

Brand Positioning and Product Development



Project: Kwik Trip Inc.

Purpose: Determine the position and perception of Kwik Trip's prepared food items and to grow sales of this product category. Effectiveness of various communication efforts was also measured.

Result: Strategic recommendations have resulted in prepared foods becoming the highest grossing product category for Kwik Trip. Taste testing resulted in successful launches of several food items including Glazers and Cheese Mountain Take-and-Bake Pizza. Knowledge and awareness of key differentiations showed which communication efforts regarding freshness were successful.

Summary of Research Stages

- **Advisory Committee:** An advisory committee of key Kwik Trip management personnel was established at the beginning of the partnership. This group has been instrumental in identifying specific objectives and key issues for several different projects. In addition to on-site meetings, phone conferences as well as online forums with committee members were used to gather input. Contact with this group is on-going and remains an important aspect of the relationship.
- **Secondary Data Analysis:** Electronic searches for data regarding consumer and demographic trends related to Kwik Trip's geographic markets as well as food trends assisted in the formation of trend analysis and strategic planning.
- **Customer Process Tracing Observations:** At the start of project, over 4,000 process traces of customers' actions in Kwik Trip's stores were conducted. Specific attention was paid to how they shopped for items, pondered decisions, moved throughout the store, and paid for items. Observations related to Kwik Trip's prepared food items showed a higher likelihood of purchase when inventory levels of the Hot Spot and Fresh Case were high. These views of customers in action provided valuable insight on the importance of inventory levels and perceptions of freshness which was later confirmed through in-depth interviews.
- **Internal Key Informant Interviews:** Internal interviews have been completed with store managers, district leaders, and other management to gather their input on the research issues and past efforts.
- **External Key Informant Interviews:** Thousands of in-person as well as hundreds of phone interviews were conducted with Kwik Trip customers. In-person interviews helped confirm observation study findings and provided new insights on perceptions of convenience store prepared food items. Separate interviews regarding Kwik Trip's Cheese Mountain Pizza revealed problems with the initial product launch because of taste. Subsequent research steps included distribution of five test versions of the pizza with follow-up phone interviews.
- **Focus Groups:** Focus groups helped narrow previous qualitative findings, complete media testing of radio advertisements, and contributed to the launch of new products.
- **Quantitative Surveys:** Several surveys have been utilized to quantify and generalize findings. Quantitative surveys have been conducted both as in-store intercepts and over the phone.
- **Active Sampling:** APR developed and executed an active sampling program for prepared food items based on research findings that showed sampling increased overall perceptions of the food items.
- **Consumer Panels:** A consumer panel of customers visited several Kwik Trip stores to evaluate store footprints, in-store communication efforts, and other issues. The panel was also used in focus group settings for taste testing and other research efforts.
- **Establishment of Online Customer Advocacy Panel:** Currently, APR is assisting Kwik Trip with the development of an online customer advocacy panel and coupon distribution efforts. Ultimately, this panel will be used for quick concept testing of advertising, product ideas, packaging, and other projects.
- **Recommendations:** A new Cheese Mountain pizza version was recommended that has since increased sales of this product category. The active sampling program and results demonstrated the need to develop a company-wide program including the creation of a new position at each store as a food demonstrator. Kwik Trip also increased inventory levels of product in the Hot Spot area to increase sales. Other recommendations included suggested advertising campaigns focusing on the importance of freshness.

Testimonial: APR and its staff are extremely well-versed in all aspects of marketing research and strategy. From interviews, to focus groups, to taste-testing, through survey research they were able to provide what we needed and when we needed it. I am especially impressed with their responsiveness to our needs - - if we have a question they get back to us right away. Our entire management team has confidence in their results and recommendations.

- Gary Gonczy, Director of Marketing/Advertising, Kwik Trip.