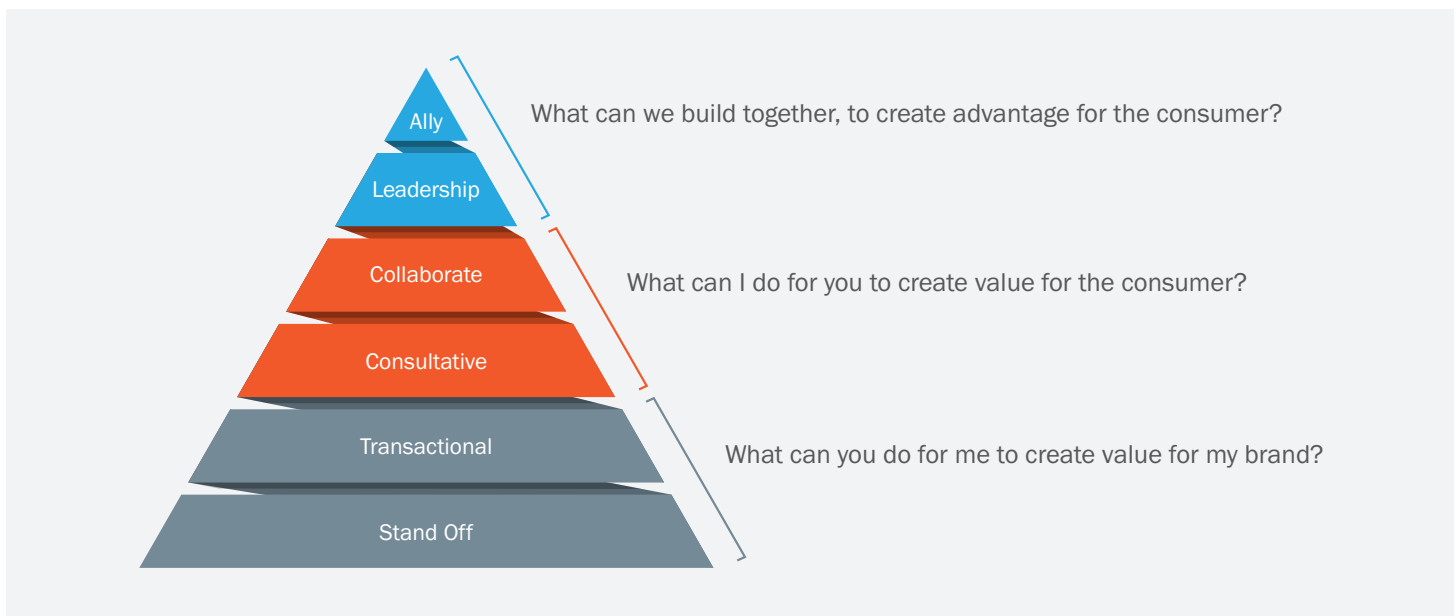
In this new democratized landscape, a new approach is required to ensure that category leadership is an integrated discipline within your total demand planning. Success depends on the manufacturer's ability to bridge the disconnects between the current landscape and where the shopper is heading with a clearly articulated vision.

What is the new approach?

Winning commercial strategy links brand strategy to customer activation through the common language of consumer needs, starting with a proprietary view of the consumers' definition of the 'category'. Larger incumbents tend to define it defensively, while disruptive brands tend to view their markets through a forward-looking consumer-first lens. Having a clear, consumer-driven, and forward-looking category vision sets the organization on a course for advantage

Brands that execute category leadership successfully are not just transactional sellers attempting to negotiate terms that benefit themselves. Rather, they are allies who bring perspective on how brands and retailers can both invest and act to mutually move toward a better future state.

From Transactional to Ally





Where to Begin: 5 Value Levers

We have outlined 5 potential value levers that winning brands employ to build effective category leadership narratives with meaningful outcomes.



1. Unlock New Ways to Engage the Consumer

Brands emerge as allies when they authentically articulate who they win with, why they win, and how this translates to shared value with their retail partners. This could mean appealing to the next generation of consumers, to an under-developed or high value consumer demographic, or to owning a unique way to build consumer engagement and relationships.

