

A winning Lidl  
partnership.

4.6  
Retail



STVCREATIVE.COM

This is the story of how a retailer, a creative agency, a media agency and a media owner worked together to transform a brand's perception, grow its market share, increase its revenue... and also create a national shortage of chocolate cake!

Using Scotland as a test bed, not only did this incredibly successful campaign help transform the fate of Lidl in Scotland but it also helped inform a multi million pound UK wide marketing transformation of Lidl UK.

# A winning Lidl partnership.



# Some Lidl bites



Lidl began life as a small grocery wholesaler in Germany during the 1930's. Today, Lidl is one of Europe's largest supermarket retailers.

It now boasts 9000 stores in 23 countries, with 590 stores in the UK alone.

Lidl prides itself on its legendary German efficiency, adopting an incredibly streamlined business model that delivers great food cheaply.

Germans get this and love Lidl for it.

9000 Stores

23 Countries

590 Stores in the UK

# The Problem

## Perception vs reality.

### Perception

"It's safe to say that Lidl is probably one of the most underestimated supermarkets in the UK. The misconception between the perceived quality and what the customers actually get when they come into our stores is drastic."

**(Head of Campaigns, Lidl, Holly Cooke)**

### Reality

"We're a supermarket that operates very differently from what's out there. We proudly serve our customers the very finest products for the lowest prices, a result of clever efficiency, saving and a meticulous sourcing process."

**(Managing Director of Lidl Scotland, Ross Millar)**

Lidl's message of quality produce at low prices, whilst well received across Europe, hadn't filtered through to the UK market. Lidl is a smart, innovative retailer; everything they do and every decision they make is designed to provide efficiencies that can be passed on to customers.

Lidl was falling behind its competitors; Tesco, Asda and Sainsbury's dominated the UK grocery market, the remaining territory was being keenly contested. Lidl trailed behind Morrisons, Waitrose and even Aldi, with a 2.5% market share. Lidl knew they had phenomenal products but needed to understand why its powerful value message wasn't resonating in the UK market.

After a competitive pitch Lidl retained TBWA London as its creative agency and together they identified Scotland as a test area as the geographic spread of stores was perfect. Lidl commissioned YouGov to carry out market research. They found that when it comes to food, Scottish consumers equate high prices with high quality...



63% agreed if they  
“had more money  
to spend, they’d buy  
better quality food”.

“We had to challenge  
the misconception that  
great quality food has  
to cost the earth,”

Ross Millar

Research suggested that the first word that would spring to many people’s minds when asked to describe Lidl was likely to be “cheap”. This news was not unsurprising but challenging for Lidl’s marketing team. It set out the scale of the challenge but also the scale of the opportunity. If Lidl and TBWA London could convert the hearts and minds of Scottish consumers they could affect a seismic shift in the performance of the brand in Scotland that could snowball right across the UK transforming the companies performance.

“There was a massive audience out there that still had no idea of what we could really deliver. It felt a bit of an injustice: the gap between people’s perceptions of Lidl and the quality the company delivers.”

**Arnd Pickhardt, Head of Advertising at Lidl**





“We have 88 stores in Scotland and almost 79% (4,126,195) of the Scottish population live within 15 minutes drive of a Lidl store – meaning there is a huge potential market.”

(PR Manager for Scotland, Alasdair Fowle)



Marketing objectives were identified as:

## 1. Increase brand awareness

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Ensure the key message of surprisingly high quality produce at surprisingly low prices resonates. Gain ground on the likes of Tesco and Asda and the other big grocery retailers.

## 2. Change Brand Perception

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Address the misconception that great quality food must equate to great big prices, or rather, that low prices meant poor quality produce. Champion all things Scottish and lever positive perceptions and equity held in fresh, quality local produce to elevate brand perception.

If Lidl could drive customers to their stores to see what they had to offer, they were convinced repeat custom and brand loyalty would follow.

TBWA London's CCO Peter Souter, took personal responsibility for reinventing a brand he had grown to love. Lidl's next move was to find a media agency. With upwards of £20 million to spend on creative and advertising, Lidl wanted to make a huge impact.

STV provide support and guidance at pitching stage and the winning agency, M2M, incorporated many of STV's products and ideas into their proposal in order to deliver the desired reach. This marked the start of an incredibly successful working relationship. Creative agency TBWA London, media agency M2M, media owner STV Group and Lidl formed a formidable partnership.

