

# Retailer Case Study:

## Hannaford and Guiding Stars

### Guide the consumer and let them choose



Mark R. Doiron

In the North East of the USA, the Maine based retailer, Hannaford, a part of the international Delhaize Group, did extensive customer research in 2005. Their consumers wanted to understand nutrition better so Hannaford devised an innovative approach. Instead of the perceived negativity of a traffic light system that rates the proportion of the various nutritional components against an individual's daily requirements, the Hannaford team decided to positively signpost nutritional values, both on the front of the pack and at the point of sale with their "Guiding Stars" initiative.

By 2009, there were positive sales outcomes and happy customers. The system had also been rolled out to other US supermarkets in the Delhaize Group; Sweetbay, Bloom and Food Lion.

At the heart of their message is a health and wellness strategy that has supported a key business differentiator. In November 2008, 'Health' magazine recognised this approach by including both Hannaford and Food Lion in their list of America's 10 healthiest grocery stores.

### How it works:

- ✓ Guiding Stars is an objective, consumer-driven programme that is not influenced by price, brand or manufacturer trade groups.
- ✓ All edible products are rated – over 60,000 so far.
- ✓ It highlights foods with superior nutritional density; it does not "police" less nutritious food choices.
- ✓ The proprietary algorithm is grounded in evidenced-based science and the recommendations of authoritative bodies such as the Food and Drug Administration (FDA) and WHO. This is protected by a panel of seven nutrition experts.
- ✓ The formula **debts** a product's score for 'trans' fat, saturated fat, cholesterol, added sodium and added sugars. It **credits** a product's score for vitamins, minerals, dietary fibre and whole grains.
- ✓ The resulting score represents a weighted total and only foods that score above zero receive guiding stars. One is 'good', two is 'better' and three is 'best'.
- ✓ 25% of foods receive at least one star. For example: 100% of fresh fruits & vegetables, 54% of cereals, 51% of seafood, 23% of dairy, 22% of meat, 8% of bakery, 7% of soups.
- ✓ The system goes beyond the shelf and into the store cafeteria as well.
- ✓ Sales response has been positive as products with stars have outperformed store growth by 1.38% over two full years of the system.



*"There is quantitative and qualitative research that shows that consumers recognize the Guiding Stars program and are using it on a regular basis. In fact some of our occasional customers have become more loyal customers."*

*Mark R. Doiron, Executive Vice President, Hannaford Bros. Co.*