Brand Exploratory: President's Choice

Cynthia Lu, Kaylee Cullen
Brand Management
Nova Scotia Community College
Instructor: Wendy Tarrell
BAM-A

Executive Summary

The purpose of this brand exploratory is to recognize how President's Choice (PC) consumers position the brand and how to use this information to better understand the sources of brand equity. The second objective is to develop recommendations to further the brand awareness and strengthen the connection of associations with their intended image. This brand audit will delve into consumers' deliberation, the significance of the brand in their supermarket trips, and their brand associations.

President's Choice is currently operative under the mission statement that claims they "develop unique or superior products that offer better value to Canadians". For this brand exploratory, students of Nova Scotia Community College (NSCC) have conducted a survey from 21 Canadian residents and an in-depth interview of three Canadian residents. Through these multiple channels of research as well as further collection of secondary research, we have found consumers believe PC to be trustworthy, affordable, of good quality, and one of the strongest in store brands.

The President's Choice brand has had incredible success, especially within the past decade, and has recently been voted one of Canada's top ten brands. With their exceedingly interactive social media presence and creative advertising, their growth has made them an exceptionally established brand. This report will discuss in detail each individual question and the conclusion of the analysis in full.

Table of Contents

SECONDARY RESEARCH ANALYSIS

The Canadian grocery market is highly competitive, and with consumers exceedingly conscious efforts towards every dollar spent, Loblaws, Sobey's, Wal-Mart and more are continuously battling to lower prices and keep people in their stores. According to secondary research recorded and published on President's Choice, conclusions have been drawn that it's one of the top conscientious, trusted, and influential companies in Canada. Five recent publications have been evaluated to support these claims. An analysis on each public document has been constructed and will be discussed in detail.

The first paper was written in congruence with a national analysis launched by The Peter B. Gustavson School of Business at the University of Victoria using the Gustavson Brand Trust Index. The objective of this study was to determine what corporations and brands are most trusted by Canadians. A sample of 3,125 Canadians ranked 249 corporate and product brands in 22 industries. Brands were judged based on value, quality, social equity, brand energy and brand trust (Canadian Grocer, 2015).

While consumers recommend brands that they perceive to be honest, consistent, and reliable, the Gustavson Brand Trust Index revealed that Canadians ranked PC second in the overall top ten. This ranks them above international companies such as Google as well as Johnson & Johnson (McLeod, 2015).

To further support the strength in reputation of this brand in Canada, another survey was completed with the objective to find Canada's top ten most influential brands, in which PC ranked eighth. This survey, conducted by Canada's leading market research firm Ipsos Reid, was launched in 2014 and differed in criteria from the Gustavson School

of Business survey. As stated by Steve Levy, Chief Operating Officer at Ipsos Reid, influential brands are defined by "the degree to which a brand can change the way you shop, that it is fundamental to people's lives, that it changes what people do every day, that it helps people interact with each other, that it can impact people emotionally," (Shaw, 2014).

The measurement is based on a survey of roughly 5,000 Canadians, which asks questions about factors such as a brand's trustworthiness and innovation, and whether it plays a fundamental role in their lives as consumers. Similar to the first survey, PC was competing against international brand mavens such as Google, Microsoft, and Facebook. They also surmounted multinational corporations, Wal-Mart and MasterCard, in the top ten.

In most recent events, French's Ketchup was pulled from Canadian shelves due to lack of sales. Contrary to any other case in history, Loblaw's reversed the decision to discontinue selling the product within 24 hours after a public outcry for it's Canadian farming support and ingredients. What was interesting about this case was that an internal memo was leaked online from a Loblaw's employee, stating that the true reason was French's sales were overcoming President's Choice sales (Sagan, 2016).

Although the memo was claimed to be "unofficial, misinformed and sent by staff member prior to the decision," it has challenged PC and their choice to source ingredients outside of Canada. Within 24 hours of the issue, President's Choice had begun conversations to purchase tomatoes from Canadian farmers (Sagan, 2015).

This ketchup case has confirmed that PC is mindful of their quality ingredients and their consumer's conscientious purchasing.

