

# New Product Introduction – common launch windows



The Presenter  
Representing ECR Sweden

Mats Hvalgren  
Rimi Baltic

### The Case

- ✓ Higher consumer satisfaction
- ✓ Driver for innovation
- ✓ Increased efficiency for Retailers
- ✓ Increased efficiency for Suppliers
- ✓ Total value chain approach



### The Case

- ✓ In use on the Swedish grocery market by 4 retailers and convenience market, covering 90% of the market, more than 400 suppliers, all sizes
- ✓ Taken into consideration: consumer, retailer, supplier
- ✓ Covers all categories in the grocery industry
- ✓ In operation since 2002- well established





### Why the creation of common launch windows?

- ✓ Different category definitions, e.g. Category “ Food from all over world” where Mexican food, Asian food, etc. are included.
  - Coop Sweden had a special category called “Foreign food concepts”
  - At ICA the different products belonged to different defined product groups, e.g. spices for Mexican food belonged to the category “Spices”.

### Why the creation of common launch windows?

✓ **The results where...**

- ...inefficiency in supply chain and media spending
- ...long distribution build-up
- ...consumer dissatisfaction



### Objective for common launch windows

**To increase efficiency in the value chain and consumer benefits regarding new product introductions!**




### How are we doing it?

- ✓ Small governance team with representatives from retailers and suppliers from ECR Sweden Board
- ✓ Subgroups by category with 148 representatives from retailers and suppliers, working through each category coming up with a **recommendation**



### Recommendation of launch windows

- ✓ 32 Categories, e.g.  
dairy products, cold beverages, snacks, fresh bread, ice cream,  
frozen food, pet food, hair care . . .
  - ✓ Launch-windows - set number of windows, 3-6  
depending on category
  - ✓ Time schedule and process covering from supplier  
presentation to retailer to when the new product is on  
the shelf
  - ✓ **Annual process since 2001!**
- 

## Assortment revision schedule

Revision area		Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
1	Dairy products	X		X		X			X	X		X	
2	Cheese	X		X		X			X		X		
3	Cold beverages	X			X				X			X	
4	Snacks				X		X			X		X	
5	Biscuits, crispbread	X				X			X		X		
6	Fresh bread, buns and cakes		X			X				X		X	

Revision area		Jan	Feb	Mar	Apr	May
1	Dairy products	X		X		X
2	Cheese	X		X		X
3	Cold beverages	X			X	
4	Snacks				X	

18	Flavouring		X			X				X		X	
19	Rice, pasta, beans & potatoes	X				X				X			
20	Baking & sweetening products	X				X					X		
21	Children			X			X					X	
22	Pet food		X				X				X		

### Important aspects

- ✓ Starting point - when consumer meet the product
  - ✓ Branded products and Private Labels
  - ✓ Every decision to take in or out an article and when, is a separate agreement retailer - supplier
  - ✓ A recommendation - not an agreement for the grocery industry - open for every retailer and supplier on the Swedish market
  - ✓ **Legal aspects - checked with Swedish Competition Authority**
- 

### Results/follow up

- ✓ Quantitative assessment, weighted distribution build up increased by 30% on average for first three months after launch\*
- ✓ Quantitative assessment, Consumer penetration increased by 30% on average for first four months after launch\*
- ✓ Qualitative assessment, repeated questionnaire for Retailer and Suppliers representatives for fine tuning
- ✓ Nielsen annually assessing share of NPI sales by category as input



\* Source:GfK and Nielsen


### Key benefits

- × Faster distribution build-up
- × Efficient media and advertising activities
- × Efficient Space Management implementation for stores
- × Shelves are kept intact between revisions - less gaps
- × Higher efficiency in the total supply chain
- × Enabler for increased OSA for new product introductions
- × Creates higher innovation and consumer value
- × Clear overview of the category - increase category quality

→ **Higher consumer satisfaction**



### Summary

- × Taken into consideration: consumer, retailer, supplier
  - × Covers all categories in the grocery industry
  - × A total industry approach = critical mass
  - × In operation - well established, not a project
  - × Legal aspects checked = Swedish Competition Authority
  - × Enables ECR training - increased know-how in the whole industry
  - × A National initiative, which can be used in other countries
- 

## More information

<http://www.ecr.se/publikationer/ecr-tidsfonster>

