# Final report

## New Meat Products testing
## SHOPPER 360 case study

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| Project code: | V.RMH.0108 |
| Prepared by: | Fiona Maggs<br>Lumaten Australia Pty Ltd |
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# *Abstract*

This document reports Milestone Three for the project "New Meat Products Testing – SHOPPER360 case study". This project is a case study to demonstrate the research capability of SHOPPER360, an immersive virtual reality (VR) research platform.

The study involves the development and testing of the following new meat products:

- two new fresh meat concepts based on enhanced nutritional features and on environmental benefits, and

- three new ambient meat snack concepts targeted to the protein focused lunchbox and snack occasion.

The research identified that the Better Beef and Snack 3 were the lead innovations for each section and provided recommendations to further enhance both propositions. The other propositions failed to engage shoppers at the shelf.

This case study demonstrated the ability for SHOPPER360 to predict the success of innovation, faster more accurately and with more actionable insight than traditional research methodologies. SHOPPER360 generates quantitative data on each step of the shopper's journey. The Lumaten Lens framework identifies where shoppers either engage or reject the product. The intersection of the Lumaten Lens shopper journey diagnostic, the predictive sales from the shops and the ipad survey enabled a deep understanding of the shopper dynamics for all the tested products.

The accuracy of the SHOPPER360 platform is derived from:
- ability to test shoppers whether they are in system 1 and 2 thinking modes. This is important as 70-90% of shoppers are in the system 1 fast, automatic mode within retail environments,
- ability to test concepts within the full retail context (shelf, position against competitors),
- ability to eliminate biases such as group think and confirmation bias noted in traditional methodologies, and site confounding factors noted in store trials.

This new technology enables innovation to be tested earlier in the development process, with a higher degree of accuracy and insight.

This is critical as 80-85% of innovation fails within the first 2 years leading to food waste, time impacts and rework.

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# Project objectives

This project builds on current MLA marketing project with Lumaten (D.CSI.2020) to utilise SHOPPER360, a fully immersive virtual supermarket platform, to build, test and understand shopper's responses to five new MDC value added meat product concepts:

- 3 x Meat snacks products,
- 2 x New meat range.

The second objective is to create a case study to demonstrate the effectiveness of the SHOPPER360 platform to gain insights to accurately and efficiently predict the performance of innovation.

SHOPPER360

The SHOPPER360 platform is a fully immersive virtual reality platform that enables product innovation, and other retail strategies, to be tested within the full context of the retail environment. This enables testing to include competitive products, adjacencies, shelf positioning, point of sale and the retailer's price and promotional tickets.
Many of these contextual elements are important heuristics which impact shopper behaviour, often without conscious recognition.

The SHOPPER360 platform generates predictive scan sales dollar, unit and share information.
In addition, each shopper's behaviour is measured at $1/10^{th}$ second intervals whilst they shop.
Each stage of the shopper's journey is quantitatively analysed to provide insights on how products are performing at each stage:

- Were they noticed (scanned) on shelf?
- Did shoppers engage with the products on the shelf?
- Were they picked up to be evaluated by the shopper?
- Did the shopper convert this into a purchase?

The quantitative data provides insight into what shoppers "do". This is superior to many traditional research approaches that are based on what shoppers "claim" they will do.
Traditional focus groups and panels elicits considered responses, rely on recall and claimed behaviour and are subject to confirmation bias or group think.
Store trials require product and supply chain fulfilment and are subject to store vagrancies.

SHOPPER360 is based on the scientific method. The AB test protocols control for other variables such as demographics, time periods etc to ensure that the only variable under evaluation is the that being tested.

In addition, this platform can be used early in the product development cycle as only artwork is required.

The shopper journey is analysed within the Lumaten Lens framework.