The final document analyzed for secondary research was written to applaud the companies that have incorporated loyalty programs. Bond Brand Loyalty marketing firm claimed that the most important factors in overall brand loyalty is a loyalty program. With this research, it is claimed that participants voted PC plus the leading retail program (Kolm, 2015).

RESEARCH METHODS AND PROCEDURES

The students of Nova Scotia Community College have conducted a quantitative, descriptive survey to evaluate President's Choice brand awareness. This survey was conducted prior to a qualitative, three person in-depth interview and the results have both contributed to this Brand Exploratory conclusions and future recommendations.

The survey was constructed around objectives of the three dimensions: strength, favorability, and uniqueness in terms of brand awareness. The questions were designed to gain knowledge on consumer preferences as well, comparing in-store brands such as Kirkland, Great Value, and Compliments.

The survey was developed online, using Google Forms, creating an accessible distribution process and reaching Canadians outside of Atlantic Canada at a low cost. Having the survey online allowed the target to be reached in an effective and quick process. Research in the form of a survey also ensured reliability with fixed responses and simplicity for analysis.

The questions were pretested by 3 individuals, to confirm that the question content, wording, sequence, layout, difficulty, and instructions were all comprehensible.

Once distributed to 21 participants, the survey began with a short description of the research and purpose, clarifying that the information provided by participants would be anonymous. This provided a legitimate purpose to the participants.

The methodology used for this quantitative research includes brand awareness (recognition and recall), brand image (beliefs, multidimensional scale), and brand relationship (loyalty).

Few interval scales were the central technique for the survey questions; they were used to configure absolute differences between those who are loyal to the brand and those who are not. A behavioural intention scale was used to show how likely participants would recommend the brand to a colleague or friend. Finally, dichotomous and multiple-choice questions were also used throughout the survey. We included two one-word association questions; one that was unstructured for the respondents to express their knowledge of PC and another for their associations to the brand.

As for the method of distribution, convenience and judgemental sampling was used in order to reach the proper target audience in a relatively fast manner.

The in-depth interview was completed in one 20-minute session with three participants. This qualitative research used methods of free associations, projective techniques, and brand personality and values as a means of prompting the participants. These dialogues were also compiled and compared to find themes and assist the research and develop a mental map (Figure 7). These themes are reviewed in detail located under Conclusions.

DATA ANALYSIS AND FINDINGS

Quantitative Research

This section contains the results gathered from the online survey regarding PC as discussed in Research Methods and Procedures. Twenty-one participants' surveys serve as a foundation for the data analysis and further recommendations.

For recognition purpose, all participants were asked if they recognize the PC's logo. All participants confirmed that they recognize the brand PC (Figure 1). This clarifies the recall and recognition is strong within Canada.
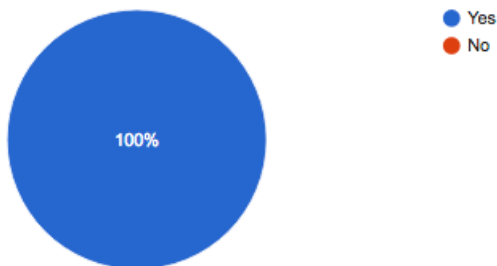
Do you recognize this logo?

Figure 1

To find out what is the motivation of participants to purchase a particular brand, the choices were given as "because you trust this brand", "because of influences by family or friends", "because of the price", "because of convenience" and "other". As can be seen in Figure 2, 71% of the people identified that they purchase the brand because they trust this brand. Followed by 14% of the people claim that they purchase the brand

because the price. This shows that Canadian's value quality in a brand over convenience, price, and influence.

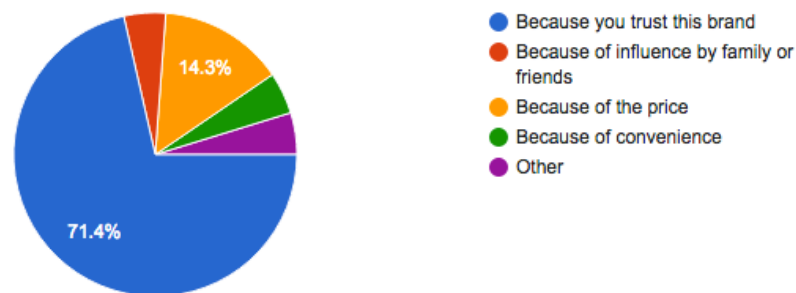**What would cause you to purchase a particular brand?** (21 responses)

Figure 2

To understand how participants' perceptions of PC brand compare to other in store brands that are available, which are Compliments, Great Value, and Kirkland. By grading the brands from 1 (being the extremely negative) to 5 (being extremely positive), the survey shows that people think highly of PC and Kirkland. PC gets scores mostly from 3 to 5, whereas Kirkland gets scores mostly 4 and 5. In contrast, Compliments and Great Value brand get more scores from 1 to 3 (Figure 3).