The 'Lidl Surprises' TV campaign produced by TBWA London reached a huge STV audience; 3,561,300 adults in Scotland saw this advert at least once between June and October. The advert, featuring Lidl's very own gold award winning chocolate cake, was so successful it caused an almost overnight national shortage across Lidl's Scotland stores. Emergency supplies of the deluxe chocolate cake had to be shipped from England to meet demand! TBWA London produced a spot that not only showcased a delicious product at a surprisingly low price, but it also promoted the brand's message in a powerful way. All wrapped up in a beautiful little melody (All these little things...) and with the dulcet tones of Gail Porter providing consistency

throughout. Smart Lidl thinking; rather than providing a vast selection of chocolate cakes Lidl stock just one chocolate cake. The best chocolate cake, at the keenest price, a new concept for the average consumer. A concept that generated both intrigue in the Scottish public, and footfall to Lidl's stores. The Lidl message was beginning to permeate the Scottish psyche.

The success of the chocolate cake advert in June 2013 was just the beginning for Lidl. Buoyed by the success of the initial burst Lidl grew in confidence. The key to the success of the campaign was now to get the brand and the messaging in front of as many consumers as possible and STV could deliver access to 97% of the Scottish population per monthly.

To help ensure Lidl's campaign truly resonated STV and M2M worked hand in hand to fully activate the new creative. They structured a campaign that utilised the full reach of STV. The spot campaign was just one touch point, this accommodated tactical cognitive messages. Channel sponsorship turbo charged brand awareness; programme sponsorship drove frequency and brand equity, and short form Ad Funded Programming and product placement ensuring that Lidl's fresh Scottish Produce message reaching a huge audience. The digital campaign provided access to a younger demographic and interaction with the Lidl website. Lidl's message of inexpensive quality saturated Scottish media and delivering an incredible share of voice.



# The Solution: More than just a Lidl Partnership



## Channel Sponsorship

Lidl sponsored STV three weekends in the summer of 2013 and then repeated this again in September. The creative was product focused in order to create a strong link to the spot campaign. By asking the question, 'Scotland, what's on the menu tonight?' This sponsorship reached 2.6 million adults in Scotland.

## Mystery Drama Sponsorship Lidl sponsored Mystery Drama on STV for 12 months.

Alignment with high quality drama programming was key to elevating brand perception. This was a huge package including programmes such as Law & Order, Whitechapel, Poirot, Miss Marple, Taggart, and Midsomer Murders. The creative for these bumpers was again kept simple and fun in line with Lidl Surprises. STV Creative used humour to engage emotionally with the audience, ABC1 women aged 55+. The drama sponsorship has reached 2.9 million adults.



## Ad Funded One Minute Programmes/ Product Placement

The one minute ad funded programmes broadening the audience and aligning Lidl with Fresh Scottish Produce. 52 spots went on air during a two week period in June. A young Scottish chef used five product placed ingredients, to make simple, quick, nutritious and affordable recipes. The ingredients utilised in the recipe allowed for Lidl's fresh, high quality produce to be showcased. While the loch side location and rustic set was targeted at a middle-class audience. Reached 1.45 million adults across Scotland.

## Digital

To ensure the campaign was wide-reaching as possible, the TV spots were converted for digital use in the form of leaderboard, MPU and VOD. This allowed for the campaign to reach a younger audience. It also encouraged interaction with the Lidl recipe generator and other material housed on the Lidl UK website.



[Click here to view drama sponsorship.](#)

[Click here to view one minute sponsorship.](#)



Combined with a refreshed customer experience in store, outdoor advertising around store locations, lightweight radio, print, DM and inserts Lidl's commitment to transforming the brand was quite incredible.

# Charting a Lidl Success

## Results

The campaign began to deliver immediately, anecdotal evidence supporting the messaging started to pour in and sentiment towards the brand began to shift. Lidl instructed ScotPulse to carry out research to identify how the campaign had performed against the marketing objectives:

2 waves of research were carried out, the first in May 2014 (Pre advertising campaign) and post wave campaign after the TV advertising campaign had been running for 4 months. Respondents were main shoppers aged 25-54 throughout Scotland.