**LUMATEN LENS**

BEHAVIOURAL DATA

**SCAN**

% SKUs seen

**ENGAGE**

% scan to look (>1sec)

**EVALUATE**

% pick up

**CONVERT**

% Purchase
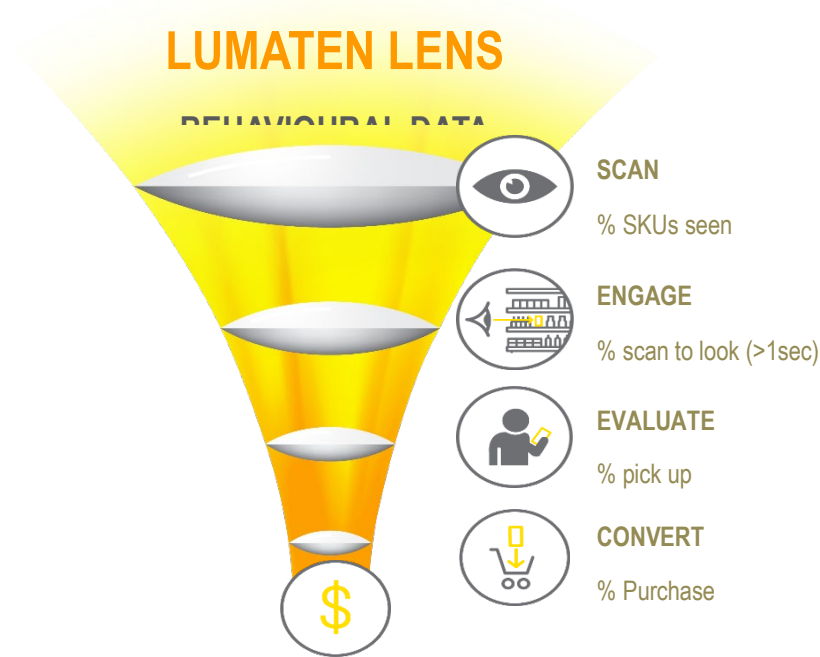
An overview of SHOPPER360 is available at:
https://vimeo.com/281164947

Meat snacks:

A variety of different ambient meat products have been conceptualised to enable meat to be enjoyed in an ambient format.

These products will enable the functional protein and health benefits of meat to be extended into the snack or lunchbox occasion.  These products are targeted to those interested in health but want to reduce their red meat consumption.

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The study aims to assess shopper interest when these products are merchandised in different sections of the supermarket.

Three sections were selected:

- fresh meat bay
- nuts and tion
- smallgoods section

The study aims to determine:

- which section of the retail outlet is the most appropriate to range the product.  This will enable the brand owner to target this category based on solid research results,
- which products have the highest appeal, and
- what are the key call outs for further product development.

New meat range:

MLA has developed two concepts for meat focused on different benefits for the meat shopper and consumer:
- Sustainability – focusing on carbon neutrality environmental benefits, and
- Enhanced nutrition – focusing on cuts of meat which have higher levels of protein, iron, vitamins and nutrients.

These two ranges will be tested across different products including mince, diced meat and steaks.

The study aims to determine:
- the appeal to the shopper of each of the brands relative to the Coles current range of competitive beef and lamb offers, and
- what attributes shoppers associate with the brands.

Case Study

This study will provide a case study on how the SHOPPER360 platform can be used to gain shopper insights and research of prototypes early in the development cycle.

The findings of this study will be made available via MLA's website to the wider Australian red meat industry.

# Methodology

## Proposition Development

MLA conducted several meetings, involving Lumaten, the agency and the MLA stakeholders to refine the list of options and to develop the concepts, outlined below.

**Snacking**
From an initial array of options, a range of 3 Snack products were selected.
Note: names and products have been deleted for this report and will be referred to as
- i) Snack 1
- ii) Snack 2
- iii) Snack 3

A singular umbrella brand was selected for all three snacks and two - three flavour variants for each were identified to enable a visible brand blocking presence on shelf. Analysis will not be conducted at this flavour level.

**Fresh Meat**

The two meat propositions of carbon neutral and higher nutritional values were developed into:

Super Beef :

Superfood messaging with callouts on hand selected quality meat with optimal nutritional value with higher protein, iron, zinc and B12 attributes.



Black and red livery was developed and POS included sporty imagery.