On a scale from 1 (being extremely negative) to 5 (being extremely positive), please rate how you regard each brand?
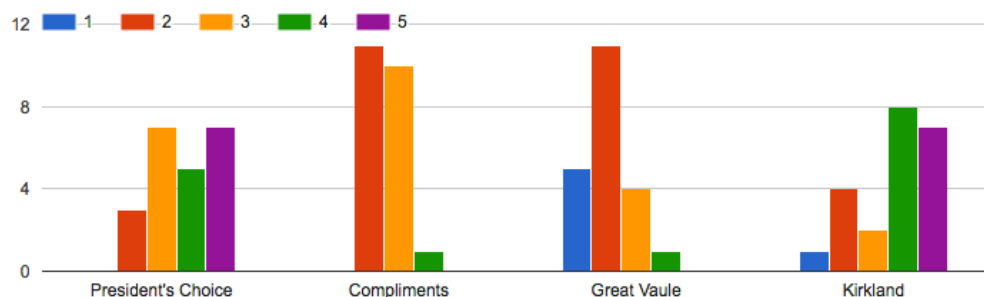

Figure 3

In condition, survey asked participants that how often they purchase each in store brand. As showing in Figure 4, most participants identified that they shop somewhat frequently and very frequently with PC brand. Graph shows that people shop less frequently with Compliments, Great Value and Kirkland brand.

With the connection between Figure 3 and Figure 4, it is clear that compared to the competitors, PC is relevant positively viewed by Canadians.

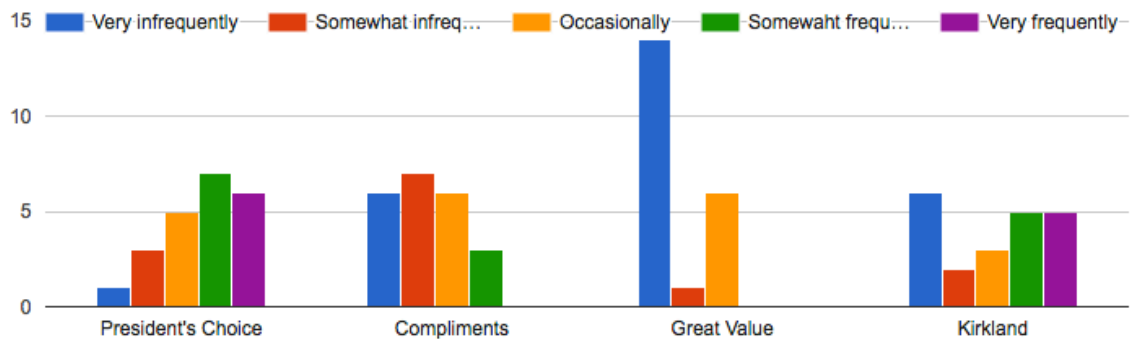Please select the statement that best describes how frequently you purchase or use each brand?

Figure 4

In order to find out how loyal the participants feel towards the in store brands, the survey asked if they would continue purchase or use each brand in the future. Figure 5 indicates that most people would prefer or consider buying PC brand. For the brand Compliments, people would consider or consider if there are no other options. For the brand Great Value, people say they would consider if there are no other options or they would never buy. Last, for the brand Kirkland, people say they would prefer or consider.

However, Kirkland, compared to the PC brand, had more participants that chose they would consider if they had no other option.

Please select the statement that indicates how you would feel about buying or using each brand in the future

Figure 5

Finally, the survey aimed to determine whether if participants would recommend PC brand to their friends or colleagues. On a scale from 1 to 7, 1 being not likely and 7 being extremely likely, how likely PC brand is being recommended. Of the 21 participants, 87.2% of the people claim that they would recommend PC to their friends or colleagues, and only 9% would not make the recommendation (Figure 6).

