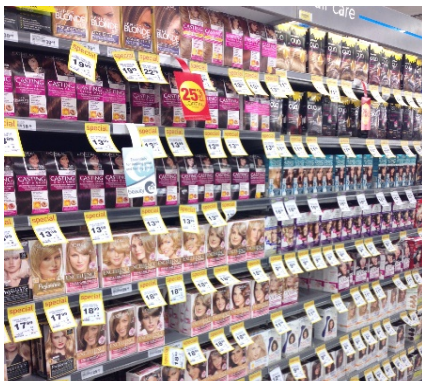


Changing prices for 80% of a supermarket chain's range

Situation

- **Largest supermarket chain** in Asia-Pacific - ~US \$4bn in sales, 180 stores
- **Flattening top line sales** and leakage of big baskets to discount competitor
- **Overreliance on promotions** to drive sales – 70% of items sold on promo, but customers' value perception deteriorating



What we did

- **Reset the value strategy** from promo-led to KVI-led approach:
 - Close the price index gap on primary items
 - Reduce frequency of promotions and eliminate ineffective ones
 - Reset role of own brand
- Worked category by category through **80% of sales in 10 weeks**
 - Ran price bootcamps with category managers to help them develop a plan to reset value in their respective categories
 - Aggregated category plans into a masterplan via a "Control Tower"

Impact

- **Price perception improved** – agreement with statement "Countdown is getting cheaper" up **from 20% to 40% in < 8 months**
- **Price index on KVIs reduced from 109 to 105**
- Slow but steady improvement in number of big baskets