Better Beef:

Carbon neutral environmental sustainability with "Good for You  Better for the Planet"  messaging. White and green livery with the Footprint Meat Co2 brand was developed.
This also included 100% Australian beef and a visual depiction of the planet illustrating it is sourced from Australia.



For both brands, three SKUs were developed
- mince,
- diced meat, and a
- porterhouse steak.

These products were merchandised in black trays.  500g pack sizes were selected for mince and diced beef in alignment with how these products are normally merchandised.
Porterhouse was selected as the key cut as it is high velocity and premium cut.
A size of 200g single steak was selected which provides shoppers flexibility to select the number of steaks to suit their meal occasion.

The prices of all products were picked to be at the premium range and comparable with Cleavers organic, Graze and Coles Finest.

**Point of sale**
This was developed to support each proposition in the Virtual environments.

Fresh Meat Section

The Super Beef Pelmet  and Fin within a sports thematic.



Fences for all snacking product.

Small good section
- Fin calling out the snacking protein messages

Nut and Jerky section
-Fin calling out the culinary curious message along with Protein Packed.

## SHOPPER360 development of environments and analytics engine.

The 14 specified products were developed as 3D products. The planograms for each section were designed to include the innovation.

In fresh meat the new products will be merchandised between the Organic and Mince sections on the middle shelves.

The snacks were merchandised in the same horizontal block in all three environments.
In fresh meat they were located on the top shelf.
In the Small good section, the snack products were merchandised on the central shelf between sandwich filler (ham) products and snack products (twiggy and tasty sticks).
In Nuts and Jerky, the products were merchandised on the shelf below the competitive hangsell jerky products.

Fully immersive virtual environments were developed by Lumaten in the SHOPPER360 platform.

> On boarding environment – Woolworths Snack and Crackers
> Coles Fresh Meat
> Woolworths Small goods
> Woolworths Nut and Jerky section

In each of these environments, the shoppers were able to:

- walk down the aisle,
- pick up products,
- examine and rotate products,
- purchase by putting in the trolley, or
- return the products.

Lumaten integrated sophisticated analytical techniques to enable all shopper actions and the final sales volume and values to be measured at 1/10$^{th}$ increments.

## Fieldwork

### Recruitment

The term "shopper" defines a recruited respondent who participated in the virtual reality immersive shop.  60 shoppers were recruited to shop in each of the test environments.  The order of these tests were randomised.

The shoppers were recruited by EKAS, a recruitment agency with a panel of 25,000 shoppers, based on a pre-defined screener.

1. Main Grocery Buyer
2. Regularly shop at Coles and Woolworth stores
3. Shoppers who make lunches for school and work (pre COVID)
4. Shoppers who purchase beef and lamb
5. Shoppers who purchase sandwich fillers and healthy snacks (with at least 20% purchasing jerky and/or twiggy stick meat snacks)

Shoppers were recruited to attend The Grace Hotel 77 York Street, Sydney on Friday 12$^{th}$ and Saturday 13$^{th}$ June.

### Research

Each of the 60 shoppers were scheduled at 30 minute appointments to go through the following process:

- Reception.  Identification verification, hand sanitisation and viewing of a short video on COVID protocols and how to use the equipment.
- VR Study room.  Shoppers were invited to the study room by a trained VR operator who immersed the shopper in an "onboarding" environment where they could practice shopping until they felt comfortable with the technology.
- The shopper was then taken through an anchoring and framing process prior to each of the shopping immersions.
- Ipad:  At the end of the study, the shoppers undertook an ipad questionnaire designed to provide understanding of the why and how shoppers will use these and competing products.
- Completion and payment.  Shoppers were paid in cash for their participation.

## Analysis and Top line Report

The data from the screener, VR immersions and ipad questionnaires were analysed and the Lumaten Lens and Predictive Sales frameworks used to interpret the data.
The report is detailed in Appendix 1.

## Workshop and Final Report

A workshop was conducted with MLA staff to review the report.  It was agreed that the findings of the report provided deep insights on shopper behaviour and highlighted the appeal of the benefits of Snack 3 and sustainability oriented beef brand.

