

Know Your Private Brand Shoppers of Color.

CATALINA®



Personalize your messaging and speak to their unique needs.

The price gap between name brands and Private Brands (PB) is shrinking – **down to 17% from 23-28% last year**, according to Catalina's Buyer Intelligence Database. While value is as important as ever, it is critical that Private Brands adopt new strategies beyond price to grow share in a shifting category.

The smart play for Private Brands in 2021 is to recognize the individual lifestyles and preferences of shoppers of color across all ethnicities and create targeted appeals to match the emerging wants of the increasingly diverse shopper base.

A granular understanding of ethnic diversity and individual preferences is key to engaging and driving loyalty. Here are a few questions to consider:



What ingredients and flavor profiles are important to them?



Are they best reached on mobile devices, laptop — or both?



What product attributes do they seek and why?



What stores do they visit most often?

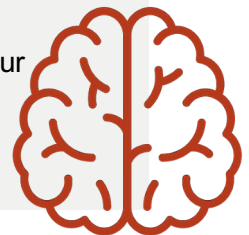
Private Brand Shoppers of Color are demanding retailers know them better, understand what they want and why, and create brands and products that speak to their needs through personalized engagement and experiences.

These three strategies will help focus your Private Brand Shoppers of Color growth strategy:

1

UNDERSTAND their unique **WHY BEHIND THE BUY**

Think beyond demographics, income, units sold and basket size to amplify your Private Brand intelligence to appeal to PB Shoppers of Color through their lifestyle choices and product attributes.



2

COMMUNICATE with Personalization

Reinforce quality with PB Shoppers of Color by creating appealing personalized messages, incentives and offerings. For example, support your product's value with "Satisfaction Guaranteed."

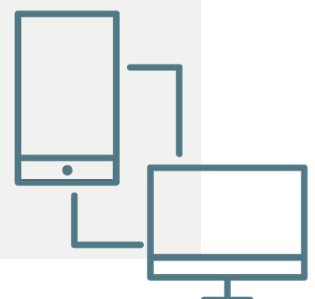
Compare-and-Save messages are also effective at targeting shoppers of color who are loyal to name brands. Leverage this type of campaign to introduce and educate Shoppers of Color to Private Brand product attributes, ingredients, and efficacy, which are often equal to name brands but at a lower cost. For instance, send a targeted message to a PB African American shopper who avoids gluten, incenting them to try your PB gluten-free ice cream, which competes directly with a National Brand gluten-free ice cream.



3

STRATEGICALLY TARGET Across Media Platforms

Create a PB shoppers of color omni-channel strategy that surrounds them with your value story. Engage them before they walk into your store with targeted digital media, then use your mobile app or website to give significant visibility to Private Brands of interest. Once in-store, offer incentives at checkout that will motivate them to make another trip and try more Private Brand products.



VALUE = QUALITY + PERSONALIZATION + PRICE



VALUE SEEKING HISPANIC AMERICAN

PB shoppers began buying PB bath tissue during the pandemic lockdown and that trend has continued with **67% more spending on PB value bath tissue** than their Asian counterparts.

TAKEAWAY

Create marketing and promotional materials in Spanish that promote the value and quality across your entire PB portfolio.

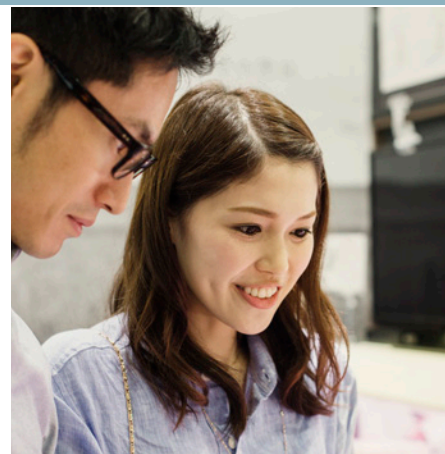


GLUTEN AVOIDING AFRICAN AMERICAN

PB shoppers **spend 6X more** than Gluten Avoiding Hispanics and **2X more** than Gluten Avoiding Asian Americans on PB Products. Celiac disease is often under-diagnosed, with *African Americans accounting for only 1% of cases while they represent 13% of the U.S. population.*

TAKEAWAY

Use specific health messaging about the benefits and value of gluten-free PB products.



ORGANIC SEEKING ASIAN AMERICAN

PB Shoppers **spend 42% more on PB products** than other PB Organic Seeking Shoppers of Color.

TAKEAWAY

Emphasize the quality and value of PB natural and organics.

When you dig deeper to better understand the diversity of your Private Brand Shopper of Color, they will reward you with loyalty. Be bold and create a deeper connection with these shoppers by seeing and acknowledging their diversity and offering them value products, engagements and experiences that address their unique needs.

To learn more about Catalina's Buyer Intelligence Database and tailor your Private Brand Shoppers of Color playbook, visit www.catalina.com or email grow@catalina.com.