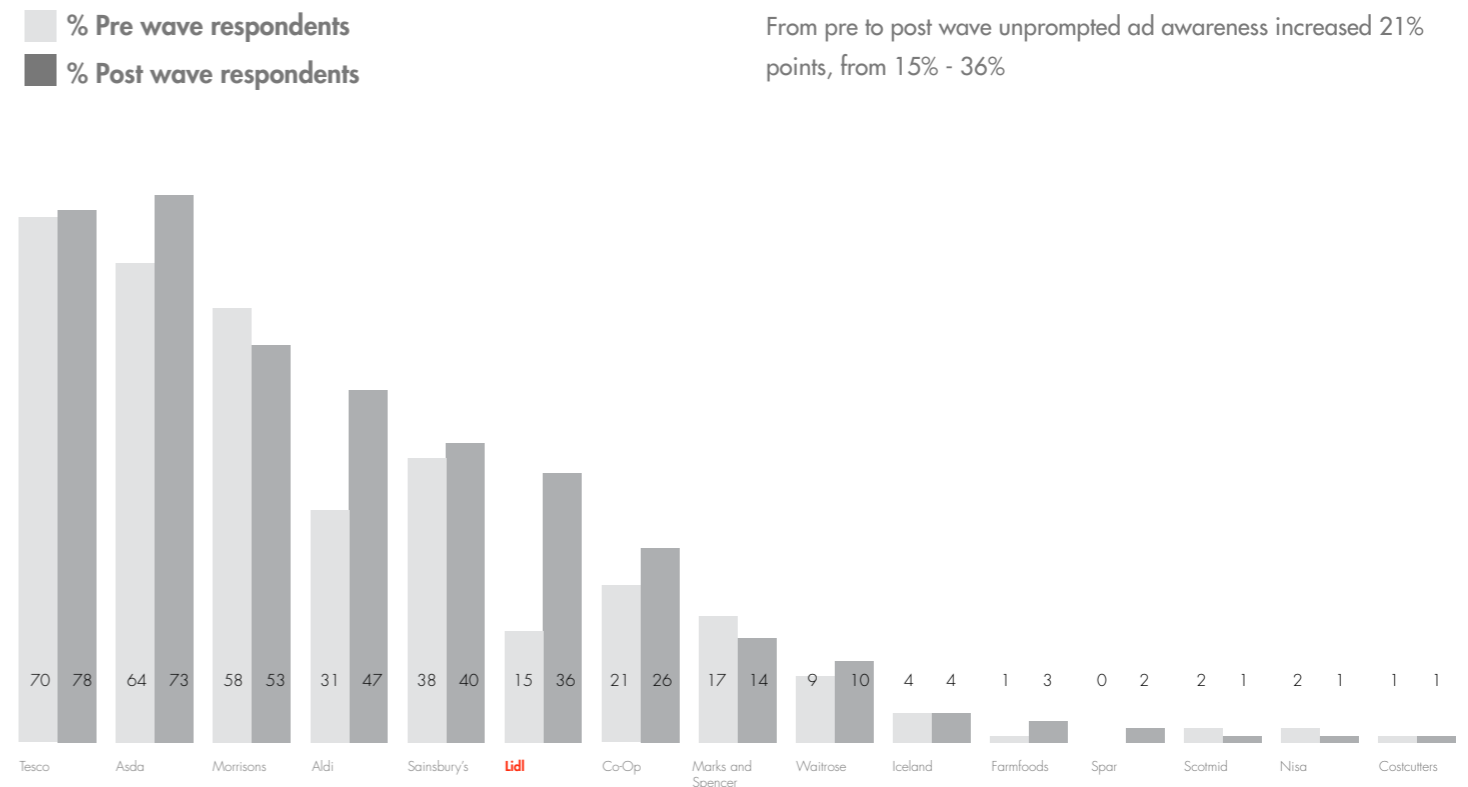
### Pre wave Respondents

Male	39%
Female	61%
25-34	17%
35-44	30%
45-54	53%
West Central	49%
East Central	29%
North	22%