Discussions centred on further evolving these concepts, with the consideration of additional testing prior to launch.
A video was created to showcase the environments and research with screenshots below to demonstrate the virtual shopping experience.
https://drive.google.com/file/d/1cHZWZuRxSYPRI2jQcXcs6ZcuiBvwiUNa/view?usp=sharing
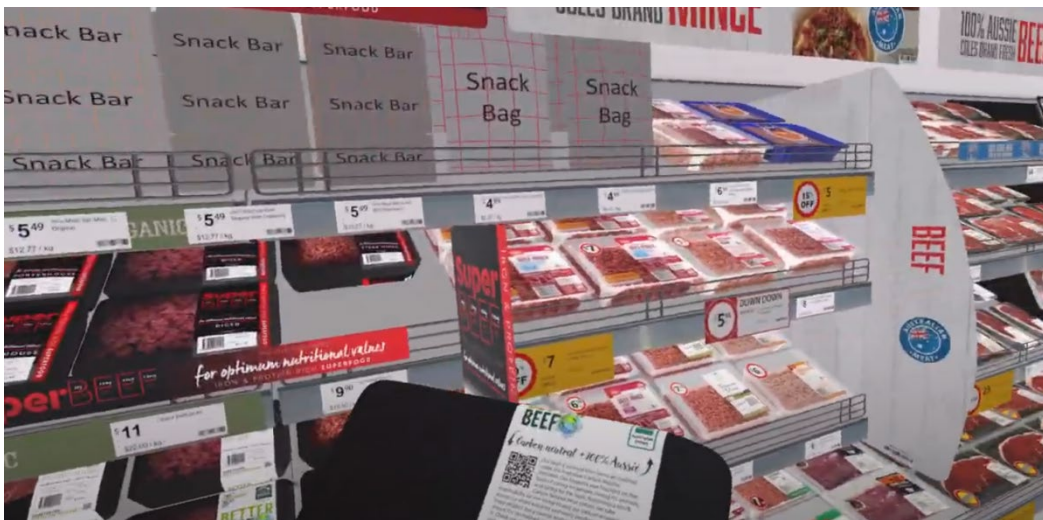


*View from the shopper headset: Small goods*
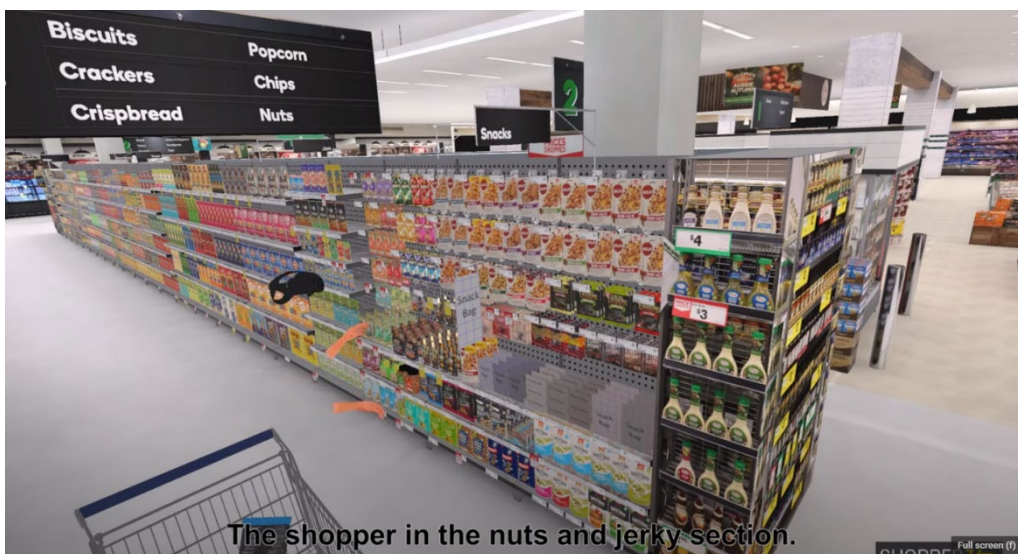


