



Kraft Heinz Strengthens Retailer Collaboration and Shopper Focus with AI-based Data-Driven Insights from SymphonyAI

About Kraft Heinz

We are driving transformation at The Kraft Heinz Company (Nasdaq: KHC), inspired by our Purpose, Let's Make Life Delicious. Consumers are at the center of everything we do. With 2022 net sales of approximately \$26 billion, we are committed to growing our iconic and emerging food and beverage brands on a global scale. We leverage our scale and agility to unleash the full power of Kraft Heinz across a portfolio of six consumer-driven product platforms. As global citizens, we're dedicated to making a sustainable, ethical impact while helping feed the world in healthy, responsible ways. Learn more about our journey by visiting www.kraftheinzcompany.com or following us on LinkedIn and Twitter.

KraftHeinz



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Jessica Keenan, Kraft Heinz
Director of Category Leadership





Strategic objectives

The combined Kraft Heinz entity is committed to being a best-in-class manufacturer delivering value for both the company and its retailer customers. A key area for Kraft Heinz to leverage its scale and agility is in embracing leading customer insight solutions to make data-driven decisions that deepen retailer collaboration and to deliver thought leadership in order to ultimately best serve its customers worldwide. A compelling example of that philosophy in action is how Kraft Heinz has adopted and leveraged AI-based insights for customer analytics, category management and assortment intelligence, driving much more strategic engagement with a Tier 1 retailer to drive significant, measurable impact and meaningfully grow its overall business with the retailer.



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Chris Conroy, Kraft Heinz
Head of Field Category Leadership



Business challenge

For the team at Kraft Heinz, a rigorous, data-driven approach would entail combining knowledge of macro-level trends among grocery shoppers with detailed insights at the store, category, and item level to give shoppers the optimal experience – a function of value, convenience, and selection.

Kraft Heinz Director of Category Leadership for the account, Jessica Keenan, and her team approached the challenge with a keen awareness of the evolving shopper mindset. In the uncertain economic environment of 2021 and 2022, research revealed that shoppers' #1 concern was inflation, followed closely by worries about the economy. In fact, consumer sentiment was down 30% from January 2020, attesting to shopper concerns and uncertainty, which meant in turn that they were being much more deliberate and disciplined in their spending across the board, including groceries.

The Kraft Heinz team also took note of other changes among grocery shoppers:

- Shoppers' perception of value was shifting from price to worth
- The concept of convenience for shoppers was shifting from location to time – they increasingly demanded access to information, both digital and in-store
- Shoppers' expectations for selection was shifting from generic to personalized

The team was determined to dig deep into trends and shopper perceptions and behaviors, from macro-level to highly detailed shopper segments, to drive a strategic uplevel in how Kraft Heinz and its retailer partner could most meaningfully meet shoppers where they are – not just in the near term, but across a 3-5 year horizon. At all times, the team focused on the shopper as the center of its efforts and targeted results.





Solution

With detailed insights from SymphonyAI Retail CPG AI-based capabilities, including the Category Manager Suite and Assortment Intelligence for category planning, the team set to work. “As we entered our scheduled deep-dive joint planning process with our strategic retailer partner, we wanted to take a collaborative approach from start to finish: converge on overall category goals, plan tactics to deliver against those goals, and align on specific steps to implement those tactics,” Jessica said. “The tactics can range from the simple, like more precisely targeted ads, to more ambitious, up to and including a total change in aisle flow to cater to today’s preferred shopping patterns.”

With a customer base that skewed toward affluent, urban shoppers, including fast-growing and increasingly important multicultural shoppers, the team recognized that inflation figures were making basket sizes larger, but by focusing on units rather than dollars, they could get to meaningful measurements. “We made a deliberate choice to step outside of our focus on Kraft Heinz, instead to focus not just on our retail partner, but at all times on the shoppers,” Jessica continued. “What are the specific pain points for various types of shoppers? What problems do they face and what are the root causes of those problems? With sophisticated AI-based analytical tools from SymphonyAI, we could start to really cut to the heart of these issues.”



