



Boosting Business Through Marketing

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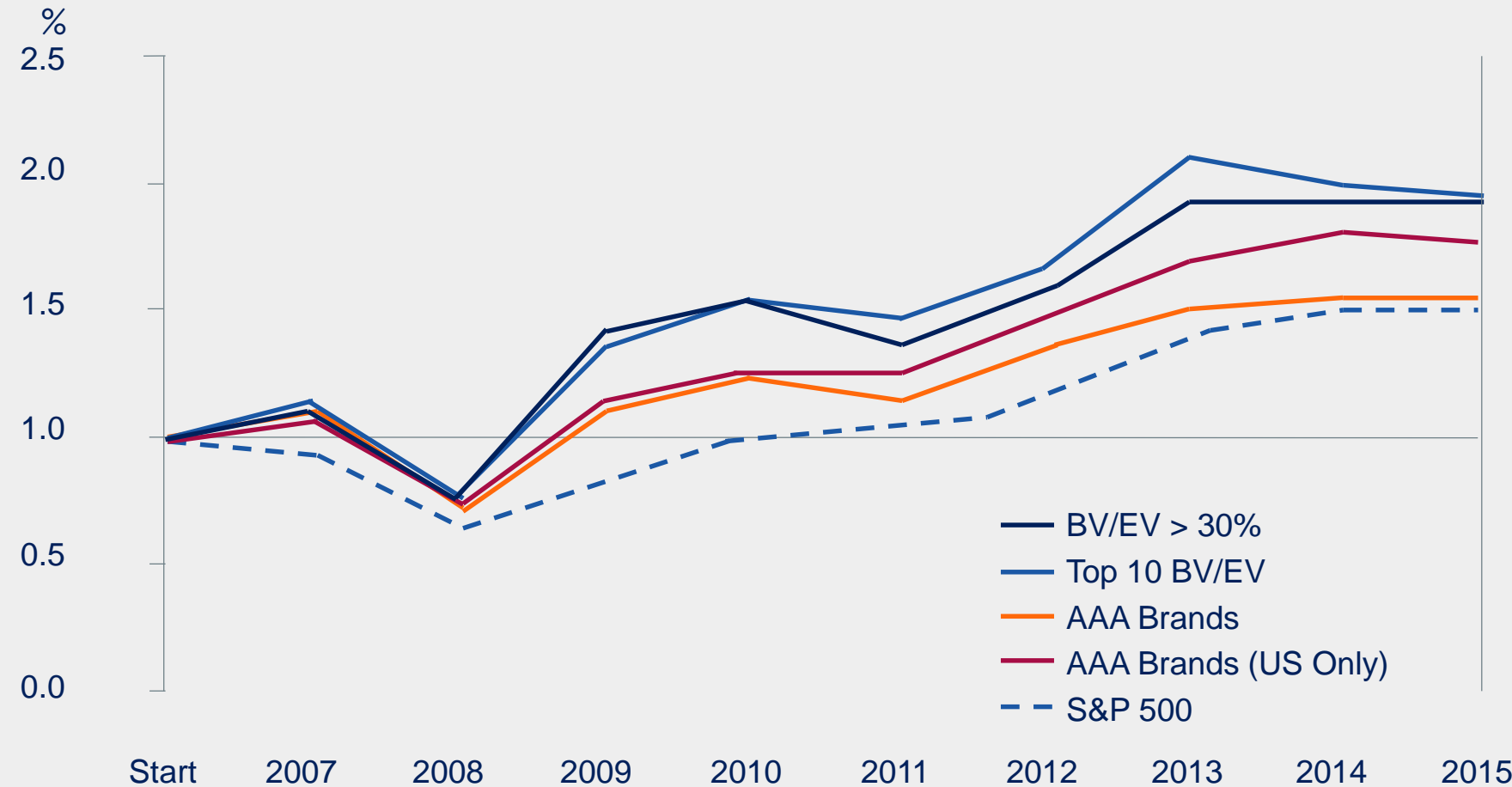
Recap of Kesko Strategy Process

“Responsibility combined with a strong identity and appealing brands will be an increasingly central requirement in every business line”