The Honest Company appealed to digitally native, Next Generation moms who valued ingredients, style, convenience, and a connection to the brand's values. Honest created intimacy with this valuable, growing segment of moms and built a portfolio that appealed to moms through their life-stages. They effectively communicated the value of their right to win with millennial moms to retailers, creating a proposition of joint value creation.

Result: CVS and Target gave Honest 8-foot shelf blocks, believing Honest could help them convert these important consumers in new, different ways, even as the brand also scaled on Amazon.



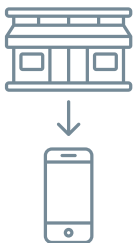
2. Reinvent Category Dimensions

Winning brands continually rethink the value dimensions of their category. Consumer-led innovation can create stronger connectivity with the end-users' lives and create value for customers.

Even if your category is not as chic as Next-Gen baby care, it does not need to be boring!

Decades ago, the trash bag category focused on purely functional benefits (i.e., doesn't break!). Glad identified significant consumer pain points, such as smell and sustainability, and expanded its line to include experiential products (scented) and sustainable products (biodegradable). This revolutionized the consumer's view of the category and unlocked trade-up opportunities.

Result: Consumers latched onto the benefits; today, premium trash bags make up more than 70% of Glad sales. Glad maximized revenue capture and drove high-margin value for the retailers, who rewarded Glad with outsized shelf share.



3. Connect O2O (offline to online)

As more shopping migrates online, new insights around omni-shopper behaviors become increasingly vital to planning. Many shopper priorities (and difficulties) remain constant from offline to online in an omnichannel world: reaching prospective shoppers, driving conversion, and building baskets.

While winning conversion in-store has been a key imperative for years, Unilever identified cart abandonment as a key pain point for retailers and manufacturers in the Personal Care space online and devised a plan to address that unmet need.

Result: Leveraging ecommerce data, Unilever brought targeted strategies to help retailer partners smartly invest in digital media, drive larger baskets, and optimize the shopping experience for consumers.



4. Spark Shopping Excitement



Retailers look to brands to help drive traffic and engagement both online and offline. Brands that leverage their unique point of difference to create memorable, buzzworthy experiences can win outsized influence and achieve their executional priorities.

Sumo Citrus, a branded seasonal citrus varietal, has a limited window to drive volume and revenue capture for retailers.

Leveraging this scarcity mindset, they have invested behind the programs, displays, in-store support and training to create in-store theatre with dramatic, towering displays. Stores that meet certain executional criteria are eligible for their premium product for a longer season and Sumo delivers the buzzworthy displays.

Result: This alliance creates value for the consumer through a fun, shareable shopping experience; for Sumo, with a significant footprint and social media buzz; and for the retailer, through foot traffic and trade-up to a high-margin citrus product.

5. Champion Education



When a category has a high education threshold, retailers look to brands to help partner in communicating the category role and engaging the shopper.

Leverage credibility as a trusted expert and source of information to add value to consumers' lives beyond high quality products. This can also bring value to the retailer beyond traditional demand generation to create further influence.

The Clorox Company leveraged their storied history of scientific expertise and leadership in the disinfection space to empower retailer partners to educate consumers around personal safety and hygiene during—and emerging out of—the global pandemic.

Result: Clorox was able to authentically aid their retailer partners with a growth vision that elevated value by providing information and education that inspired consumer confidence in their changing cleaning habits and choices. This unlocked value through retailer acceptance of omni-channel shopper programs and increased Clorox's ability to influence the future planning of cleaning and disinfection categories around the globe.

Conclusion

Brands that effectively communicate their role in creating category and shopper value based on a forward-looking vision are positioned to win with retailers and, importantly, the next generation of consumers. Category leadership is up for grabs, and not just for the big players, but winning requires mapping a category vision to the entire demand plan to enable choiceful and synchronized decision making.

We welcome a discussion about what your brand's category leadership could look like!

To discuss any of these ideas further, please contact us at info@seuratgroup.com.