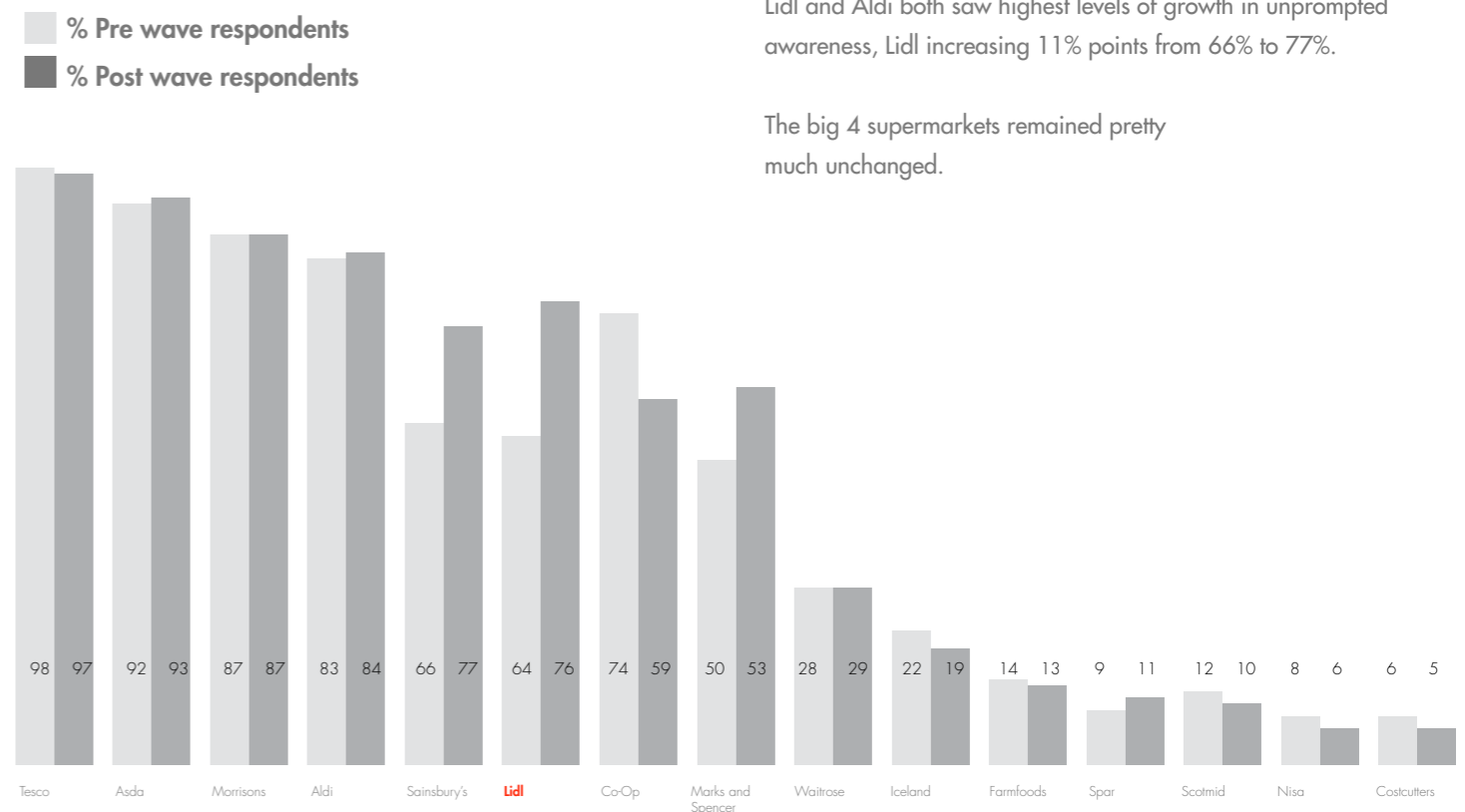
### Post wave respondents

Male	39%
Female	61%
25-34	18%
35-44	31%
45-54	51%
West Central	48%
East Central	30%
North	22%

Q. ...And which supermarkets or grocery stores can you recall seeing or hearing either any advertising or sponsorship activity recently? (Unprompted)



Q. Which supermarkets or grocery stores can you think of? (Unprompted)



“Since the branding campaign started – especially the television aspect of the campaign – our stores have seen a huge surge in customer numbers.”

**Alisdair Fowle, PR manager for Scotland, Lidl.**



Customer numbers boosted by more than 20% and has led to recruitment drive for positions in its stores and distribution centre.

“It’s been a tough few years for everyone in Scotland but Lidl has continued to grow from strength to strength. The fact we are now looking to extend our distribution centre and recruit over 500 new permanent employees is not only a good sign for Lidl but it also great news for Scotland”

**Ross Millar, Managing Director of Lidl Scotland**

“I don’t think we could possibly have seen a better result. It’s absolutely overwhelming. All boxes have been ticked. We’ve seen the increases in the figures we wanted to see, but it goes above and beyond that. People are shifting their attitude towards us as a brand, which is very exciting.”