“Kesko will have to continue its responsibility work and strengthen its corporate identity and core brands”

Long Term Value Growth of Highly Branded Companies and the S&P Average

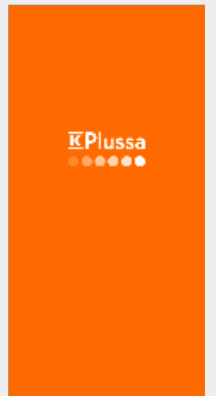
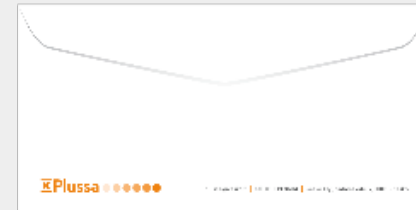


Unified Brand Identity

KMarket



KPlussa



Target Is to Unify All K-chains Brand Core and Marketing Communication

Change the content marketing

- Shift focus from the tactical price&product communication to the long term strategic marketing to grow the preference and the market share
- Increase the share of targeted marketing based on customer data
- Renewal started with K-Markets in 5/2016
- More extensive renewal of the grocery trade marketing is being set up

New K brand and identity for consumers

- Beginning with K-market/SLK conversion 5/2016
- Plussa renewal 10/2016
- Other grocery trade chains 2017
- K-rauta Q1/2017
- Cross marketing possibilities being investigated with the car trade

Measurement and efficiency

- Measurement of the marketing efficiency (ROMI)

Strategic Spearhead Projects of K-Group Marketing

Strategic objective

Fundamental renewal of the grocery trade marketing

K-rauta – brand and identity renewal

VW brand preference comeback

Target level

+1.0% growth of the market share by increasing the preference by +2.8%

Preference growth of +2-4% depending on the present situation of different markets.

Return of Volkswagen to #1 in the brand preference and level of >30

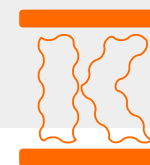
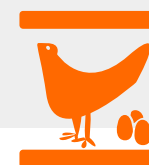


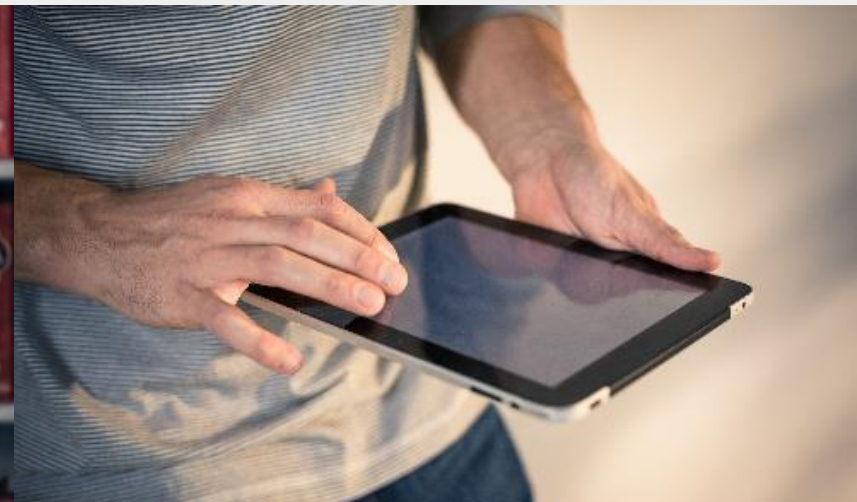
K-brand Value in Euros

Value according to Brand Finance was €886m in 3/2016

Growth from previous year 42%

The fourth most valuable brand in Finland after Nokia, Kone and IF





Goals:

Growth of market share
through the brand preference

One K



Promise:

FOR SHOPPING TO BE FUN

Value driven processes:
CUSTOMER AND QUALITY IN
EVERYTHING WE DO

INSPIRATION

PERSONAL

RESPONSIBLE

Objective 2019:

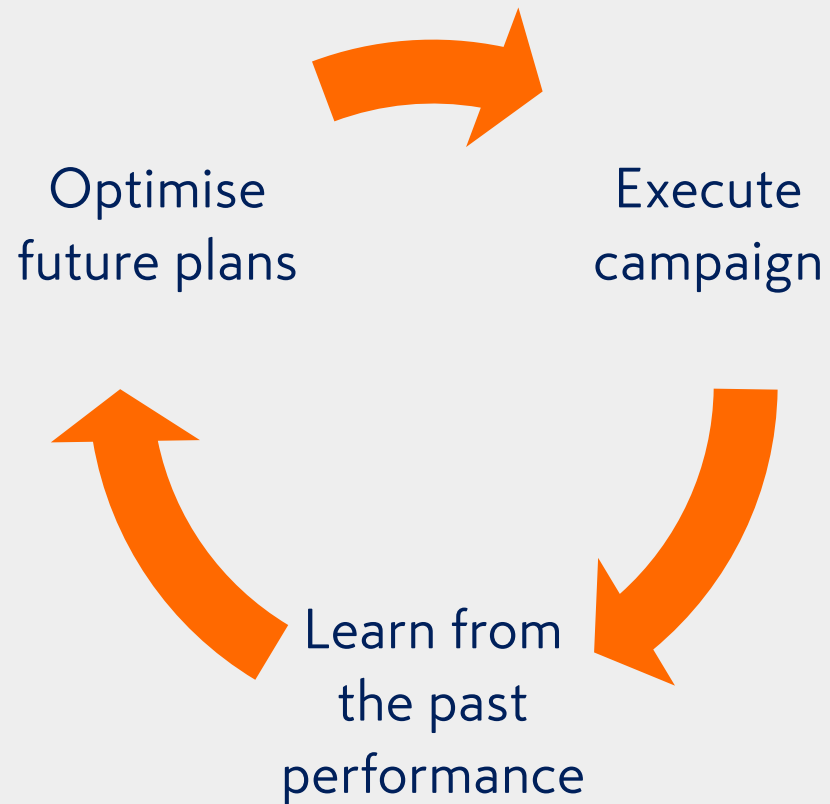
THE MASTER OF INSPIRATIONAL
CUSTOMER EXPERIENCE

K makes everyday life easier and inspires customers to reach the dreams. We predict customers' needs and serve the customer exclusively throughout life. We make our best to make shopping fun.

“Half of our
marketing spend is
wasted, we just don’t
know which half.”

Busted

Three Ways to Improve ROMI



1

Metrics

- Based on strategic objectives

2

ROMI

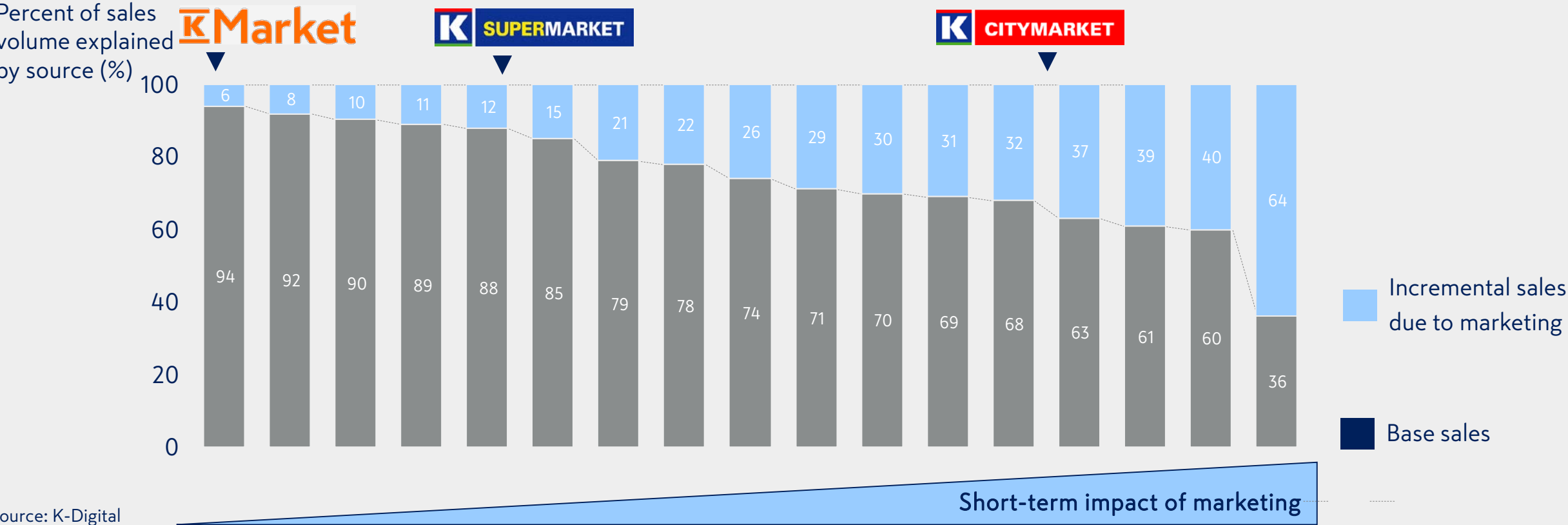
- How to improve sales with the same marketing investment