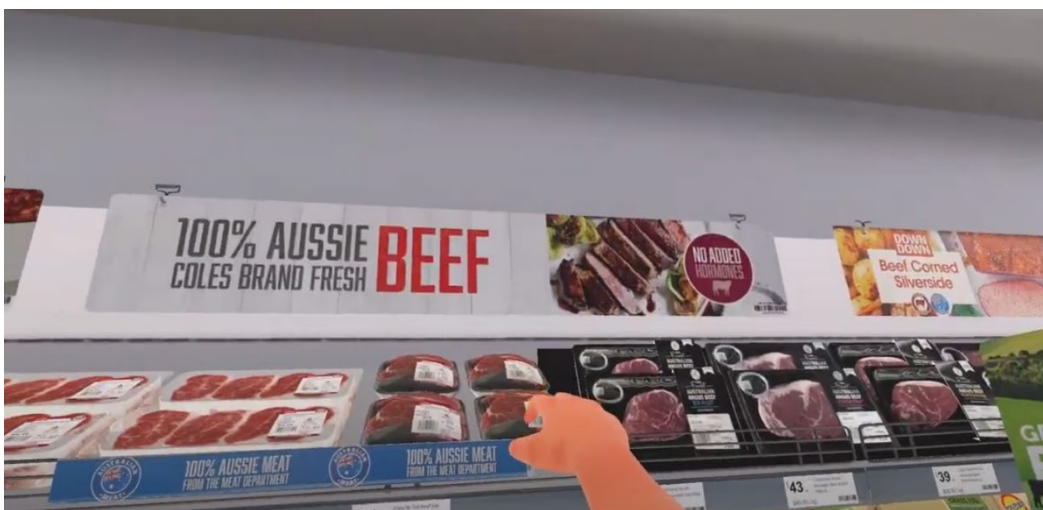*The shopper in the nuts and jerky section*

*The Shopper browsing the meat department*



*View from the shopper headset: Meat department.*



*View from the shopper headset: Meat department*

# Conclusions/recommendations

## Recommendations from Innovation research

**Meat Snacks**

Snack 3 was the leading snack offer and the Nuts & Jerky section is best aligned to its snacking proposition.
This product demonstrated the potential to engage a broader range of shoppers than Jerky.
However the proposition could be refined to improve increase engagement on the shelf and to drive conversion rates once picked up.

- Convey product benefit / difference needs simply on shelf.
- Explore the work/study occasion.
- Improve branding to strengthen credentials.

For the other snacks, the proposition needs to be improved in its communication on shelf to drive shopper interest.

**Fresh Meat**

Better Beef was the stronger proposition and could be further refined.

- The carbon neutral platform should be evolved towards a sustainability position with a focus on "HOW".

The Super Beef proposition didn't resonate with shoppers.

- "Steak Mince" indicated an opportunity for a value added mince proposition.

The study showed that Shoppers are engaging more with the attributes of taste, quality and providence which may provide inspiration for an alternative value added platform.

**Point of Sale**

- Fins are a strong asset to disrupt system 1 shoppers to consider new offers.
- They must provide easily digestible information to mobilise the sales journey.
- Whilst marrying with the pack livery, POS provides an opportunity to amplify one key message.

## Case study on SHOPPER360 methodology

**SHOPPER360**

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- ability to eliminate biases such as group think and confirmation bias noted in traditional methodologies, and site confounding factors noted in store trials.

Based on SHOPPER360, Better Beef and Snack 3 were identified as the lead innovations and provided direction on how to further enhance these propositions.

In contrast, if traditional panel methods had been used, Super Beef and Snack 2 would have been selected based on top 2 box results along with other "claimed" indicators.   Once these products were merchandised in the full retail context, they did not engage shoppers and therefore would have failed upon launch.

This new technology enables innovation to be tested earlier in the development process, with a higher degree of accuracy and insight.

This is critical as 80-85% of innovation fails within the first 2 years leading to food waste, time impacts and rework.