

THE GROCERY AISLE INSURGENTS

The little guys are taking over, but you don't have to be their size to play by their rules





EXECUTIVE SUMMARY

Big brands aren't as big as they used to be. In today's grocery aisles, smaller upstarts are gaining momentum—and market share—with savvy packaged-food branding that speaks to a more engaged, more enlightened consumer. Brands with annual sales of less than \$1 billion are outperforming their competition in 18 of the top 25 categories, from snacks to ready meals.

In short: It's a great time to be a David. But that doesn't mean it's a bad time to be a Goliath—it's just a bad time to think like one. Mid-size brands and behemoths can both learn from the nimble positioning and paradigm-shifting strategies of these savvy insurgents. Just be ready to shift some paradigms of your own.





THE ALLURE OF THE INSURGENT

We all know them when we see them: the handmade (but not too DIY) design, the fresh (but not fake) voice, the personal (but not contrived) story. Insurgent food brands sell a calling as much as a product: a vision, often realized in response to a problem whose solution didn't exist before this brand came along. They're authentic in their storytelling, and they offer a connection—to a place, a movement, an ethos, a lifestyle, a community—that consumers want in on. Here are some proof points:

Small players—those with annual sales of less than \$1 billion—are outperforming the competition in **18 of the top 25** categories, including the largest and most consolidated, such as dairy, bakery, snacks, and ready meals.¹



Smaller brands have gained momentum, gaining share in **62% of the top 50** packaged food categories.²

From around 2008 to 2012 in packaged food & beverages, small players grew revenue about three times as fast as the overall category. In packaged foods, small players gained **1.7% of market share**, while large players saw their market share decline 0.7 percent.³

In packaged food & beverages, small players grew revenue about three times as fast.





QUICK CASE STUDY: HALO TOP

This insurgent ice cream company—founded by a hypoglycemic lawyer who wanted to create a healthier, lower-sugar dessert—hit shelves in 2012. One month after debuting seven flavors in Walmart stores nationwide, Halo Top accounted for the seven top spots in the entire ice cream category.⁴



QUICK CASE STUDY: JUSTIN'S

Founded by a vegetarian tired of plain-old peanut butter (are you seeing a pattern yet?), this line of inventive, organic nut butters started in a home kitchen in 2004. By 2013, it landed on the Inc. 5000 with a three-year growth of 732 percent.⁵ In 2016, Hormel acquired Justin's for \$286 million.⁶





THE CHALLENGE

Even before insurgents upended the grocery aisle, reaching retail food consumers was a tough job. Brands have limited time to attract shoppers, only 10 percent of whom might change their brand preference once they're inside the store anyway.⁷ So how did a bunch of little unknowns start to topple everything?

Consumers spend approximately **3-5 seconds** examining a product on the shelves of supermarkets.⁸

Despite the fact that consumers generally pre-decide what products they will purchase, **28% of them** make their final brand selection in-store.⁹

73% of consumers feel positively about brands that share the “how” and “why” behind their products.¹⁰

The cult of insurgency resonates so much right now because consumers have changed, and the way to reach them has too. In this wellness-minded era of wholesome ingredients and local producers, a personal touch—a brand’s how and why—matters more than ever. Customers want customization,¹¹ and there’s nothing one-size-fits-all about an insurgent.

***Big brands talk at demographics.
Insurgent brands engage with people.***

Insurgents play to that strength. When their size might exclude them from the high buy-in table of traditional mass-market advertising, they change the rules of the marketing game to their advantage. Big brands talk at demographics. Insurgent brands engage with people. As such, insurgent brands are naturals at social media: They have a unique voice and something to say, and the style to say it distinctly. Big brands often lack the personality to pull off that kind of engagement: They’re market-tested, focus-grouped, and conference-called into middle-of-the-road blandness.

THE PECULIAR PREDICAMENT OF GROWING INSURGENTS

You started out small: charming backstory, wholesome product, characterful presentation. And it worked—maybe even too well, you fear. Now that you're a success, can you grow your brand without losing the integrity that built it? Good news: Yes, you can connect in the same ways and with the same audiences. You've already built the revolution; now it's about evolution.