3

Campaign analytics

- What is the desired impact
- Which products & personal offers lead to the best result

Starting Point is Different for Each Chain





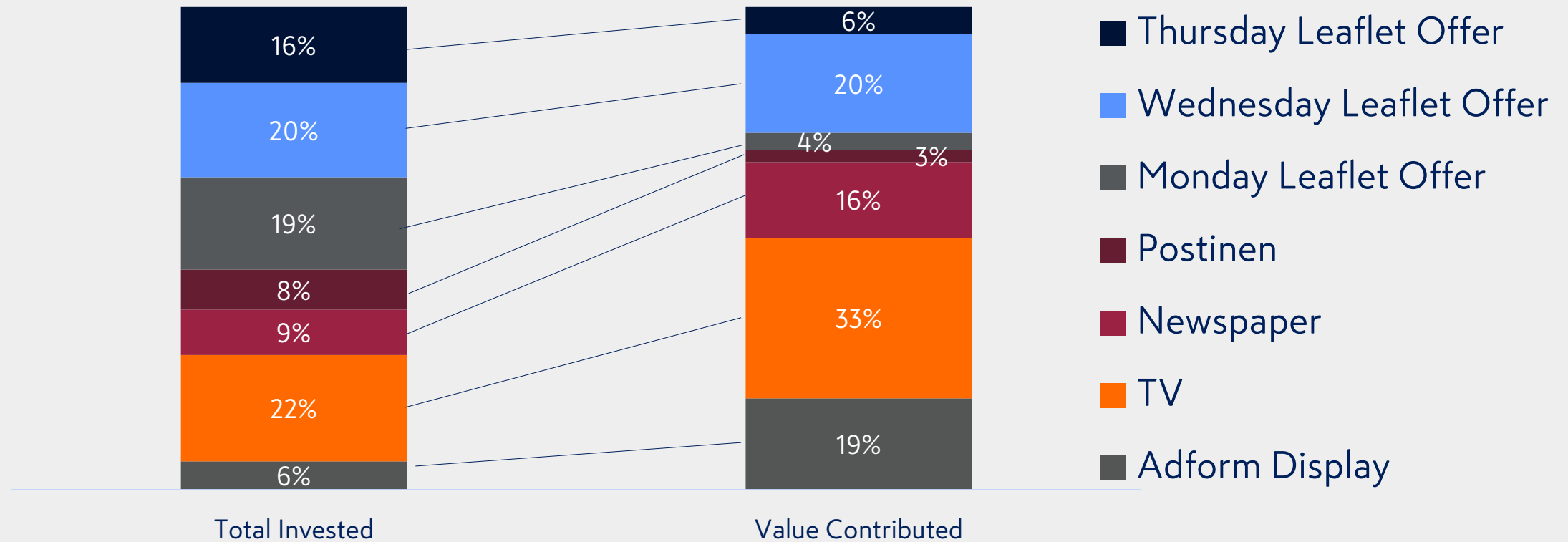
 Supermarket

ROMI



There Is Room for Improvement in the Current Marketing Investment

Marketing activities investment vs. value contribution



Source: K-Digital