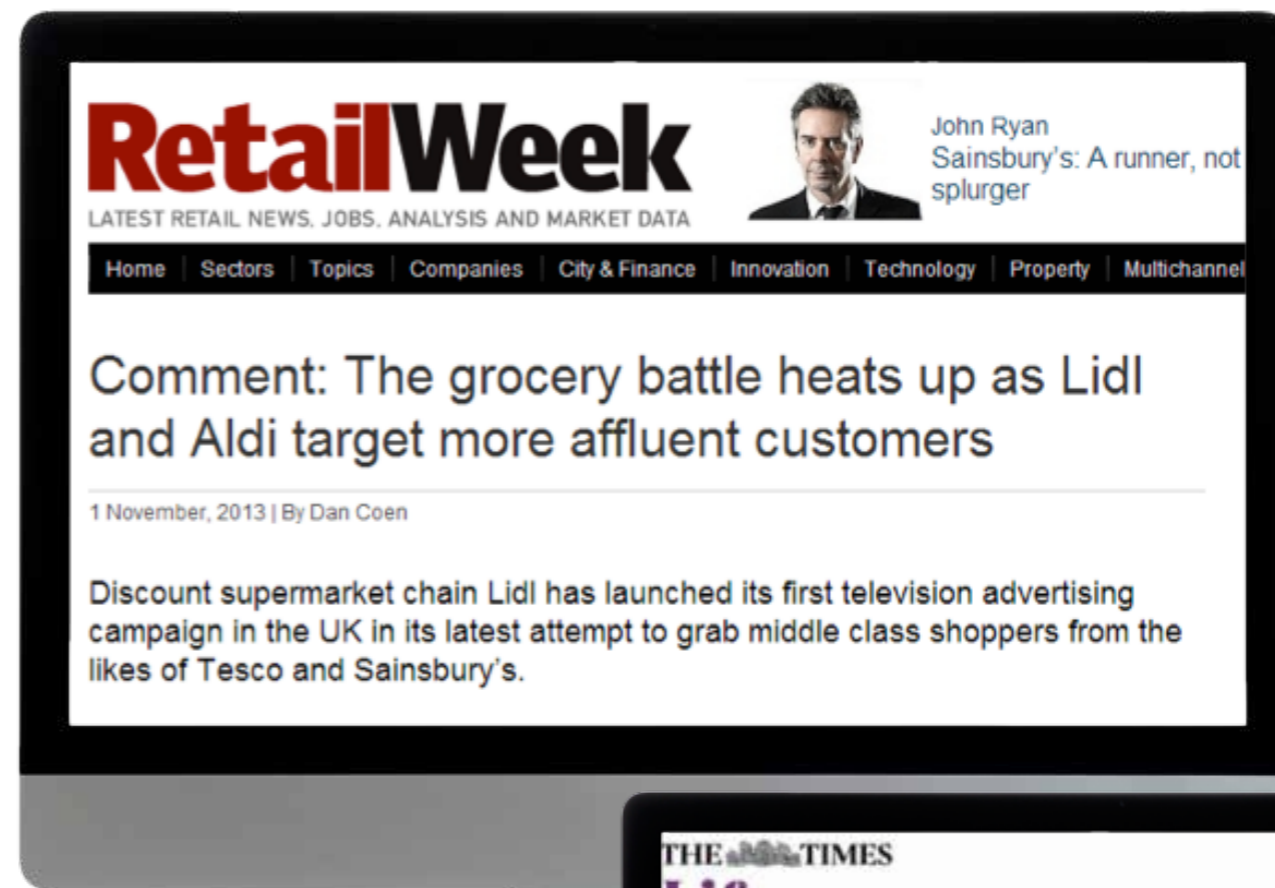
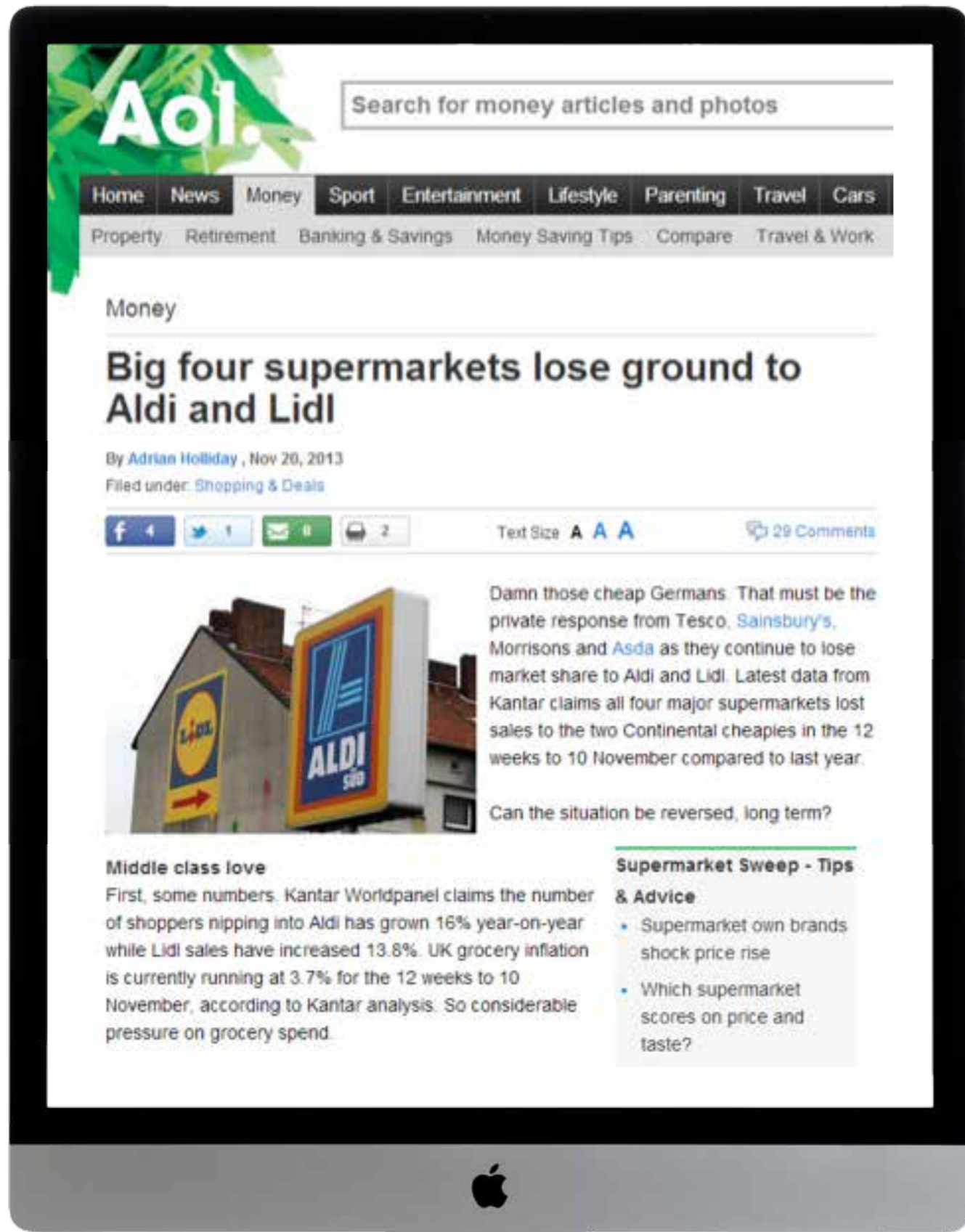
**Holly Cooke, Head of Campaigns, Lidl**

“Without STV we would not have reached the audience we needed to reach, full stop.”

“Initially we only wanted to play TV ads, and ended up with a sponsorship for a whole year of crime drama, and a TV program for cooking. It shows the opportunities that are there and I cannot think that this is the end of it.”

**Arnd Pickhardt, Head of Advertising, Lidl**

**A Lidl bit of feedback...**



A Lidl bit more feedback...

There is no mistaking the transformative effect of this campaign on the Lidl brand. The business press suggest Lidl's recent success has created a 'Lidl class'



ScotPulse results demonstrate post-campaign, Lidl was hot on the heels of the big four supermarkets in terms of consumer opinion. The results of the Scottish test led to the 'Lidl surprises' campaign being rolled out right across the UK.

The stigma attached to Lidl has been reduced, increasing footfall and broadening the brand appeal. Lidl has not only grown awareness but they have also provided consumers with a robust reason to shop with them.

Customer numbers increased by 20%, sparking a recruitment drive to fill an additional 500 jobs in Scotland, a £30 million investment on the horizon, and a national shortage of chocolate cake, it's fair to say 2013 was a big year for Lidl.