With Figure 5 and Figure 6, participants have proven to be loyal to the PC brand. They have preferred to at the very least, purchase PC over any other in-store brand and would recommend it to peers.

How likely is it that you would recommend President's Choice to a friend or colleague? (1 being not likely- 7 being extremely likely)
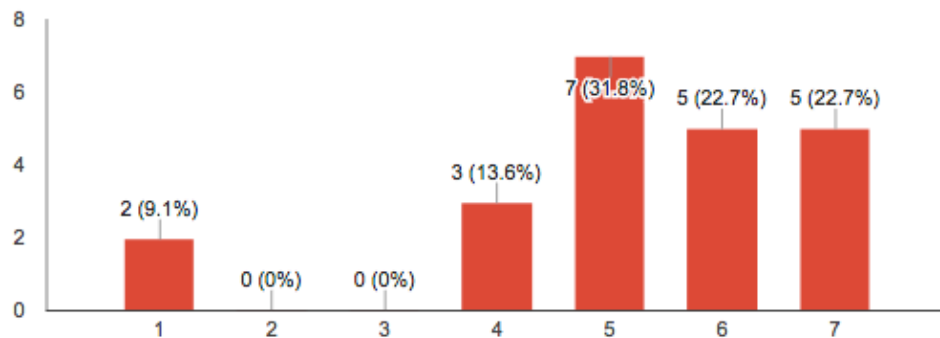
(22 responses)

Figure 6

Qualitative Research

This section concerns the findings gathered from the in depth interview. There were three individuals that participated in the in-depth interview at different periods of time.

After the introduction of the purpose was made, interview starts with which grocery store do they normally shop at. Individuals identified that they shop wherever it is closer to their location. Then conversation grew to talk about the in store brands that they can name. Everyone can remember PC brand, Compliments, and Kirkland. To ask which store owned brand they tend to use more, people said that they do not have a preference.

"Um, I don't really know brands. It's not a brand. It's a product. It dependants on the product."

For store owned brands, people tend to see it as an inexpensive option compare to the independent food brands. Price usually plays a role in choosing store owned brands

for the interviewees. If the independent food brand is not available, then people tend to go for the store brand instead.

To find out how PC compare to its competitive brands, we asked participants to rank each of the store owned brands: PC, Kirkland, Compliments, and Great Value. The rank goes from Kirkland first, then PC, then Compliments and lastly, Great Value.

When asked what do participants like and dislike about PC brand, people said that what they like about PC is that it has a better-perceived quality food and that PC provides organic options. What they do not like about PC is that they are generally more expensive than other in store brands and their packages are unattractive. One participant indicates that she is not able to tell which grocery products are from PC.

To get a better idea of how PC brand in people's mind, we asked the individuals to point out what is unique about PC. Participants made connections with PC products and the PC plus points program. Then we asked the participants to imagine who would be the typical shoppers of PC products.

"Students! I think families are like Kirkland just because I associate that with Costco!" "Students, families, middle income class who goes to superstore regularly."

In conclusion, participants describe that they go to Superstore because of the location convenience. They associate PC with PC plus points or PC financials. Among other store owed brands, PC is slightly behind Kirkland in shoppers' perception, but rank way higher than brands like Compliments and Great Value. Participants also pointed out the typical shoppers of PC brand are students.

LIMITATIONS

While collecting data, the team faced minor limitations. There were some complications with having the survey strictly online. The distributors were unable to take full advantage if participants struggled with any questions, however straightforward they may have seemed. It may also have been hindering to distribute the survey to different areas of Canada, rather than have a concentration of all 21 participants in Atlantic Canada.

Having a limitation of 24 different interactions is also difficult for a strong representation of such a wide population in Canada.

Another limitation would be to have an in-depth interview with participants that do not live so closely to university locations. They may associate PC with students because of the large student demographic near their local grocery stores.

CONCLUSIONS

In conclusion, the students of NSCC are in agreement with the secondary data of President's Choice being a strong, trustworthy, unique, and favourable Canadian brand. This well established company has been improving for decades and continually prove their status by keeping up to date and incorporating advanced marketing techniques such as PC Plus points and their interactive social media, which separates them from their competitors.

