

## Growth by Getting Better

Tom Moore, Director, Global Business Development

Growing a profitable and sustainable business in 2007 and beyond will challenge industry leaders to create new market space for their outlets and products. **Getting Better in the next decade will necessitate replacing the old 'compete as usual wisdom' with a strategy of focusing time, energy, and resources on creating value innovation for their company's products and services.**

Reaching beyond today's demand will require CPG retailers and manufacturers to understand and aggregate real demand growth across their product / outlet portfolios, their markets and adjacent industries. In short, growing a sustainable business in a low growth environment is a more complex process than competing in the *here and now* on price and promotion - that almost always negatively impacts company margins with only the slightest possibility of short term market share gain. To get better at achieving **sustainable** demand creation, company leaders must focus on the bigger and broader picture.

For retailers, creating new market space may mean developing new outlet formats or retrofitting existing outlets with a product assortment that redefines industry boundaries. Trader Joes and Whole Foods have accomplished this with their respective outlet offerings. Walgreens has moved from a purveyor of prescription drugs to becoming a neighborhood family wellness clinic and convenience outlet of choice for the female shopper. Tesco's Fresh & Easy concept fills the need for a small grocery-restaurant (*grocerant*) type footprint that offers the time-starved consumer ready-made meals and other convenience products closer to their home and workplace. Each of these retailers has chosen to grow their business by redefining their market space. Such strategies have consequently eliminated the need to focus solely on price and promotion to grow the business. Instead these retailers have constructed new boundaries and space that give them **PRODUCT & OUTLET AUTHORITY** in the shopper's mind.

For manufacturers, growing your business may mean **GETTING BETTER** at developing innovative products, designing creative packaging or exploring how your consumers make trade offs across alternative products, outlets and industries. A great example of a company searching for new market space growth is Kraft's recent announcement that they will be expanding their pizza business strategy outside the boundary of grocery to include marketing products with the quality found in the fresh pizza industry. Kraft also stated "they are testing Fresh Creations salads to compete with deli and restaurant take-out salads in a shift to move away from meal components to selling complete meals".

With today's collective purchasing behavior reflecting the countless influences imposed on each consumer by other individuals and circumstances in our society, it makes sense that for sustainable

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growth to occur, retailers and manufacturers must have the appropriate cross-industry shopper centric insights to better understand all consumer purchasing decisions no matter where, when and why they take place.

Armed with the right consumer information, companies can begin identifying various decision trade-off points across alternative products, outlets and industries in an effort to drive increased demand. Growth by getting better may not require vision or foresight about the future, but it does require business leaders to look at familiar data from a new perspective. Better Insights drive Better Business Solutions ■

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*Tom Moore is a consultant with RW3, Inc., leading business solutions provider of strategic consulting, custom reporting, analytics and flexible technology to power smarter decisions for consumer goods companies.*

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For more information, contact [info@rw3.com](mailto:info@rw3.com)  
[www.rw3.com](http://www.rw3.com)

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