You've already built the revolution; now it's about evolution.

QUICK CASE STUDY: LACROIX

That goes for mid-size and larger brands too. Repeat after us: Consumers have changed. LaCroix was a sleepy, 30-year-old brand until the consumer shift from sugary soft drinks to sparkling water helped its meteoric spike in popularity.¹² LaCroix spotted the nuances of such a golden opportunity and rode that carbonated wave: It increased its number of flavors, but stores stocked a random assortment of them, simulating scarcity. It hit Instagram hard—connecting to the health-, budget-, and style-conscious millennials who were going nuts for the stuff—with quirk and humor. It had always been a great product, and it was happy to share the news.

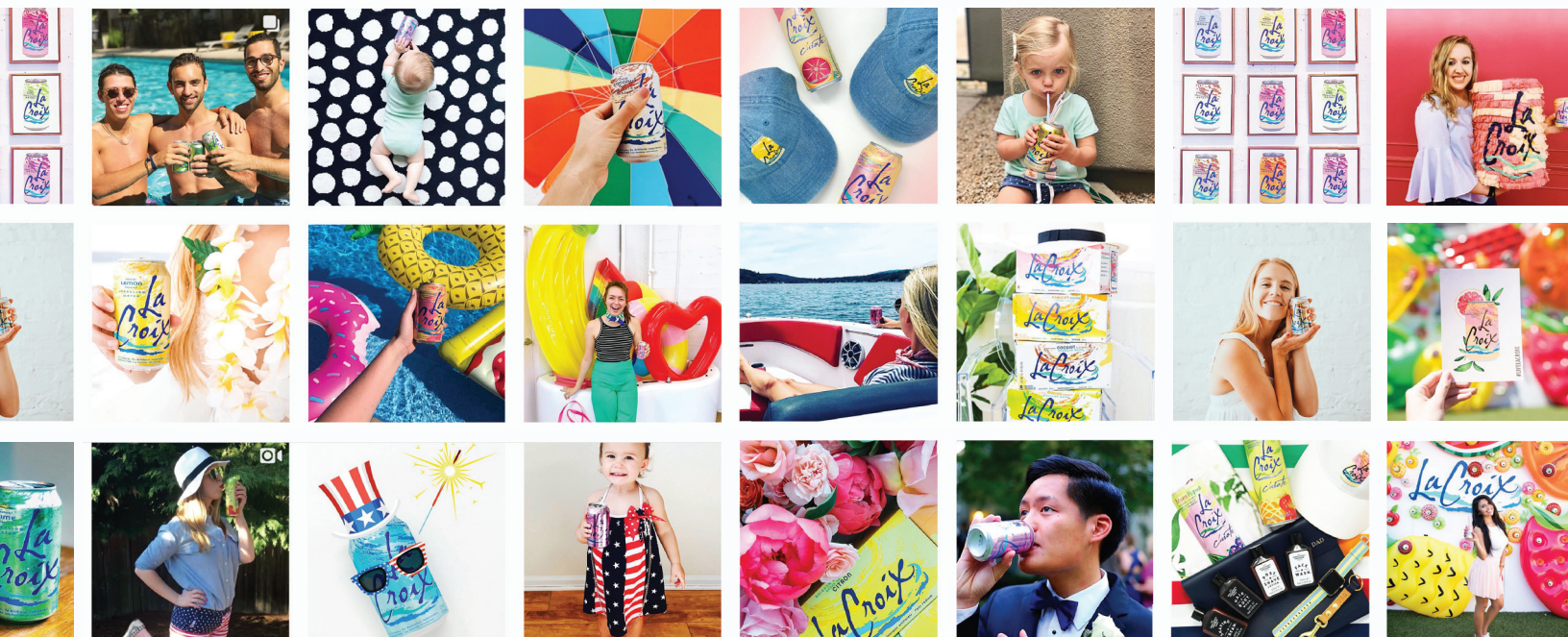


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QUICK CASE STUDY:

GARDEN FRESH GOURMET

A husband and wife started this Ferndale, MI-based salsa company in their hometown barbecue restaurant. Almost 20 years later, it had become America's top refrigerated salsa brand and was acquired by Campbell Soup Company for \$231 million.¹³

And then...the face of Garden Fresh Gourmet changed (for the worse). The homestyle paper bags of chips were switched to generic plastic. The label designs went from funky DIY to over-vetted corporate. The story hadn't changed, but the telling of it had. (Everything—design to packaging to ad copy—tells your story.) They took a big brand jump and lost their insurgent relevance.



behance.net/gallery/53883579/Garden-Fresh-Gourmet



THE OPPORTUNITY

Insurgent brands are not new. In fact, some of the largest brands today were emerging brands of yesterday. Apple, Zappos, Amazon, and Facebook are all former up-and-comers. You can think like an insurgent at any stage of business, as long as you're ready to throw out some old mindsets. Next, we'll cover a few strategies to get you started.



STRATEGIES

- 1 IDENTIFY YOUR STORY
- 2 ACT WITH AUTHENTICITY
- 3 DESIGN SMARTER



STRATEGY **1** Identify your story

Insurgents often have chips on their shoulders,¹⁴ and they use that edge to turn the status quo on its head (often revolutionizing the market in the process). Wherever you are in your business, you have to ask yourself:

WHY OUR PRODUCT?

What makes us different from the competition?



WHAT'S OUR STORY?

So you didn't launch last year from your garage—how did you start? More importantly, why?



***Your story is different than anyone else's.
The key is to find it and tell it better.***

STRATEGY 2 Act with authenticity

Insurgents leverage a cache that you can't fake—so don't try. Instead, find your own. Own your own story. Then tell it with authenticity. Brand integrity counts big with consumers, whether that brand is two years old or 20, and whether it's posting a tweet or overhauling its package design.

TALK TO YOUR TRIBE

Insurgents aren't trying to be everything to everyone. They know who their fans are, and they speak directly to them—usually on social media. LaCroix encourages fans to share recipes and “experiences” with hashtags¹⁵ and engages with their posts on Instagram and Twitter.¹⁶ Halo Top targeted Instagram influencers like workout stars and weight-loss coaches with its luscious snaps.^{17 18}



<https://www.instagram.com/halotopcreamery/>

LEAVE ROOM FOR DISCOVERY

The consumers you want can smell a sales pitch from a mile away. This me-first crowd loves to be the early adopter, the friend in the know sipping or munching on “badge brands” that feel fresh and unique.¹⁹ You can't push them toward your product; instead, pull them in. Your vibe—on social media, in the world, on the shelf—attracts your tribe.

***Own your own story.
Then tell it with authenticity.***

STRATEGY 3 Design smarter

At some point, the bigger brands stopped designing for people and started designing for demographics. Insurgents deliver the personal—and personalized—look that customers have been missing. Their packaging plays to recent design trends while staying a little imperfect or unpolished, as if created by hand, and it communicates the passion and vision that got the brand started in the first place. Good insurgent design also plays to a brand's unfamiliarity with a look that sparks curiosity and pulls people in.

QUICK CASE STUDY: ELLIS ISLAND TEA

We at Skidmore are well-versed in the visual vernacular of the insurgent. When we started working with Ellis Island Tea, the brand already had a fantastic story: a century-old family recipe brought to New York from Jamaica and passed down through generations. Tasked with creating a design that expressed that inspiring lineage, we looked to vintage travel tags and the product's geographic roots. The new label encapsulates that strong, ownable story and encourages grab-and-go shoppers to enjoy a moment of “bottled bliss.”