A mental map (Figure 7) has been developed to conclude the strongest associative words to PC from both the secondary and primary research. These associations have both contributed to PC's points of parity and points of difference.
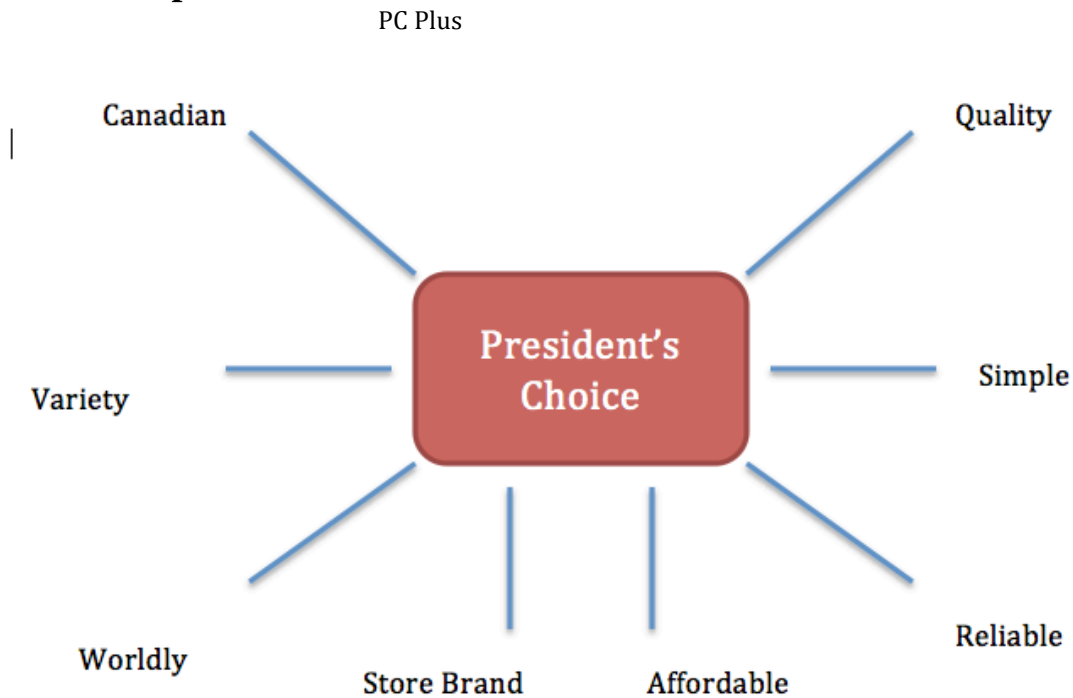
Mental Map

PC Plus

Figure 7

RECOMMENDATIONS

President's choice is a well-established brand and has strongly projected its message of delicious foods and for affordable prices. After careful consideration and researching the President's Choice brand, recommendations to further strengthen the brand image are as followed. Each suggestion will effectively contribute to their brand equity.

1. To advance optimal positioning as an international brand, PC should focus on communicating the exotic and global recipes. This can be done by incorporating all brand extensions and products that are considered this title into features on their website and

through direct mail. It would also be suggested to create a PC recipe newsletter online, and promote their international products in features that way.

2. President's Choice is a philanthropic organization and it is recommended they communicate their efforts in store as well. This could be done by communicating their charity on products or how contributing to PC will sequentially contribute to their charity.

3. Improve package design. In 2011, President's Choice introduced the black label line of products, which offers exceptional fine foods sourced from around the world. Although President's choice brand made efforts to redesign the package to improve the image of the customers' perception. Survey result shows that participants had not noticed this new product line and continue made comments on the plain package design. PC should increase the promotion on the new package line.

4. Participants made strong connections with President's Choice brand products with President's Choice points. The current PC is encouraging customers to buy certain products that are promoted every week by giving away extra points. Plus President's Choice should implement programs to promote the PC product line.

5. President's Choice has established a strong, trustworthy, unique, and favourable Canadian brand by keeping up to date and incorporating advanced marketing techniques. It has been a leading in-store brand among its competitors. To remain as a favourable brand, it is important for PC to strengthen the internal communication within the organization.