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Project approach

The analysis revealed that shoppers were wanting very personalized experiences – including not only the desire to discover new products, but also to consistently access best-in-class convenience, selection and value. As Chris Conroy, Kraft Heinz’ Head of Field Category Leadership, noted, addressing the opportunity meant redefining the very concept of “shopper.” “We wanted to move beyond thinking about a singular ‘shopper’ and instead focus on 3-4 specific and well-defined groups of shoppers that are critical to the success of the retailer. We needed to understand what is important to these shoppers today and how we can help them solve their problems in the future.”

Unlock deep shopper insights, understand root causes and collaborate with the retailer on a best-in-class strategic plan

The team began meeting with experts from SymphonyAI Retail CPG frequently to assess business performance and refine how to meaningfully cluster groups of shoppers and understand their pain points at both the macro and micro level.

They presented the detailed analysis to executive counterparts at the retailer, which has created a rigorous data-driven approach that Kraft Heinz can continue to harness using the most recent data.

For each type of shopper, pain points and aspirations were equally well-defined. Multicultural shoppers, for example, preferred their foods to be represented throughout the store in the relevant categories rather than clustered in an ethnically labeled aisle. In other words, this growing strategic set of shoppers found value in being represented and engaged store-wide, with information accessible in their language as they go.

Other shoppers valued being able to get in and out of the store quickly, focused on how easily and conveniently they could provide appealing meals. Rather than arriving with detailed shopping lists, they preferred to identify easy-eating options for themselves or their families – for them, easy signage, prepared foods and exciting assortment options drive value.

At the other end of the spectrum are shoppers who embrace cooking and who value the opportunity to explore new foods and create new types of meals – and these shoppers prefer the tactile in-store experience to the online channel. For Kraft Heinz and the retailer, this presented the opportunity to entice them with printed recipes in store and present healthy and organic options, but also entice them to explore the online experience with the flexibility of the digital experience.

Meanwhile, price-sensitive shoppers were focused more than ever on affordability amidst inflationary pressures. They were becoming more disciplined on spending and focused on stretching their defined budget as far as possible, even if that meant making more frequent trips to the grocery store to fit within that week’s budget.



Results / value

With shopper segments well-defined and their pain points and root causes in sharp focus, Kraft Heinz and their strategic partner elevated the supplier/retailer relationship to a new level.

“With the shopper at the center of every decision, the insights from SymphonyAI enabled us to work with the retailer to achieve more meaningful and focused collaboration,” Jessica said. “Our shared culture now revolves around the ongoing insights, making sure we stay agile in deep-diving into shoppers and what matters to them. With continuing inflation and economic uncertainty, we know shopper behaviors will continue to evolve rapidly, and we need to listen to the heartbeat of their concerns and preferences at all times.”

Together, Kraft Heinz and the retailer have crafted detailed strategies to engage each type of identified shopper. “For every segment, we are focused on how to attract more shoppers from that segment, present the assortment and experience to encourage them to buy more, and engage them in all channels,” Jessica noted. “Any effort we focus on must align with driving one or more those three goals.”

Across an 18-month period, the Kraft Heinz team’s collaboration with the retailer evolved into rigorous data-driven focus on providing the right assortment and solutions at the right time for the right shoppers. Joint dynamics now include highly interactive brainstorming exercises, including defining KPIs to achieve the goal of getting more shoppers to buy more, more often.

As results began to bear out the value of the data-driven collaborative approach, Kraft Heinz has become a trusted category advisor in a growing number of categories. Chris commented, “Trust is very much at the core of the whole shopper-focused approach, and that applies across the entire team, including the retailer, Kraft Heinz and SymphonyAI. We all are confident in bringing our findings and recommendations to spotlight what we think is the best decision to achieve those goals, and we’re all equally committed to learning together as shopper behaviors evolve so that we jointly gain more experience on more data.” Jessica concurred: “It’s a compelling trifecta: with a partnership based on genuine trust and collaboration, it helps all three companies be better at what we do. It’s a true win-win – for the shoppers as well as our organizations.”

Data-driven
collaboration

Engaging
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Next steps

The Kraft Heinz team is eager to continue building on its foundation of deep and committed partnership. The team plans to continue deepening collaboration and provide highly tailored recommendations to the retailer partner. The momentum created with a foundation of deep data and AI-based analysis forms a basis for propelling the strategic relationship to new heights of achievement.