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THE BOTTOM LINE

Insurgents are on a mission, and they start by crafting quality products that serves their visions. Then they know how to sell them: by telling their authentic stories, engaging with their fans on social media, and creating aesthetics that feel boutique, not boardroom. Mid-size and larger brands can harness this approach by getting back to basics and letting their unique stories and brand personalities shine. You don't have to be an underdog to think—then act—like one.



WANT HELP FIGURING OUT HOW TO JOIN THE INSURGENCY?

Skidmore is a Detroit-based creative agency for food & fun companies. We thrive on capturing brand stories and helping our clients get to the next level through thoughtful, high-impact strategy and design. Whether you want to increase sales or improve your user experience, we know how to get folks excited—like, really excited—about your brand. Find more insights and view samples of our award-winning creative work at skidmorestudio.com.

CONTACT: TIM SMITH • 313-446-8200 • tim@skidmorestudio.com



RESOURCES

¹ Strategy&: 2017 Consumer Packaged Goods Trends

<https://www.strategyand.pwc.com/trend/2017-Consumer-Packaged-Goods-Trends>

² CNBC: Millennials like small food companies, but big brands aren't dead—yet

<https://www.cnbc.com/2017/06/15/millennials-like-small-food-companies-but-big-brands-arent-dead--yet.html>

³ Strategy&: 2017 Consumer Packaged Goods Trends

<https://www.strategyand.pwc.com/trend/2017-Consumer-Packaged-Goods-Trends>

⁴ Taste: The Summer of Halo Top

<https://www.tastecooking.com/summer-halo-top/>

⁵ Inc.: Justin's Nut Butter Profile

<https://www.inc.com/profile/justins-nut-butter>

⁶ Food Business News: What does Hormel see in Justin's?

http://www.foodbusinessnews.net/articles/news_home/Financial-Performance/2016/05/What_does_Hormel_see_in_Justin.aspx?ID=%7BA9696DD8-4AC3-4649-BC3A-E57561951905%7D&cck=1

⁷ Visual Brand Identity of Food Products: A Customer's Perspective

<http://scholarworks.rit.edu/japr/vol8/iss3/1/>

⁸ Visual Brand Identity of Food Products: A Customer's Perspective

<http://scholarworks.rit.edu/japr/vol8/iss3/1/>

⁹ Visual Brand Identity of Food Products: A Customer's Perspective

<http://scholarworks.rit.edu/japr/vol8/iss3/1/>

¹⁰ Nielsen: What It Means to Be 'Clean' in Today's FMCG Market

<http://www.nielsen.com/us/en/insights/news/2017/what-it-means-to-be-clean-in-todays-fmcg-market.html>

¹¹ DMG Global: The Rise of Insurgent Brands

<http://dmgglobalinc.com/the-rise-of-insurgent-brands/>

¹² Vox: Why LaCroix sparkling water is suddenly everywhere

<https://www.vox.com/2016/6/20/11666314/lacroix-sparkling-water-seltzer>

¹³ Campbell Soup Company: Campbell Completes Acquisition of Garden Fresh Gourmet

<https://www.campbellsoupcompany.com/newsroom/press-releases/campbell-completes-acquisition-of-garden-fresh-gourmet/>

¹⁴ Play Offense: The Rise of the Insurgent Brand

<http://www.playoffense.com/rightlinks/rise-of-insurgent-brand.html>

¹⁵ Here's Why It Feels Like You're the Only Millennial Not Drinking La Croix

<http://fortune.com/2017/07/27/la-croix-trend-millennial/>

¹⁶ Twitter: LaCroix

<https://twitter.com/lacroixwater>

¹⁷ Inside Halo Top's Instagram Strategy

<https://digiday.com/marketing/inside-halo-tops-instagram-strategy/>

¹⁸ Halo Top is now the most popular pint of ice-cream in America – here's how it did it

<http://www.businessinsider.com/how-last-summers-trendiest-ice-cream-brand-halo-top-is-expanding-beyond-its-social-media-roots-to-go-national-2017-7>

¹⁹The Rise of Insurgent Brands

<http://dmgglobalinc.com/the-rise-of-insurgent-brands>