REFERENCES

Atkinson, N. (2015, November 11). How Loblaw's President's Choice is taking marketing cues from the fashion industry. Retrieved March 30, 2016, from http://www.theglobeandmail.com/life/food-and-wine/food-trends/how-loblaws-presidents-choice-is-taking-marketing-cues-from-the-fashion-industry/article27209570/

Harris, R. (2016, February 03). President's Choice offers media, mom bloggers an 'Escape'. Retrieved March 30, 2016, from http://www.marketingmag.ca/brands/presidents-choice-offers-media-mom-bloggers-an-escape-167213

Kolm, J. (2015, April 27). Are loyalty programs the fifth P of marketing? Retrieved March 30, 2016, from http://strategyonline.ca/2015/04/27/are-loyalty-programs-the-fifth-p-of-marketing/

McLeod, L. (2015, June 23). University of Victoria, Victoria, British Columbia, Canada, Media releases. Retrieved March 30, 2016, from http://communications.uvic.ca/releases/release.php?display=release

President's Choice and Save-On-Foods among brands Canadians trust most. (2015, June 25). Retrieved March 30, 2016, from http://www.canadiangrocer.com/top-stories/presidents-choice-and-save-on-foods-among-brands-canadians-trust-most-54988

Sagan, A. (2016, March 16). French's ketchup was 'cannibalizing' sales of PC brand: Loblaw memo. Retrieved March 30, 2016, from http://www.theglobeandmail.com/news/national/frenchs-ketchup-was-cannibalizing-sales-of-pc-brand-loblaw-memo/article29264164/

Shaw, H. (2014, January 28). Tim Hortons and President's Choice rank among top 10 I nfluential brands in Canada. Retrieved March 30, 2016, from http://business.financialpost.com/news/retail-marketing/tim-hortons-and-presidents-choice-rank-among-top-10-influential-brands-in-canada

APPENDIX

Brand Management Survey PC

We are a group of NSCC marketing students and we are completing our term project. Your contribution will help better understand brand awareness for your local grocery stores. Your personal info will remain anonymous and confidential in our research. Thank you for your participation.

Do you recognize this logo?

○ Yes

○ No

What would cause you to purchase a particular brand?

○ Because you trust this brand

○ Because of influence by family or friends

○ Because of the price

○ Because of convenience

○ Other : _____

On a scale from 1 (being extremely negative) to 5 (being extremely positive), please rate how you regard each brand?

	1	2	3	4	5
President's Choice	○	○	○	○	○
Compliments	○	○	○	○	○
Great Vaule	○	○	○	○	○
Kirkland	○	○	○	○	○

Please select the statement that best describes how frequently
you purchase or use each brand?

	Very infrequently	Somewhat infrequently	Occasionally	Somewaht frequently
President's Choice	○	○	○	○
Compliments	○	○	○	○
Great Value	○	○	○	○
Kirkland	○	○	○	○

When I think of Presidents choice, I think of:

Your answer

Presidents Choice is

Your answer

Please select the statement that indicates how you would feel
about buying or using each brand in the future

	I'd prefer to	I'd consider	I'd consider if no other option	I'd never buy
President's Choice	○	○	○	○
Compliments	○	○	○	○
Great Value	○	○	○	○
Kirkland	○	○	○	○

How likely is it that you would recommend President's Choice to
a friend or colleague? (1 being not likely- 7 being extremely
likely)

1	2	3	4	5	6	7
○	○	○	○	○	○	○

In Depth Interview Questions

Which grocery store do you normally shop at?

Why do you choose superstore?

Would you go to other grocery stores? Would you go to an alternative if not?

Please name all the in-store brands you can think of.

Which store owned brand do you generally use?

Do you shop on convenience or pick a brand because of convenience? Loyalty?

Give us a brand that you generally stick to.

Do you think that over all the products you normally buy that there is one brand that sticks out?

If that brand wasn't available, what would you use?

Please rank your favourite to least favourite. The more likely you would be to buy each brand out of : Kirkland, PC, Compliment, Great Value

What do you use any loyalty programs when you go grocery shopping?

What do you like about PC?

What do you find unique about PC?

When you think of the typical PC shopper, whom do you imagine?